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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Release Date ~~JUN 1998~~

JUN 23 1999

For The Year Ended
December 31, 1998

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

Prepared by
Department of Finance
Otha L. Schofield, CPA, Director

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 1998**

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Parish of East Baton Rouge

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April 27, 1999

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:

I am pleased to submit 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, 1998. The Accounting Division of the City-Parish Department of Finance 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 activity of its various funds and account groups; 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 CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes a table of contents, this letter of transmittal, a list of principal officials, and the government's organizational chart. The financial section includes the independent auditor's report on the financial statements and schedules, the general purpose financial statements, required supplementary information, and the combining, individual fund, and account group statements and schedules. The statistical section includes selected financial and non-financial data, as well as demographic data to aid CAFR users and others in understanding the financial activities of the City-Parish.

The City-Parish is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit—including the Schedule of Expenditures of Federal Awards, Standard Form SF-SAC, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations—is available upon request.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to 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).

- Blended Component Unit - This is one organization that although very closely related to the City-Parish, is legally separate, and whose financial statements are reported in this CAFR as if it were a part of the primary government.
- Discrete Component Units - These are several organizations that are less closely related than the blended component unit, but still have sufficient relationships that the City-Parish must report their financial statements separately in this CAFR.
- Related Organizations - These are organizations that have a sufficiently distant relationship to the City-Parish that their financial statements are not required to be presented in any manner with those of the City-Parish. However, footnote disclosure regarding these agencies is required in this CAFR.

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
▶ Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge	Blended Component Unit
▶ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
▶ Nineteenth Judicial District Court	Discrete Component Unit
▶ East Baton Rouge Parish Family Court	Discrete Component Unit
▶ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
▶ Nineteenth Judicial District Indigent Defender Board	Discrete Component Unit
▶ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
▶ Capital Region Planning Commission	Discrete Component Unit
▶ Parish Fire Protection Districts	Discrete Component Unit
▶ Capital Transportation Corporation	Discrete Component Unit

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

ECONOMIC CONDITION AND OUTLOOK

The City of Baton Rouge is the state capital and the second largest city in Louisiana. It is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City is the principal home of two major state universities: Louisiana State University and Southern University. The Port of Baton Rouge is the country's fourth largest domestic port in terms of total tonnage. The North American Free Trade Agreement (NAFTA), approved by Congress in 1993, enables Baton Rouge, because of its location, to take economic advantage of one of the world's largest free trade zones.

A number of Fortune 500 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 Louisiana Department of Labor, the annual average rate of local unemployment continued to fall in 1998, as reflected in the following chart:

	East Baton Rouge Parish	Baton Rouge MSA (1)
1995	5.6%	6.2%
1996	5.3	5.8
1997	4.2	4.4
1998 (2)	3.3	3.7

(1) Metropolitan Statistical Area
 (2) Preliminary Figures

The Louisiana Economic Outlook, published annually by the College of Business Administration at Louisiana State University and by Southeastern Louisiana University, contained these comments in the October 1998 edition concerning local economic conditions:

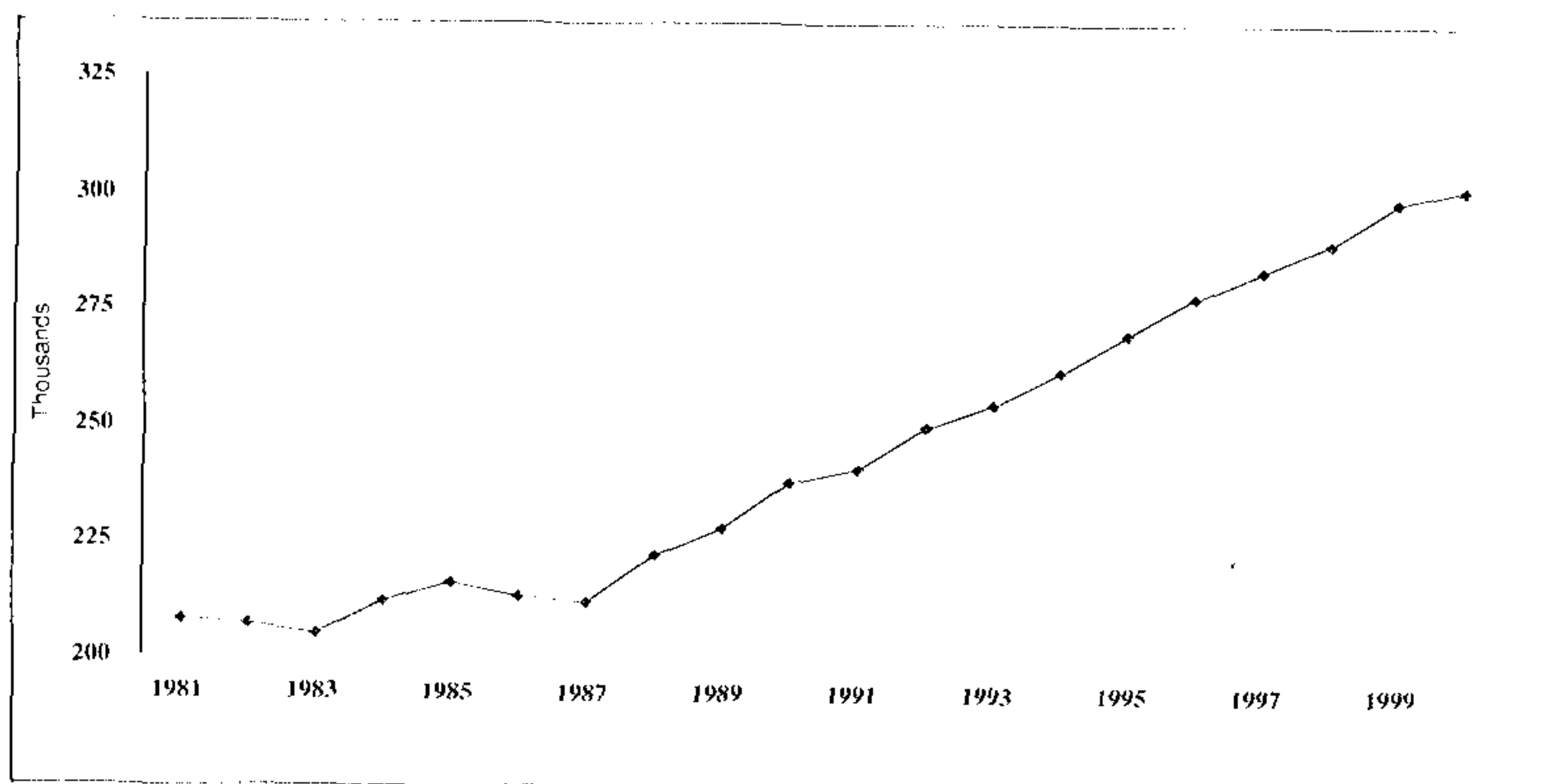
Metropolitan Statistical Area Economy (East Baton Rouge, West Baton Rouge, Ascension and Livingston Parishes)

The 1998 Louisiana Economic Outlook projects the following conditions for the four-parish Metropolitan Statistical Area (MSA) during 1999-2000:

In terms of continuous, consistent, strong growth, the Baton Rouge MSA has been the envy of the other regions in the state. This 4-parish region is composed of East Baton Rouge, West Baton Rouge, Ascension, and Livingston Parishes. As shown in [Figure 1], this MSA is completing its 11th straight year of record employment increases. What is particularly impressive about this record is its strength. Over this 11-year period, Baton Rouge's employment expanded at an average annual rate of 2.9 percent or 7,200 jobs per year. No other MSA in the state has enjoyed such a healthy expansion period.

FIGURE 1

BATON ROUGE MSA WAGE & SALARY EMPLOYMENT



The chemical industry has been the principle source of this extraordinary expansion. This MSA has the largest concentration of chemical industry activity in Louisiana. For example, in 1997 there were 62 plants in the 4-parish area employing 9,850 workers with an annual payroll of \$598 million. East Baton Rouge Parish (\$300.3 million) has the largest concentration of chemical industry wages in the state, and Ascension Parish (\$274.9 million) ranks number three. It was the dramatic expansion in this industry, in response to a falling U.S. dollar, in the late 1980s that fueled much of Baton Rouge's remarkable expansion, and this industry's present healthy state is behind the MSA's more recent record-setting job growth.

*As mentioned earlier, the chemical industry is very capital-intensive, and that means when it expands, so does the **industrial construction** sector. As shown in [Figure 2], the Baton Rouge MSA has an unusually high 11 percent of its workforce in the construction sector, a proportion only matched by Lake Charles...site of another major chemical concentration.*

FIGURE 2

PERCENT OF EMPLOYMENT ORIGINATING IN VARIOUS SECTORS ACROSS LOUISIANA MSAs

Sector	Metropolitan Statistical Area								State-Wide
	Alexandria	Baton Rouge	Houma	Lafayette	Lake Charles	Monroe	New Orleans	Shreveport/Bossier	
Mining	0.2	0.3	9.8	9.3	1.5	0.3	2.5	1.5	2.9
Construction	6.0	11.0	4.6	5.7	12.2	5.1	5.0	5.7	6.3
Manufacturing	6.4	8.7	9.6	10.0	13.8	11.6	7.9	11.3	10.3
Trans., Com., Public Util.	4.9	4.3	10.7	6.1	5.0	5.4	6.9	4.9	6.0
Trade	22.8	23.4	23.3	25.7	21.3	25.0	24.6	22.9	23.3
Fin., Insur., Real Est.	4.3	6.2	3.1	3.8	3.0	7.2	5.1	3.9	4.6
Services	30.8	25.8	21.3	25.0	27.9	26.5	30.8	30.7	26.9
Government	24.7	20.3	17.8	14.4	15.2	18.8	17.2	19.1	19.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Of course, state government is another major player in the Baton Rouge economy. The huge state capital complex and two major state supported universities...LSU and Southern University...add significant dollars to the Baton Rouge economy. The Louisiana economy has now been growing for 11 straight years. Solid expansions like that generate a generous stream of tax collections into the state treasury. Robust tax collections, such as those enjoyed for the past four years, mean more dollars injected into the Baton Rouge state government complex, further igniting this MSA's economy.

In addition to the Baton Rouge MSA's employment history over the 1981-98 period, [Figure 1] also illustrates LEM's forecasts for 1999-2000. According to LEM's projections, the Baton Rouge MSA will add a 12th and 13th year to its record employment trend, gaining 13,600 jobs over the next two years.

*As has been the case for the past few years, a booming chemical industry will continue to fuel this expansion. As mentioned earlier in our specific review of the chemical sector, engineering firms are telling us that the \$2-\$3 billion dollar construction bubble (over and above that which normally occurs) is projected to extend well into 2001. We are aware of at least four significant expansions in this 4-parish area. **Rhone Poulenc** is adding an animal nutrition unit, **Vulcan Materials** is expanding its choralkali facilities, **BASF** is adding a second MDI production unit, and **Rubicon** is expanding its plastics plant in Geismer.*

*In addition to the industrial construction jobs generated by these and other plant expansions/maintenance activities, **construction jobs** will get a further boost from (1) a \$30 million expansion of the Centroplex, (2) a \$45 million expansion of the airport, (3) significant new additions to the state government complex downtown, and (4) continuation of the **I-12/I-10** highway upgrade project.*

*Baton Rouge is gaining a new sector which is helping to diversify the MSA even more. **West TeleServices** is another of a growing number of call centers that are being hired to the MSA by the draw of a large number of college students (from LSU, SU, and the new Community College) who can work part-time at the company. **West TeleServices** is projected to open in November, 1998 with 300+ workers and be at 1,550 by 1999. **Hamilton Telecommunications** opened in the early part of 1998, providing assistance to the hearing-impaired and is expected to hire 125 employees. **Dillard's** recently announced it will add 100 new job slots to its current 400-person credit card processing center. In 1997, the MSA had attracted **Impact Hotel Group**, a 90-employee firm acting as a hotel reservation center. Chamber officials indicate that a number of other call centers and back-office operations are looking to Baton Rouge as a potential site for their companies.*

*Speaking of **hotels**, this is another sector where the MSA is gaining new jobs. Five new hotels opened in Baton Rouge in 1997, and in 1998, there was an additional seven either under development or proposed.*

This MSA should have no difficulty achieving the employment numbers LEM has projected for 1999-2000.

MAJOR INITIATIVES

For the Year

The Administration continued their commitment to the four-year strategic plan drafted for the term 1998-2001. The seven plan goals are as follows:

- Promote justice, enhance safety, and ensure peace and tranquility;
- Preserve and extend the blessing of liberty through education, civic leadership, and character building;
- Promote self-sufficiency and prosperity for every member of our community through a strong and diverse economy;
- Promote the general welfare of our people through housing, health, and human services;
- Prudent stewardship and conservation of our abundant natural resources;
- Enrich the quality of life for every resident through recreational and cultural programs; and
- Foster and preserve public trust and confidence in local government.

In October 1998, the City-Parish completed **three major bond issues** for refunding of existing debt and other purposes. The refunding portion generated an economic gain (present value savings) of over \$7 million.



The non-refunding portion provided \$3.4 million local match for the planned construction of a new planetarium/space theater. This new facility will feature a sixty-foot-diameter projection dome and seating for 200 people. It will take advantage of digital technologies now available to provide dynamic simulation of the night sky through videos, lasers, and computer imagery for accurate re-creations of the universe. This technology, combined with dramatic laser and special effects, and full-dome computer graphics, will make the facility the largest and most advanced planetarium in the region. The new facility is projected to attract more than 100,000 visitors annually to the downtown area. The design phase of the project began in 1998 and construction is expected to begin in 1999.

On November 4, 1998, the voters within the Parish approved the imposition of an additional one-cent local hotel and motel tax (a total of four cents) dedicated to be used exclusively for **expansion of the Riverside Centroplex** (the publicly held arena and exhibition hall) from its present 60,000 square feet to 160,000 square feet. The tax is estimated to generate approximately \$630,000 annually. These funds, combined with the proceeds of other revenues from taxes on hotel and motel rooms, will provide funding for the planned debt service payment on \$15 million of debt to be issued for the expansion. These funds will match another \$15 million in state capital outlay revenues to complete funding for the \$30 million project. The expansion will provide the additional space needed to attract conventions of a size that we cannot presently accommodate.

An amendment to the City-Parish Plan of Government affecting pensions was approved by voters in 1998. The amendment permits the transfer of Police and Fire employees to their respective statewide pension systems. It also allows the City-Parish to reduce pension benefits for new employees.

A new employee/retiree **self-insurance program** was formed at the beginning of fiscal year 1998. The new program features a "Point of Service" arrangement whereby participants may choose coverage under either a Health Maintenance Organization component or a traditional indemnity component each time they need health care services. It offers an aggressive wellness/health assessment program and expanded coverage in areas such as organ transplants, physical therapy, and Radial Keratotomy (RK) eye surgery. In connection with the new health insurance program, the Administration plans to implement a comprehensive wellness program for employees and retirees.



City-Parish departments and agencies continued to be recognized for professional excellence in 1998. For two consecutive years, the Office of Community Development has been the recipient of the Department of Housing and Urban Development's (HUD's) John J. Gunther Blue Ribbon "Best Practices" award. This award recognizes outstanding management of programs funded by HUD. Two awards were received in 1997 and four awards were received during 1998. The program recognizes HUD-funded housing programs that expand the supply of affordable housing, create jobs, strengthen local economies, fight housing discrimination, and accomplish other goals to improve life in America's communities. During 1998, the Planning Commission received awards for both *Outstanding Planning* and *Distinguished Leadership*. The Department of Human Resources won the 1998 *Agency Achievement Award* for outstanding strides toward improving communication through their annual report and the MetroNet. This award was presented by the Louisiana Chapter of the International Personnel Management Association.

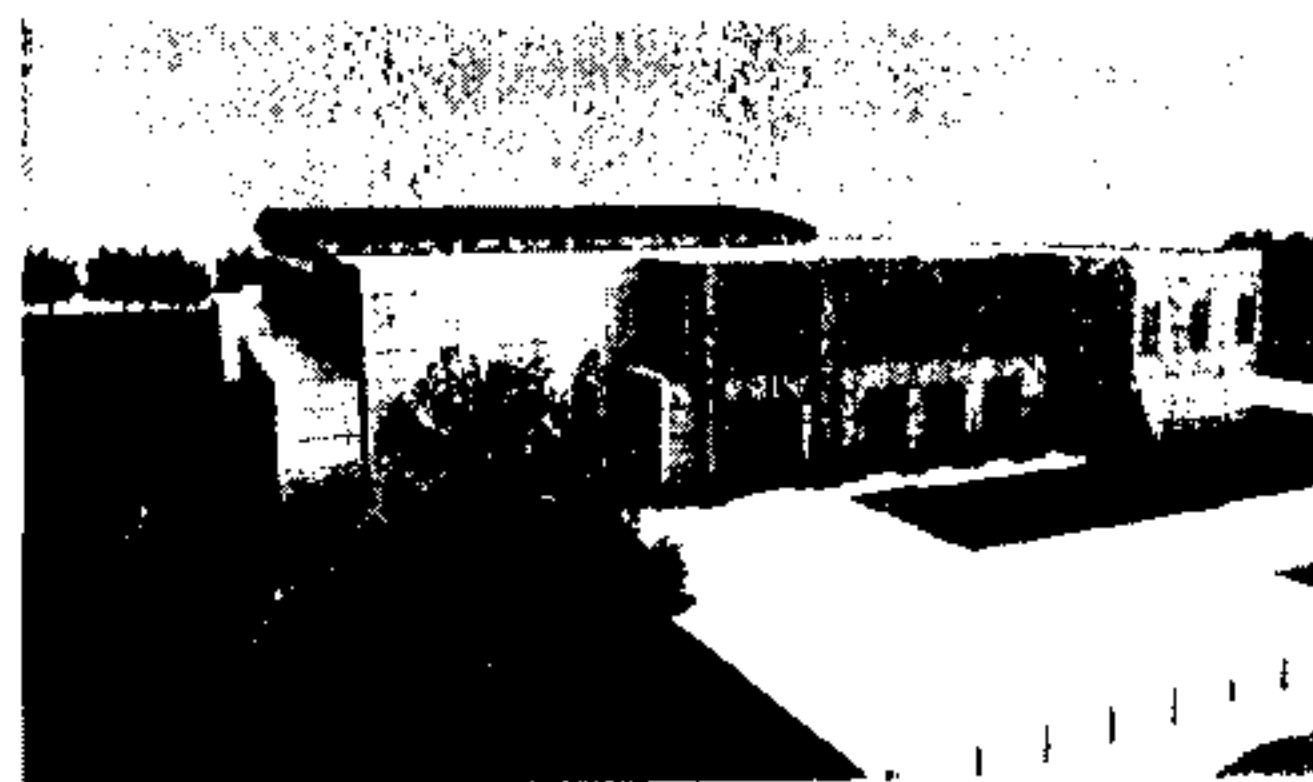
In October 1998, the Auditing Division was recognized by the Greater Baton Rouge Total Quality Management (TQM) Council with its *Highest Achievement Award*. The award is modeled after the Malcolm Baldrige National Quality Award, which was initiated in 1987 to promote total quality management and make American products and services the best worldwide. Criteria for the award involve leadership, strategic planning, human resources development and management of process quality, customer focus and satisfaction, and company operational results. Since 1981 when the Auditing Division assumed management of the Revenue Auditing function, they have collected \$79.75 million through local tax audits, an average of \$6.02 collected for each dollar spent on this activity.

Each year since 1992, the Louisiana Government Finance Officers Association has presented awards for the state's best Comprehensive Annual Financial Reports and the best budget presentation. Louisiana governments can only apply for these awards once they have earned either the National GFOA Certificate of Achievement for Excellence in Financial Reporting or the GFOA's Award for Distinguished Budget Presentation. The City-Parish won both awards in 1998.

During 1998, the Parish continued work on numerous improvements to wastewater collection and treatment facilities. Approximately \$27.8 million in improvements were capitalized during 1998.

For the Future

The sum of \$744,000 has been appropriated for the design of an **Advanced Traffic Management and Emergency Operations Center**. This facility will integrate surveillance, incident detection, traffic control, motorist information, and emergency response into one management center for the Greater Baton Rouge metropolitan area. The 47,000-square-foot center will be adjacent to the Greater Baton Rouge Airport and the Fire Department Administration and Training Facility. When completed, the new building will house City-Parish agencies involved in public safety, communications, and emergency preparedness, as well as traffic control and incident management. This centralization will improve coordination among agencies and shorten response times to public safety and traffic emergencies.



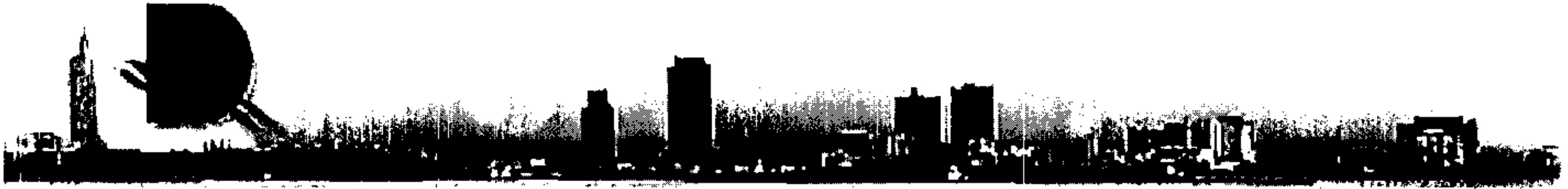
During 1998, the Metropolitan Council approved a supplemental appropriation for the construction of three new Emergency Medical Services (EMS) stations. The construction of the stations is expected to be completed in late 1999. The Greenwell Springs Road facility will be moved to a newly constructed facility adjoining the Central Fire Station. New stations will be built at Plank Road and Lavey Lane in the northern part of the Parish, and at YMCA Drive in the southeastern part of the Parish. In addition, new ambulances were recently purchased to ensure a continuation of the excellent service named the number one EMS program in the country two years ago. The new vehicles, as well as all other emergency response vehicles in the EMS Department, will be outfitted with necessary equipment to implement an Automated Vehicle Locator System.

Testing and installation is currently underway to fully implement this same Automated Vehicle Locator System program in the Baton Rouge City Police uniform patrol vehicles. The system will utilize satellites to track the location of public safety vehicles in real-time and greatly enhance the ability of the Computer Aided Dispatch System to dispatch the closest unit to a call for services, thereby significantly reducing response times. It will also enhance officer safety, as dispatchers will know the exact location of each unit during an emergency.

In July of 1990, voters authorized a one-half percent sales and use tax to be dedicated to Parish streets and roads. As of June 30, 1997, a total of approximately \$157.9 million was made available for road rehabilitation purposes. In May 1997, voters renewed that tax for an additional five years. The renewal ballot dedicated 60% of the estimated \$27.3 million annual proceeds for street construction, with the remaining 40% dedicated to the rehabilitation and maintenance of existing streets and roads. During the five-year period, a total of approximately \$146.8 million on a parishwide basis, will be available through the proceeds of this tax.

During 1998, the State of Louisiana, the Baton Rouge Area Foundation and the City-Parish government each contributed \$150,000 toward the development of a new master plan, entitled *Plan Baton Rouge*, for the use of urban space in the Downtown Development District (DDD). The new master plan will build upon both past and ongoing redevelopment and development efforts supported by DDD. A draft of the plan was presented in 1998 and includes design concepts for building renovations, new buildings, parks, residential development, traffic calming, and methods for encouraging investments in ventures such as restaurants and retail establishments. A final version of *Plan Baton Rouge* will be presented to the Metropolitan Council sometime in 1999.

Department Focus



The Downtown Development District (DDD) is entrusted with developing an overall policy for the promotion, enhancement, and growth of downtown Baton Rouge. The programs adopted by DDD are designed to benefit the entire community as well as the downtown area.

DDD's fundamental mission is to ensure that the City's urban core reflects an image of social, economic, and cultural health. Within the scope of this mission, the District focuses on economic development, community programming, and residential development.

The Downtown Development District was created by the Legislature during the 1984 legislative session and is primarily funded by a 10-mill property tax, which was originally approved by district residential voters in 1986. The tax must be submitted to voters for renewal every five years.

The DDD is governed by a seven-member commission appointed for three-year terms by the Mayor-President, subject to the approval of the Metropolitan Council. The commissioners are representatives from major businesses and residential institutions in the downtown area. The policies and day-to-day operations of the commission are carried out by an executive director who is appointed by the commission.

Since 1987, a number of projects have been completed within the DDD. These projects were the result of both public and private initiatives. Some of the major projects that have been completed are listed below.

<u>Project</u>	<u>Approximate Cost</u> <i>(in millions)</i>
Baton Rouge Landing (City Dock)	\$ 1.6
Riverfront Development Plan-Phase One (Paved Promenade, Tiered Stepping, Light Standards, etc.)	3.2
Federal Courthouse	20.0
Postal Encoding Center	1.5
First Circuit Court of Appeals Building	6.5
State Library Renovation and Expansion	6.4
Old State Capitol Renovation	12.5
City Courthouse Renovation	11.3
Catfish Town Redevelopment	120.0
Louisiana Casino Cruises, Inc.	70.0
City-Parish Employees' Federal Credit Union	0.8
U.S.S. Kidd Museum	10.5
	\$264.3

In 1999, downtown Baton Rouge will begin a major transformation with the planning, construction, and/or remodeling of a number of buildings and landmarks in the downtown area. These projects, along with others that are underway, will enhance the rebirth of downtown Baton Rouge as the City celebrates its 300th anniversary.

Some of the major public projects that are being planned for the downtown area include expansion of the Riverside Centroplex, the construction of two new state office buildings with adjacent parking garages, and the construction of a new Planetarium/Space Theater. The \$30 million expansion of the Centroplex is in the planning process and will add 100,000 square feet of exhibition space so that Baton Rouge can be more competitive in the second-tier convention market. This project was made possible by the passage of a new one-cent tax on motel and hotel rooms and by state funds earmarked for the project. The Louisiana Department of Administration will construct a 470,000-square-foot building and a parking garage at a cost of \$57 million. The Louisiana Department of Revenue and Taxation will construct a 350,000-square-foot building and a parking garage at a cost of \$37 million. Construction on both of these buildings is expected to begin in 1999 and the state expects to save some \$500 million over 30 years by owning instead of leasing office space. The new Planetarium/Space Theater, which is in the planning process, will cost \$7 million and will be located next to the Louisiana Arts and Science Center (LASC). The planetarium and theater will feature state-of-the-art projection equipment that shows images on all sides of the tilting dome, creating a strong sense of realism for the viewer.



In the area of private development, a 27-story Riverfront Tower with 752,000 square feet of residential, parking, and mixed use commercial space is being planned. The proposal submitted by developers to the Planning Commission specified plans for 63 condominiums of between 1,900 and 2,500 square feet. This project will have a significant impact on the goal to increase residential space in the downtown area.

Several historic landmarks in the downtown area are undergoing renovation or restoration for use as retail or private office space. They include the old Fuqua Hardware Building, the Piccadilly Building, the old Gordon's Jewelers Building, and the Parish's first public library. The old Capitol House Hotel, previously abandoned and deteriorating, is undergoing renovation. It will be transformed into an elegant facility of some 300 rooms.



Two other historic landmarks, the Old Governor's Mansion and St. James Episcopal Church, are also undergoing renovation and/or expansion. The Old Governor's Mansion is being renovated at a cost of \$2 million. It is being restored to the grandeur of the 1930s and will, among other things, house the Foundation for Historical Louisiana. The project should be completed by mid-1999. St. James Episcopal Church is adding a 42,000-square-foot multipurpose structure. The new building is to include a "great room" which can accommodate lectures, dinners, contemporary church services, and will have a junior high-sized basketball court. Church and day school offices are also a part of the addition. Construction should begin during the summer of 1999.

These planned projects and those that have already been completed will enhance the vitality of downtown Baton Rouge as a vibrant social, cultural, and economic area. With Baton Rouge celebrating its 300th birthday in 1999, these projects could not have come at a better time.

FINANCIAL INFORMATION

Internal Accounting Control

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

As a recipient of federal and state financial awards, 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 Department of Finance believes that the internal controls of the City-Parish adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Accounting System and Budgetary Control

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

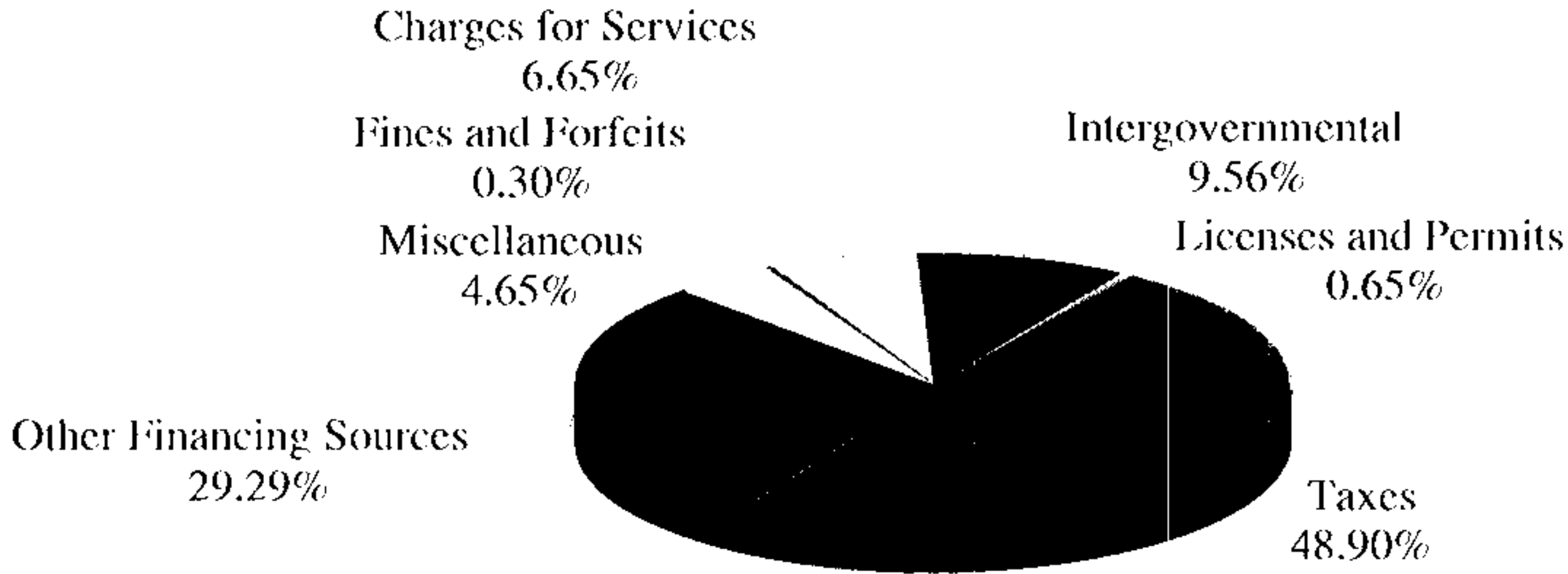
Budgetary control is maintained by the encumbrance of appropriations with purchase orders prior to their release to vendors. Purchase orders that exceed appropriation balances are not released unless additional appropriations are made available.

General Governmental Functions

The general government operations of the City-Parish are accounted for in the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The following is a summary of general governmental operations for 1998 by fund type:

	(in thousands)				
	<u>Totals</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
Fund Balance, January 1, 1998	\$ 173,052	\$ 58,370	\$ 63,084	\$ 20,981	\$30,617
Revenues and Other Financing Sources	473,296	221,625	96,053	111,223	44,395
Expenditures and Other Uses	(443,620)	(220,113)	(91,802)	(112,465)	(19,240)
Residual Equity Transfer	_____(110)	____766	____(683)	____(350)	____157
Fund Balance, December 31, 1998	\$ 202,618	\$ 60,648	\$ 66,652	\$ 19,389	\$ 55,929

1998 REVENUES AND OTHER SOURCES BY SOURCE

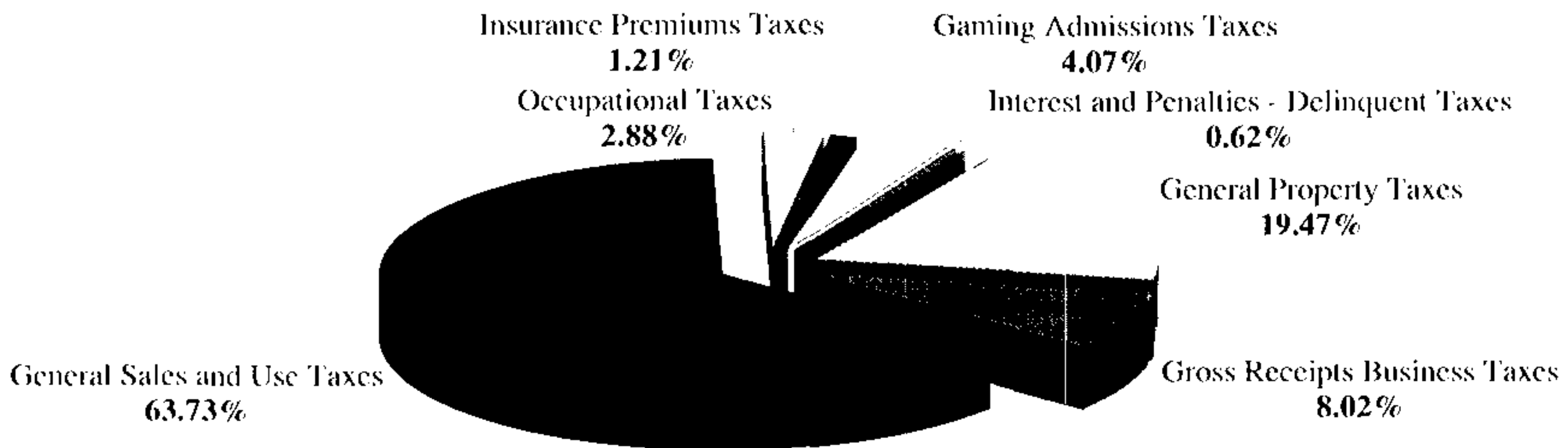


Revenues and other sources of the primary government for general governmental fund type functions for fiscal year 1998 totaled \$473.3 million, compared with \$365.4 million for the previous year, representing an increase of \$107.9 million, or 29.5%. Sources of General Governmental Revenues and the increase (decrease) for each source are summarized in the following table. The "Percent of Total" for each item relates to the total revenues and other financing sources for that year.

(in thousands)

Sources of Revenue	1997		1998		Increase (Decrease) Over 1997
	Revenue	Percent of Total	Revenue	Percent of Total	
Taxes	\$221,052	60.49	\$231,464	48.90	\$ 10,412
Licenses and Permits	3,066	0.84	3,054	0.65	(12)
Intergovernmental Revenues	47,596	13.02	45,235	9.56	(2,361)
Charges for Services	30,273	8.28	31,465	6.65	1,192
Fines and Forfeits	1,976	0.54	1,453	0.30	(523)
Miscellaneous Revenues	19,350	5.30	21,992	4.65	2,642
Other Financing Sources	42,126	11.53	138,633	29.29	96,507
Total	\$365,439	100.00	\$473,296	100.00	\$107,857

1998 TAX REVENUES BY SOURCE



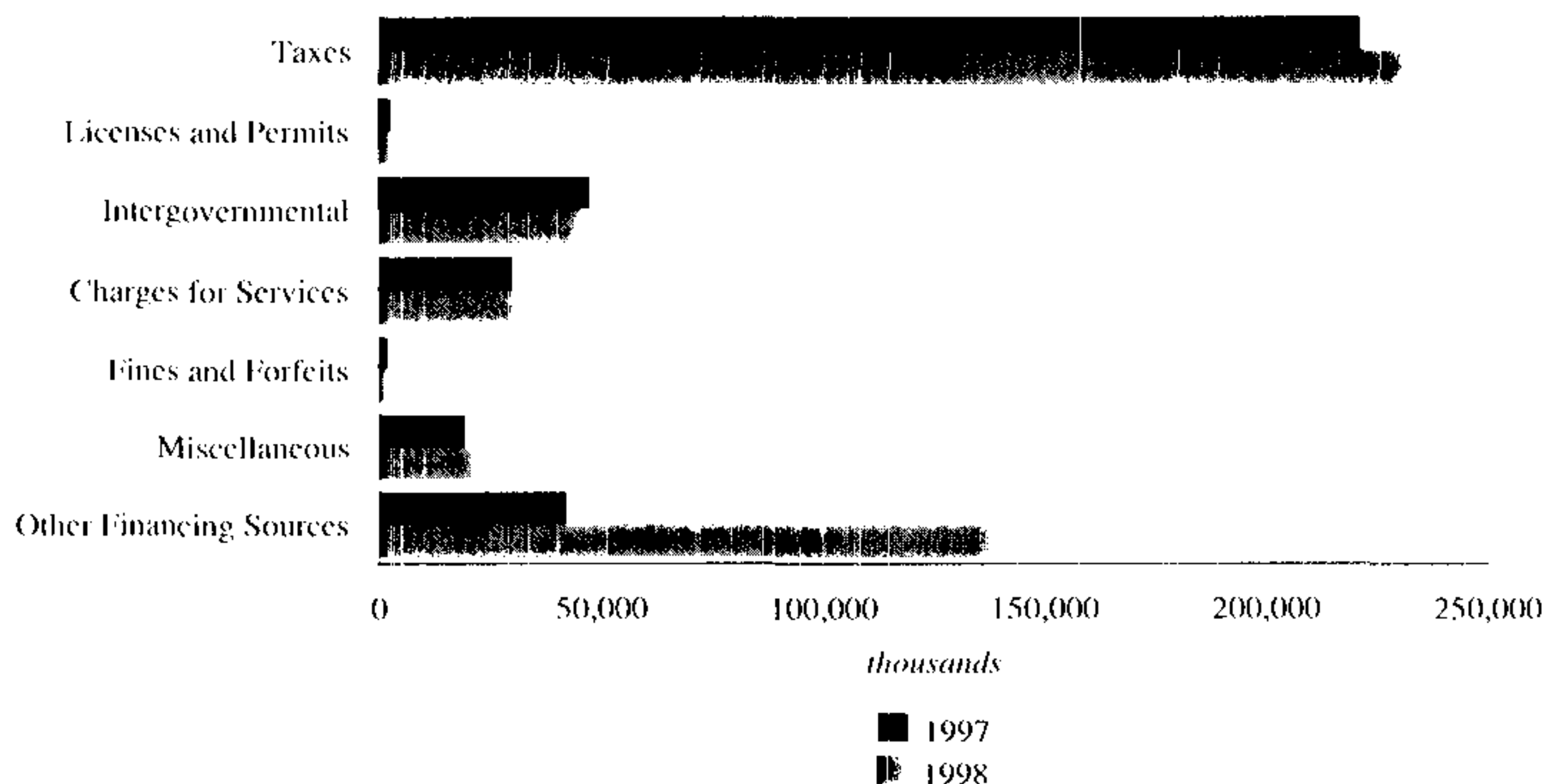
Tax revenues for 1998 represented 48.9% of total governmental sources. Tax revenues increased by approximately \$10.4 million compared to 1997. As seen in the graph above, sales and use taxes are the largest tax revenue generated by the City-Parish. Sales and use tax revenues for governmental fund types were \$8.8 million greater in 1998 than in 1997, reflecting a 6.3% increase. Also, an approximate growth rate of 6.3% in the parishwide assessment rolls from 1997 to 1998 netted an additional \$2.2 million in property tax revenues. Revenues for gaming admission taxes dropped by approximately \$600,000 from the 1997 amount.

Intergovernmental revenues for 1998 were 9.56% of total governmental sources. These revenues fell by approximately \$2.3 million from year 1997 due to a decrease in funding from the Louisiana Department of Transportation and Development (DOTD).

An increase in **miscellaneous revenues** of approximately \$2.6 million was realized in 1998. Payments by the Airport District to the General Fund accounted for \$1.7 million of the increase. Interest earnings in governmental fund types increased by \$600,000, and additional Police Department revenues amounted to approximately \$300,000.

Other financing sources rose by \$96.5 million during 1998. The City of Baton Rouge issued \$94.5 million and the Parish of East Baton Rouge issued \$16.8 million in sales tax revenue bonds as previously described in the *Major Initiatives* section of this letter. The two issues together with the premium on the City issue netted \$103.9 million compared to sales tax bonds issued last year of \$19.3 million. Transfers from the Parish Sub Fund to the City Sub Fund were \$11.3 million greater in 1998 than in 1997. Sales of general fixed assets by the government generated \$300,000 and operating transfers in from other funds grew by an additional \$300,000.

1997 AND 1998 REVENUES AND OTHER SOURCES BY SOURCE

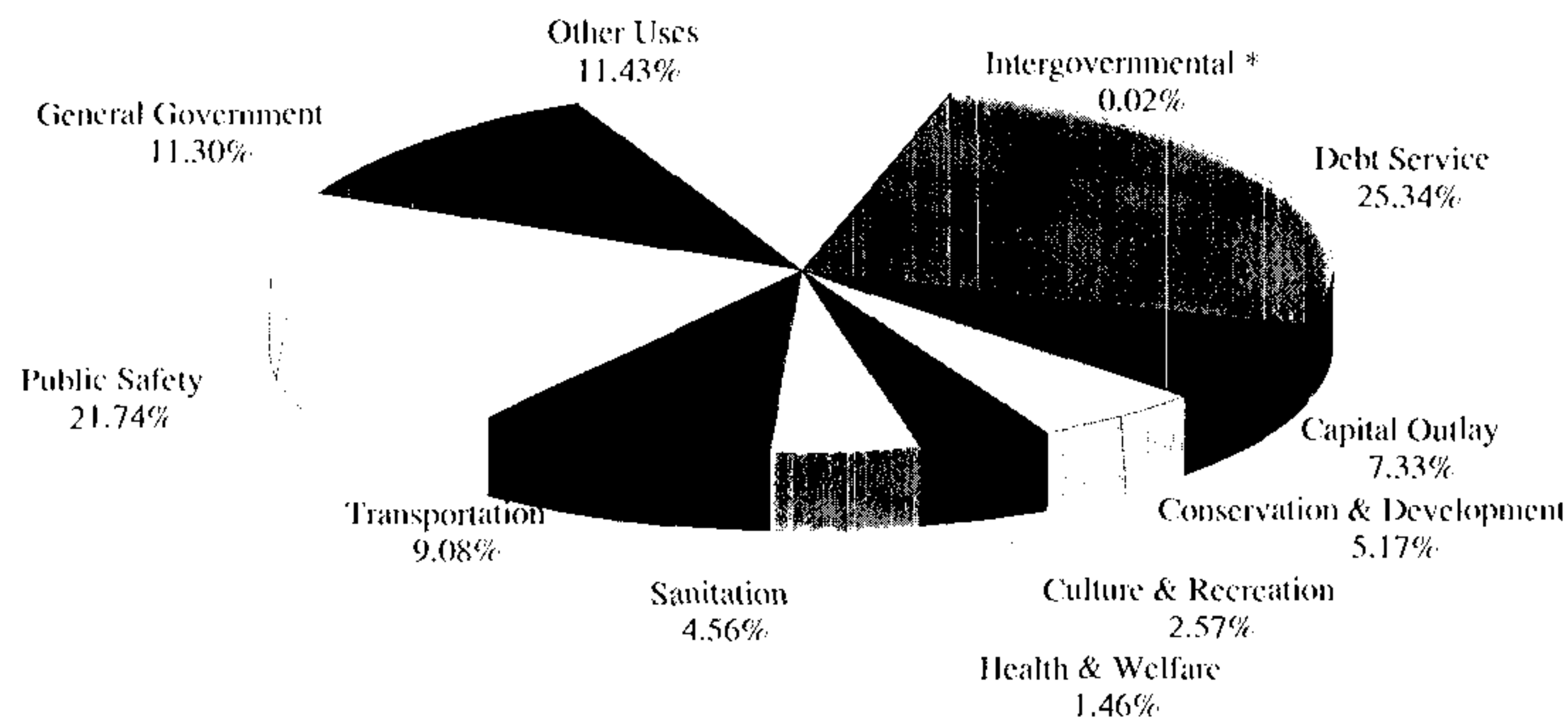


Expenditures and other uses of the primary government increased 37.6% in 1998 compared to 1997. Expenditures for general governmental functions and the increase (decrease) for each major function are summarized in the following table. The "Percent of Total" for each item relates to total expenditures for that year.

(in thousands)

Function	1997		1998		Increase (Decrease) Over 1997
	Expenditure	Percent of Total	Expenditure	Percent of Total	
General Government	\$ 46,968	14.57	\$ 50,120	11.30	\$ 3,152
Public Safety	90,871	28.19	96,423	21.74	5,552
Transportation	44,626	13.85	40,284	9.08	(4,342)
Sanitation	19,269	5.98	20,224	4.56	955
Health & Welfare	5,490	1.70	6,471	1.46	981
Culture & Recreation	10,481	3.25	11,419	2.57	938
Conservation & Development	21,523	6.68	22,932	5.17	1,409
Miscellaneous	27	.01	--	0.00	(27)
Capital Outlay	26,996	8.38	32,523	7.33	5,527
Debt Service	18,169	5.64	112,465	25.34	94,296
Intergovernmental	71	0.02	73	0.02	2
Other Uses	37,815	11.73	50,686	11.43	12,871
Total	\$322,306	100.00	\$443,620	100.00	\$121,314

1998 EXPENDITURES AND OTHER USES BY FUNCTION



*Percentages less than 1% have a minimal effect on the chart.

The largest increase in expenditures occurred in the **debt service** function due to the refundings previously discussed in the *Major Initiatives Section* of this letter. Debt service expenditures rose by \$94.3 million, which is entirely attributable to the payment made to the refunded bond escrow accounts for the defeasance of the refunded bond issues.

Excluding debt service, the largest increase in governmental fund expenditures was in the **other uses** category. An increase of \$11.3 million occurred in the Parish Sub Fund in accordance with Local Services Agreement requirements. Additional funds were also transferred to the government's component units such as the courts and the Parish fire protection districts in the amount of \$700,000. The Library Board of Control Special Revenue Fund increased transfers to the Miscellaneous Capital Improvements Fund by \$900,000 for a total increase of \$12.9 million for the other uses category compared with 1997.

The \$4.3 million decrease in expenditures from 1997 to 1998 in the **transportation function** is the result of a change in permitted uses of the street and road tax. Effective July 1, 1997, the portion of tax proceeds used for road rehabilitation and maintenance was reduced from 100% to 40%, thereby causing the decrease in this category.

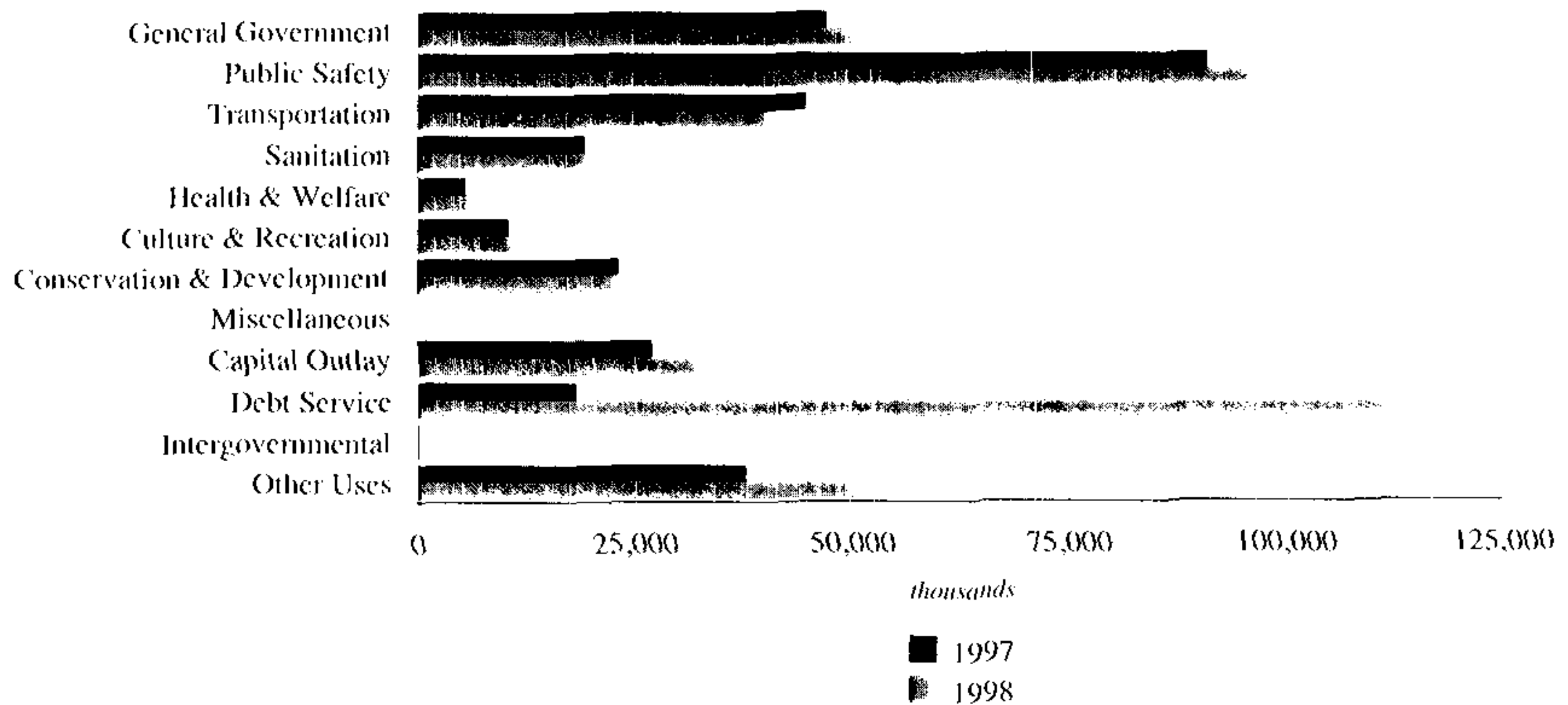
Public safety expenditures were \$5.6 million greater in 1998 than 1997. Expenditures for the operation of the Police Department increased \$1.9 million. The Police Department increase occurred in the Uniform Patrol and Criminal Investigations divisions due to officer salary and benefit increases. The Fire Department also saw an increase in spending during 1998. Fire Department operating expenses rose approximately \$2 million from 1997. Twelve additional paramedics were added to the staff of the Emergency Medical Services Department increasing their operating costs approximately \$600,000. This increase was needed to provide assistance with the continuing increase in 911 calls to help sick or injured patients. Expenditures increased by \$1.3 million in 1998 in the new Local Law Enforcement Block Grant from the U.S. Department of Justice. The Community Oriented Policing System (COPS) More Grant for the Police Department was discontinued by the funding source, resulting in a decrease in public safety expenditures in the amount of \$200,000.

Capital outlay expenditures were \$5.5 million greater in 1998 than in 1997. The increase in expenditures can be attributed to the following projects:

<u>1998 Increases:</u>	
Police Equipment and Vehicles	\$1,100,000
Fire Equipment and Vehicles	2,100,000
1997 Bond Fund - Landfill Improvements	1,500,000
Capital Improvement Fund	6,900,000
(Major projects include Sherwood Forest at South Choctaw, Oak Villa Extension, and Phases I, II, and III of College Drive.)	
 <u>Projects completed in 1997:</u>	
Signal Synchronization (DOTD)	(2,500,000)
Monterrey Boulevard	(3,600,000)
 1998 Net Increase in Capital Outlay Function	 \$5,500,000

General government expenditures were 11.30% of total governmental fund expenditures in 1998. An additional \$3.2 million was spent on the general operations of the government. The employee health and dental insurance programs realized a \$2.7 million shortage in 1998 that was covered by the General Fund. The premium base has been raised for both employee and employer contributions effective January 1, 1999. The City Constable added six new deputy constables and City Court added five new positions which increased spending by approximately \$250,000 in each department.

1997 AND 1998 EXPENDITURES AND OTHER USES BY FUNCTION



Property Assessments and Tax Levies

The assessed value of property, parishwide, was \$2.111 billion in 1998, representing an increase of \$125.6 million, or 6.3%, over 1997. The citywide assessed valuation of \$1.019 billion represents an increase of \$48.1 million, or 5%, over 1997.

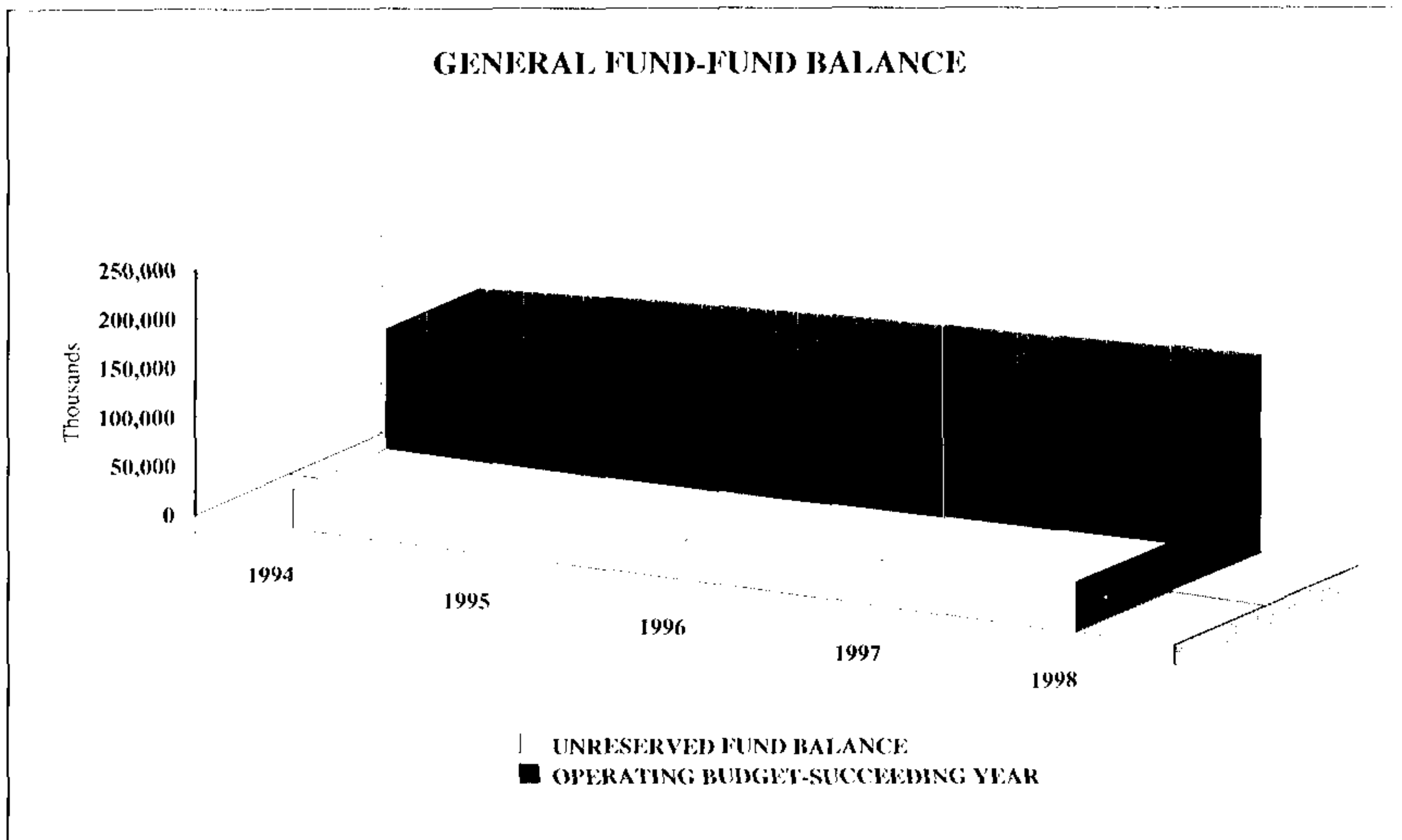
The allocation of property tax levies for citywide and parishwide districts for 1998 and the three preceding years are as follows:

	<u>Mills Per Dollar of Assessed Valuation</u>			
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
General Fund	13.12	12.70	12.70	12.70
Special Revenue Funds	15.54	15.28	15.28	15.28
Debt Service Funds	<u>2.85</u>	<u>1.22</u>	<u>0.63</u>	<u>0.57</u>
Total	31.51	29.20	28.61	27.98

General Fund-Fund Balance

The City-Parish continued to maintain a healthy fund balance during 1998. The following schedule illustrates the relationship of the unreserved fund balance to the General Fund operating budget for the following years:

<i>(in thousands)</i>			
<u>Fiscal Year Ended December 31</u>	<u>Unreserved Fund Balance for the General Fund</u>	<u>General Fund Operating Budget, Succeeding Year</u>	<u>Ratio of Unreserved General Fund Balance to Succeeding Year's Budget</u>
1994	\$39,157	\$161,937	24%
1995	40,120	174,947	23
1996	43,021	185,768	23
1997	48,446	193,737	25
1998	52,493	203,116	26



The City-Parish Finance Department will continue to propose conservative revenue estimates in the budget process. Additionally, proceeds of the gaming admissions tax will continue to be budgeted after they are received. Gaming revenues are used primarily for capital outlay purposes.

Enterprise Operations

The City-Parish's enterprise operations consist of five entities: the Greater Baton Rouge Airport District, Riverside Centroplex, Greater Baton Rouge Parking Authority, Comprehensive Sewerage System, and Solid Waste Disposal Facility.

The **Greater Baton Rouge Airport District** had a net income of \$345,619 in 1998. The fund's retained earnings were in excess of \$13 million as of December 31, 1998. The authority has an airport-airline lease agreement, whereby all surpluses or shortages in operating cash at year-end, exclusive of certain capital improvements, are shared with the airlines through increased or decreased landing fees in subsequent years.

The **Riverside Centroplex** fund incurred a loss before operating transfers of \$1,720,174 in 1998, compared with a loss of \$1,898,450 in 1997. On April 1, 1997, the management of the Centroplex was contracted to Spectacor Management Group, Inc. (SMG), a private management company. The management fee paid to SMG for 1998 was \$322,888. The general fund subsidy for the year was \$800,000.

The **Greater Baton Rouge Parking Authority** was subsidized by the General Fund in 1998 in the amount of \$315,060, as compared to the 1997 subsidy of \$227,204. Parking fees are currently insufficient to pay for both operating costs and debt service on parking revenue bonds.

The largest City-Parish enterprise operation is the **Comprehensive Sewerage System Program**. It was established as an enterprise fund in 1985 concurrent with the enactment of a sewer user fee. Retained earnings of the Comprehensive Sewerage System Fund exceeded \$171 million as of year-end. This fund encompasses all assets associated with sewerage operations and improvements held by the City, the Parish, and the East Baton Rouge Sewerage Commission.

The **Solid Waste Disposal Facility**, which handles the Parish's landfill operation, realized a net loss of \$528,258 in 1998. Retained earnings at year-end were approximately \$3.4 million. The Landfill is permitted by the EPA and the Louisiana Department of Environmental Quality to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and surrounding communities. More than 452,000 tons of solid waste were handled during 1998.

Segment information on all enterprise operations is further explained in the Notes to Financial Statements.

Pension Operations

The City-Parish Employees' Retirement System experienced a dramatic enhancement in its financial health during 1998. Plan net assets increased approximately \$81 million while the unfunded actuarial liability decreased by approximately \$41 million or 23%. These results represent a continuation of the steadily improving financial condition of the system for the last five years.

Increases in employer contributions to the system for 1999 and 2000 had been forecast several years ago. These increases have not materialized and are not forecast to occur primarily due to very strong investment earnings.

The Mayor-President, Metropolitan Council, employees, and Retirement Board are to be commended for adopting measures to address the potentially serious future funding problem that existed several years ago. Action taken by these parties in 1998 and prior years, which helped to avert this potential problem, include promptly increasing employee and employer contributions, adopting an improved investment plan for pension system assets, and reducing system investment expenses.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are indications of debt position that are useful to municipal management, taxpayers, and investors. This data for the City-Parish government, as of December 31, 1998, is as follows:

	<u>Amount of Debt</u> <u>(in thousands)</u>	<u>Ratio of Debt to</u> <u>Assessed Value</u>	<u>Ratio of Debt</u> <u>to Present</u> <u>Market Value</u>	<u>Debt Per</u> <u>Capita</u>
Net Direct Debt	\$ 56	0.00%	0.00%	\$ --
Overlapping Debt	13,644	0.65	0.07	35
Net Direct and Overlapping Debt	\$13,700	0.65%	0.07%	\$35

A summary of the general obligation bonds, excess revenue contracts, and revenue bond activities for 1998 is shown below:

	<i>(in thousands)</i>			
	<u>Outstanding</u> <u>1/1/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>12/31/98</u>
General Obligation Bonds	\$ 1,300	\$ --	\$ 1,300	\$ --
Excess Revenue Contracts	67	--	11	56
Revenue Bonds	346,630	115,875	115,435	347,070
Total	\$347,997	\$115,875	\$116,746	\$347,126

The following tabulation compares bonds sold during the last five years:

Date of Issue	Amount (in thousands)	Average Life (in years)	Effective Net Interest Rate	Interest Cost Per Borrowed Dollar
08/01/95	\$36,000	18.02	5.97%	\$1.08
03/01/96	65,000	16.05	5.66	0.91
10/01/97	19,325	6.83	4.79	0.33
11/01/98	94,450	9.60	4.60	0.49
11/01/98	16,825	11.27	4.74	0.53
11/01/98	4,600	6.16	4.15	0.25

As of December 31, 1998, City-Parish bonds are rated by three of the major rating services as follows:

	<u>Underlying Ratings</u>			<u>Insured Ratings</u>		
	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Investors</u>	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Investors</u>
City of Baton Rouge (2%) Sales Tax Revenue Bonds	A1	AA-	A+	Aaa	AAA	AAA
Parish of East Baton Rouge (2%) Sales Tax Revenue Bonds	A1	AA-	AA-	Aaa	AAA	AAA
Parish of East Baton Rouge Sewerage Improvement (1/2%) Sales Tax Revenue Bonds	A3	A	A	Aaa	AAA	AAA

Treasury Administration

Diverse operations of the various funds of the City-Parish require a sophisticated cash management system to control and actively utilize cash as a financial resource.

There has been established at a local bank a single consolidated account into which monies are deposited and from which most disbursements are made. In addition, investment purchases are charged to, and matured investments are deposited into, the consolidated bank account. The purpose of the Consolidated Cash Management Pool is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings.

The objectives of the legally adopted investment program are, in order of importance, to minimize risk, ensure adequate liquidity, and maximize yields. The City-Parish is authorized by state statute to invest temporarily idle cash, as more fully described in Note 3 of the Notes to Financial Statements.

During 1998, temporarily idle cash was invested in the Louisiana Asset Management Pool (LAMP), U.S. government securities, certificates of deposit, and repurchase agreements at rates ranging from 4.05 to 5.96%. Interest earnings on matured investments in the central cash management program totaled \$6,864,785 in 1998. The effective annual interest rate on all maturing centrally managed investments was 5.3% in 1998, compared with 5.4% in 1997.

The ratio of "idle cash investments" to the total cash available was as follows:

(in thousands)

	1997		1998	
	Amount	Average Percent	Amount	Average Percent
Cash in Bank	\$ 1,076	0.63	\$ 1,977	0.98
Investments of Idle Cash	<u>169,335</u>	<u>99.37</u>	<u>200,725</u>	<u>99.02</u>
Total Cash Available	\$170,411	100.00	\$202,702	100.00

Cash and investments for one blended component unit, the City-Parish Employees' Retirement System, are not included in the City-Parish government's consolidated bank account. This organization is considered part of the City-Parish primary government, but maintains separate bank accounts and controls its own disbursements and investments. Individual cash items of the discretely presented component units are presented in the financial statements.

In accordance with bond resolutions concerning the issuance of revenue bonds, separate cash accounts are maintained by trustees for the debt accounts of all sales tax revenue bonds, the Greater Baton Rouge Parking Authority, and the East Baton Rouge Sewerage Commission. Trustee-held funds as of December 31, 1998, were as follows:

(in thousands)

Sales Tax Revenue Bonds	\$19,250
Greater Baton Rouge Parking Authority	2,470
East Baton Rouge Sewerage Commission	<u>44,283</u>
Total Trustee-Held Funds	\$66,003

Investment activity as of December 31, 1998, on trustee-held funds is detailed in Exhibit K-1. All deposits not covered by FDIC insurance are collateralized as required by state law. All of the primary government's deposits as of December 31, 1998, were either collateralized with securities held by the pledging financial institution's trust department or agent in the City-Parish's name, or covered by FDIC insurance.

Risk Management

The City-Parish's comprehensive risk management program includes coverage for property, liability, workers' compensation, unemployment, health, life, and dental insurance. The City-Parish self-insurance policy is further explained in the Notes to Financial Statements.

OTHER INFORMATION

Independent Audit

The local government charter requires a comprehensive annual audit to be performed by a firm of certified public accountants. The audit has been completed, and the firm's opinion covers the basic financial statements of the financial section of the report only. The general purpose financial statements and the combining and individual fund and account-group statements constitute the basic financial statements.

In addition to meeting the requirements set forth by local charter and state statutes, the audit also meets the requirements of the Single Audit Act of 1996 and the requirements of related U.S. Office of Management and Budget Circular A-133. The auditors' reports related specifically to the single audit are issued under separate cover.

Awards

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, 1997. 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 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.

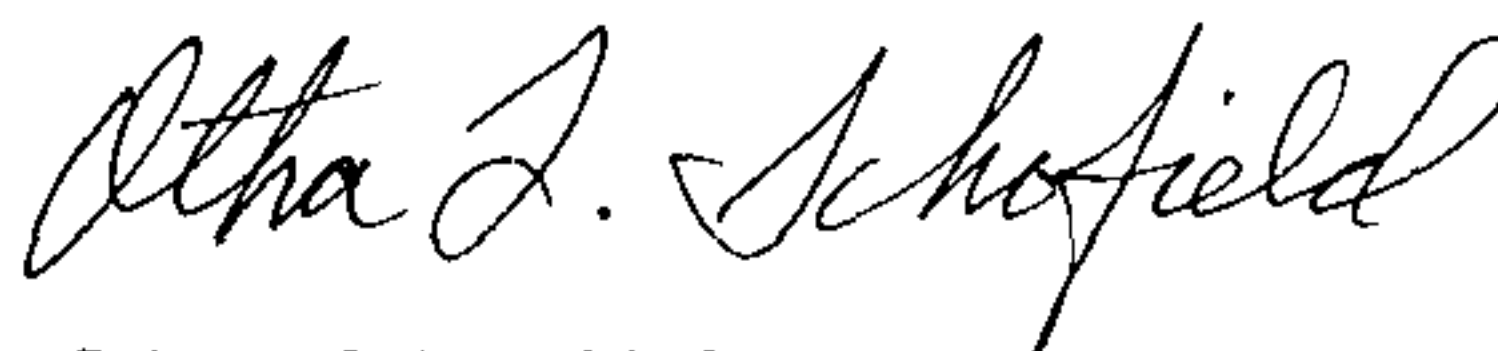
A Certificate of Achievement is valid for a period of one year only. The City-Parish has received this award each year for the 11-year period ending December 31, 1997. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine 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 as a communications device.

Acknowledgments

I wish to express my appreciation to the employees of the Finance Department who assisted and contributed to the preparation of this report. Special acknowledgment is due to the staff of the Accounting Division, whose dedicated efforts resulted in the successful completion of this document. In addition, I express my sincere appreciation to Mayor-President Tom Ed McHugh and the Metropolitan Council for the support they consistently provide to the Finance Department. With their assistance, we will strive to continuously improve our accounting and financial reporting to the people of Baton Rouge and other readers of our financial reports.

Respectfully submitted,



Otha L. Schofield, CPA
Director of Finance

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 1998**

MAYOR-PRESIDENT - TOM ED McHUGH

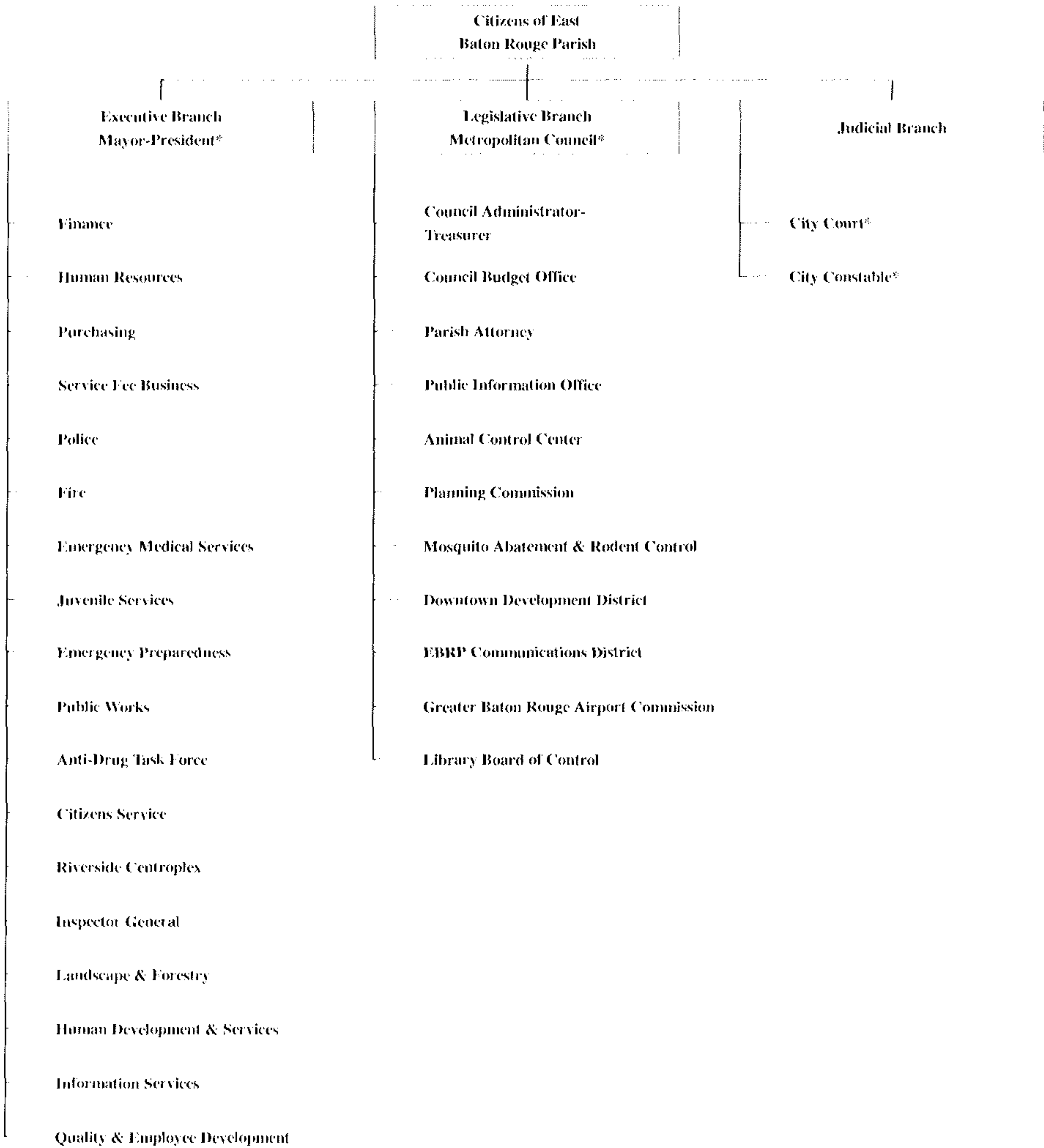
METROPOLITAN COUNCIL MEMBERS

District 1	Roxson Welch	District 7	W. T. Winfield
District 2	Thomas Woods	District 8	Mike Futrell
District 3	Pat Culbertson	District 9	Patty Jo Roubique
District 4	Joseph "Joe" Greco	District 10	Lorri Burgess
District 5	Charles Kelly	District 11	Mary Frey Eaton
District 6	M. A. "Mike" Tassin	District 12	James T. "Jim" Benham



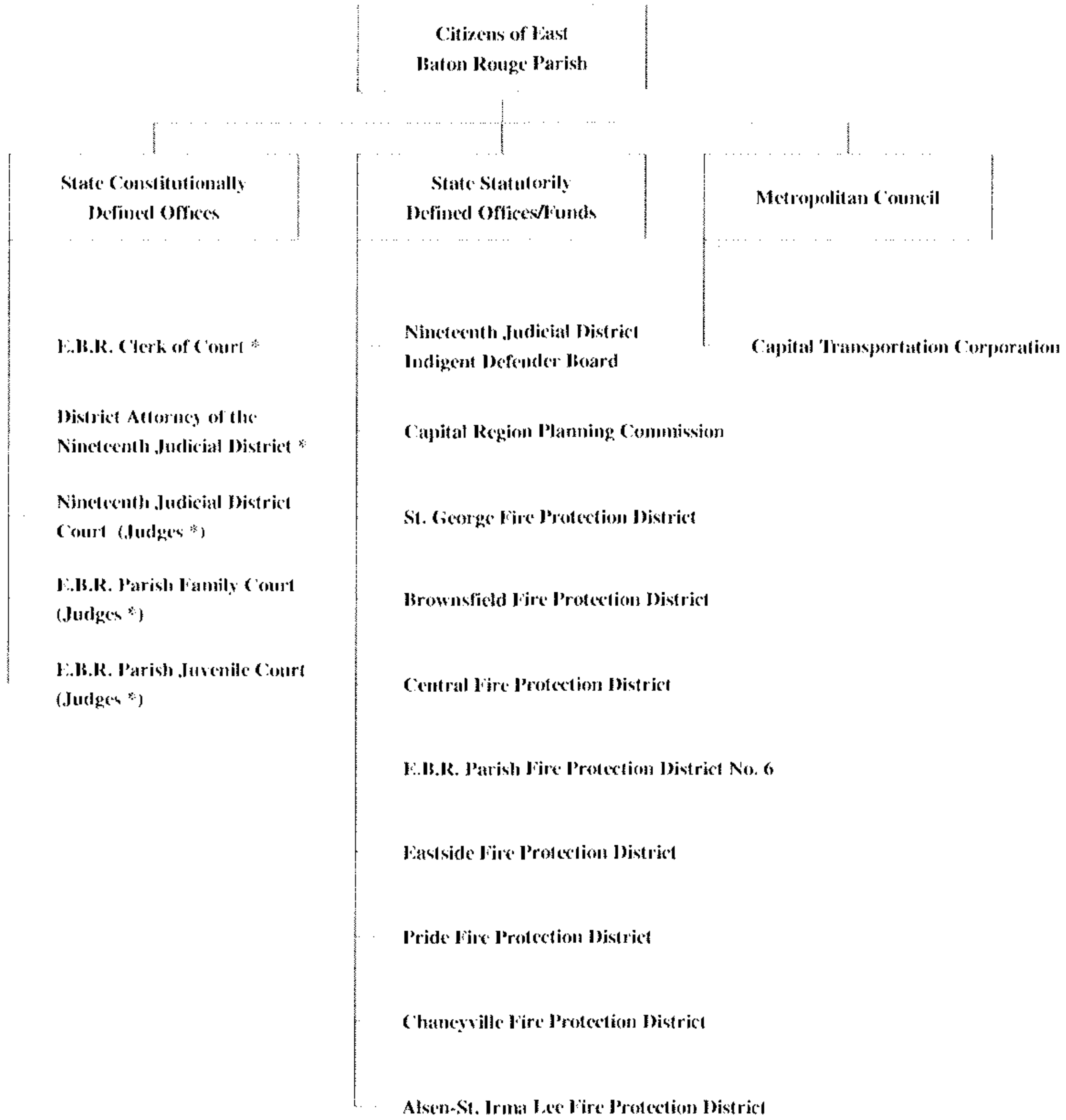
Sitting L.-R. Lorri Burgess, Patty Jo Roubique, Mayor-President Tom Ed McHugh, Mayor Pro-Tem Mary Frey Eaton, Roxson Welch
Standing L.-R. Joe Greco, Mike Futrell, Pat Culbertson, Jr., Charles Kelly, W.T. Winfield, Jim Benham, Mike Tassin, Thomas Woods

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



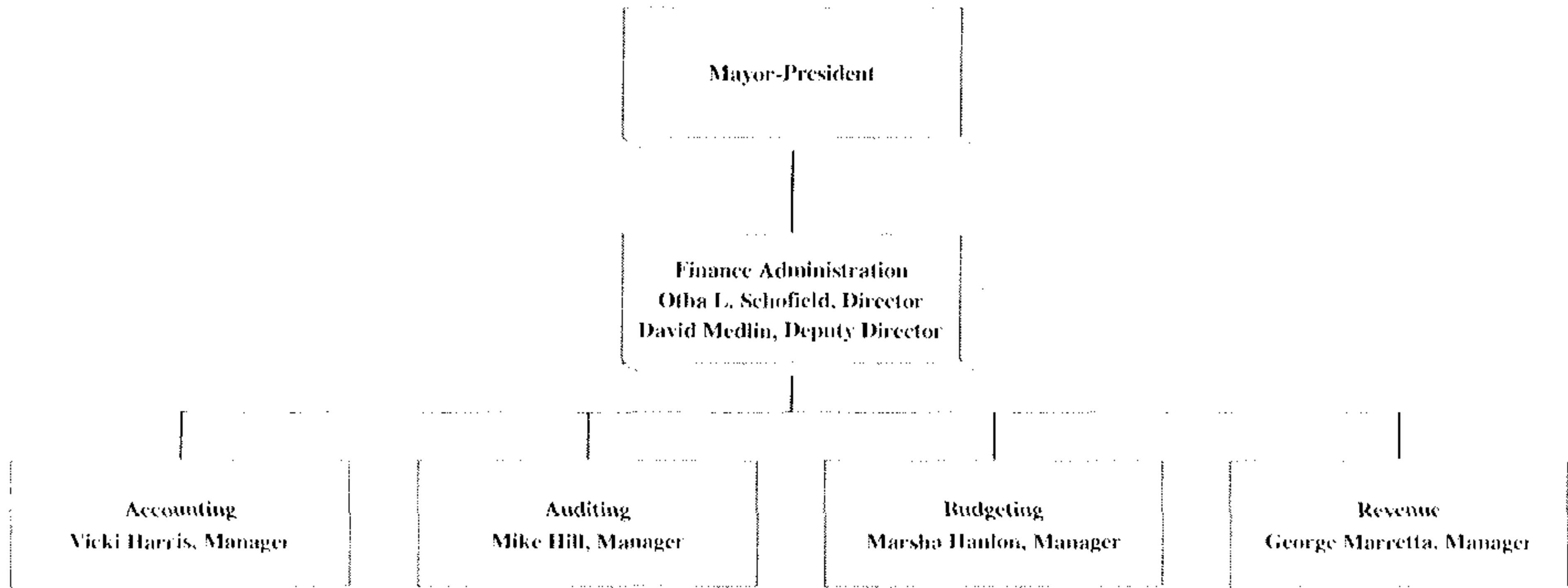
* Designates Elected Officials

**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
DEPARTMENT OF FINANCE**



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, 1997

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Douglas R. Ellaworth
President

Jeffrey L. Essler
Executive Director



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INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 1998, as listed in the accompanying table of contents as Exhibits A-1 through A-9 and B-1 through J-1. These financial statements and schedules are the responsibility of the City-Parish's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. We did not audit the financial statements of the component units discretely presented as described in note 1a. to the general purpose financial statements which account for 97% of the assets and 98% of the revenues and other sources of the financial resources of the governmental type component units. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, herein, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, general purpose financial statements referred to above present fairly, in all material respects, the financial position of City-Parish as of December 31, 1998, and the results of its operations and cash flows of its Proprietary Fund Types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements and schedules, Exhibits B-1 through J-1, present fairly, in all material respects, the financial position of each of the individual funds and individual account groups of the City-Parish, as of December 31, 1998, and the results of its operations of such individual funds and cash flows of the individual Proprietary Fund Types for the year then ended in conformity with generally accepted accounting principles.

As discussed in note 15, effective January 1, 1998, the City-Parish adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 1999, on our consideration of internal control over financial reporting of the City-Parish and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



We have audited the general purpose financial statements of City-Parish as of and for the year ended December 31, 1998, and have issued our report thereon dated April 27, 1999. Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules of the year 2000 information and funding progress and employer contributions in Exhibit A-10 and Exhibit A-11, respectively, are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We were unable to apply certain of these limited procedures to the year 2000 information because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that City-Parish is or will become year 2000 compliant, that City-Parish's year 2000 remediation efforts will be successful in whole or in part, or that parties with which City-Parish does business are or will become year 2000 compliant. We have applied to the schedules of funding progress and employer contributions certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules.

The accompanying financial information as listed in the Table of Contents as Supplementary Schedules, Exhibits K-1 and K-2, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City-Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, and individual fund and account group financial statements and schedules, and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

The accompanying financial information listed in the Statistical Section as Exhibits I and XVIII as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City-Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

April 27, 1999

Handwritten signature of KPMG LLP in black ink.

GENERAL PURPOSE FINANCIAL STATEMENTS

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
ASSETS AND OTHER DEBITS					
Assets:					
Cash and Cash Equivalents (Note 3)	\$ 2,859,902	\$ 31,397,014	\$ 1,921,121	\$ 16,246,394	\$ 2,700,973
Investments (Note 3)	32,888,879	3,116,041	17,329,365	31,739,026	17,778,859
Taxes Receivable - Net	23,835,772	13,905,675	--	1,717,469	2,987,007
Accounts Receivable - Net	408,275	1,278,628	--	--	1,777,779
Employee Contributions Receivable	--	--	--	--	--
Employer Contributions Receivable	--	--	--	--	--
Pending Trades Receivable	--	--	--	--	--
Other Contributions Receivable	--	--	--	--	--
Accrued Interest Receivable	384,148	401,552	373,395	411,848	492,221
Special Assessments Receivable	40,637	--	--	16,808	389,764
Other Receivables	--	--	--	--	--
Due From Other Funds (Note 11)	136,596	--	--	6,516,494	2,370,689
Due From Other Governments (Note 11)	9,669,697	26,083,527	--	1,576,350	3,151,392
Due From Component Units (Note 11)	40,730	--	--	--	74,066
Due From Primary Government (Note 11)	--	--	--	--	--
Prepaid Items	--	--	--	--	62,698
Loans Receivable	32,000	7,630,931	--	--	--
Inventory	533,387	--	--	--	--
Net Pension Asset	--	--	--	--	--
Other Assets	--	--	--	--	--
Restricted Assets:					
Cash and Cash Equivalents (Note 3)	--	--	--	--	9,176,810
Investments (Note 3)	--	--	--	--	85,093,072
Accounts Receivable - Net	--	--	--	--	1,332,553
Accrued Interest Receivable	--	--	--	--	866,426
Due From Other Governments (Note 11)	--	--	--	--	332,212
Deferred Bond Issuance Costs	--	--	--	--	1,108,346
Fixed Assets, Net (Note 6)	--	--	--	--	519,995,239
Other Debits:					
Amount Available for Retirement of Long-Term Debt	--	--	--	--	--
Amount to be Provided for Retirement of Long-Term Debt	--	--	--	--	--
Total Assets and Other Debits	\$ 70,830,023	\$ 83,813,368	\$ 19,623,881	\$ 58,224,389	\$ 649,690,106

The accompanying notes are an integral part of this statement.

Continued

Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Component Units	Totals (Memorandum Only) Reporting Entity
		General Fixed Assets	General Long-Term Debt			
Internal Service	Trust and Agency			Primary Government		
\$ 5,313,987	\$ 12,079,742	\$ --	\$ --	\$ 72,519,133	\$ 13,679,615	\$ 86,198,748
--	760,531,486	--	--	863,383,656	14,798,262	878,181,918
--	--	--	--	42,445,923	3,563,544	46,009,467
--	272,266	--	--	3,736,948	1,903,510	5,640,458
--	735,743	--	--	735,743	--	735,743
--	1,091,190	--	--	1,091,190	--	1,091,190
--	1,036,931	--	--	1,036,931	--	1,036,931
--	6,682	--	--	6,682	--	6,682
49,797	1,258,808	--	--	3,371,769	32,646	3,404,415
--	--	--	--	447,209	--	447,209
--	--	--	--	--	143,637	143,637
--	22,363	--	--	9,046,142	--	9,046,142
3,215	33,851	--	--	40,518,032	1,570,157	42,088,189
--	--	--	--	114,796	--	114,796
--	--	--	--	--	100,827	100,827
--	--	--	--	62,698	15,478	78,176
--	--	--	--	7,662,931	--	7,662,931
186,927	--	--	--	720,314	150,100	870,414
--	--	--	--	--	266,190	266,190
--	--	--	--	--	5,467	5,467
--	--	--	--	9,176,810	1,672,285	10,849,095
--	--	--	--	85,093,072	--	85,093,072
--	--	--	--	1,332,553	--	1,332,553
--	--	--	--	866,426	--	866,426
--	--	--	--	332,212	362,002	694,214
--	--	--	--	1,108,346	--	1,108,346
8,206,766	923,882	473,579,450	--	1,002,705,337	31,473,947	1,034,179,284
--	--	--	12,786,807	12,786,807	--	12,786,807
--	--	--	188,066,298	188,066,298	5,979,061	194,045,359
\$ 13,760,692	\$ 777,992,944	\$ 473,579,450	\$ 200,853,105	\$ 2,348,367,958	\$ 75,716,728	\$ 2,424,084,686

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts and Contracts Payable	\$ 5,715,134	\$ 4,200,844	\$ 697	\$ 2,240,790	\$ 2,438,070
Accrued Expenses and Benefits Payable	--	--	--	--	--
Pending Trades Payable	--	--	--	--	--
Due to Other Funds (Note 11)	22,363	6,734,306	--	--	2,289,473
Due to Other Governments	113,376	123,060	--	--	141,687
Due to Primary Government (Note 11)	--	--	--	--	--
Due to Component Units (Note 11)	--	--	--	--	--
Accrued Payables	3,642,085	856,858	233,430	--	596,450
Deferred Revenue	40,637	5,213,858	--	53,642	922,194
Deposits and Escrow Accounts	648,331	32,359	--	--	--
Obligations Payable - Current (Note 17)	--	--	--	--	4,717,704
Compensated Absences Payable - Current	--	--	--	--	856,043
Obligation Under Capital Leases - Current (Note 14)	--	--	--	--	7,175
Other Liabilities	--	--	--	--	3,487
Liabilities Payable From Restricted Assets	--	--	--	--	13,414,372
Obligations Payable - Long-Term (Note 17)	--	--	--	--	67,598,346
Revenue Bonds Payable - Long-Term (Note 10)	--	--	--	--	208,460,000
Deferred Amount on Refunding (Note 10)	--	--	--	--	(3,383,865)
Bonds and Notes Payable - Long-Term (Note 10)	--	--	--	--	--
Landfill Closure and Postclosure Care Liability (Note 20)	--	--	--	--	4,380,178
Compensated Absences Payable - Long-Term (Note 10)	--	--	--	--	3,888
Obligation Under Capital Leases - Long-Term (Note 14)	--	--	--	--	--
Claims and Judgments Payable (Note 13)	--	--	--	--	--
Employee Benefits Payable (Note 13)	--	--	--	--	--
Net Pension Obligation - Long-Term	--	--	--	--	1,231,577
Total Liabilities	10,181,926	17,161,285	234,127	2,294,432	303,676,779

The accompanying notes are an integral part of this statement.

Continued

Fund Types	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
		General Fixed Assets	General Long-Term Debt			
\$ 312,501	\$ 1,245,991	\$ --	\$ --	\$ 16,154,027	\$ 914,098	\$ 17,068,125
--	221,364	--	--	221,364	--	221,364
--	2,298,802	--	--	2,298,802	--	2,298,802
--	--	--	--	9,046,142	--	9,046,142
--	3,373,959	--	--	3,752,082	10,946	3,763,028
--	--	--	--	--	114,796	114,796
--	100,827	--	--	100,827	--	100,827
49,702	--	--	--	5,378,525	390,974	5,769,499
--	--	--	--	6,230,331	1,533	6,231,864
--	7,619,412	--	--	8,300,102	17,624,438	25,924,540
--	--	--	--	4,717,704	--	4,717,704
179,752	--	--	--	1,035,795	629,870	1,665,665
1,595,061	--	--	--	1,602,236	--	1,602,236
--	--	--	--	3,487	31,175	34,662
--	--	--	--	13,414,372	834,296	14,248,668
--	--	--	--	67,598,346	--	67,598,346
--	--	--	--	208,460,000	--	208,460,000
--	--	--	--	(3,383,865)	--	(3,383,865)
--	--	--	133,420,892	133,420,892	4,041,822	137,462,714
--	--	--	--	4,380,178	--	4,380,178
--	--	--	9,141,342	9,145,230	1,139,135	10,284,365
1,078,657	--	--	2,423,765	3,502,422	592,533	4,094,955
--	--	--	40,507,000	40,507,000	--	40,507,000
--	--	--	5,453,047	5,453,047	--	5,453,047
148,067	41,120	--	9,907,059	11,327,823	305,571	11,633,394
3,363,740	14,901,475	--	200,853,105	552,666,869	26,631,187	579,298,056

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES, EQUITY AND OTHER CREDITS (Continued)					
Equity and Other Credits:					
Investment in General Fixed Assets	\$ --	\$ --	\$ --	\$ --	\$ --
Contributed Capital (Note 16)	--	--	--	--	166,824,325
Retained Earnings (Note 2):					
Reserved for Revenue Bond					
Debt Service	--	--	--	--	18,593,049
Reserved Passenger Facility Charges (Note 19)	--	--	--	--	2,955,456
Reserved for Airport Police	--	--	--	--	13,733
Unreserved	--	--	--	--	157,626,764
Fund Balances:					
Reserved for Encumbrances	2,475,640	4,583,408	--	13,705,951	--
Reserved for Loans Receivable	32,000	7,630,931	--	--	--
Reserved for Inventory	533,387	--	--	--	--
Reserved for Debt Service - Principal	--	--	12,786,807	--	--
Reserved for Debt Service - Interest	--	--	6,602,947	--	--
Reserved for Employees' Pension Benefits	--	--	--	--	--
Reserved for Prepaid Items	--	--	--	--	--
Reserved for District Assistance	--	--	--	--	--
Reserved for Subsequent Year Expenditures (Note 1)	5,113,700	672,510	--	--	--
Unreserved:					
Designated for Unencumbered Appropriations (Note 1)	8,785,615	8,072,324	--	34,129,439	--
Designated for Insurance	18,507,373	--	--	--	--
Designated for Future Years Expenditures (Note 1)	1,000,000	--	--	--	--
Designated for Solid Waste Collection and Disposal	7,487,961	10,819,579	--	--	--
Designated for Special Purposes	1,530,072	--	--	--	--
Designated Gaming Revenues	4,171,332	--	--	--	--
Designated for Budget Stabilization	6,100,000	--	--	--	--
Designated for Other Uses	--	--	--	--	--
Undesignated	4,911,017	34,873,331	--	8,094,567	--
Total Equity and Other Credits	60,648,097	66,652,083	19,389,754	55,929,957	346,013,327
Total Liabilities, Equity and Other Credits	\$ 70,830,023	\$ 83,813,368	\$ 19,623,881	\$ 58,224,389	\$ 649,690,106

The accompanying notes are an integral part of this statement.

Fund Types	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
		General Fixed Assets	General Long-Term Debt			
\$ --	\$ --	\$ 473,579,450	\$ --	\$ 473,579,450	\$ 18,015,077	\$ 491,594,527
2,684,304	--	--	--	169,508,629	15,818,548	185,327,177
--	--	--	--	18,593,049	--	18,593,049
--	--	--	--	2,955,456	--	2,955,456
--	--	--	--	13,733	--	13,733
7,712,648	--	--	--	165,339,412	(873,978)	164,465,434
--	--	--	--	20,764,999	7,820	20,772,819
--	--	--	--	7,662,931	--	7,662,931
--	--	--	--	533,387	--	533,387
--	--	--	--	12,786,807	--	12,786,807
--	--	--	--	6,602,947	--	6,602,947
--	763,091,469	--	--	763,091,469	3,027,778	766,119,247
--	--	--	--	--	4,466	4,466
--	--	--	--	--	146,391	146,391
--	--	--	--	5,786,210	7,960	5,794,170
--	--	--	--	50,987,378	20,215	51,007,593
--	--	--	--	18,507,373	--	18,507,373
--	--	--	--	1,000,000	--	1,000,000
--	--	--	--	18,307,540	--	18,307,540
--	--	--	--	1,530,072	--	1,530,072
--	--	--	--	4,171,332	--	4,171,332
--	--	--	--	6,100,000	--	6,100,000
--	--	--	--	--	1,914,223	1,914,223
--	--	--	--	47,878,915	10,997,041	58,875,956
10,396,952	763,091,469	473,579,450	--	1,795,701,089	49,085,541	1,844,786,630
\$ 13,760,692	\$ 777,992,944	\$ 473,579,450	\$ 200,853,105	\$ 2,348,367,958	\$ 75,716,728	\$ 2,424,084,686

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 159,561,146	\$ 42,106,839	\$ 13,402,210
Licenses and Permits	2,799,733	254,163	--
Intergovernmental Revenues	11,066,268	32,189,333	--
Charges for Services	16,439,149	15,025,742	--
Fines and Forfeits	1,162,126	291,177	--
Miscellaneous Revenues	14,170,722	4,877,448	1,038,993
Total Revenues	<u>205,199,144</u>	<u>94,744,702</u>	<u>14,441,203</u>
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	631,373	40,468	--
Proceeds From Long-Term Debt	--	--	94,839,644
Capital Leases	108,851	--	--
Operating Transfers In (Note 12)	15,685,433	1,267,702	1,942,150
Operating Transfers From Primary Government (Note 12)	--	--	--
Total Other Financing Sources	<u>16,425,657</u>	<u>1,308,170</u>	<u>96,781,794</u>
Total Revenues and Other Financing Sources	<u>221,624,801</u>	<u>96,052,872</u>	<u>111,222,997</u>
Expenditures:			
Current:			
General Government	46,843,956	3,275,628	--
Public Safety	84,767,333	11,655,493	--
Transportation	20,700,360	19,583,622	--
Sanitation	11,989,912	8,234,484	--
Health and Welfare	1,649,605	4,821,525	--
Culture and Recreation	1,439,533	9,979,078	--
Conservation and Development	2,196,926	20,735,229	--
Capital Outlay	7,203,044	6,183,492	--
Debt Service:			
Principal Retirement	--	--	8,882,058
Interest and Fiscal Charges	--	--	8,133,501
Other Costs	--	--	345
Payment to Refunded Bond Escrow Agent	--	--	95,448,817
Intergovernmental	73,286	--	--
Total Expenditures	<u>176,863,955</u>	<u>84,468,551</u>	<u>112,464,721</u>
Other Uses (Note 12):			
Operating Transfers Out	32,918,107	6,144,127	--
Operating Transfers to Component Units	10,331,012	1,189,788	--
Total Other Uses	<u>43,249,119</u>	<u>7,333,915</u>	<u>--</u>
Total Expenditures and Other Uses	<u>220,113,074</u>	<u>91,802,466</u>	<u>112,464,721</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,511,727	4,250,406	(1,241,724)
Fund Balances, Beginning of Year	58,369,984	63,084,333	20,981,170
Residual Equity Transfer (Note 12)	<u>766,386</u>	<u>(682,656)</u>	<u>(349,692)</u>
Fund Balances, End of Year	<u>\$ 60,648,097</u>	<u>\$ 66,652,083</u>	<u>\$ 19,389,754</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
\$ 16,393,639	\$ 231,463,834	\$ 4,635,565	\$ 236,099,399
--	3,053,896	49,716	3,103,612
1,979,422	45,235,023	7,822,830	53,057,853
--	31,464,891	9,081,659	40,546,550
--	1,453,303	2,143,377	3,596,680
1,904,836	21,991,999	2,196,786	24,188,785
20,277,897	334,662,946	25,929,933	360,592,879
--	671,841	21,011	692,852
9,083,235	103,922,879	2,796,843	106,719,722
--	108,851	243,882	352,733
15,033,823	33,929,108	--	33,929,108
--	--	9,335,272	9,335,272
24,117,058	138,632,679	12,397,008	151,029,687
44,394,955	473,295,625	38,326,941	511,622,566
--	50,119,584	26,789,262	76,908,846
--	96,422,826	4,814,537	101,237,363
--	40,283,982	--	40,283,982
--	20,224,396	--	20,224,396
--	6,471,130	--	6,471,130
--	11,418,611	--	11,418,611
--	22,932,155	--	22,932,155
19,136,633	32,523,169	1,402,439	33,925,608
--	8,882,058	--	8,882,058
--	8,133,501	--	8,133,501
--	345	454,891	455,236
--	95,448,817	--	95,448,817
--	73,286	--	73,286
19,136,633	392,933,860	33,461,129	426,394,989
103,075	39,165,309	--	39,165,309
--	11,520,800	--	11,520,800
103,075	50,686,109	--	50,686,109
19,239,708	443,619,969	33,461,129	477,081,098
25,155,247	29,675,656	4,865,812	34,541,468
30,617,301	173,052,788	8,232,304	181,285,092
157,409	(108,553)	--	(108,553)
\$ 55,929,957	\$ 202,619,891	\$ 13,098,116	\$ 215,718,007

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	Revised Budget	General Fund Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 146,792,281	\$ 159,561,146	\$ 12,768,865
Licenses and Permits	2,710,290	2,799,733	89,443
Intergovernmental Revenues	10,253,991	11,066,268	812,277
Charges for Services	15,300,091	16,439,149	1,139,058
Fines and Forfeits	1,249,000	1,162,126	(86,874)
Miscellaneous Revenues	12,356,286	14,170,722	1,814,436
Total Revenues	188,661,939	205,199,144	16,537,205
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	373,873	631,373	257,500
Proceeds of Long-Term Debt	--	--	--
Operating Transfers In	7,271,686	15,685,433	8,413,747
Total Other Financing Sources	7,645,559	16,316,806	8,671,247
Total Revenues and Other Financing Sources	196,307,498	221,515,950	25,208,452
Expenditures:			
Current:			
General Government	49,119,277	47,140,851	1,978,426
Public Safety	87,107,914	86,463,099	644,815
Transportation	21,974,863	20,776,288	1,198,575
Sanitation	12,114,823	11,989,912	124,911
Health and Welfare	1,678,422	1,678,416	6
Culture and Recreation	1,459,621	1,439,533	20,088
Conservation and Development	2,684,378	2,197,397	486,981
Capital Outlay	11,717,499	4,916,550	6,800,949
Debt Service:			
Principal Retirement	--	--	--
Interest and Fiscal Charges	--	--	--
Other Costs	--	--	--
Payment to Refunded Bond Escrow Agent	--	--	--
Intergovernmental	73,330	73,286	44
Total Expenditures	187,930,127	176,675,332	11,254,795
Other Uses:			
Operating Transfers Out	22,736,793	31,212,810	(8,476,017)
Operating Transfers to Component Units	10,381,620	10,331,012	50,608
Total Other Uses	33,118,413	41,543,822	(8,425,409)
Total Expenditures and Other Uses	221,048,540	218,219,154	2,829,386
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(24,741,042)	3,296,796	28,037,838
Fund Balances, January 1	54,109,275	54,109,275	--
Residual Equity Transfer (Note 12)	766,386	766,386	--
Fund Balances, December 31	\$ 30,134,619	\$ 58,172,457	\$ 28,037,838

The accompanying notes are an integral part of this statement.

Continued

Revised Budget	Special Revenue Funds		Revised Budget	Debt Service Funds	
	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)		Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
\$ 37,699,125	\$ 42,106,839	\$ 4,407,714	\$ 13,538,658	\$ 13,402,210	\$ (136,448)
254,500	254,163	(337)	--	--	--
73,101,618	32,189,333	(40,912,285)	--	--	--
14,269,100	15,025,742	756,642	--	--	--
276,030	291,177	15,147	--	--	--
3,585,955	4,877,448	1,291,493	1,031,364	1,038,993	7,629
129,186,328	94,744,702	(34,441,626)	14,570,022	14,441,203	(128,819)
6,000	40,468	34,468	--	--	--
--	--	--	95,186,408	94,839,644	(346,764)
1,239,144	1,267,702	28,558	120,625	120,584	(41)
1,245,144	1,308,170	63,026	95,307,033	94,960,228	(346,805)
130,431,472	96,052,872	(34,378,600)	109,877,055	109,401,431	(475,624)
3,433,260	3,323,278	109,982	--	--	--
14,504,622	11,813,303	2,691,319	--	--	--
17,112,515	15,934,985	1,177,530	--	--	--
8,563,020	8,234,484	328,536	--	--	--
4,978,275	4,778,124	200,151	--	--	--
10,131,388	9,976,354	155,034	--	--	--
55,566,080	21,069,911	34,496,169	--	--	--
15,567,795	5,401,666	10,166,129	--	--	--
--	--	--	7,265,980	7,265,943	37
--	--	--	8,284,430	7,928,050	356,380
--	--	--	345	345	--
--	--	--	95,909,171	95,448,817	460,354
--	--	--	--	--	--
129,856,955	80,532,105	49,324,850	111,459,926	110,643,155	816,771
6,025,300	6,027,858	(2,558)	--	--	--
1,190,147	1,189,788	359	--	--	--
7,215,447	7,217,646	(2,199)	--	--	--
137,072,402	87,749,751	49,322,651	111,459,926	110,643,155	816,771
(6,640,930)	8,303,121	14,944,051	(1,582,871)	(1,241,724)	341,147
45,675,689	45,675,689	--	20,981,170	20,981,170	--
(682,656)	(682,656)	--	(349,692)	(349,692)	--
\$ 38,352,103	\$ 53,296,154	\$ 14,944,051	\$ 19,048,607	\$ 19,389,754	\$ 341,147

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT A - 3
(Continued)

		Totals (Memorandum Only)	
	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 198,030,064	\$ 215,070,195	\$ 17,040,131
Licenses and Permits	2,964,790	3,053,896	89,106
Intergovernmental Revenues	83,355,609	43,255,601	(40,100,008)
Charges for Services	29,569,191	31,464,891	1,895,700
Fines and Forfeits	1,525,030	1,453,303	(71,727)
Miscellaneous Revenues	16,973,605	20,087,163	3,113,558
Total Revenues	332,418,289	314,385,049	(18,033,240)
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	379,873	671,841	291,968
Proceeds of Long-Term Debt	95,186,408	94,839,644	(346,764)
Operating Transfers In	8,631,455	17,073,719	8,442,264
Total Other Financing Sources	104,197,736	112,585,204	8,387,468
Total Revenues and Other Financing Sources	436,616,025	426,970,253	(9,645,772)
Expenditures:			
Current:			
General Government	52,552,537	50,464,129	2,088,408
Public Safety	101,612,536	98,276,402	3,336,134
Transportation	39,087,378	36,711,273	2,376,105
Sanitation	20,677,843	20,224,396	453,447
Health and Welfare	6,656,697	6,456,540	200,157
Culture and Recreation	11,591,009	11,415,887	175,122
Conservation and Development	58,250,458	23,267,308	34,983,150
Capital Outlay	27,285,294	10,318,216	16,967,078
Debt Service:			
Principal Retirement	7,265,980	7,265,943	37
Interest and Fiscal Charges	8,284,430	7,928,050	356,380
Other Costs	345	345	--
Payment to Refunded Bond Escrow Agent	95,909,171	95,448,817	460,354
Intergovernmental	73,330	73,286	44
Total Expenditures	429,247,008	367,850,592	61,396,416
Other Uses:			
Operating Transfers Out	28,762,093	37,240,668	(8,478,575)
Operating Transfers to Component Units	11,571,767	11,520,800	50,967
Total Other Uses	40,333,860	48,761,468	(8,427,608)
Total Expenditures and Other Uses	469,580,868	416,612,060	52,968,808
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(32,964,843)	10,358,193	43,323,036
Fund Balances, January 1	120,766,134	120,766,134	--
Residual Equity Transfer (Note 12)	(265,962)	(265,962)	--
Fund Balances, December 31	\$ 87,535,329	\$ 130,858,365	\$ 43,323,036

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998

	Enterprise	Internal Service	Totals (Memorandum Only) Primary Government
Operating Revenues:			
Charges for Services	\$ 40,332,459	\$ 11,580,465	\$ 51,912,924
Miscellaneous Revenues	572,661	--	572,661
Total Operating Revenues	40,905,120	11,580,465	52,485,585
Operating Expenses:			
Cost of Materials	--	3,672,036	3,672,036
Personal Services	13,387,281	1,312,745	14,700,026
Employee Benefits	4,371,311	497,395	4,868,706
Supplies	2,832,864	83,116	2,915,980
Contractual Services	19,561,101	3,059,122	22,620,223
Landfill Closure and Postclosure Care Expense	963,050	--	963,050
Depreciation	22,717,315	3,450,944	26,168,259
Bad Debts	146,551	--	146,551
Administrative Expenses	322,888	--	322,888
Total Operating Expenses	64,302,361	12,075,358	76,377,719
Operating Income (Loss)	(23,397,241)	(494,893)	(23,892,134)
Non-Operating Revenues (Expenses):			
Taxes	28,669,865	--	28,669,865
Operating and Study Grants	48,947	--	48,947
Transportation, Planning, and Financing Studies	--	--	--
Passenger Facility Charges	1,299,561	--	1,299,561
Interest Earnings	5,802,053	264,562	6,066,615
Interest Expense	(14,187,844)	(186,579)	(14,374,423)
Bond Issuance Costs	(331,590)	--	(331,590)
Gain (Loss) on Disposition of Fixed Assets	175,957	444,235	620,192
Total Non-Operating Revenues (Expenses)	21,476,949	522,218	21,999,167
Net Income (Loss) Before Operating Transfers	(1,920,292)	27,325	(1,892,967)
Operating Transfers In and (Out) (Note 12):			
Operating Transfers In:			
General Fund	5,115,060	300,000	5,415,060
Operating Transfers Out:			
General Fund	(178,859)	--	(178,859)
Total Operating Transfers In and (Out)	4,936,201	300,000	5,236,201
Operating Transfers From Primary Government (Note 12)	--	--	--
Net Income (Loss)	3,015,909	327,325	3,343,234
Depreciation on Fixed Assets Acquired with Externally-Restricted Capital Contributions	2,605,931	--	2,605,931
Income (Loss) Transferred to Retained Earnings	5,621,840	327,325	5,949,165
Retained Earnings, January 1	173,565,920	7,385,323	180,951,243
Residual Equity Transfer (Note 12)	1,242	--	1,242
Retained Earnings, December 31	\$ 179,189,002	\$ 7,712,648	\$ 186,901,650

The accompanying notes are an integral part of this statement.

Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
\$ 2,359,826	\$ 54,272,750
116,767	689,428
2,476,593	54,962,178
--	3,672,036
3,727,369	18,427,395
--	4,868,706
550,889	3,466,869
1,567,532	24,187,755
--	963,050
934,304	27,102,563
--	146,551
--	322,888
6,780,094	83,157,813
(4,303,501)	(28,195,635)
779,342	29,449,207
1,167,912	1,216,859
(261,116)	(261,116)
--	1,299,561
43,435	6,110,050
--	(14,374,423)
--	(331,590)
--	620,192
1,729,573	23,728,740
(2,573,928)	(4,466,895)
--	5,415,060
--	(178,859)
--	5,236,201
2,185,528	2,185,528
(388,400)	2,954,834
759,390	3,365,321
370,990	6,320,155
(1,244,968)	179,706,275
--	1,242
\$ (873,978)	\$ 186,027,672

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT A - 5

	Employees' Retirement System	Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
Additions:			
Contributions:			
Employee	\$ 11,632,339	\$ 192,713	\$ 11,825,052
Employer	20,120,542	192,713	20,313,255
Total Contributions	31,752,881	385,426	32,138,307
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	79,443,675	225,681	79,669,356
Interest	8,836,503	--	8,836,503
Dividends	2,447,741	77,306	2,525,047
Total Investment Income	90,727,919	302,987	91,030,906
Less: Investment Expense	1,382,760	15,278	1,398,038
Net Investment Income	89,345,159	287,709	89,632,868
Total Additions	121,098,040	673,135	121,771,175
Deductions:			
Benefit Payments	37,095,474	35,948	37,131,422
Refunds and Withdrawals	1,493,287	60,240	1,553,527
Administrative Expenses	962,910	25,749	988,659
Depreciation Expense	52,792	--	52,792
Total Deductions	39,604,463	121,937	39,726,400
Net Increase	81,493,577	551,198	82,044,775
Net Assets Held in Trust for Employees'			
Pension Benefits:			
Beginning of Year	681,597,892	2,476,580	684,074,472
End of Year	\$ 763,091,469	\$ 3,027,778	\$ 766,119,247

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 41,313,244	\$ 11,580,425	\$ 52,893,669
Cash Payments to Suppliers for Goods and Services	(23,201,875)	(6,655,688)	(29,857,563)
Cash Payments to Employees for Services and Benefits	(16,413,306)	(1,817,939)	(18,231,245)
Other Operating Revenues	106,097	--	106,097
Net Cash Provided by (Used for) Operating Activities	1,804,160	3,106,798	4,910,958
Cash Flows From Noncapital Financing Activities:			
Cash Received From General Property Taxes	3,788	--	3,788
Cash Received From General Sales and Use Taxes	28,644,920	--	28,644,920
Operating Grants Received	48,947	--	48,947
Transportation Planning and Financing Studies - Net	--	--	--
Operating Transfers In From Other Funds	5,115,060	300,000	5,415,060
Operating Transfers Out to Other Funds	(178,859)	--	(178,859)
Operating Transfers From Primary Government	--	--	--
Interest Paid on Short-term Interfund Loans	(135,305)	--	(135,305)
Loans to Other Funds	(2,370,689)	--	(2,370,689)
Loans From Other Funds	2,152,877	--	2,152,877
Loans to Component Units	(74,066)	--	(74,066)
Repayment of Loans to Other Funds	2,829,049	--	2,829,049
Repayment of Loans From Other Funds	(2,601,967)	--	(2,601,967)
Net Cash Provided by (Used for) Noncapital Financing Activities	33,433,755	300,000	33,733,755
Cash Flows From Capital and Related Financing Activities:			
Proceeds From Sale of Debt	16,892,659	--	16,892,659
Proceeds From Capital Grants	9,702,467	--	9,702,467
Proceeds From Sale of Capital Assets	186,579	505,218	691,797
Passenger Facility Charges	1,332,841	--	1,332,841
Acquisition and Construction of Capital Assets	(38,875,980)	(906,940)	(39,782,920)
Principal Paid on Bonds, Obligations and Capital Leases	(9,554,743)	(2,858,143)	(12,412,886)
Interest Paid on Bonds, Obligations and Capital Leases	(18,654,630)	(186,579)	(18,841,209)
Payment Made to Refunding Bonds Escrow Agent	(16,821,699)	--	(16,821,699)
Capital Contributed by the Government	69,341	--	69,341
Capital Contributed by Primary Government	--	--	--
Capital Contributed by Other Governments	909,783	--	909,783
Capital Contributed from Impact Fees	1,801,573	--	1,801,573
Net Cash Provided by (Used for) Capital and Related Financing Activities	(53,011,809)	(3,446,444)	(56,458,253)
Cash Flows From Investing Activities:			
Purchase of Investments	(102,871,931)	--	(102,871,931)
Proceeds From Sales and Maturities of Investments	89,899,959	--	89,899,959
Interest Received on Investments	6,252,808	264,428	6,517,236
Net Cash Provided by (Used for) Investing Activities	(6,719,164)	264,428	(6,454,736)
Net Increase (Decrease) in Cash and Cash Equivalents (Note 1)	(24,493,058)	224,782	(24,268,276)

The accompanying notes are an integral part of this statement.

Continued

Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
\$ 2,401,562	\$ 55,295,231
(2,291,981)	(32,149,544)
(3,797,970)	(22,029,215)
116,768	222,865
(3,571,621)	1,339,337
--	3,788
822,102	29,467,022
1,167,912	1,216,859
(261,116)	(261,116)
--	5,415,060
--	(178,859)
2,185,528	2,185,528
--	(135,305)
--	(2,370,689)
--	2,152,877
--	(74,066)
--	2,829,049
--	(2,601,967)
3,914,426	37,648,181
--	16,892,659
--	9,702,467
--	691,797
--	1,332,841
(2,334,313)	(42,117,233)
--	(12,412,886)
--	(18,841,209)
--	(16,821,699)
--	69,341
379,743	379,743
1,722,866	2,632,649
--	1,801,573
(231,704)	(56,689,957)
--	(102,871,931)
--	89,899,959
43,435	6,560,671
43,435	(6,411,301)
154,536	(24,113,740)

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED STATEMENT OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Types		Totals (Memorandum Only) Primary Government
	Enterprise	Internal Service	
Cash and Cash Equivalents, January 1	\$ 36,370,841	\$ 5,089,205	\$ 41,460,046
Cash and Cash Equivalents, December 31	11,877,783	5,313,987	17,191,770
Cash and Cash Equivalents from Fiduciary Fund Type included in Combined Balance Sheet	--	--	--
Adjusted Cash and Cash Equivalents, December 31	\$ 11,877,783	\$ 5,313,987	\$ 17,191,770
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (23,397,241)	\$ (494,893)	\$ (23,892,134)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	22,717,315	3,450,944	26,168,259
Landfill Closure and Postclosure Care Expense	963,050	--	963,050
Increase (Decrease) in Compensated Absences Payable	72,371	(2,555)	69,816
Increase (Decrease) in Net Pension Obligation	1,231,577	148,067	1,379,644
Decrease (Increase) in Net Pension Asset	--	--	--
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	414,534	(40)	414,494
Decrease (Increase) in Prepaid Items	(28,323)	--	(28,323)
Decrease (Increase) in Inventory	--	19,056	19,056
Increase (Decrease) in Accounts and Contracts Payable	(458,798)	(18,250)	(477,048)
Increase (Decrease) in Accrued Salaries Payable	41,335	4,469	45,804
Increase (Decrease) in Deferred Revenue	246,460	--	246,460
Increase (Decrease) in Other Liabilities	1,880	--	1,880
Increase (Decrease) in Liabilities Payable From Restricted Assets	--	--	--
Total Adjustments	25,201,401	3,601,691	28,803,092
Net Cash Provided By (Used for) Operating Activities	\$ 1,804,160	\$ 3,106,798	\$ 4,910,958

The accompanying notes are an integral part of this statement.

Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
\$ 1,870,568	\$ 43,330,614
2,025,104	19,216,874
310,452	310,452
\$ 2,335,556	\$ 19,527,326
\$ (4,303,501)	\$ (28,195,635)
934,304	27,102,563
--	963,050
--	69,816
--	1,379,644
(85,518)	(85,518)
41,736	456,230
(2,064)	(30,387)
54,950	74,006
(3,664)	(480,712)
--	45,804
--	246,460
--	1,880
(207,864)	(207,864)
731,880	29,534,972
\$ (3,571,621)	\$ 1,339,337

Noncash Investing, Capital, and Financing Activities

Enterprise Funds:

In 1998, the Greater Baton Rouge Airport District paid \$12,672 of principal and \$767 of interest on lease obligations. These payments are reflected as a cash outflow for capital and related financing activities on the Combining Statement of Cash Flows.

Internal Service Funds:

The Fleet Rental and Replacement Fund acquired \$827,185 of equipment through capital lease agreements. In 1998, \$2,858,143 of principal and \$186,579 of interest was paid on lease obligations and is reflected as a cash outflow for capital and related financing activities on the Combining Statement of Cash Flows.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types		
District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	
ASSETS AND OTHER DEBITS			
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 579,549	\$ 655,816	\$ 55,914
Investments	1,300,000	--	150,000
Property Taxes Receivable-Net (Note 4)	--	--	--
Accounts Receivable	--	28,814	--
Accrued Interest Receivable	--	--	1,459
Other Receivables	89,704	--	91
Due From Other Governments	106,652	167,538	17,755
Due From Primary Government (Note 11)	--	--	--
Prepaid Items	--	--	--
Inventory	--	--	--
Net Pension Asset	--	--	--
Other Assets	--	--	--
Restricted Assets:			
Cash and Cash Equivalents	--	--	--
Due From Other Governments	--	--	--
Fixed Assets:			
Land	--	--	--
Buildings	--	--	--
Equipment	1,336,795	1,824,302	161,327
Equipment Under Capital Leases	--	--	--
Accumulated Depreciation	--	--	--
Other Debits:			
Amount to be Provided for Retirement of Long-Term Debt	156,301	558,328	15,110
Total Assets and Other Debits	\$ 3,569,001	\$ 3,234,798	\$ 401,656

(1) As of June 30, 1998

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Capital Region Planning Commission (1)	St. George Fire Protection District
\$ 391,072	\$ 196,978	\$ 8,379,396	\$ 83,940	\$ 1,937,858
--	--	10,392,326	252,794	--
--	--	--	--	2,816,674
--	254,948	1,448,741	--	55,970
--	--	--	14,687	--
8,590	--	40,225	--	--
60,674	--	--	162,880	--
--	100,827	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,467	--	--	1,000
--	--	--	--	17,000
--	--	--	--	--
--	--	--	--	187,206
--	--	--	--	962,521
409,814	190,086	2,713,239	292,587	2,073,579
--	--	--	--	422,511
--	--	--	--	--
169,733	--	289,925	--	3,048,245
\$ 1,039,883	\$ 747,306	\$ 23,263,852	\$ 806,888	\$ 11,522,564

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types		
	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6
ASSETS AND OTHER DEBITS			
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ --	\$ 115,867	\$ 337,994
Investments	--	--	--
Property Taxes Receivable-Net (Note 4)	53,858	220,880	143,610
Accounts Receivable	--	81,755	14,015
Accrued Interest Receivable	--	--	--
Other Receivables	--	5,027	--
Due From Other Governments	94,991	163,181	294,987
Due From Primary Government (Note 11)	--	--	--
Prepaid Items	--	--	--
Inventory	--	--	--
Net Pension Asset	--	--	--
Other Assets	--	--	--
Restricted Assets:			
Cash and Cash Equivalents	--	--	--
Due From Other Governments	--	--	--
Fixed Assets:			
Land	18,592	165,018	43,000
Buildings	59,323	844,806	272,294
Equipment	308,098	710,050	498,363
Equipment Under Capital Leases	--	651,847	278,011
Accumulated Depreciation	--	--	--
Other Debits:			
Amount to be Provided for Retirement of Long-Term Debt	7,736	163,321	364,797
Total Assets and Other Debits	\$ 542,598	\$ 3,121,752	\$ 2,247,071

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types				Proprietary Fund Type	Totals
Eastside Fire Protection District	Pride Fire Protection District	Chaneyville Fire Protection District	Alsen-St. Irma Lec Fire Protection District	Capital Transportation Corporation	
\$ 88,556	\$ 102,019	\$ 29,286	\$ 45,099	\$ 680,271	\$ 13,679,615
--	--	--	--	2,703,142	14,798,262
228,366	--	--	100,156	--	3,563,544
--	--	--	--	19,267	1,903,510
--	958	274	1,084	14,184	32,646
--	--	--	--	--	143,637
248,333	--	--	33,396	219,770	1,570,157
--	--	--	--	--	100,827
--	--	--	--	15,478	15,478
--	--	--	--	150,100	150,100
--	--	--	--	266,190	266,190
--	--	--	--	--	5,467
--	--	--	--	1,655,285	1,672,285
--	--	--	--	362,002	362,002
151,360	15,000	--	9,000	378,307	967,483
1,480,409	--	109,334	256,496	8,847,098	12,832,281
864,207	109,344	176,048	176,628	9,561,080	21,405,547
38,113	--	--	205,769	--	1,596,251
--	--	--	--	(5,327,615)	(5,327,615)
1,010,028	--	--	195,537	--	5,979,061
\$ 4,109,372	\$ 227,321	\$ 314,942	\$ 1,023,165	\$ 19,544,559	\$ 75,716,728

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Current Liabilities:			
Accounts and Contracts Payable	\$ 67,345	\$ 32,149	\$ 7,578
Due to Other Governments	--	--	--
Due to Primary Government (Note 11)	40,730	--	--
Accrued Salaries Payable	--	--	10,647
Accrued Claims Payable	--	--	--
Deferred Revenue	--	--	--
Deposits and Escrow Accounts	--	--	--
Compensated Absences Payable	53,239	61,270	--
Other Liabilities	5,195	--	--
Liabilities Payable From Restricted Assets	--	--	--
Long-Term Liabilities (Note 10):			
Bonds and Notes Payable	--	--	--
Compensated Absences Payable	--	551,429	--
Obligation Under Capital Leases (Note 14)	--	--	--
Net Pension Obligation (Note 7)	156,301	6,899	15,110
Total Liabilities	322,810	651,747	33,335
Equity and Other Credits (Note 2):			
Investment in General Fixed Assets	1,336,795	1,824,302	161,327
Contributed Capital:			
Federal Government	--	--	--
Retirement of Federal Government Contribution	--	--	--
Primary Government	--	--	--
Retained Earnings:			
Unreserved	--	--	--
Fund Balances:			
Reserved for Encumbrances	--	--	--
Reserved for Employees' Pension Benefits	--	--	--
Reserved for Prepaid Items	--	--	--
Reserved for District Assistance	--	--	--
Reserved for Subsequent Year Expenditures	--	--	--
Unreserved:			
Designated for Unencumbered Appropriations	--	--	--
Designated for Other Uses	--	--	--
Undesignated	1,909,396	758,749	206,994
Total Equity and Other Credits	3,246,191	2,583,051	368,321
Total Liabilities, Equity, and Other Credits	\$ 3,569,001	\$ 3,234,798	\$ 401,656

(1) As of June 30, 1998

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types				
E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Capital Region Planning Commission (1)	St. George Fire Protection District
\$ 9,617	\$ 332,004	\$ 133,898	\$ 30,358	\$ 83,881
10,946	--	--	--	--
--	--	--	--	--
7,921	853	185,506	--	2,643
--	--	54,361	--	--
--	--	--	--	--
26,170	--	17,598,268	--	--
--	--	--	35,280	--
--	--	--	915	--
--	--	--	--	--
--	--	--	--	2,906,822
127,746	--	289,925	--	108,443
--	--	--	--	104,098
41,987	--	--	--	28,882
224,387	332,857	18,261,958	66,553	3,234,769
409,814	190,086	2,713,239	292,587	3,645,817
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,466	--	--	--
--	146,391	--	--	--
--	--	--	--	--
--	--	--	--	--
40,398	--	--	--	1,873,825
365,284	73,506	2,288,655	447,748	2,768,153
815,496	414,449	5,001,894	740,335	8,287,795
\$ 1,039,883	\$ 747,306	\$ 23,263,852	\$ 806,888	\$ 11,522,564

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998**

	Governmental Fund Types		
	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Current Liabilities:			
Accounts and Contracts Payable	\$ 6,037	\$ 13,687	\$ 9,629
Due to Other Governments	--	--	--
Due to Primary Government (Note 11)	74,066	--	--
Accrued Salaries Payable	--	27,984	6,171
Accrued Claims Payable	--	--	--
Deferred Revenue	--	--	--
Deposits and Escrow Accounts	--	--	--
Compensated Absences Payable	--	--	--
Other Liabilities	--	--	--
Liabilities Payable From Restricted Assets	--	--	--
Long-Term Liabilities (Note 10):			
Bonds and Notes Payable	--	--	170,000
Compensated Absences Payable	--	51,966	6,052
Obligation Under Capital Leases (Note 14)	--	86,055	168,730
Net Pension Obligation (Note 7)	7,736	25,300	20,015
Total Liabilities	87,839	204,992	380,597
Equity and Other Credits (Note 2):			
Investment in General Fixed Assets	386,013	2,371,721	1,091,668
Contributed Capital:			
Federal Government	--	--	--
Retirement of Federal Government Contribution	--	--	--
Primary Government	--	--	--
Retained Earnings:			
Unreserved	--	--	--
Fund Balances:			
Reserved for Encumbrances	--	--	--
Reserved for Employees' Pension Benefits	--	--	--
Reserved for Prepaid Items	--	--	--
Reserved for District Assistance	--	--	--
Reserved for Subsequent Year Expenditures	7,960	--	--
Unreserved:			
Designated for Unencumbered Appropriations	--	--	--
Designated for Other Uses	--	--	--
Undesignated	60,786	545,039	774,806
Total Equity and Other Credits	454,759	2,916,760	1,866,474
Total Liabilities, Equity, and Other Credits	\$ 542,598	\$ 3,121,752	\$ 2,247,071

The accompanying notes are an integral part of this statement.

Governmental Fund Types				Proprietary Fund Type	Totals
Eastside Fire Protection District	Pride Fire Protection District	Chaneyville Fire Protection District	Alsen-St. Irma Lee Fire Protection District	Capital Transportation Corporation	
\$ 16,777	\$ 3,936	\$ 3,441	\$ 7,513	\$ 156,248	\$ 914,098
--	--	--	--	--	10,946
--	--	--	--	--	114,796
19,900	--	--	--	74,988	336,613
--	--	--	--	--	54,361
--	--	--	--	1,533	1,533
--	--	--	--	--	17,624,438
--	--	--	--	480,081	629,870
--	--	--	--	25,065	31,175
--	--	--	--	834,296	834,296
965,000	--	--	--	--	4,041,822
3,574	--	--	--	--	1,139,135
38,113	--	--	195,537	--	592,533
3,341	--	--	--	--	305,571
1,046,705	3,936	3,441	203,050	1,572,211	26,631,187
2,534,089	124,344	285,382	647,893	--	18,015,077
--	--	--	--	16,598,796	16,598,796
--	--	--	--	(5,747,497)	(5,747,497)
--	--	--	--	4,967,249	4,967,249
--	--	--	--	(873,978)	(873,978)
--	5,520	--	2,300	--	7,820
--	--	--	--	3,027,778	3,027,778
--	--	--	--	--	4,466
--	--	--	--	--	146,391
--	--	--	--	--	7,960
--	9,840	10,375	--	--	20,215
--	--	--	--	--	1,914,223
528,578	83,681	15,744	169,922	--	10,997,041
3,062,667	223,385	311,501	820,115	17,972,348	49,085,541
\$ 4,109,372	\$ 227,321	\$ 314,942	\$ 1,023,165	\$ 19,544,559	\$ 75,716,728

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT UNITS
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court. (1)	E.B.R. Parish Family Court
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--
Intergovernmental Revenues	2,117,145	3,281,470	421,336
Charges for Services	--	118,491	115,326
Fines and Forfeits	425,105	--	--
Miscellaneous Revenues	767,222	51,668	13,280
Total Revenues	3,309,472	3,451,629	549,942
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	--	--
Proceeds From Long-Term Debt	--	--	--
Capital Leases	--	--	--
Operating Transfers From Primary Government (Note 12)	3,051,370	3,496,330	499,947
Total Other Financing Sources	3,051,370	3,496,330	499,947
Total Revenues and Other Financing Sources	6,360,842	6,947,959	1,049,889
Expenditures:			
Current:			
General Government	5,950,703	6,906,825	953,236
Public Safety	--	--	--
Capital Outlay	72,133	208,465	69,670
Debt Service	--	--	--
Total Expenditures	6,022,836	7,115,290	1,022,906
Excess of Revenues and Other Sources Over (Under) Expenditures	338,006	(167,331)	26,983
Fund Balances, Beginning of Year	1,571,390	926,080	180,011
Fund Balances, End of Year	\$1,909,396	\$ 758,749	\$ 206,994

(1) As of June 30, 1998

The accompanying notes are an integral part of this statement.

Continued

E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Capital Region Planning Commission (1)	St. George Fire Protection District
\$ --	\$ --	\$ --	\$ --	\$3,061,853
--	--	49,716	--	--
275,636	109,759	--	790,619	372,464
389,622	--	7,009,097	83,735	695,418
10,404	1,707,868	--	--	--
9,342	20,292	1,174,616	10,639	46,109
685,004	1,837,919	8,233,429	884,993	4,175,844
--	--	--	1,161	4,725
--	--	--	--	2,000,000
--	--	--	--	--
594,721	125,908	1,077,766	--	25,000
594,721	125,908	1,077,766	1,161	2,029,725
1,279,725	1,963,827	9,311,195	886,154	6,205,569
1,244,001	2,461,119	8,403,806	847,282	--
--	--	--	--	2,082,642
69,703	8,066	72,163	16,289	146,617
--	--	24,000	--	163,052
1,313,704	2,469,185	8,499,969	863,571	2,392,311
(33,979)	(505,358)	811,226	22,583	3,813,258
439,661	729,721	1,477,429	425,165	828,720
\$ 405,682	\$ 224,363	\$2,288,655	\$447,748	\$4,641,978

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT UNITS
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6
Revenues:			
Taxes	\$138,733	\$ 396,861	\$ 396,729
Licenses and Permits	--	--	--
Intergovernmental Revenues	86,912	209,027	140,893
Charges for Services	28,243	297,063	132,463
Fines and Forfeits	--	--	--
Miscellaneous Revenues	1,046	20,751	35,168
Total Revenues	<u>254,934</u>	<u>923,702</u>	<u>705,253</u>
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	13,250	--
Proceeds From Long-Term Debt	--	--	338,730
Capital Leases	--	--	--
Operating Transfers From Primary Government (Note 12)	25,000	53,730	200,000
Total Other Financing Sources	<u>25,000</u>	<u>66,980</u>	<u>538,730</u>
Total Revenues and Other Financing Sources	<u>279,934</u>	<u>990,682</u>	<u>1,243,983</u>
Expenditures:			
Current:			
General Government	--	--	22,290
Public Safety	334,866	742,649	604,547
Capital Outlay	3,100	41,870	263,406
Debt Service	--	140,458	17,107
Total Expenditures	<u>337,966</u>	<u>924,977</u>	<u>907,350</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(58,032)	65,705	336,633
Fund Balances, Beginning of Year	<u>126,778</u>	<u>479,334</u>	<u>438,173</u>
Fund Balances, End of Year	<u>\$ 68,746</u>	<u>\$ 545,039</u>	<u>\$ 774,806</u>

The accompanying notes are an integral part of this statement.

Eastside Fire Protection District	Pride Fire Protection District	Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Totals
\$ 468,607	\$ --	\$ --	\$ 172,782	\$ 4,635,565
--	--	--	--	49,716
--	7,067	7,820	2,682	7,822,830
151,461	27,905	21,346	11,489	9,081,659
--	--	--	--	2,143,377
33,211	5,231	1,716	6,495	2,196,786
653,279	40,203	30,882	193,448	25,929,933
--	--	1,875	--	21,011
458,113	--	--	--	2,796,843
38,113	--	--	205,769	243,882
61,660	35,000	35,000	53,840	9,335,272
557,886	35,000	36,875	259,609	12,397,008
1,211,165	75,203	67,757	453,057	38,326,941
--	--	--	--	26,789,262
822,720	42,612	50,089	134,412	4,814,537
142,188	--	8,000	280,769	1,402,439
98,577	--	--	11,697	454,891
1,063,485	42,612	58,089	426,878	33,461,129
147,680	32,591	9,668	26,179	4,865,812
380,898	66,450	16,451	146,043	8,232,304
\$ 528,578	\$ 99,041	\$ 26,119	\$ 172,222	\$ 13,098,116

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9

NOTE 1 - Summary of Significant Accounting Policies

a. Financial Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the City-Parish governing authority (Metropolitan Council or Mayor-President) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the City-Parish and the potential component unit.
4. Imposition of will by the City-Parish on the potential component unit.
5. Financial benefit/burden relationship between the City-Parish and the potential component unit.

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

Blended Component Units

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge is reported as part of the primary government in the General Purpose 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 Employees' Retirement System is the calendar year. The separately issued audit report on the Retirement System can be obtained at the following address: Jeffrey R. Yates, Retirement Administrator; P.O. Box 1471, Baton Rouge, LA 70821-1471.

Discrete Component Units

Capital Transportation Corporation (CTC) - CTC is a corporation created by and for the benefit of the Parish to provide urban mass transportation services. Any property acquired by the corporation is for the use and benefit of the City-Parish. Metropolitan Council approval is required for all transportation fare changes and operating subsidies. Operating subsidies are provided through a federal grant passed through City-Parish and by local matching funds. CTC's financial statements for the period ended December 31, 1998, are discretely presented in the General Purpose Financial Statements.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

budget process. These officials also have certain statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 1998)
Nineteenth Judicial District Court (for the period ended June 30, 1998)
E.B.R. Parish Family Court (for the period ended December 31, 1998)
E.B.R. Parish Juvenile Court (for the period ended December 31, 1998)
Nineteenth Judicial District Indigent Defender Board (for the period ended December 31, 1998)

Financial statements for the East Baton Rouge Parish Clerk of Court (for the period ended June 30, 1998) are also reported in the component units columns of the General Purpose Financial Statements. A financial burden/benefit relationship exists between the Clerk and the primary government since the parish is statutorily required to fund certain items in the budget of the Clerk. The parish is also entitled to fifty percent of any surplus general funds of the Clerk of Court at the end of the Clerk's elected term.

Capital Region Planning Commission - The Capital Region Planning Commission is a private non-profit government agency that administers federal funding from the U.S. Department of Transportation. A majority of the commissioners are appointed by the City-Parish governing authority. The Metropolitan Council also approves grant budgets and pass-through funding to the Commission. The Commission's financial statements for the year ended June 30, 1998 are included in the discrete component unit columns of the General Purpose Financial Statements.

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

Complete financial statements of the 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 or at the following administrative offices:

District Attorney Doug Moreau
222 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

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

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

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

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

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

elected by the employees who participate in the syst

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

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

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

Central Fire Protection District
11646 Sullivan Road
Baton Rouge, LA 70818

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

Brownsfield Fire Protection District
Chaneyville Fire Protection District
Pride Fire Protection District
Alsen-St. Irma Lee Fire Protection District
c/o Brian Mayers, Council Administrator
P.O. Box 1471
Baton Rouge, LA 70821-1471

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

Capital Transportation Corporation
Michael McCleary, Director
2250 Florida Boulevard
Baton Rouge, LA 70802

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:

Baton Rouge Recreation and Park Commission
(BREC)
Mike Proctor, Finance Director
P.O. Box 15887
Baton Rouge, LA 70895

Gas Utility Service District
S.M. Laurent, President
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

East Baton Rouge Housing Authority
Joseph F. Johnson, Executive Director
4546 North Street
Baton Rouge, LA 70806

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

Hospital Service District No. 1
Charles Massey
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

East Baton Rouge Mortgage Finance Authority
Sidney Longwell, Jr., Chairman
8555 United Plaza Boulevard
Suite 207, Four United Plaza
Baton Rouge, LA 70809-2251

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations (Continued)

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

The accounts of the City-Parish are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund 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, in the financial statements in this report, into eight generic fund types and three broad fund categories as follows:

Governmental Funds:

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

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

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

Capital Projects Funds -- Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Funds:

Enterprise Funds -- Enterprise Funds are used to account for operations: (a) that are financed and operated 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 periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis.

Proprietary Funds are reported in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting*. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

Proprietary Funds (Continued):

Proprietary activities under the control of the primary government (City-Parish) and Capital Transportation Corporation will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Fiduciary Funds:

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

Agency Funds -- Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

All discrete component units except for Capital Transportation Corporation (CTC) are presented in the general purpose financial statements on a combined basis for each individual component unit, combining governmental fund types, proprietary fund types, fiduciary fund types, the General Long-Term Debt Account Group, and the General Fixed Assets Account Group for each individual component unit. CTC has its own pension system as established by its Board of Directors. The financial statements for this system are presented as a pension trust fund in the Statement of Changes in Plan Net Assets using the guidelines of GASB Statement No. 25.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds, including General, Special Revenue, Debt Service, and Capital Projects 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.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements for proprietary fund types present increases (revenues) and decreases (expenses) in net total assets.

Governmental funds and agency funds are maintained on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy (See Note 4). Sales taxes and gross receipt business taxes are recognized in accordance with GASB Statement No. 22, *Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds*. Sales taxes and gross receipts business taxes are considered "measurable" when received by the Finance Department-Revenue Division of the City-Parish within 60 days after the end of the fiscal year to be used to pay liabilities of the current period. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets. Revenues from State and Federal grants are recognized when the reimbursable expenditures have been incurred. Licenses and Permits, Fines and Forfeits, and Miscellaneous Revenues (except investment earnings) are recorded as revenues when received in cash. Charges for Services and investment earnings are recorded as earned since they are measurable and available. 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, and compensated absences are recorded as expenditures when paid with expendable available financial resources.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting (Continued)

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.

d. 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:

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

Budgets for Capital Projects Funds 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, capital project budgets must be submitted to the Council for adequate public hearing and adoption on a project-length basis.

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. All annual appropriations lapse at fiscal year-end.

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) Capital lease payments are recorded as departmental expenditures on the budget basis while on the GAAP basis, they are reported as debt service expenditures. Capital leases, on the GAAP basis, represent acquisitions of general fixed assets with the value of the assets reported as departmental expenditures and other financing sources. (3) Housing and Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations. The loans are recorded as "loans receivable" on the GAAP basis with a corresponding reservation of fund balance.

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that there is available an unappropriated cash surplus sufficient to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Designated for Unencumbered Appropriations. Such appropriations for continuing projects carried forward from 1997 to 1998 totaled \$8,785,615 for the General Fund. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. At year-end, interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations. During 1998, supplemental appropriations in the General Fund in the amount of \$16,802,376 were authorized.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budget Policies and Budgetary Accounting (Continued)

Formal budgetary integration is used for management control in the accounting records during the year for the General, Special Revenue, and Debt Service Funds.

Capital Projects Funds are initiated by project budgets rather than annual budgets, and accountability is controlled on the project-life basis. Effective control of costs is therefore maintained by the Metropolitan Council who approves a budget for each project.

Budgets for Federal and State grants are recorded upon receipt of grant awards. The fiscal year for these grant awards may or may not coincide with the City-Parish's fiscal year.

e. Encumbrances

Encumbrances representing purchase orders, contracts or other commitments are recorded in budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis. At year-end, the reserve for encumbrances reflects total encumbrances less encumbrances for Federal and State grants. Grant encumbrances are subtracted from reserve for encumbrances because the applicable appropriation is recorded in the year in which expenditures occur as required by Section G60.110 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

f. 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 the Greater Baton Rouge Parking Authority, 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 the Greater Baton Rouge Parking Authority, the East Baton Rouge Sewerage Commission, and City and Parish Sales Tax Revenue Bonds 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 is not included in the City-Parish's consolidated bank account. This retirement system is considered part of the City-Parish primary government but operates a separate bank account and controls its own disbursements and investments.

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

Investments are reported at fair value except for (1) short-term and money market investments, consisting primarily of U.S. treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost and (2) the Louisiana

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

f. Cash, Cash Equivalents, and Investments (Continued)

Asset Management Pool (LAMP) investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law which are permitted to be carried at amortized cost.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment income.

g. Inventories of Materials and Supplies

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.

h. Advances to Other Funds

Long-term interfund loans are recorded as receivables, along with a fund balance reserve account to properly indicate that the amount is not available for appropriation. Repayments are credited to the receivable with a corresponding reduction of the fund balance reserve.

i. Fixed Assets

Fixed Assets of the primary government are maintained on the basis of original cost, except those arising from gifts or donations which are recorded at their fair market value at the time of receipt. All such assets which do not constitute assets of the Enterprise or Internal Service Funds are recorded in the General Fixed Assets Account Group, and no depreciation is computed or recorded thereon. Depreciation on fixed assets of the Enterprise and Internal Service Funds has been computed under the straight-line method based on the estimated useful lives of the individual assets. The depreciation rates for the major classifications of assets are as follows:

<u>Type of Fixed Assets</u>	<u>Annual Rates</u>
Buildings and Structures	2.5-4%
Runways and Improvements	2.5%
Furniture	10%
Equipment	10-20%

Certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and other assets acquired from subdivision developers have not been capitalized.

Fixed assets contributed by other governments, private developers, and other funds to Enterprise or Internal Service Funds are recorded as contributed capital. Depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction reduces the appropriate contributed capital account and is recorded as a retirement of contributed capital, thereby increasing retained earnings.

j. Capitalization of Interest Cost

FASB Statements No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, require that interest cost (net of interest earned) during the construction phase of major capital projects be capitalized if financed with restricted tax-exempt debt. 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 benefited.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

j. Capitalization of Interest Cost (Continued)

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 borrowings from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 1998, is disclosed by project in Note 6, Changes in Fixed Assets.

k. Revenues Susceptible to Accrual

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are sales taxes, property taxes, gross receipts business taxes, and certain state shared revenues such as tobacco tax, beer tax, and parish transportation funds.

l. Long-Term Debt

Long-term liabilities that are financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Long-term debt intended to be financed from proprietary funds is accounted for in the proprietary fund.

Excess Revenue Contracts are obligations of the General Fund, and payment of these debts is provided by transfers from the General Fund to the Excess Revenue and Limited Tax Fund.

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. Bond issues associated with Enterprise Funds are accounted for in the relevant Enterprise Fund. Parking Garage Revenue Bonds, and Sewer Sales Tax Revenue Bonds are payable from earnings of operations and are accounted for in their respective Enterprise Fund.

m. Reserves and Designations of Equity

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure. Reserved for Subsequent Year Expenditures is fund balance that has been budgeted as a source in the 1998 Operating Budget.

Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. "Designated for Unencumbered Appropriations" are those portions of incomplete projects that are to be carried forward and become actual appropriations in the following year. Designated for Future Years Expenditures is that portion of fund balance that has been set aside for future years budgets. Other designations are made for specific indicated purposes included in the title and require a council appropriation in subsequent years.

n. Comparative Data

Comparative data for the prior year has been presented in the Primary Government combining, individual fund and account group statements and schedules of the CAFR in order to provide an understanding of changes in financial condition. Comparative data for the prior year is not included in the General Purpose Financial Statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

o. Total Column on Combined Statements - Overview

Total Column on the Combined Statements - Overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with GAAP, nor is such data comparable to consolidation. Interfund items are not eliminated from the total column.

p. 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 years accrual.

All City-Parish primary government classified and non-classified regular employees earn sick leave in varying amounts according to the employee's number of years of continuous service. Sick leave is accumulated without time limitations. Sick leave is payable only upon death or retirement.

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 1998, the City-Parish retains 14.47% 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, 1998.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 1998, for certain salary-related benefits associated with the payment of compensated absences:

1. A total of 14.47% 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, 1998, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable under GASB Statement No. 16 is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

In governmental funds, the total liability as stated above is included in the General Long-Term Debt Account Group. Accrued vacation, compensatory, and related benefits will be paid from future years' resources. In proprietary fund types, the total compensated absences liability is recorded as an expense. A current liability is recorded for the value of one year's accrual of leave.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

p. Compensated Absences (Continued)

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.

q. Accounting for Special Assessment Projects

Special Assessment Projects are accounted for in capital projects or enterprise funds in accordance with guidelines recommended in Section S40.113-.126 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*.

Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets.

r. Accounting for 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 Disposal Facility 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 20.

s. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period.

NOTE 2 - Stewardship, Compliance and Accountability

a. Deficit Fund Balance and Retained Earnings of Individual Funds

Enterprise Funds:

Riverside Centroplex Fund shows a deficit in retained earnings of \$7,884,513. Management policy is to provide an operating transfer from the General Fund for the amount of the net loss, exclusive of depreciation. The fund deficit is primarily the result of prior years accumulated depreciation.

The Greater Baton Rouge Parking Authority shows a deficit in retained earnings of \$1,032,330. Management policy is to provide an operating transfer from the General Fund for the net loss, exclusive of depreciation. The fund deficit is primarily the result of prior years accumulated depreciation.

Component Units:

Capital Transportation Corporation shows a deficit in retained earnings of \$873,978 for enterprise fund operations in 1998, as compared to \$1,244,968 in 1997. The Capital Transportation Corporation pension trust fund reflects fund balance in the amount of \$3,027,778 resulting in a combined retained earnings/fund balance of \$2,153,800. Capital Transportation Corporation is a bus company that incurs a deficit each year which is offset by subsidies from federal and local governments. These operating subsidies do not cover the depreciation on assets acquired with Capital Transportation Corporation funds or local government contributions, which results in a retained earnings deficit.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 2 - Stewardship, Compliance and Accountability (Continued)

b. Expenditures Exceeding Appropriations (Non-GAAP Budgetary Basis)

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

	<u>Revised Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
General Fund:			
Operating Transfers Out:			
City Sub Fund	\$5,643,456	\$14,119,514	\$(8,476,058)
Special Revenue Funds:			
City Constable Court Costs Fund	750,226	752,141	(1,915)

A legally binding Local Services Agreement exists between the City of Baton Rouge and the Parish of East Baton Rouge whereby they engage jointly to provide certain services or activities, and fulfill certain obligations as provided in the *Plan of Government*. In addition, the Local Service Agreement provides for the joint parties to share equitably the savings, operating and financial benefits which accrue from the joint exercise of such activities. The amount of the operating transfer from the Parish Sub Fund to the City Sub Fund was increased above the 1998 budgeted amount when November and December revenues produced a greater growth rate in the Parish than was projected.

In accordance with Resolution 24125, adopted by the Metropolitan Council on August 7, 1985, all unencumbered funds remaining in the City Constable Court Costs Fund as surplus at the end of each fiscal year must be turned over to the City of Baton Rouge. The excess of expenditures and encumbrances over appropriations in the City Constable Court Costs Fund was caused by the resulting unbudgeted operating transfer to the General Fund.

c. Budgetary - GAAP Reporting Reconciliation

Annual budgets are adopted for the General, Special Revenue, and Debt Service Funds. Budgets for these funds are prepared on the modified accrual basis of accounting. 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>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Budget Basis)	\$3,296,796	\$ 8,303,121	\$(1,241,724)
Adjustments:			
To adjust for encumbrances	(1,785,069)	(4,576,145)	--
To adjust for U.S. Housing and Urban Development loans receivable	<u> --</u>	<u> 523,430</u>	<u> --</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (GAAP Basis)	<u>\$ 1,511,727</u>	<u>\$ 4,250,406</u>	<u>\$(1,241,724)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 2 - Stewardship, Compliance and Accountability (Continued)

c. 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 liquidated. Therefore, a timing difference exists between budgetary practices and GAAP. In accounting for grant funds, fund balance is not reserved for the grantor portion of encumbrances. Accordingly, grant encumbrances must be added to the reserve for encumbrances in calculating the adjustment necessary to reconcile GAAP basis to budgetary basis. In the Special Revenue Funds, the adjustment for encumbrances is calculated as follows:

	<u>1998</u>	<u>1997</u>	<u>1998 Over (Under) 1997</u>
Reserve for Encumbrances	\$4,583,408	\$ 8,349,794	\$(3,766,386)
Grant Encumbrances	<u>1,141,590</u>	<u>1,951,349</u>	<u>(809,759)</u>
Total Encumbrances	<u>\$5,724,998</u>	<u>\$10,301,143</u>	<u>\$(4,576,145)</u>

NOTE 3 - Cash, Cash Equivalents and Investments

The City-Parish maintains a consolidated cash management pool that is available for use by all funds except the Employees' Retirement System Pension Trust Fund. Each fund type's portion of the consolidated cash pool is displayed on the combined balance sheet as "Cash and Cash Equivalents" or "Investments."

a. Deposits - Primary Government

City-Parish deposits (including demand deposit accounts and certificates of deposits) at December 31, 1998, for the City-Parish primary government are summarized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1	\$136,054,401	\$135,024,561
Category 2	--	--
Category 3	<u>-----</u>	<u>-----</u>
Total	<u>\$136,054,401</u>	<u>\$135,024,561</u>

Certificates of deposit with a maturity of 90 days or more are classified on the combined balance sheet as "Investments" (\$126,247,444). The remaining carrying amount of \$9,806,957 is classified as "Cash and Cash Equivalents."

The City-Parish's bank balance of deposits at December 31, 1998, is categorized above in three levels of credit risk. Category 1 includes bank balance which is insured or collateralized with securities held by the City-Parish or its agent in the City-Parish's name. Category 2 includes bank balance which is collateralized with securities held by the pledging financial institution's trust department or agent in the City-Parish's name. Category 3 includes bank balance which is uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City-Parish's name.

The carrying amount of deposits does not include a cash on hand balance of \$1,289,271 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.

The Employees' Retirement System Pension Trust Fund owns \$46,450 of the deposits that are in Category 1.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

b. Cash Equivalents and Investments - Primary Government

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

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

Proceeds from the issuance of revenue bonds for the Greater Baton Rouge Parking Authority, and 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. The proceeds from the issuance of the Greater Baton Rouge Parking Authority Bonds are to be invested in obligations of or guaranteed by the State of Louisiana or the United States of America; obligations issued or guaranteed by any instrumentality or agency of the United States of America; or interest-bearing deposits in any bank or trust company provided that all such deposits shall be insured or collaterally secured in the manner required by the Act and the laws of Louisiana for the securing of such deposits.

Proceeds from the issuance of the Parish's 1989, 1991, 1993, 1995, 1996, and 1998 Public Improvement Sales Tax 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.

Authorized investments from the proceeds of the issuance of the City's 1989, 1990, 1992, 1993, 1997, and 1998 Public Improvement Sales Tax Revenue Bonds are in general, government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

City-Parish investments for the primary government at December 31, 1998, are categorized below in order to give an indication of the level of risk assumed by the entity at year-end.

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

	<u>Category 1</u>	<u>Carrying Amount</u>	<u>Amortized Cost</u>
U.S. Government Securities	<u>\$64,167,788</u>	\$ 64,167,788	\$ 64,844,709
Investments not subject to categorization:			
Louisiana Asset Management Pool (LAMP)		<u>68,129,725</u>	<u>68,381,862</u>
Total		<u>\$132,297,513</u>	<u>\$133,226,571</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

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

Investments with a maturity of less than 90 days are classified on the combined balance sheet as "Cash and Cash Equivalents" (\$70,599,715). The remaining carrying amount of \$61,697,798 is classified on the combined balance sheet as "Investments." The difference between carrying amount and amortized cost of \$929,058 is included in "Accrued Interest Receivable" on the combined balance sheet. All investments are shown at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which states that U.S. Treasury obligations that have a remaining maturity at time of purchase of one year or less, and investments in 2a7-like pools may be stated at amortized cost.

The \$68,129,725 invested in LAMP is owned by the Parish's pooled account (\$51,500,000), and the East Baton Rouge Sewerage Commission (\$16,629,725). In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

2. Employees' Retirement System Pension Trust Fund:

	<u>Category 1</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 7,583,904	\$ 7,583,904
U.S. Agency Notes	30,460,887	30,460,887
Commercial Paper	4,612	4,612
Corporate Bonds	72,816,522	72,816,522
Corporate Stocks	101,568,415	101,568,415
Corporate Stock Index	317,079,740	317,079,740
International Equity	99,113,587	99,113,587
Enhanced Bond Index Fund	118,563,819	118,563,819
Repurchase Agreements	<u>13,340,000</u>	<u>13,340,000</u>
 Total	 <u>\$760,531,486</u>	 <u>\$760,531,486</u>

The fair value of \$760,531,486 is classified on the combined balance sheet as "Investments."

Category 1 includes investments that are insured or registered or for which the securities are held by the City-Parish or its agent in the City-Parish's name.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

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 below in the three levels of credit risk as explained in section (a) of this note above:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
District Attorney of the Nineteenth Judicial District	\$ 1,879,549	\$ 1,997,531	\$ 1,300,000	\$697,531	\$ --
Nineteenth Judicial District Court	655,816	812,222	100,000	--	712,222
E.B.R. Parish Family Court	205,914	205,914	205,914	--	--
E.B.R. Parish Juvenile Court	390,772	445,289	162,188	--	283,101
Nineteenth Judicial District Indigent Defender Board	196,978	292,903	292,903	--	--
Clerk of Court	18,769,497	19,074,703	19,074,703	--	--
Capital Region Planning Commission	336,734	414,302	414,302	--	--
St. George Fire Protection District	1,954,858	1,948,136	1,948,136	--	--
Central Fire Protection District	115,867	127,000	100,000	--	27,000
District 6 Fire Protection District	337,994	323,176	323,176	--	--
Eastside Fire Protection District	88,556	88,556	88,556	--	--
Pride Fire Protection District	102,019	102,019	102,019	--	--
Chaneyville Fire Protection District	29,286	29,286	29,286	--	--
Alsen St. Irma Lee Fire Protection District	45,099	45,099	45,099	--	--
Capital Transportation Corporation	<u>2,335,156</u>	<u>1,739,454</u>	<u>1,739,454</u>	<u>--</u>	<u>--</u>
Total Component Units	<u>\$27,444,095</u>	<u>\$27,645,590</u>	<u>\$25,925,736</u>	<u>\$697,531</u>	<u>\$1,022,323</u>

For the component unit agencies that carry pledged securities that are considered Category 3 under the provisions of GASB Statement 3, 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.

Certificates of deposit with a maturity of 90 days or more are classified on the combined balance sheet as "Investments" (\$12,095,120). The remaining carrying amount of \$15,348,975 is classified as "Cash and Cash Equivalents."

The carrying amounts of deposits do not include a cash on hand balance for E.B.R. Parish Juvenile Court (\$300), Clerk of Court (\$2,225), and Capital Transportation Corporation (\$400) 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

d. Investments - Discretely Presented Component Units

	<u>Fair Value</u>
Mutual Funds	<u>\$2,703,142</u>

The mutual funds are owned by Capital Transportation Corporation. In accordance with GASB Codification Section 150.165, these investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

e. Cash, Cash Equivalents and Investments Summary

The following is a reconciliation of the carrying amount of deposits and investments to "Cash and Cash Equivalents" and "Investments" on the combined balance sheet.

1. Primary Government

Cash and Cash Equivalents:

Deposits	\$ 9,806,957
Cash on hand	1,289,271
Investments	2,469,990
Louisiana Asset Management Pool	<u>68,129,725</u>
Sub-total Cash and Cash Equivalents	<u>81,695,943</u>

Investments:

Deposits	126,247,444
Investments	<u>822,229,284</u>
Sub-total Investments	<u>948,476,728</u>

Cash, Cash Equivalents and Investments, December 31, 1998	<u>\$1,030,172,671</u>
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2. Component Units

Cash and Cash Equivalents:

Deposits	\$15,348,975
Cash on hand	<u>2,925</u>
Sub-total Cash and Cash Equivalents	<u>15,351,900</u>

Investments:

Deposits	12,095,120
Investments	<u>2,703,142</u>
Sub-total Investments	<u>14,798,262</u>

Cash, Cash Equivalents and Investments, December 31, 1998	<u>\$30,150,162</u>
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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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 4 - Property Taxes (Continued)

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 1998 property tax calendar is as follows:

Levy Date	December 10, 1997
Millage Rates Adopted	December 10, 1997
Tax Bills Mailed	December 1, 1998
Due Date	December 31, 1998
Lien Date	January 1, 1999

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment 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). Therefore, there are no delinquent taxes at year-end.

All property taxes are recorded in governmental funds, and as explained in Note 1(c), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as revenue in the current calendar 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. All of the net taxes receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Property taxes are considered available because they are substantially collected by the tax collector within 60 days subsequent to year-end and are therefore available to liquidate liabilities of the current period.

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

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
General Fund	\$ 7,817,630	\$ 398,353	\$ 7,419,277
Special Revenue Funds	<u>13,582,850</u>	<u>941,361</u>	<u>12,641,489</u>
Total	<u>\$21,400,480</u>	<u>\$1,339,714</u>	<u>\$20,060,766</u>

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

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
St. George Fire Protection District	\$3,061,853	\$245,179	\$2,816,674
Brownsfield Fire Protection District	59,049	5,191	53,858

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 4 - Property Taxes (Continued)

b. Property taxes receivable and estimated uncollectible taxes for the Component Units (Continued):

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
Central Fire Protection District	\$ 237,480	\$ 16,600	\$ 220,880
E.B.R. Parish Fire Protection District No. 6	157,763	14,153	143,610
Eastside Fire Protection District	245,143	16,777	228,366
Alsen-St. Irma Lee Fire Protection District	<u>101,387</u>	<u>1,231</u>	<u>100,156</u>
Total	<u>\$3,862,675</u>	<u>\$299,131</u>	<u>\$3,563,544</u>

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governmental Units

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the Special Revenue, Capital Projects, and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when expenditures are incurred. The grants normally specify the purpose for which funds may be used and are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept."

During 1998 and 1997, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or additions to contributions in the accompanying financial statements:

	<u>1998</u>	<u>1997</u>
Primary Government:		
Special Revenue Funds:		
Grants Fund	\$27,490,354	\$31,584,428
Capital Projects Funds:		
Capital Improvement Fund	1,979,422	325,445
Enterprise Funds:		
Greater Baton Rouge Airport District	11,512,334	3,013,749
Riverside Centroplex Fund	<u>1,102,149</u>	<u>648,637</u>
Total Primary Government	<u>\$42,084,259</u>	<u>\$35,572,259</u>
Component Unit:		
Capital Transportation Corporation	<u>\$ 3,193,285</u>	<u>\$ 5,688,001</u>

b. On-Behalf Payments for Salaries and Benefits

During 1995 the City-Parish implemented GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This standard requires the City-Parish to report 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 1998, 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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

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

Voter's Office. The state also paid supplemental salaries for employees of the Nineteenth Judicial District Attorney, judges salaries and benefits for the three court systems and state supplemental salaries of the parish fire protection district component units.

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 these funds back to the City-Parish Employees' Retirement System and the Cities of Zachary and Baker Retirement Systems.

On-behalf payments recorded as revenues and expenditures (expenses) in the 1998 financial statements are as follows:

	<u>State Supplemented Salaries</u>	<u>MERS Contribution</u>	<u>Total 1998 On-Behalf Payments</u>
Primary Government:			
General Fund	\$4,516,204	\$393,166	\$4,909,370
Special Revenue Funds	18,138	--	18,138
Enterprise Funds	<u>79,061</u>	<u>--</u>	<u>79,061</u>
Total Primary Government	<u>4,613,403</u>	<u>393,166</u>	<u>5,006,569</u>
Component Units:			
District Attorney of the Nineteenth Judicial District	1,301,277	--	1,301,277
Nineteenth Judicial District Court	1,474,676	--	1,474,676
E.B.R. Parish Family Court	421,336	--	421,336
E.B.R. Parish Juvenile Court	210,668	--	210,668
St. George Fire Protection District	67,970	--	67,970
E.B.R. Parish Fire Protection District No. 6	20,400	--	20,400
Brownsfield Fire Protection District	10,800	--	10,800
Central Fire Protection District	<u>21,600</u>	<u>--</u>	<u>21,600</u>
Total Component Units	<u>3,528,727</u>	<u>--</u>	<u>3,528,727</u>
 Total On-Behalf Payments	 <u>\$8,142,130</u>	 <u>\$393,166</u>	 <u>\$8,535,296</u>

NOTE 6 - Changes in Fixed Assets

a. A summary of changes in general fixed assets for the Primary Government follows:

	<u>Balance 1/1/98</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance 12/31/98</u>
Land	\$ 17,002,822	\$ 109,976	\$ (85,600)	\$ 17,198,398
Buildings	123,242,081	473,125	(9,533)	123,724,739
Improvements Other Than Buildings	229,192,802	12,275,509	(2,844,663)	244,312,974
Equipment	64,532,607	9,960,746	1,775,636	72,717,717
Equipment Under Capital Leases	7,451,078	108,851	2,500,784	5,059,145
Construction Work in Progress	<u>5,543,101</u>	<u>7,877,573</u>	<u>2,854,197</u>	<u>10,566,477</u>
 Total	 <u>\$446,964,491</u>	 <u>\$30,805,780</u>	 <u>\$ 4,190,821</u>	 <u>\$473,579,450</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

b. **Construction Work in Progress of the Primary Government for general fixed assets is composed of the following:**

	<u>Project Authorization</u>	<u>Capitalized</u>	Balance in Construction Work In Progress <u>12/31/98</u>	<u>Committed</u>	Estimated Required Future <u>Financing</u>
1993 Bond Capital Improvements	\$ 4,317,462	\$ 4,317,205	\$ --	\$ --	None
1998A City Bonds Capital Improvements	94,450,000	90,328,235	133,167	--	None
1998C Parish Bonds Capital Improvements	4,600,000	4,600,000	--	--	None
East Baton Rouge Prison Expansion	25,158,629	25,146,146	--	13,761	None
Miscellaneous Capital Improvements	35,077,388	26,707,508	96,946	590,466	None
Capital Improvement	42,335,230	17,160,366	5,791,989	6,113,263	None
Road and Street Improvement	22,646,640	3,662,446	2,128,661	5,041,908	None
Community Development	12,361,093	8,062,182	1,275,291	571,592	None
General Government	3,122,522	1,425,965	219,745	574,702	None
Street Improvements	27,750,108	21,385,390	920,678	303,250	None
Emergency Medical Services	<u>69,419</u>	<u>39,419</u>	<u>--</u>	<u>30,000</u>	None
Total	<u>\$271,888,491</u>	<u>\$202,834,862</u>	<u>\$10,566,477</u>	<u>\$13,238,942</u>	

c. **A summary of Primary Government proprietary fund type and pension trust fund property, plant, and equipment at December 31, 1998, follows:**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>
Land	\$ 49,197,900	\$ 47,568	\$ 550,628
Buildings	63,713,043	2,213,798	691,385
Improvements Other Than Buildings	562,399,384	7,190	--
Equipment	13,457,188	12,644,749	191,717
Equipment Under Capital Leases	37,121	5,272,293	--
Construction Work in Progress	<u>12,772,260</u>	<u>--</u>	<u>--</u>
Total	701,576,896	20,185,598	1,433,730
Less Accumulated Depreciation	<u>(181,581,657)</u>	<u>(11,978,832)</u>	<u>(509,848)</u>
Net Fixed Assets	<u>\$ 519,995,239</u>	<u>\$ 8,206,766</u>	<u>\$923,882</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

d. Construction Work in Progress at December 31, 1998, for Primary Government enterprise funds is composed of the following:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Capitalized</u>	<u>Balance in Construction Work in Progress 12/31/98</u>
Greater Baton Rouge Airport District:				
Miscellaneous Project Costs	\$ 3,980,987	\$ 716,313	\$ 8,831	\$ 707,482
FAA Flight Standards Office	80,658	56,088	--	56,088
Terminal Access Road Off-Ramp	201,018	201,018	--	201,018
Terminal Development	<u>30,614,457</u>	<u>8,848,207</u>	--	<u>8,848,207</u>
Total	<u>34,877,120</u>	<u>9,821,626</u>	<u>8,831</u>	<u>9,812,795</u>
Riverside Centroplex Fund:				
Miscellaneous	<u>4,820</u>	<u>2,066</u>	--	<u>2,066</u>
Comprehensive Sewerage System Fund:				
North Wastewater Treatment Plant Expansion Phase IIB	14,654,759	11,820,883	11,084,904	735,979
North Wastewater Treatment Plant Phase III Improvements	3,683,196	423,890	--	423,890
South Wastewater Treatment Plant Phase III Improvements	5,509,483	208,189	--	208,189
South Wastewater Treatment Plant Alternate Power	239,100	1,133	--	1,133
Central Wastewater Treatment Plant Phase III Improvements	3,157,321	158,342	--	158,342
Rehabilitation Construction	5,527,774	1,368,109	--	1,368,109
Trunkline System	<u>422,000</u>	<u>61,757</u>	--	<u>61,757</u>
Total	<u>33,193,633</u>	<u>14,042,303</u>	<u>11,084,904</u>	<u>2,957,399</u>
Total-All Enterprise Funds	<u>\$68,075,573</u>	<u>\$23,865,995</u>	<u>\$11,093,735</u>	<u>\$12,772,260</u>

Total construction period interest costs of \$4,742,535 were capitalized in 1998 in the Comprehensive Sewerage System Fund. Construction period interest costs of \$1,542,454 from the current and previous fiscal years remain in Construction Work in Progress at December 31, 1998. These costs cannot be capitalized because they have been allocated to projects that are not substantially complete.

e. A summary of changes in general fixed assets for governmental fund 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	<u>\$ 1,421,606</u>	<u>\$ 62,269</u>	<u>\$147,080</u>	<u>\$ 1,336,795</u>
<u>Nineteenth Judicial District Court</u> Equipment	<u>\$ 1,626,852</u>	<u>\$ 208,465</u>	<u>\$ 11,015</u>	<u>\$ 1,824,302</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

e. **A summary of changes in general fixed assets for governmental fund component units (Continued):**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Family Court</u> Equipment	\$ <u>93,639</u>	\$ <u>69,670</u>	\$ <u>1,982</u>	\$ <u>161,327</u>
<u>E.B.R. Parish Juvenile Court</u> Equipment	\$ <u>340,111</u>	\$ <u>69,703</u>	\$ <u>--</u>	\$ <u>409,814</u>
<u>Nineteenth Judicial District</u> <u>Indigent Defender Board</u> Equipment	\$ <u>182,020</u>	\$ <u>8,066</u>	\$ <u>--</u>	\$ <u>190,086</u>
<u>E.B.R. Parish Clerk of Court</u> Equipment	\$ <u>2,682,368</u>	\$ <u>72,163</u>	\$ <u>41,292</u>	\$ <u>2,713,239</u>
<u>Capital Region Planning Commission</u> Equipment	\$ <u>252,323</u>	\$ <u>40,264</u>	\$ <u>--</u>	\$ <u>292,587</u>
<u>St. George Fire Protection District</u> Land	\$ 65,906	\$ 121,300	\$ --	\$ 187,206
Buildings	962,521	--	--	962,521
Equipment	2,077,707	25,317	29,445	2,073,579
Equipment Under Capital Leases	<u>422,511</u>	<u>--</u>	<u>--</u>	<u>422,511</u>
Total St. George Fire Protection District	<u>\$ 3,528,645</u>	<u>\$ 146,617</u>	<u>\$ 29,445</u>	<u>\$ 3,645,817</u>
<u>Brownsfield Fire Protection District</u> Land	\$ 18,592	\$ --	\$ --	\$ 18,592
Buildings	59,323	--	--	59,323
Equipment	<u>304,998</u>	<u>3,100</u>	<u>--</u>	<u>308,098</u>
Total Brownsfield Fire Protection District	<u>\$ 382,913</u>	<u>\$ 3,100</u>	<u>\$ --</u>	<u>\$ 386,013</u>
<u>Central Fire Protection District</u> Land	\$ 165,018	\$ --	\$ --	\$ 165,018
Buildings	844,806	--	--	844,806
Equipment	708,132	41,870	39,952	710,050
Equipment Under Capital Leases	<u>651,847</u>	<u>--</u>	<u>--</u>	<u>651,847</u>
Total Central Fire Protection District	<u>\$ 2,369,803</u>	<u>\$ 41,870</u>	<u>\$ 39,952</u>	<u>\$ 2,371,721</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

c. **A summary of changes in general fixed assets for governmental fund component units (Continued):**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Land	\$ 33,000	\$ 10,000	\$ --	\$ 43,000
Buildings	254,500	17,794	--	272,294
Equipment	450,640	66,882	19,159	498,363
Equipment Under Capital Leases	<u>109,281</u>	<u>168,730</u>	<u>--</u>	<u>278,011</u>
Total E.B.R. Parish Fire Protection District No. 6	<u>\$ 847,421</u>	<u>\$ 263,406</u>	<u>\$ 19,159</u>	<u>\$ 1,091,668</u>
<u>Eastside Fire Protection District</u>				
Land	\$ 151,360	\$ --	\$ --	\$ 151,360
Buildings	1,059,711	420,698	--	1,480,409
Equipment	798,943	65,264	--	864,207
Equipment Under Capital Leases	<u>--</u>	<u>38,113</u>	<u>--</u>	<u>38,113</u>
Total Eastside Fire Protection District	<u>\$ 2,010,014</u>	<u>\$ 524,075</u>	<u>\$ --</u>	<u>\$ 2,534,089</u>
<u>Pride Fire Protection District</u>				
Land	\$ 15,000	\$ --	\$ --	\$ 15,000
Equipment	<u>85,924</u>	<u>23,420</u>	<u>--</u>	<u>109,344</u>
Total Pride Fire Protection District	<u>\$ 100,924</u>	<u>\$ 23,420</u>	<u>\$ --</u>	<u>\$ 124,344</u>
<u>Chaneyville Fire Protection District</u>				
Buildings	\$ 109,334	\$ --	\$ --	\$ 109,334
Equipment	<u>168,048</u>	<u>8,000</u>	<u>--</u>	<u>176,048</u>
Total Chaneyville Fire Protection District	<u>\$ 277,382</u>	<u>\$ 8,000</u>	<u>\$ --</u>	<u>\$ 285,382</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Land	\$ 9,000	\$ --	\$ --	\$ 9,000
Buildings	256,496	--	--	256,496
Equipment	89,209	75,000	(12,419)	176,628
Equipment Under Capital Leases	<u>--</u>	<u>205,769</u>	<u>--</u>	<u>205,769</u>
Total Alsen-St. Irma Lee Fire Protection District	<u>\$ 354,705</u>	<u>\$ 280,769</u>	<u>\$ (12,419)</u>	<u>\$ 647,893</u>
Total Governmental Fund Component Units	<u>\$16,470,726</u>	<u>\$1,821,857</u>	<u>\$277,506</u>	<u>\$18,015,077</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

f. A summary of property, plant, and equipment for Capital Transportation Corporation, a proprietary fund type component unit at December 31, 1998 is as follows:

Land	\$ 378,307
Buildings	8,847,098
Equipment	<u>9,561,080</u>
Total	18,786,485
 Less Accumulated Depreciation	 <u>(5,327,615)</u>
 Net Fixed Assets	 <u>\$13,458,870</u>

NOTE 7 - Employees' Retirement Systems

a. **Primary Government**

1. **Plan Description and Provisions**

The Employees' Retirement System of the City of Baton Rouge, Parish of East Baton Rouge, a separate legal entity, administers an agent multiple-employer defined benefit pension plan. The participating local government employers include:

- City of Baton Rouge, Parish of East Baton Rouge
- District Attorney of the Nineteenth Judicial District
- Nineteenth Judicial District Court
- E.B.R. Parish Family Court
- E.B.R. Parish Juvenile Court
- St. George Fire Protection District
- Brownsfield Fire Protection District
- Central Fire Protection District
- E.B.R. Parish Fire Protection District No. 6
- Eastside Fire Protection District
- * East Baton Rouge Recreation and Park Commission (BREC)
- * Related Organization under GASB 14

The Retirement System is reported as a blended component unit of City-Parish as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Pension Trust Fund by the primary government.

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

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

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

The Retirement System reports its financial activities under the provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. All required disclosures are included in their separately issued report. The primary government (City-Parish), as stated previously, reports the Retirement System as a Pension Trust Fund and has adopted the reporting requirements for an employer under GASB Statement No. 25 and GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. See Note 15 for a discussion of this accounting change and the calculation of the pension liability at transition.

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. Contractual employees may or may not become members, depending upon the provisions of their respective contracts.

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: full retirement benefits and minimum eligibility benefits. The service requirements and benefits granted for each category are:

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Retirement System are prepared using the accrual basis of accounting. Contributions from participating plan employers and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

The investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Summary of Significant Accounting Policies (Continued)

Method Used to Value Investments (Continued)

at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

3. Concentrations of Investments

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

4. Funding Policy

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are made to properly fund the system. In 1998, employees made a mandatory contribution of 9.5% of gross earnings while the actuarially determined employer contribution was 16.13% of active payroll.

5. Annual Pension Cost and Net Pension Obligation

The following information regarding the Retirement System's net pension obligation is based on the December 31, 1998, actuarial valuation:

Annual required contribution	\$17,967,514
Interest on net pension obligation	1,053,294
Adjustment to annual required contribution	<u>(850,254)</u>
Annual pension cost	18,170,554
Contributions made	<u>19,245,205</u>
Increase (decrease) in net pension obligation	(1,074,651)
Net pension obligation beginning of year (transition amount)	<u>13,166,169</u>
Net pension obligation end of year	12,091,518
Less: Net pension obligation for related organization	<u>(458,124)</u>
Net pension obligation - Primary Government and Component Units	<u><u>\$11,633,394</u></u>

The annual required contribution for the current year was determined as part of the December 31, 1998, actuarial valuation using the Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability. This method compares the theoretical reserve for service prior to the valuation date to plan assets. With this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over both the earnings and service of the individual between entry age (date of membership in the system) and assumed exit age.

Significant actuarial assumptions used in the valuation include: 1.) a rate of return on the investment of present and future assets of 8.0% per year, compounded annually; 2.) projected salary increases of 4.0% per year compounded annually, attributable to inflation; 3.) additional projected salary increases based on years of service and age attributable to seniority

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Annual Pension Cost and Net Pension Obligation (Continued)

and merit; 4.) no post-retirement benefit increases. The actuarial value of assets was determined using an adjusted market value approach which recognizes 20% of the unrealized gains and losses each year. This technique smoothes the volatility of market values for investments. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis, assuming payroll increases 0% per year during the final 15 years of the amortization period and 4% per year for all years prior to the final 15 years. The remaining amortization period at December 31, 1998, was 26 years.

Three-Year Trend Information for the Retirement System

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension Obligation
12/31/98	\$18,170,554	105.9%	\$12,091,518
12/31/97	19,701,655	89.7	13,166,169
12/31/96	17,932,472	85.4	11,127,580

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) --Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/98	\$740,257,038	\$875,075,687	\$134,818,649	84.6%	\$118,742,991	113.5%
12/31/97	635,463,896	811,977,242	176,513,346	78.3	114,102,750	154.7
12/31/96	587,193,233	773,936,127	186,742,894	75.9	109,658,886	170.3

b. Component Units

1. Capital Transportation Corporation Pension Plan

a. Plan Description

Employees of Capital Transportation Corporation (CTC) are members of the Capital Transportation Corporation Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. The Plan is administered by a local bank under the direction of the Board of Directors of the Corporation. CTC issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CTC's Pension Trust Fund. CTC has adopted the reporting provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. CTC's financial reports may be obtained by writing to:

Capital Transportation Corporation
Michael McCleary, Director
2250 Florida Boulevard
Baton Rouge, LA 70802

Because CTC issues its own CAFR with detailed disclosures on the operations of its Pension Trust Fund and because said fund is immaterial to the Primary Government, the City-Parish has chosen to provide limited disclosure in accordance with the reporting provisions of GASB Statement No. 25 and No. 27.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

1. Capital Transportation Corporation Pension Plan (Continued)

b. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of CTC's Pension Trust Fund are prepared using the accrual basis of accounting. Contributions from CTC and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

CTC's Pension Trust Fund investments, consisting of mutual funds, are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The Corporation's annual pension and net pension asset for the year ended December 31, 1998, was as follows:

Annual required contribution	\$102,371
Interest on net pension asset	(14,454)
Adjustment to annual required contribution	<u>19,278</u>
Annual pension cost	107,195
Contributions made	<u>192,713</u>
Increase (decrease) in net pension asset	85,518
Net pension asset beginning of year	<u>180,672</u>
Net pension asset end of year	<u><u>\$266,190</u></u>

**Trend Information for the Capital Transportation Corporation's
Pension Trust Fund**

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Asset</u>
12/31/98	\$107,195	179.8%	\$266,190
12/31/97	92,368	152.1	180,672
12/31/96	75,069	119.0	132,591

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
2/1/98 *	\$2,476,580	\$2,814,804	\$338,224	87.9%	\$2,569,374	13.2%
2/1/97	2,048,573	2,169,991	121,418	94.4	2,519,162	4.8

* Actuarial valuations are determined as of the beginning of the plan year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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

The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana, and the Office of the District Attorney, are members of the Louisiana District Attorney's Retirement System. This retirement system is a multiple employer cost sharing, statewide public employee retirement system administered and controlled by a separate board of trustees.

The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116, or by calling (504) 947-5551.

Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. From January 1, 1998, to June 30, 1998, the current rate was 2.5% of annual covered payroll. Beginning July 1, 1998, there were no employer contributions to the plan. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

The district attorneys' contributions to the LDARS for the year ended December 31, 1998, were \$98,354 equal to the required contributions for the year.

Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System. The District Attorney's contributions for the year ended December 31, 1998, were \$78,675. Additional information on this system is included in Note 7(a)(1) above.

3. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System

The employees of the Commissioners' offices, whose salaries are paid from appropriations from the State of Louisiana, are members of the Louisiana State Employees' Retirement System ("System"), a public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees which is administered and controlled by a separate board of trustees. The system provides retirement and disability benefits, annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Plan members are required by state statute to contribute 7.5% of gross salary to which the Commissioners' office adds 13% employer's match. The Commissioners' offices' statutory and actual contributions for the year ending June 30, 1998, 1997, and 1996 were \$25,758, \$24,016, and \$24,242, respectively.

Louisiana Clerk of Court Retirement and Relief Fund

Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund. See section b(5) of this note for disclosure on this multiple-employer cost-sharing PERS.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

3. Nineteenth Judicial District Court Pension Plans (Continued)

Louisiana Clerk of Court Retirement and Relief Fund (Continued)

The Nineteenth Judicial District Court's contributions to the system for the years ended June 30, 1998, 1997, and 1996, were \$57,560, \$60,875, and \$61,923, respectively, which was equal to the required contributions for each year.

4. Nineteenth Judicial District Indigent Defender Board Pension Plan

The Board contracted with A.G. Edwards in 1992 for a pension plan that paid 8% of the employees salary into a fully vested fund for each employee. This is a defined contribution plan and each employee will receive the amount in his individual fund at retirement. The Board pays all of the 8% contribution. There is no unfunded portion at December 31, 1998. Contributions in 1998 were \$101,448.

5. East Baton Rouge Parish Clerk of Court Pension Plan

Substantially all employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("Fund"), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10% of covered payroll. Contributions also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. Contribution requirements of both members and employers are established and amended by state statute. The E.B.R. Clerk of Court's contributions to the system for the years ending June 30, 1998, 1997, and 1996, were \$416,094, \$379,812, and \$399,390, respectively. These contributions were equivalent to the required contributions for each fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, LA 70816.

NOTE 8 - Deferred Compensation

a. Primary Government

The City-Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City-Parish employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The amount deferred by the employee is not available until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, the City-Parish established a custodial account in December 1996 with a third party administrator who will hold the assets and income of the plan.

The City-Parish has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the City-Parish plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City-Parish's financial statements.

Assets totaling \$29,989,924 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets totaling \$390,791 are held by Aetna Life Insurance and Annuity Company under agreement with City-Parish.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 8 - Deferred Compensation (Continued)

b. Component Unit - Capital Region Planning Commission

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees meeting specific length-of-service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees compensation. The contribution rate for employees is based on their employment longevity.

The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees have all selected a fund which consists of investments in insurance companies (a) rated Aa or above as to claims paying ability by Moody's rating service, (b) similarly rated by other major rating services, or (c) approved by the plan administrator's internal credit analysis function where no rating service is available.

Since the plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Component Unit's financial statements.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Commission (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Commission's general creditors. Participants' rights under the plan are equal to those of general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant. Commission management believes that it is unlikely that it will use the assets to satisfy claims of general creditors in the future.

c. Louisiana Public Employees' Deferred Compensation Plan

Many Louisiana local governments, including the East Baton Rouge Parish Clerk of Court, the Nineteenth Judicial District Court, and Capital Transportation Corporation participate in the State of Louisiana Public Employees' Deferred Compensation Plan, created in accordance with Internal Revenue Code Section 457.

The plan, available to all Clerk of Court, District Court, and CTC employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The amount deferred by the employee is not available until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August, 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, a custodial account was established in December, 1996, with a third party administrator who will hold the assets and income of the plan.

These Component Units implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, in 1998. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Component Unit's financial statements.

Assets held by Public Employees Benefit Services Corporation, a deferred compensation center, under agreement with the State of Louisiana are as follows.

E.B.R. Parish Clerk of Court	\$139,992
Nineteenth Judicial District Court	369,839
Capital Transportation Corporation	24,953

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 9 - Postemployment Benefits

City-Parish employees are eligible to continue participation in the government's health, dental and life insurance programs upon retirement.

a. Health and Dental Benefits

All classified and unclassified employees of the City-Parish may at their option participate in the employees' group health and dental self insurance programs. In 1998, employees were offered their choice of a traditional indemnity plan or the new point-of-service health maintenance plan. Employees may also participate in the indemnity plan for dental benefits. Upon retirement the employee may continue his coverage with the same benefits payable to active employees. The minimum premium plan is funded with employees and retirees contributing 38% of the premium and the City-Parish contributing 62% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972. The City-Parish's portion of the postretirement benefit for health and dental coverage is funded on a pay-as-you-go basis from the General Fund-Risk Management budget.

During 1998 the government recognized expenditures for postretirement health and dental benefits as follows:

	<u>Average Number of Participants</u>	<u>Amount</u>
Health	1,334	\$3,091,367
Dental	1,028	217,226

b. Life Insurance Benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all City-Parish employees who retired after May 1, 1976, have \$3,000 of term life insurance coverage. As of December 31, 1998, approximately 880 retirees had the \$3,000 coverage with Prudential Life Insurance Company.

The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Continuance Fund Account. The fund has a balance of \$313,258 as of January 1, 1999.

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Long-term liabilities of proprietary funds are accounted for in their respective fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

1. Summary of Changes in Long-Term Debt (Continued)

	<u>Balance</u> <u>1/1/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/98</u>
<u>General Long-Term Debt Account Group</u>				
General Obligation Bonds	\$ 1,300,000	\$ --	\$ 1,300,000	\$ --
Excess Revenue Contracts	66,835	--	10,943	55,892
Revenue Bonds	129,210,000	99,050,000	94,895,000	133,365,000
Compensated Absences Payable	8,642,505	498,837	--	9,141,342
Obligation Under Capital Leases (Note 14)	3,938,081	108,851	1,623,167	2,423,765
Claims and Judgments Payable (Note 13)	26,521,622	18,769,625	4,784,247	40,507,000
Employee Benefits Payable (Note 13)	660,356	11,619,719	6,827,028	5,453,047
Arbitrage Payable for Governmental Fund Types	19,238	--	19,238	--
Net Pension Obligation	<u>10,811,481</u>	<u>---</u>	<u>904,422</u>	<u>9,907,059</u>
Total General Long-Term Debt Account Group	<u>181,170,118</u>	<u>130,047,032</u>	<u>110,364,045</u>	<u>200,853,105</u>
<u>Enterprise Funds (Excluding Current Portion)</u>				
Obligations Payable	72,316,050	--	4,717,704	67,598,346
Revenue Bonds Payable	212,570,000	16,825,000	20,935,000	208,460,000
Deferred Amount on Refunding	(2,319,714)	(1,064,151)	--	(3,383,865)
Landfill Closure and Postclosure Care Liability (Note 20)	3,417,128	963,050	--	4,380,178
Long-Term Compensated Absences Payable	--	3,888	--	3,888
Long-Term Obligation Under Capital Leases	7,175	--	7,175	--
Net Pension Obligation	<u>---</u>	<u>1,231,577</u>	<u>---</u>	<u>1,231,577</u>
Total Enterprise Funds	<u>285,990,639</u>	<u>17,959,364</u>	<u>25,659,879</u>	<u>278,290,124</u>
<u>Internal Service Funds (Excluding Current Portion)</u>				
Long-Term Obligation Under Capital Leases	1,957,226	827,185	1,705,754	1,078,657
Net Pension Obligation	<u>---</u>	<u>148,067</u>	<u>---</u>	<u>148,067</u>
Total Internal Service Funds	<u>1,957,226</u>	<u>975,252</u>	<u>1,705,754</u>	<u>1,226,724</u>
<u>Trust and Agency Funds</u>				
Net Pension Obligation	<u>---</u>	<u>41,120</u>	<u>---</u>	<u>41,120</u>
Total Long-Term Debt	<u>\$469,117,983</u>	<u>\$149,022,768</u>	<u>\$137,729,678</u>	<u>\$480,411,073</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(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, 1998:

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
<u>General Obligation Bonds</u>					
1965 Capital Improvements Program:					
Drainage Series 1968	06/01-12/01	06/01/68	06/01/98	\$ 8,450,000	\$ --
Roads and Bridges Series 1968	06/01-12/01	06/01/68	06/01/98	<u>12,550,000</u>	<u>--</u>
Total General Obligation Bonds				<u>21,000,000</u>	<u>--</u>
<u>Excess Revenue Contracts</u>					
Parish of East Baton Rouge:					
1982 Jail Project Contract	06/15-12/15	12/15/82	06/15/2002	<u>150,000</u>	<u>55,892</u>
<u>Revenue Bonds</u>					
City of Baton Rouge:					
1989 Public Improvement Sales Tax	02/01-08/01	08/01/89	08/01/2008	14,340,000	725,000
1990 Public Improvement Sales Tax	02/01-08/01	12/01/90	08/01/2015	5,000,000	270,000
1992 Public Improvement Sales Tax	02/01-08/01	02/01/92	08/01/2016	21,400,000	1,850,000
1992A Public Improvement Sales Tax	02/01-08/01	04/01/92	08/01/2012	85,000,000	9,560,000
1993 Public Improvement Sales Tax	02/01-08/01	10/01/93	08/01/2018	4,000,000	3,620,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	17,955,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	94,450,000
Parish of East Baton Rouge:					
1989 Public Improvement Sales Tax	02/01-08/01	08/01/89	08/01/2008	6,625,000	335,000
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	4,600,000	4,600,000
Sewer Sales Tax Bonds:					
1989 Public Improvement Sales Tax	02/01-08/01	02/01/89	02/01/2014	45,000,000	1,210,000
1991 Public Improvement Sales Tax	02/01-08/01	08/01/91	02/01/2016	20,000,000	1,880,000
1993 Public Improvement Sales Tax	02/01-08/01	03/01/93	02/01/2018	30,200,000	27,505,000
1993A Public Improvement Sales Tax	02/01-08/01	10/01/93	02/01/2018	70,000,000	63,870,000
1995 Public Improvement Sales Tax	02/01-08/01	08/01/95	02/01/2020	36,000,000	35,210,000
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	64,730,000
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	16,825,000
Greater Baton Rouge Parking Authority:					
1978 Parking Garage	01/01-07/01	01/01/78	07/01/2003	<u>6,875,000</u>	<u>2,475,000</u>
Total Revenue Bonds				<u>544,640,000</u>	<u>347,070,000</u>
Total All Bonds and Contracts				<u>\$565,790,000</u>	<u>\$347,125,892</u>

The City-Parish is in compliance with all legal debt covenants at December 31, 1998.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable

Changes in bonds payable for the year 1998 were as follows:

	<u>Outstanding</u> <u>January 1,</u> <u>1998</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>December 31,</u> <u>1998</u>
<u>General Obligation Bonds</u>				
1965 Capital Improvements Program:				
Drainage	\$ 525,000	\$ --	\$ 525,000	\$ --
Roads and Bridges	<u>775,000</u>	<u>--</u>	<u>775,000</u>	<u>--</u>
Total General Obligation Bonds	<u>1,300,000</u>	<u>--</u>	<u>1,300,000</u>	<u>--</u>
<u>Excess Revenue Contracts</u>				
Parish of East Baton Rouge:				
1982 Jail Project Contract	<u>66,835</u>	<u>--</u>	<u>10,943</u>	<u>55,892</u>
<u>Revenue Bonds</u>				
City of Baton Rouge:				
1989 Public Improvement Sales Tax	10,625,000	--	9,900,000	725,000
1990 Public Improvement Sales Tax	4,380,000	--	4,110,000	270,000
1992 Public Improvement Sales Tax	19,005,000	--	17,155,000	1,850,000
1992A Public Improvement Sales Tax	67,260,000	--	57,700,000	9,560,000
1993 Public Improvement Sales Tax	3,710,000	--	90,000	3,620,000
1997 Public Improvement Sales Tax	19,325,000	--	1,370,000	17,955,000
1998A Public Improvement Sales Tax	--	94,450,000	--	94,450,000
Parish of East Baton Rouge:				
1989 Public Improvement Sales Tax	4,905,000	--	4,570,000	335,000
1998C Public Improvement Sales Tax	--	4,600,000	--	4,600,000
Sewer Sales Tax Bonds:				
1989 Public Improvement Sales Tax	2,330,000	--	1,120,000	1,210,000
1991 Public Improvement Sales Tax	18,115,000	--	16,235,000	1,880,000
1993 Public Improvement Sales Tax	28,135,000	--	630,000	27,505,000
1993A Public Improvement Sales Tax	65,590,000	--	1,720,000	63,870,000
1995 Public Improvement Sales Tax	35,495,000	--	285,000	35,210,000
1996 Public Improvement Sales Tax	64,870,000	--	140,000	64,730,000
1998B Public Improvement Sales Tax	--	16,825,000	--	16,825,000
Greater Baton Rouge Parking Authority:				
1978 Parking Garage	<u>2,885,000</u>	<u>--</u>	<u>410,000</u>	<u>2,475,000</u>
Total Revenue Bonds	<u>346,630,000</u>	<u>115,875,000</u>	<u>115,435,000</u>	<u>347,070,000</u>
Total All Bonds and Contracts	<u>\$347,996,835</u>	<u>\$115,875,000</u>	<u>\$116,745,943</u>	<u>\$347,125,892</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 1998, and interest requirements to maturity:

	<u>Debt Payable</u> <u>12/31/98</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
<u>Excess Revenue Contracts</u>			
1982 Jail Project Contract (10.64%)*	\$ 55,892	\$ 12,650	\$ 68,542
<u>Revenue Bonds</u>			
City of Baton Rouge:			
1989 Public Improvement Sales Tax (6.933%)*	725,000	49,300	774,300
1990 Public Improvement Sales Tax (6.924%)*	270,000	27,833	297,833
1992 Public Improvement Sales Tax (6.43%)*	1,850,000	230,265	2,080,265
1992A Public Improvement Sales Tax (6.41%)*	9,560,000	1,561,725	11,121,725
1993 Public Improvement Sales Tax (5.13%)*	3,620,000	2,224,420	5,844,420
1997 Public Improvement Sales Tax (4.79%)*	17,955,000	5,471,562	23,426,562
1998A City Sales Tax (4.43%) TIC**	94,450,000	46,435,599	140,885,599
Parish of East Baton Rouge:			
1989 Public Improvement Sales Tax (6.933%)*	335,000	22,780	357,780
1998C Public Improvement Sales Tax (4.11%) TIC**	4,600,000	1,164,577	5,764,577
Sewer Sales Tax Bonds:			
1989 Public Improvement Sales Tax (7.495%)*	1,210,000	42,955	1,252,955
1991 Public Improvement Sales Tax (6.67%)*	1,880,000	12,017,053	13,897,053
1993 Public Improvement Sales Tax (5.49%)*	27,505,000	17,313,273	44,818,273
1993A Public Improvement Sales Tax (5.13%)*	63,870,000	36,771,966	100,641,966
1995 Public Improvement Sales Tax (5.97%)*	35,210,000	32,216,215	67,426,215
1996 Public Improvement Sales Tax (5.66%)*	64,730,000	49,733,191	114,463,191
1998B Public Improvement Sales Tax (4.66%) TIC**	16,825,000	8,988,358	25,813,358
Greater Baton Rouge Parking Authority:			
1978 Parking Garage (6.29%)*	<u>2,475,000</u>	<u>493,425</u>	<u>2,968,425</u>
 Total Revenue Bonds	 <u>347,070,000</u>	 <u>214,764,497</u>	 <u>561,834,497</u>
 Total All Bonds and Contracts	 <u>\$347,125,892</u>	 <u>\$214,777,147</u>	 <u>\$561,903,039</u>

* Net Interest Cost (NIC)

** True Interest Cost (TIC)

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from Net Interest Cost to True Interest Cost.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(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:

<u>Year</u>	<u>Excess Revenue Contracts</u>			<u>Revenue Bonds</u>			<u>Total Principal and Interest All Bonds</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1999	\$12,117	\$ 5,332	\$17,449	\$ 11,585,000	\$ 18,576,547	\$ 30,161,547	\$ 30,178,996
2000	13,289	3,973	17,262	11,610,000	19,057,807	30,667,807	30,685,069
2001	14,462	2,488	16,950	13,625,000	18,139,833	31,764,833	31,781,783
2002	16,024	857	16,881	14,945,000	17,193,881	32,138,881	32,155,762
2003	--	--	--	16,595,000	16,253,151	32,848,151	32,848,151
2004-2008	--	--	--	90,570,000	66,455,031	157,025,031	157,025,031
2009-2013	--	--	--	90,230,000	41,018,643	131,248,643	131,248,643
2014-2018	--	--	--	78,570,000	16,573,875	95,143,875	95,143,875
2019-2021	---	---	---	<u>19,340,000</u>	<u>1,495,729</u>	<u>20,835,729</u>	<u>20,835,729</u>
Total	<u>\$55,892</u>	<u>\$12,650</u>	<u>\$68,542</u>	<u>\$347,070,000</u>	<u>\$214,764,497</u>	<u>\$561,834,497</u>	<u>\$561,903,039</u>

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 1999 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Excess Revenue Contracts</u>			
1982 Jail Project Contract	\$ 12,117	\$ 5,332	\$ 17,449
<u>Revenue Bonds</u>			
City of Baton Rouge:			
1989 Public Improvement Sales Tax	725,000	49,300	774,300
1990 Public Improvement Sales Tax	130,000	18,873	148,873
1992 Public Improvement Sales Tax	585,000	117,895	702,895
1992A Public Improvement Sales Tax	3,005,000	796,275	3,801,275
1993 Public Improvement Sales Tax	95,000	190,520	285,520
1997 Public Improvement Sales Tax	1,455,000	905,205	2,360,205
1998A Public Improvement Sales Tax	5,000	3,564,814	3,569,814
Parish of East Baton Rouge:			
1989 Public Improvement Sales Tax	335,000	22,780	357,780
1998C Public Improvement Sales Tax	5,000	142,614	147,614

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Revenue Bonds (Continued)</u>			
Parish of East Baton Rouge (Continued):			
Sewer Sales Tax Bonds:			
1989 Public Improvement Sales Tax	\$ 1,210,000	\$ 42,955	\$ 1,252,955
1991 Public Improvement Sales Tax	590,000	1,154,365	1,744,365
1993 Public Improvement Sales Tax	680,000	1,513,077	2,193,077
1993A Public Improvement Sales Tax	1,865,000	3,345,876	5,210,876
1995 Public Improvement Sales Tax	310,000	2,134,388	2,444,388
1996 Public Improvement Sales Tax	150,000	3,841,577	3,991,577
1998B Public Improvement Sales Tax	5,000	578,252	583,252
Greater Baton Rouge Parking Authority:			
1978 Parking Garage	<u>435,000</u>	<u>157,781</u>	<u>592,781</u>
Total Revenue Bonds	<u>11,585,000</u>	<u>18,576,547</u>	<u>30,161,547</u>
Total All Bonds and Contracts	<u>\$11,597,117</u>	<u>\$18,581,879</u>	<u>\$30,178,996</u>

7. Legal Debt Margin

Computation of Legal Debt Margin for General Obligation Bonds is as follows:

Governing Authority:	<u>City of Baton Rouge</u>	
<u>Ad Valorem Taxes:</u>		
Assessed Valuation		<u>\$1,019,135,241</u>
Debt Limit: 10% of Assessed Valuation (for any one purpose)		101,913,524
Debt Limit: 15% of Assessed Valuation (aggregate, all purposes)		152,870,286
Debt Limit: 35% of Assessed Valuation (sewerage purposes)		356,697,334
Debt Outstanding		<u>\$ --</u>
Governing Authority:	<u>Parish of East Baton Rouge</u>	
Purpose:	<u>Drainage</u>	<u>Roads, Highways and Bridges</u>
Assessed Valuation	<u>\$2,110,523,938</u>	<u>\$2,110,523,938</u>
Debt Limit: 10% of Assessed Value*	211,052,394	211,052,394
Debt Outstanding	<u>\$ --</u>	<u>\$ --</u>

*Debt may be incurred up to a limit of 10% of assessed valuation for any one purpose.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin (Continued)

Computation of Legal Debt Margin for General Obligation Bonds (Continued):

Governing Authority: Greater Baton Rouge Consolidated Sewerage District

Ad Valorem Taxes:

Assessed Valuation	<u>\$2,110,523,938</u>
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Debt Limit: 15% of Assessed Valuation	316,578,591
---------------------------------------	-------------

Debt Outstanding	<u>\$-----</u>
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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 Certificates and Contracts are secured by the general property tax levied for operation of the General Fund. They are payable through excess revenues through the General Fund budget. The debt obligations are issued on the authority of the Metropolitan Council and do not require a referendum from taxpayers.

8. Parking Revenue Bonds

On January 1, 1978, Parking Revenue Bonds were issued in the amount of \$6,875,000 for the purpose of constructing a multi-level parking facility for approximately 1,400 vehicles, including the funding of \$600,000 to a debt service reserve and paying \$665,000 interest on the bonds during construction of the project. The bonds do not constitute a pledge of full faith and credit of the City-Parish but are payable solely from the revenues derived from the facility or by subrentals under a sublease of the project. As security for payments, the City-Parish has pledged to dedicate gross receipts derived from the project, as well as its parking revenues from the existing 450 space Plaza Garage, 156 space surface Arena Lot, and designated on-street parking meter revenues, and any additional sums required are unconditionally obligated to be budgeted and paid from the General Fund.

The bonds are a combination serial and term bond issue with serial bonds maturing July 1, 1982, and each year thereafter through the year 1998, in principal amounts ranging from \$150,000 to \$410,000. The term bonds in the amount of \$2,475,000 mature July 1, 2003.

9. Governmental Funds Sales Tax Revenue Bonds

The City of Baton Rouge issued \$14,340,000 of Public Improvement Sales Tax Revenue Bonds, Series 1989, dated August 1, 1989, and the Parish of East Baton Rouge issued \$6,625,000 of Public Improvement Sales Tax Revenue Bonds, Series 1989 dated August 1, 1989. The bonds of both entities were issued for the purpose of the advance refunding of the Parish 1983 Street Improvement Certificates and the City and the Parish 1988 Louisiana Public Facilities Authority/East Baton Rouge Parish Buildings Lease Revenue Bonds, acquiring and constructing additions and improvements to the government's public buildings, providing a reserve for the bonds, and paying the issuance costs thereof.

The City of Baton Rouge issued \$5,000,000 of Public Improvement Sales Tax Revenue Bonds (Municipal Waste Sanitary Landfill Closure Project) Series 1990 dated December 1, 1990. The bonds were issued for the purpose of financing the closure of the municipal waste sanitary landfill facility commonly referred to as Devil's Swamp Landfill, paying the cost of issuance and providing for a portion of the debt service reserve.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. Governmental Funds Sales Tax Revenue Bonds (Continued)

The City of Baton Rouge issued \$21,400,000 of Public Improvement Sales Tax Revenue Bonds, Series 1992, dated February 1, 1992. The bonds were issued specifically to provide funds to finance the acquisition and construction of the new municipal waste sanitary landfill facility and to provide funds to finance certain improvements to public buildings and facilities, including, but not limited to, the City Court facility.

The City of Baton Rouge issued \$4,000,000 of Public Improvement Sales Tax Revenue Bonds, Series 1993, dated October 1, 1993. The bonds were issued for the purpose of providing funds to finance certain improvements to public buildings and facilities of the City, providing a reserve fund for the bonds, and paying the issuance cost thereof.

The City of Baton Rouge issued \$19,325,000 of Public Improvement Sales Tax Revenue Bonds, Series 1997, dated October 1, 1997. The bonds were issued for the purpose of providing funds to finance a portion of the Airport Terminal Development Program and solid waste disposal facility improvements at the City-Parish landfill, providing a reserve fund for the bonds, and paying the issuance cost thereof.

The City of Baton Rouge issued \$94,450,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998A, dated November 1, 1998. The bonds were issued for the purpose of: (1) providing sufficient funds to advance refund \$84,685,000 of aggregate principal ("callable series bonds") for the following Public Improvement Sales Tax Revenue Bond issues:

<u>Bond Issue</u>	<u>Principal Refunded</u>	<u>Maturing On and After</u>
\$14,340,000; Series 1989	\$ 9,225,000	August 1, 2000
\$ 5,000,000; Series 1990	3,985,000	August 1, 2001
\$21,400,000; Series 1992	16,620,000	August 1, 2002
\$85,000,000; Series 1992A	<u>54,855,000</u>	August 1, 2002
	<u>\$84,685,000</u>	

(2) providing funding for the cost of constructing a new planetarium and for other public building improvements, and; (3) providing a reserve, and paying the costs of issuance thereof.

The Parish of East Baton Rouge issued \$4,600,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998C, dated November 1, 1998. The bonds were issued for the purpose of: (1) providing sufficient funds to advance refund \$4,255,000 of aggregate principal for the \$6,625,000 Public Improvement Sales Tax Revenue Bonds, Series 1989, maturing on and after August 1, 2000, and; (2) paying the costs of issuance thereof.

All of the above governmental funds 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.

10. Proprietary Fund Sales Tax Revenue Bonds

The Parish of East Baton Rouge issued \$45,000,000 of Sales Tax Revenue Public Improvement Bonds (ST-1989) dated February 1, 1989. The Parish of East Baton Rouge also issued \$20,000,000 of Sales Tax Revenue Public Improvement Bonds dated August 1, 1991. During 1993, the Parish of East Baton Rouge issued \$30,200,000 Public Improvement Sales Tax Bonds, Series ST-1993, dated March 1, 1993, and \$70,000,000 Public Improvement Sales Tax Bonds, Series ST-1993A, dated October 1, 1993. During 1995, the Parish of East Baton Rouge issued \$36,000,000 Public Improvement Sales Tax Revenue Bonds, Series ST-1995, dated August 1, 1995. All bonds are complete parity bonds. The bonds were issued for the purpose of providing funding for the Parish's multi-year sewerage capital improvements program, providing a reserve, and paying the issuance cost thereof. The bonds are payable solely from the Parish's additional one-half of one percent sales and use tax, dedicated for sewerage purposes by the general electorate in April 1988, effective January 1, 1989.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. Proprietary Fund Sales Tax Revenue Bonds (Continued)

On March 1, 1996, the Parish of East Baton Rouge issued \$65,000,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1996 for the purpose of: (1) providing sufficient funds to advance refund \$36,300,000 in aggregate principal amount of the \$45,000,000 Public Improvement Bonds, Series ST-1989, maturing on and after February 1, 2000 (the "callable series 1989 bonds"); (2) providing funding for the costs of sewerage capital improvements, and; (3) providing a reserve, and paying the costs of issuance thereof. The 1996 bonds were issued in complete parity with the above Parish sales tax revenue bond issues, payable solely from the Parish's additional one-half of one percent sales and use tax.

On November 1, 1998, the Parish of East Baton Rouge issued \$16,825,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1998B, for the purpose of: (1) providing sufficient funds to advance refund \$15,690,000 in aggregate principal of the \$20,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991, maturing on and after February 1, 2002 (the "callable series 1991 bonds"), and; (2) paying the costs of issuance thereof. The 1998 bonds were issued in complete parity with the above Parish sewer sales tax revenue bonds, payable solely from the Parish's additional one-half of one percent sewer sales and use tax.

11. Current Year - Advance Refunding

As indicated in Note 10(a) 9 above, the City issued \$94,450,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998A, a portion of which was used to refund and defease in substance the callable portion of the following Sales Tax Revenue Bond issues:

<u>Bond Issue</u>	<u>Principal Refunded</u>	<u>Net Interest Cost (NIC) at Issuance</u>
\$14,340,000; Series 1989	\$ 9,225,000	6.933%
\$ 5,000,000; Series 1990	3,985,000	6.924%
\$21,400,000; Series 1992	16,620,000	6.430%
\$85,000,000; Series 1992A	<u>54,855,000</u>	6.410%
	<u>\$84,685,000</u>	

The new bonds were issued with a true interest cost of 4.427%. A portion of the proceeds of the new issue was provided by monies available in existing debt service sinking funds for the above referenced bond issues. The refunding portion of the new issue was used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$84,685,000) of the aforementioned bond issues. As a result, these bond issues are considered defeased, and the liability for these bonds has been removed from the General Long-Term Debt Account Group. The non-callable portion of the old bond issues (\$12,405,000 as of December 31, 1998) is reported as a liability in the General Long-Term Debt Account Group.

As indicated in Note 10(a) 9 above, the Parish issued \$4,600,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998C, to refund and defease in substance the callable portion of the 1989 Public Improvement Sales Tax Revenue Bonds, Series 1989 (net interest cost - 6.933%; principal refunded - \$4,255,000). The new bonds were issued with a true interest cost of 4.111%. The proceeds of the new issue were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$4,255,000) of the 1989 Public Improvement Sales Tax Revenue Bonds, Series 1989. As a result, that portion of the 1989 issue is considered to be defeased, and the liability for those bonds has been removed from the General long-Term Debt Account Group. The non-callable portion of the old issue (\$335,000 as of December 31, 1998) is reported as a liability of the General Long-Term Debt Account Group.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Current Year - Advance Refunding (Continued)

As indicated in Note 10(a) 10 above, the Parish issued \$16,825,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1998B, to refund and defease in substance the callable portion of the 1991 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (net interest cost - 6.67%; principal refunded - \$15,690,000). The new bonds were issued with a true interest cost of 4.664%. A portion of the proceeds of the new issue was provided by monies available in an existing debt service sinking fund. A portion of the proceeds of the new issue was used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$15,690,000) of the 1991 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991. As a result, that portion of the 1991 issue is considered to be defeased, and the liability for those bonds has been removed from the balance sheet of the Comprehensive Sewerage System Fund. The non-callable portion of the old issue (\$1,880,000 as of December 31, 1998) is reported as a liability of the Comprehensive Sewerage System Fund.

Details of each bond issuance are summarized as follows:

1998 Sales Tax Refunding Bonds Sources and Uses of Funds

	Series 1998A			Series 1998B	Series 1998C
	Refunding Escrow	New Construction	1998A Total	Refunding Escrow	Refunding Escrow
Sources:					
Principal Proceeds	\$90,695,000	\$3,755,000	\$ 94,450,000	\$16,825,000	\$4,600,000
Premium	4,872,879	--	4,872,879	67,659	--
Accrued Interest on New Debt to Delivery	215,439	9,012	224,451	36,413	8,979
Contribution from Sinking Funds	<u>1,366,530</u>	<u>--</u>	<u>1,366,530</u>	<u>337,500</u>	<u>--</u>
Total Sources	<u>\$97,149,848</u>	<u>\$3,764,012</u>	<u>\$100,913,860</u>	<u>\$17,266,572</u>	<u>\$4,608,979</u>
Uses:					
Deposit to Escrow Agent	\$90,937,408	\$ --	\$ 90,937,408	\$16,821,699	\$4,511,409
Net Construction Proceeds	120,356	3,740,000	3,860,356	216,801	--
Premium Used for Construction	4,872,879	--	4,872,879	--	--
Premium Used for Debt Service Issuance Costs	360,000	15,000	375,000	124,000	88,591
Deposit of Accrued Interest to Sinking Fund	215,439	9,012	224,451	36,413	8,979
Deposit to Debt Service Reserve	<u>643,766</u>	<u>--</u>	<u>643,766</u>	<u>--</u>	<u>--</u>
Total Uses	<u>\$97,149,848</u>	<u>\$3,764,012</u>	<u>\$100,913,860</u>	<u>\$17,266,572</u>	<u>\$4,608,979</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Current Year - Advance Refunding (Continued)

Summary of Cash Flow Differences and Calculation of Economic Gain
for the Series 1998A, 1998B, 1998C
Sales Tax Revenue Bonds

	<u>Series 1998A Bonds</u>	<u>Series 1998B Bonds</u>	<u>Series 1998C Bonds</u>
<u>Cash Flow Difference</u>			
Old debt service cash flows	\$136,415,983	\$27,446,953	\$6,173,135
New debt service cash flows	\$134,927,321	\$25,813,358	\$5,764,577
Less:			
Premium used for construction	(4,872,879)	--	--
Premium used for debt service	--	(67,659)	--
Accrued interest in 2/1/99 payment	(215,439)	(36,413)	(8,979)
Plus:			
Contribution from sinking funds	<u>1,366,530</u>	<u>337,500</u>	<u>5,755,598</u>
Cash Flow Difference	<u>\$ 5,210,450</u>	<u>\$ 1,400,167</u>	<u>\$ 417,537</u>
<u>Economic Gain</u>			
Present value of old debt service cash flows	\$ 97,421,603	\$18,249,239	\$4,899,199
Present value of new debt service cash flows	\$ 95,423,319	\$16,805,072	\$4,520,388
Less:			
Premium used for construction	(4,872,879)	--	--
Premium used for debt service	--	(67,659)	--
Accrued interest in 2/1/99 payment	(215,439)	(36,413)	(8,979)
Plus:			
Contribution from sinking funds	<u>1,366,530</u>	<u>337,500</u>	<u>4,511,409</u>
Economic Gain	<u>\$ 5,720,072</u>	<u>\$ 1,210,739</u>	<u>\$ 387,790</u>

As a result of refunding the callable portion of the \$20,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (with the Series ST-1998B bonds), on November 1, 1998, the City-Parish recognized a Deferred Amount on Refunding in the amount of \$1,291,440. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. The table below outlines the methodology used for calculating this deferral.

Reacquisition Price		\$16,821,699
Carrying Amount of Old Bonds	\$15,690,000	
Less: Unamortized Issuance Costs	<u>(159,741)</u>	
Net Carrying Amount of Old Bonds		<u>15,530,259</u>
Deferred Amount on Refunding		<u>\$ 1,291,440</u>

As of December 31, 1998, \$4,775 of the Deferred Amount on Refunding was amortized resulting in a net Deferred Amount on Refunding of \$1,286,665. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Prior Year - Advance Refunding

As indicated in Note 10 (a) 10 above, the Parish refunded and defeased in substance the callable portion of the 1989 Public Improvement (Sewer) Sales Tax Revenue Bonds on March 1, 1996 (net interest cost rate - 6.933%; principal refunded - \$36,300,000). A portion of the proceeds of the issue was provided by monies in the old debt service reserve that applied to the callable bonds. A portion of the proceeds of the new issue was used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$36,300,000) of the 1989 Public Improvement (Sewer) Sales Tax Revenue Bonds, (Series ST-1989). As a result, that portion of the 1989 issue is considered to be defeased, and the liability for those bonds has been removed from the balance sheet of the Comprehensive Sewerage System Fund. The non-callable portion of the old issue, \$1,210,000 as of December 31, 1998, is reported as a liability of the Comprehensive Sewerage System Fund and will totally mature on February 1, 1999.

As a result of refunding the callable portion of the \$45,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, the City-Parish recognized a Deferred Amount on Refunding of \$2,710,061. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. As of December 31, 1998, \$612,861 of the Deferred Amount on Refunding was amortized (\$222,514 in 1998 and \$390,347 in prior years) resulting in a net Deferred Amount on Refunding of \$2,097,200. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

13. Bonds of Other Governmental Units

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

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

14. Port Authority Bonds

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 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.

15. Arbitrage Liability

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

Arbitrage rebate calculations made on December 31, 1998, for the Parish of East Baton Rouge show arbitrage rebate liabilities to the U.S. Department of Treasury for the following Public Improvement (Sewer) Sales Tax Bonds:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

15. Arbitrage Liability (Continued)

<u>Bond Issue</u>	<u>Arbitrage Liability</u>
\$45,000,000; Series ST-1989	\$ 25,293
\$30,200,000; Series ST-1993	1,662
\$70,000,000; Series ST-1993-A	10,700
\$36,000,000; Series ST-1995	<u>68,090</u>
	<u>\$105,745</u>

These arbitrage rebate liabilities have been recorded as "Due to Other Governments" in the Comprehensive Sewerage System Fund.

16. 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, 1998, there were 73 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$280,000,000.

b. Component Units

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth</u>				
<u>Judicial District</u>				
Net Pension Obligation	\$ <u> --</u>	\$ <u>156,301</u>	\$ <u> --</u>	\$ <u>156,301</u>
<u>Nineteenth Judicial District Court</u>				
Compensated Absences Payable	\$ 506,315	\$ 45,114	\$ --	\$ 551,429
Net Pension Obligation	<u> --</u>	<u>6,899</u>	<u> --</u>	<u>6,899</u>
Total	<u>\$ 506,315</u>	<u>\$ 52,013</u>	<u>\$ --</u>	<u>\$ 558,328</u>
<u>E.B.R. Parish Family Court</u>				
Net Pension Obligation	\$ <u> --</u>	\$ <u>15,110</u>	\$ <u> --</u>	\$ <u>15,110</u>
<u>E.B.R. Parish Juvenile Court</u>				
Compensated Absences Payable	\$ 111,931	\$ 15,815	\$ --	\$ 127,746
Net Pension Obligation	<u> --</u>	<u>41,987</u>	<u> --</u>	<u>41,987</u>
Total	<u>\$ 111,931</u>	<u>\$ 57,802</u>	<u>\$ --</u>	<u>\$ 169,733</u>
<u>E.B.R. Parish Clerk of Court</u>				
Compensated Absences Payable	\$ <u>284,443</u>	\$ <u>5,482</u>	\$ <u> --</u>	\$ <u>289,925</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>St. George Fire Protection District</u>				
Bonds and Notes Payable	\$1,014,444	\$2,000,000	\$107,622	\$2,906,822
Compensated Absences Payable	69,273	104,338	65,168	108,443
Obligation Under Capital Leases	104,098	--	--	104,098
Net Pension Obligation	<u> --</u>	<u> 28,882</u>	<u> --</u>	<u> 28,882</u>
Total	<u>\$1,187,815</u>	<u>\$2,133,220</u>	<u>\$172,790</u>	<u>\$3,148,245</u>
<u>Brownsfield Fire Protection District</u>				
Net Pension Obligation	<u>\$ --</u>	<u>\$ 7,736</u>	<u>\$ --</u>	<u>\$ 7,736</u>
<u>Central Fire Protection District</u>				
Compensated Absences Payable	\$ 64,107	\$ --	\$ 12,141	\$ 51,966
Obligation Under Capital Leases	217,818	--	131,763	86,055
Net Pension Obligation	<u> --</u>	<u> 25,300</u>	<u> --</u>	<u> 25,300</u>
Total	<u>\$ 281,925</u>	<u>\$ 25,300</u>	<u>\$143,904</u>	<u>\$ 163,321</u>
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Bonds Payable	\$ --	\$ 170,000	\$ --	\$ 170,000
Compensated Absences Payable	43,407	--	37,355	6,052
Obligation Under Capital Leases	15,850	168,730	15,850	168,730
Net Pension Obligation	<u> --</u>	<u> 20,015</u>	<u> --</u>	<u> 20,015</u>
Total	<u>\$ 59,257</u>	<u>\$ 358,745</u>	<u>\$ 53,205</u>	<u>\$ 364,797</u>
<u>Eastside Fire Protection District</u>				
Notes Payable	\$ 612,500	\$ 420,000	\$ 67,500	\$ 965,000
Compensated Absences Payable	2,551	1,023	--	3,574
Obligation Under Capital Leases	--	38,113	--	38,113
Net Pension Obligation	<u> --</u>	<u> 3,341</u>	<u> --</u>	<u> 3,341</u>
Total	<u>\$ 615,051</u>	<u>\$ 462,477</u>	<u>\$ 67,500</u>	<u>\$1,010,028</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Obligation Under Capital Leases	<u>\$ --</u>	<u>\$ 205,769</u>	<u>\$ 10,232</u>	<u>\$ 195,537</u>
Total Governmental Fund Component Units Long-Term Debt	<u>\$3,046,737</u>	<u>\$3,479,955</u>	<u>\$447,631</u>	<u>\$6,079,061</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 11 - Receivables and Payables

a. **Individual fund interfund receivable and payable balances at year-end for the Primary Government were as follows:**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 136,596	\$ 22,363
Special Revenue Funds:		
Library Board of Control Fund	--	6,516,494
Downtown Development District	--	217,812
Total Special Revenue Funds	--	6,734,306
Capital Projects Fund:		
Miscellaneous Capital Improvements Fund	6,516,494	--
Enterprise Funds:		
Greater Baton Rouge Airport District	--	136,596
Greater Baton Rouge Parking Authority	--	2,152,877
Comprehensive Sewerage System Fund	2,370,689	--
Total Enterprise Funds	2,370,689	2,289,473
Trust and Agency Funds:		
Employees' Retirement System Pension Trust Fund	22,363	--
Total	<u>\$9,046,142</u>	<u>\$9,046,142</u>

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
General	\$ --	\$1,139,455	\$138,746	\$ 7,266,918	\$1,124,578	\$ 9,669,697
Special Revenue	4,627,109	4,812,261	--	16,087,787	556,370	26,083,527
Capital Projects	--	1,575,986	--	364	--	1,576,350
Enterprise	2,307,348	1,176,143	--	113	--	3,483,604
Internal Service	--	1,026	--	--	2,189	3,215
Trust and Agency	--	--	--	33,851	--	33,851
Total	<u>\$6,934,457</u>	<u>\$8,704,871</u>	<u>\$138,746</u>	<u>\$23,389,033</u>	<u>\$1,683,137</u>	<u>\$40,850,244</u>

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

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$ 40,730
Enterprise Funds:		
Comprehensive Sewerage System Fund	--	74,066
Trust and Agency Funds:		
Indigent Defender Fund	--	(100,827)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 11 - Receivables and Payables (Continued)

c. Receivable and payable balances between the Primary Government and Component Units (Continued)

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	\$ (40,730)	\$ --
Nineteenth Judicial District Indigent Defender Board	100,827	--
Brownsfield Fire Protection District	<u>(74,066)</u>	<u>--</u>
Total	<u>\$ (13,969)</u>	<u>\$ 13,969</u>

NOTE 12 - Interfund Transfers

a. Residual Equity Transfers

1. A residual equity transfer of \$76,349 was made from the General Fund to provide local matching funds for a federal grant to cover capital outlay expenditures for Capital Transportation Corporation.
2. During 1998, the Metropolitan Council adopted a resolution abolishing the City Court Judicial Fund as of January 1, 1999. The resolution directed that the estimated revenues and appropriations formerly appearing in this fund would appear in the General Fund. In closing this fund a residual equity transfer in the amount of \$651,694 was made to transfer the remaining assets and liabilities to the General Fund. Fund Balance has been designated for this amount.
3. A residual equity transfer of \$30,400 was made from the Emergency Medical Services Fund to the Greater Baton Rouge Airport District to fund a portion of the renovation and expansion of the Aircraft Rescue and Firefighting Facility.
4. A residual equity transfer of \$562 was made from the Parish Transportation Fund to provide local matching funds for a federal grant to cover capital outlay expenditures for Capital Transportation Corporation.
5. In closing the 1965 Capital Improvements Debt Service Fund, a residual equity transfer in the amount of \$349,692 was made to transfer the remaining cash and accrued interest receivable balances to the Capital Improvement Fund.
6. In closing the New Municipal Waste Facility Fund, a residual equity transfer in the amount of \$1,242 was made to transfer the remaining cash balance to the Solid Waste Disposal Facility Fund.
7. In closing the 1993 Bond Capital Improvements Fund, a residual equity transfer in the amount of \$1,209 was made to transfer the remaining cash balance to the General Fund.
8. In closing the Parish Buildings Renovation and Relocation Fund, a residual equity transfer in the amount of \$189,832 was made to transfer the remaining cash balance to the General Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 12 - Interfund Transfers (Continued)

b. **Operating Transfers In and Out for the Primary Government are listed by fund type for the year 1998:**

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	<u>\$15,685,433</u>	<u>\$32,918,107</u>
Special Revenue Funds:		
City Court Judicial Fund	--	409,022
City Constable Court Costs Fund	--	82,686
Library Board of Control Fund	--	3,479,164
Downtown Development District	35,000	--
Animal Control Center Fund	506,070	--
East Baton Rouge Parish Communications District	368,408	56,169
Emergency Medical Services Fund	--	1,168,408
Consolidated Garbage Service District No. 1	--	946,482
Grants Fund	<u>358,224</u>	<u>2,196</u>
Total Special Revenue Funds	<u>1,267,702</u>	<u>6,144,127</u>
Debt Service Funds:		
City Sales Tax Bonds Debt Service Fund	103,075	--
Excess Revenue and Limited Tax Fund	<u>1,839,075</u>	<u>--</u>
Total Debt Service Funds	<u>1,942,150</u>	<u>--</u>
Capital Projects Funds:		
1997 Bond Capital Improvements Fund	--	103,075
Miscellaneous Capital Improvements Fund	4,462,222	--
Capital Improvement Fund	<u>10,571,601</u>	<u>--</u>
Total Capital Projects Funds	<u>15,033,823</u>	<u>103,075</u>
Enterprise Funds:		
Riverside Centroplex Fund	800,000	--
Greater Baton Rouge Parking Authority	315,060	--
Comprehensive Sewerage System Fund	4,000,000	--
Solid Waste Disposal Facility Fund	<u>--</u>	<u>178,859</u>
Total Enterprise Funds	<u>5,115,060</u>	<u>178,859</u>
Internal Service Funds:		
Central Garage Fund	<u>300,000</u>	<u>--</u>
Total	<u>\$39,344,168</u>	<u>\$39,344,168</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 12 - Interfund Transfers (Continued)

c. **Operating transfers between the Primary Government and Component Units were as follows:**

	Operating Transfers (To)/From Primary <u>Government</u>	Operating Transfers (To)/From Component <u>Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$(10,331,012)
<u>Special Revenue Funds:</u>		
Parish Transportation Fund	--	(1,189,788)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	3,051,370	--
Nineteenth Judicial District Court	3,496,330	--
E.B.R. Parish Family Court	499,947	--
E.B.R. Parish Juvenile Court	594,721	--
Nineteenth Judicial District Indigent Defender Board	125,908	--
E.B.R. Parish Clerk of Court	1,077,766	--
St. George Fire Protection District	25,000	--
Brownsfield Fire Protection District	25,000	--
Central Fire Protection District	53,730	--
E.B.R. Parish Fire Protection District No. 6	200,000	--
Eastside Fire Protection District	61,660	--
Pride Fire Protection District	35,000	--
Chaneyville Fire Protection District	35,000	--
Alsen-St. Irma Lee Fire Protection District	53,840	--
Capital Transportation Corporation	<u>2,185,528</u>	<u>--</u>
Total	<u>\$11,520,800</u>	<u>\$(11,520,800)</u>

NOTE 13 - 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 \$100,000 and carries an insurance policy for all other locations with a combined \$100,000 deductible. There were no settlements that exceeded insurance coverage for the past three years.

b. **Accounting for Risk**

In accordance with GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and the 1997 *Codification of Governmental Accounting and Financial Reporting Standards* of the Governmental Accounting Standards Board, the City-Parish accounts for and reports risk management activities in the general fund within

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 13 - Risk Management (Continued)

b. Accounting for Risk (Continued)

the constraints of the modified accrual basis of accounting. Claims paid under the self-insurance risk activities 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 General Long-Term Debt Account Group. There were no major changes in insurance coverage for the year ended December 31, 1998.

c. Contingent Liabilities - Claims and Judgments

The City-Parish is a defendant in various tort claims and lawsuits involving general liability, automobile liability, personnel suits, and contractual matters. In accordance with FASB Statement No. 5, *Accounting for Contingencies*, litigation and other claims against the City-Parish for which there is at least a reasonable possibility of loss are estimated as of the balance sheet date by an outside casualty actuary. The estimated amount of liability is based on current Louisiana laws and judgments rendered in similar matters. FASB No. 5 requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether or not it has been reported, and that the amount of loss can be reasonably estimated. In accordance with GASB Statement No. 30, *Risk Financing Omnibus*, claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. Incremental claim costs have been estimated by management to be approximately 2% of the total amount paid out in settlements and judgments.

An amount of \$40,507,000 has been recorded as a long-term obligation in the General Long-Term Debt Account Group for estimated claims and judgments for risk management purposes. Incremental claim costs as required by GASB Statement No. 30, account for approximately 2% of that total. It is the government's policy to pay judgments against the City-Parish on a current basis from available financial resources.

d. Employee Benefits

Effective January 1, 1998, the City-Parish is self-insured and maintains a minimum premium plan for the group health and dental programs, providing medical and dental coverage to those City-Parish employees who choose to participate. Prior to January 1, the City-Parish held a fully insured health maintenance contract with an outside vendor for employee health insurance coverage. Employees are given the option of joining either the Blue Cross Point-of-Service Program or a health indemnity plan. An employee can only participate in one health plan. The City-Parish contributes 62% of the premium and employees contribute 38%. The government's share of the health and dental premium in the self-insured program is charged to individual budget accounts. Claims paid by the government in excess of the premium base for any given year are covered 100% by the General Fund. Any surplus of premiums over claims within a single fiscal year are recognized as "operating transfers in" to the General Fund and increase Fund Balance Designated for Insurance.

The estimated value of self-insured claims incurred but not reported or paid as of December 31, 1998, for group health and dental are as follows:

Self-funded medical	\$4,912,234
Self-funded dental	<u>540,813</u>
Total estimate	<u>\$5,453,047</u>

This amount has been included in the General Long-Term Debt Account Group for December 31, 1998.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 1998, 1997, and 1996:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 13 - Risk Management (Continued)

e. Changes in Liabilities for Claims (Continued)

	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Claims and Judgments Payable:</u>			
Beginning Balance	\$26,521,622	\$33,907,395	\$23,203,174
Additions:			
Claims Incurred & Changes in Estimate	18,769,625	3,087,500	18,564,689
Deductions:			
Claims Paid	(1,292,308)	(2,432,225)	(1,840,582)
Claims Dismissed	<u>(3,491,939)</u>	<u>(8,041,048)</u>	<u>(6,019,886)</u>
Ending Balance	<u>\$40,507,000</u>	<u>\$26,521,622</u>	<u>\$33,907,395</u>
<u>Employee Benefits Payable:</u>			
Beginning Balance	\$ 660,356	\$ 785,199	\$ 957,642
Additions:			
Claims Incurred	11,619,719	3,648,898	3,591,650
Deductions:			
Claims Paid	<u>(6,827,028)</u>	<u>(3,773,741)</u>	<u>(3,764,093)</u>
Ending Balance	<u>\$ 5,453,047</u>	<u>\$ 660,356</u>	<u>\$ 785,199</u>

f. Insurance Designation

The City-Parish maintains a practice of designating a portion of General Fund fund balance for self-insurance purposes. The designation is made in addition to the annual recurring appropriation of approximately \$9.3 million. The amount designated for insurance at December 31, 1998, was determined as follows:

Insurance Designation, December 31, 1997	\$17,950,735
Less: Appropriations from Insurance Designation for risk management purposes	(2,709,780)
Plus: Additional amount designated for insurance by authority of the Budget Ordinance	2,324,872
Interest earned on designated funds during 1998	<u>941,546</u>
Insurance Designation, December 31, 1998	<u>\$18,507,373</u>

NOTE 14 - Lease Commitments

Leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify leases as capital or operating leases. The GASB Codification and NCGA Statement No. 5 also require governmental fund assets under capital leases to be recorded in the General Fixed Assets Account Group and the lease obligation to be recorded in the General Long-Term Debt Account Group. Proprietary fund assets and liabilities arising from capital leases are accounted for and reported within the proprietary funds. Component unit leases are recorded in the same manner as those of the primary government.

a. Primary Government - Capital Leases

The City-Parish has entered into lease agreements to acquire or obtain the use of machinery equipment, communication equipment, office equipment, transportation equipment, and office space. The lease terms range from 12 to 84 months. All equipment leases will expire during the next four years. The amount necessary to reduce net minimum lease payments to present value is calculated by comparing the implicit rate and the incremental rate at the inception of the lease and using the lower of the two rates. The rate used in calculating present value ranges from 4.25% to 6.58%. The lease payments are

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

a. Primary Government - Capital Leases (Continued)

expected to remain the same throughout the term of the leases. The City-Parish has the option to purchase the equipment at a bargain price at the end of the lease term or in most cases title transfers to the City-Parish at the end of the leases. The lease agreements contain a fiscal funding clause which generally provides for cancellation in the event the Metropolitan Council does not appropriate funds in subsequent years for the lease payments.

During 1998, the majority of lease agreements entered into by the City-Parish were due to the Equipment Use Charge Program approved by the Council during 1989. The Equipment Use Charge Program is a plan whereby the Fleet Rental and Replacement Fund leases and maintains motorized equipment for use by the Department of Public Works. The Fleet Rental and Replacement Fund charges the user agency an equipment use charge to cover the total cost to operate the equipment including repair costs and purchase price. The objective of this program is to replace motorized equipment in a timely manner while minimizing costs.

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 1998:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
1999	\$ 920,340	\$1,698,439	\$2,618,779
2000	879,437	940,779	1,820,216
2001	843,472	169,706	1,013,178
2002	<u>23,485</u>	<u>--</u>	<u>23,485</u>
Total Minimum Lease Payments	2,666,734	2,808,924	5,475,658
Less: Amount Representing Interest	<u>(242,969)</u>	<u>(128,031)</u>	<u>(370,999)</u>
Present Value of Net Minimum Lease Payments	<u>\$2,423,765</u>	<u>\$2,680,893</u>	<u>\$5,104,659</u>

Asset balances as of December 31, 1998, for equipment under capital lease by major classes are as follows:

<u>Classes of Equipment</u>	<u>General Fixed Assets Account Group</u>	<u>Proprietary Funds</u>
Machinery Equipment	\$ --	\$ 5,003,035
Office Equipment	157,128	17,950
Communication Equipment	4,649,889	--
Transportation Equipment	<u>252,128</u>	<u>288,429</u>
Subtotal	5,059,145	5,309,414
Less: Accumulated Depreciation	<u>--</u>	<u>(1,961,518)</u>
Total	<u>\$5,059,145</u>	<u>\$ 3,347,896</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

b. Component Units - Capital Leases

Parish Fire Protection Districts

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments, as of December 31, 1998, for the parish fire protection districts:

	St. George Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Alsen- St. Irma Lee Fire Protection District
1999	\$115,908	\$78,764	\$ 29,690	\$13,895	\$ 42,598
2000	--	9,700	29,690	13,895	42,598
2001	--	--	29,690	13,896	30,901
Thereafter	--	--	<u>118,760</u>	--	<u>108,009</u>
Total Minimum Lease Payments	115,908	88,464	207,830	41,686	224,106
Less: Amount Representing Interest	<u>(11,810)</u>	<u>(2,409)</u>	<u>(39,100)</u>	<u>(3,573)</u>	<u>(28,569)</u>
Present Value of Net Minimum Lease Payments	<u>\$104,098</u>	<u>\$86,055</u>	<u>\$168,730</u>	<u>\$38,113</u>	<u>\$195,537</u>

Asset balances as of December 31, 1998, for equipment under capital lease by major classes for the parish fire protection districts are as follows:

<u>Classes of Equipment</u>	St. George Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Machinery Equipment	\$ --	\$651,847	\$278,011	\$ --	\$162,425
Transportation Equipment	<u>422,511</u>	--	--	<u>38,113</u>	<u>43,344</u>
Total	<u>\$422,511</u>	<u>\$651,847</u>	<u>\$278,011</u>	<u>\$38,113</u>	<u>\$205,769</u>

c. Operating Leases

1. Primary Government

Most operating leases contain one of the following options: (a) the City-Parish can, after the initial lease term, purchase the property at the fair value of the property or (b) the term can be extended on a month-to-month basis until either the City-Parish returns the equipment to the Lessor or the Lessor terminates the lease by a ten day written notice. In most cases, leases are renewed or replaced by other leases. The City-Parish does not have any operating leases with scheduled rent increases.

Operating lease payments during 1998 totaled \$215,378. A schedule by years of the future minimum rental payments as of December 31, 1998, on operating leases follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

c. Operating Leases (Continued)

1. Primary Government (Continued)

	Governmental Funds	Proprietary Funds	Total
1999	\$ 85,918	\$3,000	\$ 88,918
2000	45,840	--	45,840
2001	34,800	--	34,800
2002	34,800	--	34,800
2003	17,400	--	17,400
Total Minimum Payments	<u>\$218,758</u>	<u>\$3,000</u>	<u>\$221,758</u>

2. Component Unit - Fire Districts

St. George Fire Protection District is obligated under several operating leases for two buildings and equipment. These leases will expire over the next five years. Operating lease payments during 1998 totaled \$45,264. The future annual minimum lease payments under these operating leases as of December 31, 1998, is \$177,508.

Central Fire Protection District is obligated under several operating leases which expire over the next five years, for a building and equipment. Operating lease payments during 1998 totaled \$10,394. The future annual minimum lease payments under these operating leases as of December 31, 1998, is \$44,140.

3. Component Unit - Nineteenth Judicial District Indigent Defender Board

The Nineteenth Judicial District Indigent Defender Board is obligated under several operating leases which expire over the next five years, for a building and equipment. Operating lease payments during 1998 totaled \$140,322. The future annual minimum lease payments under these operating leases as of December 31, 1998, is \$564,670

NOTE 15 - Accounting Changes

a. Accounting Changes - Primary Government

The City-Parish implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. This statement requires employers who participate in defined benefit pension plans (sole and agent employers), to measure and disclose an amount for annual pension cost on the accrual basis of accounting, regardless of the amount recognized as pension expenditures/expense on the modified accrual or accrual basis. Annual pension cost should be equal to the employer's annual required contributions, as determined by an actuarial valuation, unless the employer has a net pension obligation due to past under- or overcontributions. The net pension obligation is the cumulative difference between annual pension cost and the employer's contributions to the plan, including any pension liability or asset at transition. The net pension obligation should measure annual pension cost equal to the annual required contribution, one year's interest on the net pension obligation, and an adjustment to the annual required contribution to offset the effect of actuarial amortization of past under-or overcontributions.

The pension liability at transition of \$13,166,169 for all employers was determined in accordance with the provisions of GASB 27. The calculation period was from January 1, 1987, through December 31, 1997. Of this transition amount, \$498,849 is for a related organization and \$327,204 is for component unit employers. See Note 7 for the calculation of the net pension obligation through December 31, 1998.

As a result of this change in accounting principle, the beginning balance in the General Long-Term Debt Account Group has been restated by \$10,811,481. See Note 10 for details on this restatement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 15 - Accounting Changes (Continued)

b. Accounting Changes - Component Units - Louisiana Public Employees' Deferred Compensation Plan

Those Louisiana local governments, including the East Baton Rouge Parish Clerk of Court, the Nineteenth Judicial District Court, and Capital Transportation Corporation who participate in the State of Louisiana Public Employees' Deferred Compensation Plan, implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with the amended provisions of Internal Revenue Code (IRC) Section 457 which were enacted into law in August 1996, all assets and income of the plan must be held in trust for the exclusive benefit of the participants and their beneficiaries. GASB Statement No. 32 requires governments who have fiduciary accountability and act in a trustee capacity for an IRC Section 457 plan to report the plan in its financial statements as an expendable trust fund. Those governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since these component units' plan is held in a custodial account with a third party administrator, the assets and liabilities were not presented as of June 30, 1998. See Note 8 for disclosure of the Louisiana Public Employees' deferred compensation plan and compliance with GASB Statement No. 32.

NOTE 16 - Capital Changes in Funds

Enterprise Funds receive contributions from federal, state, private, and local sources for the purpose of acquiring or constructing capital facilities. Retirement of federal and state contributions is the equivalent of the depreciation charged against the assets involved.

a. Primary Government

The additions and major sources of contributed capital or other changes in contributed capital of Enterprise and Internal Service Funds are as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Contributions, December 31, 1997	<u>\$153,341,377</u>	<u>\$2,684,304</u>	<u>\$156,025,681</u>
Greater Baton Rouge Airport District:			
Federal Government Contribution	6,491,557	--	6,491,557
Retirement of Federal Contribution	(1,411,324)	--	(1,411,324)
State of Louisiana Contribution	5,018,025	--	5,018,025
Retirement of State Contribution	(112,550)	--	(112,550)
Local Government Contribution	30,400	--	30,400
Riverside Centroplex:			
Retirement of Federal Contribution	(434,353)	--	(434,353)
State of Louisiana Contribution	1,055,954	--	1,055,954
Retirement of State Contribution	(269,744)	--	(269,744)
Comprehensive Sewerage System:			
Retirement of Federal Contribution	(375,864)	--	(375,864)
Retirement of State Contribution	(2,096)	--	(2,096)
Developers	25,000	--	25,000
Contribution From Impact Fees	1,775,972	--	1,775,972
Solid Waste Disposal Facility:			
Local Government Contribution	<u>1,691,971</u>	--	<u>1,691,971</u>
Net Increase	<u>13,482,948</u>	--	<u>13,482,948</u>
Contributions, December 31, 1998	<u>\$166,824,325</u>	<u>\$2,684,304</u>	<u>\$169,508,629</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 16 - Capital Changes in Funds (Continued)

b. Component Unit - Capital Transportation Corporation

Contributions, December 31, 1997	<u>\$14,419,806</u>
Federal Government Contribution	1,778,389
Retirement of Federal Contribution	(759,390)
Local Government Contribution	<u>379,743</u>
Net Increase	<u>1,398,742</u>
Contributions, December 31, 1998	<u>\$15,818,548</u>

NOTE 17 - Obligations of Intragovernmental Agencies

a. Greater Baton Rouge Airport District - 1980 Obligation

On March 15, 1980, the City of Baton Rouge issued \$11,300,000 of Airport Improvement Bonds. Concurrently, the Greater Baton Rouge Airport District signed an \$11,300,000 long-term obligation to the City of Baton Rouge bearing an interest rate of 7.86%. This long-term obligation requires that annual payments be made to the City for the use, possession, and control of the improvements constructed with the bond proceeds. The bonds matured on March 15, 1992, but the long-term obligation to the City remains in effect with semi-annual payments to be made over a 25 year period.

Payments to the City by the Airport District are recorded as miscellaneous revenues in the General Fund. Improvements constructed with the bond proceeds are recorded as assets and as a long-term obligation of the Airport District. Total principal paid prior to 1998 was \$4,719,856. In 1998, a principal payment of \$621,766 reduced the obligation payable to \$5,958,378. Scheduled maturities are as follows:

1999	\$ 670,636
2000	723,349
2001	780,204
2002	841,528
2003	907,672
2004 and after	<u>2,034,989</u>
	<u>\$5,958,378</u>

b. Greater Baton Rouge Airport District - 1997 Obligation

On October 22, 1997, the City of Baton Rouge issued \$19,325,000 in Public Improvement Sales Tax Revenue Bonds, Series 1997, for the purpose of financing a portion of the costs of construction (\$14,946,000) of certain improvements in the Terminal Development Project as well as other City-Parish construction projects. The Greater Baton Rouge Airport District is obligated under two negotiated promissory notes and the Amended Intergovernment Contract (Airport-Airline Lease Agreement) dated November 1, 1997, to make semi-annual payments to the City General Fund over a nine year period.

Payments on both obligations to the City by the Airport District are recorded as miscellaneous revenues in the General Fund and as a long-term obligation of the Airport District. Total principal paid prior to 1998 was \$274,000. In 1998, a principal payment of \$849,472 from airport rates and charges and \$664,111 from passenger facility charges reduced the obligation payable to \$13,158,417. Scheduled maturities of both obligations are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 17 - Obligations of Intragovernmental Agencies (Continued)

b. Greater Baton Rouge Airport District - 1997 Obligation (Continued)

	<u>Airport Rates and Charges</u>	<u>Passenger Facility Charges</u>	<u>Total</u>
1999	\$ 772,000	\$ 603,583	\$ 1,375,583
2000	834,083	651,833	1,485,916
2001	901,167	703,500	1,604,667
2002	973,250	759,583	1,732,833
2003	1,042,417	814,000	1,856,417
2004 and after	<u>1,770,833</u>	<u>3,332,168</u>	<u>5,103,001</u>
Total	<u>\$6,293,750</u>	<u>\$6,864,667</u>	<u>\$13,158,417</u>

c. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$85,000,000 in Public Improvement Sales Tax Revenue Bonds, Series 1992A (20 year term), for the purpose of providing funds to finance the acquisition of an undivided interest in the sewerage system owned and/or operated by the East Baton Rouge Sewerage Commission (the "Commission"). The Commission used the proceeds to refund the outstanding portion of the \$27,000,000 Public Improvement Certificates of Indebtedness and to defease the callable portion of the \$70,000,000 Sewer Revenue Bonds, Series 1987.

The Commission, through an act of credit sale, repurchased the undivided interest in the sewerage system previously sold to the City of Baton Rouge for \$76,999,452. This transaction is recorded as a long-term obligation in the Comprehensive Sewerage System Fund. Payments to the City by the Commission are required semi-annually over a 19 year period. These payments are recorded as miscellaneous revenues in the General Fund, and will fully offset the impact that the scheduled debt service payments on the \$85,000,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 1998 was \$21,243,475. In 1998, a \$2,556,722 principal payment reduced the obligation payable to \$53,199,255. Scheduled maturities are as follows:

1999	\$ 2,671,485
2000	2,797,821
2001	2,960,613
2002	3,190,575
2003	3,466,958
2004 and after	<u>38,111,803</u>
	<u>\$53,199,255</u>

NOTE 18 - Segments of Enterprise Activities

a. Primary Government

Some services provided by the local government are financed by user charges--airport, bus transportation service, arena-convention center, parking, sewerage system, and solid waste disposal. The significant financial data for these enterprises are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 18 - Segments of Enterprise Activities (Continued)

a. Primary Government (Continued)

	<u>Airport</u>	<u>Riverside Centroplex</u>	<u>Parking</u>	<u>Sewerage System</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
Operating Revenues	\$ 6,545,532	\$ 1,720,813	\$ 620,871	\$ 23,427,924	\$ 8,589,980	\$ 40,905,120
Depreciation	2,350,655	1,145,515	403,258	17,855,796	962,091	22,717,315
Operating Income (Loss)	(704,871)	(1,816,148)	(169,434)	(19,934,512)	(772,276)	(23,397,241)
Operating Grants	2,752	46,195	--	--	--	48,947
Operating Transfers In and (Out)	--	800,000	315,060	4,000,000	(178,859)	4,936,201
Taxes	--	--	--	28,669,865	--	28,669,865
Net Income (Loss)	345,619	(920,174)	(29,071)	4,147,793	(528,258)	3,015,909
Working Capital	380,314	339,932	(2,203,998)	11,927,346	9,369,571	19,813,165
Change in Capital Contributions	11,539,982	1,055,954	--	1,800,972	1,691,971	16,088,879
Property, Plant and Equipment:						
Additions	13,329,988	12,100	--	33,524,421	1,737,786	48,604,295
Deletions	(790,280)	(14,941)	--	(8,929,843)	(24,508)	(9,759,572)
Total Assets	111,072,195	19,856,595	6,061,447	477,054,717	35,645,152	649,690,106
Obligations Payable	19,116,795	--	--	53,199,255	--	72,316,050
Revenue Bonds Payable	--	--	2,475,000	211,230,000	--	213,705,000
Equity	88,797,460	19,012,222	1,254,360	206,461,109	30,488,176	346,013,327

b. Component Unit - Capital Transportation Corporation

The following reflects financial information for the Capital Transportation Corporation enterprise fund. The activities of the pension trust fund are excluded.

Operating Revenues	\$ 2,476,593
Depreciation	934,304
Operating Income (Loss)	(4,303,501)
Operating Grants	1,167,912
Operating Transfers From Primary Government	2,185,528
Taxes	779,342
Working Capital	36,519
Net Income (Loss)	(388,400)
Change in Capital Contributions	2,158,132
Property, Plant and Equipment:	
Additions	8,511,334
Deletions	(8,145,011)
Total Assets	16,516,781
Equity	14,944,570

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 19 - 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).

FAA regulations require that PFC revenues be recognized and recorded as non-operating revenues in the year the fees are collected by the air carriers (not when the funds are spent). This provision requires that airports accrue PFC revenues at fiscal year-end.

FAA regulations also require certain Financial Statement Disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted retained earnings in the equity section of the balance sheet. On the statement of revenues, expenses, and changes in retained earnings, PFC revenue is classified as non-operating revenue, while on the statement of cash flows, PFC collections are classified as capital in nature. The Governmental Accounting Standards Board is currently studying the proper accounting for passenger facility charges; until guidance is issued by that body, the Airport will account for PFC revenue using the aforementioned FAA regulations.

The Airport began assessing the fee on December 1, 1992, and the FAA approved a total collection of \$9,823,159 over a six year period ending December 1, 1998. On February 14, 1997, the FAA approved an additional collection of \$10,157,206 over an eleven year period commencing June 1, 1997, and ending June 1, 2008. The collection periods were based on information submitted to the FAA by the Airport.

On April 23, 1993, the Airport received approval from the FAA to use PFC revenues to fund certain airport projects. The list of approved projects was amended by the FAA on February 14, 1997. The revised list of projects and approved amounts are shown in the following table.

<u>Description</u>	<u>Project Amount</u>
Terminal Concept Study	\$ 450,000
Noise Mitigation	8,532,260
Terminal Building Plan Specifications	840,899
Terminal Building Renovations/Expansion	
Financing and Interest	<u>10,157,206</u>
 Total	 <u>\$19,980,365</u>

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 1998 fiscal year resulting in a reservation of retained earnings from passenger facility charges in the amount of \$2,955,456.

Cumulative PFC Revenues (1992 - 1998)	\$ 7,444,826
Interest Earnings	<u>669,047</u>
Total Revenues	8,113,873
 * Cumulative PFC Administrative Fee	 (135,219)
Cumulative Expenses for PFC Projects (1992 - 1998)	(3,913,197)
Cumulative Bond Principal Payments	(784,333)
Cumulative Bond Interest Payments	<u>(325,668)</u>
Retained Earnings Reserved PFC's	<u>\$ 2,955,456</u>

* Prior to 1995 the administrative fee was netted with PFC fees

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1998**

EXHIBIT A-9
 (Continued)

NOTE 20 - Solid Waste Disposal Facility Closure And Postclosure Care Liability

The 1994 fiscal year was the first full year of operation for the new North Landfill, which opened when the old landfill, Devil's Swamp, was closed on October 8, 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. GASB Statement No. 18 states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The total estimated current cost of closure and postclosure care costs for the Solid Waste Disposal Facility, as prepared by an outside engineering firm, is \$19,155,550, and the total estimated capacity is 33,400,000 cubic yards with a projected useful life of 49 years. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effects of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Disposal Facility Enterprise Fund recognizes a 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. The expense and liability are based on the number of cubic yards used during the period rather than on the passage of time. As of December 31, 1998, the liability for closure and postclosure care totals \$4,380,178. The liability is based on the landfill capacity used to date of 7,637,365 cubic yards or 22.9% of the landfill capacity. The liability will be financed by retained earnings of the Solid Waste Disposal Facility Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$14,775,372 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 1998, is 44 years.

NOTE 21 - Council Members Compensation

Each Council Member receives monthly compensation in accordance with The Plan of Government. The following is a list of Council Members and their compensation for the year 1998.

District 1	
Roxson Welch	\$ 3,600
District 2	
Thomas Woods	3,600
District 3	
Pat Culbertson	3,600
District 4	
Joseph "Joe" Greco	3,600
District 5	
Charles Kelly	3,600

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 21 - Council Members Compensation (Continued)

District 6		
M. A. "Mike" Tassin		\$ 3,600
District 7		
W.T. Winfield		3,600
District 8		
Mike Futrell		3,562
District 9		
Patty Jo Roubique		3,600
District 10		
Lorri Burgess		3,600
District 11		
Mary Frey Eaton		
Council		3,600
President Pro-Tem		15,000
District 12		
James T. "Jim" Benham		3,600

In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B))

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
YEAR 2000 ISSUES
PRIMARY GOVERNMENT**

EXHIBIT A-10

In October 1998, the Governmental Accounting Standards Board (GASB) issued Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. The provisions of the GASB technical bulletin, effective for financial statements on which the auditor's report is dated after October 31, 1998, require the City-Parish to make disclosures about its state of readiness in addressing Year 2000 issues for its internal computer systems and equipment. On March 29, 1999, GASB issued Technical Bulletin 99-1 which amended the previously issued disclosure requirements allowing for the disclosure to be made in the required supplementary information (RSI). *"This note is written pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271, 112 Stat. 2386 (1998)."*

The Year 2000 issue is the result of shortcomings in electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond.

The following stages have been identified by the GASB as necessary to implement a Year 2000-compliant system:

Awareness Stage - In this first stage, an organization establishes a budget and project plan (for example, a time line or chart noting major tasks and due dates) for dealing with the Year 2000 issue.

Assessment Stage - While in this stage, an organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for Year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment--systems and equipment critical to conducting operations to check compliance.

Remediation Stage - During this stage, an organization actually makes changes to systems and equipment. This stage involves the technical issues of converting existing systems, or switching to compliant systems. Decisions are made on how to make the system or processes Year 2000 compliant, and the required system changes are made.

Validation/Testing Stage - At this stage, an organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and re-tested.

To address Year 2000 issues the City-Parish primary government established a task force to review critical services such as police protection, fire fighting, emergency medical response, traffic signal control, and sewerage operations. Community seminars were brought to Baton Rouge to inform key leaders of the nature and scope of the year 2000 problem. The government completed the awareness stage by sponsoring a satellite broadcast, "Local Government and the Year 2000 Bug," from the National Association of Counties and invited other government agencies and private entities to attend.

In beginning the assessment stage, information and guidelines were disseminated throughout the government by formal memorandums, newsletters, and the City-Parish Metronet. The Metronet web page details hardware and software items and their status for year 2000 quick reference guide with which to check equipment and status of applications. City-Parish agencies were then advised of their responsibility to inventory, assess, correct, and test all computer hardware and software systems, and to have contingency plans in place to assure the delivery of critical governmental services at the turn of the century. Each departmental assessment was required to be submitted to the Department of Information Services (IS) for review prior to December 31, 1998. The IS Department has been appointed as the overall coordinator of the City-Parish Year 2000 efforts. Any City-Parish department needing Year 2000 assistance can request help from the IS Department.

Major Systems:

IS has been working to bring major systems into Year 2000 compliance since 1992. Current status of the City-Parish major applications are as follows:

Financial Systems (Financial Information Accounting System, Fixed Assets, Inventory Control, Check Reconciliation, Sales and Use Tax System, and data based suit information systems). Many of the financial systems were purchased in the mid 1990's with the requirements document placing a major priority on Year 2000 compliance. All of these systems are in the *Validation/Testing Stage*. All are expected to be compliant on June 30, 1999.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
YEAR 2000 ISSUES
PRIMARY GOVERNMENT**

EXHIBIT A-10
(Continued)

Major Systems (Continued):

Payroll and Human Resources System has been converted and tested by the IS staff.

Public Safety Systems (Computer Aided Dispatch, Traffic Signal Maintenance, etc.) These systems are currently in the *Remediation Stage*. Much of the conversion work was done by the IS department; however, a portion of the work was contracted out and is currently being tested by an outside vendor. All public safety system testing is expected to be completed at June 30, 1999.

Funding:

Substantial funding for computer systems has been provided in recent years to City-Parish Departments and the non-departmental computerized systems account which is controlled by the IS Steering Committee. Much of the costs can be attributed to needed advancements in technology to provide government services. These technological advancements included, as mentioned above in the financial systems, preparing for the Year 2000 problem. The 1999 general fund budget includes an amount of \$710,000 that can be utilized in accordance with recommendations of the IS Steering Committee.

As of December 31, 1998, IS had contracts of \$37,000 with outside consultants to convert and test year 2000 concerns. This amount is included in the account "Reserved for Encumbrances", on the general fund balance sheet.

Departmental Networks and Personal Computers:

The IS Department and individual network administrators are currently inventorying, assessing, and providing remediation on City-Parish personal computers, network hardware and software.

Embedded Devices:

Individual departments have submitted lists of possible embedded devices located throughout the government. Those devices considered essential to operations have been addressed and solutions to replace or convert have been made.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City-Parish is or will be Year 2000 ready, that the City-Parish's remediation efforts will be successful in whole or in part, or that parties with whom the City-Parish does business will be year 2000 ready.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS**

EXHIBIT A - 11

Acturial Valuation Date	Acturial Value of Assets (a)	Acturial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$ 740,257,038	\$ 875,075,687	\$ 134,818,649	84.6 %	\$ 118,742,991	113.5 %
12/31/97	635,463,896	811,977,242	176,513,346	78.3	114,102,750	154.7
12/31/96	587,193,233	773,936,127	186,742,894	75.9	109,658,886	170.3

GENERAL FUND

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

City Sub Fund accounts for revenues and expenditures used to finance the legally defined services of the City government which are not accounted for in other funds.

Parish Sub Fund accounts for revenues and expenditures used to finance the legally defined services of the Parish government which are not accounted for in other funds.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
COMBINING SCHEDULE OF GENERAL FUND ACCOUNTS
DECEMBER 31, 1998

EXHIBIT B - 1

	City Sub Fund	Parish Sub Fund	Total General Fund	
			December 31, 1998	December 31, 1997
ASSETS				
Cash and Cash Equivalents	\$ 2,272,809	\$ 587,093	\$ 2,859,902	\$ 2,707,977
Investments	26,137,313	6,751,566	32,888,879	31,141,734
Property Taxes Receivable - Net (Note 4)	4,735,243	2,684,034	7,419,277	8,782,934
Gross Receipts Business Taxes Receivable	4,172,062	--	4,172,062	4,363,056
Sales Taxes Receivable	7,843,581	4,348,333	12,191,914	11,994,443
Interest and Penalties Receivable on Taxes	38,219	14,300	52,519	90,774
Accounts Receivable	408,275	--	408,275	410,480
Accrued Interest Receivable	220,979	163,169	384,148	350,225
Special Assessments Receivable	--	40,637	40,637	40,637
Due From Other Funds (Note 11)	136,596	--	136,596	884,968
Due From Other Governments (Note 11)	5,371,579	4,298,118	9,669,697	7,257,786
Due From Component Units (Note 11)	19,191	21,539	40,730	17,444
Noncurrent Loans Receivable	--	32,000	32,000	56,000
Inventory	320,032	213,355	533,387	550,260
Total Assets	\$ 51,675,879	\$ 19,154,144	\$ 70,830,023	\$ 68,648,718
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and Contracts Payable	\$ 4,209,986	\$ 1,505,148	\$ 5,715,134	\$ 5,753,367
Due to Other Funds (Note 11)	--	22,363	22,363	--
Due to Other Governments	--	113,376	113,376	183,902
Due to Component Units	--	--	--	4,693
Accrued Salaries Payable	3,055,459	586,626	3,642,085	3,176,049
Deferred Revenue	--	40,637	40,637	388,567
Deposits and Escrow Accounts	400,572	247,759	648,331	772,156
Total Liabilities	7,666,017	2,515,909	10,181,926	10,278,734
Fund Balances:				
Reserved for Encumbrances	1,891,277	584,363	2,475,640	4,260,709
Reserved for Noncurrent Loans Receivable	--	32,000	32,000	56,000
Reserved for Inventory	320,032	213,355	533,387	550,260
Reserved for Subsequent Year Expenditures (Note 1)	4,437,090	676,610	5,113,700	5,057,300
Unreserved:				
Designated for Unencumbered Appropriations (Note 1)	6,433,487	2,352,128	8,785,615	6,623,169
Designated for Insurance	11,104,424	7,402,949	18,507,373	17,950,735
Designated for Future Years Expenditures (Note 1)	600,000	400,000	1,000,000	1,506,499
Designated for Solid Waste Collection and Disposal	7,487,961	--	7,487,961	6,478,951
Designated for Special Purposes	1,113,086	416,986	1,530,072	1,082,552
Designated Gaming Revenues	4,124,192	47,140	4,171,332	5,082,028
Designated for Budget Stabilization	3,660,000	2,440,000	6,100,000	--
Undesignated	2,838,313	2,072,704	4,911,017	9,721,781
Total Fund Balances	44,009,862	16,638,235	60,648,097	58,369,984
Total Liabilities and Fund Balances	\$ 51,675,879	\$ 19,154,144	\$ 70,830,023	\$ 68,648,718

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT B - 2

	City Sub Fund	Parish Sub Fund	Total General Fund Year Ended	
			December 31, 1998	December 31, 1997
Revenues:				
Taxes	\$ 108,157,609	\$ 51,403,537	\$ 159,561,146	\$ 153,338,987
Licenses and Permits	1,635,316	1,164,417	2,799,733	2,826,921
Intergovernmental Revenues	8,334,441	2,731,827	11,066,268	11,302,459
Charges for Services	12,839,987	3,599,162	16,439,149	16,225,701
Fines and Forfeits	1,149,502	12,624	1,162,126	1,567,444
Miscellaneous Revenues	13,081,656	1,089,066	14,170,722	12,982,614
Total Revenues	145,198,511	60,000,633	205,199,144	198,244,126
Other Financing Sources:				
Proceeds of General Fixed Asset Disposition	370,040	261,333	631,373	326,499
Capital Leases	53,917	54,934	108,851	20,308
Operating Transfers In (Note 12)	15,685,433	--	15,685,433	4,390,622
Total Other Financing Sources	16,109,390	316,267	16,425,657	4,737,429
Total Revenues and Other Financing Sources	161,307,901	60,316,900	221,624,801	202,981,555
Expenditures:				
Current:				
General Government	29,337,946	17,506,010	46,843,956	43,978,768
Public Safety	78,163,980	6,603,353	84,767,333	80,763,912
Transportation	13,797,086	6,903,274	20,700,360	20,890,759
Sanitation	11,989,912	--	11,989,912	11,257,478
Health and Welfare	989,763	659,842	1,649,605	1,499,823
Culture and Recreation	876,485	563,048	1,439,533	1,081,844
Conservation and Development	1,503,343	693,583	2,196,926	2,278,001
Capital Outlay	6,540,336	662,708	7,203,044	4,103,964
Intergovernmental	--	73,286	73,286	70,526
Total Expenditures	143,198,851	33,665,104	176,863,955	165,925,075
Other Uses (Note 12):				
Operating Transfers Out	12,136,495	20,781,612	32,918,107	20,363,297
Operating Transfers to Component Units	1,131,285	9,199,727	10,331,012	9,621,190
Total Other Uses	13,267,780	29,981,339	43,249,119	29,984,487
Total Expenditures and Other Uses	156,466,631	63,646,443	220,113,074	195,909,562
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,841,270	(3,329,543)	1,511,727	7,071,993
Fund Balances, January 1	38,592,038	19,777,946	58,369,984	51,624,386
Residual Equity Transfer (Note 12)	576,554	189,832	766,386	(326,395)
Fund Balances, December 31	\$ 44,009,862	\$ 16,638,235	\$ 60,648,097	\$ 58,369,984

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 14,437,180	\$ 15,153,213	\$ 716,033
Gross Receipts Business Taxes	17,650,000	18,554,173	904,173
General Sales and Use Taxes	99,072,550	105,532,011	6,459,461
Occupational Taxes	5,966,000	6,675,712	709,712
Insurance Premiums Taxes	2,825,000	2,790,832	(34,168)
Gaming Admissions Taxes	5,996,551	9,415,495	3,418,944
Interest and Penalties-Delinquent Taxes	845,000	1,439,710	594,710
Total Taxes	146,792,281	159,561,146	12,768,865
Licenses and Permits:			
Use of Streets:			
Public Conveyances	16,000	10,258	(5,742)
Bicycle Registration Fees	65,000	73,810	8,810
Occupational and Professional:			
Air Conditioning and Heating	32,000	21,191	(10,809)
Electrical Contractors	25,000	23,845	(1,155)
Residential Contractors	22,000	--	(22,000)
Plumbers	17,000	16,140	(860)
House Moving	1,000	2,060	1,060
Garbage Collectors	30,000	31,400	1,400
Arborists	400	200	(200)
Classified Employees	92,240	87,300	(4,940)
Waiter/Waitress	300	250	(50)
Retail Clerks	57,650	72,515	14,865
Entertainers	3,000	4,525	1,525
Liquor and Beer	460,000	457,743	(2,257)
Restaurant	20,400	3,940	(16,460)
Gaming	5,000	5,325	325
Chauffeurs	1,000	1,355	355
Alarms	6,000	--	(6,000)
Second Hand Dealers	500	743	243
Construction Permits:			
Air Conditioning and Heating	260,000	239,465	(20,535)
Electrical	350,000	324,785	(25,215)
Building	850,000	915,139	65,139
Plumbing and Gas	290,000	324,741	34,741
House Moving	8,000	5,950	(2,050)
Fence	800	500	(300)
Miscellaneous	--	2,500	2,500
Special Events	3,500	5,000	1,500
Alarm User	90,000	165,949	75,949
Sign Permits	2,000	1,700	(300)
Miscellaneous Fire Permits	1,500	1,404	(96)
Total Licenses and Permits	2,710,290	2,799,733	89,443

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues (Continued):			
Intergovernmental Revenues:			
State Grants:			
Public Safety:			
Traffic Signal Maintenance	\$ 443,100	\$ 458,850	\$ 15,750
Department of Military Affairs	92,417	51,800	(40,617)
Juvenile Meal Reimbursement	40,000	56,405	16,405
Highways and Streets:			
Street Maintenance	214,970	238,021	23,051
Culture and Recreation:			
Hotel/Motel Sales Tax	36,160	36,153	(7)
State Shared Revenues:			
Beer Taxes	400,000	418,858	18,858
Insurance Company Taxes	380,000	395,379	15,379
Louisiana Revenue Sharing	1,008,180	1,000,603	(7,577)
Mineral Royalties	200,000	120,301	(79,699)
Severance Taxes	550,000	571,801	21,801
Tobacco Taxes	800,500	800,479	(21)
Video Poker Fees	1,201,729	1,954,117	752,388
On-Behalf Payments for Salaries and Benefits	4,886,935	4,909,370	22,435
Payments in Lieu of Taxes:			
East Baton Rouge Housing Authority	--	53,670	53,670
Federal Government	--	461	461
Total Intergovernmental Revenues	10,253,991	11,066,268	812,277
Charges for Services:			
General Government:			
City Court Civil Fees	900,000	688,673	(211,327)
Sale of City Codes	3,500	96	(3,404)
City Constable Civil Fees	--	428,043	428,043
Fiscal Management Fees	4,655,130	5,463,566	808,436
Fiscal Management Fees-Inventory	55,000	58,696	3,696
Fiscal Management Fees-Auction Facility	85,080	60,129	(24,951)
Sales Tax Collection Charges	1,100,000	1,106,060	6,060
Occupancy Tax Collection Charges	6,000	6,000	--
NSF Check Fees	11,000	7,218	(3,782)
Advertising	4,500	8,004	3,504
Board of Adjustment Fees	9,000	8,950	(50)
Sale of Construction Codes and Plans	10,000	37,421	27,421
Pre-Trial Diversion Fees	150,000	171,059	21,059
Notice of Intent	83,000	69,373	(13,627)
Adjudicated Property	23,850	15,827	(8,023)
Zoning Fees	70,000	80,130	10,130
Planning Assistance	40,000	62,285	22,285
Miscellaneous	--	280	280

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues (Continued):			
Charges for Services: (Continued):			
Public Safety:			
Subdivision Plan Review	\$ 43,500	\$ 60,260	\$ 16,760
Flood Determination Fees	19,000	20,170	1,170
Commercial and Residential Plan Review	220,000	210,391	(9,609)
Sale of Reports and Photos	230,000	249,023	19,023
Police Collection Fees	--	4,125	4,125
Sobriety Test	20,000	20,453	453
Alarm Monitor Fees	2,000	--	(2,000)
False Alarm Fees	40,000	59,693	19,693
Radio Shop Charges	9,000	10,025	1,025
Prison Medical Charges	70,250	43,755	(26,495)
Coroner Report Fee	6,000	7,724	1,724
Fire Reports	3,500	3,568	68
Juvenile Service Fees	1,500	2,475	975
Transportation:			
Parking Meters	210,000	193,321	(16,679)
Sanitation:			
Solid Waste User Fees	7,080,000	7,144,349	64,349
Weed Cutting Charges	40,000	36,486	(3,514)
Culture and Recreation:			
Summer Program-North Baton Rouge Community Center	50,000	29,649	(20,351)
Riverfront Docking Fees	8,720	8,200	(520)
Conservation and Development:			
Rent/Utilities:			
Leo S. Butler Community Center	19,120	20,625	1,505
North Baton Rouge Community Center	7,500	26,853	19,353
Dr. Martin Luther King, Jr. Community Center	11,350	11,272	(78)
Chaneyville Community Center	841	972	131
Rent/Donations:			
Delmont Community Center	1,750	3,950	2,200
Total Charges for Services	15,300,091	16,439,149	1,139,058
Fines and Forfeits:			
City Court Criminal Fines and Forfeitures	15,000	31,803	16,803
City Court Forfeitures	1,000	433	(567)
City Court Traffic Fines	1,200,000	1,099,556	(100,444)
District Court Fines	--	11,400	11,400
Littering Fines	1,000	--	(1,000)
Alcoholic Beverage Control Board Fines	32,000	18,934	(13,066)
Total Fines and Forfeits	1,249,000	1,162,126	(86,874)

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues (Continued):			
Miscellaneous Revenues:			
Interest Earnings	\$ 527,320	\$ 2,305,662	\$ 1,778,342
Rentals:			
Land	17,600	18,496	896
Buildings	211,350	346,943	135,593
Oil, Gas and Mineral Royalties	100,000	54,590	(45,410)
Oil, Gas and Mineral Bonus and Rentals	50,000	54,441	4,441
Airport Note	3,362,910	3,162,102	(200,808)
East Baton Rouge Sewerage Commission	7,148,600	7,148,694	94
Condemnations	50,000	61,548	11,548
Juvenile Detention Meals	7,000	8,077	1,077
Confiscated Funds-Police	248,810	263,764	14,954
Abandoned or Impounded Bicycles	10,000	13,990	3,990
Police - Miscellaneous Revenues	491,197	522,926	31,729
Juvenile Detention Reimbursement	100,000	170,386	70,386
Donations	17,000	11,000	(6,000)
Other	14,499	28,103	13,604
Total Miscellaneous Revenues	12,356,286	14,170,722	1,814,436
Total Revenues	188,661,939	205,199,144	16,537,205
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	373,873	631,373	257,500
Operating Transfers In (Note 12):			
Parish Sub Fund	5,643,456	14,119,514	8,476,058
City Court Judicial Fund	361,000	409,022	48,022
City Constable Court Costs Fund	--	31,556	31,556
Consolidated Garbage Service District No. 1	1,042,060	946,482	(95,578)
Solid Waste Disposal Facility Fund	225,170	178,859	(46,311)
Total Operating Transfers In	7,271,686	15,685,433	8,413,747
Total Other Financing Sources	7,645,559	16,316,806	8,671,247
Total Revenues and Other Financing Sources	196,307,498	221,515,950	25,208,452
Expenditures:			
Current:			
General Government:			
Metropolitan Council	668,923	581,600	87,323
Council Administrator	1,495,970	1,447,573	48,397
Council Budget Office	200,911	200,911	--
Parish Attorney	4,928,129	4,887,699	40,430
Public Information Office	182,520	182,330	190
Planning Commission	871,206	852,649	18,557
City Court - Administration	3,365,523	3,365,507	16
City Constable	1,548,493	1,548,470	23
Justice of Peace and Ward Constables	58,300	57,139	1,161

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Expenditures (Continued):			
Current (Continued):			
General Government (Continued):			
Sheriff-Costs of Court	\$ 175,660	\$ 151,502	\$ 24,158
Registrar of Voters	372,535	372,514	21
Mayor-President	1,387,923	1,339,378	48,545
Finance	5,397,277	5,390,359	6,918
Collection of Funds	1,555,740	1,537,663	18,077
Service Fee Business Office	369,120	340,058	29,062
Information Services	1,824,461	1,824,461	--
Computerized Systems	422,586	182,960	239,626
Purchasing	902,311	836,719	65,592
Human Resources	2,151,375	2,151,042	333
Risk Management	8,723,304	7,458,980	1,264,324
Quality and Employee Development	508,640	461,575	47,065
Municipal Fire and Police Civil Service Board	41,467	41,467	--
Public Works - Administration, Engineering and Building Maintenance	11,751,773	11,751,773	--
Capital Area Legal Services	80,700	44,000	36,700
Municipal Associations	134,430	132,522	1,908
Total General Government	49,119,277	47,140,851	1,978,426
Public Safety:			
Sheriff-Correctional Institution	3,623,850	3,545,437	78,413
Coroner	766,099	766,099	--
Mayor-President's Anti-Drug Task Force	107,290	47,205	60,085
Police	42,888,745	42,789,578	99,167
Fire	28,254,996	28,124,596	130,400
Emergency Medical Services	2,304,598	2,188,992	115,606
Juvenile Services	2,818,111	2,817,931	180
Emergency Preparedness	253,657	230,467	23,190
Public Works - Inspection and Traffic Engineering	5,675,568	5,663,534	12,034
Demolition Program	300,000	234,260	65,740
Interagency Criminal Information Tracking System	100,000	40,000	60,000
Crimestoppers	15,000	15,000	--
Total Public Safety	87,107,914	86,463,099	644,815
Transportation:			
Public Works - Highway Division	17,008,981	17,008,981	--
Street Lighting	4,174,019	3,664,454	509,565
Federal Urban System	694,513	5,503	689,010
Street Maintenance	97,350	97,350	--
Total Transportation	21,974,863	20,776,288	1,198,575
Sanitation:			
Public Works-Waste Management	12,114,823	11,989,912	124,911

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Expenditures (Continued):			
Current (Continued):			
Health and Welfare:			
Health Unit	\$ 584,572	\$ 584,572	\$ --
Council on Aging Projects	697,770	697,770	--
Crisis Care Center	177,340	177,334	6
Baton Rouge Area Alcohol and Drug Center	170,680	170,680	--
O'Brien House	30,000	30,000	--
Alcohol and Drug Council of Greater Baton Rouge	18,060	18,060	--
Total Health and Welfare	1,678,422	1,678,416	6
Culture and Recreation:			
Community Centers Summer Programs	51,451	31,913	19,538
Louisiana Arts and Science Center	624,080	624,080	--
Arts Council of Greater Baton Rouge	213,850	213,850	--
Baton Rouge Symphony Association	96,120	96,120	--
U.S.S. Kidd	183,120	182,570	550
International Relations Commission	41,000	41,000	--
National Senior Olympics	250,000	250,000	--
Total Culture and Recreation	1,459,621	1,439,533	20,088
Conservation and Development:			
Economic Development Program	265,764	47,500	218,264
Community Centers	803,588	726,060	77,528
Human Development and Services	520,940	515,233	5,707
Recycling Program	518	518	--
Landscape and Forestry	261,228	261,228	--
Boy Scouts of America	20,000	20,000	--
Earth Day	10,000	10,000	--
Baton Rouge Convention and Visitors Bureau	150,000	150,000	--
Research Park Corporation	30,000	30,000	--
Baton Rouge Area Foundation	150,000	150,000	--
Cooperative Extension Service	28,070	27,594	476
Veterans Service Office	37,830	37,824	6
Big Buddy Program	61,440	61,440	--
Capital Area Corporate Recycling Council	30,000	30,000	--
Greater Baton Rouge Food Bank	25,000	25,000	--
Louisiana Resource Center for Educators	50,000	50,000	--
Community Action for Children	25,000	25,000	--
Can Do	40,000	30,000	10,000
BREC	175,000	--	175,000
Total Conservation and Development	2,684,378	2,197,397	486,981
Capital Outlay	11,717,499	4,916,550	6,800,949
Intergovernmental Expenditures:			
Equivalent Three Mills on Industrial Area Assessment	73,330	73,286	44
Total Expenditures	187,930,127	176,675,332	11,254,795

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT B - 3
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Other Uses:			
Operating Transfers Out:			
City Sub Fund	\$ 5,643,456	\$ 14,119,514	\$ (8,476,058)
Downtown Development District	35,000	35,000	--
Animal Control Center Fund	506,070	506,070	--
Grants Fund	358,224	358,224	--
Excess Revenue and Limited Tax Fund	17,550	17,509	41
Miscellaneous Capital Improvements Fund	189,832	189,832	--
Capital Improvement Fund	10,571,601	10,571,601	--
Riverside Centroplex Fund	800,000	800,000	--
Greater Baton Rouge Parking Authority	315,060	315,060	--
Comprehensive Sewerage System Fund	4,000,000	4,000,000	--
Central Garage Fund	300,000	300,000	--
Total Operating Transfers Out	<u>22,736,793</u>	<u>31,212,810</u>	<u>(8,476,017)</u>
Operating Transfers to Component Units:			
District Attorney of the Nineteenth Judicial District	3,051,370	3,051,370	--
Nineteenth Judicial District Court	3,514,945	3,496,330	18,615
E.B.R. Parish Family Court	499,947	499,947	--
E.B.R. Parish Juvenile Court	594,725	594,721	4
Nineteenth Judicial District Indigent Defender Board	140,140	125,908	14,232
E.B.R. Parish Clerk of Court	1,095,523	1,077,766	17,757
St. George Fire Protection District	25,000	25,000	--
Brownsfield Fire Protection District	25,000	25,000	--
Central Fire Protection District	53,730	53,730	--
E.B.R. Parish Fire Protection District No. 6	200,000	200,000	--
Eastside Fire Protection District	61,660	61,660	--
Pride Fire Protection District	35,000	35,000	--
Chaneyville Fire Protection District	35,000	35,000	--
Alsen-St. Irma Lee Fire Protection District	53,840	53,840	--
Capital Transportation Corporation	995,740	995,740	--
Total Operating Transfers to Component Units	<u>10,381,620</u>	<u>10,331,012</u>	<u>50,608</u>
Total Other Uses	<u>33,118,413</u>	<u>41,543,822</u>	<u>(8,425,409)</u>
Total Expenditures and Other Uses	<u>221,048,540</u>	<u>218,219,154</u>	<u>2,829,386</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(24,741,042)</u>	<u>3,296,796</u>	<u>28,037,838</u>
Fund Balances, January 1	54,109,275	54,109,275	--
Residual Equity Transfer (Note 12)	766,386	766,386	--
Fund Balances, December 31	<u>\$ 30,134,619</u>	<u>\$ 58,172,457</u>	<u>\$ 28,037,838</u>

The accompanying notes are an integral part of this statement.

SPECIAL REVENUE FUNDS

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

City Court Judicial Fund accounts for court cost fees collected on moving violations and criminal charges required to maintain the Baton Rouge City Court Probation and Rehabilitation Unit.

City Constable Court Costs Fund accounts for City Court cost fees collected from serving the execution of civil papers, garnishment fees and assessments required to maintain the City Constable's office.

Mosquito Abatement and Rodent Control Fund accounts for the special property tax levy required to cover the cost of controlling mosquitoes and rodents.

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.

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.

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

Federal Forfeited Property Fund accounts for the cash proceeds received from federal seizures and forfeitures, as well as any interest earned on these funds, according to accounting guidelines of the U.S. Attorney General's Office.

East Baton Rouge Parish Communications District was created 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.

Continued

SPECIAL REVENUE FUNDS (Continued)

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 Street Maintenance Fund accounts for the portion (40%) 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.

Consolidated Garbage Service District No. 1 accounts for the special property tax levy required to maintain waste collection and disposal services for the parish rural area.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1998**

	City Court Judicial	City Constable Court Costs	Mosquito Abatement and Rodent Control
ASSETS			
Cash and Cash Equivalents	\$ --	\$ 19,609	\$ 888,910
Investments	--	--	--
Property Taxes Receivable-Net (Note 4)	--	--	754,085
Sales Taxes Receivable	--	--	--
Accounts Receivable	--	--	--
Accrued Interest Receivable	--	145	10,852
Due From Other Governments (Note 11)	--	--	1,004,188
U.S. Housing and Urban Development Loans Receivable	--	--	--
Total Assets	\$ --	\$ 19,754	\$ 2,658,035
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and Contracts Payable	\$ --	\$ 4,990	\$ 58,291
Due to Other Funds (Note 11)	--	--	--
Due to Other Governments	--	--	--
Due to Component Units	--	--	--
Accrued Salaries Payable	--	8,344	24,244
Deferred Revenue	--	--	--
Deposits and Escrow Accounts	--	--	--
Total Liabilities	--	13,334	82,535
Fund Balances:			
Reserved for Encumbrances	--	--	1,950
Reserved for U.S. Housing and Urban Development Loans	--	--	--
Reserved for Subsequent Year Expenditures (Note 1)	--	--	--
Unreserved:			
Designated for Unencumbered Appropriations (Note 1)	--	6,420	--
Designated for Future Years Expenditures (Note 1)	--	--	--
Designated for Solid Waste Collection and Disposal	--	--	--
Undesignated	--	--	2,573,550
Total Fund Balances	--	6,420	2,575,500
Total Liabilities and Fund Balances	\$ --	\$ 19,754	\$ 2,658,035

The accompanying notes are an integral part of this statement.

Continued

Library Board of Control	Downtown Development District	Gaming Enforcement Division	Animal Control Center	Federal Forfeited Property	E.B.R. Parish Communications District
\$ 11,013,716	\$ --	\$ 208,657	\$ 49,717	\$ 141,731	\$ 288,166
3,116,041	--	--	--	--	--
7,093,518	129,329	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
154,056	--	2,995	748	1,465	1,906
9,446,533	139,093	--	12,000	749	139,050
--	--	--	--	--	--
\$ 30,823,864	\$ 268,422	\$ 211,652	\$ 62,465	\$ 143,945	\$ 429,122
\$ 310,912	\$ 7,427	\$ 1,465	\$ 7,100	\$ 2,872	\$ 57,645
6,516,494	217,812	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
246,754	6,625	8,689	18,048	--	40,483
--	--	--	--	--	--
--	--	--	4,625	--	--
7,074,160	231,864	10,154	29,773	2,872	98,128
2,798	--	--	16,587	142	--
--	--	--	--	--	--
647,090	--	--	--	--	25,420
--	30,000	2,376	13,767	133,184	--
--	--	--	--	--	--
--	--	--	--	--	--
23,099,816	6,558	199,122	2,338	7,747	305,574
23,749,704	36,558	201,498	32,692	141,073	330,994
\$ 30,823,864	\$ 268,422	\$ 211,652	\$ 62,465	\$ 143,945	\$ 429,122

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1998**

	Emergency Medical Services	Consolidated Road Lighting District No. 1	Parish Transportation
ASSETS			
Cash and Cash Equivalents	\$ 2,032,253	\$ 392,473	\$ 4,530,642
Investments	--	--	--
Property Taxes Receivable-Net (Note 4)	1,917,167	345,936	--
Sales Taxes Receivable	--	--	--
Accounts Receivable	969,022	--	--
Accrued Interest Receivable	28,183	4,133	44,319
Due From Other Governments (Note 11)	2,553,020	514,521	719,935
U.S. Housing and Urban Development Loans Receivable	--	--	--
Total Assets	\$ 7,499,645	\$1,257,063	\$ 5,294,896
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and Contracts Payable	\$ 82,960	\$ 32,724	\$ 30,189
Due to Other Funds (Note 11)	--	--	--
Due to Other Governments	--	--	--
Due to Component Units	--	--	--
Accrued Salaries Payable	180,805	--	--
Deferred Revenue	--	--	--
Deposits and Escrow Accounts	--	--	--
Total Liabilities	263,765	32,724	30,189
Fund Balances:			
Reserved for Encumbrances	124,357	--	103,631
Reserved for U.S. Housing and Urban Development Loans	--	--	--
Reserved for Subsequent Year Expenditures (Note 1)	--	--	--
Unreserved:			
Designated for Uncumbered Appropriations (Note 1)	1,218,636	--	3,901,972
Designated for Future Years Expenditures (Note 1)	--	--	--
Designated for Solid Waste Collection and Disposal	--	--	--
Undesignated	5,892,887	1,224,339	1,259,104
Total Fund Balances	7,235,880	1,224,339	5,264,707
Total Liabilities and Fund Balances	\$ 7,499,645	\$1,257,063	\$ 5,294,896

The accompanying notes are an integral part of this statement.

Parish Street Maintenance	Consolidated Garbage Service District No. 1	Grants	Totals	
			December 31, 1998	December 31, 1997
\$ 5,200,340	\$ 6,249,051	\$ 381,749	\$ 31,397,014	\$ 6,577,175
--	--	--	3,116,041	24,610,255
--	2,401,454	--	12,641,489	14,848,347
1,264,186	--	--	1,264,186	1,253,682
--	309,606	--	1,278,628	1,532,385
71,815	68,831	12,104	401,552	450,971
--	2,436,791	9,117,647	26,083,527	20,676,502
--	--	7,630,931	7,630,931	7,107,501
\$ 6,536,341	\$ 11,465,733	\$ 17,142,431	\$ 83,813,368	\$ 77,056,818
\$ 1,323,875	\$ 646,154	\$ 1,634,240	\$ 4,200,844	\$ 4,059,081
--	--	--	6,734,306	3,469,842
122,386	--	674	123,060	113,038
--	--	--	--	27,440
--	--	322,866	856,858	762,359
--	--	5,213,858	5,213,858	5,402,542
--	--	27,734	32,359	138,183
1,446,261	646,154	7,199,372	17,161,285	13,972,485
4,211,293	--	122,650	4,583,408	8,349,794
--	--	7,630,931	7,630,931	7,107,501
--	--	--	672,510	206,700
581,830	--	2,184,139	8,072,324	7,192,034
--	--	--	--	2,260
--	10,819,579	--	10,819,579	8,371,607
296,957	--	5,339	34,873,331	31,854,437
5,090,080	10,819,579	9,943,059	66,652,083	63,084,333
\$ 6,536,341	\$ 11,465,733	\$ 17,142,431	\$ 83,813,368	\$ 77,056,818

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

	City Court Judicial	City Constable Court Costs	Mosquito Abatement and Rodent Control
Revenues:			
Taxes	\$ --	\$ --	\$ 1,847,667
Licenses and Permits	--	--	--
Intergovernmental Revenues	--	18,138	--
Charges for Services	2,693,529	628,880	--
Fines and Forfeits	--	--	--
Miscellaneous Revenues	88,548	3,887	93,955
Total Revenues	<u>2,782,077</u>	<u>650,905</u>	<u>1,941,622</u>
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	10,500	20,450
Capital Leases	--	--	--
Operating Transfers In (Note 12)	--	--	--
Total Other Financing Sources	<u>--</u>	<u>10,500</u>	<u>20,450</u>
Total Revenues and Other Financing Sources	<u>2,782,077</u>	<u>661,405</u>	<u>1,962,072</u>
Expenditures:			
Current:			
General Government	2,227,784	589,126	--
Public Safety	--	--	--
Transportation	--	--	--
Sanitation	--	--	--
Health and Welfare	--	--	1,542,349
Culture and Recreation	--	--	--
Conservation and Development	--	--	--
Miscellaneous	--	--	--
Capital Outlay	51,368	80,329	233,414
Total Expenditures	<u>2,279,152</u>	<u>669,455</u>	<u>1,775,763</u>
Other Uses (Note 12):			
Operating Transfers Out	409,022	82,686	--
Operating Transfers to Component Units	--	--	--
Total Other Uses	<u>409,022</u>	<u>82,686</u>	<u>--</u>
Total Expenditures and Other Uses	<u>2,688,174</u>	<u>752,141</u>	<u>1,775,763</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	93,903	(90,736)	186,309
Fund Balances, January 1	557,791	97,156	2,389,191
Residual Equity Transfer (Note 12)	<u>(651,694)</u>	<u>--</u>	<u>--</u>
Fund Balances, December 31	<u>\$ --</u>	<u>\$ 6,420</u>	<u>\$ 2,575,500</u>

The accompanying notes are an integral part of this statement.

Continued

Library Board of Control	Downtown Development District	Gaming Enforcement Division	Animal Control Center	Federal Forfeited Property	E.B.R. Parish Communications District
\$ 17,380,599	\$ 271,931	\$ --	\$ --	\$ --	\$ --
--	--	--	254,163	--	--
--	--	--	--	--	--
113,010	--	372,501	84,488	--	1,647,831
264,492	--	--	--	26,685	--
974,681	24,218	17,608	31,311	11,062	9,647
18,732,782	296,149	390,109	369,962	37,747	1,657,478
913	--	--	1,255	--	--
--	--	--	--	--	--
--	35,000	--	506,070	--	368,408
913	35,000	--	507,325	--	368,408
18,733,695	331,149	390,109	877,287	37,747	2,025,886
--	--	378,996	--	--	--
--	--	--	--	46,280	1,875,119
--	--	--	--	--	--
--	--	--	877,939	--	--
9,934,286	--	--	--	--	--
--	317,546	--	--	--	--
--	--	--	--	--	--
1,750,861	4,241	15,224	38,299	132,003	10,843
11,685,147	321,787	394,220	916,238	178,283	1,885,962
3,479,164	--	--	--	--	56,169
--	--	--	--	--	--
3,479,164	--	--	--	--	56,169
15,164,311	321,787	394,220	916,238	178,283	1,942,131
3,569,384	9,362	(4,111)	(38,951)	(140,536)	83,755
20,180,320	27,196	205,609	71,643	281,609	247,239
--	--	--	--	--	--
\$ 23,749,704	\$ 36,558	\$ 201,498	\$ 32,692	\$ 141,073	\$ 330,994

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Emergency Medical Services	Consolidated Road Lighting District No. 1	Parish Transportation
Revenues:			
Taxes	\$ 4,697,459	\$ 865,087	\$ --
Licenses and Permits	--	--	--
Intergovernmental Revenues	--	121,614	3,484,833
Charges for Services	4,134,838	--	--
Fines and Forfeits	--	--	--
Miscellaneous Revenues	256,977	25,550	224,438
Total Revenues	<u>9,089,274</u>	<u>1,012,251</u>	<u>3,709,271</u>
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	7,350	--	--
Capital Leases	--	--	--
Operating Transfers In (Note 12)	--	--	--
Total Other Financing Sources	<u>7,350</u>	<u>--</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>9,096,624</u>	<u>1,012,251</u>	<u>3,709,271</u>
Expenditures:			
Current:			
General Government	--	--	--
Public Safety	7,006,339	--	--
Transportation	--	463,713	793,361
Sanitation	--	--	--
Health and Welfare	--	--	--
Culture and Recreation	--	--	--
Conservation and Development	--	--	--
Miscellaneous	--	--	--
Capital Outlay	272,273	--	204,709
Total Expenditures	<u>7,278,612</u>	<u>463,713</u>	<u>998,070</u>
Other Uses (Note 12):			
Operating Transfers Out	1,168,408	--	--
Operating Transfers to Component Units	--	--	1,189,788
Total Other Uses	<u>1,168,408</u>	<u>--</u>	<u>1,189,788</u>
Total Expenditures and Other Uses	<u>8,447,020</u>	<u>463,713</u>	<u>2,187,858</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	649,604	548,538	1,521,413
Fund Balances, January 1	6,616,676	675,801	3,743,856
Residual Equity Transfer (Note 12)	<u>(30,400)</u>	<u>--</u>	<u>(562)</u>
Fund Balances, December 31	<u>\$ 7,235,880</u>	<u>\$1,224,339</u>	<u>\$ 5,264,707</u>

The accompanying notes are an integral part of this statement.

Parish Street Maintenance	Consolidated Garbage Service District No. 1	Grants	Totals Year Ended	
			December 31, 1998	December 31, 1997
\$ 12,228,957	\$ 4,815,139	\$ --	\$ 42,106,839	\$ 46,182,240
--	--	--	254,163	238,757
--	1,074,394	27,490,354	32,189,333	35,967,909
--	5,350,665	--	15,025,742	14,047,256
--	--	--	291,177	408,162
490,021	388,740	2,236,805	4,877,448	4,387,389
12,718,978	11,628,938	29,727,159	94,744,702	101,231,713
--	--	--	40,468	18,606
--	--	--	--	254,253
--	--	358,224	1,267,702	1,242,978
--	--	358,224	1,308,170	1,515,837
12,718,978	11,628,938	30,085,383	96,052,872	102,747,550
--	--	79,722	3,275,628	2,988,714
--	--	2,727,755	11,655,493	10,107,444
18,205,561	--	120,987	19,583,622	23,734,950
--	8,234,484	--	8,234,484	8,011,948
--	--	2,401,237	4,821,525	3,990,443
--	--	44,792	9,979,078	9,399,634
--	--	20,417,683	20,735,229	19,244,897
--	--	--	--	26,956
--	--	3,389,928	6,183,492	13,180,760
18,205,561	8,234,484	29,182,104	84,468,551	90,685,746
--	946,482	2,196	6,144,127	4,527,881
--	--	--	1,189,788	1,005,902
--	946,482	2,196	7,333,915	5,533,783
18,205,561	9,180,966	29,184,300	91,802,466	96,219,529
(5,486,583)	2,447,972	901,083	4,250,406	6,528,021
10,576,663	8,371,607	9,041,976	63,084,333	56,753,514
--	--	--	(682,656)	(197,202)
\$ 5,090,080	\$ 10,819,579	\$ 9,943,059	\$ 66,652,083	\$ 63,084,333

**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 FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 3

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Charges for Services:			
Judiciary Court Costs	\$ 1,050,000	\$ 1,554,130	\$ 504,130
School Fees	148,180	229,960	81,780
Bench Warrant Fees	670,000	750,793	80,793
Miscellaneous Fees	878,970	158,646	(720,324)
Total Charges for Services	2,747,150	2,693,529	(53,621)
Miscellaneous Revenues:			
Interest Earnings	10,000	47,612	37,612
Contributions From Other Sources- Judicial District Court	32,550	40,936	8,386
Total Miscellaneous Revenues	42,550	88,548	45,998
Total Revenues	2,789,700	2,782,077	(7,623)
Expenditures:			
Current:			
General Government:			
Judicial Support	1,377,481	1,367,635	9,846
Court Services	868,220	856,669	11,551
Total General Government	2,245,701	2,224,304	21,397
Capital Outlay	73,068	48,820	24,248
Total Expenditures	2,318,769	2,273,124	45,645
Other Uses:			
Operating Transfers Out:			
General Fund	361,000	409,022	(48,022)
Grants Fund	10,000	--	10,000
Total Other Uses	371,000	409,022	(38,022)
Total Expenditures and Other Uses	2,689,769	2,682,146	7,623
Excess of Revenues Over (Under) Expenditures and Other Uses	99,931	99,931	--
Fund Balances, January 1	551,763	551,763	--
Residual Equity Transfer (Note 12)	(651,694)	(651,694)	--
Fund Balances, December 31	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY CONSTABLE COURT COSTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 4

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues:			
State Shared Revenues:			
On-Behalf Payments	\$ 21,600	\$ 18,138	\$ (3,462)
Charges for Services:			
Judiciary Court Costs	435,200	447,065	11,865
Constable Bench Warrant Fees	192,270	181,815	(10,455)
Total Charges for Services	627,470	628,880	1,410
Miscellaneous Revenues:			
Interest Earnings	4,000	3,887	(113)
Total Revenues	653,070	650,905	(2,165)
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	10,500	10,500
Total Revenues and Other Financing Sources	653,070	661,405	8,335
Expenditures:			
Current:			
General Government:			
Judicial	663,470	640,256	23,214
Capital Outlay	86,756	80,329	6,427
Total Expenditures	750,226	720,585	29,641
Other Uses:			
Operating Transfers Out:			
General Fund	--	31,556	(31,556)
Total Expenditures and Other Uses	750,226	752,141	(1,915)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(97,156)	(90,736)	6,420
Fund Balances, January 1	97,156	97,156	--
Fund Balances, December 31	\$ --	\$ 6,420	\$ 6,420

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 5

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 1,601,840	\$ 1,847,667	\$ 245,827
Miscellaneous Revenues:			
Interest Earnings	66,640	85,354	18,714
Other Income	8,000	8,601	601
Total Miscellaneous Revenues	74,640	93,955	19,315
Total Revenues	1,676,480	1,941,622	265,142
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	5,000	20,450	15,450
Total Revenues and Other Financing Sources	1,681,480	1,962,072	280,592
Expenditures:			
Current:			
Health and Welfare: Operations	1,658,560	1,542,349	116,211
Capital Outlay	247,900	232,864	15,036
Total Expenditures	1,906,460	1,775,213	131,247
Excess of Revenues and Other Sources Over (Under) Expenditures	(224,980)	186,859	411,839
Fund Balances, January 1	2,386,691	2,386,691	--
Fund Balances, December 31	\$ 2,161,711	\$ 2,573,550	\$ 411,839

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIBRARY BOARD OF CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 6

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 15,054,140	\$ 17,380,599	\$ 2,326,459
Charges for Services:			
Library - Copy Machine	118,000	113,010	(4,990)
Fines and Forfeits:			
Fines	246,030	264,492	18,462
Miscellaneous Revenues:			
Interest Earnings	500,000	969,891	469,891
Donations	2,000	2,991	991
Other Income	1,000	1,799	799
Total Miscellaneous Revenues	503,000	974,681	471,681
Total Revenues	15,921,170	18,732,782	2,811,612
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	913	913
Total Revenues and Other Financing Sources	15,921,170	18,733,695	2,812,525
Expenditures:			
Current:			
Culture and Recreation: Operations	10,080,220	9,932,219	148,001
Capital Outlay	1,840,520	1,750,861	89,659
Total Expenditures	11,920,740	11,683,080	237,660
Other Uses:			
Operating Transfers Out:			
Miscellaneous Capital Improvements Fund	3,472,390	3,472,390	--
Total Expenditures and Other Uses	15,393,130	15,155,470	237,660
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	528,040	3,578,225	3,050,185
Fund Balances, January 1	20,168,681	20,168,681	--
Fund Balances, December 31	\$ 20,696,721	\$ 23,746,906	\$ 3,050,185

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 7

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 276,455	\$ 271,931	\$ (4,524)
Miscellaneous Revenues:			
Donations	17,000	24,218	7,218
Total Revenues	293,455	296,149	2,694
Other Financing Sources:			
Operating Transfers In (Note 12):			
General Fund	35,000	35,000	--
Total Revenues and Other Financing Sources	328,455	331,149	2,694
Expenditures:			
Current:			
Conservation and Development: Operations	348,780	317,546	31,234
Capital Outlay	6,871	4,241	2,630
Total Expenditures	355,651	321,787	33,864
Excess of Revenues and Other Sources Over (Under) Expenditures	(27,196)	9,362	36,558
Fund Balances, January 1	27,196	27,196	--
Fund Balances, December 31	\$ --	\$ 36,558	\$ 36,558

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 8

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Charges for Services:			
Gaming Fees	\$ 390,000	\$ 372,501	\$ (17,499)
Miscellaneous Revenues:			
Interest Earnings	23,110	17,608	(5,502)
Total Revenues	413,110	390,109	(23,001)
Expenditures:			
Current:			
General Government:			
Operations	395,510	378,996	16,514
Capital Outlay	17,600	15,224	2,376
Total Expenditures	413,110	394,220	18,890
Excess of Revenues Over (Under) Expenditures	--	(4,111)	(4,111)
Fund Balances, January 1	205,609	205,609	--
Fund Balances, December 31	\$ 205,609	\$ 201,498	\$ (4,111)

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ANIMAL CONTROL CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 9

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Licenses and Permits:			
Licenses	\$ 254,500	\$ 254,163	\$ (337)
Charges for Services:			
Shelter Income	73,030	68,766	(4,264)
Outside Sales	8,000	8,497	497
Spay and Neuter Animals	6,000	7,225	1,225
Total Charges for Services	87,030	84,488	(2,542)
Miscellaneous Revenues:			
Interest Earnings	2,350	5,167	2,817
Donations	24,000	26,144	2,144
Total Miscellaneous Revenues	26,350	31,311	4,961
Total Revenues	367,880	369,962	2,082
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	1,000	1,255	255
Operating Transfers In (Note 12):			
General Fund	506,070	506,070	--
Total Other Financing Sources	507,070	507,325	255
Total Revenues and Other Financing Sources	874,950	877,287	2,337
Expenditures:			
Current:			
Health and Welfare:			
Operations	832,492	832,492	--
Capital Outlay	68,654	54,886	13,768
Total Expenditures	901,146	887,378	13,768
Excess of Revenues and Other Sources Over (Under) Expenditures	(26,196)	(10,091)	16,105
Fund Balances, January 1	26,196	26,196	--
Fund Balances, December 31	\$ --	\$ 16,105	\$ 16,105

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 10

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Fines and Forfeits:			
Forfeited Property	\$ 30,000	\$ 26,685	\$ (3,315)
Miscellaneous Revenues:			
Interest Earnings	--	11,062	11,062
Total Revenues	30,000	37,747	7,747
Expenditures:			
Current:			
Public Safety:			
Dedicated Funds	46,422	46,422	--
Capital Outlay	265,187	132,003	133,184
Total Expenditures	311,609	178,425	133,184
Excess of Revenues Over (Under) Expenditures	(281,609)	(140,678)	140,931
Fund Balances, January 1	281,609	281,609	--
Fund Balances, December 31	\$ --	\$ 140,931	\$ 140,931

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 11

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Charges for Services:			
Enhanced 911	\$ 1,570,000	\$ 1,647,831	\$ 77,831
Miscellaneous Revenues:			
Interest Earnings	6,000	9,647	3,647
Total Revenues	1,576,000	1,657,478	81,478
Other Financing Sources:			
Operating Transfers In (Note 12):			
Emergency Medical Services Fund	339,850	368,408	28,558
Total Revenues and Other Financing Sources	1,915,850	2,025,886	110,036
Expenditures:			
Current:			
Public Safety:			
Communications	1,943,036	1,931,288	11,748
Capital Outlay	10,034	9,066	968
Total Expenditures	1,953,070	1,940,354	12,716
Excess of Revenues and Other Sources Over (Under) Expenditures	(37,220)	85,532	122,752
Fund Balances, January 1	245,462	245,462	--
Fund Balances, December 31	\$ 208,242	\$ 330,994	\$ 122,752

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 12

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 4,083,910	\$ 4,697,459	\$ 613,549
Charges for Services:			
Emergency Transport Charges	3,600,450	4,134,838	534,388
Miscellaneous Revenues:			
Interest Income	42,000	208,483	166,483
Other Income	4,000	48,494	44,494
Total Miscellaneous Revenues	46,000	256,977	210,977
Total Revenues	7,730,360	9,089,274	1,358,914
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	7,350	7,350
Total Revenues and Other Financing Sources	7,730,360	9,096,624	1,366,264
Expenditures:			
Current:			
Public Safety:			
Operations	7,138,302	6,995,074	143,228
Capital Outlay	1,553,763	335,127	1,218,636
Total Expenditures	8,692,065	7,330,201	1,361,864
Other Uses:			
Operating Transfers Out:			
East Baton Rouge Parish Communications District	339,850	368,408	(28,558)
Miscellaneous Capital Improvements Fund	800,000	800,000	--
Total Other Uses	1,139,850	1,168,408	(28,558)
Total Expenditures and Other Uses	9,831,915	8,498,609	1,333,306
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,101,555)	598,015	2,699,570
Fund Balances, January 1	6,543,908	6,543,908	--
Residual Equity Transfer (Note 12)	(30,400)	(30,400)	--
Fund Balances, December 31	<u>\$ 4,411,953</u>	<u>\$ 7,111,523</u>	\$ 2,699,570

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 13

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 617,350	\$ 865,087	\$247,737
Intergovernmental Revenues:			
State Shared Revenues:			
Louisiana Revenue Sharing	122,890	121,614	(1,276)
Miscellaneous Revenues:			
Interest Earnings	11,000	25,550	14,550
Total Revenues	751,240	1,012,251	261,011
Expenditures:			
Current:			
Transportation:			
Operations	637,300	463,713	173,587
Excess of Revenues Over (Under) Expenditures	113,940	548,538	434,598
Fund Balances, January 1	675,801	675,801	--
Fund Balances, December 31	\$ 789,741	\$1,224,339	\$434,598

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 14

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues:			
State Shared Revenues:			
State Road Fund	\$ 3,150,000	\$ 3,484,833	\$ 334,833
Miscellaneous Revenues:			
Interest Earnings	153,980	224,438	70,458
Total Revenues	3,303,980	3,709,271	405,291
Expenditures:			
Current:			
Transportation:			
Operations	944,440	879,541	64,899
Capital Outlay	3,991,868	89,896	3,901,972
Total Expenditures	4,936,308	969,437	3,966,871
Other Uses:			
Operating Transfers to Component Units:			
Capital Transportation Corporation	1,190,147	1,189,788	359
Total Expenditures and Other Uses	6,126,455	2,159,225	3,967,230
Excess of Revenues Over (Under) Expenditures and Other Uses	(2,822,475)	1,550,046	4,372,521
Fund Balances, January 1	3,611,592	3,611,592	--
Residual Equity Transfer (Note 12)	(562)	(562)	--
Fund Balances, December 31	\$ 788,555	\$ 5,161,076	\$ 4,372,521

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH STREET MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 15

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Sales and Use Taxes	\$ 12,024,670	\$ 12,228,957	\$ 204,287
Miscellaneous Revenues:			
Interest Earnings	370,000	490,021	120,021
Total Revenues	12,394,670	12,718,978	324,308
Expenditures:			
Current:			
Transportation:			
Street Maintenance	15,017,662	14,470,744	546,918
Capital Outlay	20,025	13,889	6,136
Total Expenditures	15,037,687	14,484,633	553,054
Excess of Revenues Over (Under) Expenditures	(2,643,017)	(1,765,655)	877,362
Fund Balances, January 1	2,644,442	2,644,442	--
Fund Balances, December 31	\$ 1,425	\$ 878,787	\$ 877,362

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED GARBAGE SERVICE DISTRICT NO. 1
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT C - 16

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 4,040,760	\$ 4,815,139	\$ 774,379
Intergovernmental Revenues:			
State Shared Revenues:			
Louisiana Revenue Sharing	1,075,000	1,074,394	(606)
Charges for Services:			
Solid Waste User Fees	5,129,000	5,350,665	221,665
Miscellaneous Revenues:			
Interest Earnings	75,000	388,740	313,740
Total Revenues	10,319,760	11,628,938	1,309,178
Expenditures:			
Current:			
Sanitation:			
Operations	8,563,020	8,234,484	328,536
Other Uses:			
Operating Transfers Out:			
General Fund	1,042,060	946,482	95,578
Total Expenditures and Other Uses	9,605,080	9,180,966	424,114
Excess of Revenues Over (Under) Expenditures and Other Uses	714,680	2,447,972	1,733,292
Fund Balances, January 1	8,371,607	8,371,607	--
Fund Balances, December 31	\$ 9,086,287	\$ 10,819,579	\$1,733,292

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT C - 17

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Intergovernmental Revenues:			
Federal Grants:			
Federal Emergency Management Agency	\$ 509,504	\$ 3,223	\$ (506,281)
Department of Justice	2,914,660	2,021,531	(893,129)
Department of Health and Human Services	6,791,789	6,574,639	(217,150)
Department of Housing and Urban Development	38,823,336	8,765,153	(30,058,183)
Department of Commerce	9,233	1,949	(7,284)
State Grants:			
Department of Health and Hospitals	124,571	102,540	(22,031)
Highway Safety Commission	(175)	(175)	--
Commission on Law Enforcement	359,230	264,767	(94,463)
Department of Military Affairs	24,398	15,398	(9,000)
Office of the Governor	1,523,420	23,420	(1,500,000)
Department of Transportation and Development	3,200,919	912,941	(2,287,978)
Department of Social Services	3,134,216	2,133,665	(1,000,551)
Department of Culture, Recreation and Tourism	242,713	124,894	(117,819)
Department of Urban and Community Affairs	9,559	--	(9,559)
Department of Labor	8,187,830	4,623,464	(3,564,366)
Department of Environmental Quality	178,930	178,930	--
Department of Agriculture	54,847	27,270	(27,577)
Department of Education	2,311,760	1,436,399	(875,361)
Other Grants:			
Capital Region Planning Commission	48,426	14,426	(34,000)
Gulf States Utilities	38,237	32,111	(6,126)
East Baton Rouge Housing Authority	19,307	19,307	--
Gates Library Foundation	205,571	194,655	(10,916)
Capital Area United Way	19,847	19,847	--
Total Intergovernmental Revenues	68,732,128	27,490,354	(41,241,774)
Miscellaneous Revenues:			
Interest Earnings	2,359	5,839	3,480
Program Income (Housing and Urban Development)	581,695	581,695	--
Condemnations (Housing and Urban Development)	3,710	3,710	--
Confiscated Funds - Police	105,685	105,685	--
Headstart - In Kind Contributions	1,539,876	1,539,876	--
Total Miscellaneous Revenues	2,233,325	2,236,805	3,480
Total Revenues	70,965,453	29,727,159	(41,238,294)
Other Financing Sources:			
Operating Transfers In (Note 12):			
General Fund	358,224	358,224	--
Total Revenues and Other Financing Sources	71,323,677	30,085,383	(41,238,294)

The accompanying notes are an integral part of this statement.

Continued

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)
GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT C - 17
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Expenditures:			
Current:			
General Government:			
City Court Volunteers in the Court	\$ 124,579	\$ 75,722	\$ 48,857
City Court Training Grant	4,000	4,000	--
Total General Government	<u>128,579</u>	<u>79,722</u>	48,857
Public Safety:			
Project Impact	447,724	3,223	444,501
Community Policing Unit	583,602	3,472	580,130
Local Law Enforcement Block Grant	2,144,433	1,734,373	410,060
Partnership to Reduce Juvenile Gun Violence	486,231	207,120	279,111
Hurricane Andrew	3,488	--	3,488
New Orleans/Baton Rouge Community Partnership Coalition	443,613	282,712	160,901
Children's Cabinet Families In Need of Services	30,000	30,000	--
PIF 8G Volunteer Fire	481	481	--
Roadway Incident Management System	620,349	227,905	392,444
Hazardous Materials Training Grants	18,803	15,398	3,405
Multi-Jurisdictional Investigative Narcotics Task Force	(3,362)	(3,362)	--
Drug Abuse Resistance Education	190,140	119,563	70,577
Property Crimes Task Force	46,391	17,861	28,530
Police Training Academy Equipment	6,000	6,000	--
Strategic Narcotics Area Patrol	169,085	165,049	4,036
Red Light Running	(179)	(179)	--
Housing and Urban Development Drug Elimination Program	19,307	19,307	--
Non-Grant Funds:			
Multi-Jurisdictional Investigative Narcotics Task Force Program Income	170,756	11,596	159,160
Total Public Safety	<u>5,376,862</u>	<u>2,840,519</u>	2,536,343
Transportation:			
Compressed Natural Gas Vehicle Conversion	65,564	30,405	35,159
Burbank Drive Tree Corridor Planting	5,297	--	5,297
I-110 at Mohican and Scenic	3,990	--	3,990
Street Name Sign Program	419,120	89,440	329,680
Capital Region Planning Commission Transportation Planning Study	11,142	1,142	10,000
Capital Region Planning Commission Land Use and Socio-Economic Study	8,000	--	8,000
Total Transportation	<u>513,113</u>	<u>120,987</u>	392,126
Health and Welfare:			
Summer Food Program	697,533	697,533	--
Emergency Medical Services-Prison Medical Services Disease Screening Grant	40,281	40,281	--
Low Income Housing Energy Assistance Program	1,075,254	1,028,018	47,236
Headstart Summer Enrichment Program	613,568	613,568	--

The accompanying notes are an integral part of this statement.

Continued

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)
GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT C - 17
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Expenditures (Continued):			
Current (Continued):			
Health and Welfare (Continued):			
Federal Emergency Management Agency Emergency Shelter	\$ 19,847	\$ 19,847	\$ --
Non-Grant Funds:			
Health Insurance	8,342	--	8,342
Weatherization Assistance Program	641	--	641
Low Income Housing Energy Assistance Program	29,894	4,036	25,858
Summer Food Program	1,863	--	1,863
Total Health and Welfare	2,487,223	2,403,283	83,940
Culture and Recreation:			
Major Urban Resource Library	13,260	13,260	--
Library Technology Enhancement Grant	1,350	1,350	--
State Aid to Public Libraries	19,154	16,154	3,000
Gates Library Foundation Grant	17,404	13,371	4,033
Total Culture and Recreation	51,168	44,135	7,033
Conservation and Development:			
Baton Rouge Works Grant	153	(50)	203
Section 8 Operating Reserve	125,427	--	125,427
Sharlo Terrace II	2,347,346	310,714	2,036,632
MOD I Section 8 Rehabilitation	1,758,611	--	1,758,611
MOD II Section 8 Rehabilitation	530,532	(19,338)	549,870
MOD III Section 8 Rehabilitation	561,824	--	561,824
MOD IV Section 8 Rehabilitation	4,740,577	519,231	4,221,346
Section 8 Certificate Program	518,526	213,757	304,769
Hurricane Andrew	9,120	--	9,120
Headstart	6,020,943	6,020,943	--
BRACA Commodity Distribution Program	53,480	25,953	27,527
Street Tree Inventory	50	--	50
Travel Reimbursement Grant	1,317	1,317	--
Headstart Food Program	1,395,506	615,421	780,085
Job Training Partnership Act:			
Title I-8%	218,682	137,205	81,477
Title II-A	1,499,655	698,120	801,535
Title II-A Incentive Funds	96,174	39,590	56,584
Title II-C	264,473	70,708	193,765
Summer Youth Employment Program	1,306,443	1,056,327	250,116
Title III-F	2,548,915	1,506,870	1,042,045
Welfare to Work	1,430,514	369,609	1,060,905
Jobnet	55,815	7,492	48,323
Community Services Block Grant:			
Administration and Outreach	799,157	807,497	(8,340)
State Discretionary	6,555	--	6,555
McKinley High Renovations	1,500,000	--	1,500,000
Community Development Weatherization Assistance	874,026	66,089	807,937

The accompanying notes are an integral part of this statement.

Continued

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)
GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT C - 17
(Continued)

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Expenditures (Continued):			
Current (Continued):			
Conservation and Development (Continued):			
Louisiana Job Employment Training	\$ 343,396	\$ 250,188	\$ 93,208
Community Development Emergency Shelter Grants	161,074	108,904	52,170
Emergency Shelter Grants	5,365	--	5,365
Capital Area Regional Backyard Composting	178,930	178,930	--
Gulf States Emergency Management	36,042	29,916	6,126
Non-Grant Funds:			
Headstart Programs	1,042	(2,239)	3,281
Childhood Learning Centers Food Program	3,029	150	2,879
Commodity Distribution Program	551	--	551
Rental Rehabilitation Local Funds	243,311	115	243,196
Head Start - In Kind Services	1,539,876	1,539,876	--
Urban/Economic Development Program:			
Program Administration	19,845	--	19,845
Contingencies	22,169	--	22,169
Community Development Block Grant:			
Acquisition of Real Property	41,000	--	41,000
Public Improvements, Facilities	2,242,988	84,679	2,158,309
Demolition and Clearance	663,864	9,154	654,710
Public Services	638,993	215,568	423,425
Relocation Assistance	620	500	120
Loss of Rental Income	2,659	(1,095)	3,754
Housing Rehabilitation	7,138,452	2,468,061	4,670,391
Economic Development	200,000	--	200,000
Planning	10,000	--	10,000
Program Administration	3,453,115	1,143,790	2,309,325
Contingencies	415,826	--	415,826
Community Development Home Program:			
Construction of Housing	39,255	--	39,255
Direct Home Ownership Assistance	4,416,226	1,435,985	2,980,241
Housing Rehabilitation	409,593	--	409,593
Program Administration	953,190	345,176	608,014
Community Housing Development Organization	1,313,856	60,103	1,253,753
Continuum of Care - Supportive Housing Program:			
Public Services	1,944,612	437,149	1,507,463
Program Administration	114,600	--	114,600
Total Conservation and Development	<u>55,217,300</u>	<u>20,752,365</u>	<u>34,464,935</u>
Capital Outlay	<u>7,385,549</u>	<u>2,634,460</u>	<u>4,751,089</u>
Total Expenditures	<u>71,159,794</u>	<u>28,875,471</u>	<u>42,284,323</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	163,883	1,209,912	1,046,029
Fund Balances, January 1	<u>(162,024)</u>	<u>(162,024)</u>	--
Fund Balances, December 31	<u>\$ 1,859</u>	<u>\$ 1,047,888</u>	<u>\$ 1,046,029</u>

The accompanying notes are an integral part of this statement.

DEBT SERVICE FUNDS

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

1965 Capital Improvements Program Debt Service Fund

accounts for the special tax levy needed to comply with the interest and principal redemption requirements of the general obligation bond issue.

City Sales Tax Bonds Debt Service Fund

accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1989, 1990, 1992, 1992A, 1993, 1997 and 1998A 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 1989 and 1998C Public Improvement Sales Tax Bonds of the Parish of East Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

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, 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
 ALL DEBT SERVICE FUNDS
 DECEMBER 31, 1998**

	1965 Capital Improvements Program	City Sales Tax Bonds	Parish Sales Tax Bonds
ASSETS			
Cash and Cash Equivalents	\$ --	\$ 1,847,604	\$ 73,517
Investments	--	16,563,988	765,377
Property Taxes Receivable - Net (Note 4)	--	--	--
Accrued Interest Receivable	--	356,251	17,144
Due From Other Governments	--	--	--
Total Assets	\$ --	\$ 18,767,843	\$ 856,038
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ --	\$ 697	\$ --
Due to Other Funds	--	--	--
Accrued Interest Payable	--	224,451	8,979
Total Liabilities	--	225,148	8,979
Fund Balances:			
Reserved for Debt Service:			
Principal	--	12,400,125	386,682
Interest	--	6,142,570	460,377
Total Fund Balances	--	18,542,695	847,059
Total Liabilities and Fund Balances	\$ --	\$ 18,767,843	\$ 856,038

The accompanying notes are an integral part of this statement.

Excess Revenue and Limited Tax	Totals	
	December 31, 1998	December 31, 1997
\$ --	\$ 1,921,121	\$ 5,737,289
--	17,329,365	14,654,634
--	--	486,360
--	373,395	357,845
--	--	396,097
\$ --	\$ 19,623,881	\$ 21,632,225
\$ --	\$ 697	\$ 497
--	--	554,715
--	233,430	95,843
--	234,127	651,055
--	12,786,807	12,584,021
--	6,602,947	8,397,149
--	19,389,754	20,981,170
\$ --	\$ 19,623,881	\$ 21,632,225

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

	1965 Capital Improvements Program	City Sales Tax Bonds	Parish Sales Tax Bonds
Revenues:			
Taxes:			
General Property Taxes	\$ 30,043	\$ --	\$ --
General Sales and Use Taxes	--	12,846,095	526,072
Total Taxes	30,043	12,846,095	526,072
Miscellaneous Revenues:			
Interest Earnings	34,014	957,769	47,210
Total Revenues	64,057	13,803,864	573,282
Other Financing Sources:			
Proceeds From Long-Term Debt	--	90,328,235	4,511,409
Operating Transfers In (Note 12):			
General Fund	--	--	--
City Constable Court Costs Fund	--	--	--
Library Board of Control Fund	--	--	--
E.B.R. Parish Communications District	--	--	--
Grants Fund	--	--	--
1997 Bond Capital Improvements Fund	--	103,075	--
Total Operating Transfers In	--	103,075	--
Total Other Financing Sources	--	90,431,310	4,511,409
Total Revenues and Other Financing Sources	64,057	104,235,174	5,084,691
Expenditures:			
Debt Service:			
Principal:			
Bond Principal	1,300,000	5,640,000	315,000
Capital Lease Principal	--	--	--
Total Principal	1,300,000	5,640,000	315,000
Interest and Fiscal Charges:			
Bond Interest	31,850	7,543,587	340,777
Capital Lease Interest	--	--	--
Paying Agent Fees	130	5,140	--
Total Interest and Fiscal Charges	31,980	7,548,727	340,777
Other Costs:			
Other Contractual Services	345	--	--
Other Retirement Costs	--	--	--
Total Other Costs	345	--	--
Payment to Refunded Bond Escrow Agent	--	90,937,408	4,511,409
Total Expenditures	1,332,325	104,126,135	5,167,186
Excess of Revenues and Other Sources Over (Under) Expenditures	(1,268,268)	109,039	(82,495)
Fund Balances, January 1	1,617,960	18,433,656	929,554
Residual Equity Transfer (Note 12)	(349,692)	--	--
Fund Balances, December 31	\$ --	\$ 18,542,695	\$ 847,059

The accompanying notes are an integral part of this statement.

Excess Revenue and Limited Tax	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
\$ --	\$ 30,043	\$ 980,312
--	13,372,167	12,441,524
--	13,402,210	13,421,836
--	1,038,993	1,025,971
--	14,441,203	14,447,807
--	94,839,644	--
1,722,806	1,722,806	1,733,112
51,130	51,130	51,130
6,774	6,774	36,381
56,169	56,169	42,127
2,196	2,196	1,200
--	103,075	2,297,000
1,839,075	1,942,150	4,160,950
1,839,075	96,781,794	4,160,950
1,839,075	111,222,997	18,608,757
10,943	7,265,943	8,519,966
1,616,115	1,616,115	1,552,986
1,627,058	8,882,058	10,072,952
6,566	7,922,780	7,771,483
205,451	205,451	293,313
--	5,270	5,812
212,017	8,133,501	8,070,608
--	345	820
--	--	24,898
--	345	25,718
--	95,448,817	--
1,839,075	112,464,721	18,169,278
--	(1,241,724)	439,479
--	20,981,170	20,541,691
--	(349,692)	--
\$ --	\$ 19,389,754	\$ 20,981,170

**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)
1965 CAPITAL IMPROVEMENTS PROGRAM DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT D - 3

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Property Taxes	\$ 30,043	\$ 30,043	\$ --
Miscellaneous Revenues:			
Interest Earnings	34,014	34,014	--
Total Revenues	64,057	64,057	--
Expenditures:			
Debt Service:			
Principal:			
Bond Principal	1,300,000	1,300,000	--
Interest and Fiscal Charges:			
Bond Interest	31,850	31,850	--
Paying Agent Fees	130	130	--
Total Interest and Fiscal Charges	31,980	31,980	--
Other Costs:			
Other Contractual Services	345	345	--
Total Expenditures	1,332,325	1,332,325	--
Excess of Revenues Over (Under) Expenditures	(1,268,268)	(1,268,268)	--
Fund Balances, January 1	1,617,960	1,617,960	--
Residual Equity Transfer (Note 12)	(349,692)	(349,692)	--
Fund Balances, December 31	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT D - 4

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Sales and Use Taxes	\$ 12,981,345	\$ 12,846,095	\$ (135,250)
Miscellaneous Revenues:			
Interest Earnings	950,900	957,769	6,869
Total Revenues	13,932,245	13,803,864	(128,381)
Other Financing Sources:			
Proceeds From Long-Term Debt	90,675,000	90,328,235	(346,765)
Operating Transfers In (Note 12):			
1997 Bond Capital Improvements Fund	103,075	103,075	--
Total Other Financing Sources	90,778,075	90,431,310	(346,765)
Total Revenues and Other Financing Sources	104,710,320	104,235,174	(475,146)
Expenditures:			
Debt Service:			
Principal:			
Bond Principal	5,640,000	5,640,000	--
Interest and Fiscal Charges:			
Bond Interest	7,895,650	7,543,587	352,063
Paying Agent Fees	8,700	5,140	3,560
Total Interest and Fiscal Charges	7,904,350	7,548,727	355,623
Payment to Refunded Bond Escrow Agent	91,397,763	90,937,408	460,355
Total Expenditures	104,942,113	104,126,135	815,978
Excess of Revenues and Other Sources Over (Under) Expenditures	(231,793)	109,039	340,832
Fund Balances, January 1	18,433,656	18,433,656	--
Fund Balances, December 31	\$ 18,201,863	\$ 18,542,695	\$ 340,832

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT D - 5

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes:			
General Sales and Use Taxes	\$ 527,270	\$ 526,072	\$ (1,198)
Miscellaneous Revenues:			
Interest Earnings	46,450	47,210	760
Total Revenues	573,720	573,282	(438)
Other Financing Sources:			
Proceeds From Long-Term Debt	4,511,408	4,511,409	1
Total Revenues and Other Financing Sources	5,085,128	5,084,691	(437)
Expenditures:			
Debt Service:			
Principal:			
Bond Principal	315,000	315,000	--
Interest and Fiscal Charges:			
Bond Interest	340,780	340,777	3
Paying Agent Fees	750	--	750
Total Interest and Fiscal Charges	341,530	340,777	753
Payment to Refunded Bond Escrow Agent	4,511,408	4,511,409	(1)
Total Expenditures	5,167,938	5,167,186	752
Excess of Revenues and Other Sources Over (Under) Expenditures	(82,810)	(82,495)	315
Fund Balances, January 1	929,554	929,554	--
Fund Balances, December 31	\$ 846,744	\$ 847,059	\$ 315

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXCESS REVENUE AND LIMITED TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT D - 6

	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Other Financing Sources:			
Operating Transfers In:			
General Fund	\$ 17,550	\$ 17,509	\$ (41)
Expenditures:			
Debt Service:			
Principal:			
Bond Principal	10,980	10,943	37
Interest and Fiscal Charges:			
Bond Interest	6,570	6,566	4
Total Expenditures	17,550	17,509	41
Excess of Other Financing Sources Over (Under) Expenditures	--	--	--
Fund Balances, January 1	--	--	--
Fund Balances, December 31	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds.)

New Municipal Waste Facility Fund accounts for the proceeds received from the sale of sales tax revenue bonds dedicated for the purpose of acquisition and construction of a new municipal waste sanitary landfill facility and to finance certain improvements to public buildings and facilities.

1993 Bond Capital Improvements Fund accounts for the portion of the proceeds received from the sale of sales tax revenue bonds dedicated for the purpose of providing funds to finance certain improvements to public buildings and facilities of the City, and the construction of administrative, maintenance and training facilities for the fire department of the City of Baton Rouge.

1997 Bond Capital Improvements Fund accounts for the proceeds received from the sale of sales tax revenue bonds dedicated for the purpose of providing funds to finance certain improvements and renovations to the airport terminal facility and the solid waste disposal facility.

1998A Bond Capital Improvements Fund accounts for the proceeds received from the sale of sales tax revenue bonds dedicated for the purpose of providing funds to finance certain improvements to public buildings and facilities.

1998C Bond Capital Improvements Fund accounts for the proceeds received from the sale of sales tax revenue bonds dedicated for the purpose of providing funds to finance certain improvements to public buildings and facilities.

East Baton Rouge Prison Expansion Fund accounts for the three year property tax levy authorized for the purpose of financing the cost of renovations, extensions, improvements and equipment for the East Baton Rouge Parish Prison.

Parish Buildings Renovation and Relocation Fund accounts for the proceeds received from the sale of Lease Revenue Bonds and other revenues necessary for construction, improvement or enlargement of certain facilities consisting primarily of the Courthouse building and Clerk of Court office facilities located within the parish.

Miscellaneous Capital Improvements Fund accounts for the proceeds received from other governmental fund types for non-recurring major capital projects.

Continued

CAPITAL PROJECTS FUNDS (Continued)

Capital Improvement Fund accounts for proceeds from gaming revenues, Federal and State grants, and from other governmental fund types committed for street and drainage improvements.

Road and Street Improvement Fund accounts for the portion (60%) of the one-half of one percent sales tax levied for the purpose of public road and street improvements within East Baton Rouge Parish.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 1998

	New Municipal Waste Facility	1993 Bond Capital Improve- ments	1997 Bond Capital Improve- ments	1998A Bond Capital Improve- ments	1998C Bond Capital Improve- ments
ASSETS					
Cash and Cash Equivalents	\$ --	\$ --	\$ 3,140,416	\$ 8,902,229	\$ 166
Investments	--	--	--	--	--
Sales Taxes Receivable	--	--	--	--	--
Accrued Interest Receivable	--	--	36,470	38,482	219
Special Assessment Receivable	--	--	--	--	--
Due From Other Funds (Note 11)	--	--	--	--	--
Due From Other Governments (Note 11)	--	--	--	--	--
Total Assets	\$ --	\$ --	\$ 3,176,886	\$ 8,940,711	\$ 385
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and Contracts Payable	\$ --	\$ --	\$ 330,251	\$ 11,477	\$ --
Deferred Revenue	--	--	--	--	--
Total Liabilities	--	--	330,251	11,477	--
Fund Balances:					
Reserved for Encumbrances	--	--	1,946,553	--	--
Unreserved:					
Designated for Unencumbered Appropriations (Note 1)	--	--	734,816	3,641,833	--
Undesignated	--	--	165,266	5,287,401	385
Total Fund Balances	--	--	2,846,635	8,929,234	385
Total Liabilities and Fund Balances	\$ --	\$ --	\$ 3,176,886	\$ 8,940,711	\$ 385

The accompanying notes are an integral part of this statement.

East Baton Rouge Prison Expansion	Parish Buildings Renovation and Relocation	Miscellaneous Capital Improve- ments	Capital Improve- ment	Road and Street Improve- ment	Totals	
					December 31, 1998	December 31, 1997
\$ 173,933	\$ --	\$ 1,269,735	\$ 1,336,216	\$ 1,423,699	\$ 16,246,394	\$ 7,881,532
--	--	--	15,366,483	16,372,543	31,739,026	18,935,422
--	--	--	--	1,717,469	1,717,469	1,710,063
1,708	--	9,900	178,749	146,320	411,848	241,176
--	--	16,808	--	--	16,808	19,658
--	--	6,516,494	--	--	6,516,494	3,210,363
--	--	--	1,576,350	--	1,576,350	39,260
\$ 175,641	\$ --	\$ 7,812,937	\$ 18,457,798	\$ 19,660,031	\$ 58,224,389	\$ 32,037,474
\$ 19,005	\$ --	\$ 22,283	\$ 1,582,682	\$ 275,092	\$ 2,240,790	\$ 1,400,515
--	--	16,808	36,834	--	53,642	19,658
19,005	--	39,091	1,619,516	275,092	2,294,432	1,420,173
13,761	--	590,466	6,113,263	5,041,908	13,705,951	4,745,150
30,765	--	7,183,380	10,725,019	11,813,626	34,129,439	24,707,806
112,110	--	--	--	2,529,405	8,094,567	1,164,345
156,636	--	7,773,846	16,838,282	19,384,939	55,929,957	30,617,301
\$ 175,641	\$ --	\$ 7,812,937	\$ 18,457,798	\$ 19,660,031	\$ 58,224,389	\$ 32,037,474

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

	New Municipal Waste Facility	1993 Bond Capital Improve- ments	1997 Bond Capital Improve- ments	1998A Bond Capital Improve- ments	1998C Bond Capital Improve- ments
Revenues:					
Taxes:					
General Property Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
General Sales and Use Taxes	--	--	--	--	--
Total Taxes	--	--	--	--	--
Intergovernmental Revenues:					
State Grants:					
Department of Transportation and Development	--	--	--	--	--
Miscellaneous Revenues:					
Interest Earnings	67	699	225,108	67,757	385
Contributions From Other Sources-					
Private Business	--	--	--	--	--
Total Miscellaneous Revenues	67	699	225,108	67,757	385
Total Revenues	67	699	225,108	67,757	385
Other Financing Sources:					
Proceeds From Long-Term Debt	--	--	--	8,994,644	88,591
Operating Transfers In (Note 12):					
General Fund	--	--	--	--	--
Library Board of Control Fund	--	--	--	--	--
Emergency Medical Services Fund	--	--	--	--	--
Total Operating Transfers In	--	--	--	--	--
Total Other Financing Sources	--	--	--	8,994,644	88,591
Total Revenues and Other Financing Sources	67	699	225,108	9,062,401	88,976
Expenditures:					
Capital Outlay	--	18,728	1,693,924	133,167	88,591
Other Uses:					
Operating Transfers Out (Note 12):					
City Sales Tax Bonds Debt Service Fund	--	--	103,075	--	--
Total Expenditures and Other Uses	--	18,728	1,796,999	133,167	88,591
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	67	(18,029)	(1,571,891)	8,929,234	385
Fund Balances, January 1	1,175	19,238	4,418,526	--	--
Residual Equity Transfer (Note 12)	(1,242)	(1,209)	--	--	--
Fund Balances, December 31	\$ --	\$ --	\$ 2,846,635	\$ 8,929,234	\$ 385

The accompanying notes are an integral part of this statement.

East Baton Rouge Prison Expansion	Parish Buildings Renovation and Relocation	Miscellaneous Capital Improve- ments	Capital Improve- ment	Road and Street Improve- ment	Totals Year Ended	
					December 31, 1998	December 31, 1997
\$ --	\$ --	\$ --	\$ 364	\$ --	\$ 364	\$ --
--	--	--	--	16,393,275	16,393,275	8,108,589
--	--	--	364	16,393,275	16,393,639	8,108,589
--	--	--	1,979,422	--	1,979,422	325,445
12,146	4,835	31,801	931,766	626,709	1,901,273	949,487
--	--	3,563	--	--	3,563	4,752
12,146	4,835	35,364	931,766	626,709	1,904,836	954,239
12,146	4,835	35,364	2,911,552	17,019,984	20,277,897	9,388,273
--	--	--	--	--	9,083,235	19,325,000
--	--	189,832	10,571,601	--	10,761,433	9,837,447
--	--	3,472,390	--	--	3,472,390	2,550,000
--	--	800,000	--	--	800,000	--
--	--	4,462,222	10,571,601	--	15,033,823	12,387,447
--	--	4,462,222	10,571,601	--	24,117,058	31,712,447
12,146	4,835	4,497,586	13,483,153	17,019,984	44,394,955	41,100,720
170,415	--	249,872	12,204,031	4,577,905	19,136,633	9,710,701
--	--	--	--	--	103,075	2,297,000
170,415	--	249,872	12,204,031	4,577,905	19,239,708	12,007,701
(158,269)	4,835	4,247,714	1,279,122	12,442,079	25,155,247	29,093,019
314,905	184,997	3,526,132	15,209,468	6,942,860	30,617,301	14,024,282
--	(189,832)	--	349,692	--	157,409	(12,500,000)
\$ 156,636	\$ --	\$ 7,773,846	\$ 16,838,282	\$ 19,384,939	\$ 55,929,957	\$ 30,617,301

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
ALL CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECTS TO DECEMBER 31, 1998**

	New Municipal Waste Facility	1993 Bond Capital Improve- ments	1997 Bond Capital Improve- ments	1998A Bond Capital Improve- ments	1998C Bond Capital Improve- ments
Total Project Authorization	\$ 22,468,900	\$ 4,317,462	\$ 19,425,000	\$ 3,775,000	\$ 88,591
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental Revenues	--	--	--	--	--
Miscellaneous Revenues	1,068,900	317,205	265,266	67,757	385
Other Financing Sources:					
Proceeds From Long-Term Debt	21,400,000	4,000,000	19,325,000	8,994,644	88,591
Capital Leases	--	--	--	--	--
Operating Transfers In	--	--	--	--	--
Total Revenues and Other Financing Sources	\$ 22,468,900	\$ 4,317,205	\$ 19,590,266	\$ 9,062,401	\$ 88,976
Expenditures:					
Capital Outlay	\$ 20,691,187	\$ 4,012,066	\$ 1,843,556	\$ 133,167	\$ 88,591
Other Uses:					
Operating Transfers Out	1,776,471	303,930	2,400,075	--	--
Residual Equity Transfers	1,242	1,209	12,500,000	--	--
Total Expenditures and Other Uses	\$ 22,468,900	\$ 4,317,205	\$ 16,743,631	\$ 133,167	\$ 88,591

The accompanying notes are an integral part of this statement.

East Baton Rouge Prison Expansion	Parish Buildings Renovation and Relocation	Miscellaneous Capital Improve- ments	Capital Improve- ment	Road and Street Improve- ment	Total December 31, 1998
\$ 25,158,629	\$ 14,300,665	\$ 35,077,388	\$ 42,335,230	\$ 22,646,640	\$ 189,593,505
\$ 16,989,833	\$ --	\$ --	\$ 364	\$ 24,501,864	\$ 41,492,061
5,870	194,673	151,351	2,304,867	--	2,656,761
2,125,036	1,430,879	755,680	2,431,863	674,181	9,137,152
6,150,000	--	--	--	--	59,958,235
--	10,685,000	4,763,584	--	--	15,448,584
--	1,990,113	28,907,684	34,703,851	--	65,601,648
\$ 25,270,739	\$ 14,300,665	\$ 34,578,299	\$ 39,440,945	\$ 25,176,045	\$ 194,294,441
\$ 23,073,334	\$ 12,062,463	\$ 23,764,692	\$ 22,952,355	\$ 5,791,106	\$ 114,412,517
2,040,769	2,048,370	3,039,761	--	--	11,609,376
--	189,832	--	(349,692)	--	12,342,591
\$ 25,114,103	\$ 14,300,665	\$ 26,804,453	\$ 22,602,663	\$ 5,791,106	\$ 138,364,484

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.

Greater Baton Rouge Airport District 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.

Riverside Centroplex Fund 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.

Comprehensive Sewerage System Fund accounts for the provision of sewer services and sewerage treatment services to the residents of East Baton Rouge Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and billing and collection of a sewer user fee.

Solid Waste Disposal Facility Fund accounts for the provision of solid waste disposal services and operation of the landfill. Principal revenues of the fund are landfill dumping fees.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1998**

	Greater Baton Rouge Airport District	Riverside Centroplex	Greater Baton Rouge Parking Authority
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 267,196	\$ 887,789	\$ --
Investments	--	--	--
Sales Taxes Receivable	--	--	--
Accounts Receivable-Net	343,116	233,818	948
Accrued Interest Receivable	131,305	--	--
Special Assessments Receivable	--	--	--
Due From Other Funds (Note 11)	--	--	--
Due From Other Governments (Note 11)	3,151,279	--	--
Due From Component Units (Note 11)	--	--	--
Prepaid Items	--	62,698	--
Total Current Assets	3,892,896	1,184,305	948
Restricted Assets:			
Cash and Cash Equivalents	1,207,159	1,482,056	2,469,990
Investments	13,882,323	--	--
Accounts Receivable - Net	115,217	--	--
Accrued Interest Receivable	30,727	12,978	18,955
Due From Other Governments (Note 11)	--	332,212	--
Total Restricted Assets	15,235,426	1,827,246	2,488,945
Deferred Bond Issuance Costs	--	--	--
Fixed Assets (Note 6):			
Land	32,587,214	1,024,914	808,586
Buildings	21,872,361	31,861,220	9,979,462
Improvements Other Than Buildings	50,664,481	--	22,165
Equipment	2,324,677	1,280,431	215,231
Equipment Under Capital Leases	37,121	--	--
Construction Work in Progress	9,812,795	2,066	--
Total Fixed Assets	117,298,649	34,168,631	11,025,444
Accumulated Depreciation	(25,354,776)	(17,323,587)	(7,453,890)
Net Fixed Assets	91,943,873	16,845,044	3,571,554
Total Assets	\$ 111,072,195	\$ 19,856,595	\$ 6,061,447

The accompanying notes are an integral part of this statement.

Continued

Comprehensive Sewerage System	Solid Waste Disposal Facility	Totals	
		December 31, 1998	December 31, 1997
\$ 842,137	\$ 703,851	\$ 2,700,973	\$ 3,714,856
9,684,574	8,094,285	17,778,859	12,618,346
2,987,007	--	2,987,007	2,965,104
--	1,199,897	1,777,779	2,159,451
279,185	81,731	492,221	427,891
389,764	--	389,764	181,741
2,370,689	--	2,370,689	2,861,446
113	--	3,151,392	1,350,698
74,066	--	74,066	5,302
--	--	62,698	27,065
16,627,535	10,079,764	31,785,448	26,311,900
4,017,605	--	9,176,810	32,655,985
71,210,749	--	85,093,072	77,281,613
1,217,336	--	1,332,553	1,398,694
803,766	--	866,426	1,115,076
--	--	332,212	186,041
77,249,456	--	96,801,073	112,637,409
1,108,346	--	1,108,346	1,312,047
7,691,179	7,086,007	49,197,900	43,804,624
--	--	63,713,043	60,889,985
488,957,473	22,755,265	562,399,384	528,299,215
9,308,375	328,474	13,457,188	13,178,218
--	--	37,121	37,121
2,957,399	--	12,772,260	16,523,010
508,914,426	30,169,746	701,576,896	662,732,173
(126,845,046)	(4,604,358)	(181,581,657)	(159,951,096)
382,069,380	25,565,388	519,995,239	502,781,077
\$ 477,054,717	\$ 35,645,152	\$ 649,690,106	\$ 643,042,433

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1998**

	Greater Baton Rouge Airport District	Riverside Centroplex	Greater Baton Rouge Parking Authority
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts and Contracts Payable	\$ 909,078	\$ 209,985	\$ 9,226
Due to Other Funds (Note 11)	136,596	--	2,152,877
Due to Other Governments	141,687	--	--
Accrued Salaries Payable	96,960	59,409	8,573
Accrued Interest Payable	--	--	--
Accrued Expenses Payable	--	12,986	--
Deferred Revenue	--	532,430	--
Obligations Payable (Note 17)	2,046,219	--	--
Compensated Absences Payable	174,867	29,563	34,270
Obligation Under Capital Leases (Note 14)	7,175	--	--
Other Liabilities	--	--	--
Total Current Liabilities	3,512,582	844,373	2,204,946
Liabilities Payable from Restricted Assets:			
Accounts and Contracts Payable	1,465,749	--	--
Due to Other Governments	--	--	--
Accrued Interest Payable	--	--	100,656
Revenue Bonds Payable (Note 10)	--	--	435,000
Total Restricted Liabilities	1,465,749	--	535,656
Long-Term Liabilities:			
Obligations Payable (Note 17)	17,070,576	--	--
Revenue Bonds Payable (Note 10)	--	--	2,040,000
Deferred Amount on Refunding (Note 10)	--	--	--
Landfill Closure and Postclosure Care Liability (Note 20)	--	--	--
Compensated Absences Payable	--	--	3,888
Obligation Under Capital Leases	--	--	--
Net Pension Obligation	225,828	--	22,597
Total Long-Term Liabilities	17,296,404	--	2,066,485
Total Liabilities	22,274,735	844,373	4,807,087
Equity:			
Contributed Capital (Note 16):			
Intergovernmental:			
Federal	74,683,290	16,957,367	--
Retirement of Contribution	(14,134,291)	(8,567,091)	--
Other	12,088,386	3,999,968	--
Retirement of Contribution	(918,572)	(934,865)	--
Government	3,675,328	15,141,356	2,286,690
Developers	--	300,000	--
Impact Fees	--	--	--
Total Contributed Capital	75,394,141	26,896,735	2,286,690
Retained Earnings (Note 2):			
Reserved for Revenue Bond Debt Service	--	--	--
Reserved Passenger Facility Charges (Note 19)	2,955,456	--	--
Reserved for Airport Police	13,733	--	--
Unreserved	10,434,130	(7,884,513)	(1,032,330)
Total Retained Earnings	13,403,319	(7,884,513)	(1,032,330)
Total Equity	88,797,460	19,012,222	1,254,360
Total Liabilities and Equity	\$ 111,072,195	\$ 19,856,595	\$ 6,061,447

The accompanying notes are an integral part of this statement.

Comprehensive Sewerage System	Solid Waste Disposal Facility	Totals	
		December 31, 1998	December 31, 1997
\$ 634,592	\$ 675,189	\$ 2,438,070	\$ 2,704,472
--	--	2,289,473	2,752,817
--	--	141,687	141,687
399,929	18,593	583,464	542,128
--	--	--	125
--	--	12,986	5,551
389,764	--	922,194	467,711
2,671,485	--	4,717,704	4,692,071
600,932	16,411	856,043	787,559
--	--	7,175	12,672
3,487	--	3,487	1,607
4,700,189	710,193	11,972,283	12,108,400
1,698,714	--	3,164,463	7,509,801
105,745	--	105,745	318,119
4,798,508	--	4,899,164	5,358,177
4,810,000	--	5,245,000	4,850,000
11,412,967	--	13,414,372	18,036,097
50,527,770	--	67,598,346	72,316,050
206,420,000	--	208,460,000	212,570,000
(3,383,865)	--	(3,383,865)	(2,319,714)
--	4,380,178	4,380,178	3,417,128
--	--	3,888	--
--	--	--	7,175
916,547	66,605	1,231,577	--
254,480,452	4,446,783	278,290,124	285,990,639
270,593,608	5,156,976	303,676,779	316,135,136
12,095,433	--	103,736,090	97,244,533
(5,261,424)	--	(27,962,806)	(25,741,265)
43,617	--	16,131,971	10,057,992
(30,234)	--	(1,883,671)	(1,499,281)
18,538,552	27,108,843	66,750,769	65,028,398
4,652,194	--	4,952,194	4,927,194
5,099,778	--	5,099,778	3,323,806
35,137,916	27,108,843	166,824,325	153,341,377
18,593,049	--	18,593,049	18,531,041
--	--	2,955,456	3,120,233
--	--	13,733	13,733
152,730,144	3,379,333	157,626,764	151,900,913
171,323,193	3,379,333	179,189,002	173,565,920
206,461,109	30,488,176	346,013,327	326,907,297
\$ 477,054,717	\$ 35,645,152	\$ 649,690,106	\$ 643,042,433

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Greater Baton Rouge Airport District	Riverside Centroplex	Greater Baton Rouge Parking Authority
Operating Revenues:			
Charges for Services	\$ 6,291,839	\$ 1,620,393	\$ 620,352
Miscellaneous Revenues	253,693	100,420	519
Total Operating Revenues	<u>6,545,532</u>	<u>1,720,813</u>	<u>620,871</u>
Operating Expenses:			
Personal Services	2,220,927	657,205	226,862
Employee Benefits	731,605	142,406	74,611
Supplies	218,577	98,478	2,083
Contractual Services	1,728,639	1,170,469	83,491
Landfill Closure and Postclosure Care Expense	--	--	--
Depreciation	2,350,655	1,145,515	403,258
Bad Debts	--	--	--
Management Fee	--	322,888	--
Total Operating Expenses	<u>7,250,403</u>	<u>3,536,961</u>	<u>790,305</u>
Operating Income (Loss)	<u>(704,871)</u>	<u>(1,816,148)</u>	<u>(169,434)</u>
Non-Operating Revenues (Expenses):			
Taxes	--	--	--
Operating Grants	2,752	46,195	--
Passenger Facility Charge (Note 19)	1,299,561	--	--
Interest Earnings	768,368	50,079	8,433
Interest Expense	(1,027,520)	--	(183,130)
Bond Issuance Costs	--	--	--
Gain (Loss) on Disposition of Fixed Assets	7,329	(300)	--
Total Non-Operating Revenues (Expenses)	<u>1,050,490</u>	<u>95,974</u>	<u>(174,697)</u>
Net Income (Loss) Before Operating Transfers	<u>345,619</u>	<u>(1,720,174)</u>	<u>(344,131)</u>
Operating Transfers In and (Out) (Note 12):			
Operating Transfers In:			
General Fund	--	800,000	315,060
Operating Transfers Out:			
General Fund	--	--	--
Total Operating Transfers In and (Out)	<u>--</u>	<u>800,000</u>	<u>315,060</u>
Net Income (Loss)	<u>345,619</u>	<u>(920,174)</u>	<u>(29,071)</u>
Depreciation on Fixed Assets Acquired with Externally-Restricted Capital Contributions	<u>1,523,874</u>	<u>704,097</u>	<u>--</u>
Income (Loss) Transferred to Retained Earnings	<u>1,869,493</u>	<u>(216,077)</u>	<u>(29,071)</u>
Retained Earnings, January 1	11,533,826	(7,668,436)	(1,003,259)
Residual Equity Transfer (Note 12)	--	--	--
Retained Earnings, December 31	<u>\$ 13,403,319</u>	<u>\$ (7,884,513)</u>	<u>\$ (1,032,330)</u>

The accompanying notes are an integral part of this statement.

Comprehensive Sewerage System	Solid Waste Disposal Facility	Totals Year Ended	
		December 31, 1998	December 31, 1997
\$ 23,321,827	\$ 8,478,048	\$ 40,332,459	\$ 38,973,416
106,097	111,932	572,661	257,835
23,427,924	8,589,980	40,905,120	39,231,251
9,828,249	454,038	13,387,281	12,623,723
3,258,827	163,862	4,371,311	3,018,951
2,459,109	54,617	2,832,864	2,691,550
9,813,904	6,764,598	19,561,101	20,003,583
--	963,050	963,050	2,969,721
17,855,796	962,091	22,717,315	20,455,539
146,551	--	146,551	167,570
--	--	322,888	252,596
43,362,436	9,362,256	64,302,361	62,183,233
(19,934,512)	(772,276)	(23,397,241)	(22,951,982)
28,669,865	--	28,669,865	26,799,652
--	--	48,947	17,968
--	--	1,299,561	1,310,957
4,550,997	424,176	5,802,053	6,802,611
(12,977,194)	--	(14,187,844)	(14,807,102)
(331,590)	--	(331,590)	(327,244)
170,227	(1,299)	175,957	643,487
20,082,305	422,877	21,476,949	20,440,329
147,793	(349,399)	(1,920,292)	(2,511,653)
4,000,000	--	5,115,060	5,039,454
--	(178,859)	(178,859)	(33,273)
4,000,000	(178,859)	4,936,201	5,006,181
4,147,793	(528,258)	3,015,909	2,494,528
377,960	--	2,605,931	2,489,664
4,525,753	(528,258)	5,621,840	4,984,192
166,797,440	3,906,349	173,565,920	168,581,728
--	1,242	1,242	--
\$ 171,323,193	\$ 3,379,333	\$ 179,189,002	\$ 173,565,920

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Greater Baton Rouge Airport District	Riverside Centroplex	Greater Baton Rouge Parking Authority
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 6,554,640	\$ 2,117,164	\$ 620,523
Cash Payments to Suppliers for Goods and Services	(2,006,329)	(1,719,672)	(89,986)
Cash Payments to Employees for Services and Benefits	(2,688,661)	(811,855)	(258,490)
Other Operating Revenues	--	--	--
Net Cash Provided by (Used for) Operating Activities	<u>1,859,650</u>	<u>(414,363)</u>	<u>272,047</u>
Cash Flows From Noncapital Financing Activities:			
Cash Received From General Property Taxes	--	--	--
Cash Received From General Sales and Use Taxes	--	--	--
Operating Grants Received	2,752	46,195	--
Operating Transfers In From Other Funds	--	800,000	315,060
Operating Transfers Out to Other Funds	--	--	--
Interest Paid on Short-term Interfund Loans	--	--	(135,305)
Loans to Other Funds	--	--	--
Loans From Other Funds	--	--	2,152,877
Loans to Component Units	--	--	--
Repayment of Loans to Other Funds	--	--	--
Repayment of Loans From Other Funds	--	--	(2,601,967)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>2,752</u>	<u>846,195</u>	<u>(269,335)</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds From Sale of Debt	--	--	--
Proceeds From Capital Grants	9,702,467	--	--
Proceeds From Sale of Capital Assets	7,329	--	--
Passenger Facility Charges	1,332,841	--	--
Acquisition and Construction of Capital Assets	(13,438,828)	(97,797)	--
Principal Paid on Bonds, Obligations and Capital Leases	(2,148,021)	--	(410,000)
Interest Paid on Bonds, Obligations and Capital Leases	(1,041,774)	--	(185,092)
Payment Made to Refunding Bonds Escrow Agent	--	--	--
Capital Contributed by the Government	68,099	--	--
Capital Contributed by Other Governments	--	909,783	--
Capital Contributed from Impact Fees	--	--	--
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,517,887)</u>	<u>811,986</u>	<u>(595,092)</u>
Cash Flows From Investing Activities:			
Purchase of Investments	(13,882,323)	--	--
Proceeds From Sales and Maturities of Investments	15,050,837	--	--
Interest Received on Investments	770,516	43,184	116,962
Net Cash Provided by (Used for) Investing Activities	<u>1,939,030</u>	<u>43,184</u>	<u>116,962</u>
Net Increase (Decrease) in Cash and Cash Equivalents (Note 1)	<u>(1,716,455)</u>	<u>1,287,002</u>	<u>(475,418)</u>
Cash and Cash Equivalents, January 1	<u>3,190,810</u>	<u>1,082,843</u>	<u>2,945,408</u>
Cash and Cash Equivalents, December 31	<u>\$ 1,474,355</u>	<u>\$ 2,369,845</u>	<u>\$ 2,469,990</u>

The accompanying notes are an integral part of this statement.

Continued

Comprehensive Sewerage System	Solid Waste Disposal Facility	Totals Year Ended	
		December 31, 1998	December 31, 1997
\$ 23,207,916	\$ 8,813,001	\$ 41,313,244	\$ 38,674,192
(12,549,890)	(6,835,998)	(23,201,875)	(22,637,740)
(12,106,647)	(547,653)	(16,413,306)	(15,396,267)
106,097	--	106,097	111,047
(1,342,524)	1,429,350	1,804,160	751,232
3,788	--	3,788	2,483
28,644,920	--	28,644,920	26,385,518
--	--	48,947	17,968
4,000,000	--	5,115,060	5,039,454
--	(178,859)	(178,859)	(33,273)
--	--	(135,305)	(158,872)
(2,370,689)	--	(2,370,689)	(2,823,747)
--	--	2,152,877	2,601,967
(74,066)	--	(74,066)	(5,302)
2,829,049	--	2,829,049	5,979,249
--	--	(2,601,967)	(2,996,089)
33,033,002	(178,859)	33,433,755	34,009,356
16,892,659	--	16,892,659	12,500,000
--	--	9,702,467	6,235,144
179,225	25	186,579	710,646
--	--	1,332,841	1,283,072
(25,309,839)	(29,516)	(38,875,980)	(43,505,486)
(6,996,722)	--	(9,554,743)	(10,645,343)
(17,427,764)	--	(18,654,630)	(18,654,186)
(16,821,699)	--	(16,821,699)	--
--	1,242	69,341	212,367
--	--	909,783	489,120
1,801,573	--	1,801,573	1,435,800
(47,682,567)	(28,249)	(53,011,809)	(49,938,866)
(80,895,323)	(8,094,285)	(102,871,931)	(89,899,959)
68,268,743	6,580,379	89,899,959	83,081,205
4,898,838	423,308	6,252,808	7,117,254
(7,727,742)	(1,090,598)	(6,719,164)	298,500
(23,719,831)	131,644	(24,493,058)	(14,879,778)
28,579,573	572,207	36,370,841	51,250,619
\$ 4,859,742	\$ 703,851	\$ 11,877,783	\$ 36,370,841

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Greater Baton Rouge Airport District	Riverside Centroplex	Greater Baton Rouge Parking Authority
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (704,871)	\$ (1,816,148)	\$ (169,434)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	2,350,655	1,145,515	403,258
Landfill Closure and Postclosure Care Expense	--	--	--
Increase (Decrease) in Compensated Absences Payable	27,521	5,855	19,408
Increase (Decrease) in Net Pension Obligation	225,828	--	22,597
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	9,108	149,891	(348)
Decrease (Increase) in Prepaid Items	--	(28,323)	--
Increase (Decrease) in Accounts and Contracts Payable	(59,113)	(99,514)	(4,412)
Increase (Decrease) in Accrued Salaries Payable	10,522	(18,099)	978
Increase (Decrease) in Deferred Revenue	--	246,460	--
Increase (Decrease) in Other Liabilities	--	--	--
Total Adjustments	2,564,521	1,401,785	441,481
Net Cash Provided By (Used for) Operating Activities	\$ 1,859,650	\$ (414,363)	\$ 272,047

The accompanying notes are an integral part of this statement.

Comprehensive Sewerage System	Solid Waste Disposal Facility	Totals	
		Year Ended	
		December 31, 1998	December 31, 1997
\$ (19,934,512)	\$ (772,276)	\$ (23,397,241)	\$ (22,951,982)
17,855,796	962,091	22,717,315	20,455,539
--	963,050	963,050	2,969,721
20,312	(725)	72,371	91,965
916,547	66,605	1,231,577	--
32,862	223,021	414,534	(379,562)
--	--	(28,323)	(9,483)
(278,977)	(16,782)	(458,798)	325,025
43,568	4,366	41,335	154,442
--	--	246,460	97,974
1,880	--	1,880	(2,407)
18,591,988	2,201,626	25,201,401	23,703,214
\$ (1,342,524)	\$ 1,429,350	\$ 1,804,160	\$ 751,232

In 1998, the Greater Baton Rouge Airport District paid \$12,672 of principal and \$767 of interest on lease obligations. These payments are reflected as a cash outflow for capital and related financing activities on the Combining Statement of Cash Flows.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
GREATER BATON ROUGE AIRPORT DISTRICT
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 4

	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
Operating Revenues:		
Airfield:		
Landing Fees - Scheduled Airlines	\$ 920,498	\$ 805,929
Landing Fees - Non-Scheduled and Chartered	73,039	58,473
Fees - Aviation Fuel and Oil Commission	139,681	124,626
Total Airfield	1,133,218	989,028
Hangars and Buildings:		
Rental of Hangars	29,439	29,439
Rental of Cargo Buildings	34,154	34,154
Total Hangars and Buildings	63,593	63,593
Terminal Building Area:		
Rentals:		
Airlines	1,175,241	1,106,587
Restaurant	164,174	223,200
Office Tenants	13,088	13,088
Other	41,161	27,435
Commissions:		
Car Rental Agencies	1,268,455	1,179,008
Coin-Operated Services	22,270	33,303
Ground Transportation Service	9,724	9,921
Gift Shop	121,488	123,911
General:		
Auto Parking Fees	1,789,442	1,455,501
Other Revenues	253,693	72,754
Total Terminal Building Area	4,858,736	4,244,708
Rentals - Industrial Area	489,985	453,518
Total Operating Revenues	6,545,532	5,750,847
Operating Expenses:		
General Administration, Security, and Maintenance:		
Personal Services	1,614,517	1,362,333
Employee Benefits	505,761	325,359
Supplies	87,693	81,608
Contractual Services	726,709	1,156,314
Total General Administration, Security, and Maintenance	2,934,680	2,925,614
Airfield:		
Personal Services	331,603	348,481
Employee Benefits	126,356	84,608
Supplies	95,612	90,827
Contractual Services	227,108	165,597
Depreciation	1,718,881	1,695,535
Total Airfield	2,499,560	2,385,048

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
GREATER BATON ROUGE AIRPORT DISTRICT
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 4
(Continued)

	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
Operating Expenses (Continued):		
Hangars and Buildings:		
Depreciation	\$ 29,713	\$ 29,713
Terminal Building Area:		
Personal Services	274,807	225,098
Employee Benefits	99,488	62,231
Supplies	35,272	30,304
Contractual Services	329,525	396,455
Depreciation	601,310	358,806
Operations - Parking Lot	445,297	390,169
Total Terminal Building Area	1,785,699	1,463,063
Systems and Services:		
Depreciation	751	751
Total Operating Expenses	7,250,403	6,804,189
Operating Income (Loss)	(704,871)	(1,053,342)
Non-Operating Revenues (Expenses):		
Operating Grants	2,752	17,909
Passenger Facility Charge	1,299,561	1,310,957
Interest Earnings	768,368	446,712
Interest Expense	(1,027,520)	(630,702)
Gain (Loss) on Disposition of Fixed Assets	7,329	463,037
Total Non-Operating Revenues (Expenses)	1,050,490	1,607,913
Net Income (Loss)	345,619	554,571
Depreciation on Fixed Assets Acquired with Externally-Restricted Capital Contributions	1,523,874	1,481,080
Income (Loss) Transferred to Retained Earnings	1,869,493	2,035,651
Retained Earnings, January 1	11,533,826	9,498,175
Retained Earnings, December 31	\$ 13,403,319	\$ 11,533,826

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
RIVERSIDE CENTROPLEX FUND
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 5

	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
Operating Revenues:		
Rentals:		
Arena Commercial	\$ 436,327	\$ 363,594
Meeting Rooms	29,205	42,635
Exhibit Hall Commercial	134,667	111,987
Theater	129,367	139,655
Other	14,291	9,670
Total Rentals	743,857	667,541
Concessions and Catering	308,301	314,044
Service Income	261,705	386,239
Novelty Sales	49,043	22,379
Advertising	192,614	177,255
Parking	64,873	71,997
Other Revenues	100,420	47,018
Total Operating Revenues	1,720,813	1,686,473
Operating Expenses:		
Personal Services	657,205	712,578
Employee Benefits	142,406	137,049
Supplies	98,478	119,477
Contractual Services	1,170,469	1,263,803
Depreciation	1,145,515	1,134,063
Management Fee	322,888	252,596
Total Operating Expenses	3,536,961	3,619,566
Operating Income (Loss)	(1,816,148)	(1,933,093)
Non-Operating Revenues (Expenses):		
Operating Grants	46,195	59
Interest Earnings	50,079	35,578
Gain (Loss) on Disposition of Fixed Assets	(300)	(994)
Total Non-Operating Revenues (Expenses)	95,974	34,643
Net Income (Loss) Before Operating Transfers	(1,720,174)	(1,898,450)
Operating Transfers In (Note 12):		
General Fund	800,000	812,250
Net Income (Loss)	(920,174)	(1,086,200)
Depreciation on Fixed Assets Acquired With Externally-Restricted Capital Contributions	704,097	630,624
Income (Loss) Transferred to Retained Earnings	(216,077)	(455,576)
Retained Earnings, January 1	(7,668,436)	(7,212,860)
Retained Earnings, December 31	\$ (7,884,513)	\$ (7,668,436)

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
GREATER BATON ROUGE PARKING AUTHORITY
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 6

	Totals	
	December 31, 1998	December 31, 1997
Operating Revenues:		
Charges for Services:		
Parking Meter Receipts	\$ 59,625	\$ 60,635
Auto Parking Fees	560,727	607,486
Total Charges for Services	620,352	668,121
Miscellaneous Revenues	519	585
Total Operating Revenues	620,871	668,706
Operating Expenses:		
Personal Services	226,862	210,090
Employee Benefits	74,611	50,933
Supplies	2,083	3,548
Contractual Services	83,491	85,700
Depreciation	403,258	403,675
Total Operating Expenses	790,305	753,946
Operating Income (Loss)	(169,434)	(85,240)
Non-Operating Revenues (Expenses):		
Interest Earnings	8,433	2,770
Interest Expense	(183,130)	(212,594)
Total Non-Operating Revenues (Expenses)	(174,697)	(209,824)
Net Income (Loss) Before Operating Transfers	(344,131)	(295,064)
Operating Transfers In (Note 12):		
General Fund	315,060	227,204
Net Income (Loss) Transferred to Retained Earnings	(29,071)	(67,860)
Retained Earnings, January 1	(1,003,259)	(935,399)
Retained Earnings, December 31	\$ (1,032,330)	\$ (1,003,259)

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
COMPREHENSIVE SEWERAGE SYSTEM FUND
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 7

	Totals	
	Year Ended December 31, 1998	December 31, 1997
Operating Revenues:		
Charges for Services:		
Regular Fees	\$ 23,147,601	\$ 22,960,460
Sewer Tie-In Fees	14,106	15,905
Connection Charges	160,120	145,120
Total Charges for Services	23,321,827	23,121,485
 Miscellaneous Revenues	 106,097	 111,047
Total Operating Revenues	23,427,924	23,232,532
 Operating Expenses:		
Environmental Section:		
Personal Services	479,682	471,663
Employee Benefits	151,375	96,960
Supplies	37,206	34,265
Contractual Services	155,026	132,213
Total Environmental Section	823,289	735,101
 Wastewater Treatment:		
Personal Services	5,312,900	4,986,979
Employee Benefits	1,750,035	1,240,423
Supplies	1,789,945	1,568,262
Contractual Services	5,281,903	5,416,691
Total Wastewater Treatment	14,134,783	13,212,355
 Service Fee Business Department:		
Personal Services	409,084	385,729
Employee Benefits	136,798	87,244
Supplies	9,326	10,297
Contractual Services	880,164	857,795
Total Service Fee Business Department	1,435,372	1,341,065
 Wastewater Collection:		
Personal Services	2,951,836	3,126,667
Employee Benefits	1,003,770	765,689
Supplies	596,935	704,532
Contractual Services	1,030,521	1,364,826
Total Wastewater Collection	5,583,062	5,961,714
 General Administration:		
Personal Services	674,747	371,876
Employee Benefits	216,849	76,271
Supplies	25,697	11,387
Contractual Services	2,466,290	2,327,474
Total General Administration	3,383,583	2,787,008

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
COMPREHENSIVE SEWERAGE SYSTEM FUND
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 7
(Continued)

	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
Operating Expenses (Continued):		
Depreciation	\$ 17,855,796	\$ 15,938,807
Bad Debts	146,551	167,570
Total Operating Expenses	43,362,436	40,143,620
Operating Income (Loss)	(19,934,512)	(16,911,088)
Non-Operating Revenues (Expenses):		
General Property Taxes	3,042	2,874
General Sales and Use Taxes	28,666,823	26,796,778
Interest Earnings	4,550,997	5,941,238
Interest Expense	(12,977,194)	(13,963,806)
Bond Issuance Costs	(331,590)	(327,244)
Gain (Loss) on Disposition of Fixed Assets	170,227	181,444
Total Non-Operating Revenues (Expenses)	20,082,305	18,631,284
Net Income (Loss) Before Operating Transfers	147,793	1,720,196
Operating Transfers In (Note 12):		
General Fund	4,000,000	4,000,000
Net Income (Loss)	4,147,793	5,720,196
Depreciation on Fixed Assets Acquired with Externally-Restricted Capital Contributions	377,960	377,960
Income (Loss) Transferred to Retained Earnings	4,525,753	6,098,156
Retained Earnings, January 1	166,797,440	160,699,284
Retained Earnings, December 31	\$ 171,323,193	\$ 166,797,440

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
SOLID WASTE DISPOSAL FACILITY FUND
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT F - 8

	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
Operating Revenues:		
Charges for Services:		
Landfill Dump Fees	\$ 8,478,048	\$ 7,866,262
Miscellaneous Revenues:		
Recycling Proceeds	3,463	1,141
Recycling Awareness	108,469	25,290
Total Miscellaneous Revenues	111,932	26,431
Total Operating Revenues	8,589,980	7,892,693
Operating Expenses:		
General Administration:		
Personal Services	236,437	234,428
Employee Benefits	85,324	54,274
Supplies	38,288	20,270
Contractual Services	6,662,762	6,342,206
Landfill Closure and Postclosure Care Expense	963,050	2,969,721
Depreciation	962,091	894,189
Total General Administration	8,947,952	10,515,088
Environmental Section:		
Personal Services	119,792	116,530
Employee Benefits	43,890	24,008
Supplies	9,634	8,562
Contractual Services	37,112	34,352
Total Environmental Section	210,428	183,452
Recycling:		
Personal Services	97,809	71,271
Employee Benefits	34,648	13,902
Supplies	6,695	8,211
Contractual Services	64,724	69,988
Total Recycling	203,876	163,372
Total Operating Expenses	9,362,256	10,861,912
Operating Income (Loss)	(772,276)	(2,969,219)
Non-Operating Revenues (Expenses):		
Interest Earnings	424,176	376,313
Gain (Loss) on Disposition of Fixed Assets	(1,299)	--
Total Non-Operating Revenues (Expenses)	422,877	376,313
Net Income (Loss) Before Operating Transfers	(349,399)	(2,592,906)
Operating Transfers Out (Note 12):		
General Fund	(178,859)	(33,273)
Net Income (Loss) Transferred to Retained Earnings	(528,258)	(2,626,179)
Retained Earnings, January 1	3,906,349	6,532,528
Residual Equity Transfer (Note 12)	1,242	--
Retained Earnings, December 31	\$ 3,379,333	\$ 3,906,349

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fleet Rental and Replacement Fund rents motorized equipment to Public Works divisions and provides for their scheduled replacement at the end of the economic life of the asset.

Central Garage Fund maintains motorized and heavy equipment and provides motor fuels for all departments.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 1998

EXHIBIT G - 1

	Fleet Rental and Replace- ment Fund	Central Garage	December 31, 1998	Totals December 31, 1997
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,643,244	\$ 1,670,743	\$ 5,313,987	\$ 5,089,205
Accrued Interest Receivable	31,566	18,231	49,797	49,663
Due From Other Governments (Note 11)	--	3,215	3,215	3,175
Inventory	--	186,927	186,927	205,983
Total Current Assets	3,674,810	1,879,116	5,553,926	5,348,026
Fixed Assets (Note 6):				
Land	--	47,568	47,568	47,568
Buildings	--	2,213,798	2,213,798	2,213,798
Improvements Other Than Buildings	--	7,190	7,190	7,190
Equipment	12,242,386	402,363	12,644,749	8,896,191
Equipment Under Capital Leases	5,272,293	--	5,272,293	8,854,474
Total Fixed Assets	17,514,679	2,670,919	20,185,598	20,019,221
Accumulated Depreciation	(10,623,707)	(1,355,125)	(11,978,832)	(10,034,652)
Net Fixed Assets	6,890,972	1,315,794	8,206,766	9,984,569
Total Assets	\$ 10,565,782	\$ 3,194,910	\$ 13,760,692	\$ 15,332,595
LIABILITIES AND EQUITY				
Current Liabilities:				
Accounts and Contracts Payable	\$ --	\$ 312,501	\$ 312,501	\$ 330,751
Accrued Salaries Payable	--	49,702	49,702	45,233
Compensated Absences Payable	--	179,752	179,752	182,308
Obligation Under Capital Leases (Note 14)	1,595,061	--	1,595,061	2,747,450
Total Current Liabilities	1,595,061	541,955	2,137,016	3,305,742
Long-Term Liabilities:				
Obligation Under Capital Leases (Note 14)	1,078,657	--	1,078,657	1,957,226
Net Pension Obligation	--	148,067	148,067	--
Total Long-Term Liabilities	1,078,657	148,067	1,226,724	1,957,226
Total Liabilities	2,673,718	690,022	3,363,740	5,262,968
Equity:				
Contributed Capital (Note 16):				
Federal	--	430,180	430,180	430,180
Government	381,635	1,872,489	2,254,124	2,254,124
Total Contributed Capital	381,635	2,302,669	2,684,304	2,684,304
Retained Earnings:				
Unreserved	7,510,429	202,219	7,712,648	7,385,323
Total Equity	7,892,064	2,504,888	10,396,952	10,069,627
Total Liabilities and Equity	\$ 10,565,782	\$ 3,194,910	\$ 13,760,692	\$ 15,332,595

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED EARNINGS
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT G - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Totals Year Ended December 31, 1998	December 31, 1997
Operating Revenues:				
Charges for Services:				
Billings to Departments	\$ 5,275,371	\$ 6,305,094	\$ 11,580,465	\$ 11,919,238
Operating Expenses:				
Cost of Materials	--	3,672,036	3,672,036	3,914,126
Personal Services	--	1,312,745	1,312,745	1,321,480
Employee Benefits	--	497,395	497,395	314,268
Supplies	--	83,116	83,116	135,461
Contractual Services	1,586,793	1,472,329	3,059,122	2,489,876
Depreciation	3,362,033	88,911	3,450,944	3,384,754
Total Operating Expenses	4,948,826	7,126,532	12,075,358	11,559,965
Operating Income (Loss)	326,545	(821,438)	(494,893)	359,273
Non-Operating Revenues (Expenses):				
Interest Earnings	165,424	99,138	264,562	207,160
Interest Expense	(186,579)	--	(186,579)	(235,816)
Gain (Loss) on Disposition of Fixed Assets	442,412	1,823	444,235	685,348
Total Non-Operating Revenues (Expenses)	421,257	100,961	522,218	656,692
Net Income (Loss) Before Operating Transfers	747,802	(720,477)	27,325	1,015,965
Operating Transfers In (Note 12):				
General Fund	--	300,000	300,000	--
Net Income (Loss)	747,802	(420,477)	327,325	1,015,965
Retained Earnings, January 1	6,762,627	622,696	7,385,323	6,369,358
Retained Earnings, December 31	\$ 7,510,429	\$ 202,219	\$ 7,712,648	\$ 7,385,323

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT G - 3

	Fleet Rental and Replace- ment Fund	Central Garage	Totals Year Ended	
			December 31, 1998	December 31, 1997
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 5,275,371	\$ 6,305,054	\$ 11,580,425	\$ 11,919,355
Cash Payments to Suppliers for Goods and Services	(1,586,793)	(5,068,895)	(6,655,688)	(6,413,600)
Cash Payments to Employees for Services and Benefits	--	(1,817,939)	(1,817,939)	(1,595,192)
Net Cash Provided by (Used for) Operating Activities	3,688,578	(581,780)	3,106,798	3,910,563
Cash Flows From Noncapital Financing Activities:				
Operating Transfers In From Other Funds	--	300,000	300,000	--
Cash Flows From Capital and Related Financing Activities:				
Proceeds From Sale of Capital Assets	503,165	2,053	505,218	787,278
Acquisition and Construction of Capital Assets	(870,945)	(35,995)	(906,940)	(752,489)
Principal Paid on Bonds and Capital Leases	(2,858,143)	--	(2,858,143)	(2,832,261)
Interest Paid on Bonds and Capital Leases	(186,579)	--	(186,579)	(235,816)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,412,502)	(33,942)	(3,446,444)	(3,033,288)
Cash Flows From Investing Activities:				
Interest Received on Investments	165,096	99,332	264,428	190,130
Net Increase (Decrease) in Cash and Cash Equivalents (Note 1)	441,172	(216,390)	224,782	1,067,405
Cash and Cash Equivalents, January 1	3,202,072	1,887,133	5,089,205	4,021,800
Cash and Cash Equivalents, December 31	\$ 3,643,244	\$ 1,670,743	\$ 5,313,987	\$ 5,089,205

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT G - 3
(Continued)

	Fleet Rental and Replace- ment Fund	Central Garage	Totals Year Ended	
			December 31, 1998	December 31, 1997
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 326,545	\$ (821,438)	\$ (494,893)	\$ 359,273
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,362,033	88,911	3,450,944	3,384,754
Increase (Decrease) in Compensated Absences Payable	--	(2,555)	(2,555)	30,290
Increase (Decrease) in Net Pension Obligation	--	148,067	148,067	--
Change in Assets and Liabilities:				
Decrease (Increase) in Accounts Receivable	--	(40)	(40)	117
Decrease (Increase) in Inventory	--	19,056	19,056	9,511
Increase (Decrease) in Accounts and Contracts Payable	--	(18,250)	(18,250)	116,352
Increase (Decrease) in Accrued Salaries Payable	--	4,469	4,469	10,266
Total Adjustments	3,362,033	239,658	3,601,691	3,551,290
Net Cash Provided by (Used for) Operating Activities	\$ 3,688,578	\$ (581,780)	\$ 3,106,798	\$ 3,910,563

Non Cash Investing, Capital, and Financing Activities:

The Fleet Rental and Replacement Fund acquired \$827,185 of equipment through capital lease agreements. In 1998, \$2,858,143 of principal and \$186,579 of interest was paid on lease obligations and is reflected as a cash outflow for capital and related financing activities on the Combining Statement of Cash Flows.

The accompanying notes are an integral part of this statement.

TRUST AND AGENCY FUNDS

Trust Funds account for assets held by a government in a trustee capacity. Agency Funds account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds.

Employees' Retirement System Pension Trust Fund accounts for the accumulation of contributions for a defined-benefit cost-sharing multiple-employer pension plan to provide retirement benefits to qualified employees.

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, 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.

Pass Through Grants accounts for the receipt and disbursement of federal mass transit funds to Capitol Transportation Corporation.

City 2% Sales Tax Suspense Fund accounts for the receipt of the 2% City sales tax from the Sales Tax Suspense Fund and distribution thereof to the General Fund.

Parish 2% Sales Tax Suspense Fund accounts for the receipt of the 2% Parish sales tax from the Sales Tax Suspense Fund and distribution thereof to the General Fund.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
DECEMBER 31, 1998**

	Pension Trust		Agency	
	Employees' Retirement System	Sales Tax Suspense	City Court Receipts Suspense	City Court Appearance Bond
ASSETS				
Cash and Cash Equivalents	\$ 46,450	\$ 9,735,936	\$1,968,934	\$226,321
Investments	760,531,486	--	--	--
Accounts Receivable	--	272,266	--	--
Employee Contributions Receivable	735,743	--	--	--
Employer Contributions Receivable	1,091,190	--	--	--
Pending Trades Receivable	1,036,931	--	--	--
Other Contributions Receivable	6,682	--	--	--
Accrued Interest Receivable	1,258,028	--	--	--
Due From Other Funds (Note 11)	22,363	--	--	--
Due From Other Governments (Note 11)	--	--	--	--
Fixed Assets (Note 6):				
Land	550,628	--	--	--
Buildings	691,385	--	--	--
Equipment	191,717	--	--	--
Accumulated Depreciation	(509,848)	--	--	--
Total Assets	\$ 765,652,755	\$ 10,008,202	\$1,968,934	\$226,321
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ --	\$ 1,061,805	\$ 146,500	\$ 1,781
Accrued Expenses and Benefits Payable	221,364	--	--	--
Pending Trades Payable	2,298,802	--	--	--
Due to Other Funds	--	--	--	--
Due to Other Governments	--	3,373,959	--	--
Due to Component Units (Note 11)	--	--	--	--
Deposits and Escrow Accounts	--	5,572,438	1,822,434	224,540
Net Pension Obligation - Long-Term	41,120	--	--	--
Total Liabilities	2,561,286	10,008,202	1,968,934	226,321
Fund Balances:				
Reserved for Employees' Pension Benefits	763,091,469	--	--	--
Total Liabilities and Fund Balances	\$ 765,652,755	\$ 10,008,202	\$1,968,934	\$226,321

The accompanying notes are an integral part of this statement.

Indigent Defender	Agency			Totals	
	Pass Through Grants	City 2% Sales Tax Suspense	Parish 2% Sales Tax Suspense	December 31, 1998	December 31, 1997
\$102,101	\$ --	\$ --	\$ --	\$ 12,079,742	\$ 10,967,503
--	--	--	--	760,531,486	677,911,927
--	--	--	--	272,266	563,047
--	--	--	--	735,743	827,151
--	--	--	--	1,091,190	1,594,100
--	--	--	--	1,036,931	2,951,973
--	--	--	--	6,682	5,529
780	--	--	--	1,258,808	2,175,584
--	--	--	--	22,363	--
33,851	--	--	--	33,851	26,218
--	--	--	--	550,628	550,628
--	--	--	--	691,385	691,385
--	--	--	--	191,717	193,053
--	--	--	--	(509,848)	(458,393)
\$136,732	\$ --	\$ --	\$ --	\$ 777,992,944	\$ 697,999,705
\$ 35,905	\$ --	\$ --	\$ --	\$ 1,245,991	\$ 1,165,144
--	--	--	--	221,364	635,406
--	--	--	--	2,298,802	4,111,641
--	--	--	--	--	179,403
--	--	--	--	3,373,959	3,164,454
100,827	--	--	--	100,827	97,688
--	--	--	--	7,619,412	7,048,077
--	--	--	--	41,120	--
136,732	--	--	--	14,901,475	16,401,813
--	--	--	--	763,091,469	681,597,892
\$136,732	\$ --	\$ --	\$ --	\$ 777,992,944	\$ 697,999,705

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF PLAN NET ASSETS
EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND
DECEMBER 31, 1998 AND 1997**

EXHIBIT II - 2

	Totals	
	Year Ended	
	December 31, 1998	December 31, 1997
ASSETS		
Cash and Cash Equivalents	\$ 46,450	\$ 112,855
Receivables:		
Employee Contributions	735,743	827,151
Employer Contributions	1,091,190	1,594,100
Interest and Dividends	1,258,028	2,174,388
Pending Trades	1,036,931	2,951,973
Other Contributions	6,682	5,529
Total Receivables	4,128,574	7,553,141
Investments, at fair value		
U.S. Government Obligations	38,049,404	112,276,863
Bonds - Domestic	72,816,522	38,664,823
Bonds - Enhanced Index Fund	118,563,819	98,424,388
Equity Securities - Domestic	418,648,154	318,334,961
Equity Securities - International	99,113,587	75,654,843
Repurchase Agreements	13,340,000	34,556,049
Total Investments	760,531,486	677,911,927
Due From Other Funds (Note 11)	22,363	--
Fixed Assets (Note 6):		
Land	550,628	550,628
Buildings	691,385	691,385
Equipment	191,717	193,053
Accumulated Depreciation	(509,848)	(458,393)
Total Fixed Assets	923,882	976,673
Total Assets	765,652,755	686,554,596
LIABILITIES		
Accounts Payable	--	30,254
Accrued Expenses and Benefits Payable	221,364	635,406
Pending Trades Payable	2,298,802	4,111,641
Due to Other Funds	--	179,403
Net Pension Obligation - Long-Term	41,120	--
Total Liabilities	2,561,286	4,956,704
FUND BALANCE		
Net Assets Held in Trust for Employees' Pension Benefits	\$ 763,091,469	\$ 681,597,892

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET ASSETS
EMPLOYEES' RETIREMENT SYSTEM PENSION TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997**

EXHIBIT H - 3

	Totals	
	December 31, 1998	December 31, 1997
Additions:		
Contributions:		
Employee	\$ 11,632,339	\$ 9,645,590
Employer	20,120,542	18,405,695
Total Contributions	31,752,881	28,051,285
Investment Income:		
Net Appreciation (Depreciation) in Fair Value of Investments	79,443,675	86,711,576
Interest	8,836,503	13,029,237
Dividends	2,447,741	2,363,622
Real Estate Operating Income, Net	--	1,144,092
Total Investment Income	90,727,919	103,248,527
Less: Investment Expense	1,382,760	1,764,328
Net Investment Income	89,345,159	101,484,199
Total Additions	121,098,040	129,535,484
Deductions:		
Benefit Payments	37,095,474	44,787,560
Refunds and Withdrawals	1,493,287	1,487,729
Administrative Expenses	962,910	964,885
Depreciation Expense	52,792	55,700
Total Deductions	39,604,463	47,295,874
Net Increase	81,493,577	82,239,610
Net Assets Held in Trust for Employees' Pension Benefits:		
Beginning of Year	681,597,892	599,358,282
End of Year	\$ 763,091,469	\$ 681,597,892

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT II - 4

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Sales Tax Suspense Fund				
ASSETS				
Cash and Cash Equivalents	\$ 8,667,423	\$ 155,344,208	\$ 154,275,695	\$ 9,735,936
Accounts Receivable	563,047	599,558	890,339	272,266
Total Assets	\$ 9,230,470	\$ 155,943,766	\$ 155,166,034	\$ 10,008,202
LIABILITIES				
Accounts Payable	\$ 774,098	\$ 1,619,522	\$ 1,331,815	\$ 1,061,805
Due to Other Governments	3,164,454	3,373,959	3,164,454	3,373,959
Deposits and Escrow Accounts	5,291,918	159,888,271	159,607,751	5,572,438
Total Liabilities	\$ 9,230,470	\$ 164,881,752	\$ 164,104,020	\$ 10,008,202
 City Court Receipts Suspense Fund				
ASSETS				
Cash and Cash Equivalents	\$ 1,820,740	\$ 6,326,469	\$ 6,178,275	\$ 1,968,934
LIABILITIES				
Accounts Payable	\$ 330,751	\$ 4,865,318	\$ 5,049,569	\$ 146,500
Deposits and Escrow Accounts	1,489,989	6,283,650	5,951,205	1,822,434
Total Liabilities	\$ 1,820,740	\$ 11,148,968	\$ 11,000,774	\$ 1,968,934
 City Court Appearance Bond Fund				
ASSETS				
Cash and Cash Equivalents	\$ 267,402	\$ 280,256	\$ 321,337	\$ 226,321
LIABILITIES				
Accounts Payable	\$ 1,232	\$ 254,947	\$ 254,398	\$ 1,781
Deposits and Escrow Accounts	266,170	274,049	315,679	224,540
Total Liabilities	\$ 267,402	\$ 528,996	\$ 570,077	\$ 226,321
 Indigent Defender Fund				
ASSETS				
Cash and Cash Equivalents	\$ 99,083	\$ 1,421,951	\$ 1,418,933	\$ 102,101
Accrued Interest Receivable	1,196	305	721	780
Due From Other Governments (Note 11)	26,218	33,851	26,218	33,851
Total Assets	\$ 126,497	\$ 1,456,107	\$ 1,445,872	\$ 136,732
LIABILITIES				
Accounts Payable	\$ 28,809	\$ 1,355,920	\$ 1,348,824	\$ 35,905
Due to Component Units (Note 11)	97,688	100,827	97,688	100,827
Total Liabilities	\$ 126,497	\$ 1,456,747	\$ 1,446,512	\$ 136,732

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT II - 4
(Continued)

	Balance January 1, 1998	Additions	Deductions	Balance December 31, 1998
Pass Through Grants				
ASSETS				
Cash and Cash Equivalents	\$ --	\$ 3,193,285	\$ 3,193,285	\$ --
LIABILITIES				
Due to Component Units	\$ --	\$ 3,193,285	\$ 3,193,285	\$ --
City 2% Sales Tax Suspense Fund				
ASSETS				
Cash and Cash Equivalents	\$ --	\$ 76,047,274	\$ 76,047,274	\$ --
LIABILITIES				
Due to Other Funds	\$ --	\$ 76,047,274	\$ 76,047,274	\$ --
Parish 2% Sales Tax Suspense Fund				
ASSETS				
Cash and Cash Equivalents	\$ --	\$ 41,192,583	\$ 41,192,583	\$ --
LIABILITIES				
Due to Other Funds	\$ --	\$ 41,192,583	\$ 41,192,583	\$ --
Totals All Agency Funds				
ASSETS				
Cash and Cash Equivalents	\$ 10,854,648	\$ 283,806,026	\$ 282,627,382	\$ 12,033,292
Accounts Receivable	563,047	599,558	890,339	272,266
Accrued Interest Receivable	1,196	305	721	780
Due From Other Governments (Note 11)	26,218	33,851	26,218	33,851
Total Assets	\$ 11,445,109	\$ 284,439,740	\$ 283,544,660	\$ 12,340,189
LIABILITIES				
Accounts Payable	\$ 1,134,890	\$ 8,095,707	\$ 7,984,606	\$ 1,245,991
Due to Other Funds	--	117,239,857	117,239,857	--
Due to Other Governments	3,164,454	3,373,959	3,164,454	3,373,959
Due to Component Units (Note 11)	97,688	3,294,112	3,290,973	100,827
Deposits and Escrow Accounts	7,048,077	166,445,970	165,874,635	7,619,412
Total Liabilities	\$ 11,445,109	\$ 298,449,605	\$ 297,554,525	\$ 12,340,189

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets account group records the fixed assets of the governmental jurisdiction which are not accounted for in an enterprise, internal service, or trust and agency fund.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - BY SOURCE
DECEMBER 31, 1998 AND 1997**

EXHIBIT I - 1

	1998	1997
General Fixed Assets:		
Land	\$ 17,198,398	\$ 17,002,822
Buildings	123,724,739	123,242,081
Improvements Other Than Buildings	244,312,974	229,192,802
Equipment	72,717,717	64,532,607
Equipment Under Capital Leases	5,059,145	7,451,078
Construction Work in Progress	10,566,477	5,543,101
Total General Fixed Assets	\$ 473,579,450	\$ 446,964,491
Investment in General Fixed Assets:		
Investment in Property Acquired Prior to 1960	\$ 3,601,707	\$ 3,601,707
Investment in Property Acquired After 1960:		
Capital Projects Funds:		
General Obligation Bonds	55,683,037	55,683,037
Excess Revenue Certificates of Indebtedness	48,409,632	48,409,632
Revenue Bonds	13,784,317	8,984,654
Limited Tax Certificates of Indebtedness	6,150,000	6,150,000
Special Assessment Certificates of Indebtedness	17,217,911	17,217,911
Federal Grants	33,640,673	33,640,673
State Grants	13,623,608	11,672,944
City Grants	18,774,850	12,539,217
Parish Grants	8,124,448	4,023,102
Property Taxes	16,787,064	16,616,649
Library Board of Control Special Revenue Fund	14,064,751	13,898,539
Other Sources	16,799,663	16,780,935
General Fund Revenues	60,405,517	56,238,705
Special Revenue Funds Revenues	145,570,197	140,761,395
Gifts	201,537	4,853
Trust and Agency Funds	673,447	673,447
Eminent Domain	67,091	67,091
Total Investment in General Fixed Assets	\$ 473,579,450	\$ 446,964,491

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
DECEMBER 31, 1998

EXHIBIT I - 2

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment	Totals	
					December 31, 1998	December 31, 1997
General Government:						
Legislative	\$ --	\$ --	\$ --	\$ 459,583	\$ 459,583	\$ 420,157
Executive	--	141,052	2,207	490,687	633,946	691,293
Judicial	1,680	17,497,016	2,704	2,167,647	19,669,047	19,580,746
Elections	--	--	--	64,747	64,747	64,747
Finance	--	--	--	971,573	971,573	922,580
Personnel	--	739,000	--	335,423	1,074,423	1,095,951
Law	115,670	85,658	--	747,642	948,970	920,306
Administration Office and Boards	361,274	746,397	174,982	3,875,791	5,158,444	4,966,064
General Government Buildings	8,689,763	27,825,502	26,435	--	36,541,700	36,541,700
Total General Government	9,168,387	47,034,625	206,328	9,113,093	65,522,433	65,203,544
Public Safety:						
Police	809,549	3,257,167	179,927	18,007,612	22,254,255	18,239,270
Fire	1,037,835	7,279,059	21,319	8,852,655	17,190,868	14,903,712
Emergency Medical Services	75,307	591,078	10,876	3,017,374	3,694,635	3,675,182
Correctional Institution	--	31,565,435	738,903	1,173,865	33,478,203	33,345,838
Other	625,149	904,664	928,345	2,273,097	4,731,255	4,602,717
Total Public Safety	2,547,840	43,597,403	1,879,370	33,324,603	81,349,216	74,766,719
Transportation	1,249,481	963,224	229,415,398	426,938	232,055,041	218,071,016
Sanitation	--	--	--	42,493	42,493	24,617
Health and Welfare	2,400	4,443,726	21,284	1,754,689	6,222,099	6,123,354
Culture and Recreation	2,285,763	24,232,992	3,868,900	25,226,514	55,614,169	53,791,559
Conservation and Development	1,695,791	3,452,769	6,035,931	2,829,387	14,013,878	12,855,004
Miscellaneous	248,736	--	2,885,763	--	3,134,499	3,134,499
Total General Fixed Assets Allocated to Functions	\$ 17,198,398	\$ 123,724,739	\$ 244,312,974	\$ 72,717,717	\$ 457,953,828	\$ 433,970,312
Equipment Under Capital Leases					5,059,145	7,451,078
Construction Work in Progress					10,566,477	5,543,101
Total General Fixed Assets					\$ 473,579,450	\$ 446,964,491

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT 1 - 3

Function and Activity	General Fixed Assets 1/1/98	Additions	Adjustments and Deductions	General Fixed Assets 12/31/98
General Government:				
Legislative	\$ 420,157	\$ 77,635	\$ 38,209	\$ 459,583
Executive	691,293	41,801	99,148	633,946
Judicial	19,580,746	281,672	193,371	19,669,047
Elections	64,747	--	--	64,747
Finance	922,580	114,590	65,597	971,573
Personnel	1,095,951	35,370	56,898	1,074,423
Law	920,306	74,060	45,396	948,970
Administration Office and Boards	4,966,064	362,033	169,653	5,158,444
General Government Buildings	36,541,700	--	--	36,541,700
Total General Government	65,203,544	987,161	668,272	65,522,433
Public Safety:				
Police	18,239,270	3,354,706	(660,279)	22,254,255
Fire	14,903,712	2,716,554	429,398	17,190,868
Emergency Medical Services	3,675,182	272,274	252,821	3,694,635
Correctional Institution	33,345,838	284,776	152,411	33,478,203
Other	4,602,717	160,593	32,055	4,731,255
Total Public Safety	74,766,719	6,788,903	206,406	81,349,216
Transportation	218,071,016	11,154,133	(2,829,892)	232,055,041
Sanitation	24,617	17,876	--	42,493
Health and Welfare	6,123,354	279,747	181,002	6,222,099
Culture and Recreation	53,791,559	2,155,073	332,463	55,614,169
Conservation and Development	12,855,004	1,436,463	277,589	14,013,878
Miscellaneous	3,134,499	--	--	3,134,499
Equipment Under Capital Leases	7,451,078	108,851	2,500,784	5,059,145
Construction Work in Progress	5,543,101	7,877,573	2,854,197	10,566,477
Total General Fixed Assets	\$ 446,964,491	\$ 30,805,780	\$ 4,190,821	\$ 473,579,450

The accompanying notes are an integral part of this statement.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt account group records the general obligation bonds and other forms of long-term debt supported by general revenues that are obligations of a governmental unit as a whole and not its individual constituent funds.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT
DECEMBER 31, 1998 AND 1997**

EXHIBIT J - 1

Amount Available and to be Provided
For the Payment of Long-Term Debt

	Totals	
	December 31, 1998	December 31, 1997
Serial Bonds:		
Amount Available in Debt Service Funds	\$ 19,389,754	\$ 20,981,170
Less: Amount Available for Interest Payments	6,602,947	8,397,149
Total Amount Available for Principal Payments	12,786,807	12,584,021
Amount to be Provided From Sales and Use Taxes	46,008,938	42,845,002
Amount to be Provided From Governmental Funds Revenues	55,892	66,835
Amount to be Provided From the Consolidated Garbage Service District	1,824,060	1,882,970
Amount to be Provided From the Greater Baton Rouge Airport District Obligation Payable	13,713,000	14,946,000
Amount to be Provided From the East Baton Rouge Sewerage Commission Obligation Payable	53,199,255	55,755,977
Amount to be Provided From the Solid Waste Disposal Facility Fund	2,417,940	2,496,030
Amount to be Provided From State Hotel/Motel Tax	3,415,000	--
Compensated Absences Payable (Note 10):		
Amount to be Provided	9,141,342	8,642,505
Obligation Under Capital Leases (Note 14):		
Amount to be Provided	2,423,765	3,938,081
Claims and Judgments Payable (Note 13):		
Amount to be Provided	40,507,000	26,521,622
Employee Benefits Payable (Note 13):		
Amount to be Provided	5,453,047	660,356
Arbitrage Payable for Governmental Fund Types (Note 10):		
Amount to be Provided	--	19,238
Net Pension Obligation (Note 7):		
Amount to be Provided	9,907,059	10,811,481
Total Available and to be Provided	\$ 200,853,105	\$ 181,170,118

General Long-Term Debt Payable

Serial Bonds Payable (Note 10)	\$ 133,420,892	\$ 130,576,835
Compensated Absences Payable	9,141,342	8,642,505
Obligation Under Capital Leases	2,423,765	3,938,081
Claims and Judgments Payable	40,507,000	26,521,622
Employee Benefits Payable	5,453,047	660,356
Arbitrage Payable for Governmental Fund Types	--	19,238
Net Pension Obligation	9,907,059	10,811,481
Total General Long-Term Debt Payable	\$ 200,853,105	\$ 181,170,118

The accompanying notes are an integral part of this statement.

SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 1998**

EXHIBIT K - 1

Description	Interest Rate (%)	Carrying Amount
PRIMARY GOVERNMENT		
Consolidated Cash Account		
Louisiana Asset Management Pool	4.63-5.96	\$ 51,500,000
Certificates of Deposit - Hibernia National Bank	4.60-5.35	84,500,000
U.S. Treasury Bills	4.05-5.20	61,697,798
Cash in Bank - Hibernia National Bank		3,840,148
Total Cash and Investments - Consolidated Cash Account		201,537,946
Payroll Cash Account		(42,395)
Cash in Bank for Insurance		10,000
Other Cash Items		
Petty Cash		12,027
Cash on Hand		1,277,244
Total Other Cash Items		1,289,271
Riverside Centroplex		
Hibernia National Bank:		
Cash in Bank		796,668
Greater Baton Rouge Parking Authority		
Bank One		
Cash in Bank		306,613
Liquid Asset Treasuries	4.85-5.87	2,163,377
Total Greater Baton Rouge Parking Authority		2,469,990
East Baton Rouge Sewerage Commission		
Louisiana Asset Management Pool		
	4.63-5.96	16,629,725
Hibernia National Bank:		
Cash in Bank		18
Certificates of Deposit - Hibernia National Bank	4.40-5.35	26,879,336
Certificates of Deposit - City National Bank	4.86	773,690
Total East Baton Rouge Sewerage Commission		44,282,769
1989 Public Improvement Sales Tax Revenue Bonds (City)		
Hibernia National Bank:		
Cash in Bank		1
Certificates of Deposit - Hibernia National Bank	4.50-5.35	1,705,396
Total 1989 Public Improvement Sales Tax Revenue Bonds (City)		1,705,397
1989 Public Improvement Sales Tax Revenue Bonds (Parish)		
Hibernia National Bank:		
Certificates of Deposit - Hibernia National Bank	4.50-5.35	788,346
1990 Public Improvement Sales Tax Revenue Bonds (Municipal Waste)		
Hibernia National Bank:		
Cash in Bank		13
Certificates of Deposit - Hibernia National Bank	4.98-5.35	504,063
Total 1990 Public Improvement Sales Tax Revenue Bonds (Municipal Waste)		504,076

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 1998**

EXHIBIT K - 1
(Continued)

Description	Interest Rate (%)	Carrying Amount
PRIMARY GOVERNMENT (Continued)		
1992 Public Improvement Sales Tax Revenue Bonds (New Municipal Waste Facility)		
Hibernia National Bank:		
Cash in Bank		\$ 55
Certificates of Deposit - Hibernia National Bank	4.98-5.35	2,042,883
Total 1992 Public Improvement Sales Tax Revenue Bonds (New Municipal Waste Facility)		2,042,938
1992A Public Improvement Sales Tax Revenue Bonds (Sewerage System Acquisition)		
Hibernia National Bank:		
Certificates of Deposit - Hibernia National Bank	4.50-5.35	8,559,305
1993 Public Improvement Sales Tax Revenue Bonds		
Hibernia National Bank:		
Certificates of Deposit - Hibernia National Bank	4.50-5.35	414,806
1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)		
Hibernia National Bank:		
Cash in Bank		1
Certificates of Deposit - Hibernia National Bank	4.50-5.35	3,218,425
Total 1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)		3,218,426
1998A Public Improvement Sales Tax Revenue Bonds		
Hibernia National Bank:		
Certificates of Deposit - Hibernia National Bank	4.50-4.75	1,966,644
1998C Public Improvement Sales Tax Revenue Bonds		
Hibernia National Bank:		
Certificates of Deposit - Hibernia National Bank	4.50	50,548
Employees' Retirement System Pension Trust Fund		
Cash in Bank		46,450
U.S. Treasury Bonds		7,583,904
U.S. Agency Notes		30,460,887
Commercial Paper		4,612
Corporate Bonds		72,816,522
Corporate Stocks		101,568,415
Corporate Stock Index		317,079,740
International Equity		99,113,587
Enhance Bond Index Fund		118,563,819
Repurchase Agreements		13,340,000
Total Employees' Retirement System Pension Trust Fund		760,577,936
Grand Total Cash, Cash Equivalents and Investments - Primary Government		\$ 1,030,172,671

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
 DECEMBER 31, 1998**

EXHIBIT K - I
 (Continued)

Description	Carrying Amount
COMPONENT UNITS	
District Attorney of the Nineteenth Judicial District	\$ 1,879,549
Nineteenth Judicial District Court	655,816
E.B.R. Parish Family Court	205,914
E.B.R. Parish Juvenile Court	391,072
Nineteenth Judicial District Indigent Defender Board	196,978
E.B.R. Parish Clerk of Court	18,771,722
Capital Region Planning Commission	336,734
St. George Fire Protection District	1,954,858
Central Fire Protection District	115,867
E.B.R. Parish Fire Protection District No. 6	337,994
Eastside Fire Protection District	88,556
Pride Fire Protection District	102,019
Chaneyville Fire Protection District	29,286
Alsen-St. Irma Lee Fire Protection District	45,099
Capital Transportation Corporation	5,038,698
 Grand Total Cash, Cash Equivalents and Investments - Component Units	 \$ 30,150,162

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
REVENUE BY SOURCE AND EXPENSES BY TYPE**

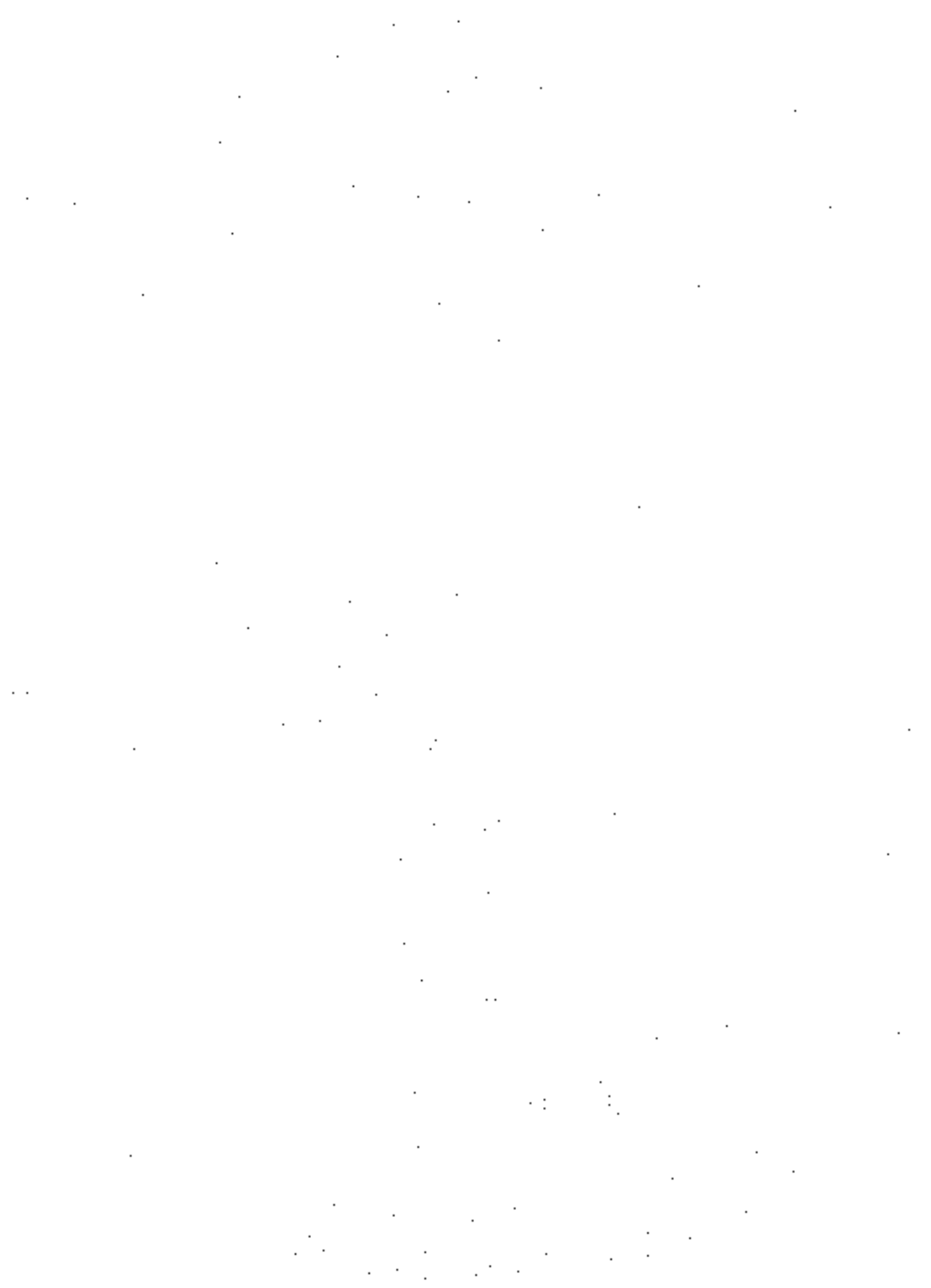
EXHIBIT K - 2

Fiscal Year	Revenue By Source			Net Appreciation (Depreciation) in Fair Value of Investments	Total
	Employee Contributions	Employer Contributions	Investment Income		
1989	\$ 6,076,191	\$ 9,760,930	\$ 26,943,539	\$ --	\$ 42,780,660
1990	6,554,427	10,265,691	28,144,944	--	44,965,062
1991	7,075,487	11,349,607	31,726,306	--	50,151,400
1992	7,631,349	12,096,356	37,418,586	--	57,146,291
1993	7,979,402	12,521,766	45,938,522	--	66,439,690
1994	8,071,425	12,559,091	8,078,771	--	28,709,287
1995	8,751,553	14,276,717	23,361,645	84,200,933 *	130,590,848
1996	9,033,167	16,219,697	20,725,256	35,437,680	81,415,800
1997	9,645,590	18,405,695	14,772,623	86,711,576	129,535,484
1998	11,632,339	20,120,542	9,901,484	79,443,675	121,098,040

Fiscal Year	Expenses By Type			Total
	Benefits	Administrative Expenses	Refunds and Withdrawals	
1989	\$ 17,524,533	\$ 635,579	\$ 1,113,079	\$ 19,273,191
1990	19,028,331	609,353	1,059,463	20,697,147
1991	20,252,966	1,042,199	1,185,441	22,480,606
1992	22,134,910	1,151,444	1,315,215	24,601,569
1993	23,175,012	1,780,369	1,372,805	26,328,186
1994	25,063,890	1,719,250	1,094,799	27,877,939
1995	28,602,602	791,387	1,724,025	31,118,014
1996	30,666,429	877,475	1,815,573	33,359,477
1997	44,787,560	1,020,585	1,487,729	47,295,874
1998	37,095,474	1,015,699	1,493,287	39,604,460

Contributions were made in accordance with actuarial determined contribution requirements.

* The Retirement System elected early implementation of GASB Statement No. 25.



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.

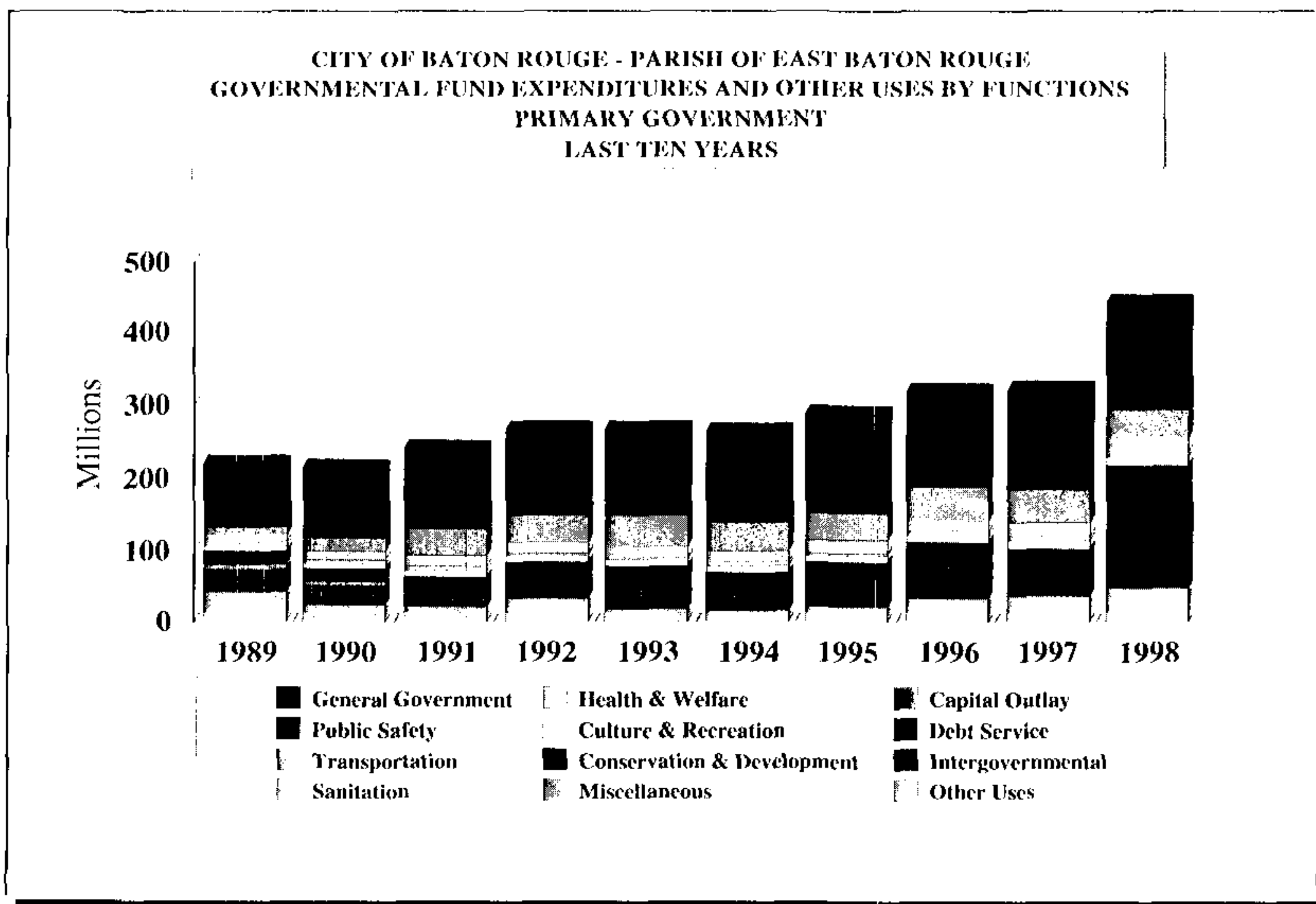
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL FUND TYPE EXPENDITURES AND OTHER USES BY FUNCTIONS
PRIMARY GOVERNMENT
LAST TEN YEARS**

Year	Total (1)	General Government	Public Safety	Trans- portation	Sanitation	Health and Welfare
1989	\$222,776,905	\$39,277,935	\$50,860,186	\$11,623,184	\$ 9,370,063	\$5,148,117
1990	216,458,791	42,419,611	53,757,049	20,514,542	10,000,661	5,459,803
1991	242,339,313	44,855,151	65,493,360	38,502,405	13,535,465	6,380,314
1992	269,246,887	45,748,091	74,927,539	36,501,701	13,958,630	4,286,990
1993	268,986,629	49,602,791	70,764,745	40,872,378	14,834,208	4,580,032
1994	265,309,202	50,232,560	74,158,451	41,307,164	15,069,530	4,703,574
1995	290,267,262	54,021,789 (5)	82,767,969 (5)	38,784,240	15,731,515	4,911,308
1996	319,779,315	44,058,708	86,700,228	45,689,687	16,229,461	4,966,789
1997	322,306,070	46,967,482	90,871,356	44,625,709	19,269,426	5,490,266
1998	443,619,969	50,119,584	96,422,826	40,283,982	20,224,396	6,471,130

- (1) Includes expenditures and other uses of General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- (2) The Miscellaneous function is used for items which cannot be properly classified under the other ten functions.
- (3) In 1989 when the Parish's 1983 Street Improvement Certificates and the 1988 LPFA/East Baton Rouge Parish Buildings Lease Revenue Bonds were refunded, a portion of the net proceeds of the new bond issue was deposited in trust with an escrow agent. These funds were to provide for all future debt service payments on the refunded issues and were classified in the financial statements as Other Uses.
- (4) Beginning in 1991, contributions to the retirement system which were previously classified as miscellaneous have been allocated to the various functions.
- (5) In compliance with Governmental Accounting Standards Board Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," expenditures previously classified under General Government and Public Safety have been re-classified as Other Uses.
- (6) In 1998, a payment was made to the refunded bond escrow agent for the defeasance of several City and Parish bond issues.
- (7) In accordance with the legally binding Local Services Agreement currently existing between the City of Baton Rouge and the Parish of East Baton Rouge, the operating transfer from the Parish Sub Fund to the City Sub Fund increased in 1998.

Source: Comprehensive Annual Financial Report

Culture and Recreation	Conservation and Development	Miscellaneous (2)	Capital Outlay	Debt Service	Inter-governmental	Other Uses
\$ 6,495,321	\$16,454,490	\$6,920,037	\$13,138,005	\$18,310,882	\$44,298	\$45,134,387 (3)
7,477,674	17,614,450	7,485,722	15,121,017	9,487,745	46,376	27,074,141
8,235,726	18,435,776	190,839 (4)	14,218,298	9,826,099	54,066	22,611,814
8,495,196	20,639,543	43,467	17,986,557	12,585,749	56,373	34,017,051
8,553,083	19,160,199	--	22,571,460	17,090,921	59,271	20,897,541
8,931,876	19,007,729	--	17,583,398	18,898,135	59,528	15,357,257
9,219,762	24,381,475	2,141	16,531,220	19,971,045	62,521	23,882,277 (5)
9,698,050	23,055,882	--	33,992,571	20,404,158	62,443	34,921,338
10,481,478	21,522,898	26,956	26,995,425	18,169,278	70,526	37,815,270
11,418,611	22,932,155	--	32,523,169	112,464,721 (6)	73,286	50,686,109 (7)



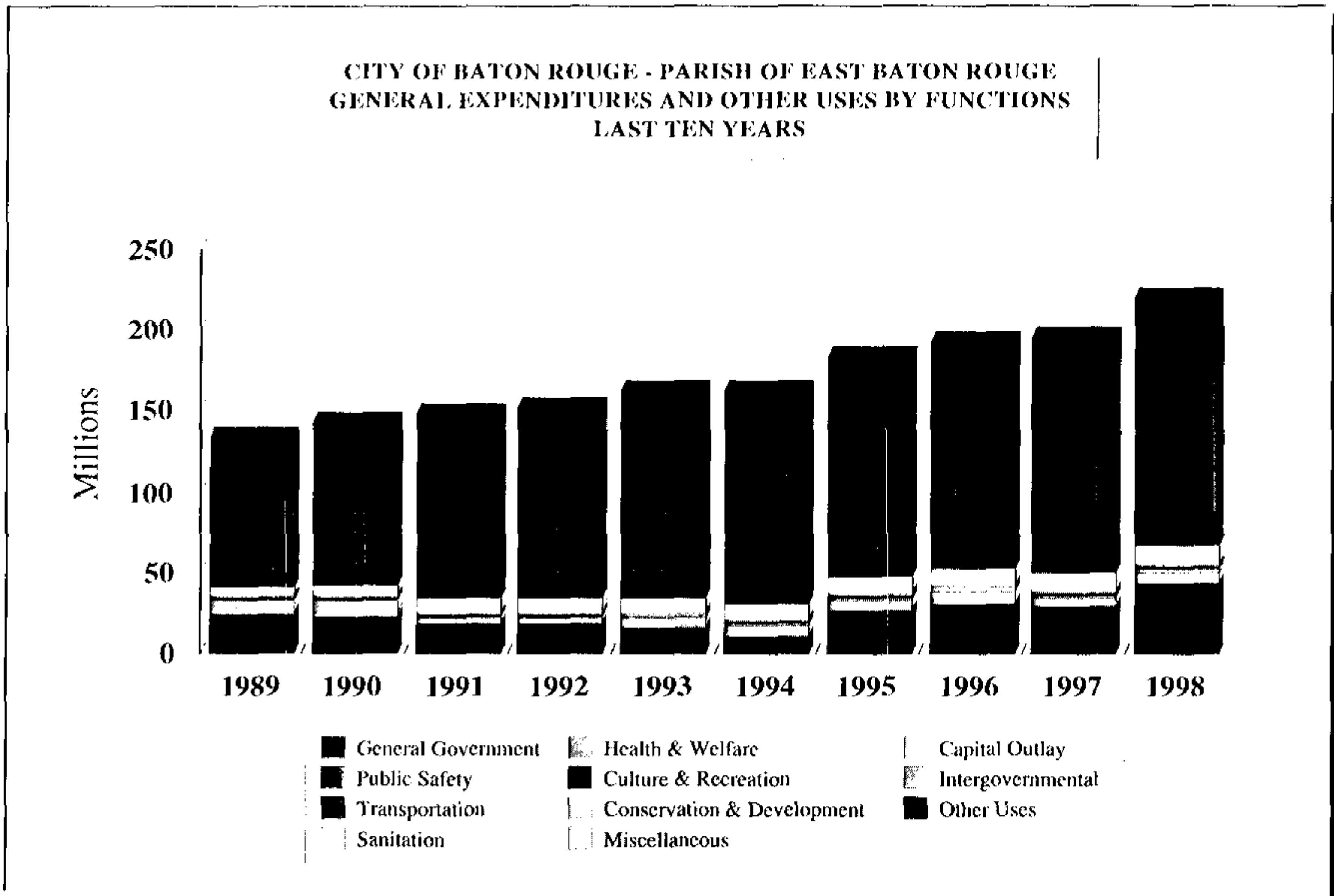
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTIONS
LAST TEN YEARS**

Year	Total	General Government	Public Safety	Transportation	Sanitation	Health and Welfare
1989	\$134,296,160	\$37,561,288	\$44,758,116	\$ 10,461,281	\$ 6,000,405	\$1,046,233
1990	142,921,631	39,967,484	47,582,427	12,708,814	6,446,328	1,026,923
1991	149,000,687	42,265,540	56,926,118	15,618,838	8,535,417	1,200,916
1992	152,300,655	43,062,469	59,008,859	15,470,175	8,670,437	1,332,034
1993	162,883,036	46,991,374	63,812,266	17,968,435	9,235,737	1,416,986
1994	163,581,634	47,658,854	66,813,473	18,020,614	9,359,876	1,322,268
1995	183,549,046	43,512,173 (3)	74,703,520 (3)	18,088,978	9,793,321	1,456,043
1996	192,866,934	41,107,486	78,379,920	20,088,917	10,120,664	1,398,596
1997	195,909,562	43,978,768	80,763,912	20,890,759	11,257,478	1,499,823
1998	220,113,074	46,843,956	84,767,333	20,700,360	11,989,912	1,649,605

- (1) The Miscellaneous function is used for items which cannot be properly classified under the other ten functions.
- (2) Beginning in 1991, contributions to the retirement system which were previously classified as miscellaneous have been allocated to the various functions.
- (3) In compliance with Governmental Accounting Standards Board Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance", expenditures previously classified under General Government and Public Safety have been re-classified as Other Uses.
- (4) In accordance with the legally binding Local Services Agreement currently existing between the City of Baton Rouge and the Parish of East Baton Rouge, the operating transfer from the Parish Sub Fund to the City Sub Fund increased in 1998.

Source: Comprehensive Annual Financial Report

Culture and Recreation	Conservation and Development	Miscellaneous (1)	Capital Outlay	Inter-governmental	Other Uses
\$1,170,094	\$ 549,446	\$6,912,388	\$1,550,556	\$44,298	\$24,242,055
1,182,898	357,930	7,485,722	2,607,603	46,376	23,509,126
1,502,777	339,398	167,226 (2)	3,483,378	54,066	18,907,013
1,611,143	508,880	36,928	3,678,702	56,373	18,864,655
1,041,409	1,342,616	--	4,708,752	59,271	16,306,190
919,117	1,821,389	--	6,321,756	59,528	11,284,759
952,927	1,757,039	--	5,940,759	62,521	27,281,765 (3)
1,115,012	1,990,203	--	8,081,381	62,443	30,522,312
1,081,844	2,278,001	--	4,103,964	70,526	29,984,487
1,439,533	2,196,926	--	7,203,044	73,286	43,249,119 (4)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL FUND TYPE REVENUES AND OTHER FINANCING SOURCES
PRIMARY GOVERNMENT
LAST TEN YEARS**

EXHIBIT III

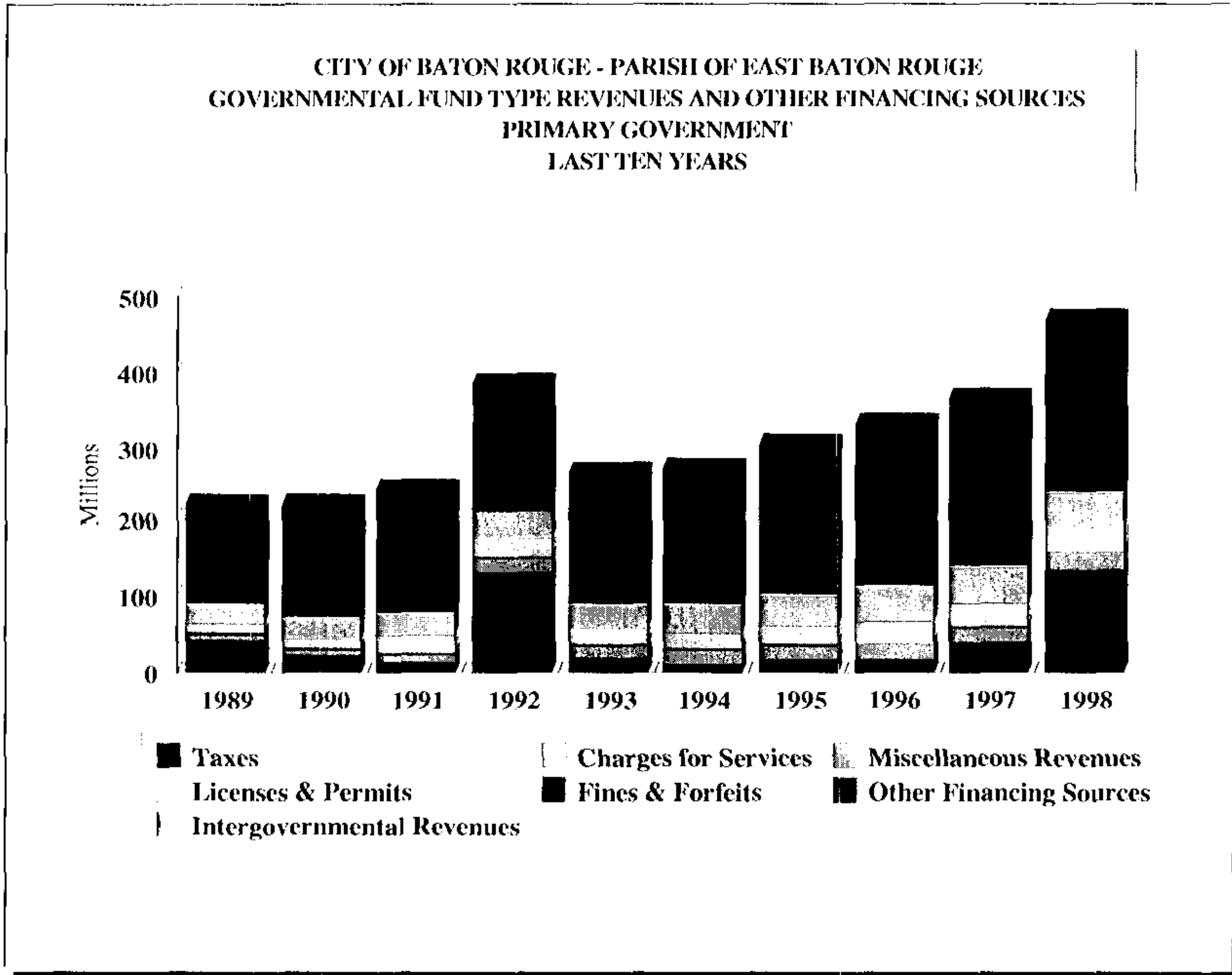
Year	Total (1)	Taxes	Licenses and Permits	Inter- governmental Revenues	Charges for Services	Fines and Forfeits	Miscel- laneous Revenues	Other Financing Sources
1989	\$223,832,886	\$132,014,360	\$2,567,264	\$23,102,130	\$10,809,841	\$2,516,385	\$ 7,153,382	\$ 45,669,524 (2)
1990	224,360,046	147,934,809	2,519,992	28,296,065	12,058,646	2,445,912	6,689,880	24,414,742 (3)
1991	242,658,030	160,277,217	2,615,827	29,375,224	22,222,599	2,545,998	8,270,059	17,351,106
1992	385,260,768	169,398,758	2,608,981	34,603,343	23,772,641	2,746,892	17,472,637 (4)	134,657,516 (5)
1993	267,473,153	174,284,706	3,037,947	28,161,618	22,330,799	2,131,460	15,943,460	21,583,163
1994	275,120,767	182,063,264	2,997,316	34,237,501	23,140,340	2,061,064	16,062,157	14,559,125
1995	307,651,235	201,318,217	2,821,922	40,729,266	23,228,832	1,667,922	18,402,995	19,482,081
1996	331,612,577	213,835,500	3,157,223	44,242,005	29,559,869	1,931,575	18,595,427	20,290,978
1997	365,437,976	221,051,652	3,065,678	47,595,813	30,272,957	1,975,000	19,350,213	42,126,663 (6)
1998	473,295,625	231,463,834	3,053,896	45,235,023	31,464,891	1,453,303	21,991,999	138,632,679 (7)

- (1) Includes revenues and other financing sources of General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- (2) City of Baton Rouge issued \$14,340,000 and the Parish of East Baton Rouge issued \$6,625,000 in Sales Tax Revenue Bonds.
- (3) City of Baton Rouge issued \$5,000,000 in Sales Tax Revenue Bonds
- (4) Inception of payments made to the General Fund on the long-term obligation payable recorded in the Comprehensive Sewerage System Fund (See Note 17).
- (5) City of Baton Rouge issued \$106,400,000 in Sales Tax Revenue Bonds
- (6) City of Baton Rouge issued \$19,325,000 in Sales Tax Revenue Bonds
- (7) City of Baton Rouge issued \$94,450,000 and the Parish of East Baton Rouge issued \$4,600,000 in Sales Tax Revenue Bonds.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 GOVERNMENTAL FUND TYPE REVENUES AND OTHER FINANCING SOURCES
 PRIMARY GOVERNMENT
 LAST TEN YEARS**

EXHIBIT III
 (Continued)

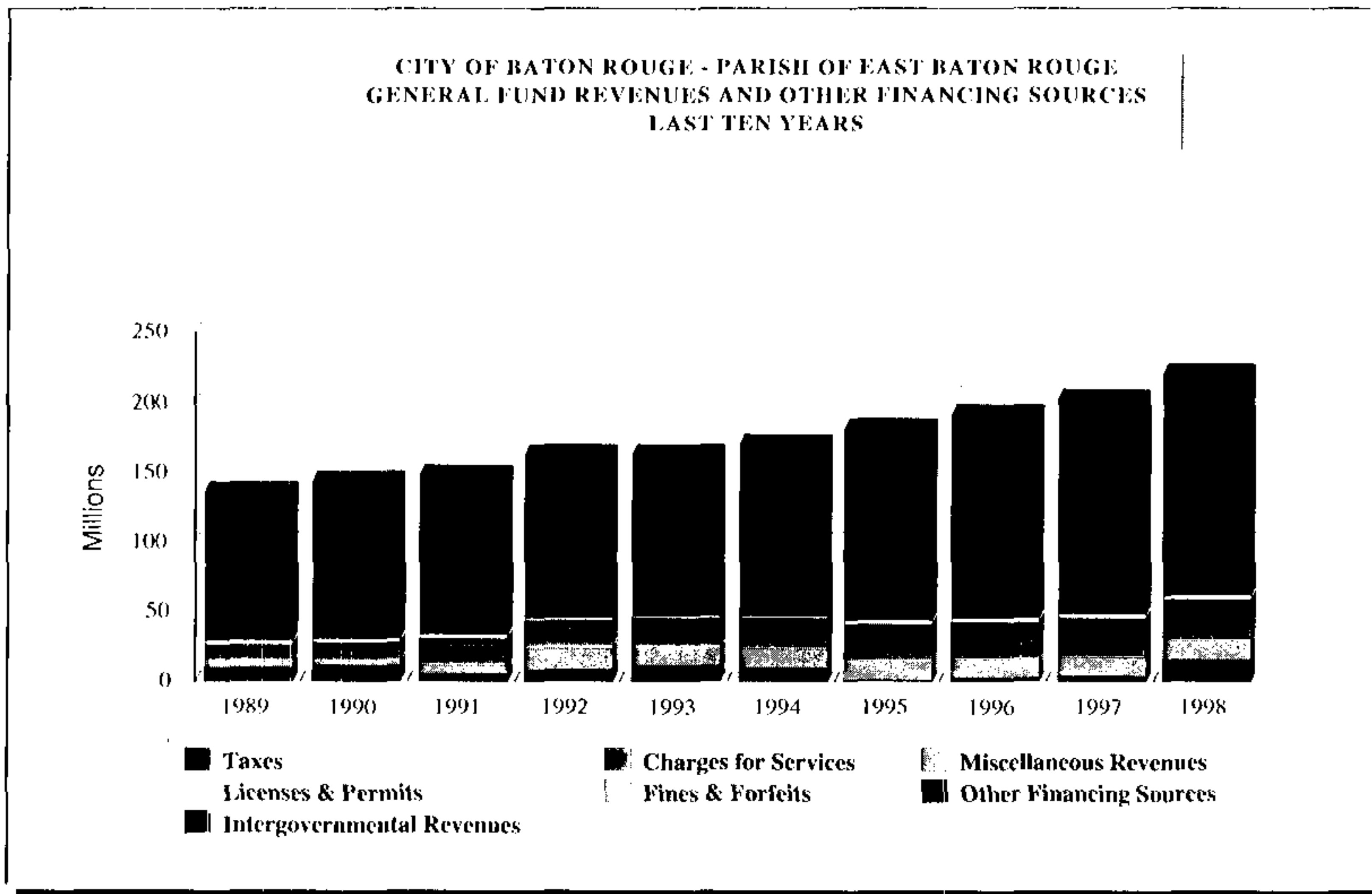


**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
LAST TEN YEARS**

EXHIBIT IV

Year	Total	Taxes	Licenses and Permits	Inter-governmental Revenues	Charges for Services	Fines and Forfeits	Miscellaneous Revenues	Other Financing Sources
1989	\$137,460,112	\$108,047,822	\$2,002,698	\$ 3,699,741	\$ 6,389,998	\$2,516,385	\$ 3,762,997	\$ 11,040,471
1990	144,968,123	113,947,862	1,970,523	4,949,956	6,583,045	2,445,912	3,270,911	11,799,914
1991	149,081,535	115,190,015	2,065,827	3,978,042	13,170,516	2,545,998	5,003,755	7,127,382
1992	163,400,475	116,904,329	2,121,513	4,048,615	13,260,937	2,746,892	14,839,712	9,478,477
1993	164,691,611	116,416,988	2,512,143	5,202,725	12,637,412	2,131,460	13,678,373	12,112,510
1994	170,789,885	122,261,708	2,754,084	6,290,476	13,566,792	1,819,888	13,591,104	10,505,833
1995	183,273,574	138,854,383	2,589,576	10,470,949	13,967,669	1,424,165	13,261,991	2,704,841
1996	193,788,312	147,305,845	2,914,367	11,263,149	14,154,692	1,529,699	12,685,627	3,934,933
1997	202,981,555	153,338,987	2,826,921	11,302,459	16,225,701	1,567,444	12,982,614	4,737,429
1998	221,624,801	159,561,146	2,799,733	11,066,268	16,439,149	1,162,126	14,170,722	16,425,657 *

* In accordance with the legally binding Local Services Agreement currently existing between the City of Baton Rouge and the Parish of East Baton Rouge, the operating transfer from the Parish Sub Fund to the City Sub Fund increased in 1998.

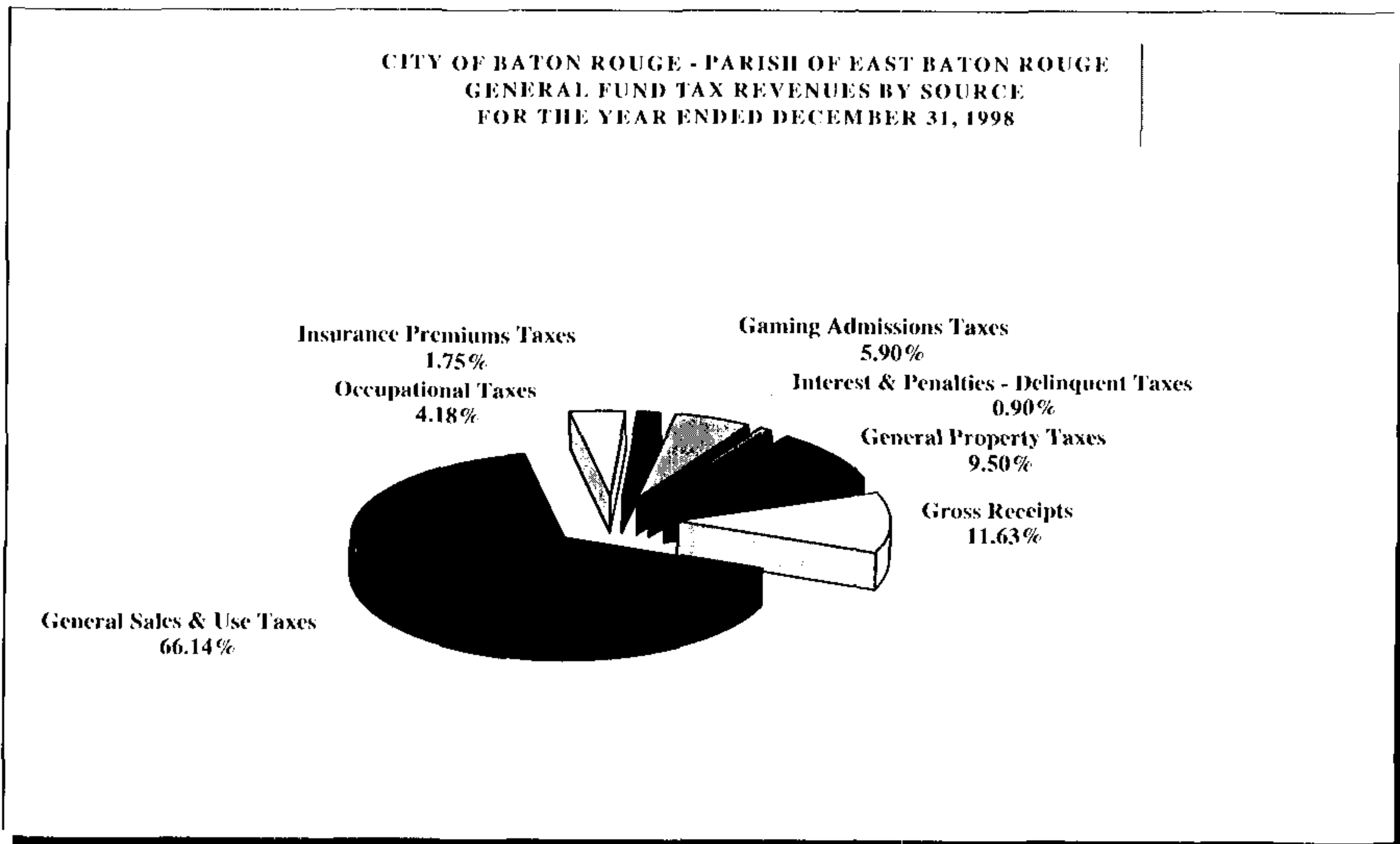


**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN YEARS**

EXHIBIT V

Year	Total	General Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupational Taxes	Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties-Delinquent Taxes
1989	\$108,047,822	\$11,416,842	\$14,614,280	\$73,940,451	\$4,395,131	\$2,345,689	\$	\$1,335,429
1990	113,947,862	11,440,233	15,490,560	78,738,275	4,803,774	2,295,653	--	1,179,367
1991	115,190,015	11,717,388	15,501,539	79,283,762	5,142,085	2,473,995	--	1,071,246
1992	116,904,329	11,676,271	15,561,746	80,442,960	5,268,192	2,385,980	--	1,569,180
1993	116,416,988	12,317,734	16,892,534	78,051,237	5,560,704	2,279,684	--	1,315,095
1994	122,261,708	12,455,036	16,692,577	81,881,889	5,620,602	2,416,304	1,877,979	1,317,321
1995	138,854,383	13,112,531	18,526,515	88,885,089	6,057,817	2,969,461	8,254,369	1,048,601
1996	147,305,845	13,488,009	17,878,832	96,451,955	5,847,445	2,817,827	8,626,811	2,194,966
1997	153,338,987	14,365,475	18,298,419	99,559,762	6,612,191	2,816,105	10,028,668	1,658,367
1998	159,561,146	15,153,213	18,554,173	105,532,011	6,675,712	2,790,832	9,415,495	1,439,710

Source: Comprehensive Annual Financial Report



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

EXHIBIT VI

Year	Total Tax Levy	Collections	Per Cent of Levy Collected	Prior Year Tax Collections	Total Tax Collections	Ratio of Total Collections to Tax Levy
City of Baton Rouge Sub Fund						
1988	\$7,047,973	\$6,697,046	95.02 %	\$225,861	\$6,922,907	98.23 %
1989	6,986,865	6,634,756	94.96	263,566	6,898,322	98.73
1990	6,934,514	6,636,782	95.71	264,287	6,901,069	99.52
1991	6,987,139	6,749,186	96.59	203,655	6,952,841	99.51
1992	6,942,024	6,723,979	96.86	234,103	6,958,082	100.23
1993	7,207,838	6,996,135	97.06	154,782	7,150,917	99.21
1994	7,346,852	7,186,633	97.82	164,460	7,351,093	100.06
1995	7,630,188	7,446,243	97.59	134,131	7,580,374	99.35
1996	7,923,458	7,756,358	97.89	126,883	7,883,241	99.49
1997	8,253,582	8,063,699	97.70	140,344	8,204,043	99.40
1998	8,662,650					
Parish of East Baton Rouge Sub Fund						
1988	\$4,633,644	\$4,329,750	93.44 %	\$218,473	\$4,548,223	98.16 %
1989	4,638,650	4,333,912	93.43	199,811	4,533,723	97.74
1990	4,668,347	4,421,001	94.70	192,644	4,613,645	98.83
1991	4,748,388	4,488,989	94.54	138,485	4,627,474	97.45
1992	4,891,539	4,676,694	95.61	148,676	4,825,370	98.65
1993	5,109,437	4,870,910	95.33	122,709	4,993,619	97.73
1994	5,255,610	5,062,722	96.33	137,405	5,200,127	98.94
1995	5,477,704	5,297,728	96.71	77,330	5,375,058	98.13
1996	5,698,781	5,530,813	97.05	79,484	5,610,297	98.45
1997	6,158,765	5,980,058	97.10	145,285	6,125,343	99.46
1998	6,635,226					

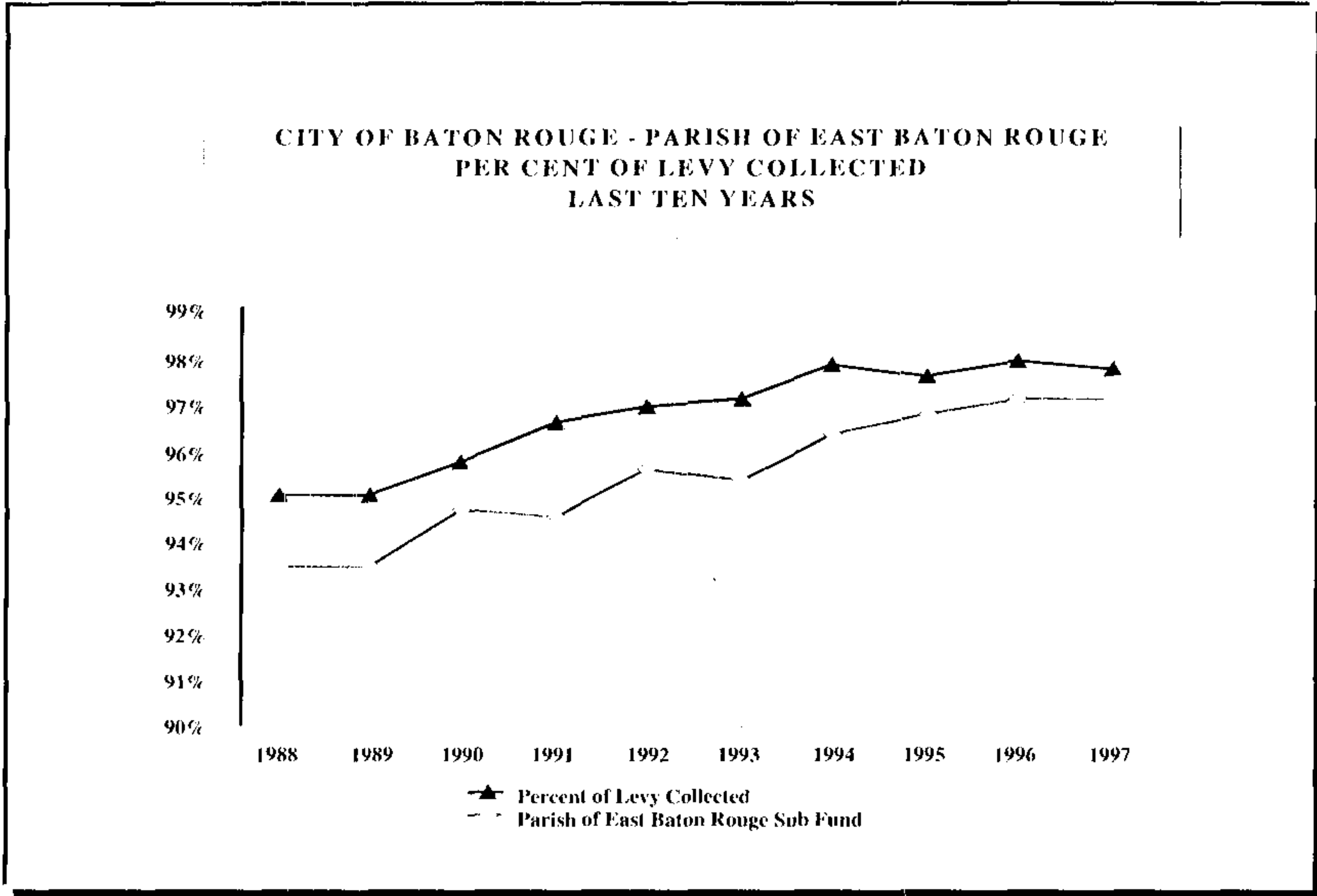
"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

EXHIBIT VI
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS**

EXHIBIT VII

Year	Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value*
City of Baton Rouge			
1989	\$ 805,866,735	\$ 7,326,061,227	11%
1990	799,828,614	7,271,169,218	11
1991	805,898,405	7,326,349,136	11
1992	794,281,868	7,220,744,255	11
1993	824,695,370	7,497,230,636	11
1994	840,600,932	7,641,826,655	11
1995	873,019,222	7,936,538,382	11
1996	932,171,540	8,474,286,727	11
1997	971,009,652	8,827,360,473	11
1998	1,019,135,241	9,264,865,827	11
Parish of East Baton Rouge			
1989	\$ 1,519,041,500	\$ 13,809,468,200	11%
1990	1,529,382,300	13,903,475,500	11
1991	1,552,187,390	14,110,794,627	11
1992	1,568,334,720	14,257,588,336	11
1993	1,627,894,980	14,799,045,164	11
1994	1,674,869,070	15,226,082,455	11
1995	1,738,389,370	15,803,539,727	11
1996	1,864,291,960	16,948,108,764	11
1997	1,984,916,760	18,044,697,818	11
1998	2,110,523,938 **	19,186,581,255	11

*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.

**Exempt Properties

Does not include exempt assessed valuations as follows:

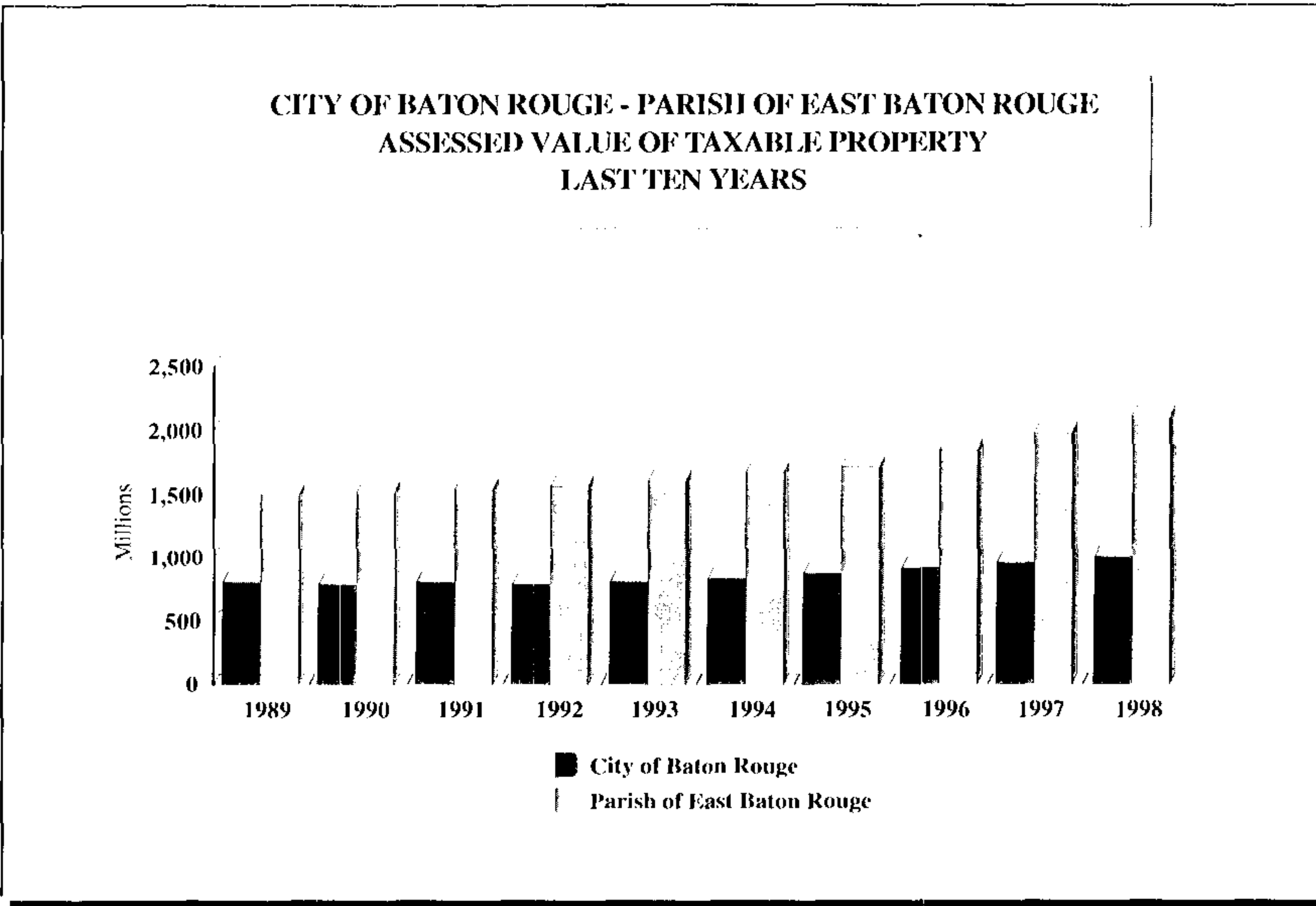
	1998	1997
(a) Manufacturing plants under a ten-year contract	\$469,265,409	\$455,391,710
(b) Churches, schools, and government buildings	50,489,950	51,885,188
Total Exempt Properties	\$519,755,359	\$507,276,898

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

**EXHIBIT VII
(Continued)**



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS**

Year	City		Debt Service (2)	Parish Mosquito and Rodent Tax	Emergency Medical Services	Library Board of Control
	Operating	Operating				
TAX RATES (mills per dollar)						
1989	8.67	4.30	4.28	1.23	3.08	8.18
1990	8.67	4.30	3.60	1.23	3.08	8.18
1991	8.67	4.30	3.13	1.23	3.08	8.18
1992	8.74	4.38	2.85	1.25	3.13	8.33
1993	8.74	4.38	2.85	1.25	3.13	8.33
1994	8.74	4.38	2.85	1.23	3.13	8.33
1995	8.74	4.38	2.85	1.23	3.13	8.33
1996	8.50	4.20	1.22	1.18	3.00	11.10
1997	8.50	4.20	0.63	1.18	3.00	11.10
1998	8.50	4.20	--	1.18	3.00	11.10

TAX LEVIES						
1989	\$6,986,865	\$6,531,878	\$6,041,510	\$1,868,421	\$4,678,648	\$12,425,759
1990	6,934,514	6,576,344	5,119,377	1,881,140	4,710,497	12,510,347
1991	6,987,139	6,674,406	4,714,644	1,909,191	4,780,737	12,696,893
1992	6,942,024	6,869,306	4,469,754	1,960,419	4,908,888	13,064,228
1993	7,207,838	7,130,180	4,639,501	2,034,869	5,095,311	13,560,365
1994	7,346,852	7,335,927	4,773,377	2,060,089	5,242,340	13,951,659
1995	7,630,188	7,614,145	4,954,410	2,138,219	5,441,159	14,480,783
1996	7,923,458	7,830,026	2,274,436	2,199,865	5,592,876	20,693,641
1997	8,253,582	8,336,650	1,250,498	2,342,202	5,954,750	22,032,576
1998	8,662,650	8,864,201	--	2,490,418	6,331,572	23,426,816

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 cost 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.

School District	Recreation and Park	Law Enforcement District	Assessor's Salary and Expense Fund	Total
TAX RATES (mills per dollar)				
38.02	9.28	7.94	1.57	86.55
36.95	9.28	7.94	1.57	84.80
36.95	9.28	7.94	1.57	84.33
37.84	9.45	8.09	1.60	85.66
37.84	9.45	8.09	1.60	85.66
45.34	9.45	14.99	1.60	100.04
45.34	11.45	14.99	1.60	102.04
43.45	10.97	14.99	1.53	100.14
43.45	10.95	14.99	1.53	99.53
43.45	10.95	14.99	1.53	98.90

TAX LEVIES				
\$57,753,958	\$14,096,705	\$12,061,190	\$2,384,895	\$124,829,829
56,510,676	14,192,668	12,143,295	2,401,130	122,979,988
57,353,324	14,404,299	12,324,368	2,436,934	124,281,935
59,345,786	14,820,763	12,687,828	2,509,336	127,578,332
61,599,546	15,383,608	13,169,670	2,604,632	132,425,520
75,938,564	15,827,513	25,106,287	2,679,791	160,262,399
78,818,574	19,904,558	26,058,457	2,781,423	169,821,916
81,003,486	20,451,283	27,945,737	2,852,367	178,767,175
86,244,633	21,734,839	29,753,902	3,036,923	188,940,555
91,702,265	23,110,237	31,636,754	3,229,102	199,454,015

- (1) Not included are the following: Consolidated Road Lighting District No. 1, Consolidated Garbage District No. 1, St. George Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District, Central Fire Protection District, Eastside Fire Protection District, East Baton Rouge Parish Fire Protection District No. 6, Downtown Development District, Pontchartrain Levee District, City of Baker and City of Zachary. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL TAXPAYERS
DECEMBER 31, 1998**

EXHIBIT IX

Taxpayer	Type of Business	1998 Assessed Valuation (1)	Percentage of Total Assessed Valuation
Exxon Corporation	Petroleum Products	\$ 158,077,180	7.49 %
Entergy, Inc.	Electric and Gas Utility	54,917,070	2.60
Bellsouth Communications	Telephone Utility	54,062,660	2.56
Georgia-Pacific Corporation	Pulp and Paper Products	28,863,570	1.37
Bank One	Bank	26,557,550	1.26
Hibernia National Bank	Bank	18,022,600	0.85
Baton Rouge Water Company	Water Utility	15,469,740	0.73
City National Bank	Bank	15,138,750	0.72
Formosa Plastics	Plastic Manufacturer	11,923,390	0.56
Paxon Polymer	Plastic Manufacturer	10,192,600	0.48
		\$ 393,225,110	18.62 %

(1) Source: East Baton Rouge Parish Assessor's Office

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS**

EXHIBIT X

Year	Assessments Beginning of Year	Additions and Adjustments	Collections	Assessments End of Year
1989	\$1,113,599	\$ --	\$223,693	\$889,906
1990	889,906	9,226	190,801	708,331
1991	708,331	183,138	251,177	640,292
1992	640,292	35,264	219,683	455,873
1993	455,873	(139,568)	17,680	298,625
1994	298,625	2,333	12,395	288,563
1995	288,563	4,602	4,296	288,869
1996	288,869	180	12,607	276,442
1997	276,442	(29,011)	5,395	242,036
1998	242,036	220,938	15,765	447,209 (1)

(1) Assessments End of Year includes \$40,637 for paving assessments accounted for in the General Fund. Street lighting assessments in the amount of \$16,808 are accounted for in the Miscellaneous Capital Improvements Fund. Sewer assessments in the amount of \$389,764 are accounted for in the Comprehensive Sewerage System Fund.

Source: Finance Department Records

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF LEGAL DEBT LIMIT
LOUISIANA MUNICIPAL LAWS**

EXHIBIT XI

GENERAL BONDED INDEBTEDNESS*

POWER TO INCUR DEBT: Municipal corporations, parishes and school districts, road, sewerage, waterworks and drainage districts, hospital service districts, fire protection districts, and gas utility districts may incur debt and issue negotiable bonds. (LRS 39:551)

LIMIT OF INDEBTEDNESS: No debt shall be incurred and bonds issued by any local government for any one of the purposes herein provided, which, including the existing bonded debt of such government, shall exceed in the aggregate ten percent of the assessed valuation of the taxable property. However, the governing authority of any municipality may incur debt and issue bonds therefor as provided in this Subsection, for the purpose set forth in Louisiana R.S. 39:553, which may exceed ten percent for any one of such purposes, provided that the aggregate for all of such purposes determined at the time of issuance of the bonds does not exceed thirty-five percent of the assessed valuation of the taxable property of the municipality. (LRS 39:562) East Baton Rouge Parish, any municipal corporation in said parish, and any sewerage district in said parish may incur debt and issue bonds for sewerage purposes which including the existing bonded debt of such subdivision for such purpose, amount in the aggregate to a maximum of fifteen per centum of the assessed valuation of the taxable property in such subdivision. (Louisiana Constitution of 1921, Article 14, Section 3d and Louisiana Constitution of 1974, Article 14, Section 16a(10))

PARISH PURPOSES: The governing authorities of parishes may incur debt and issue negotiable bonds of the parish for the following purposes: Constructing and maintaining public roads, highways and bridges; drains, drainage canals, pumps and pumping plants, dikes, and levees; constructing waste disposal facilities; sewers and sewerage disposal works; waterworks system; and facilities for pollution control and abatement; courthouses, jails; hospitals; auditoriums; golf courses; stadiums; live stock arenas and show rings; agricultural and live stock exhibition buildings; buildings of like and similar nature, and other public buildings; acquiring buildings, machinery and equipment, including both real and personal property, to be used in giving fire protection to the property in the parish, acquiring and/or improving lands for industrial parks; and such other works of public improvement as the legislature may expressly authorize. Debt may be incurred and bonds may be issued for the necessary equipment and furnishings for the works, buildings and improvements. (LRS 39:552)

MUNICIPAL PURPOSES: The governing authorities of municipal corporations, including cities, towns and villages, may incur debt and issue bonds of the municipal corporations for the following purposes: opening, constructing, paving and improving streets, sidewalks, roads and alleys; constructing bridges; purchasing or constructing waterworks; sewers and sewerage disposal works; drains, drainage canals, and pumping plants; waste disposal facilities; facilities for pollution control and abatement; light and power plants; gas plants; artificial ice and refrigerating plants; halls; courthouses; jails; public markets and abattoirs; fire department stations and equipment; hospitals; auditoriums; public parks; natatoriums; libraries; school houses; teachers' homes; and other public buildings; docks, wharves, and river terminals; acquiring and/or improving lands for industrial parks, within or without the corporate limits of the municipality; and other works of public improvement as the legislature may expressly authorize. Debt may be incurred and bonds may be issued for the necessary equipment and furnishings for the works, buildings and improvements. (LRS 39:553)

SEWERAGE DISTRICT PURPOSES: The governing authorities of sewerage districts may incur debt and issue negotiable bonds for the purpose of constructing and maintaining sewers and sewerage disposal works for the districts. (LRS 39:556)

MAXIMUM DURATION AND INTEREST LIMITATION: No bonds issued shall run for a period longer than forty (40) years, or bear a greater rate of interest than the rate set in the proposition approved at the election or be sold for less than par. (LRS 39:563, 39:1424)

ISSUING BONDS: VOTE BY TAXPAYERS. A majority of all qualified voters voting thereon must vote in favor of the proposition to incur debt and issue bonds. (LRS 39:561)

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF LEGAL DEBT LIMIT
LOUISIANA MUNICIPAL LAWS

EXHIBIT XI
(Continued)

LEVY OF TAXES: The governing authority shall impose and collect annually in excess of all other taxes, a tax on the property subject to taxation sufficient to pay annual principal and interest on these bonds. (LRS 39:569)

COMPUTATION OF LEGAL DEBT MARGIN
GENERAL OBLIGATION BONDS
DECEMBER 31, 1998

Governing Authority: City of Baton Rouge

Ad Valorem Taxes:

Assessed Valuation	<u>\$1,019,135,241</u>
Debt Limit: 10% of Assessed Valuation	101,913,524
Debt Limit: 15% of Assessed Valuation	152,870,286
Debt Limit: 35% of Assessed Valuation	356,697,334

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

Purpose:	<u>Drainage</u>	<u>Roads, Highways and Bridges</u>
Assessed Valuation	<u>\$2,110,523,938</u>	<u>\$2,110,523,938</u>
Debt Limit: 10% of Assessed Value*	211,052,394	211,052,394

*Debt may be incurred up to a limit of 10% of assessed valuation for any one purpose.

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

Governing Authority: Greater Baton Rouge Consolidated Sewerage District

Ad Valorem Taxes:

Assessed Valuation	<u>\$2,110,523,938</u>
Debt Limit: 15% of Assessed Valuation	\$ 316,578,591

There are no outstanding bonds secured by ad valorem taxes of the Greater Baton Rouge Consolidated Sewerage District at this time.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF LEGAL DEBT LIMIT
LOUISIANA MUNICIPAL LAWS**

EXHIBIT XI
(Continued)

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on debt service obligations to be outstanding of 40% of the gross avails of sales and use tax.

**COMPUTATION OF LEGAL DEBT MARGIN
2% SALES AND USE TAX
DECEMBER 31, 1998**

Governing Authority: City of Baton Rouge

Actual 1998 Revenues	<u>\$ 76,521,913</u>
Debt Limit: 40% Before Outstanding Bonds	30,608,765
Highest Annual Debt Service on Outstanding Bonds (In the year 2005)	<u>14,121,483</u>
Debt Capacity	\$ 16,487,282
Interest Factor for \$1 of Debt	0.078226718
Additional Bonding Capacity 25 Years at 6.00% (Debt Capacity/Interest Factor)	<u>\$210,762,798</u>

<u>Bonds</u>	<u>Authorized and Issued</u>	<u>Outstanding December 31, 1998</u>
1989 Public Improvement Sales Tax	\$ 14,340,000	\$ 725,000
1990 Public Improvement Sales Tax	5,000,000	270,000
1992 Public Improvement Sales Tax	21,400,000	1,850,000
1992A Public Improvement Sales Tax	85,000,000	9,560,000
1993 Public Improvement Sales Tax	4,000,000	3,620,000
1997 Public Improvement Sales Tax	19,325,000	17,955,000
1998A Public Improvement Sales Tax	<u>94,450,000</u>	<u>94,450,000</u>
	<u>\$243,515,000</u>	<u>\$128,430,000</u>

Governing Authority: Parish of East Baton Rouge

Actual 1998 Revenues	<u>\$ 42,382,266</u>
Debt Limit: 40% Before Outstanding Bonds	16,952,906
Highest Annual Debt Service on Outstanding Bonds (In the year 2006)	<u>648,723</u>
Debt Capacity	\$ 16,304,183
Interest Factor for \$1 of Debt	0.078226718
Additional Bonding Capacity 25 Years at 6.00% (Debt Capacity/Interest Factor)	<u>\$208,422,179</u>

<u>Bonds</u>	<u>Authorized and Issued</u>	<u>Outstanding December 31, 1998</u>
1989 Public Improvement Sales Tax	\$ 6,625,000	\$ 335,000
1998C Public Improvement Sales Tax	<u>4,600,000</u>	<u>4,600,000</u>
	<u>\$11,225,000</u>	<u>\$4,935,000</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF LEGAL DEBT LIMIT
LOUISIANA MUNICIPAL LAWS**

EXHIBIT XI
(Continued)

Louisiana Revised Statute 39:698.5 requires that the maturities of the bonds shall be so arranged that the total amount of principal and interest falling due in any year, together with principal and interest falling due in such year on all bonds theretofore issued, and then outstanding, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which the bonds are issued.

**COMPUTATION OF LEGAL DEBT MARGIN
1/2% SEWER SALES AND USE TAX
DECEMBER 31, 1998**

Governing Authority: Parish of East Baton Rouge

Anticipated Revenues Based on 1999 Annual Operating Budget	<u>\$27,801,560</u>
Debt Limit: 75% Before Outstanding Bonds	20,851,170
Less: Highest Annual Debt Service on Outstanding Bonds (In the year 2018)	<u>16,928,890</u>
Debt Capacity From Sales and Use Tax	\$ 3,922,280
Interest Factor for \$1 of Debt	0.078226718
Additional Bonding Capacity	
25 Years at 6.00% (Debt Capacity/Interest Factor)	<u>\$50,139,902</u>

<u>Bonds</u>	<u>Authorized and Issued</u>	<u>Outstanding December 31, 1998</u>
1989 Public Improvement Sales Tax	\$ 45,000,000	\$ 1,210,000
1991 Public Improvement Sales Tax	20,000,000	1,880,000
1993 Public Improvement Sales Tax	30,200,000	27,505,000
1993A Public Improvement Sales Tax	70,000,000	63,870,000
1995 Public Improvement Sales Tax	36,000,000	35,210,000
1996 Public Improvement Sales Tax	65,000,000	64,730,000
1998B Public Improvement Sales Tax	<u>16,825,000</u>	<u>16,825,000</u>
	<u>\$283,025,000</u>	<u>\$211,230,000</u>

*Different provisions apply to "excess revenue bonds." These bonds differ as follows: (1) the total amount of indebtedness is limited to the "excess" revenues of the General Fund and the constitutional limit of the general property tax for general fund operations; (2) the maximum duration of the bonds cannot exceed ten (10) years; (3) the interest rate cannot exceed the rate set forth in the resolution or other instrument providing for the issuance adopted by the governing authority and approved by the State Bond Commission; (4) a referendum by the taxpayers is not required; and (5) no new or additional property taxes may be imposed, but any revenues of the General Fund may be used to pay bonds and interest.

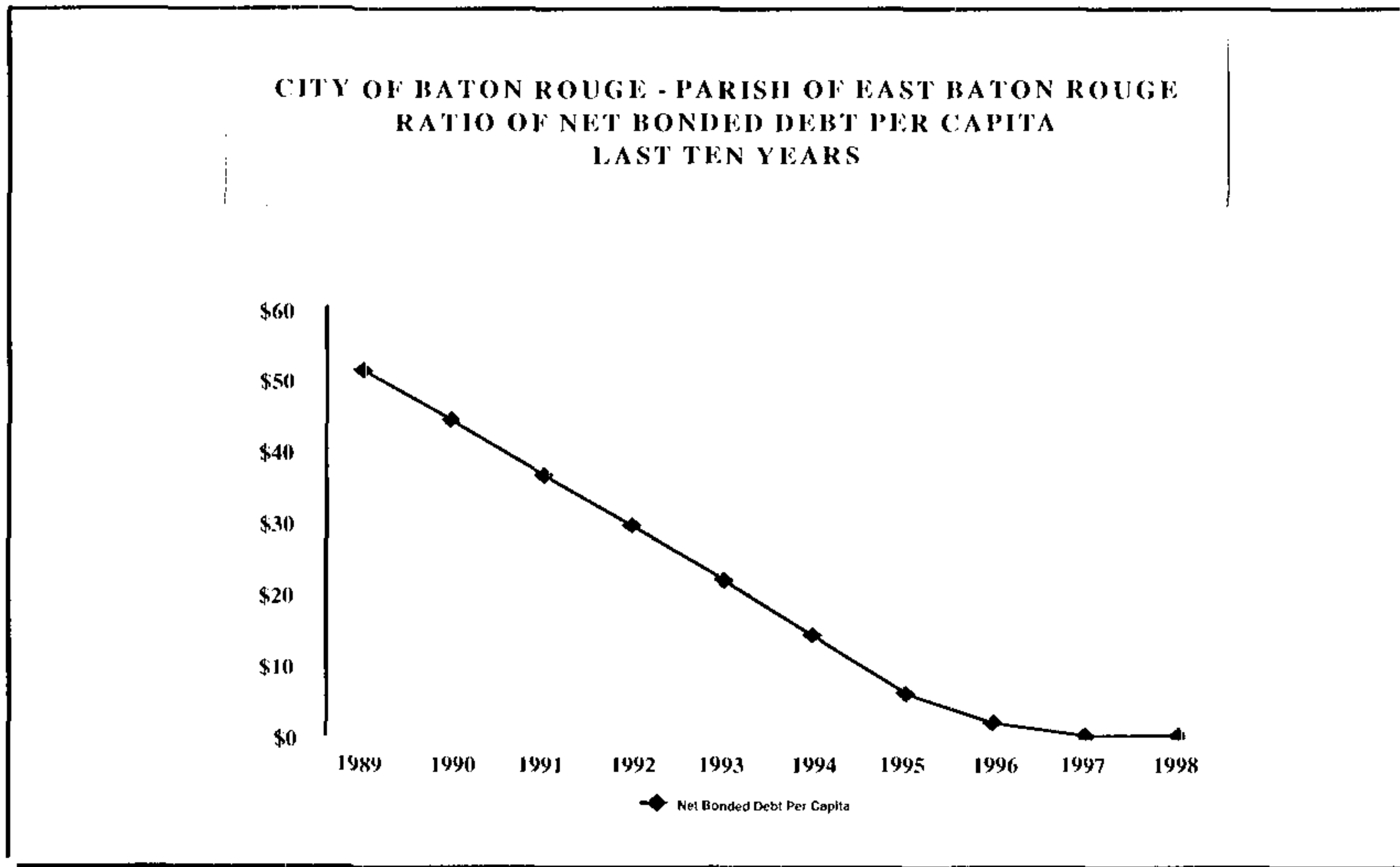
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 RATIO OF NET BONDED DEBT TO ASSESSED VALUE
 AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS**

EXHIBIT XII

Year	Population (1)	Assessed Value	General Obligation Bonded Debt	Less Debt Service Fund (3)	Net Bonded Debt (4)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1989	384,006	\$1,519,041,500	\$23,465,000	\$3,595,002	\$19,869,998	1.31 %	\$52
1990	380,105 (2)	1,529,382,300	20,485,000	3,581,488	16,903,512	1.11	44
1991	383,983	1,552,187,390	17,375,000	3,185,436	14,189,564	0.91	37
1992	390,763	1,568,334,720	14,540,000	2,914,910	11,625,090	0.74	30
1993	393,923	1,627,894,980	11,990,000	3,213,767	8,776,233	0.54	22
1994	396,364	1,674,869,070	9,330,000	3,580,668	5,749,332	0.34	15
1995	398,661	1,738,389,370	6,550,000	4,182,365	2,367,635	0.14	6
1996	399,992	1,864,291,960	3,655,000	2,944,079	710,921	0.04	2
1997	396,331	1,984,916,760	1,300,000	1,300,000	--	--	--
1998	396,556	2,110,523,938	--	--	--	--	--

- (1) Estimates - Planning Commission
- (2) Official U. S. Census
- (3) Amount available for repayment of general obligation and limited tax bond principal
- (4) Special assessment bonds, revenue bonds, and excess revenue bonds, certificates of indebtedness, notes and contracts are included in this exhibit.

Source: Comprehensive Annual Financial Report



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS**

EXHIBIT XIII

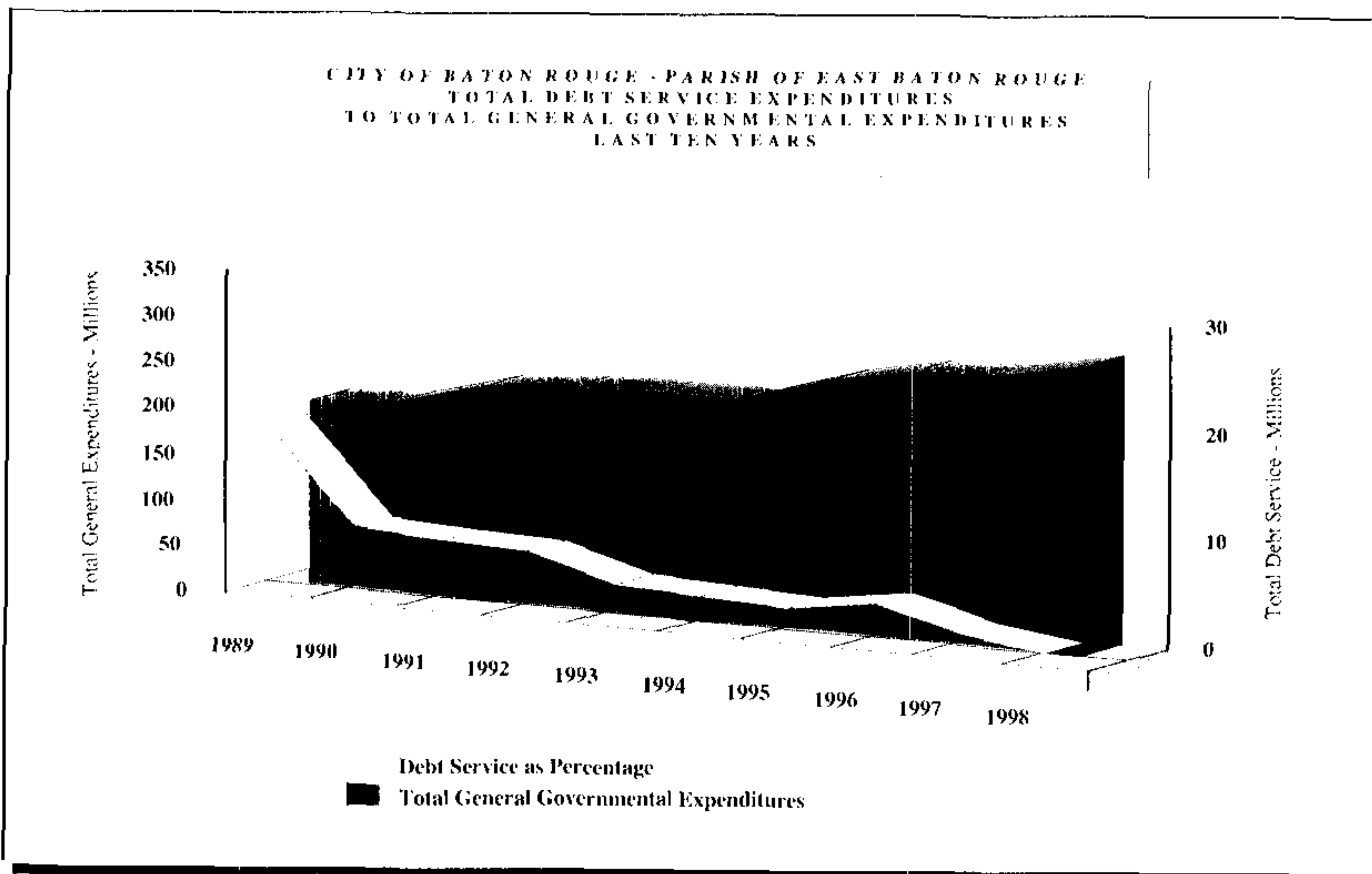
Year	Principal	Interest (1)	Total Debt Service (2)	Total General Governmental Expenditures (3)	Ratio of Debt Service to General Governmental Expenditures
1989	\$ 12,486,133	\$3,129,098	\$ 15,615,231	198,945,248	7.85 %
1990	5,574,174	1,448,159	7,022,333	205,930,998	3.41
1991	5,281,681	1,246,551	6,528,232	232,865,735	2.80
1992	5,182,249	964,015	6,146,264	240,273,531	2.56
1993	3,267,584	727,613	3,995,197	243,948,714	1.64
1994	2,943,306	551,651	3,494,957	245,854,442	1.42
1995	2,849,810	408,251	3,258,061	272,355,125	1.20
1996	4,101,763	291,318	4,393,081	292,877,133	1.50
1997	2,364,966	102,044	2,467,010	296,469,721	0.83
1998	1,310,943	38,416	1,349,359	315,086,940	0.43

(1) Excludes paying agent fees and other costs.

(2) Total Debt Service includes general obligation bonds, excess revenue and limited tax bonds, certificates, notes, and contracts (excluding special assessment bonds, revenue bonds, and 1987 Public Improvement Certificates issued by the East Baton Rouge Sewerage Commission).

(3) Expenditures and Other Uses (encumbrances not included) of General, Special Revenue, and Debt Service Funds (excluding special assessment bonds and city and parish sales tax revenue bonds).

Source: Comprehensive Annual Financial Report



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 1998**

	Gross Debt Outstanding	Amounts in Debt Service Fund For Principal	Net Debt Outstanding
Parish of East Baton Rouge:			
1982 Jail Project Contract	\$ 55,892	\$ --	\$ 55,892
Overlapping Debt:			
City of Baker	1,410,000	1,090,862	319,138
City of Zachary	54,400	--	54,400
Hospital Service District No. 1 (Lane Memorial Hospital)	7,710,000	489,984	7,220,016
East Baton Rouge Parish School System	3,729,985	--	3,729,985
Port of Greater Baton Rouge	2,730,118	410,000	2,320,118
Total Direct and Overlapping Debt	\$ 15,690,395	\$ 1,990,846	\$ 13,699,549
1998 Population			
Per Capita			

Percent	Parish	Share of Debt	Percent	City	Share of Debt
100 %		\$ 55,892	49 %		\$ 27,387
100		319,138	--		--
100		54,400	--		--
100		7,220,016	--		--
100		3,729,985	--		--
100		2,320,118	100		2,320,118
		\$ 13,699,549			\$ 2,347,505
		396,556			232,637
		\$35			\$10

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

EXHIBIT XV

SCHEDULE A - GREATER BATON ROUGE PARKING AUTHORITY

Year	Gross Revenue (1)	Expenses (2)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
1989	\$ 855,145	\$310,078	\$545,067	\$230,000	\$354,742	\$584,742	0.93
1990	1,006,419	404,512	601,907	245,000	340,380	585,380	1.03
1991	1,073,014	433,694	639,320	260,000	324,481	584,481	1.09
1992	1,024,484	435,450	589,034	280,000	309,034	589,034	1.00
1993	980,926	380,078	600,848	300,000	291,574	591,574	1.02
1994	985,613	388,995	596,618	320,000	273,409	593,409	1.01
1995	1,078,744	350,245	728,499	340,000	254,810	594,810	1.22
1996	945,085	345,018	600,067	360,000	235,279	595,279	1.01
1997	898,680	350,271	548,409	385,000	212,594	597,594	0.92
1998	944,364	387,047	557,317	410,000	183,130	593,130	0.94

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

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
1989	\$17,860,900	\$187,369	\$17,673,531	\$ --	\$ 1,779,392	\$ 1,779,392	9.93
1990	19,389,823	148,277	19,241,546	595,000	3,524,303	4,119,303	4.67
1991	19,535,343	183,300	19,352,043	640,000	3,449,854	4,089,854	4.73
1992	21,031,607	299,996	20,731,611	865,000	4,762,108	5,627,108	3.68
1993	21,671,535	245,108	21,426,427	970,000	5,389,762	6,359,762	3.37
1994	23,595,872	295,723	23,300,149	1,545,000	9,541,639	11,086,639	2.10
1995	25,167,277	292,682	24,874,595	3,065,000	9,968,885	13,033,885	1.91
1996	27,378,976	289,369	27,089,607	3,605,000	12,168,515	15,773,515	1.72
1997	28,111,049	310,592	27,800,457	4,080,000	12,752,811	16,832,811	1.65
1998	29,939,127	313,501	29,625,626	4,440,000	12,397,987	16,837,987	1.76

Continued

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

EXHIBIT XV
(Continued)

SCHEDULE C - CITY SALES TAX (2%)

Year	Gross Revenue (6)	Expenses (7)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
1990	\$63,120,607	\$ 40,683	\$63,079,924	\$ --	\$ 845,452	\$ 845,452	74.61
1991	61,211,035	--	61,211,035	485,000	1,192,175	1,677,175	36.50
1992	76,194,129	790,138	75,403,991	865,000	3,163,103	4,028,103	18.72
1993	68,602,851	--	68,602,851	2,640,000	8,611,534	11,251,534	6.10
1994	70,508,633	--	70,508,633	4,565,000	8,552,838	13,117,838	5.38
1995	73,551,183	--	73,551,183	4,960,000	8,213,678	13,173,678	5.58
1996	77,653,910	--	77,653,910	5,385,000	7,783,874	13,168,874	5.90
1997	80,565,270	--	80,565,270	5,860,000	7,312,606	13,172,606	6.12
1998	77,582,757	360,000	77,222,757	5,640,000	7,548,727	13,188,727	5.86

SCHEDULE D - PARISH SALES TAX (2%)

Year	Gross Revenue (6)	Expenses (7)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
1990	\$17,684,247	\$37,887	\$17,646,360	\$ --	\$390,893	\$390,893	45.14
1991	20,593,776	--	20,593,776	200,000	451,899	651,899	31.59
1992	22,630,092	--	22,630,092	215,000	439,627	654,627	34.57
1993	22,347,862	--	22,347,862	230,000	426,269	656,269	34.05
1994	25,258,905	--	25,258,905	245,000	411,849	656,849	38.45
1995	29,129,135	--	29,129,135	260,000	396,093	656,093	44.40
1996	32,626,109	--	32,626,109	275,000	379,217	654,217	49.87
1997	34,683,096	--	34,683,096	295,000	361,042	656,042	52.87
1998	42,429,476	88,591	42,340,885	315,000	340,777	655,777	64.57

- (1) Total operating revenues plus non-operating revenues plus operating transfers in
- (2) Total operating expenses plus non-operating expenses less depreciation and debt service interest on revenue bonds
- (3) Fiscal charges included
- (4) Total sales tax revenues plus interest earnings on sales tax revenues
- (5) Total sales tax collection costs
- (6) 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
- (7) Refunding bond issuance costs

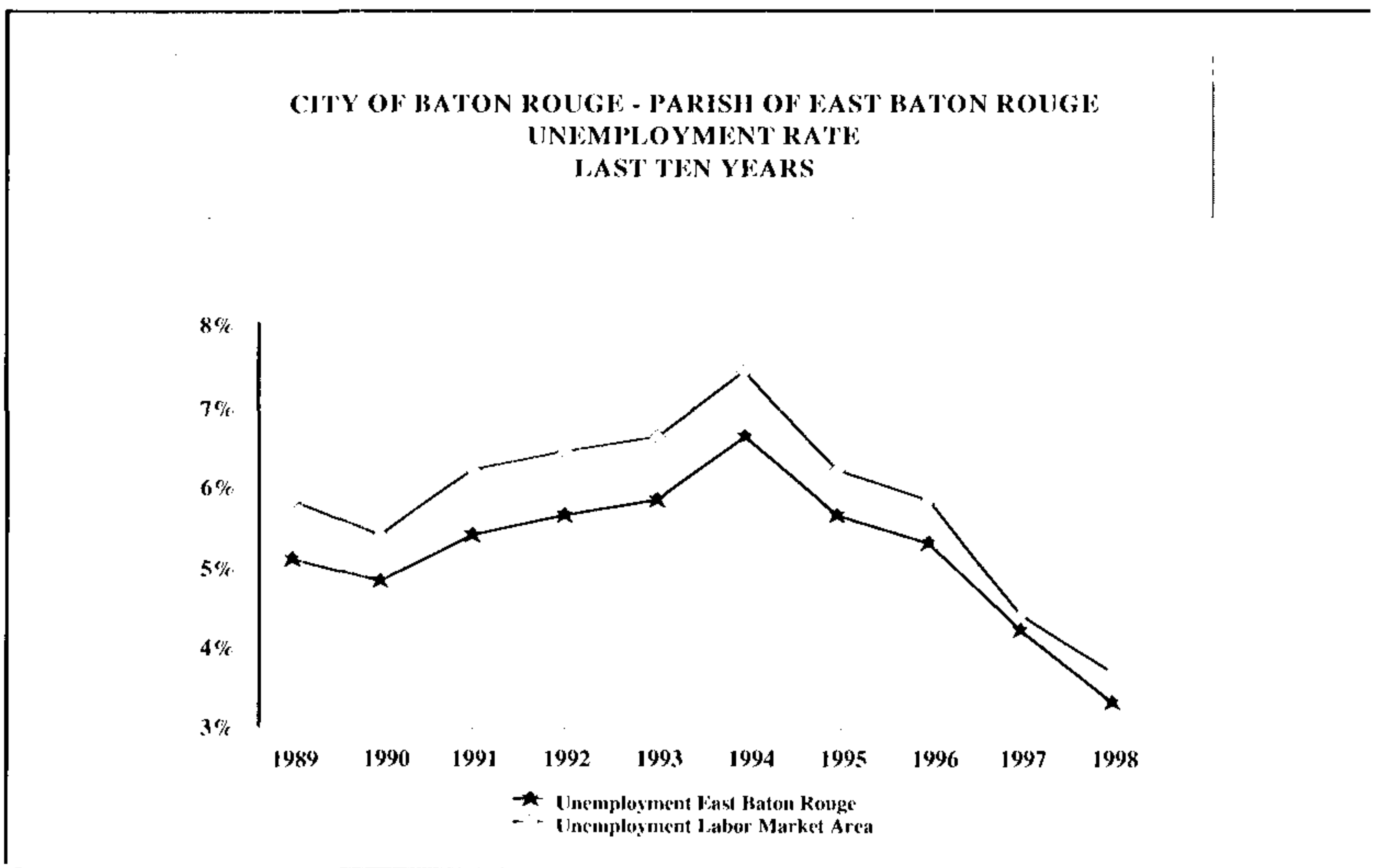
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

EXHIBIT XVI

Year	Popu- lation (1)	Per Capita Income (3)	Median Age (1)	Public School Enrollment (4)	Unem- ployment East Baton Rouge (5)	Unem- ployment Labor Market Area (6)
1989	384,006	13,828	26.0	58,160	5.1 %	5.8 %
1990	380,105 (2)	15,089	26.0	59,840	4.8	5.4
1991	383,983	16,236	26.3	59,861	5.4	6.2
1992	390,763	17,881	29.9	60,918	5.6	6.4
1993	393,923	18,148	29.9	60,643	5.8	6.6
1994	396,364	18,798	29.9	59,026	6.6	7.4
1995	398,661	19,288	29.9	57,430	5.6	6.2
1996	399,992	20,484	29.9	55,970	5.3	5.8
1997	396,331	22,361	29.9	53,379	4.2	4.4
1998	396,556	23,077	29.9	55,507	3.3 (7)	3.7 (7)

All information is Parishwide

- (1) Estimates - Planning Commission
- (2) Official U.S. Census
- (3) Estimates - Bureau of Economic Analysis
- (4) East Baton Rouge Parish School Board
- (5) Louisiana Department of Labor - Benchmark rates for East Baton Rouge Parish only - These data are disaggregated using claims for unemployment compensation and population sharing ratios which are applied to present market area estimates and are valid only for the allocation of manpower revenue sharing funds.
- (6) Louisiana Department of Labor - Baton Rouge Labor Market Area includes East Baton Rouge, Ascension, Livingston, and West Baton Rouge Parishes. The Labor Market Rate reflects unemployment in Baton Rouge and the surrounding area. Baton Rouge serves as the focus of employment for many of the parishes that border it.
- (7) Preliminary figures



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS**

EXHIBIT XVII

Year	Commercial Construction (2)		Residential Construction (2)		Bank Deposits (1) (In Thousands)
	Number Of Permits	Value	Number Of Permits	Value	
1989	850	\$ 101,438,055	1,948	\$ 74,597,798	\$ 13,425,510
1990	872	105,358,564	1,957	82,956,766	14,051,811
1991	892	96,213,779	1,999	88,020,266	17,731,148
1992	835	103,544,932	2,395	116,690,014	12,227,027
1993	920	133,669,625	2,542	129,633,256	12,519,825
1994	948	205,269,598	2,529	123,468,138	16,502,452
1995	958	210,975,208	2,160	93,878,466	17,685,694
1996	1,037	262,585,974	2,312	109,909,237	19,428,938
1997	1,104	197,840,970	2,081	100,546,972	See Below
1998	870	218,408,621	2,182	107,752,471	See Below

		Bank Deposits (In Thousands) (1)	
		December 31, 1998	December 31, 1997
*	Hibernia National Bank	\$ 1,152,866	\$ 7,799,665
*	Bank One, N.A.	1,834,883	4,156,918
*	Whitney National Bank	178,495	2,686,731
*	Regions Bank of Louisiana	227,986	1,871,479
(3)	City National Bank of Baton Rouge	--	971,711
*	Hancock Bank of Louisiana	430,587	713,037
*	Union Planters Bank	524,147	505,423
	Deposit Guaranty National Bank	102,100	--
	Liberty Bank & Trust Company	12,718	136,183
	Citizens Bank & Trust Company	25,043	84,035
	Bank of West Baton Rouge	21,392	106,409
	Bank of Zachary	73,550	67,039
	Bank of Commerce	--	60,809
	First National Banker's Bank	77,965	30,195
	Louisiana Bank & Trust Company	29,443	24,571
	First Bank	5,416	--
	Mercantile Stores National Bank	500	--
	United Credit Card Bank	500	--
	Total Deposits	\$ 4,696,591	\$ 19,214,205

* 1997 Deposits Statewide; 1998 Deposits Parishwide

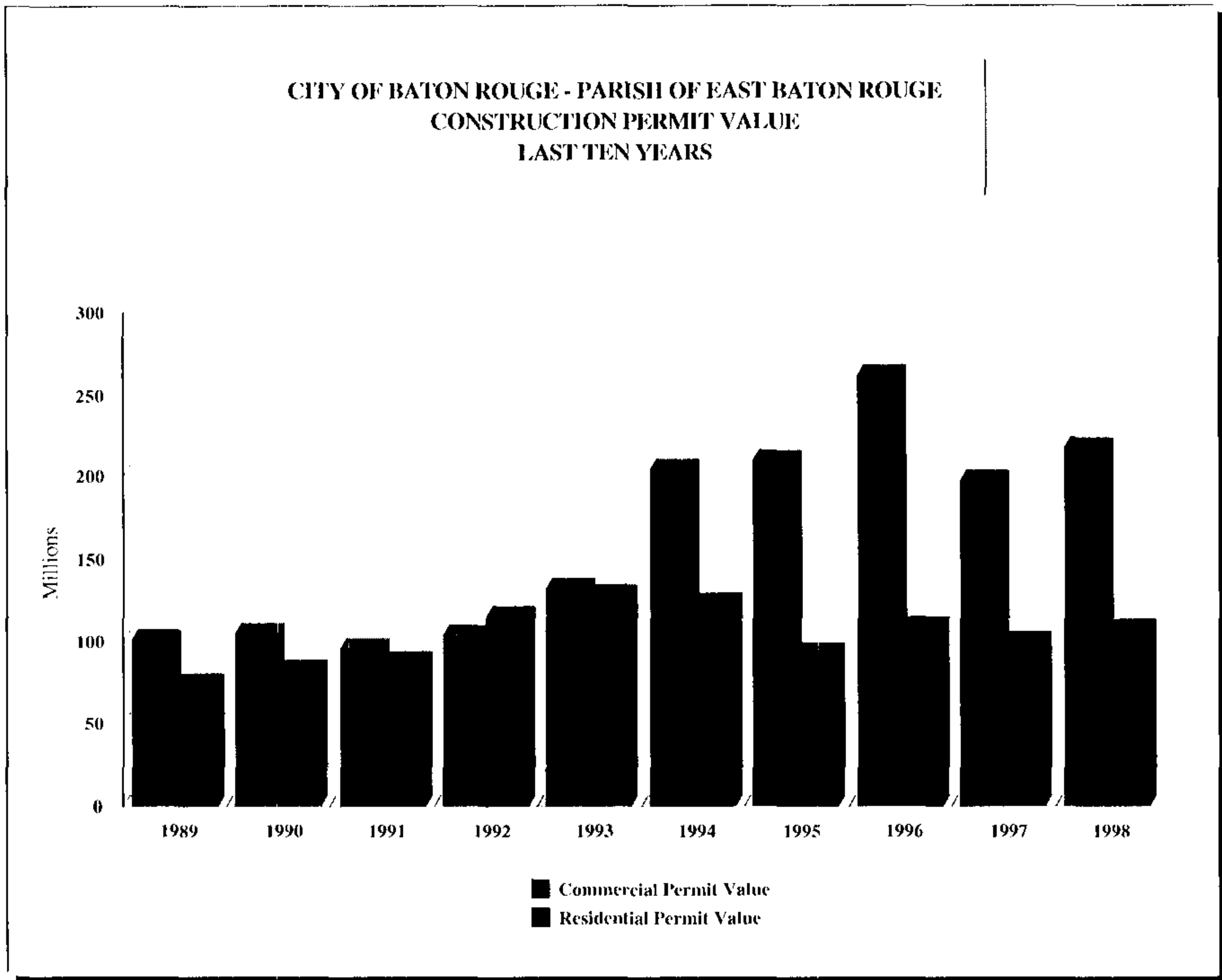
All Information is Parishwide

- (1) Source: Louisiana State Office of Financial Institutions
- (2) Source: Department of Public Works - Inspection Division
- (3) Acquired by Bank One, N.A. effective 11/16/98.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

EXHIBIT XVII
(Continued)



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
MISCELLANEOUS STATISTICS
DECEMBER 31, 1998

EXHIBIT XVIII

Date of Incorporation (1)	July 6, 1817
Form of Government (2)	Mayor - Council City-Parish Consolidation
Area (3)	City 74.74 sq. miles Parish 472.10 sq. miles
Number of Street Lights (4)	34,187
Fire Protection (5)	
Number of Stations	19
Number of Fire Fighters and Officers (exclusive of volunteer fire fighters)	577
Police Protection (6)	
Number of Stations	4
Number of Police Officers	655
Education (Public K-12)* (7)	
Attendance Centers	98
Number of Teachers	3,782
Number of Students	55,507
Sewers* (4)	
Pumping Stations	408
Secondary Treatment Plants	3
Value of Building Permits Issued (4)	
1994	\$ 332,622,833
1995	\$ 309,656,012
1996	\$ 377,242,264
1997	\$ 304,163,892
1998	\$ 332,373,441
Recreation and Culture* (8)	
Number of Volumes	1,232,185
Employees* (9)	
Classified	4,421
Unclassified	116
Elected	33

*Parishwide

Sources:

- (1) Foundation for Historical Louisiana, The Baton Rouge Story: An Historical Sketch of Louisiana's Capital City, c. 1967.
- (2) "The Plan of Government" of the Parish of East Baton Rouge and the City of Baton Rouge
- (3) Planning Commission
- (4) Department of Public Works
- (5) Fire Department
- (6) Police Department
- (7) East Baton Rouge Parish School Board
- (8) East Baton Rouge Parish Library
- (9) Personnel Department

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
MISCELLANEOUS STATISTICS
DECEMBER 31, 1997**

EXHIBIT XVIII
(Continued)

Population (1)	City	Parish
1984	245,230	393,709
1985	242,581	390,945
1986	244,352	392,547
1987	242,184	389,041
1988	241,557	386,176
1989	242,045	384,006
1990	219,531	380,105
1991	221,208	383,983
1992	223,622	390,763
1993	226,647	393,923
1994	228,101	396,364
1995	230,460	398,661
1996	231,219	399,992
1997	231,276	396,331
1998	232,637	396,556

(1) Source: Estimates - Planning Commission

Ten Largest Employers by Industry (2)

Company Name

Public Schools	East Baton Rouge Parish School Board
Government	City of Baton Rouge - Parish of East Baton Rouge
University	Louisiana State University - Baton Rouge
Petroleum Products Chemical Products Plastic Products	Exxon Corporation - Houston, TX
Hospital	Our Lady of the Lake Regional Medical Center
Retail	Wal-Mart Stores, Inc.
Construction	Harmony Corporation
Service	Fluor Daniel Services Corporation
University	Louisiana State University
Hospital	Baton Rouge General Medical Center

(2) Source: Louisiana Department of Labor - based on information available as of the first quarter of 1998.
Includes firms with 1,000 or more employees.

SPECIAL ACKNOWLEDGMENTS

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Elizabeth LeBlanc
Assistant Accounting Managers

Kathleen Kreko
Mark LeBlanc
Wendy LeBlanc
Jeannie Martin
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Toni Chastant
Helen LaVergne

Senior Fiscal Specialist
Natalie Chung
Dorothy Cobbs
Thea Gauthier
Linda Hickerson
Adrienne Matthews
Mary Ann Oliphant

Fiscal Specialist
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Augustine Cummings
Martha Harris
Jean Hinkson
Mona Parker
Rhonda Ricard

Accountant III
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Myra Dialekwa
Cary Morgan
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Accountant II
Annie Davis
Kim Fair
Nicole Keller
Tammy Morgan

Accountant I
Cheryl Bourgeois
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Senior Clerical Specialist
Tabitha Baranco

Clerical Specialist III
Jasylon Burns

Clerical Specialist II
Gregory Spears

Student Interns
Jill Allen
Natalie Duncan
Craig Landry
Natalie McKinney
Karla Ringe
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GENERAL PURPOSE FINANCIAL STATEMENTS AND SINGLE AUDIT



For The Year Ended
December 31, 1998

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

Release Date _____

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

Prepared by
Department of Finance
Otha L. Schofield, CPA, Director

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL PURPOSE FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 1998**

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**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL PURPOSE FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 1998**

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April 27, 1999

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:

I am pleased to submit the General Purpose Financial Statements (GPFS) and Single Audit Report 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, 1998. The Accounting Division of the City-Parish Department of Finance 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 activity of its various funds and account groups; 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 GPFS and Single Audit Report is presented in three sections: introductory, financial, and single audit. The introductory section includes a table of contents and this letter of transmittal. The financial section includes the independent auditor's report on the general purpose financial statements. The government's Comprehensive Annual Financial Report (CAFR) is issued under separate cover and is available upon request to the Finance Department.

The City-Parish is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Information related to this single audit—including the Schedule of Expenditures of Federal Awards, Standard Form SF-SAC, findings and recommendations, and the auditors' reports on the internal control structure and compliance with applicable laws and regulations—is included in the third section of this book.

A determination of the financial reporting entity to be included in this GPFS and Single Audit is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to 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).
- Blended Component Unit - This is one organization that although very closely related to the City-Parish, is legally separate, and whose financial statements are reported in this report as if it were a part of the primary government.

- Discrete Component Units - These are several organizations that are less closely related than the blended component unit, but still have sufficient relationships that the City-Parish must report their financial statements separately in this report.
- Related Organizations - These are organizations that have a sufficiently distant relationship to the City-Parish that their financial statements are not required to be presented in any manner with those of the City-Parish. However, footnote disclosure regarding these agencies is required in this report.

The financial statements included in this report are as follows:

<u>Name of Organization</u>	<u>Type of Unit</u>
▶ The City-Parish	Primary Government
▶ Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge	Blended Component Unit
▶ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
▶ Nineteenth Judicial District Court	Discrete Component Unit
▶ East Baton Rouge Parish Family Court	Discrete Component Unit
▶ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
▶ Nineteenth Judicial District Indigent Defender Board	Discrete Component Unit
▶ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
▶ Capital Region Planning Commission	Discrete Component Unit
▶ Parish Fire Protection Districts	Discrete Component Unit
▶ Capital Transportation Corporation	Discrete Component Unit

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

ECONOMIC CONDITION AND OUTLOOK

The City of Baton Rouge is the state capital and the second largest city in Louisiana. It is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City is the principal home of two major state universities: Louisiana State University and Southern University. The Port of Baton Rouge is the country's fourth largest domestic port in terms of total tonnage. The North American Free Trade Agreement (NAFTA), approved by Congress in 1993, enables Baton Rouge, because of its location, to take economic advantage of one of the world's largest free trade zones.

A number of Fortune 500 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 Louisiana Department of Labor, the annual average rate of local unemployment continued to fall in 1998, as reflected in the following chart:

	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA (1)</u>
1995	5.6%	6.2%
1996	5.3	5.8
1997	4.2	4.4
1998 (2)	3.3	3.7

(1) Metropolitan Statistical Area
(2) Preliminary Figures

The Louisiana Economic Outlook, published annually by the College of Business Administration at Louisiana State University and by Southeastern Louisiana University, contained these comments in the October 1998 edition concerning local economic conditions:

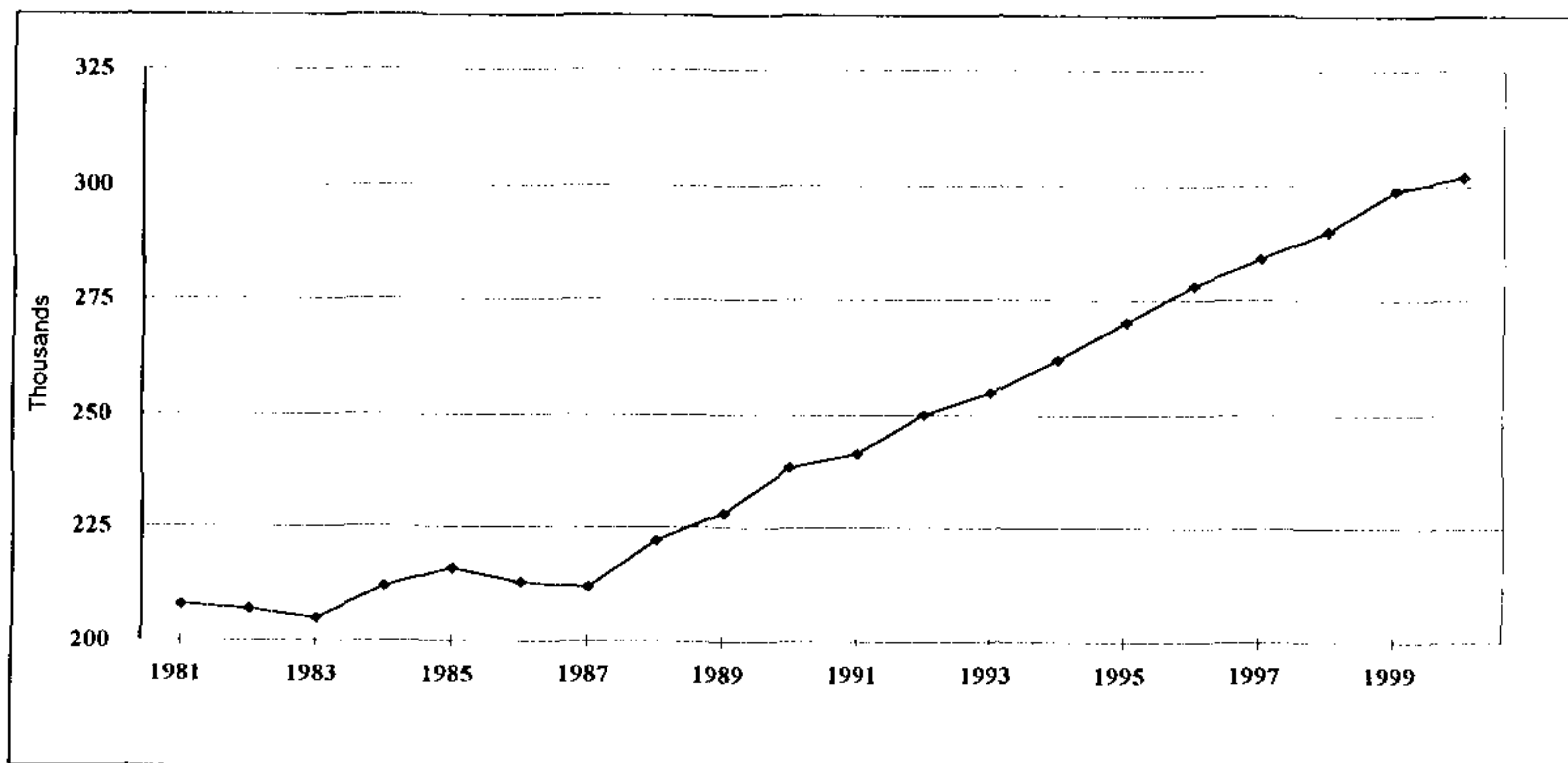
Metropolitan Statistical Area Economy (East Baton Rouge, West Baton Rouge, Ascension and Livingston Parishes)

The 1998 Louisiana Economic Outlook projects the following conditions for the four-parish Metropolitan Statistical Area (MSA) during 1999-2000:

In terms of continuous, consistent, strong growth, the Baton Rouge MSA has been the envy of the other regions in the state. This 4-parish region is composed of East Baton Rouge, West Baton Rouge, Ascension, and Livingston Parishes. As shown in [Figure 1], this MSA is completing its 11th straight year of record employment increases. What is particularly impressive about this record is its strength. Over this 11-year period, Baton Rouge's employment expanded at an average annual rate of 2.9 percent or 7,200 jobs per year. No other MSA in the state has enjoyed such a healthy expansion period.

FIGURE 1

BATON ROUGE MSA WAGE & SALARY EMPLOYMENT



The chemical industry has been the principle source of this extraordinary expansion. This MSA has the largest concentration of chemical industry activity in Louisiana. For example, in 1997 there were 62 plants in the 4-parish area employing 9,850 workers with an annual payroll of \$598 million. East Baton Rouge Parish (\$300.3 million) has the largest concentration of chemical industry wages in the state, and Ascension Parish (\$274.9 million) ranks number three. It was the dramatic expansion in this industry, in response to a falling U.S. dollar, in the late 1980s that fueled much of Baton Rouge's remarkable expansion, and this industry's present healthy state is behind the MSA's more recent record-setting job growth.

*As mentioned earlier, the chemical industry is very capital-intensive, and that means when it expands, so does the **industrial construction** sector. As shown in [Figure 2], the Baton Rouge MSA has an unusually high 11 percent of its workforce in the construction sector, a proportion only matched by Lake Charles...site of another major chemical concentration.*

FIGURE 2

PERCENT OF EMPLOYMENT ORIGINATING IN VARIOUS SECTORS ACROSS LOUISIANA MSAs

Sector	Metropolitan Statistical Area								State-Wide
	Alexandria	Baton Rouge	Houma	Lafayette	Lake Charles	Monroe	New Orleans	Shreveport/Bossier	
Mining	0.2	0.3	9.8	9.3	1.5	0.3	2.5	1.5	2.9
Construction	6.0	11.0	4.6	5.7	12.2	5.1	5.0	5.7	6.3
Manufacturing	6.4	8.7	9.6	10.0	13.8	11.6	7.9	11.3	10.3
Trans., Com., Public Util.	4.9	4.3	10.7	6.1	5.0	5.4	6.9	4.9	6.0
Trade	22.8	23.4	23.3	25.7	21.3	25.0	24.6	22.9	23.3
Fin., Insur., Real Est.	4.3	6.2	3.1	3.8	3.0	7.2	5.1	3.9	4.6
Services	30.8	25.8	21.3	25.0	27.9	26.5	30.8	30.7	26.9
Government	24.7	20.3	17.8	14.4	15.2	18.8	17.2	19.1	19.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Of course, **state government** is another major player in the Baton Rouge economy. The huge state capital complex and two major state supported universities...LSU and Southern University...add significant dollars to the Baton Rouge economy. The Louisiana economy has now been growing for 11 straight years. Solid expansions like that generate a generous stream of tax collections into the state treasury. Robust tax collections, such as those enjoyed for the past four years, mean more dollars injected into the Baton Rouge state government complex, further igniting this MSA's economy.*

In addition to the Baton Rouge MSA's employment history over the 1981-98 period, [Figure 1] also illustrates LEM's forecasts for 1999-2000. According to LEM's projections, the Baton Rouge MSA will add a 12th and 13th year to its record employment trend, gaining 13,600 jobs over the next two years.

*As has been the case for the past few years, a booming chemical industry will continue to fuel this expansion. As mentioned earlier in our specific review of the chemical sector, engineering firms are telling us that the \$2-\$3 billion dollar construction bubble (over and above that which normally occurs) is projected to extend well into 2001. We are aware of at least four significant expansions in this 4-parish area. **Rhone Poulenc** is adding an animal nutrition unit, **Vulcan Materials** is expanding its choralkali facilities, **BASF** is adding a second MDI production unit, and **Rubicon** is expanding its plastics plant in Geismer.*

*In addition to the industrial construction jobs generated by these and other plant expansions/maintenance activities, **construction jobs** will get a further boost from (1) a \$30 million expansion of the Centroplex, (2) a \$45 million expansion of the airport, (3) significant new additions to the state government complex downtown, and (4) continuation of the **I-12/I-10** highway upgrade project.*

*Baton Rouge is gaining a new sector which is helping to diversify the MSA even more. **West TeleServices** is another of a growing number of call centers that are being lured to the MSA by the draw of a large number of college students (from LSU, SU, and the new Community College) who can work part-time at the company. West TeleServices is projected to open in November, 1998 with 300+ workers and be at 1,550 by 1999. **Hamilton Telecommunications** opened in the early part of 1998, providing assistance to the hearing-impaired and is expected to hire 125 employees. **Dillard's** recently announced it will add 100 new job slots to its current 400-person credit card processing center. In 1997, the MSA had attracted **Impact Hotel Group**, a 90-employee firm acting as a hotel reservation center. Chamber officials indicate that a number of other call centers and back-office operations are looking to Baton Rouge as a potential site for their companies.*

*Speaking of **hotels**, this is another sector where the MSA is gaining new jobs. Five new hotels opened in Baton Rouge in 1997, and in 1998, there was an additional seven either under development or proposed.*

This MSA should have no difficulty achieving the employment numbers LEM has projected for 1999-2000.

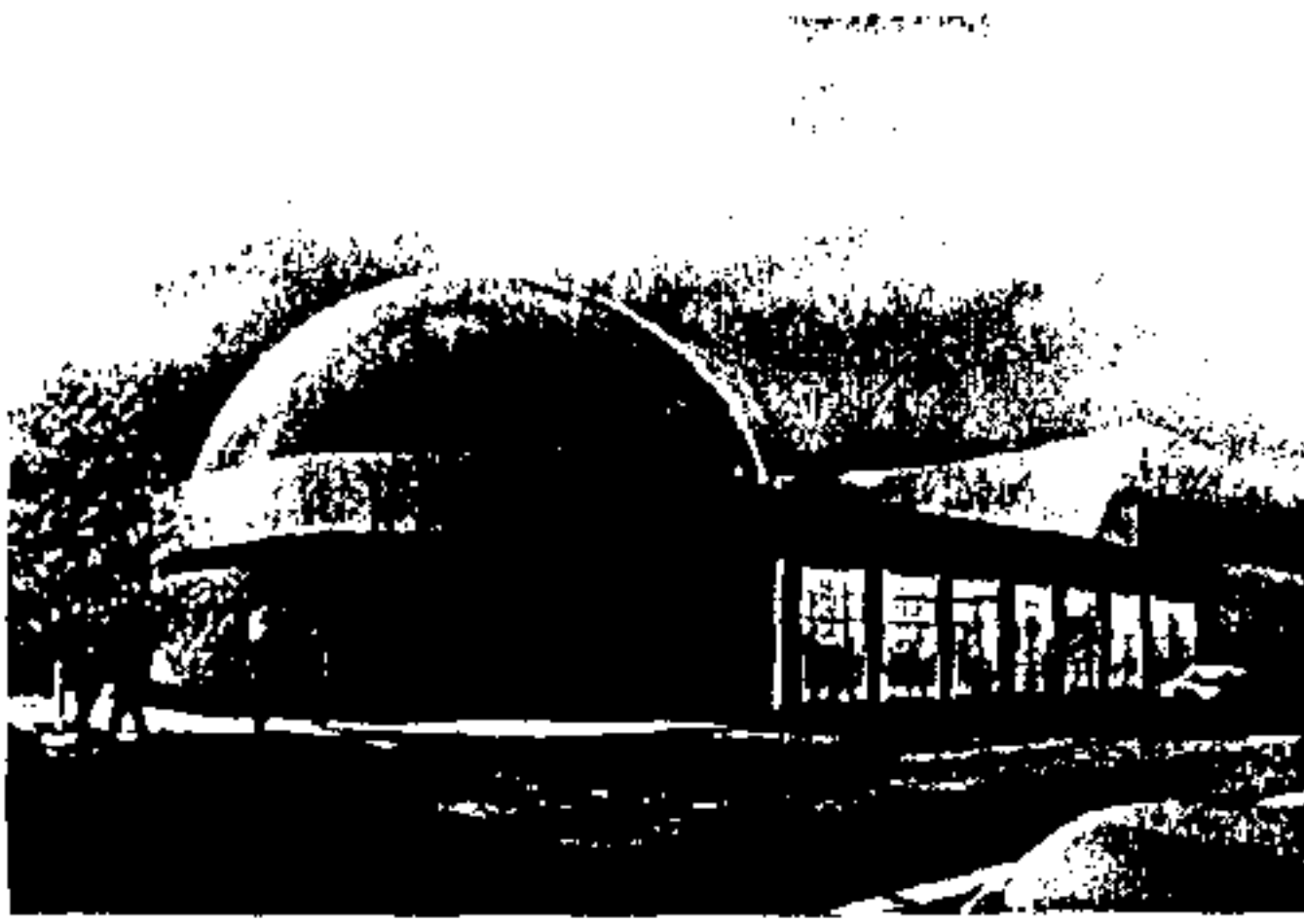
MAJOR INITIATIVES

For the Year

The Administration continued their commitment to the four-year strategic plan drafted for the term 1998-2001. The seven plan goals are as follows:

- Promote justice, enhance safety, and ensure peace and tranquility;
- Preserve and extend the blessing of liberty through education, civic leadership, and character building;
- Promote self-sufficiency and prosperity for every member of our community through a strong and diverse economy;
- Promote the general welfare of our people through housing, health, and human services;
- Prudent stewardship and conservation of our abundant natural resources;
- Enrich the quality of life for every resident through recreational and cultural programs; and
- Foster and preserve public trust and confidence in local government.

In October 1998, the City-Parish completed **three major bond issues** for refunding of existing debt and other purposes. The refunding portion generated an economic gain (present value savings) of over \$7 million.



The non-refunding portion provided \$3.4 million local match for the planned construction of a new planetarium/space theater. This new facility will feature a sixty-foot-diameter projection dome and seating for 200 people. It will take advantage of digital technologies now available to provide dynamic simulation of the night sky through videos, lasers, and computer imagery for accurate re-creations of the universe. This technology, combined with dramatic laser and special effects, and full-dome computer graphics, will make the facility the largest and most advanced planetarium in the region. The new facility is projected to attract more than 100,000 visitors annually to the downtown area. The design phase of the project began in 1998 and construction is expected to begin in 1999.

On November 4, 1998, the voters within the Parish approved the imposition of an additional one-cent local hotel and motel tax (a total of four cents) dedicated to be used exclusively for **expansion of the Riverside Centroplex** (the publicly held arena and exhibition hall) from its present 60,000 square feet to 160,000 square feet. The tax is estimated to generate approximately \$630,000 annually. These funds, combined with the proceeds of other revenues from taxes on hotel and motel rooms, will provide funding for the planned debt service payment on \$15 million of debt to be issued for the expansion. These funds will match another \$15 million in state capital outlay revenues to complete funding for the \$30 million project. The expansion will provide the additional space needed to attract conventions of a size that we cannot presently accommodate.

An amendment to the City-Parish Plan of Government affecting pensions was approved by voters in 1998. The amendment permits the transfer of Police and Fire employees to their respective statewide pension systems. It also allows the City-Parish to reduce pension benefits for new employees.

A new employee/retiree **self-insurance program** was formed at the beginning of fiscal year 1998. The new program features a "Point of Service" arrangement whereby participants may choose coverage under either a Health Maintenance Organization component or a traditional indemnity component each time they need health care services. It offers an aggressive wellness/health assessment program and expanded coverage in areas such as organ transplants, physical therapy, and Radial Keratotomy (RK) eye surgery. In connection with the new health insurance program, the Administration plans to implement a comprehensive wellness program for employees and retirees.



City-Parish departments and agencies continued to be recognized for professional excellence in 1998. For two consecutive years, the Office of Community Development has been the recipient of the Department of Housing and Urban Development's (HUD's) John J. Gunther Blue Ribbon "Best Practices" award. This award recognizes outstanding management of programs funded by HUD. Two awards were received in 1997 and four awards were received during 1998. The program recognizes HUD-funded housing programs that expand the supply of affordable housing, create jobs, strengthen local economies, fight housing discrimination, and accomplish other goals to improve life in America's communities. During 1998, the Planning Commission received awards for both *Outstanding Planning* and *Distinguished Leadership*. The Department of Human Resources won the 1998 *Agency Achievement Award* for outstanding strides toward improving communication through their annual report and the MetroNet. This award was presented by the Louisiana Chapter of the International Personnel Management Association.

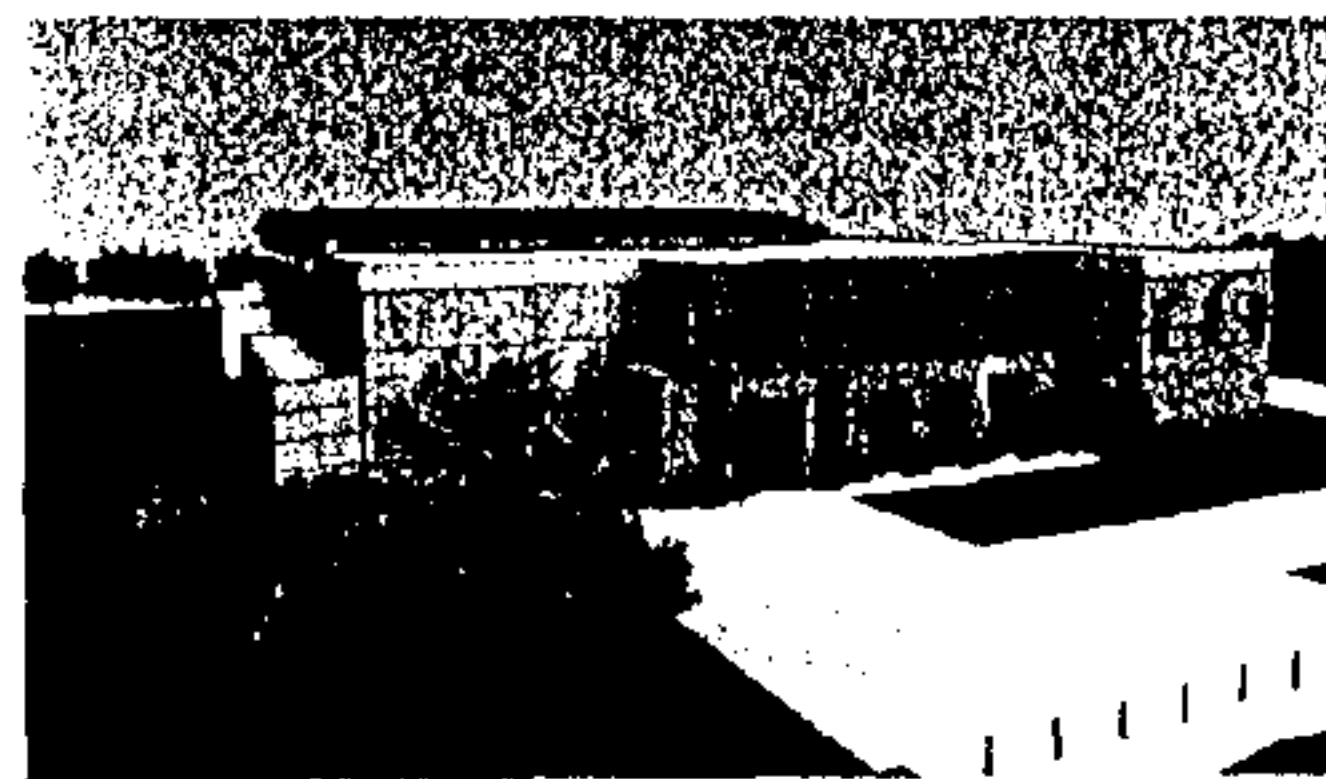
In October 1998, the Auditing Division was recognized by the Greater Baton Rouge Total Quality Management (TQM) Council with its *Highest Achievement Award*. The award is modeled after the Malcolm Baldrige National Quality Award, which was initiated in 1987 to promote total quality management and make American products and services the best worldwide. Criteria for the award involve leadership, strategic planning, human resources development and management of process quality, customer focus and satisfaction, and company operational results. Since 1981 when the Auditing Division assumed management of the Revenue Auditing function, they have collected \$79.75 million through local tax audits, an average of \$6.02 collected for each dollar spent on this activity.

Each year since 1992, the Louisiana Government Finance Officers Association has presented awards for the state's best Comprehensive Annual Financial Reports and the best budget presentation. Louisiana governments can only apply for these awards once they have earned either the National GFOA Certificate of Achievement for Excellence in Financial Reporting or the GFOA's Award for Distinguished Budget Presentation. The City-Parish won both awards in 1998.

During 1998, the Parish continued work on numerous improvements to wastewater collection and treatment facilities. Approximately \$27.8 million in improvements were capitalized during 1998.

For the Future

The sum of \$744,000 has been appropriated for the design of an **Advanced Traffic Management and Emergency Operations Center**. This facility will integrate surveillance, incident detection, traffic control, motorist information, and emergency response into one management center for the Greater Baton Rouge metropolitan area. The 47,000-square-foot center will be adjacent to the Greater Baton Rouge Airport and the Fire Department Administration and Training Facility. When completed, the new building will house City-Parish agencies involved in public safety, communications, and emergency preparedness, as well as traffic control and incident management. This centralization will improve coordination among agencies and shorten response times to public safety and traffic emergencies.



During 1998, the Metropolitan Council approved a supplemental appropriation for the construction of three new Emergency Medical Services (EMS) stations. The construction of the stations is expected to be completed in late 1999. The Greenwell Springs Road facility will be moved to a newly constructed facility adjoining the Central Fire Station. New stations will be built at Plank Road and Lavey Lane in the northern part of the Parish, and at YMCA Drive in the southeastern part of the Parish. In addition, new ambulances were recently purchased to ensure a continuation of the excellent service named the number one EMS program in the country two years ago. The new vehicles, as well as all other emergency response vehicles in the EMS Department, will be outfitted with necessary equipment to implement an Automated Vehicle Locator System.

Testing and installation is currently underway to fully implement this same Automated Vehicle Locator System program in the Baton Rouge City Police uniform patrol vehicles. The system will utilize satellites to track the location of public safety vehicles in real-time and greatly enhance the ability of the Computer Aided Dispatch System to dispatch the closest unit to a call for services, thereby significantly reducing response times. It will also enhance officer safety, as dispatchers will know the exact location of each unit during an emergency.

In July of 1990, voters authorized a one-half percent sales and use tax to be dedicated to Parish streets and roads. As of June 30, 1997, a total of approximately \$157.9 million was made available for road rehabilitation purposes. In May 1997, voters renewed that tax for an additional five years. The renewal ballot dedicated 60% of the estimated \$27.3 million annual proceeds for street construction, with the remaining 40% dedicated to the rehabilitation and maintenance of existing streets and roads. During the five-year period, a total of approximately \$146.8 million on a parishwide basis, will be available through the proceeds of this tax.

During 1998, the State of Louisiana, the Baton Rouge Area Foundation and the City-Parish government each contributed \$150,000 toward the development of a new master plan, entitled *Plan Baton Rouge*, for the use of urban space in the Downtown Development District (DDD). The new master plan will build upon both past and ongoing redevelopment and development efforts supported by DDD. A draft of the plan was presented in 1998 and includes design concepts for building renovations, new buildings, parks, residential development, traffic calming, and methods for encouraging investments in ventures such as restaurants and retail establishments. A final version of *Plan Baton Rouge* will be presented to the Metropolitan Council sometime in 1999.

Department Focus



The Downtown Development District (DDD) is entrusted with developing an overall policy for the promotion, enhancement, and growth of downtown Baton Rouge. The programs adopted by DDD are designed to benefit the entire community as well as the downtown area.

DDD's fundamental mission is to ensure that the City's urban core reflects an image of social, economic, and cultural health. Within the scope of this mission, the District focuses on economic development, community programming, and residential development.

The Downtown Development District was created by the Legislature during the 1984 legislative session and is primarily funded by a 10-mill property tax, which was originally approved by district residential voters in 1986. The tax must be submitted to voters for renewal every five years.

The DDD is governed by a seven-member commission appointed for three-year terms by the Mayor-President, subject to the approval of the Metropolitan Council. The commissioners are representatives from major businesses and residential institutions in the downtown area. The policies and day-to-day operations of the commission are carried out by an executive director who is appointed by the commission.

Since 1987, a number of projects have been completed within the DDD. These projects were the result of both public and private initiatives. Some of the major projects that have been completed are listed below.

<u>Project</u>	<u>Approximate Cost</u> <u>(in millions)</u>
Baton Rouge Landing (City Dock)	\$ 1.6
Riverfront Development Plan-Phase One (Paved Promenade, Tiered Stepping, Light Standards, etc.)	3.2
Federal Courthouse	20.0
Postal Encoding Center	1.5
First Circuit Court of Appeals Building	6.5
State Library Renovation and Expansion	6.4
Old State Capitol Renovation	12.5
City Courthouse Renovation	11.3
Catfish Town Redevelopment	120.0
Louisiana Casino Cruises, Inc.	70.0
City-Parish Employees' Federal Credit Union	0.8
U.S.S. Kidd Museum	<u>10.5</u>
	<u>\$264.3</u>

In 1999, downtown Baton Rouge will begin a major transformation with the planning, construction, and/or remodeling of a number of buildings and landmarks in the downtown area. These projects, along with others that are underway, will enhance the rebirth of downtown Baton Rouge as the City celebrates its 300th anniversary.

Some of the major public projects that are being planned for the downtown area include expansion of the Riverside Centroplex, the construction of two new state office buildings with adjacent parking garages, and the construction of a new Planetarium/Space Theater. The \$30 million expansion of the Centroplex is in the planning process and will add 100,000 square feet of exhibition space so that Baton Rouge can be more competitive in the second-tier convention market. This project was made possible by the passage of a new one-cent tax on motel and hotel rooms and by state funds earmarked for the project. The Louisiana Department of Administration will construct a 470,000-square-foot building and a parking garage at a cost of \$57 million. The Louisiana Department of Revenue and Taxation will construct a 350,000-square-foot building and a parking garage at a cost of \$37 million. Construction on both of these buildings is expected to begin in 1999 and the state expects to save some \$500 million over 30 years by owning instead of leasing office space. The new Planetarium/Space Theater, which is in the planning process, will cost \$7 million and will be located next to the Louisiana Arts and Science Center (LASC). The planetarium and theater will feature state-of-the-art projection equipment that shows images on all sides of the tilting dome, creating a strong sense of realism for the viewer.



In the area of private development, a 27-story Riverfront Tower with 752,000 square feet of residential, parking, and mixed use commercial space is being planned. The proposal submitted by developers to the Planning Commission specified plans for 63 condominiums of between 1,900 and 2,500 square feet. This project will have a significant impact on the goal to increase residential space in the downtown area.

Several historic landmarks in the downtown area are undergoing renovation or restoration for use as retail or private office space. They include the old Fuqua Hardware Building, the Piccadilly Building, the old Gordon's Jewelers Building, and the Parish's first public library. The old Capitol House Hotel, previously abandoned and deteriorating, is undergoing renovation. It will be transformed into an elegant facility of some 300 rooms.



Two other historic landmarks, the Old Governor's Mansion and St. James Episcopal Church, are also undergoing renovation and/or expansion. The Old Governor's Mansion is being renovated at a cost of \$2 million. It is being restored to the grandeur of the 1930s and will, among other things, house the Foundation for Historical Louisiana. The project should be completed by mid-1999. St. James Episcopal Church is adding a 42,000-square-foot multipurpose structure. The new building is to include a "great room" which can accommodate lectures, dinners, contemporary church services, and will have a junior high-sized basketball court. Church and day school offices are also a part of the addition. Construction should begin during the summer of 1999.

These planned projects and those that have already been completed will enhance the vitality of downtown Baton Rouge as a vibrant social, cultural, and economic area. With Baton Rouge celebrating its 300th birthday in 1999, these projects could not have come at a better time.

FINANCIAL INFORMATION

Internal Accounting Control

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

As a recipient of federal and state financial awards, 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 Department of Finance believes that the internal controls of the City-Parish adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Accounting System and Budgetary Control

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

Budgetary control is maintained by the encumbrance of appropriations with purchase orders prior to their release to vendors. Purchase orders that exceed appropriation balances are not released unless additional appropriations are made available.

General Governmental Functions

The general government operations of the City-Parish are accounted for in the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The following is a summary of general governmental operations for 1998 by fund type:

	(in thousands)				
	<u>Totals</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
Fund Balance, January 1, 1998	\$ 173,052	\$ 58,370	\$ 63,084	\$ 20,981	\$30,617
Revenues and Other Financing Sources	473,296	221,625	96,053	111,223	44,395
Expenditures and Other Uses	(443,620)	(220,113)	(91,802)	(112,465)	(19,240)
Residual Equity Transfer	____(110)	____766	____(683)	____(350)	____157
Fund Balance, December 31, 1998	<u>\$ 202,618</u>	<u>\$ 60,648</u>	<u>\$ 66,652</u>	<u>\$ 19,389</u>	<u>\$ 55,929</u>

Revenues and other sources of the primary government for general governmental fund type functions for fiscal year 1998 totaled \$473.3 million, compared with \$365.4 million for the previous year, representing an increase of \$107.9 million, or 29.5%. Sources of General Governmental Revenues and the increase (decrease) for each source are summarized in the following table. The "Percent of Total" for each item relates to the total revenues and other financing sources for that year.

(in thousands)

<u>Sources of Revenue</u>	<u>1997</u>		<u>1998</u>		<u>Increase (Decrease) Over 1997</u>
	<u>Revenue</u>	<u>Percent of Total</u>	<u>Revenue</u>	<u>Percent of Total</u>	
Taxes	\$221,052	60.49	\$231,464	48.90	\$ 10,412
Licenses and Permits	3,066	0.84	3,054	0.65	(12)
Intergovernmental Revenues	47,596	13.02	45,235	9.56	(2,361)
Charges for Services	30,273	8.28	31,465	6.65	1,192
Fines and Forfeits	1,976	0.54	1,453	0.30	(523)
Miscellaneous Revenues	19,350	5.30	21,992	4.65	2,642
Other Financing Sources	<u>42,126</u>	<u>11.53</u>	<u>138,633</u>	<u>29.29</u>	<u>96,507</u>
Total	<u>\$365,439</u>	<u>100.00</u>	<u>\$473,296</u>	<u>100.00</u>	<u>\$107,857</u>

Tax revenues for 1998 represented 48.9% of total governmental sources. Tax revenues increased by approximately \$10.4 million compared to 1997. As seen in the graph above, sales and use taxes are the largest tax revenue generated by the City-Parish. Sales and use tax revenues for governmental fund types were \$8.8 million greater in 1998 than in 1997, reflecting a 6.3% increase. Also, an approximate growth rate of 6.3% in the parishwide assessment rolls from 1997 to 1998 netted an additional \$2.2 million in property tax revenues. Revenues for gaming admission taxes dropped by approximately \$600,000 from the 1997 amount.

Intergovernmental revenues for 1998 were 9.56% of total governmental sources. These revenues fell by approximately \$2.3 million from year 1997 due to a decrease in funding from the Louisiana Department of Transportation and Development (DOTD).

An increase in **miscellaneous revenues** of approximately \$2.6 million was realized in 1998. Payments by the Airport District to the General Fund accounted for \$1.7 million of the increase. Interest earnings in governmental fund types increased by \$600,000, and additional Police Department revenues amounted to approximately \$300,000.

Other financing sources rose by \$96.5 million during 1998. The City of Baton Rouge issued \$94.5 million and the Parish of East Baton Rouge issued \$16.8 million in sales tax revenue bonds as previously described in the *Major Initiatives* section of this letter. The two issues together with the premium on the City issue netted \$103.9 million compared to sales tax bonds issued last year of \$19.3 million. Transfers from the Parish Sub Fund to the City Sub Fund were \$11.3 million greater in 1998 than in 1997. Sales of general fixed assets by the government generated \$300,000 and operating transfers in from other funds grew by an additional \$300,000.

Expenditures and other uses of the primary government increased 37.6% in 1998 compared to 1997. Expenditures for general governmental functions and the increase (decrease) for each major function are summarized in the following table. The "Percent of Total" for each item relates to total expenditures for that year.

(in thousands)

<u>Function</u>	<u>1997</u>		<u>1998</u>		<u>Increase (Decrease) Over 1997</u>
	<u>Expenditure</u>	<u>Percent of Total</u>	<u>Expenditure</u>	<u>Percent of Total</u>	
General Government	\$ 46,968	14.57	\$ 50,120	11.30	\$ 3,152
Public Safety	90,871	28.19	96,423	21.74	5,552
Transportation	44,626	13.85	40,284	9.08	(4,342)
Sanitation	19,269	5.98	20,224	4.56	955
Health & Welfare	5,490	1.70	6,471	1.46	981
Culture & Recreation	10,481	3.25	11,419	2.57	938
Conservation & Development	21,523	6.68	22,932	5.17	1,409
Miscellaneous	27	.01	--	0.00	(27)
Capital Outlay	26,996	8.38	32,523	7.33	5,527
Debt Service	18,169	5.64	112,465	25.34	94,296
Intergovernmental	71	0.02	73	0.02	2
Other Uses	<u>37,815</u>	<u>11.73</u>	<u>50,686</u>	<u>11.43</u>	<u>12,871</u>
Total	<u>\$322,306</u>	<u>100.00</u>	<u>\$443,620</u>	<u>100.00</u>	<u>\$121,314</u>

The largest increase in expenditures occurred in the **debt service** function due to the refundings previously discussed in the *Major Initiatives Section* of this letter. Debt service expenditures rose by \$94.3 million, which is entirely attributable to the payment made to the refunded bond escrow accounts for the defeasance of the refunded bond issues.

Excluding debt service, the largest increase in governmental fund expenditures was in the **other uses** category. An increase of \$11.3 million occurred in the Parish Sub Fund in accordance with Local Services Agreement requirements. Additional funds were also transferred to the government's component units such as the courts and the Parish fire protection districts in the amount of \$700,000. The Library Board of Control Special Revenue Fund increased transfers to the Miscellaneous Capital Improvements Fund by \$900,000 for a total increase of \$12.9 million for the other uses category compared with 1997.

The \$4.3 million decrease in expenditures from 1997 to 1998 in the **transportation function** is the result of a change in permitted uses of the street and road tax. Effective July 1, 1997, the portion of tax proceeds used for road rehabilitation and maintenance was reduced from 100% to 40%, thereby causing the decrease in this category.

Public safety expenditures were \$5.6 million greater in 1998 than 1997. Expenditures for the operation of the Police Department increased \$1.9 million. The Police Department increase occurred in the Uniform Patrol and Criminal Investigations divisions due to officer salary and benefit increases. The Fire Department also saw an increase in spending during 1998. Fire Department operating expenses rose approximately \$2 million from 1997. Twelve additional paramedics were added to the staff of the Emergency Medical Services Department increasing their operating costs approximately \$600,000. This increase was needed to provide assistance with the continuing increase in 911 calls to help sick or injured patients. Expenditures increased by \$1.3 million in 1998 in the new Local Law Enforcement Block Grant from the U.S. Department of Justice. The Community Oriented Policing System (COPS) More Grant for the Police Department was discontinued by the funding source, resulting in a decrease in public safety expenditures in the amount of \$200,000.

Capital outlay expenditures were \$5.5 million greater in 1998 than in 1997. The increase in expenditures can be attributed to the following projects:

<u>1998 Increases:</u>	
Police Equipment and Vehicles	\$1,100,000
Fire Equipment and Vehicles	2,100,000
1997 Bond Fund - Landfill Improvements	1,500,000
Capital Improvement Fund	6,900,000
(Major projects include Sherwood Forest at South Choctaw, Oak Villa Extension, and Phases I, II, and III of College Drive.)	
<u>Projects completed in 1997:</u>	
Signal Synchronization (DOTD)	(2,500,000)
Monterrey Boulevard	<u>(3,600,000)</u>
1998 Net Increase in Capital Outlay Function	<u>\$5,500,000</u>

General government expenditures were 11.30% of total governmental fund expenditures in 1998. An additional \$3.2 million was spent on the general operations of the government. The employee health and dental insurance programs realized a \$2.7 million shortage in 1998 that was covered by the General Fund. The premium base has been raised for both employee and employer contributions effective January 1, 1999. The City Constable added six new deputy constables and City Court added five new positions which increased spending by approximately \$250,000 in each department.

Property Assessments and Tax Levies

The assessed value of property, parishwide, was \$2.111 billion in 1998, representing an increase of \$125.6 million, or 6.3%, over 1997. The citywide assessed valuation of \$1.019 billion represents an increase of \$48.1 million, or 5%, over 1997.

The allocation of property tax levies for citywide and parishwide districts for 1998 and the three preceding years are as follows:

	<u>Mills Per Dollar of Assessed Valuation</u>			
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
General Fund	13.12	12.70	12.70	12.70
Special Revenue Funds	15.54	15.28	15.28	15.28
Debt Service Funds	<u>2.85</u>	<u>1.22</u>	<u>0.63</u>	<u>---</u>
Total	<u>31.51</u>	<u>29.20</u>	<u>28.61</u>	<u>27.98</u>

General Fund-Fund Balance

The City-Parish continued to maintain a healthy fund balance during 1998. The following schedule illustrates the relationship of the unreserved fund balance to the General Fund operating budget for the following years:

(in thousands)

<u>Fiscal Year Ended December 31</u>	<u>Unreserved Fund Balance for the General Fund</u>	<u>General Fund Operating Budget, Succeeding Year</u>	<u>Ratio of Unreserved General Fund Balance to Succeeding Year's Budget</u>
1994	\$39,157	\$161,937	24%
1995	40,120	174,947	23
1996	43,021	185,768	23
1997	48,446	193,737	25
1998	52,493	203,116	26

The City-Parish Finance Department will continue to propose conservative revenue estimates in the budget process. Additionally, proceeds of the gaming admissions tax will continue to be budgeted after they are received. Gaming revenues are used primarily for capital outlay purposes.

Enterprise Operations

The City-Parish's enterprise operations consist of five entities: the Greater Baton Rouge Airport District, Riverside Centroplex, Greater Baton Rouge Parking Authority, Comprehensive Sewerage System, and Solid Waste Disposal Facility.

The **Greater Baton Rouge Airport District** had a net income of \$345,619 in 1998. The fund's retained earnings were in excess of \$13 million as of December 31, 1998. The authority has an airport-airline lease agreement, whereby all surpluses or shortages in operating cash at year-end, exclusive of certain capital improvements, are shared with the airlines through increased or decreased landing fees in subsequent years.

The **Riverside Centroplex** fund incurred a loss before operating transfers of \$1,720,174 in 1998, compared with a loss of \$1,898,450 in 1997. On April 1, 1997, the management of the Centroplex was contracted to Spectacor Management Group, Inc. (SMG), a private management company. The management fee paid to SMG for 1998 was \$322,888. The general fund subsidy for the year was \$800,000.

The **Greater Baton Rouge Parking Authority** was subsidized by the General Fund in 1998 in the amount of \$315,060, as compared to the 1997 subsidy of \$227,204. Parking fees are currently insufficient to pay for both operating costs and debt service on parking revenue bonds.

The largest City-Parish enterprise operation is the **Comprehensive Sewerage System Program**. It was established as an enterprise fund in 1985 concurrent with the enactment of a sewer user fee. Retained earnings of the Comprehensive Sewerage System Fund exceeded \$171 million as of year-end. This fund encompasses all assets associated with sewerage operations and improvements held by the City, the Parish, and the East Baton Rouge Sewerage Commission.

The **Solid Waste Disposal Facility**, which handles the Parish's landfill operation, realized a net loss of \$528,258 in 1998. Retained earnings at year-end were approximately \$3.4 million. The Landfill is permitted by the EPA and the Louisiana Department of Environmental Quality to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and surrounding communities. More than 452,000 tons of solid waste were handled during 1998.

Segment information on all enterprise operations is further explained in the Notes to Financial Statements.

Pension Operations

The City-Parish Employees' Retirement System experienced a dramatic enhancement in its financial health during 1998. Plan net assets increased approximately \$81 million while the unfunded actuarial liability decreased by approximately \$41 million or 23%. These results represent a continuation of the steadily improving financial condition of the system for the last five years.

Increases in employer contributions to the system for 1999 and 2000 had been forecast several years ago. These increases have not materialized and are not forecast to occur primarily due to very strong investment earnings.

The Mayor-President, Metropolitan Council, employees, and Retirement Board are to be commended for adopting measures to address the potentially serious future funding problem that existed several years ago. Action taken by these parties in 1998 and prior years, which helped to avert this potential problem, include promptly increasing employee and employer contributions, adopting an improved investment plan for pension system assets, and reducing system investment expenses.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are indications of debt position that are useful to municipal management, taxpayers, and investors. This data for the City-Parish government, as of December 31, 1998, is as follows:

	<u>Amount of Debt (in thousands)</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Ratio of Debt to Present Market Value</u>	<u>Debt Per Capita</u>
Net Direct Debt	\$ 56	0.00%	0.00%	\$ --
Overlapping Debt	<u>13,644</u>	<u>0.65</u>	<u>0.07</u>	<u>35</u>
Net Direct and Overlapping Debt	<u>\$13,700</u>	<u>0.65%</u>	<u>0.07%</u>	<u>\$35</u>

A summary of the general obligation bonds, excess revenue contracts, and revenue bond activities for 1998 is shown below:

	<i>(in thousands)</i>			
	<u>Outstanding 1/1/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/98</u>
General Obligation Bonds	\$ 1,300	\$ --	\$ 1,300	\$ --
Excess Revenue Contracts	67	--	11	56
Revenue Bonds	<u>346,630</u>	<u>115,875</u>	<u>115,435</u>	<u>347,070</u>
Total	<u>\$347,997</u>	<u>\$115,875</u>	<u>\$116,746</u>	<u>\$347,126</u>

The following tabulation compares bonds sold during the last five years:

<u>Date of Issue</u>	<u>Amount (in thousands)</u>	<u>Average Life (in years)</u>	<u>Effective Net Interest Rate</u>	<u>Interest Cost Per Borrowed Dollar</u>
08/01/95	\$36,000	18.02	5.97%	\$1.08
03/01/96	65,000	16.05	5.66	0.91
10/01/97	19,325	6.83	4.79	0.33
11/01/98	94,450	9.60	4.60	0.49
11/01/98	16,825	11.27	4.74	0.53
11/01/98	4,600	6.16	4.15	0.25

As of December 31, 1998, City-Parish bonds are rated by three of the major rating services as follows:

	<u>Underlying Ratings</u>			<u>Insured Ratings</u>		
	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Investors</u>	<u>Moody's Investors Service</u>	<u>Standard and Poor's</u>	<u>Fitch Investors</u>
City of Baton Rouge (2%) Sales Tax Revenue Bonds	A1	AA-	A+	Aaa	AAA	AAA
Parish of East Baton Rouge (2%) Sales Tax Revenue Bonds	A1	AA-	AA-	Aaa	AAA	AAA
Parish of East Baton Rouge Sewerage Improvement (1/2%) Sales Tax Revenue Bonds	A3	A	A	Aaa	AAA	AAA

Treasury Administration

Diverse operations of the various funds of the City-Parish require a sophisticated cash management system to control and actively utilize cash as a financial resource.

There has been established at a local bank a single consolidated account into which monies are deposited and from which most disbursements are made. In addition, investment purchases are charged to, and matured investments are deposited into, the consolidated bank account. The purpose of the Consolidated Cash Management Pool is to reduce administrative costs and provide a single cash balance available for the maximization of investment earnings.

The objectives of the legally adopted investment program are, in order of importance, to minimize risk, ensure adequate liquidity, and maximize yields. The City-Parish is authorized by state statute to invest temporarily idle cash, as more fully described in Note 3 of the Notes to Financial Statements.

During 1998, temporarily idle cash was invested in the Louisiana Asset Management Pool (LAMP), U.S. government securities, certificates of deposit, and repurchase agreements at rates ranging from 4.05 to 5.96%. Interest earnings on matured investments in the central cash management program totaled \$6,864,785 in 1998. The effective annual interest rate on all maturing centrally managed investments was 5.3% in 1998, compared with 5.4% in 1997.

The ratio of "idle cash investments" to the total cash available was as follows:

(in thousands)

	<u>1997</u>		<u>1998</u>	
	<u>Amount</u>	<u>Average Percent</u>	<u>Amount</u>	<u>Average Percent</u>
Cash in Bank	\$ 1,076	0.63	\$ 1,977	0.98
Investments of Idle Cash	<u>169,335</u>	<u>99.37</u>	<u>200,725</u>	<u>99.02</u>
Total Cash Available	<u>\$170,411</u>	<u>100.00</u>	<u>\$202,702</u>	<u>100.00</u>

Cash and investments for one blended component unit, the City-Parish Employees' Retirement System, are not included in the City-Parish government's consolidated bank account. This organization is considered part of the City-Parish primary government, but maintains separate bank accounts and controls its own disbursements and investments. Individual cash items of the discretely presented component units are presented in the financial statements.

In accordance with bond resolutions concerning the issuance of revenue bonds, separate cash accounts are maintained by trustees for the debt accounts of all sales tax revenue bonds, the Greater Baton Rouge Parking Authority, and the East Baton Rouge Sewerage Commission. Trustee-held funds as of December 31, 1998, were as follows:

(in thousands)

Sales Tax Revenue Bonds	\$19,250
Greater Baton Rouge Parking Authority	2,470
East Baton Rouge Sewerage Commission	<u>44,283</u>
Total Trustee-Held Funds	<u>\$66,003</u>

Investment activity as of December 31, 1998, on trustee-held funds is detailed in Exhibit K-1. All deposits not covered by FDIC insurance are collateralized as required by state law. All of the primary government's deposits as of December 31, 1998, were either collateralized with securities held by the pledging financial institution's trust department or agent in the City-Parish's name, or covered by FDIC insurance.

Risk Management

The City-Parish's comprehensive risk management program includes coverage for property, liability, workers' compensation, unemployment, health, life, and dental insurance. The City-Parish self-insurance policy is further explained in the Notes to Financial Statements.

OTHER INFORMATION

Independent Audit

The local government charter requires a comprehensive annual audit to be performed by a firm of certified public accountants. The audit has been completed, and the firm's opinion covers the basic financial statements of the financial section of the report only. The general purpose financial statements and the combining and individual fund and account-group statements constitute the basic financial statements.

In addition to meeting the requirements set forth by local charter and state statutes, the audit also meets the requirements of the Single Audit Act of 1996 and the requirements of related U.S. Office of Management and Budget Circular A-133. The auditors' reports related specifically to the single audit are included in this publication.

Awards

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, 1997. 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 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 11-year period ending December 31, 1997. 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 as a communications device.

Acknowledgments

I wish to express my appreciation to the employees of the Finance Department who assisted and contributed to the preparation of this report. Special acknowledgment is due to the staff of the Accounting Division, whose dedicated efforts resulted in the successful completion of this document. In addition, I express my sincere appreciation to Mayor-President Tom Ed McHugh and the Metropolitan Council for the support they consistently provide to the Finance Department. With their assistance, we will strive to continuously improve our accounting and financial reporting to the people of Baton Rouge and other readers of our financial reports.

Respectfully submitted,



Otha L. Schofield, CPA
Director of Finance



Bank One Centre-North Tower
Suite 1700
451 Florida Street
Baton Rouge, LA 70801-1705

INDEPENDENT AUDITORS' REPORT

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

We have audited the general purpose financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City-Parish. Our responsibility is to express an opinion on these general purpose and individual fund financial statements based on our audit. We did not audit the financial statements of the component units discretely presented as described in note 1a. to the general purpose financial statements which account for 97% of the assets and 98% of the revenues and other sources of the governmental type component units. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, herein, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Baton Rouge and Parish of East Baton Rouge as of December 31, 1998, and the results of its operations and cash flows of its proprietary and nonexpendable trust fund types and the changes in plan net assets of its pension trust fund for the year ended in conformity with generally accepted accounting principles.

As discussed in note 15, effective January 1, 1998, the City-Parish adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 1999, on our consideration of the internal control over financial reporting of the City-Parish and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules of the year 2000 information and funding progress and employer contributions in Exhibit A-10 and Exhibit A-11, respectively, are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We were unable to apply certain of these limited procedures to the year 2000 information because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that City-Parish is or will become year 2000 compliant, that City-Parish's year 2000 remediation efforts will be successful in whole or in part, or that parties with which City-Parish does business are or will become year 2000 compliant. We have applied to the schedules of funding progress and employer contributions certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules.

Handwritten signature of KPMG LLP in black ink.

April 27, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
ASSETS AND OTHER DEBITS					
Assets:					
Cash and Cash Equivalents (Note 3)	\$ 2,859,902	\$ 31,397,014	\$ 1,921,121	\$ 16,246,394	\$ 2,700,973
Investments (Note 3)	32,888,879	3,116,041	17,329,365	31,739,026	17,778,859
Taxes Receivable - Net	23,835,772	13,905,675	--	1,717,469	2,987,007
Accounts Receivable - Net	408,275	1,278,628	--	--	1,777,779
Employee Contributions Receivable	--	--	--	--	--
Employer Contributions Receivable	--	--	--	--	--
Pending Trades Receivable	--	--	--	--	--
Other Contributions Receivable	--	--	--	--	--
Accrued Interest Receivable	384,148	401,552	373,395	411,848	492,221
Special Assessments Receivable	40,637	--	--	16,808	389,764
Other Receivables	--	--	--	--	--
Due From Other Funds (Note 11)	136,596	--	--	6,516,494	2,370,689
Due From Other Governments (Note 11)	9,669,697	26,083,527	--	1,576,350	3,151,392
Due From Component Units (Note 11)	40,730	--	--	--	74,066
Due From Primary Government (Note 11)	--	--	--	--	--
Prepaid Items	--	--	--	--	62,698
Loans Receivable	32,000	7,630,931	--	--	--
Inventory	533,387	--	--	--	--
Net Pension Asset	--	--	--	--	--
Other Assets	--	--	--	--	--
Restricted Assets:					
Cash and Cash Equivalents (Note 3)	--	--	--	--	9,176,810
Investments (Note 3)	--	--	--	--	85,093,072
Accounts Receivable - Net	--	--	--	--	1,332,553
Accrued Interest Receivable	--	--	--	--	866,426
Due From Other Governments (Note 11)	--	--	--	--	332,212
Deferred Bond Issuance Costs	--	--	--	--	1,108,346
Fixed Assets, Net (Note 6)	--	--	--	--	519,995,239
Other Debits:					
Amount Available for Retirement of Long-Term Debt	--	--	--	--	--
Amount to be Provided for Retirement of Long-Term Debt	--	--	--	--	--
Total Assets and Other Debits	\$ 70,830,023	\$ 83,813,368	\$ 19,623,881	\$ 58,224,389	\$ 649,690,106

The accompanying notes are an integral part of this statement.

Continued

Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Component Units	Totals (Memorandum Only) Reporting Entity
		General Fixed Assets	General Long-Term Debt			
Internal Service	Trust and Agency			Primary Government		
\$ 5,313,987	\$ 12,079,742	\$ --	\$ --	\$ 72,519,133	\$ 13,679,615	\$ 86,198,748
--	760,531,486	--	--	863,383,656	14,798,262	878,181,918
--	--	--	--	42,445,923	3,563,544	46,009,467
--	272,266	--	--	3,736,948	1,903,510	5,640,458
--	735,743	--	--	735,743	--	735,743
--	1,091,190	--	--	1,091,190	--	1,091,190
--	1,036,931	--	--	1,036,931	--	1,036,931
--	6,682	--	--	6,682	--	6,682
49,797	1,258,808	--	--	3,371,769	32,646	3,404,415
--	--	--	--	447,209	--	447,209
--	--	--	--	--	143,637	143,637
--	22,363	--	--	9,046,142	--	9,046,142
3,215	33,851	--	--	40,518,032	1,570,157	42,088,189
--	--	--	--	114,796	--	114,796
--	--	--	--	--	100,827	100,827
--	--	--	--	62,698	15,478	78,176
--	--	--	--	7,662,931	--	7,662,931
186,927	--	--	--	720,314	150,100	870,414
--	--	--	--	--	266,190	266,190
--	--	--	--	--	5,467	5,467
--	--	--	--	9,176,810	1,672,285	10,849,095
--	--	--	--	85,093,072	--	85,093,072
--	--	--	--	1,332,553	--	1,332,553
--	--	--	--	866,426	--	866,426
--	--	--	--	332,212	362,002	694,214
--	--	--	--	1,108,346	--	1,108,346
8,206,766	923,882	473,579,450	--	1,002,705,337	31,473,947	1,034,179,284
--	--	--	12,786,807	12,786,807	--	12,786,807
--	--	--	188,066,298	188,066,298	5,979,061	194,045,359
\$ 13,760,692	\$ 777,992,944	\$ 473,579,450	\$ 200,853,105	\$ 2,348,367,958	\$ 75,716,728	\$ 2,424,084,686

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES, EQUITY AND OTHER CREDITS					
Accounts and Contracts Payable	\$ 5,715,134	\$ 4,200,844	\$ 697	\$ 2,240,790	\$ 2,438,070
Accrued Expenses and Benefits Payable	--	--	--	--	--
Pending Trades Payable	--	--	--	--	--
Due to Other Funds (Note 11)	22,363	6,734,306	--	--	2,289,473
Due to Other Governments	113,376	123,060	--	--	141,687
Due to Primary Government (Note 11)	--	--	--	--	--
Due to Component Units (Note 11)	--	--	--	--	--
Accrued Payables	3,642,085	856,858	233,430	--	596,450
Deferred Revenue	40,637	5,213,858	--	53,642	922,194
Deposits and Escrow Accounts	648,331	32,359	--	--	--
Obligations Payable - Current (Note 17)	--	--	--	--	4,717,704
Compensated Absences Payable - Current	--	--	--	--	856,043
Obligation Under Capital Leases - Current (Note 14)	--	--	--	--	7,175
Other Liabilities	--	--	--	--	3,487
Liabilities Payable From Restricted Assets	--	--	--	--	13,414,372
Obligations Payable - Long-Term (Note 17)	--	--	--	--	67,598,346
Revenue Bonds Payable - Long-Term (Note 10)	--	--	--	--	208,460,000
Deferred Amount on Refunding (Note 10)	--	--	--	--	(3,383,865)
Bonds and Notes Payable - Long-Term (Note 10)	--	--	--	--	--
Landfill Closure and Postclosure Care Liability (Note 20)	--	--	--	--	4,380,178
Compensated Absences Payable - Long-Term (Note 10)	--	--	--	--	3,888
Obligation Under Capital Leases - Long-Term (Note 14)	--	--	--	--	--
Claims and Judgments Payable (Note 13)	--	--	--	--	--
Employee Benefits Payable (Note 13)	--	--	--	--	--
Net Pension Obligation - Long-Term	--	--	--	--	1,231,577
Total Liabilities	10,181,926	17,161,285	234,127	2,294,432	303,676,779

The accompanying notes are an integral part of this statement.

Continued

Fund Types	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
		General Fixed Assets	General Long-Term Debt			
\$ 312,501	\$ 1,245,991	\$ --	\$ --	\$ 16,154,027	\$ 914,098	\$ 17,068,125
--	221,364	--	--	221,364	--	221,364
--	2,298,802	--	--	2,298,802	--	2,298,802
--	--	--	--	9,046,142	--	9,046,142
--	3,373,959	--	--	3,752,082	10,946	3,763,028
--	--	--	--	--	114,796	114,796
--	100,827	--	--	100,827	--	100,827
49,702	--	--	--	5,378,525	390,974	5,769,499
--	--	--	--	6,230,331	1,533	6,231,864
--	7,619,412	--	--	8,300,102	17,624,438	25,924,540
--	--	--	--	4,717,704	--	4,717,704
179,752	--	--	--	1,035,795	629,870	1,665,665
1,595,061	--	--	--	1,602,236	--	1,602,236
--	--	--	--	3,487	31,175	34,662
--	--	--	--	13,414,372	834,296	14,248,668
--	--	--	--	67,598,346	--	67,598,346
--	--	--	--	208,460,000	--	208,460,000
--	--	--	--	(3,383,865)	--	(3,383,865)
--	--	--	133,420,892	133,420,892	4,041,822	137,462,714
--	--	--	--	4,380,178	--	4,380,178
--	--	--	9,141,342	9,145,230	1,139,135	10,284,365
1,078,657	--	--	2,423,765	3,502,422	592,533	4,094,955
--	--	--	40,507,000	40,507,000	--	40,507,000
--	--	--	5,453,047	5,453,047	--	5,453,047
148,067	41,120	--	9,907,059	11,327,823	305,571	11,633,394
3,363,740	14,901,475	--	200,853,105	552,666,869	26,631,187	579,298,056

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998

	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES, EQUITY AND OTHER CREDITS (Continued)					
Equity and Other Credits:					
Investment in General Fixed Assets	\$ --	\$ --	\$ --	\$ --	\$ --
Contributed Capital (Note 16)	--	--	--	--	166,824,325
Retained Earnings (Note 2):					
Reserved for Revenue Bond					
Debt Service	--	--	--	--	18,593,049
Reserved Passenger Facility Charges (Note 19)	--	--	--	--	2,955,456
Reserved for Airport Police	--	--	--	--	13,733
Unreserved	--	--	--	--	157,626,764
Fund Balances:					
Reserved for Encumbrances	2,475,640	4,583,408	--	13,705,951	--
Reserved for Loans Receivable	32,000	7,630,931	--	--	--
Reserved for Inventory	533,387	--	--	--	--
Reserved for Debt Service - Principal	--	--	12,786,807	--	--
Reserved for Debt Service - Interest	--	--	6,602,947	--	--
Reserved for Employees' Pension Benefits	--	--	--	--	--
Reserved for Prepaid Items	--	--	--	--	--
Reserved for District Assistance	--	--	--	--	--
Reserved for Subsequent Year Expenditures (Note 1)	5,113,700	672,510	--	--	--
Unreserved:					
Designated for Unencumbered Appropriations (Note 1)	8,785,615	8,072,324	--	34,129,439	--
Designated for Insurance	18,507,373	--	--	--	--
Designated for Future Years Expenditures (Note 1)	1,000,000	--	--	--	--
Designated for Solid Waste Collection and Disposal	7,487,961	10,819,579	--	--	--
Designated for Special Purposes	1,530,072	--	--	--	--
Designated Gaming Revenues	4,171,332	--	--	--	--
Designated for Budget Stabilization	6,100,000	--	--	--	--
Designated for Other Uses	--	--	--	--	--
Undesignated	4,911,017	34,873,331	--	8,094,567	--
Total Equity and Other Credits	<u>60,648,097</u>	<u>66,652,083</u>	<u>19,389,754</u>	<u>55,929,957</u>	<u>346,013,327</u>
Total Liabilities, Equity and Other Credits	<u>\$ 70,830,023</u>	<u>\$ 83,813,368</u>	<u>\$ 19,623,881</u>	<u>\$ 58,224,389</u>	<u>\$ 649,690,106</u>

The accompanying notes are an integral part of this statement.

Fund Types	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
		General Fixed Assets	General Long-Term Debt			
\$ --	\$ --	\$ 473,579,450	\$ --	\$ 473,579,450	\$ 18,015,077	\$ 491,594,527
2,684,304	--	--	--	169,508,629	15,818,548	185,327,177
--	--	--	--	18,593,049	--	18,593,049
--	--	--	--	2,955,456	--	2,955,456
--	--	--	--	13,733	--	13,733
7,712,648	--	--	--	165,339,412	(873,978)	164,465,434
--	--	--	--	20,764,999	7,820	20,772,819
--	--	--	--	7,662,931	--	7,662,931
--	--	--	--	533,387	--	533,387
--	--	--	--	12,786,807	--	12,786,807
--	--	--	--	6,602,947	--	6,602,947
--	763,091,469	--	--	763,091,469	3,027,778	766,119,247
--	--	--	--	--	4,466	4,466
--	--	--	--	--	146,391	146,391
--	--	--	--	5,786,210	7,960	5,794,170
--	--	--	--	50,987,378	20,215	51,007,593
--	--	--	--	18,507,373	--	18,507,373
--	--	--	--	1,000,000	--	1,000,000
--	--	--	--	18,307,540	--	18,307,540
--	--	--	--	1,530,072	--	1,530,072
--	--	--	--	4,171,332	--	4,171,332
--	--	--	--	6,100,000	--	6,100,000
--	--	--	--	--	1,914,223	1,914,223
--	--	--	--	47,878,915	10,997,041	58,875,956
10,396,952	763,091,469	473,579,450	--	1,795,701,089	49,085,541	1,844,786,630
\$ 13,760,692	\$ 777,992,944	\$ 473,579,450	\$ 200,853,105	\$ 2,348,367,958	\$ 75,716,728	\$ 2,424,084,686

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 1998

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$ 159,561,146	\$ 42,106,839	\$ 13,402,210
Licenses and Permits	2,799,733	254,163	--
Intergovernmental Revenues	11,066,268	32,189,333	--
Charges for Services	16,439,149	15,025,742	--
Fines and Forfeits	1,162,126	291,177	--
Miscellaneous Revenues	14,170,722	4,877,448	1,038,993
Total Revenues	<u>205,199,144</u>	<u>94,744,702</u>	<u>14,441,203</u>
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	631,373	40,468	--
Proceeds From Long-Term Debt	--	--	94,839,644
Capital Leases	108,851	--	--
Operating Transfers In (Note 12)	15,685,433	1,267,702	1,942,150
Operating Transfers From Primary Government (Note 12)	--	--	--
Total Other Financing Sources	<u>16,425,657</u>	<u>1,308,170</u>	<u>96,781,794</u>
Total Revenues and Other Financing Sources	<u>221,624,801</u>	<u>96,052,872</u>	<u>111,222,997</u>
Expenditures:			
Current:			
General Government	46,843,956	3,275,628	--
Public Safety	84,767,333	11,655,493	--
Transportation	20,700,360	19,583,622	--
Sanitation	11,989,912	8,234,484	--
Health and Welfare	1,649,605	4,821,525	--
Culture and Recreation	1,439,533	9,979,078	--
Conservation and Development	2,196,926	20,735,229	--
Capital Outlay	7,203,044	6,183,492	--
Debt Service:			
Principal Retirement	--	--	8,882,058
Interest and Fiscal Charges	--	--	8,133,501
Other Costs	--	--	345
Payment to Refunded Bond Escrow Agent	--	--	95,448,817
Intergovernmental	73,286	--	--
Total Expenditures	<u>176,863,955</u>	<u>84,468,551</u>	<u>112,464,721</u>
Other Uses (Note 12):			
Operating Transfers Out	32,918,107	6,144,127	--
Operating Transfers to Component Units	10,331,012	1,189,788	--
Total Other Uses	<u>43,249,119</u>	<u>7,333,915</u>	<u>--</u>
Total Expenditures and Other Uses	<u>220,113,074</u>	<u>91,802,466</u>	<u>112,464,721</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,511,727	4,250,406	(1,241,724)
Fund Balances, Beginning of Year	58,369,984	63,084,333	20,981,170
Residual Equity Transfer (Note 12)	<u>766,386</u>	<u>(682,656)</u>	<u>(349,692)</u>
Fund Balances, End of Year	<u>\$ 60,648,097</u>	<u>\$ 66,652,083</u>	<u>\$ 19,389,754</u>

The accompanying notes are an integral part of this statement.

Capital Projects	Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
\$ 16,393,639	\$ 231,463,834	\$ 4,635,565	\$ 236,099,399
--	3,053,896	49,716	3,103,612
1,979,422	45,235,023	7,822,830	53,057,853
--	31,464,891	9,081,659	40,546,550
--	1,453,303	2,143,377	3,596,680
1,904,836	21,991,999	2,196,786	24,188,785
20,277,897	334,662,946	25,929,933	360,592,879
--	671,841	21,011	692,852
9,083,235	103,922,879	2,796,843	106,719,722
--	108,851	243,882	352,733
15,033,823	33,929,108	--	33,929,108
--	--	9,335,272	9,335,272
24,117,058	138,632,679	12,397,008	151,029,687
44,394,955	473,295,625	38,326,941	511,622,566
--	50,119,584	26,789,262	76,908,846
--	96,422,826	4,814,537	101,237,363
--	40,283,982	--	40,283,982
--	20,224,396	--	20,224,396
--	6,471,130	--	6,471,130
--	11,418,611	--	11,418,611
--	22,932,155	--	22,932,155
19,136,633	32,523,169	1,402,439	33,925,608
--	8,882,058	--	8,882,058
--	8,133,501	--	8,133,501
--	345	454,891	455,236
--	95,448,817	--	95,448,817
--	73,286	--	73,286
19,136,633	392,933,860	33,461,129	426,394,989
103,075	39,165,309	--	39,165,309
--	11,520,800	--	11,520,800
103,075	50,686,109	--	50,686,109
19,239,708	443,619,969	33,461,129	477,081,098
25,155,247	29,675,656	4,865,812	34,541,468
30,617,301	173,052,788	8,232,304	181,285,092
157,409	(108,553)	--	(108,553)
\$ 55,929,957	\$ 202,619,891	\$ 13,098,116	\$ 215,718,007

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	Revised Budget	General Fund Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 146,792,281	\$ 159,561,146	\$ 12,768,865
Licenses and Permits	2,710,290	2,799,733	89,443
Intergovernmental Revenues	10,253,991	11,066,268	812,277
Charges for Services	15,300,091	16,439,149	1,139,058
Fines and Forfeits	1,249,000	1,162,126	(86,874)
Miscellaneous Revenues	12,356,286	14,170,722	1,814,436
Total Revenues	188,661,939	205,199,144	16,537,205
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	373,873	631,373	257,500
Proceeds of Long-Term Debt	--	--	--
Operating Transfers In	7,271,686	15,685,433	8,413,747
Total Other Financing Sources	7,645,559	16,316,806	8,671,247
Total Revenues and Other Financing Sources	196,307,498	221,515,950	25,208,452
Expenditures:			
Current:			
General Government	49,119,277	47,140,851	1,978,426
Public Safety	87,107,914	86,463,099	644,815
Transportation	21,974,863	20,776,288	1,198,575
Sanitation	12,114,823	11,989,912	124,911
Health and Welfare	1,678,422	1,678,416	6
Culture and Recreation	1,459,621	1,439,533	20,088
Conservation and Development	2,684,378	2,197,397	486,981
Capital Outlay	11,717,499	4,916,550	6,800,949
Debt Service:			
Principal Retirement	--	--	--
Interest and Fiscal Charges	--	--	--
Other Costs	--	--	--
Payment to Refunded Bond Escrow Agent	--	--	--
Intergovernmental	73,330	73,286	44
Total Expenditures	187,930,127	176,675,332	11,254,795
Other Uses:			
Operating Transfers Out	22,736,793	31,212,810	(8,476,017)
Operating Transfers to Component Units	10,381,620	10,331,012	50,608
Total Other Uses	33,118,413	41,543,822	(8,425,409)
Total Expenditures and Other Uses	221,048,540	218,219,154	2,829,386
Excess of Revenues and Other Sources			
Over (Under) Expenditures and Other Uses	(24,741,042)	3,296,796	28,037,838
Fund Balances, January 1	54,109,275	54,109,275	--
Residual Equity Transfer (Note 12)	766,386	766,386	--
Fund Balances, December 31	\$ 30,134,619	\$ 58,172,457	\$ 28,037,838

The accompanying notes are an integral part of this statement.

Continued

Revised Budget	Special Revenue Funds		Revised Budget	Debt Service Funds	
	Actual (Budgetary Basis)	Variance-Favorable (Unfavorable)		Actual (Budgetary Basis)	Variance-Favorable (Unfavorable)
\$ 37,699,125	\$ 42,106,839	\$ 4,407,714	\$ 13,538,658	\$ 13,402,210	\$ (136,448)
254,500	254,163	(337)	--	--	--
73,101,618	32,189,333	(40,912,285)	--	--	--
14,269,100	15,025,742	756,642	--	--	--
276,030	291,177	15,147	--	--	--
3,585,955	4,877,448	1,291,493	1,031,364	1,038,993	7,629
129,186,328	94,744,702	(34,441,626)	14,570,022	14,441,203	(128,819)
6,000	40,468	34,468	--	--	--
--	--	--	95,186,408	94,839,644	(346,764)
1,239,144	1,267,702	28,558	120,625	120,584	(41)
1,245,144	1,308,170	63,026	95,307,033	94,960,228	(346,805)
130,431,472	96,052,872	(34,378,600)	109,877,055	109,401,431	(475,624)
3,433,260	3,323,278	109,982	--	--	--
14,504,622	11,813,303	2,691,319	--	--	--
17,112,515	15,934,985	1,177,530	--	--	--
8,563,020	8,234,484	328,536	--	--	--
4,978,275	4,778,124	200,151	--	--	--
10,131,388	9,976,354	155,034	--	--	--
55,566,080	21,069,911	34,496,169	--	--	--
15,567,795	5,401,666	10,166,129	--	--	--
--	--	--	7,265,980	7,265,943	37
--	--	--	8,284,430	7,928,050	356,380
--	--	--	345	345	--
--	--	--	95,909,171	95,448,817	460,354
--	--	--	--	--	--
129,856,955	80,532,105	49,324,850	111,459,926	110,643,155	816,771
6,025,300	6,027,858	(2,558)	--	--	--
1,190,147	1,189,788	359	--	--	--
7,215,447	7,217,646	(2,199)	--	--	--
137,072,402	87,749,751	49,322,651	111,459,926	110,643,155	816,771
(6,640,930)	8,303,121	14,944,051	(1,582,871)	(1,241,724)	341,147
45,675,689	45,675,689	--	20,981,170	20,981,170	--
(682,656)	(682,656)	--	(349,692)	(349,692)	--
\$ 38,352,103	\$ 53,296,154	\$ 14,944,051	\$ 19,048,607	\$ 19,389,754	\$ 341,147

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

EXHIBIT A - 3
(Continued)

		Totals (Memorandum Only)	
	Revised Budget	Actual (Budgetary Basis)	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 198,030,064	\$ 215,070,195	\$ 17,040,131
Licenses and Permits	2,964,790	3,053,896	89,106
Intergovernmental Revenues	83,355,609	43,255,601	(40,100,008)
Charges for Services	29,569,191	31,464,891	1,895,700
Fines and Forfeits	1,525,030	1,453,303	(71,727)
Miscellaneous Revenues	16,973,605	20,087,163	3,113,558
Total Revenues	<u>332,418,289</u>	<u>314,385,049</u>	<u>(18,033,240)</u>
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	379,873	671,841	291,968
Proceeds of Long-Term Debt	95,186,408	94,839,644	(346,764)
Operating Transfers In	8,631,455	17,073,719	8,442,264
Total Other Financing Sources	<u>104,197,736</u>	<u>112,585,204</u>	<u>8,387,468</u>
Total Revenues and Other Financing Sources	<u>436,616,025</u>	<u>426,970,253</u>	<u>(9,645,772)</u>
Expenditures:			
Current:			
General Government	52,552,537	50,464,129	2,088,408
Public Safety	101,612,536	98,276,402	3,336,134
Transportation	39,087,378	36,711,273	2,376,105
Sanitation	20,677,843	20,224,396	453,447
Health and Welfare	6,656,697	6,456,540	200,157
Culture and Recreation	11,591,009	11,415,887	175,122
Conservation and Development	58,250,458	23,267,308	34,983,150
Capital Outlay	27,285,294	10,318,216	16,967,078
Debt Service:			
Principal Retirement	7,265,980	7,265,943	37
Interest and Fiscal Charges	8,284,430	7,928,050	356,380
Other Costs	345	345	--
Payment to Refunded Bond Escrow Agent	95,909,171	95,448,817	460,354
Intergovernmental	73,330	73,286	44
Total Expenditures	<u>429,247,008</u>	<u>367,850,592</u>	<u>61,396,416</u>
Other Uses:			
Operating Transfers Out	28,762,093	37,240,668	(8,478,575)
Operating Transfers to Component Units	11,571,767	11,520,800	50,967
Total Other Uses	<u>40,333,860</u>	<u>48,761,468</u>	<u>(8,427,608)</u>
Total Expenditures and Other Uses	<u>469,580,868</u>	<u>416,612,060</u>	<u>52,968,808</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(32,964,843)</u>	<u>10,358,193</u>	<u>43,323,036</u>
Fund Balances, January 1	120,766,134	120,766,134	--
Residual Equity Transfer (Note 12)	<u>(265,962)</u>	<u>(265,962)</u>	--
Fund Balances, December 31	<u>\$ 87,535,329</u>	<u>\$ 130,858,365</u>	<u>\$ 43,323,036</u>

The accompanying notes are an integral part of this statement.



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998

	Enterprise	Internal Service	Totals (Memorandum Only) Primary Government
Operating Revenues:			
Charges for Services	\$ 40,332,459	\$ 11,580,465	\$ 51,912,924
Miscellaneous Revenues	572,661	--	572,661
Total Operating Revenues	<u>40,905,120</u>	<u>11,580,465</u>	<u>52,485,585</u>
Operating Expenses:			
Cost of Materials	--	3,672,036	3,672,036
Personal Services	13,387,281	1,312,745	14,700,026
Employee Benefits	4,371,311	497,395	4,868,706
Supplies	2,832,864	83,116	2,915,980
Contractual Services	19,561,101	3,059,122	22,620,223
Landfill Closure and Postclosure Care Expense	963,050	--	963,050
Depreciation	22,717,315	3,450,944	26,168,259
Bad Debts	146,551	--	146,551
Administrative Expenses	322,888	--	322,888
Total Operating Expenses	<u>64,302,361</u>	<u>12,075,358</u>	<u>76,377,719</u>
Operating Income (Loss)	<u>(23,397,241)</u>	<u>(494,893)</u>	<u>(23,892,134)</u>
Non-Operating Revenues (Expenses):			
Taxes	28,669,865	--	28,669,865
Operating and Study Grants	48,947	--	48,947
Transportation, Planning, and Financing Studies	--	--	--
Passenger Facility Charges	1,299,561	--	1,299,561
Interest Earnings	5,802,053	264,562	6,066,615
Interest Expense	(14,187,844)	(186,579)	(14,374,423)
Bond Issuance Costs	(331,590)	--	(331,590)
Gain (Loss) on Disposition of Fixed Assets	175,957	444,235	620,192
Total Non-Operating Revenues (Expenses)	<u>21,476,949</u>	<u>522,218</u>	<u>21,999,167</u>
Net Income (Loss) Before Operating Transfers	<u>(1,920,292)</u>	<u>27,325</u>	<u>(1,892,967)</u>
Operating Transfers In and (Out) (Note 12):			
Operating Transfers In:			
General Fund	5,115,060	300,000	5,415,060
Operating Transfers Out:			
General Fund	(178,859)	--	(178,859)
Total Operating Transfers In and (Out)	<u>4,936,201</u>	<u>300,000</u>	<u>5,236,201</u>
Operating Transfers From Primary Government (Note 12)	--	--	--
Net Income (Loss)	3,015,909	327,325	3,343,234
Depreciation on Fixed Assets Acquired with Externally-Restricted Capital Contributions	<u>2,605,931</u>	--	<u>2,605,931</u>
Income (Loss) Transferred to Retained Earnings	5,621,840	327,325	5,949,165
Retained Earnings, January 1	173,565,920	7,385,323	180,951,243
Residual Equity Transfer (Note 12)	<u>1,242</u>	--	<u>1,242</u>
Retained Earnings, December 31	<u>\$ 179,189,002</u>	<u>\$ 7,712,648</u>	<u>\$ 186,901,650</u>

The accompanying notes are an integral part of this statement.

Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
\$ 2,359,826	\$ 54,272,750
116,767	689,428
2,476,593	54,962,178
--	3,672,036
3,727,369	18,427,395
--	4,868,706
550,889	3,466,869
1,567,532	24,187,755
--	963,050
934,304	27,102,563
--	146,551
--	322,888
6,780,094	83,157,813
(4,303,501)	(28,195,635)
779,342	29,449,207
1,167,912	1,216,859
(261,116)	(261,116)
--	1,299,561
43,435	6,110,050
--	(14,374,423)
--	(331,590)
--	620,192
1,729,573	23,728,740
(2,573,928)	(4,466,895)
--	5,415,060
--	(178,859)
--	5,236,201
2,185,528	2,185,528
(388,400)	2,954,834
759,390	3,365,321
370,990	6,320,155
(1,244,968)	179,706,275
--	1,242
\$ (873,978)	\$ 186,027,672



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998**

EXHIBIT A - 5

	Employees' Retirement System	Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
Additions:			
Contributions:			
Employee	\$ 11,632,339	\$ 192,713	\$ 11,825,052
Employer	20,120,542	192,713	20,313,255
Total Contributions	31,752,881	385,426	32,138,307
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	79,443,675	225,681	79,669,356
Interest	8,836,503	--	8,836,503
Dividends	2,447,741	77,306	2,525,047
Total Investment Income	90,727,919	302,987	91,030,906
Less: Investment Expense	1,382,760	15,278	1,398,038
Net Investment Income	89,345,159	287,709	89,632,868
Total Additions	121,098,040	673,135	121,771,175
Deductions:			
Benefit Payments	37,095,474	35,948	37,131,422
Refunds and Withdrawals	1,493,287	60,240	1,553,527
Administrative Expenses	962,910	25,749	988,659
Depreciation Expense	52,792	--	52,792
Total Deductions	39,604,463	121,937	39,726,400
Net Increase	81,493,577	551,198	82,044,775
Net Assets Held in Trust for Employees' Pension Benefits:			
Beginning of Year	681,597,892	2,476,580	684,074,472
End of Year	\$ 763,091,469	\$ 3,027,778	\$ 766,119,247

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1998

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 41,313,244	\$ 11,580,425	\$ 52,893,669
Cash Payments to Suppliers for Goods and Services	(23,201,875)	(6,655,688)	(29,857,563)
Cash Payments to Employees for Services and Benefits	(16,413,306)	(1,817,939)	(18,231,245)
Other Operating Revenues	106,097	--	106,097
Net Cash Provided by (Used for) Operating Activities	<u>1,804,160</u>	<u>3,106,798</u>	<u>4,910,958</u>
Cash Flows From Noncapital Financing Activities:			
Cash Received From General Property Taxes	3,788	--	3,788
Cash Received From General Sales and Use Taxes	28,644,920	--	28,644,920
Operating Grants Received	48,947	--	48,947
Transportation Planning and Financing Studies - Net	--	--	--
Operating Transfers In From Other Funds	5,115,060	300,000	5,415,060
Operating Transfers Out to Other Funds	(178,859)	--	(178,859)
Operating Transfers From Primary Government	--	--	--
Interest Paid on Short-term Interfund Loans	(135,305)	--	(135,305)
Loans to Other Funds	(2,370,689)	--	(2,370,689)
Loans From Other Funds	2,152,877	--	2,152,877
Loans to Component Units	(74,066)	--	(74,066)
Repayment of Loans to Other Funds	2,829,049	--	2,829,049
Repayment of Loans From Other Funds	(2,601,967)	--	(2,601,967)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>33,433,755</u>	<u>300,000</u>	<u>33,733,755</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds From Sale of Debt	16,892,659	--	16,892,659
Proceeds From Capital Grants	9,702,467	--	9,702,467
Proceeds From Sale of Capital Assets	186,579	505,218	691,797
Passenger Facility Charges	1,332,841	--	1,332,841
Acquisition and Construction of Capital Assets	(38,875,980)	(906,940)	(39,782,920)
Principal Paid on Bonds, Obligations and Capital Leases	(9,554,743)	(2,858,143)	(12,412,886)
Interest Paid on Bonds, Obligations and Capital Leases	(18,654,630)	(186,579)	(18,841,209)
Payment Made to Refunding Bonds Escrow Agent	(16,821,699)	--	(16,821,699)
Capital Contributed by the Government	69,341	--	69,341
Capital Contributed by Primary Government	--	--	--
Capital Contributed by Other Governments	909,783	--	909,783
Capital Contributed from Impact Fees	1,801,573	--	1,801,573
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(53,011,809)</u>	<u>(3,446,444)</u>	<u>(56,458,253)</u>
Cash Flows From Investing Activities:			
Purchase of Investments	(102,871,931)	--	(102,871,931)
Proceeds From Sales and Maturities of Investments	89,899,959	--	89,899,959
Interest Received on Investments	6,252,808	264,428	6,517,236
Net Cash Provided by (Used for) Investing Activities	<u>(6,719,164)</u>	<u>264,428</u>	<u>(6,454,736)</u>
Net Increase (Decrease) in Cash and Cash Equivalents (Note 1)	<u>(24,493,058)</u>	<u>224,782</u>	<u>(24,268,276)</u>

The accompanying notes are an integral part of this statement.

Continued

Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
\$ 2,401,562	\$ 55,295,231
(2,291,981)	(32,149,544)
(3,797,970)	(22,029,215)
116,768	222,865
(3,571,621)	1,339,337
--	3,788
822,102	29,467,022
1,167,912	1,216,859
(261,116)	(261,116)
--	5,415,060
--	(178,859)
2,185,528	2,185,528
--	(135,305)
--	(2,370,689)
--	2,152,877
--	(74,066)
--	2,829,049
--	(2,601,967)
3,914,426	37,648,181
--	16,892,659
--	9,702,467
--	691,797
--	1,332,841
(2,334,313)	(42,117,233)
--	(12,412,886)
--	(18,841,209)
--	(16,821,699)
--	69,341
379,743	379,743
1,722,866	2,632,649
--	1,801,573
(231,704)	(56,689,957)
--	(102,871,931)
--	89,899,959
43,435	6,560,671
43,435	(6,411,301)
154,536	(24,113,740)

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED STATEMENT OF CASH FLOWS
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government
Cash and Cash Equivalents, January 1	\$ 36,370,841	\$ 5,089,205	\$ 41,460,046
Cash and Cash Equivalents, December 31	11,877,783	5,313,987	17,191,770
Cash and Cash Equivalents from Fiduciary Fund Type included in Combined Balance Sheet	--	--	--
Adjusted Cash and Cash Equivalents, December 31	\$ 11,877,783	\$ 5,313,987	\$ 17,191,770
 Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (23,397,241)	\$ (494,893)	\$ (23,892,134)
 Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	22,717,315	3,450,944	26,168,259
Landfill Closure and Postclosure Care Expense	963,050	--	963,050
Increase (Decrease) in Compensated Absences Payable	72,371	(2,555)	69,816
Increase (Decrease) in Net Pension Obligation	1,231,577	148,067	1,379,644
Decrease (Increase) in Net Pension Asset	--	--	--
Change in Assets and Liabilities:			
Decrease (Increase) in Accounts Receivable	414,534	(40)	414,494
Decrease (Increase) in Prepaid Items	(28,323)	--	(28,323)
Decrease (Increase) in Inventory	--	19,056	19,056
Increase (Decrease) in Accounts and Contracts Payable	(458,798)	(18,250)	(477,048)
Increase (Decrease) in Accrued Salaries Payable	41,335	4,469	45,804
Increase (Decrease) in Deferred Revenue	246,460	--	246,460
Increase (Decrease) in Other Liabilities	1,880	--	1,880
Increase (Decrease) in Liabilities Payable From Restricted Assets	--	--	--
Total Adjustments	25,201,401	3,601,691	28,803,092
Net Cash Provided By (Used for) Operating Activities	\$ 1,804,160	\$ 3,106,798	\$ 4,910,958

The accompanying notes are an integral part of this statement.

Component Unit Capital Transportation Corporation	Totals (Memorandum Only) Reporting Entity
\$ 1,870,568	\$ 43,330,614
2,025,104	19,216,874
310,452	310,452
\$ 2,335,556	\$ 19,527,326
\$ (4,303,501)	\$ (28,195,635)
934,304	27,102,563
--	963,050
--	69,816
--	1,379,644
(85,518)	(85,518)
41,736	456,230
(2,064)	(30,387)
54,950	74,006
(3,664)	(480,712)
--	45,804
--	246,460
--	1,880
(207,864)	(207,864)
731,880	29,534,972
\$ (3,571,621)	\$ 1,339,337

Noncash Investing, Capital, and Financing Activities

Enterprise Funds:

In 1998, the Greater Baton Rouge Airport District paid \$12,672 of principal and \$767 of interest on lease obligations. These payments are reflected as a cash outflow for capital and related financing activities on the Combining Statement of Cash Flows.

Internal Service Funds:

The Fleet Rental and Replacement Fund acquired \$827,185 of equipment through capital lease agreements. In 1998, \$2,858,143 of principal and \$186,579 of interest was paid on lease obligations and is reflected as a cash outflow for capital and related financing activities on the Combining Statement of Cash Flows.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
ASSETS AND OTHER DEBITS			
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 579,549	\$ 655,816	\$ 55,914
Investments	1,300,000	--	150,000
Property Taxes Receivable-Net (Note 4)	--	--	--
Accounts Receivable	--	28,814	--
Accrued Interest Receivable	--	--	1,459
Other Receivables	89,704	--	91
Due From Other Governments	106,652	167,538	17,755
Due From Primary Government (Note 11)	--	--	--
Prepaid Items	--	--	--
Inventory	--	--	--
Net Pension Asset	--	--	--
Other Assets	--	--	--
Restricted Assets:			
Cash and Cash Equivalents	--	--	--
Due From Other Governments	--	--	--
Fixed Assets:			
Land	--	--	--
Buildings	--	--	--
Equipment	1,336,795	1,824,302	161,327
Equipment Under Capital Leases	--	--	--
Accumulated Depreciation	--	--	--
Other Debits:			
Amount to be Provided for Retirement of Long-Term Debt	156,301	558,328	15,110
Total Assets and Other Debits	\$ 3,569,001	\$ 3,234,798	\$ 401,656

(1) As of June 30, 1998

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types				
E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Capital Region Planning Commission (1)	St. George Fire Protection District
\$ 391,072	\$ 196,978	\$ 8,379,396	\$ 83,940	\$ 1,937,858
--	--	10,392,326	252,794	--
--	--	--	--	2,816,674
--	254,948	1,448,741	--	55,970
--	--	--	14,687	--
8,590	--	40,225	--	--
60,674	--	--	162,880	--
--	100,827	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,467	--	--	1,000
--	--	--	--	17,000
--	--	--	--	--
--	--	--	--	187,206
--	--	--	--	962,521
409,814	190,086	2,713,239	292,587	2,073,579
--	--	--	--	422,511
--	--	--	--	--
169,733	--	289,925	--	3,048,245
\$ 1,039,883	\$ 747,306	\$ 23,263,852	\$ 806,888	\$ 11,522,564

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING BALANCE SHEET
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 1998**

	Governmental Fund Types		
	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6
ASSETS AND OTHER DEBITS			
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ --	\$ 115,867	\$ 337,994
Investments	--	--	--
Property Taxes Receivable-Net (Note 4)	53,858	220,880	143,610
Accounts Receivable	--	81,755	14,015
Accrued Interest Receivable	--	--	--
Other Receivables	--	5,027	--
Due From Other Governments	94,991	163,181	294,987
Due From Primary Government (Note 11)	--	--	--
Prepaid Items	--	--	--
Inventory	--	--	--
Net Pension Asset	--	--	--
Other Assets	--	--	--
Restricted Assets:			
Cash and Cash Equivalents	--	--	--
Due From Other Governments	--	--	--
Fixed Assets:			
Land	18,592	165,018	43,000
Buildings	59,323	844,806	272,294
Equipment	308,098	710,050	498,363
Equipment Under Capital Leases	--	651,847	278,011
Accumulated Depreciation	--	--	--
Other Debits:			
Amount to be Provided for Retirement of Long-Term Debt	7,736	163,321	364,797
Total Assets and Other Debits	\$ 542,598	\$ 3,121,752	\$ 2,247,071

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types				Proprietary Fund Type	
Eastside Fire Protection District	Pride Fire Protection District	Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Capital Transportation Corporation	Totals
\$ 88,556	\$ 102,019	\$ 29,286	\$ 45,099	\$ 680,271	\$ 13,679,615
--	--	--	--	2,703,142	14,798,262
228,366	--	--	100,156	--	3,563,544
--	--	--	--	19,267	1,903,510
--	958	274	1,084	14,184	32,646
--	--	--	--	--	143,637
248,333	--	--	33,396	219,770	1,570,157
--	--	--	--	--	100,827
--	--	--	--	15,478	15,478
--	--	--	--	150,100	150,100
--	--	--	--	266,190	266,190
--	--	--	--	--	5,467
--	--	--	--	1,655,285	1,672,285
--	--	--	--	362,002	362,002
151,360	15,000	--	9,000	378,307	967,483
1,480,409	--	109,334	256,496	8,847,098	12,832,281
864,207	109,344	176,048	176,628	9,561,080	21,405,547
38,113	--	--	205,769	--	1,596,251
--	--	--	--	(5,327,615)	(5,327,615)
1,010,028	--	--	195,537	--	5,979,061
\$ 4,109,372	\$ 227,321	\$ 314,942	\$ 1,023,165	\$ 19,544,559	\$ 75,716,728

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998**

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Current Liabilities:			
Accounts and Contracts Payable	\$ 67,345	\$ 32,149	\$ 7,578
Due to Other Governments	--	--	--
Due to Primary Government (Note 11)	40,730	--	--
Accrued Salaries Payable	--	--	10,647
Accrued Claims Payable	--	--	--
Deferred Revenue	--	--	--
Deposits and Escrow Accounts	--	--	--
Compensated Absences Payable	53,239	61,270	--
Other Liabilities	5,195	--	--
Liabilities Payable From Restricted Assets	--	--	--
Long-Term Liabilities (Note 10):			
Bonds and Notes Payable	--	--	--
Compensated Absences Payable	--	551,429	--
Obligation Under Capital Leases (Note 14)	--	--	--
Net Pension Obligation (Note 7)	156,301	6,899	15,110
Total Liabilities	322,810	651,747	33,335
Equity and Other Credits (Note 2):			
Investment in General Fixed Assets	1,336,795	1,824,302	161,327
Contributed Capital:			
Federal Government	--	--	--
Retirement of Federal Government Contribution	--	--	--
Primary Government	--	--	--
Retained Earnings:			
Unreserved	--	--	--
Fund Balances:			
Reserved for Encumbrances	--	--	--
Reserved for Employees' Pension Benefits	--	--	--
Reserved for Prepaid Items	--	--	--
Reserved for District Assistance	--	--	--
Reserved for Subsequent Year Expenditures	--	--	--
Unreserved:			
Designated for Unencumbered Appropriations	--	--	--
Designated for Other Uses	--	--	--
Undesignated	1,909,396	758,749	206,994
Total Equity and Other Credits	3,246,191	2,583,051	368,321
Total Liabilities, Equity, and Other Credits	\$ 3,569,001	\$ 3,234,798	\$ 401,656

(1) As of June 30, 1998

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Capital Region Planning Commission (1)	St. George Fire Protection District
\$ 9,617	\$ 332,004	\$ 133,898	\$ 30,358	\$ 83,881
10,946	--	--	--	--
--	--	--	--	--
7,921	853	185,506	--	2,643
--	--	54,361	--	--
--	--	--	--	--
26,170	--	17,598,268	--	--
--	--	--	35,280	--
--	--	--	915	--
--	--	--	--	--
--	--	--	--	2,906,822
127,746	--	289,925	--	108,443
--	--	--	--	104,098
41,987	--	--	--	28,882
224,387	332,857	18,261,958	66,553	3,234,769
409,814	190,086	2,713,239	292,587	3,645,817
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,466	--	--	--
--	146,391	--	--	--
--	--	--	--	--
--	--	--	--	--
40,398	--	--	--	1,873,825
365,284	73,506	2,288,655	447,748	2,768,153
815,496	414,449	5,001,894	740,335	8,287,795
\$ 1,039,883	\$ 747,306	\$ 23,263,852	\$ 806,888	\$ 11,522,564

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1998

Governmental Fund Types

	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Current Liabilities:			
Accounts and Contracts Payable	\$ 6,037	\$ 13,687	\$ 9,629
Due to Other Governments	--	--	--
Due to Primary Government (Note 11)	74,066	--	--
Accrued Salaries Payable	--	27,984	6,171
Accrued Claims Payable	--	--	--
Deferred Revenue	--	--	--
Deposits and Escrow Accounts	--	--	--
Compensated Absences Payable	--	--	--
Other Liabilities	--	--	--
Liabilities Payable From Restricted Assets	--	--	--
Long-Term Liabilities (Note 10):			
Bonds and Notes Payable	--	--	170,000
Compensated Absences Payable	--	51,966	6,052
Obligation Under Capital Leases (Note 14)	--	86,055	168,730
Net Pension Obligation (Note 7)	7,736	25,300	20,015
Total Liabilities	87,839	204,992	380,597
Equity and Other Credits (Note 2):			
Investment in General Fixed Assets	386,013	2,371,721	1,091,668
Contributed Capital:			
Federal Government	--	--	--
Retirement of Federal Government Contribution	--	--	--
Primary Government	--	--	--
Retained Earnings:			
Unreserved	--	--	--
Fund Balances:			
Reserved for Encumbrances	--	--	--
Reserved for Employees' Pension Benefits	--	--	--
Reserved for Prepaid Items	--	--	--
Reserved for District Assistance	--	--	--
Reserved for Subsequent Year Expenditures	7,960	--	--
Unreserved:			
Designated for Unencumbered Appropriations	--	--	--
Designated for Other Uses	--	--	--
Undesignated	60,786	545,039	774,806
Total Equity and Other Credits	454,759	2,916,760	1,866,474
Total Liabilities, Equity, and Other Credits	\$ 542,598	\$ 3,121,752	\$ 2,247,071

The accompanying notes are an integral part of this statement.

Governmental Fund Types				Proprietary Fund Type	Totals
Eastside Fire Protection District	Pride Fire Protection District	Chaneyville Fire Protection District	Alsen-St. Irma Lee Fire Protection District	Capital Transportation Corporation	
\$ 16,777	\$ 3,936	\$ 3,441	\$ 7,513	\$ 156,248	\$ 914,098
--	--	--	--	--	10,946
--	--	--	--	--	114,796
19,900	--	--	--	74,988	336,613
--	--	--	--	--	54,361
--	--	--	--	1,533	1,533
--	--	--	--	--	17,624,438
--	--	--	--	480,081	629,870
--	--	--	--	25,065	31,175
--	--	--	--	834,296	834,296
965,000	--	--	--	--	4,041,822
3,574	--	--	--	--	1,139,135
38,113	--	--	195,537	--	592,533
3,341	--	--	--	--	305,571
1,046,705	3,936	3,441	203,050	1,572,211	26,631,187
2,534,089	124,344	285,382	647,893	--	18,015,077
--	--	--	--	16,598,796	16,598,796
--	--	--	--	(5,747,497)	(5,747,497)
--	--	--	--	4,967,249	4,967,249
--	--	--	--	(873,978)	(873,978)
--	5,520	--	2,300	--	7,820
--	--	--	--	3,027,778	3,027,778
--	--	--	--	--	4,466
--	--	--	--	--	146,391
--	--	--	--	--	7,960
--	9,840	10,375	--	--	20,215
--	--	--	--	--	1,914,223
528,578	83,681	15,744	169,922	--	10,997,041
3,062,667	223,385	311,501	820,115	17,972,348	49,085,541
\$ 4,109,372	\$ 227,321	\$ 314,942	\$ 1,023,165	\$ 19,544,559	\$ 75,716,728

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT UNITS
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court. (1)	E.B.R. Parish Family Court
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and Permits	--	--	--
Intergovernmental Revenues	2,117,145	3,281,470	421,336
Charges for Services	--	118,491	115,326
Fines and Forfeits	425,105	--	--
Miscellaneous Revenues	767,222	51,668	13,280
Total Revenues	3,309,472	3,451,629	549,942
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	--	--
Proceeds From Long-Term Debt	--	--	--
Capital Leases	--	--	--
Operating Transfers From Primary Government (Note 12)	3,051,370	3,496,330	499,947
Total Other Financing Sources	3,051,370	3,496,330	499,947
Total Revenues and Other Financing Sources	6,360,842	6,947,959	1,049,889
Expenditures:			
Current:			
General Government	5,950,703	6,906,825	953,236
Public Safety	--	--	--
Capital Outlay	72,133	208,465	69,670
Debt Service	--	--	--
Total Expenditures	6,022,836	7,115,290	1,022,906
Excess of Revenues and Other Sources Over (Under) Expenditures	338,006	(167,331)	26,983
Fund Balances, Beginning of Year	1,571,390	926,080	180,011
Fund Balances, End of Year	\$ 1,909,396	\$ 758,749	\$ 206,994

(1) As of June 30, 1998

The accompanying notes are an integral part of this statement.

Continued

E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Capital Region Planning Commission (1)	St. George Fire Protection District
\$ --	\$ --	\$ --	\$ --	\$3,061,853
--	--	49,716	--	--
275,636	109,759	--	790,619	372,464
389,622	--	7,009,097	83,735	695,418
10,404	1,707,868	--	--	--
9,342	20,292	1,174,616	10,639	46,109
685,004	1,837,919	8,233,429	884,993	4,175,844
--	--	--	1,161	4,725
--	--	--	--	2,000,000
--	--	--	--	--
594,721	125,908	1,077,766	--	25,000
594,721	125,908	1,077,766	1,161	2,029,725
1,279,725	1,963,827	9,311,195	886,154	6,205,569
1,244,001	2,461,119	8,403,806	847,282	--
--	--	--	--	2,082,642
69,703	8,066	72,163	16,289	146,617
--	--	24,000	--	163,052
1,313,704	2,469,185	8,499,969	863,571	2,392,311
(33,979)	(505,358)	811,226	22,583	3,813,258
439,661	729,721	1,477,429	425,165	828,720
\$ 405,682	\$ 224,363	\$2,288,655	\$447,748	\$4,641,978

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT UNITS
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6
Revenues:			
Taxes	\$138,733	\$ 396,861	\$ 396,729
Licenses and Permits	--	--	--
Intergovernmental Revenues	86,912	209,027	140,893
Charges for Services	28,243	297,063	132,463
Fines and Forfeits	--	--	--
Miscellaneous Revenues	1,046	20,751	35,168
Total Revenues	254,934	923,702	705,253
Other Financing Sources:			
Proceeds of General Fixed Asset Disposition	--	13,250	--
Proceeds From Long-Term Debt	--	--	338,730
Capital Leases	--	--	--
Operating Transfers From Primary Government (Note 12)	25,000	53,730	200,000
Total Other Financing Sources	25,000	66,980	538,730
Total Revenues and Other Financing Sources	279,934	990,682	1,243,983
Expenditures:			
Current:			
General Government	--	--	22,290
Public Safety	334,866	742,649	604,547
Capital Outlay	3,100	41,870	263,406
Debt Service	--	140,458	17,107
Total Expenditures	337,966	924,977	907,350
Excess of Revenues and Other Sources Over (Under) Expenditures	(58,032)	65,705	336,633
Fund Balances, Beginning of Year	126,778	479,334	438,173
Fund Balances, End of Year	\$ 68,746	\$ 545,039	\$ 774,806

The accompanying notes are an integral part of this statement.

Eastside Fire Protection District	Pride Fire Protection District	Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Totals
\$ 468,607	\$ --	\$ --	\$172,782	\$ 4,635,565
--	--	--	--	49,716
--	7,067	7,820	2,682	7,822,830
151,461	27,905	21,346	11,489	9,081,659
--	--	--	--	2,143,377
33,211	5,231	1,716	6,495	2,196,786
653,279	40,203	30,882	193,448	25,929,933
--	--	1,875	--	21,011
458,113	--	--	--	2,796,843
38,113	--	--	205,769	243,882
61,660	35,000	35,000	53,840	9,335,272
557,886	35,000	36,875	259,609	12,397,008
1,211,165	75,203	67,757	453,057	38,326,941
--	--	--	--	26,789,262
822,720	42,612	50,089	134,412	4,814,537
142,188	--	8,000	280,769	1,402,439
98,577	--	--	11,697	454,891
1,063,485	42,612	58,089	426,878	33,461,129
147,680	32,591	9,668	26,179	4,865,812
380,898	66,450	16,451	146,043	8,232,304
\$ 528,578	\$ 99,041	\$ 26,119	\$172,222	\$ 13,098,116



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

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CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9

NOTE 1 - Summary of Significant Accounting Policies

a. Financial Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the City-Parish governing authority (Metropolitan Council or Mayor-President) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the City-Parish and the potential component unit.
4. Imposition of will by the City-Parish on the potential component unit.
5. Financial benefit/burden relationship between the City-Parish and the potential component unit.

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

Blended Component Units

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge is reported as part of the primary government in the General Purpose 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 Employees' Retirement System is the calendar year. The separately issued audit report on the Retirement System can be obtained at the following address: Jeffrey R. Yates, Retirement Administrator; P.O. Box 1471, Baton Rouge, LA 70821-1471.

Discrete Component Units

Capital Transportation Corporation (CTC) - CTC is a corporation created by and for the benefit of the Parish to provide urban mass transportation services. Any property acquired by the corporation is for the use and benefit of the City-Parish. Metropolitan Council approval is required for all transportation fare changes and operating subsidies. Operating subsidies are provided through a federal grant passed through City-Parish and by local matching funds. CTC's financial statements for the period ended December 31, 1998, are discretely presented in the General Purpose Financial Statements.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

budget process. These officials also have certain statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 1998)
Nineteenth Judicial District Court (for the period ended June 30, 1998)
E.B.R. Parish Family Court (for the period ended December 31, 1998)
E.B.R. Parish Juvenile Court (for the period ended December 31, 1998)
Nineteenth Judicial District Indigent Defender Board (for the period ended December 31, 1998)

Financial statements for the East Baton Rouge Parish Clerk of Court (for the period ended June 30, 1998) are also reported in the component units columns of the General Purpose Financial Statements. A financial burden/benefit relationship exists between the Clerk and the primary government since the parish is statutorily required to fund certain items in the budget of the Clerk. The parish is also entitled to fifty percent of any surplus general funds of the Clerk of Court at the end of the Clerk's elected term.

Capital Region Planning Commission - The Capital Region Planning Commission is a private non-profit government agency that administers federal funding from the U.S. Department of Transportation. A majority of the commissioners are appointed by the City-Parish governing authority. The Metropolitan Council also approves grant budgets and pass-through funding to the Commission. The Commission's financial statements for the year ended June 30, 1998 are included in the discrete component unit columns of the General Purpose Financial Statements.

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

Complete financial statements of the 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 or at the following administrative offices:

District Attorney Doug Moreau
222 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

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

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

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

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

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

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

Central Fire Protection District
11646 Sullivan Road
Baton Rouge, LA 70818

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

Brownsfield Fire Protection District
Chaneyville Fire Protection District
Pride Fire Protection District
Alsen-St. Irma Lee Fire Protection District
c/o Brian Mayers, Council Administrator
P.O. Box 1471
Baton Rouge, LA 70821-1471

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

Capital Transportation Corporation
Michael McCleary, Director
2250 Florida Boulevard
Baton Rouge, LA 70802

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:

Baton Rouge Recreation and Park Commission
(BREC)
Mike Proctor, Finance Director
P.O. Box 15887
Baton Rouge, LA 70895

East Baton Rouge Housing Authority
Joseph F. Johnson, Executive Director
4546 North Street
Baton Rouge, LA 70806

Gas Utility Service District
S.M. Laurent, President
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

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

Hospital Service District No. 1
Charles Massey
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

East Baton Rouge Mortgage Finance Authority
Sidney Longwell, Jr., Chairman
8555 United Plaza Boulevard
Suite 207, Four United Plaza
Baton Rouge, LA 70809-2251

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations (Continued)

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

The accounts of the City-Parish are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund 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, in the financial statements in this report, into eight generic fund types and three broad fund categories as follows:

Governmental Funds:

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

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

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

Capital Projects Funds -- Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Proprietary Funds:

Enterprise Funds -- Enterprise Funds are used to account for operations: (a) that are financed and operated 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 periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds -- Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis.

Proprietary Funds are reported in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting*. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

Proprietary Funds (Continued):

Proprietary activities under the control of the primary government (City-Parish) and Capital Transportation Corporation will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Fiduciary Funds:

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

Agency Funds -- Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

All discrete component units except for Capital Transportation Corporation (CTC) are presented in the general purpose financial statements on a combined basis for each individual component unit, combining governmental fund types, proprietary fund types, fiduciary fund types, the General Long-Term Debt Account Group, and the General Fixed Assets Account Group for each individual component unit. CTC has its own pension system as established by its Board of Directors. The financial statements for this system are presented as a pension trust fund in the Statement of Changes in Plan Net Assets using the guidelines of GASB Statement No. 25.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds, including General, Special Revenue, Debt Service, and Capital Projects 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.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements for proprietary fund types present increases (revenues) and decreases (expenses) in net total assets.

Governmental funds and agency funds are maintained on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy (See Note 4). Sales taxes and gross receipt business taxes are recognized in accordance with GASB Statement No. 22, *Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds*. Sales taxes and gross receipts business taxes are considered "measurable" when received by the Finance Department-Revenue Division of the City-Parish within 60 days after the end of the fiscal year to be used to pay liabilities of the current period. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets. Revenues from State and Federal grants are recognized when the reimbursable expenditures have been incurred. Licenses and Permits, Fines and Forfeits, and Miscellaneous Revenues (except investment earnings) are recorded as revenues when received in cash. Charges for Services and investment earnings are recorded as earned since they are measurable and available. 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, and compensated absences are recorded as expenditures when paid with expendable available financial resources.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting (Continued)

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.

d. 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:

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

Budgets for Capital Projects Funds 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, capital project budgets must be submitted to the Council for adequate public hearing and adoption on a project-length basis.

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. All annual appropriations lapse at fiscal year-end.

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) Capital lease payments are recorded as departmental expenditures on the budget basis while on the GAAP basis, they are reported as debt service expenditures. Capital leases, on the GAAP basis, represent acquisitions of general fixed assets with the value of the assets reported as departmental expenditures and other financing sources. (3) Housing and Urban Development (HUD) loans to program recipients are reported as expenditures on the budget basis to facilitate reporting in accordance with federal regulations. The loans are recorded as "loans receivable" on the GAAP basis with a corresponding reservation of fund balance.

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that there is available an unappropriated cash surplus sufficient to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Designated for Unencumbered Appropriations. Such appropriations for continuing projects carried forward from 1997 to 1998 totaled \$8,785,615 for the General Fund. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. At year-end, interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations. During 1998, supplemental appropriations in the General Fund in the amount of \$16,802,376 were authorized.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budget Policies and Budgetary Accounting (Continued)

Formal budgetary integration is used for management control in the accounting records during the year for the General, Special Revenue, and Debt Service Funds.

Capital Projects Funds are initiated by project budgets rather than annual budgets, and accountability is controlled on the project-life basis. Effective control of costs is therefore maintained by the Metropolitan Council who approves a budget for each project.

Budgets for Federal and State grants are recorded upon receipt of grant awards. The fiscal year for these grant awards may or may not coincide with the City-Parish's fiscal year.

e. Encumbrances

Encumbrances representing purchase orders, contracts or other commitments are recorded in budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis. At year-end, the reserve for encumbrances reflects total encumbrances less encumbrances for Federal and State grants. Grant encumbrances are subtracted from reserve for encumbrances because the applicable appropriation is recorded in the year in which expenditures occur as required by Section G60.110 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

f. 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 the Greater Baton Rouge Parking Authority, 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 the Greater Baton Rouge Parking Authority, the East Baton Rouge Sewerage Commission, and City and Parish Sales Tax Revenue Bonds 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 is not included in the City-Parish's consolidated bank account. This retirement system is considered part of the City-Parish primary government but operates a separate bank account and controls its own disbursements and investments.

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

Investments are reported at fair value except for (1) short-term and money market investments, consisting primarily of U.S. treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost and (2) the Louisiana

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

f. Cash, Cash Equivalents, and Investments (Continued)

Asset Management Pool (LAMP) investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law which are permitted to be carried at amortized cost.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment income.

g. Inventories of Materials and Supplies

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.

h. Advances to Other Funds

Long-term interfund loans are recorded as receivables, along with a fund balance reserve account to properly indicate that the amount is not available for appropriation. Repayments are credited to the receivable with a corresponding reduction of the fund balance reserve.

i. Fixed Assets

Fixed Assets of the primary government are maintained on the basis of original cost, except those arising from gifts or donations which are recorded at their fair market value at the time of receipt. All such assets which do not constitute assets of the Enterprise or Internal Service Funds are recorded in the General Fixed Assets Account Group, and no depreciation is computed or recorded thereon. Depreciation on fixed assets of the Enterprise and Internal Service Funds has been computed under the straight-line method based on the estimated useful lives of the individual assets. The depreciation rates for the major classifications of assets are as follows:

<u>Type of Fixed Assets</u>	<u>Annual Rates</u>
Buildings and Structures	2.5-4%
Runways and Improvements	2.5%
Furniture	10%
Equipment	10-20%

Certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and other assets acquired from subdivision developers have not been capitalized.

Fixed assets contributed by other governments, private developers, and other funds to Enterprise or Internal Service Funds are recorded as contributed capital. Depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction reduces the appropriate contributed capital account and is recorded as a retirement of contributed capital, thereby increasing retained earnings.

j. Capitalization of Interest Cost

FASB Statements No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, require that interest cost (net of interest earned) during the construction phase of major capital projects be capitalized if financed with restricted tax-exempt debt. 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 benefited.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

j. Capitalization of Interest Cost (Continued)

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 borrowings from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 1998, is disclosed by project in Note 6, Changes in Fixed Assets.

k. Revenues Susceptible to Accrual

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are sales taxes, property taxes, gross receipts business taxes, and certain state shared revenues such as tobacco tax, beer tax, and parish transportation funds.

l. Long-Term Debt

Long-term liabilities that are financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Long-term debt intended to be financed from proprietary funds is accounted for in the proprietary fund.

Excess Revenue Contracts are obligations of the General Fund, and payment of these debts is provided by transfers from the General Fund to the Excess Revenue and Limited Tax Fund.

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. Bond issues associated with Enterprise Funds are accounted for in the relevant Enterprise Fund. Parking Garage Revenue Bonds, and Sewer Sales Tax Revenue Bonds are payable from earnings of operations and are accounted for in their respective Enterprise Fund.

m. Reserves and Designations of Equity

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure. Reserved for Subsequent Year Expenditures is fund balance that has been budgeted as a source in the 1998 Operating Budget.

Designated portions of fund balance indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. "Designated for Unencumbered Appropriations" are those portions of incomplete projects that are to be carried forward and become actual appropriations in the following year. Designated for Future Years Expenditures is that portion of fund balance that has been set aside for future years budgets. Other designations are made for specific indicated purposes included in the title and require a council appropriation in subsequent years.

n. Comparative Data

Comparative data for the prior year has been presented in the Primary Government combining, individual fund and account group statements and schedules of the CAFR in order to provide an understanding of changes in financial condition. Comparative data for the prior year is not included in the General Purpose Financial Statements.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

o. Total Column on Combined Statements - Overview

Total Column on the Combined Statements - Overview is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with GAAP, nor is such data comparable to consolidation. Interfund items are not eliminated from the total column.

p. 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 years accrual.

All City-Parish primary government classified and non-classified regular employees earn sick leave in varying amounts according to the employee's number of years of continuous service. Sick leave is accumulated without time limitations. Sick leave is payable only upon death or retirement.

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 1998, the City-Parish retains 14.47% 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, 1998.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 1998, for certain salary-related benefits associated with the payment of compensated absences:

1. A total of 14.47% 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, 1998, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable under GASB Statement No. 16 is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

In governmental funds, the total liability as stated above is included in the General Long-Term Debt Account Group. Accrued vacation, compensatory, and related benefits will be paid from future years' resources. In proprietary fund types, the total compensated absences liability is recorded as an expense. A current liability is recorded for the value of one year's accrual of leave.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

p. Compensated Absences (Continued)

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.

q. Accounting for Special Assessment Projects

Special Assessment Projects are accounted for in capital projects or enterprise funds in accordance with guidelines recommended in Section S40.113-.126 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*.

Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets.

r. Accounting for 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 Disposal Facility 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 20.

s. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds during the reporting period.

NOTE 2 - Stewardship, Compliance and Accountability

a. Deficit Fund Balance and Retained Earnings of Individual Funds

Enterprise Funds:

Riverside Centroplex Fund shows a deficit in retained earnings of \$7,884,513. Management policy is to provide an operating transfer from the General Fund for the amount of the net loss, exclusive of depreciation. The fund deficit is primarily the result of prior years accumulated depreciation.

The Greater Baton Rouge Parking Authority shows a deficit in retained earnings of \$1,032,330. Management policy is to provide an operating transfer from the General Fund for the net loss, exclusive of depreciation. The fund deficit is primarily the result of prior years accumulated depreciation.

Component Units:

Capital Transportation Corporation shows a deficit in retained earnings of \$873,978 for enterprise fund operations in 1998, as compared to \$1,244,968 in 1997. The Capital Transportation Corporation pension trust fund reflects fund balance in the amount of \$3,027,778 resulting in a combined retained earnings/fund balance of \$2,153,800. Capital Transportation Corporation is a bus company that incurs a deficit each year which is offset by subsidies from federal and local governments. These operating subsidies do not cover the depreciation on assets acquired with Capital Transportation Corporation funds or local government contributions, which results in a retained earnings deficit.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 2 - Stewardship, Compliance and Accountability (Continued)

b. Expenditures Exceeding Appropriations (Non-GAAP Budgetary Basis)

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

	<u>Revised Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
General Fund:			
Operating Transfers Out:			
City Sub Fund	\$5,643,456	\$14,119,514	\$(8,476,058)
Special Revenue Funds:			
City Constable Court Costs Fund	750,226	752,141	(1,915)

A legally binding Local Services Agreement exists between the City of Baton Rouge and the Parish of East Baton Rouge whereby they engage jointly to provide certain services or activities, and fulfill certain obligations as provided in the *Plan of Government*. In addition, the Local Service Agreement provides for the joint parties to share equitably the savings, operating and financial benefits which accrue from the joint exercise of such activities. The amount of the operating transfer from the Parish Sub Fund to the City Sub Fund was increased above the 1998 budgeted amount when November and December revenues produced a greater growth rate in the Parish than was projected.

In accordance with Resolution 24125, adopted by the Metropolitan Council on August 7, 1985, all unencumbered funds remaining in the City Constable Court Costs Fund as surplus at the end of each fiscal year must be turned over to the City of Baton Rouge. The excess of expenditures and encumbrances over appropriations in the City Constable Court Costs Fund was caused by the resulting unbudgeted operating transfer to the General Fund.

c. Budgetary - GAAP Reporting Reconciliation

Annual budgets are adopted for the General, Special Revenue, and Debt Service Funds. Budgets for these funds are prepared on the modified accrual basis of accounting. 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>Special Revenue Funds</u>	<u>Debt Service Funds</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (Budget Basis)	\$3,296,796	\$ 8,303,121	\$(1,241,724)
Adjustments:			
To adjust for encumbrances	(1,785,069)	(4,576,145)	--
To adjust for U.S. Housing and Urban Development loans receivable	<u> --</u>	<u> 523,430</u>	<u> --</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (GAAP Basis)	<u>\$ 1,511,727</u>	<u>\$ 4,250,406</u>	<u>\$(1,241,724)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 2 - Stewardship, Compliance and Accountability (Continued)

c. 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 liquidated. Therefore, a timing difference exists between budgetary practices and GAAP. In accounting for grant funds, fund balance is not reserved for the grantor portion of encumbrances. Accordingly, grant encumbrances must be added to the reserve for encumbrances in calculating the adjustment necessary to reconcile GAAP basis to budgetary basis. In the Special Revenue Funds, the adjustment for encumbrances is calculated as follows:

	<u>1998</u>	<u>1997</u>	<u>1998 Over (Under) 1997</u>
Reserve for Encumbrances	\$4,583,408	\$ 8,349,794	\$(3,766,386)
Grant Encumbrances	<u>1,141,590</u>	<u>1,951,349</u>	<u>(809,759)</u>
Total Encumbrances	<u>\$5,724,998</u>	<u>\$10,301,143</u>	<u>\$(4,576,145)</u>

NOTE 3 - Cash, Cash Equivalents and Investments

The City-Parish maintains a consolidated cash management pool that is available for use by all funds except the Employees' Retirement System Pension Trust Fund. Each fund type's portion of the consolidated cash pool is displayed on the combined balance sheet as "Cash and Cash Equivalents" or "Investments."

a. Deposits - Primary Government

City-Parish deposits (including demand deposit accounts and certificates of deposits) at December 31, 1998, for the City-Parish primary government are summarized as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1	\$136,054,401	\$135,024,561
Category 2	--	--
Category 3	<u>--</u>	<u>--</u>
Total	<u>\$136,054,401</u>	<u>\$135,024,561</u>

Certificates of deposit with a maturity of 90 days or more are classified on the combined balance sheet as "Investments" (\$126,247,444). The remaining carrying amount of \$9,806,957 is classified as "Cash and Cash Equivalents."

The City-Parish's bank balance of deposits at December 31, 1998, is categorized above in three levels of credit risk. Category 1 includes bank balance which is insured or collateralized with securities held by the City-Parish or its agent in the City-Parish's name. Category 2 includes bank balance which is collateralized with securities held by the pledging financial institution's trust department or agent in the City-Parish's name. Category 3 includes bank balance which is uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City-Parish's name.

The carrying amount of deposits does not include a cash on hand balance of \$1,289,271 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.

The Employees' Retirement System Pension Trust Fund owns \$46,450 of the deposits that are in Category 1.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

b. Cash Equivalents and Investments - Primary Government

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

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

Proceeds from the issuance of revenue bonds for the Greater Baton Rouge Parking Authority, and 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. The proceeds from the issuance of the Greater Baton Rouge Parking Authority Bonds are to be invested in obligations of or guaranteed by the State of Louisiana or the United States of America; obligations issued or guaranteed by any instrumentality or agency of the United States of America; or interest-bearing deposits in any bank or trust company provided that all such deposits shall be insured or collaterally secured in the manner required by the Act and the laws of Louisiana for the securing of such deposits.

Proceeds from the issuance of the Parish's 1989, 1991, 1993, 1995, 1996, and 1998 Public Improvement Sales Tax 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.

Authorized investments from the proceeds of the issuance of the City's 1989, 1990, 1992, 1993, 1997, and 1998 Public Improvement Sales Tax Revenue Bonds are in general, government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

City-Parish investments for the primary government at December 31, 1998, are categorized below in order to give an indication of the level of risk assumed by the entity at year-end.

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

	<u>Category 1</u>	<u>Carrying Amount</u>	<u>Amortized Cost</u>
U.S. Government Securities	<u>\$64,167,788</u>	\$ 64,167,788	\$ 64,844,709
Investments not subject to categorization:			
Louisiana Asset Management Pool (LAMP)		<u>68,129,725</u>	<u>68,381,862</u>
Total		<u>\$132,297,513</u>	<u>\$133,226,571</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

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

Investments with a maturity of less than 90 days are classified on the combined balance sheet as "Cash and Cash Equivalents" (\$70,599,715). The remaining carrying amount of \$61,697,798 is classified on the combined balance sheet as "Investments." The difference between carrying amount and amortized cost of \$929,058 is included in "Accrued Interest Receivable" on the combined balance sheet. All investments are shown at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which states that U.S. Treasury obligations that have a remaining maturity at time of purchase of one year or less, and investments in 2a7-like pools may be stated at amortized cost.

The \$68,129,725 invested in LAMP is owned by the Parish's pooled account (\$51,500,000), and the East Baton Rouge Sewerage Commission (\$16,629,725). In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

2. Employees' Retirement System Pension Trust Fund:

	<u>Category 1</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 7,583,904	\$ 7,583,904
U.S. Agency Notes	30,460,887	30,460,887
Commercial Paper	4,612	4,612
Corporate Bonds	72,816,522	72,816,522
Corporate Stocks	101,568,415	101,568,415
Corporate Stock Index	317,079,740	317,079,740
International Equity	99,113,587	99,113,587
Enhanced Bond Index Fund	118,563,819	118,563,819
Repurchase Agreements	<u>13,340,000</u>	<u>13,340,000</u>
Total	<u>\$760,531,486</u>	<u>\$760,531,486</u>

The fair value of \$760,531,486 is classified on the combined balance sheet as "Investments."

Category 1 includes investments that are insured or registered or for which the securities are held by the City-Parish or its agent in the City-Parish's name.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

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 below in the three levels of credit risk as explained in section (a) of this note above:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
District Attorney of the Nineteenth Judicial District	\$ 1,879,549	\$ 1,997,531	\$ 1,300,000	\$697,531	\$ --
Nineteenth Judicial District Court	655,816	812,222	100,000	--	712,222
E.B.R. Parish Family Court	205,914	205,914	205,914	--	--
E.B.R. Parish Juvenile Court	390,772	445,289	162,188	--	283,101
Nineteenth Judicial District Indigent Defender Board	196,978	292,903	292,903	--	--
Clerk of Court	18,769,497	19,074,703	19,074,703	--	--
Capital Region Planning Commission	336,734	414,302	414,302	--	--
St. George Fire Protection District	1,954,858	1,948,136	1,948,136	--	--
Central Fire Protection District	115,867	127,000	100,000	--	27,000
District 6 Fire Protection District	337,994	323,176	323,176	--	--
Eastside Fire Protection District	88,556	88,556	88,556	--	--
Pride Fire Protection District	102,019	102,019	102,019	--	--
Chaneyville Fire Protection District	29,286	29,286	29,286	--	--
Alsen St. Irma Lee Fire Protection District	45,099	45,099	45,099	--	--
Capital Transportation Corporation	<u>2,335,156</u>	<u>1,739,454</u>	<u>1,739,454</u>	<u>--</u>	<u>--</u>
Total Component Units	<u>\$27,444,095</u>	<u>\$27,645,590</u>	<u>\$25,925,736</u>	<u>\$697,531</u>	<u>\$1,022,323</u>

For the component unit agencies that carry pledged securities that are considered Category 3 under the provisions of GASB Statement 3, 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.

Certificates of deposit with a maturity of 90 days or more are classified on the combined balance sheet as "Investments" (\$12,095,120). The remaining carrying amount of \$15,348,975 is classified as "Cash and Cash Equivalents."

The carrying amounts of deposits do not include a cash on hand balance for E.B.R. Parish Juvenile Court (\$300), Clerk of Court (\$2,225), and Capital Transportation Corporation (\$400) 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

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

d. Investments - Discretely Presented Component Units

	<u>Fair Value</u>
Mutual Funds	<u>\$2,703,142</u>

The mutual funds are owned by Capital Transportation Corporation. In accordance with GASB Codification Section 150.165, these investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

e. Cash, Cash Equivalents and Investments Summary

The following is a reconciliation of the carrying amount of deposits and investments to "Cash and Cash Equivalents" and "Investments" on the combined balance sheet.

1. Primary Government

Cash and Cash Equivalents:	
Deposits	\$ 9,806,957
Cash on hand	1,289,271
Investments	2,469,990
Louisiana Asset Management Pool	<u>68,129,725</u>
Sub-total Cash and Cash Equivalents	<u>81,695,943</u>
Investments:	
Deposits	126,247,444
Investments	<u>822,229,284</u>
Sub-total Investments	<u>948,476,728</u>
Cash, Cash Equivalents and Investments, December 31, 1998	<u>\$1,030,172,671</u>

2. Component Units

Cash and Cash Equivalents:	
Deposits	\$15,348,975
Cash on hand	<u>2,925</u>
Sub-total Cash and Cash Equivalents	<u>15,351,900</u>
Investments:	
Deposits	12,095,120
Investments	<u>2,703,142</u>
Sub-total Investments	<u>14,798,262</u>
Cash, Cash Equivalents and Investments, December 31, 1998	<u>\$30,150,162</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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 4 - Property Taxes (Continued)

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 1998 property tax calendar is as follows:

Levy Date	December 10, 1997
Millage Rates Adopted	December 10, 1997
Tax Bills Mailed	December 1, 1998
Due Date	December 31, 1998
Lien Date	January 1, 1999

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment 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). Therefore, there are no delinquent taxes at year-end.

All property taxes are recorded in governmental funds, and as explained in Note 1(c), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as revenue in the current calendar 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. All of the net taxes receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Property taxes are considered available because they are substantially collected by the tax collector within 60 days subsequent to year-end and are therefore available to liquidate liabilities of the current period.

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

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property <u>Taxes</u>	Net Property Taxes <u>Receivable</u>
General Fund	\$ 7,817,630	\$ 398,353	\$ 7,419,277
Special Revenue Funds	<u>13,582,850</u>	<u>941,361</u>	<u>12,641,489</u>
Total	<u>\$21,400,480</u>	<u>\$1,339,714</u>	<u>\$20,060,766</u>

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

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property <u>Taxes</u>	Net Property Taxes <u>Receivable</u>
St. George Fire Protection District	\$3,061,853	\$245,179	\$2,816,674
Brownsfield Fire Protection District	59,049	5,191	53,858

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 4 - Property Taxes (Continued)

b. Property taxes receivable and estimated uncollectible taxes for the Component Units (Continued):

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
Central Fire Protection District	\$ 237,480	\$ 16,600	\$ 220,880
E.B.R. Parish Fire Protection District No. 6	157,763	14,153	143,610
Eastside Fire Protection District	245,143	16,777	228,366
Alsen-St. Irma Lee Fire Protection District	<u>101,387</u>	<u>1,231</u>	<u>100,156</u>
Total	<u>\$3,862,675</u>	<u>\$299,131</u>	<u>\$3,563,544</u>

NOTE 5 - Federal and State Financial Assistance

a. Grants From Other Governmental Units

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the Special Revenue, Capital Projects, and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when expenditures are incurred. The grants normally specify the purpose for which funds may be used and are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept."

During 1998 and 1997, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or additions to contributions in the accompanying financial statements:

	<u>1998</u>	<u>1997</u>
Primary Government:		
Special Revenue Funds:		
Grants Fund	\$27,490,354	\$31,584,428
Capital Projects Funds:		
Capital Improvement Fund	1,979,422	325,445
Enterprise Funds:		
Greater Baton Rouge Airport District	11,512,334	3,013,749
Riverside Centroplex Fund	<u>1,102,149</u>	<u>648,637</u>
Total Primary Government	<u>\$42,084,259</u>	<u>\$35,572,259</u>
Component Unit:		
Capital Transportation Corporation	<u>\$ 3,193,285</u>	<u>\$ 5,688,001</u>

b. On-Behalf Payments for Salaries and Benefits

During 1995 the City-Parish implemented GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This standard requires the City-Parish to report 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 1998, 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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

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

Voter's Office. The state also paid supplemental salaries for employees of the Nineteenth Judicial District Attorney, judges salaries and benefits for the three court systems and state supplemental salaries of the parish fire protection district component units.

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 these funds back to the City-Parish Employees' Retirement System and the Cities of Zachary and Baker Retirement Systems.

On-behalf payments recorded as revenues and expenditures (expenses) in the 1998 financial statements are as follows:

	<u>State Supplemented Salaries</u>	<u>MERS Contribution</u>	<u>Total 1998 On-Behalf Payments</u>
Primary Government:			
General Fund	\$4,516,204	\$393,166	\$4,909,370
Special Revenue Funds	18,138	--	18,138
Enterprise Funds	<u>79,061</u>	<u>--</u>	<u>79,061</u>
Total Primary Government	<u>4,613,403</u>	<u>393,166</u>	<u>5,006,569</u>
Component Units:			
District Attorney of the Nineteenth Judicial District	1,301,277	--	1,301,277
Nineteenth Judicial District Court	1,474,676	--	1,474,676
E.B.R. Parish Family Court	421,336	--	421,336
E.B.R. Parish Juvenile Court	210,668	--	210,668
St. George Fire Protection District	67,970	--	67,970
E.B.R. Parish Fire Protection District No. 6	20,400	--	20,400
Brownsfield Fire Protection District	10,800	--	10,800
Central Fire Protection District	<u>21,600</u>	<u>--</u>	<u>21,600</u>
Total Component Units	<u>3,528,727</u>	<u>--</u>	<u>3,528,727</u>
 Total On-Behalf Payments	 <u>\$8,142,130</u>	 <u>\$393,166</u>	 <u>\$8,535,296</u>

NOTE 6 - Changes in Fixed Assets

a. A summary of changes in general fixed assets for the Primary Government follows:

	<u>Balance 1/1/98</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance 12/31/98</u>
Land	\$ 17,002,822	\$ 109,976	\$ (85,600)	\$ 17,198,398
Buildings	123,242,081	473,125	(9,533)	123,724,739
Improvements Other Than Buildings	229,192,802	12,275,509	(2,844,663)	244,312,974
Equipment	64,532,607	9,960,746	1,775,636	72,717,717
Equipment Under Capital Leases	7,451,078	108,851	2,500,784	5,059,145
Construction Work in Progress	<u>5,543,101</u>	<u>7,877,573</u>	<u>2,854,197</u>	<u>10,566,477</u>
 Total	 <u>\$446,964,491</u>	 <u>\$30,805,780</u>	 <u>\$ 4,190,821</u>	 <u>\$473,579,450</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

b. **Construction Work in Progress of the Primary Government for general fixed assets is composed of the following:**

	<u>Project Authorization</u>	<u>Capitalized</u>	Balance in Construction Work In Progress <u>12/31/98</u>	<u>Committed</u>	Estimated Required Future Financing
1993 Bond Capital Improvements	\$ 4,317,462	\$ 4,317,205	\$ --	\$ --	None
1998A City Bonds Capital Improvements	94,450,000	90,328,235	133,167	--	None
1998C Parish Bonds Capital Improvements	4,600,000	4,600,000	--	--	None
East Baton Rouge Prison Expansion	25,158,629	25,146,146	--	13,761	None
Miscellaneous Capital Improvements	35,077,388	26,707,508	96,946	590,466	None
Capital Improvement	42,335,230	17,160,366	5,791,989	6,113,263	None
Road and Street Improvement	22,646,640	3,662,446	2,128,661	5,041,908	None
Community Development	12,361,093	8,062,182	1,275,291	571,592	None
General Government	3,122,522	1,425,965	219,745	574,702	None
Street Improvements	27,750,108	21,385,390	920,678	303,250	None
Emergency Medical Services	<u>69,419</u>	<u>39,419</u>	<u>--</u>	<u>30,000</u>	None
Total	<u>\$271,888,491</u>	<u>\$202,834,862</u>	<u>\$10,566,477</u>	<u>\$13,238,942</u>	

c. **A summary of Primary Government proprietary fund type and pension trust fund property, plant, and equipment at December 31, 1998, follows:**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Pension Trust</u>
Land	\$ 49,197,900	\$ 47,568	\$ 550,628
Buildings	63,713,043	2,213,798	691,385
Improvements Other Than Buildings	562,399,384	7,190	--
Equipment	13,457,188	12,644,749	191,717
Equipment Under Capital Leases	37,121	5,272,293	--
Construction Work in Progress	<u>12,772,260</u>	<u>--</u>	<u>--</u>
Total	701,576,896	20,185,598	1,433,730
Less Accumulated Depreciation	<u>(181,581,657)</u>	<u>(11,978,832)</u>	<u>(509,848)</u>
Net Fixed Assets	<u>\$ 519,995,239</u>	<u>\$ 8,206,766</u>	<u>\$ 923,882</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

d. Construction Work in Progress at December 31, 1998, for Primary Government enterprise funds is composed of the following:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Capitalized</u>	<u>Balance in Construction Work in Progress 12/31/98</u>
Greater Baton Rouge Airport District:				
Miscellaneous Project Costs	\$ 3,980,987	\$ 716,313	\$ 8,831	\$ 707,482
FAA Flight Standards Office	80,658	56,088	--	56,088
Terminal Access Road Off-Ramp	201,018	201,018	--	201,018
Terminal Development	<u>30,614,457</u>	<u>8,848,207</u>	--	<u>8,848,207</u>
Total	<u>34,877,120</u>	<u>9,821,626</u>	<u>8,831</u>	<u>9,812,795</u>
Riverside Centroplex Fund:				
Miscellaneous	<u>4,820</u>	<u>2,066</u>	--	<u>2,066</u>
Comprehensive Sewerage System Fund:				
North Wastewater Treatment Plant Expansion Phase IIB	14,654,759	11,820,883	11,084,904	735,979
North Wastewater Treatment Plant Phase III Improvements	3,683,196	423,890	--	423,890
South Wastewater Treatment Plant Phase III Improvements	5,509,483	208,189	--	208,189
South Wastewater Treatment Plant Alternate Power	239,100	1,133	--	1,133
Central Wastewater Treatment Plant Phase III Improvements	3,157,321	158,342	--	158,342
Rehabilitation Construction	5,527,774	1,368,109	--	1,368,109
Trunkline System	<u>422,000</u>	<u>61,757</u>	--	<u>61,757</u>
Total	<u>33,193,633</u>	<u>14,042,303</u>	<u>11,084,904</u>	<u>2,957,399</u>
Total-All Enterprise Funds	<u>\$68,075,573</u>	<u>\$23,865,995</u>	<u>\$11,093,735</u>	<u>\$12,772,260</u>

Total construction period interest costs of \$4,742,535 were capitalized in 1998 in the Comprehensive Sewerage System Fund. Construction period interest costs of \$1,542,454 from the current and previous fiscal years remain in Construction Work in Progress at December 31, 1998. These costs cannot be capitalized because they have been allocated to projects that are not substantially complete.

e. A summary of changes in general fixed assets for governmental fund 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</u>				
<u>Nineteenth Judicial District</u>				
Equipment	<u>\$ 1,421,606</u>	<u>\$ 62,269</u>	<u>\$147,080</u>	<u>\$ 1,336,795</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	<u>\$ 1,626,852</u>	<u>\$ 208,465</u>	<u>\$ 11,015</u>	<u>\$ 1,824,302</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

e. A summary of changes in general fixed assets for governmental fund component units (Continued):

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 93,639	\$ 69,670	\$ 1,982	\$ 161,327
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 340,111	\$ 69,703	\$ --	\$ 409,814
<u>Nineteenth Judicial District</u>				
<u>Indigent Defender Board</u>				
Equipment	\$ 182,020	\$ 8,066	\$ --	\$ 190,086
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 2,682,368	\$ 72,163	\$ 41,292	\$ 2,713,239
<u>Capital Region Planning Commission</u>				
Equipment	\$ 252,323	\$ 40,264	\$ --	\$ 292,587
<u>St. George Fire Protection District</u>				
Land	\$ 65,906	\$ 121,300	\$ --	\$ 187,206
Buildings	962,521	--	--	962,521
Equipment	2,077,707	25,317	29,445	2,073,579
Equipment Under Capital Leases	422,511	--	--	422,511
Total St. George Fire Protection District	<u>\$ 3,528,645</u>	<u>\$ 146,617</u>	<u>\$ 29,445</u>	<u>\$ 3,645,817</u>
<u>Brownsfield Fire Protection District</u>				
Land	\$ 18,592	\$ --	\$ --	\$ 18,592
Buildings	59,323	--	--	59,323
Equipment	304,998	3,100	--	308,098
Total Brownsfield Fire Protection District	<u>\$ 382,913</u>	<u>\$ 3,100</u>	<u>\$ --</u>	<u>\$ 386,013</u>
<u>Central Fire Protection District</u>				
Land	\$ 165,018	\$ --	\$ --	\$ 165,018
Buildings	844,806	--	--	844,806
Equipment	708,132	41,870	39,952	710,050
Equipment Under Capital Leases	651,847	--	--	651,847
Total Central Fire Protection District	<u>\$ 2,369,803</u>	<u>\$ 41,870</u>	<u>\$ 39,952</u>	<u>\$ 2,371,721</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

e. A summary of changes in general fixed assets for governmental fund component units (Continued):

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Land	\$ 33,000	\$ 10,000	\$ --	\$ 43,000
Buildings	254,500	17,794	--	272,294
Equipment	450,640	66,882	19,159	498,363
Equipment Under Capital Leases	<u>109,281</u>	<u>168,730</u>	<u>--</u>	<u>278,011</u>
Total E.B.R. Parish Fire Protection District No. 6	<u>\$ 847,421</u>	<u>\$ 263,406</u>	<u>\$ 19,159</u>	<u>\$ 1,091,668</u>
<u>Eastside Fire Protection District</u>				
Land	\$ 151,360	\$ --	\$ --	\$ 151,360
Buildings	1,059,711	420,698	--	1,480,409
Equipment	798,943	65,264	--	864,207
Equipment Under Capital Leases	<u>--</u>	<u>38,113</u>	<u>--</u>	<u>38,113</u>
Total Eastside Fire Protection District	<u>\$ 2,010,014</u>	<u>\$ 524,075</u>	<u>\$ --</u>	<u>\$ 2,534,089</u>
<u>Pride Fire Protection District</u>				
Land	\$ 15,000	\$ --	\$ --	\$ 15,000
Equipment	<u>85,924</u>	<u>23,420</u>	<u>--</u>	<u>109,344</u>
Total Pride Fire Protection District	<u>\$ 100,924</u>	<u>\$ 23,420</u>	<u>\$ --</u>	<u>\$ 124,344</u>
<u>Chaneyville Fire Protection District</u>				
Buildings	\$ 109,334	\$ --	\$ --	\$ 109,334
Equipment	<u>168,048</u>	<u>8,000</u>	<u>--</u>	<u>176,048</u>
Total Chaneyville Fire Protection District	<u>\$ 277,382</u>	<u>\$ 8,000</u>	<u>\$ --</u>	<u>\$ 285,382</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Land	\$ 9,000	\$ --	\$ --	\$ 9,000
Buildings	256,496	--	--	256,496
Equipment	89,209	75,000	(12,419)	176,628
Equipment Under Capital Leases	<u>--</u>	<u>205,769</u>	<u>--</u>	<u>205,769</u>
Total Alsen-St. Irma Lee Fire Protection District	<u>\$ 354,705</u>	<u>\$ 280,769</u>	<u>\$ (12,419)</u>	<u>\$ 647,893</u>
Total Governmental Fund Component Units	<u>\$16,470,726</u>	<u>\$1,821,857</u>	<u>\$277,506</u>	<u>\$18,015,077</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

f. A summary of property, plant, and equipment for Capital Transportation Corporation, a proprietary fund type component unit at December 31, 1998 is as follows:

Land	\$ 378,307
Buildings	8,847,098
Equipment	<u>9,561,080</u>
Total	18,786,485
 Less Accumulated Depreciation	 <u>(5,327,615)</u>
 Net Fixed Assets	 <u>\$13,458,870</u>

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description and Provisions

The Employees' Retirement System of the City of Baton Rouge, Parish of East Baton Rouge, a separate legal entity, administers an agent multiple-employer defined benefit pension plan. The participating local government employers include:

- City of Baton Rouge, Parish of East Baton Rouge
- District Attorney of the Nineteenth Judicial District
- Nineteenth Judicial District Court
- E.B.R. Parish Family Court
- E.B.R. Parish Juvenile Court
- St. George Fire Protection District
- Brownsfield Fire Protection District
- Central Fire Protection District
- E.B.R. Parish Fire Protection District No. 6
- Eastside Fire Protection District
- * East Baton Rouge Recreation and Park Commission (BREC)
- * Related Organization under GASB 14

The Retirement System is reported as a blended component unit of City-Parish as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Pension Trust Fund by the primary government.

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

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

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

The Retirement System reports its financial activities under the provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. All required disclosures are included in their separately issued report. The primary government (City-Parish), as stated previously, reports the Retirement System as a Pension Trust Fund and has adopted the reporting requirements for an employer under GASB Statement No. 25 and GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. See Note 15 for a discussion of this accounting change and the calculation of the pension liability at transition.

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. Contractual employees may or may not become members, depending upon the provisions of their respective contracts.

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: full retirement benefits and minimum eligibility benefits. The service requirements and benefits granted for each category are:

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Retirement System are prepared using the accrual basis of accounting. Contributions from participating plan employers and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

The investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Summary of Significant Accounting Policies (Continued)

Method Used to Value Investments (Continued)

at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

3. Concentrations of Investments

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

4. Funding Policy

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are made to properly fund the system. In 1998, employees made a mandatory contribution of 9.5% of gross earnings while the actuarially determined employer contribution was 16.13% of active payroll.

5. Annual Pension Cost and Net Pension Obligation

The following information regarding the Retirement System's net pension obligation is based on the December 31, 1998, actuarial valuation:

Annual required contribution	\$17,967,514
Interest on net pension obligation	1,053,294
Adjustment to annual required contribution	<u>(850,254)</u>
Annual pension cost	18,170,554
Contributions made	<u>19,245,205</u>
Increase (decrease) in net pension obligation	(1,074,651)
Net pension obligation beginning of year (transition amount)	<u>13,166,169</u>
Net pension obligation end of year	12,091,518
Less: Net pension obligation for related organization	<u>(458,124)</u>
Net pension obligation - Primary Government and Component Units	<u>\$11,633,394</u>

The annual required contribution for the current year was determined as part of the December 31, 1998, actuarial valuation using the Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability. This method compares the theoretical reserve for service prior to the valuation date to plan assets. With this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over both the earnings and service of the individual between entry age (date of membership in the system) and assumed exit age.

Significant actuarial assumptions used in the valuation include: 1.) a rate of return on the investment of present and future assets of 8.0% per year, compounded annually; 2.) projected salary increases of 4.0% per year compounded annually, attributable to inflation; 3.) additional projected salary increases based on years of service and age attributable to seniority

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Annual Pension Cost and Net Pension Obligation (Continued)

and merit; 4.) no post-retirement benefit increases. The actuarial value of assets was determined using an adjusted market value approach which recognizes 20% of the unrealized gains and losses each year. This technique smoothes the volatility of market values for investments. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis, assuming payroll increases 0% per year during the final 15 years of the amortization period and 4% per year for all years prior to the final 15 years. The remaining amortization period at December 31, 1998, was 26 years.

Three-Year Trend Information for the Retirement System

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/98	\$18,170,554	105.9%	\$12,091,518
12/31/97	19,701,655	89.7	13,166,169
12/31/96	17,932,472	85.4	11,127,580

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) --Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/98	\$740,257,038	\$875,075,687	\$134,818,649	84.6%	\$118,742,991	113.5%
12/31/97	635,463,896	811,977,242	176,513,346	78.3	114,102,750	154.7
12/31/96	587,193,233	773,936,127	186,742,894	75.9	109,658,886	170.3

b. Component Units

1. Capital Transportation Corporation Pension Plan

a. Plan Description

Employees of Capital Transportation Corporation (CTC) are members of the Capital Transportation Corporation Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. The Plan is administered by a local bank under the direction of the Board of Directors of the Corporation. CTC issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CTC's Pension Trust Fund. CTC has adopted the reporting provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. CTC's financial reports may be obtained by writing to:

Capital Transportation Corporation
Michael McCleary, Director
2250 Florida Boulevard
Baton Rouge, LA 70802

Because CTC issues its own CAFR with detailed disclosures on the operations of its Pension Trust Fund and because said fund is immaterial to the Primary Government, the City-Parish has chosen to provide limited disclosure in accordance with the reporting provisions of GASB Statement No. 25 and No. 27.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

1. Capital Transportation Corporation Pension Plan (Continued)

b. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of CTC's Pension Trust Fund are prepared using the accrual basis of accounting. Contributions from CTC and their employees are recognized in the period in which employees provide services to the entity. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

CTC's Pension Trust Fund investments, consisting of mutual funds, are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The Corporation's annual pension and net pension asset for the year ended December 31, 1998, was as follows:

Annual required contribution	\$102,371
Interest on net pension asset	(14,454)
Adjustment to annual required contribution	<u>19,278</u>
Annual pension cost	107,195
Contributions made	<u>192,713</u>
Increase (decrease) in net pension asset	85,518
Net pension asset beginning of year	<u>180,672</u>
Net pension asset end of year	<u>\$266,190</u>

Trend Information for the Capital Transportation Corporation's
Pension Trust Fund

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/98	\$107,195	179.8%	\$266,190
12/31/97	92,368	152.1	180,672
12/31/96	75,069	119.0	132,591

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2/1/98 *	\$2,476,580	\$2,814,804	\$338,224	87.9%	\$2,569,374	13.2%
2/1/97	2,048,573	2,169,991	121,418	94.4	2,519,162	4.8

* Actuarial valuations are determined as of the beginning of the plan year.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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

The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana, and the Office of the District Attorney, are members of the Louisiana District Attorney's Retirement System. This retirement system is a multiple employer cost sharing, statewide public employee retirement system administered and controlled by a separate board of trustees.

The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116, or by calling (504) 947-5551.

Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. From January 1, 1998, to June 30, 1998, the current rate was 2.5% of annual covered payroll. Beginning July 1, 1998, there were no employer contributions to the plan. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee.

The district attorneys' contributions to the LDARS for the year ended December 31, 1998, were \$98,354 equal to the required contributions for the year.

Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge, Parish of East Baton Rouge Employees' Retirement System. The District Attorney's contributions for the year ended December 31, 1998, were \$78,675. Additional information on this system is included in Note 7(a)(1) above.

3. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System

The employees of the Commissioners' offices, whose salaries are paid from appropriations from the State of Louisiana, are members of the Louisiana State Employees' Retirement System ("System"), a public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees which is administered and controlled by a separate board of trustees. The system provides retirement and disability benefits, annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Plan members are required by state statute to contribute 7.5% of gross salary to which the Commissioners' office adds 13% employer's match. The Commissioners' offices' statutory and actual contributions for the year ending June 30, 1998, 1997, and 1996 were \$25,758, \$24,016, and \$24,242, respectively.

Louisiana Clerk of Court Retirement and Relief Fund

Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund. See section b(5) of this note for disclosure on this multiple-employer cost-sharing PERS.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. **Component Units (Continued)**

3. **Nineteenth Judicial District Court Pension Plans (Continued)**

Louisiana Clerk of Court Retirement and Relief Fund (Continued)

The Nineteenth Judicial District Court's contributions to the system for the years ended June 30, 1998, 1997, and 1996, were \$57,560, \$60,875, and \$61,923, respectively, which was equal to the required contributions for each year.

4. **Nineteenth Judicial District Indigent Defender Board Pension Plan**

The Board contracted with A.G. Edwards in 1992 for a pension plan that paid 8% of the employees salary into a fully vested fund for each employee. This is a defined contribution plan and each employee will receive the amount in his individual fund at retirement. The Board pays all of the 8% contribution. There is no unfunded portion at December 31, 1998. Contributions in 1998 were \$101,448.

5. **East Baton Rouge Parish Clerk of Court Pension Plan**

Substantially all employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("Fund"), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10% of covered payroll. Contributions also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. Contribution requirements of both members and employers are established and amended by state statute. The E.B.R. Clerk of Court's contributions to the system for the years ending June 30, 1998, 1997, and 1996, were \$416,094, \$379,812, and \$399,390, respectively. These contributions were equivalent to the required contributions for each fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, LA 70816.

NOTE 8 - Deferred Compensation

a. **Primary Government**

The City-Parish offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City-Parish employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The amount deferred by the employee is not available until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, the City-Parish established a custodial account in December 1996 with a third party administrator who will hold the assets and income of the plan.

The City-Parish has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the City-Parish plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City-Parish's financial statements.

Assets totaling \$29,989,924 are held by Public Employees Benefit Services Corporation, a deferred compensation center, and assets totaling \$390,791 are held by Aetna Life Insurance and Annuity Company under agreement with City-Parish.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 8 - Deferred Compensation (Continued)

b. Component Unit - Capital Region Planning Commission

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees meeting specific length-of-service criteria, permits them to defer a portion of their salary, for federal income tax purposes, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Commission funds the plan by making contributions to a plan administrator, on a monthly basis, at rates ranging from 7.5% to 12.5% of the employees compensation. The contribution rate for employees is based on their employment longevity.

The plan administrator offers a variety of investment alternatives directly to the participant. Commission employees have all selected a fund which consists of investments in insurance companies (a) rated Aa or above as to claims paying ability by Moody's rating service, (b) similarly rated by other major rating services, or (c) approved by the plan administrator's internal credit analysis function where no rating service is available.

Since the plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Component Unit's financial statements.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Commission (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Commission's general creditors. Participants' rights under the plan are equal to those of general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant. Commission management believes that it is unlikely that it will use the assets to satisfy claims of general creditors in the future.

c. Louisiana Public Employees' Deferred Compensation Plan

Many Louisiana local governments, including the East Baton Rouge Parish Clerk of Court, the Nineteenth Judicial District Court, and Capital Transportation Corporation participate in the State of Louisiana Public Employees' Deferred Compensation Plan, created in accordance with Internal Revenue Code Section 457.

The plan, available to all Clerk of Court, District Court, and CTC employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The amount deferred by the employee is not available until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August, 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, all income attributable to those amounts, property or rights are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, a custodial account was established in December, 1996, with a third party administrator who will hold the assets and income of the plan.

These Component Units implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, in 1998. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the Component Unit's financial statements.

Assets held by Public Employees Benefit Services Corporation, a deferred compensation center, under agreement with the State of Louisiana are as follows.

E.B.R. Parish Clerk of Court	\$139,992
Nineteenth Judicial District Court	369,839
Capital Transportation Corporation	24,953

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 9 - Postemployment Benefits

City-Parish employees are eligible to continue participation in the government's health, dental and life insurance programs upon retirement.

a. Health and Dental Benefits

All classified and unclassified employees of the City-Parish may at their option participate in the employees' group health and dental self insurance programs. In 1998, employees were offered their choice of a traditional indemnity plan or the new point-of-service health maintenance plan. Employees may also participate in the indemnity plan for dental benefits. Upon retirement the employee may continue his coverage with the same benefits payable to active employees. The minimum premium plan is funded with employees and retirees contributing 38% of the premium and the City-Parish contributing 62% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972. The City-Parish's portion of the postretirement benefit for health and dental coverage is funded on a pay-as-you-go basis from the General Fund-Risk Management budget.

During 1998 the government recognized expenditures for postretirement health and dental benefits as follows:

	<u>Average Number of Participants</u>	<u>Amount</u>
Health	1,334	\$3,091,367
Dental	1,028	217,226

b. Life Insurance Benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all City-Parish employees who retired after May 1, 1976, have \$3,000 of term life insurance coverage. As of December 31, 1998, approximately 880 retirees had the \$3,000 coverage with Prudential Life Insurance Company.

The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Continuance Fund Account. The fund has a balance of \$313,258 as of January 1, 1999.

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Long-term liabilities of proprietary funds are accounted for in their respective fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

1. Summary of Changes in Long-Term Debt (Continued)

	<u>Balance</u> <u>1/1/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/98</u>
<u>General Long-Term Debt Account Group</u>				
General Obligation Bonds	\$ 1,300,000	\$ --	\$ 1,300,000	\$ --
Excess Revenue Contracts	66,835	--	10,943	55,892
Revenue Bonds	129,210,000	99,050,000	94,895,000	133,365,000
Compensated Absences Payable	8,642,505	498,837	--	9,141,342
Obligation Under Capital Leases (Note 14)	3,938,081	108,851	1,623,167	2,423,765
Claims and Judgments Payable (Note 13)	26,521,622	18,769,625	4,784,247	40,507,000
Employee Benefits Payable (Note 13)	660,356	11,619,719	6,827,028	5,453,047
Arbitrage Payable for Governmental Fund Types	19,238	--	19,238	--
Net Pension Obligation	<u>10,811,481</u>	<u>--</u>	<u>904,422</u>	<u>9,907,059</u>
 Total General Long-Term Debt Account Group	 <u>181,170,118</u>	 <u>130,047,032</u>	 <u>110,364,045</u>	 <u>200,853,105</u>
 <u>Enterprise Funds (Excluding Current Portion)</u>				
Obligations Payable	72,316,050	--	4,717,704	67,598,346
Revenue Bonds Payable	212,570,000	16,825,000	20,935,000	208,460,000
Deferred Amount on Refunding	(2,319,714)	(1,064,151)	--	(3,383,865)
Landfill Closure and Postclosure Care Liability (Note 20)	3,417,128	963,050	--	4,380,178
Long-Term Compensated Absences Payable	--	3,888	--	3,888
Long-Term Obligation Under Capital Leases	7,175	--	7,175	--
Net Pension Obligation	<u>--</u>	<u>1,231,577</u>	<u>--</u>	<u>1,231,577</u>
 Total Enterprise Funds	 <u>285,990,639</u>	 <u>17,959,364</u>	 <u>25,659,879</u>	 <u>278,290,124</u>
 <u>Internal Service Funds (Excluding Current Portion)</u>				
Long-Term Obligation Under Capital Leases	1,957,226	827,185	1,705,754	1,078,657
Net Pension Obligation	<u>--</u>	<u>148,067</u>	<u>--</u>	<u>148,067</u>
 Total Internal Service Funds	 <u>1,957,226</u>	 <u>975,252</u>	 <u>1,705,754</u>	 <u>1,226,724</u>
 <u>Trust and Agency Funds</u>				
Net Pension Obligation	<u>--</u>	<u>41,120</u>	<u>--</u>	<u>41,120</u>
 Total Long-Term Debt	 <u>\$469,117,983</u>	 <u>\$149,022,768</u>	 <u>\$137,729,678</u>	 <u>\$480,411,073</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(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, 1998:

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
<u>General Obligation Bonds</u>					
1965 Capital Improvements Program:					
Drainage Series 1968	06/01-12/01	06/01/68	06/01/98	\$ 8,450,000	\$ --
Roads and Bridges Series 1968	06/01-12/01	06/01/68	06/01/98	<u>12,550,000</u>	<u>--</u>
Total General Obligation Bonds				<u>21,000,000</u>	<u>--</u>
<u>Excess Revenue Contracts</u>					
Parish of East Baton Rouge:					
1982 Jail Project Contract	06/15-12/15	12/15/82	06/15/2002	<u>150,000</u>	<u>55,892</u>
<u>Revenue Bonds</u>					
City of Baton Rouge:					
1989 Public Improvement Sales Tax	02/01-08/01	08/01/89	08/01/2008	14,340,000	725,000
1990 Public Improvement Sales Tax	02/01-08/01	12/01/90	08/01/2015	5,000,000	270,000
1992 Public Improvement Sales Tax	02/01-08/01	02/01/92	08/01/2016	21,400,000	1,850,000
1992A Public Improvement Sales Tax	02/01-08/01	04/01/92	08/01/2012	85,000,000	9,560,000
1993 Public Improvement Sales Tax	02/01-08/01	10/01/93	08/01/2018	4,000,000	3,620,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	17,955,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	94,450,000
Parish of East Baton Rouge:					
1989 Public Improvement Sales Tax	02/01-08/01	08/01/89	08/01/2008	6,625,000	335,000
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	4,600,000	4,600,000
Sewer Sales Tax Bonds:					
1989 Public Improvement Sales Tax	02/01-08/01	02/01/89	02/01/2014	45,000,000	1,210,000
1991 Public Improvement Sales Tax	02/01-08/01	08/01/91	02/01/2016	20,000,000	1,880,000
1993 Public Improvement Sales Tax	02/01-08/01	03/01/93	02/01/2018	30,200,000	27,505,000
1993A Public Improvement Sales Tax	02/01-08/01	10/01/93	02/01/2018	70,000,000	63,870,000
1995 Public Improvement Sales Tax	02/01-08/01	08/01/95	02/01/2020	36,000,000	35,210,000
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	64,730,000
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	16,825,000
Greater Baton Rouge Parking Authority:					
1978 Parking Garage	01/01-07/01	01/01/78	07/01/2003	<u>6,875,000</u>	<u>2,475,000</u>
Total Revenue Bonds				<u>544,640,000</u>	<u>347,070,000</u>
Total All Bonds and Contracts				<u>\$565,790,000</u>	<u>\$347,125,892</u>

The City-Parish is in compliance with all legal debt covenants at December 31, 1998.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable

Changes in bonds payable for the year 1998 were as follows:

	<u>Outstanding January 1, 1998</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding December 31, 1998</u>
<u>General Obligation Bonds</u>				
1965 Capital Improvements Program:				
Drainage	\$ 525,000	\$ --	\$ 525,000	\$ --
Roads and Bridges	<u>775,000</u>	<u>--</u>	<u>775,000</u>	<u>--</u>
Total General Obligation Bonds	<u>1,300,000</u>	<u>--</u>	<u>1,300,000</u>	<u>--</u>
<u>Excess Revenue Contracts</u>				
Parish of East Baton Rouge:				
1982 Jail Project Contract	<u>66,835</u>	<u>--</u>	<u>10,943</u>	<u>55,892</u>
<u>Revenue Bonds</u>				
City of Baton Rouge:				
1989 Public Improvement Sales Tax	10,625,000	--	9,900,000	725,000
1990 Public Improvement Sales Tax	4,380,000	--	4,110,000	270,000
1992 Public Improvement Sales Tax	19,005,000	--	17,155,000	1,850,000
1992A Public Improvement Sales Tax	67,260,000	--	57,700,000	9,560,000
1993 Public Improvement Sales Tax	3,710,000	--	90,000	3,620,000
1997 Public Improvement Sales Tax	19,325,000	--	1,370,000	17,955,000
1998A Public Improvement Sales Tax	--	94,450,000	--	94,450,000
Parish of East Baton Rouge:				
1989 Public Improvement Sales Tax	4,905,000	--	4,570,000	335,000
1998C Public Improvement Sales Tax	--	4,600,000	--	4,600,000
Sewer Sales Tax Bonds:				
1989 Public Improvement Sales Tax	2,330,000	--	1,120,000	1,210,000
1991 Public Improvement Sales Tax	18,115,000	--	16,235,000	1,880,000
1993 Public Improvement Sales Tax	28,135,000	--	630,000	27,505,000
1993A Public Improvement Sales Tax	65,590,000	--	1,720,000	63,870,000
1995 Public Improvement Sales Tax	35,495,000	--	285,000	35,210,000
1996 Public Improvement Sales Tax	64,870,000	--	140,000	64,730,000
1998B Public Improvement Sales Tax	--	16,825,000	--	16,825,000
Greater Baton Rouge Parking Authority:				
1978 Parking Garage	<u>2,885,000</u>	<u>--</u>	<u>410,000</u>	<u>2,475,000</u>
Total Revenue Bonds	<u>346,630,000</u>	<u>115,875,000</u>	<u>115,435,000</u>	<u>347,070,000</u>
Total All Bonds and Contracts	<u>\$347,996,835</u>	<u>\$115,875,000</u>	<u>\$116,745,943</u>	<u>\$347,125,892</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 1998, and interest requirements to maturity:

	<u>Debt Payable</u> <u>12/31/98</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
<u>Excess Revenue Contracts</u>			
1982 Jail Project Contract (10.64%)*	\$ 55,892	\$ 12,650	\$ 68,542
<u>Revenue Bonds</u>			
City of Baton Rouge:			
1989 Public Improvement Sales Tax (6.933%)*	725,000	49,300	774,300
1990 Public Improvement Sales Tax (6.924%)*	270,000	27,833	297,833
1992 Public Improvement Sales Tax (6.43%)*	1,850,000	230,265	2,080,265
1992A Public Improvement Sales Tax (6.41%)*	9,560,000	1,561,725	11,121,725
1993 Public Improvement Sales Tax (5.13%)*	3,620,000	2,224,420	5,844,420
1997 Public Improvement Sales Tax (4.79%)*	17,955,000	5,471,562	23,426,562
1998A City Sales Tax (4.43%) TIC**	94,450,000	46,435,599	140,885,599
Parish of East Baton Rouge:			
1989 Public Improvement Sales Tax (6.933%)*	335,000	22,780	357,780
1998C Public Improvement Sales Tax (4.11%) TIC**	4,600,000	1,164,577	5,764,577
Sewer Sales Tax Bonds:			
1989 Public Improvement Sales Tax (7.495%)*	1,210,000	42,955	1,252,955
1991 Public Improvement Sales Tax (6.67%)*	1,880,000	12,017,053	13,897,053
1993 Public Improvement Sales Tax (5.49%)*	27,505,000	17,313,273	44,818,273
1993A Public Improvement Sales Tax (5.13%)*	63,870,000	36,771,966	100,641,966
1995 Public Improvement Sales Tax (5.97%)*	35,210,000	32,216,215	67,426,215
1996 Public Improvement Sales Tax (5.66%)*	64,730,000	49,733,191	114,463,191
1998B Public Improvement Sales Tax (4.66%) TIC**	16,825,000	8,988,358	25,813,358
Greater Baton Rouge Parking Authority:			
1978 Parking Garage (6.29%)*	<u>2,475,000</u>	<u>493,425</u>	<u>2,968,425</u>
 Total Revenue Bonds	 <u>347,070,000</u>	 <u>214,764,497</u>	 <u>561,834,497</u>
 Total All Bonds and Contracts	 <u>\$347,125,892</u>	 <u>\$214,777,147</u>	 <u>\$561,903,039</u>

* Net Interest Cost (NIC)

** True Interest Cost (TIC)

During 1998, the City-Parish changed its policy for awarding competitive bids for sales tax revenue bonds from Net Interest Cost to True Interest Cost.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(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:

<u>Year</u>	<u>Excess Revenue Contracts</u>			<u>Revenue Bonds</u>			<u>Total Principal and Interest All Bonds</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
1999	\$12,117	\$ 5,332	\$17,449	\$ 11,585,000	\$ 18,576,547	\$ 30,161,547	\$ 30,178,996
2000	13,289	3,973	17,262	11,610,000	19,057,807	30,667,807	30,685,069
2001	14,462	2,488	16,950	13,625,000	18,139,833	31,764,833	31,781,783
2002	16,024	857	16,881	14,945,000	17,193,881	32,138,881	32,155,762
2003	--	--	--	16,595,000	16,253,151	32,848,151	32,848,151
2004-2008	--	--	--	90,570,000	66,455,031	157,025,031	157,025,031
2009-2013	--	--	--	90,230,000	41,018,643	131,248,643	131,248,643
2014-2018	--	--	--	78,570,000	16,573,875	95,143,875	95,143,875
2019-2021	--	--	--	19,340,000	1,495,729	20,835,729	20,835,729
Total	<u>\$55,892</u>	<u>\$12,650</u>	<u>\$68,542</u>	<u>\$347,070,000</u>	<u>\$214,764,497</u>	<u>\$561,834,497</u>	<u>\$561,903,039</u>

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 1999 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Excess Revenue Contracts</u>			
1982 Jail Project Contract	\$ 12,117	\$ 5,332	\$ 17,449
<u>Revenue Bonds</u>			
City of Baton Rouge:			
1989 Public Improvement Sales Tax	725,000	49,300	774,300
1990 Public Improvement Sales Tax	130,000	18,873	148,873
1992 Public Improvement Sales Tax	585,000	117,895	702,895
1992A Public Improvement Sales Tax	3,005,000	796,275	3,801,275
1993 Public Improvement Sales Tax	95,000	190,520	285,520
1997 Public Improvement Sales Tax	1,455,000	905,205	2,360,205
1998A Public Improvement Sales Tax	5,000	3,564,814	3,569,814
Parish of East Baton Rouge:			
1989 Public Improvement Sales Tax	335,000	22,780	357,780
1998C Public Improvement Sales Tax	5,000	142,614	147,614

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Revenue Bonds (Continued)</u>			
Parish of East Baton Rouge (Continued):			
Sewer Sales Tax Bonds:			
1989 Public Improvement Sales Tax	\$ 1,210,000	\$ 42,955	\$ 1,252,955
1991 Public Improvement Sales Tax	590,000	1,154,365	1,744,365
1993 Public Improvement Sales Tax	680,000	1,513,077	2,193,077
1993A Public Improvement Sales Tax	1,865,000	3,345,876	5,210,876
1995 Public Improvement Sales Tax	310,000	2,134,388	2,444,388
1996 Public Improvement Sales Tax	150,000	3,841,577	3,991,577
1998B Public Improvement Sales Tax	5,000	578,252	583,252
Greater Baton Rouge Parking Authority:			
1978 Parking Garage	<u>435,000</u>	<u>157,781</u>	<u>592,781</u>
Total Revenue Bonds	<u>11,585,000</u>	<u>18,576,547</u>	<u>30,161,547</u>
Total All Bonds and Contracts	<u>\$11,597,117</u>	<u>\$18,581,879</u>	<u>\$30,178,996</u>

7. Legal Debt Margin

Computation of Legal Debt Margin for General Obligation Bonds is as follows:

Governing Authority: City of Baton Rouge

Ad Valorem Taxes:

Assessed Valuation \$1,019,135,241

Debt Limit: 10% of Assessed Valuation (for any one purpose) 101,913,524

Debt Limit: 15% of Assessed Valuation (aggregate, all purposes) 152,870,286

Debt Limit: 35% of Assessed Valuation (sewerage purposes) 356,697,334

Debt Outstanding \$ --

Governing Authority: Parish of East Baton Rouge

Purpose: Drainage Roads,
Highways
and Bridges

Assessed Valuation \$2,110,523,938

Debt Limit: 10% of Assessed Value* 211,052,394

Debt Outstanding \$ --

*Debt may be incurred up to a limit of 10% of assessed valuation for any one purpose.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin (Continued)

Computation of Legal Debt Margin for General Obligation Bonds (Continued):

Governing Authority: Greater Baton Rouge Consolidated Sewerage District

Ad Valorem Taxes:

Assessed Valuation	<u>\$2,110,523,938</u>
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Debt Limit: 15% of Assessed Valuation	316,578,591
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Debt Outstanding	<u>\$ --</u>
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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 Certificates and Contracts are secured by the general property tax levied for operation of the General Fund. They are payable through excess revenues through the General Fund budget. The debt obligations are issued on the authority of the Metropolitan Council and do not require a referendum from taxpayers.

8. Parking Revenue Bonds

On January 1, 1978, Parking Revenue Bonds were issued in the amount of \$6,875,000 for the purpose of constructing a multi-level parking facility for approximately 1,400 vehicles, including the funding of \$600,000 to a debt service reserve and paying \$665,000 interest on the bonds during construction of the project. The bonds do not constitute a pledge of full faith and credit of the City-Parish but are payable solely from the revenues derived from the facility or by subrentals under a sublease of the project. As security for payments, the City-Parish has pledged to dedicate gross receipts derived from the project, as well as its parking revenues from the existing 450 space Plaza Garage, 156 space surface Arena Lot, and designated on-street parking meter revenues, and any additional sums required are unconditionally obligated to be budgeted and paid from the General Fund.

The bonds are a combination serial and term bond issue with serial bonds maturing July 1, 1982, and each year thereafter through the year 1998, in principal amounts ranging from \$150,000 to \$410,000. The term bonds in the amount of \$2,475,000 mature July 1, 2003.

9. Governmental Funds Sales Tax Revenue Bonds

The City of Baton Rouge issued \$14,340,000 of Public Improvement Sales Tax Revenue Bonds, Series 1989, dated August 1, 1989, and the Parish of East Baton Rouge issued \$6,625,000 of Public Improvement Sales Tax Revenue Bonds, Series 1989 dated August 1, 1989. The bonds of both entities were issued for the purpose of the advance refunding of the Parish 1983 Street Improvement Certificates and the City and the Parish 1988 Louisiana Public Facilities Authority/East Baton Rouge Parish Buildings Lease Revenue Bonds, acquiring and constructing additions and improvements to the government's public buildings, providing a reserve for the bonds, and paying the issuance costs thereof.

The City of Baton Rouge issued \$5,000,000 of Public Improvement Sales Tax Revenue Bonds (Municipal Waste Sanitary Landfill Closure Project) Series 1990 dated December 1, 1990. The bonds were issued for the purpose of financing the closure of the municipal waste sanitary landfill facility commonly referred to as Devil's Swamp Landfill, paying the cost of issuance and providing for a portion of the debt service reserve.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. Governmental Funds Sales Tax Revenue Bonds (Continued)

The City of Baton Rouge issued \$21,400,000 of Public Improvement Sales Tax Revenue Bonds, Series 1992, dated February 1, 1992. The bonds were issued specifically to provide funds to finance the acquisition and construction of the new municipal waste sanitary landfill facility and to provide funds to finance certain improvements to public buildings and facilities, including, but not limited to, the City Court facility.

The City of Baton Rouge issued \$4,000,000 of Public Improvement Sales Tax Revenue Bonds, Series 1993, dated October 1, 1993. The bonds were issued for the purpose of providing funds to finance certain improvements to public buildings and facilities of the City, providing a reserve fund for the bonds, and paying the issuance cost thereof.

The City of Baton Rouge issued \$19,325,000 of Public Improvement Sales Tax Revenue Bonds, Series 1997, dated October 1, 1997. The bonds were issued for the purpose of providing funds to finance a portion of the Airport Terminal Development Program and solid waste disposal facility improvements at the City-Parish landfill, providing a reserve fund for the bonds, and paying the issuance cost thereof.

The City of Baton Rouge issued \$94,450,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998A, dated November 1, 1998. The bonds were issued for the purpose of: (1) providing sufficient funds to advance refund \$84,685,000 of aggregate principal ("callable series bonds") for the following Public Improvement Sales Tax Revenue Bond issues:

<u>Bond Issue</u>	<u>Principal Refunded</u>	<u>Maturing On and After</u>
\$14,340,000; Series 1989	\$ 9,225,000	August 1, 2000
\$ 5,000,000; Series 1990	3,985,000	August 1, 2001
\$21,400,000; Series 1992	16,620,000	August 1, 2002
\$85,000,000; Series 1992A	<u>54,855,000</u>	August 1, 2002
	<u>\$84,685,000</u>	

(2) providing funding for the cost of constructing a new planetarium and for other public building improvements, and; (3) providing a reserve, and paying the costs of issuance thereof.

The Parish of East Baton Rouge issued \$4,600,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998C, dated November 1, 1998. The bonds were issued for the purpose of: (1) providing sufficient funds to advance refund \$4,255,000 of aggregate principal for the \$6,625,000 Public Improvement Sales Tax Revenue Bonds, Series 1989, maturing on and after August 1, 2000, and; (2) paying the costs of issuance thereof.

All of the above governmental funds 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.

10. Proprietary Fund Sales Tax Revenue Bonds

The Parish of East Baton Rouge issued \$45,000,000 of Sales Tax Revenue Public Improvement Bonds (ST-1989) dated February 1, 1989. The Parish of East Baton Rouge also issued \$20,000,000 of Sales Tax Revenue Public Improvement Bonds dated August 1, 1991. During 1993, the Parish of East Baton Rouge issued \$30,200,000 Public Improvement Sales Tax Bonds, Series ST-1993, dated March 1, 1993, and \$70,000,000 Public Improvement Sales Tax Bonds, Series ST-1993A, dated October 1, 1993. During 1995, the Parish of East Baton Rouge issued \$36,000,000 Public Improvement Sales Tax Revenue Bonds, Series ST-1995, dated August 1, 1995. All bonds are complete parity bonds. The bonds were issued for the purpose of providing funding for the Parish's multi-year sewerage capital improvements program, providing a reserve, and paying the issuance cost thereof. The bonds are payable solely from the Parish's additional one-half of one percent sales and use tax, dedicated for sewerage purposes by the general electorate in April 1988, effective January 1, 1989.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. Proprietary Fund Sales Tax Revenue Bonds (Continued)

On March 1, 1996, the Parish of East Baton Rouge issued \$65,000,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1996 for the purpose of: (1) providing sufficient funds to advance refund \$36,300,000 in aggregate principal amount of the \$45,000,000 Public Improvement Bonds, Series ST-1989, maturing on and after February 1, 2000 (the "callable series 1989 bonds"); (2) providing funding for the costs of sewerage capital improvements, and; (3) providing a reserve, and paying the costs of issuance thereof. The 1996 bonds were issued in complete parity with the above Parish sales tax revenue bond issues, payable solely from the Parish's additional one-half of one percent sales and use tax.

On November 1, 1998, the Parish of East Baton Rouge issued \$16,825,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1998B, for the purpose of: (1) providing sufficient funds to advance refund \$15,690,000 in aggregate principal of the \$20,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991, maturing on and after February 1, 2002 (the "callable series 1991 bonds"), and; (2) paying the costs of issuance thereof. The 1998 bonds were issued in complete parity with the above Parish sewer sales tax revenue bonds, payable solely from the Parish's additional one-half of one percent sewer sales and use tax.

11. Current Year - Advance Refunding

As indicated in Note 10(a) 9 above, the City issued \$94,450,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998A, a portion of which was used to refund and defease in substance the callable portion of the following Sales Tax Revenue Bond issues:

<u>Bond Issue</u>	<u>Principal Refunded</u>	<u>Net Interest Cost (NIC) at Issuance</u>
\$14,340,000; Series 1989	\$ 9,225,000	6.933%
\$ 5,000,000; Series 1990	3,985,000	6.924%
\$21,400,000; Series 1992	16,620,000	6.430%
\$85,000,000; Series 1992A	<u>54,855,000</u>	6.410%
	<u>\$84,685,000</u>	

The new bonds were issued with a true interest cost of 4.427%. A portion of the proceeds of the new issue was provided by monies available in existing debt service sinking funds for the above referenced bond issues. The refunding portion of the new issue was used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$84,685,000) of the aforementioned bond issues. As a result, these bond issues are considered defeased, and the liability for these bonds has been removed from the General Long-Term Debt Account Group. The non-callable portion of the old bond issues (\$12,405,000 as of December 31, 1998) is reported as a liability in the General Long-Term Debt Account Group.

As indicated in Note 10(a) 9 above, the Parish issued \$4,600,000 of Public Improvement Sales Tax Revenue Bonds, Series 1998C, to refund and defease in substance the callable portion of the 1989 Public Improvement Sales Tax Revenue Bonds, Series 1989 (net interest cost - 6.933%; principal refunded - \$4,255,000). The new bonds were issued with a true interest cost of 4.111%. The proceeds of the new issue were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$4,255,000) of the 1989 Public Improvement Sales Tax Revenue Bonds, Series 1989. As a result, that portion of the 1989 issue is considered to be defeased, and the liability for those bonds has been removed from the General long-Term Debt Account Group. The non-callable portion of the old issue (\$335,000 as of December 31, 1998) is reported as a liability of the General Long-Term Debt Account Group.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Current Year - Advance Refunding (Continued)

As indicated in Note 10(a) 10 above, the Parish issued \$16,825,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1998B, to refund and defease in substance the callable portion of the 1991 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (net interest cost - 6.67%; principal refunded - \$15,690,000). The new bonds were issued with a true interest cost of 4.664%. A portion of the proceeds of the new issue was provided by monies available in an existing debt service sinking fund. A portion of the proceeds of the new issue was used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$15,690,000) of the 1991 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991. As a result, that portion of the 1991 issue is considered to be defeased, and the liability for those bonds has been removed from the balance sheet of the Comprehensive Sewerage System Fund. The non-callable portion of the old issue (\$1,880,000 as of December 31, 1998) is reported as a liability of the Comprehensive Sewerage System Fund.

Details of each bond issuance are summarized as follows:

1998 Sales Tax Refunding Bonds Sources and Uses of Funds

	Series 1998A			Series 1998B	Series 1998C
	Refunding Escrow	New Construction	1998A Total	Refunding Escrow	Refunding Escrow
Sources:					
Principal Proceeds	\$90,695,000	\$3,755,000	\$ 94,450,000	\$16,825,000	\$4,600,000
Premium	4,872,879	--	4,872,879	67,659	--
Accrued Interest on New Debt to Delivery	215,439	9,012	224,451	36,413	8,979
Contribution from Sinking Funds	1,366,530	--	1,366,530	337,500	--
Total Sources	\$97,149,848	\$3,764,012	\$100,913,860	\$17,266,572	\$4,608,979
Uses:					
Deposit to Escrow Agent	\$90,937,408	\$ --	\$ 90,937,408	\$16,821,699	\$4,511,409
Net Construction Proceeds	120,356	3,740,000	3,860,356	216,801	--
Premium Used for Construction	4,872,879	--	4,872,879	--	--
Premium Used for Debt Service Issuance Costs	360,000	15,000	375,000	67,659	88,591
Deposit of Accrued Interest to Sinking Fund	215,439	9,012	224,451	36,413	8,979
Deposit to Debt Service Reserve	643,766	--	643,766	--	--
Total Uses	\$97,149,848	\$3,764,012	\$100,913,860	\$17,266,572	\$4,608,979

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Current Year - Advance Refunding (Continued)

Summary of Cash Flow Differences and Calculation of Economic Gain
for the Series 1998A, 1998B, 1998C
Sales Tax Revenue Bonds

	<u>Series 1998A Bonds</u>	<u>Series 1998B Bonds</u>	<u>Series 1998C Bonds</u>
<u>Cash Flow Difference</u>			
Old debt service cash flows	\$136,415,983	\$27,446,953	\$6,173,135
New debt service cash flows	\$134,927,321	\$25,813,358	\$5,764,577
Less:			
Premium used for construction	(4,872,879)	--	--
Premium used for debt service	--	(67,659)	--
Accrued interest in 2/1/99 payment	(215,439)	(36,413)	(8,979)
Plus:			
Contribution from sinking funds	<u>1,366,530</u>	<u>337,500</u>	<u>5,755,598</u>
Cash Flow Difference	<u>\$ 5,210,450</u>	<u>\$ 1,400,167</u>	<u>\$ 417,537</u>
<u>Economic Gain</u>			
Present value of old debt service cash flows	\$ 97,421,603	\$18,249,239	\$4,899,199
Present value of new debt service cash flows	\$ 95,423,319	\$16,805,072	\$4,520,388
Less:			
Premium used for construction	(4,872,879)	--	--
Premium used for debt service	--	(67,659)	--
Accrued interest in 2/1/99 payment	(215,439)	(36,413)	(8,979)
Plus:			
Contribution from sinking funds	<u>1,366,530</u>	<u>337,500</u>	<u>4,511,409</u>
Economic Gain	<u>\$ 5,720,072</u>	<u>\$ 1,210,739</u>	<u>\$ 387,790</u>

As a result of refunding the callable portion of the \$20,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (with the Series ST-1998B bonds), on November 1, 1998, the City-Parish recognized a Deferred Amount on Refunding in the amount of \$1,291,440. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. The table below outlines the methodology used for calculating this deferral.

Reacquisition Price		\$16,821,699
Carrying Amount of Old Bonds	\$15,690,000	
Less: Unamortized Issuance Costs	<u>(159,741)</u>	
Net Carrying Amount of Old Bonds		<u>15,530,259</u>
Deferred Amount on Refunding		<u>\$ 1,291,440</u>

As of December 31, 1998, \$4,775 of the Deferred Amount on Refunding was amortized resulting in a net Deferred Amount on Refunding of \$1,286,665. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Prior Year - Advance Refunding

As indicated in Note 10 (a) 10 above, the Parish refunded and defeased in substance the callable portion of the 1989 Public Improvement (Sewer) Sales Tax Revenue Bonds on March 1, 1996 (net interest cost rate - 6.933%; principal refunded - \$36,300,000). A portion of the proceeds of the issue was provided by monies in the old debt service reserve that applied to the callable bonds. A portion of the proceeds of the new issue was used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the callable portion (\$36,300,000) of the 1989 Public Improvement (Sewer) Sales Tax Revenue Bonds, (Series ST-1989). As a result, that portion of the 1989 issue is considered to be defeased, and the liability for those bonds has been removed from the balance sheet of the Comprehensive Sewerage System Fund. The non-callable portion of the old issue, \$1,210,000 as of December 31, 1998, is reported as a liability of the Comprehensive Sewerage System Fund and will totally mature on February 1, 1999.

As a result of refunding the callable portion of the \$45,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, the City-Parish recognized a Deferred Amount on Refunding of \$2,710,061. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. As of December 31, 1998, \$612,861 of the Deferred Amount on Refunding was amortized (\$222,514 in 1998 and \$390,347 in prior years) resulting in a net Deferred Amount on Refunding of \$2,097,200. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

13. Bonds of Other Governmental Units

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

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

14. Port Authority Bonds

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 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.

15. Arbitrage Liability

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

Arbitrage rebate calculations made on December 31, 1998, for the Parish of East Baton Rouge show arbitrage rebate liabilities to the U.S. Department of Treasury for the following Public Improvement (Sewer) Sales Tax Bonds:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

15. Arbitrage Liability (Continued)

<u>Bond Issue</u>	<u>Arbitrage Liability</u>
\$45,000,000; Series ST-1989	\$ 25,293
\$30,200,000; Series ST-1993	1,662
\$70,000,000; Series ST-1993-A	10,700
\$36,000,000; Series ST-1995	<u>68,090</u>
	<u>\$105,745</u>

These arbitrage rebate liabilities have been recorded as "Due to Other Governments" in the Comprehensive Sewerage System Fund.

16. 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, 1998, there were 73 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$280,000,000.

b. Component Units

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Net Pension Obligation	\$ <u> --</u>	\$ <u>156,301</u>	\$ <u> --</u>	\$ <u>156,301</u>
<u>Nineteenth Judicial District Court</u>				
Compensated Absences Payable	\$ 506,315	\$ 45,114	\$ --	\$ 551,429
Net Pension Obligation	<u> --</u>	<u>6,899</u>	<u> --</u>	<u>6,899</u>
Total	<u>\$ 506,315</u>	<u>\$ 52,013</u>	<u>\$ --</u>	<u>\$ 558,328</u>
<u>E.B.R. Parish Family Court</u>				
Net Pension Obligation	\$ <u> --</u>	\$ <u>15,110</u>	\$ <u> --</u>	\$ <u>15,110</u>
<u>E.B.R. Parish Juvenile Court</u>				
Compensated Absences Payable	\$ 111,931	\$ 15,815	\$ --	\$ 127,746
Net Pension Obligation	<u> --</u>	<u>41,987</u>	<u> --</u>	<u>41,987</u>
Total	<u>\$ 111,931</u>	<u>\$ 57,802</u>	<u>\$ --</u>	<u>\$ 169,733</u>
<u>E.B.R. Parish Clerk of Court</u>				
Compensated Absences Payable	\$ <u>284,443</u>	\$ <u>5,482</u>	\$ <u> --</u>	\$ <u>289,925</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>St. George Fire Protection District</u>				
Bonds and Notes Payable	\$1,014,444	\$2,000,000	\$107,622	\$2,906,822
Compensated Absences Payable	69,273	104,338	65,168	108,443
Obligation Under Capital Leases	104,098	--	--	104,098
Net Pension Obligation	<u> --</u>	<u> 28,882</u>	<u> --</u>	<u> 28,882</u>
Total	<u>\$1,187,815</u>	<u>\$2,133,220</u>	<u>\$172,790</u>	<u>\$3,148,245</u>
 <u>Brownsfield Fire Protection District</u>				
Net Pension Obligation	<u>\$ --</u>	<u>\$ 7,736</u>	<u>\$ --</u>	<u>\$ 7,736</u>
 <u>Central Fire Protection District</u>				
Compensated Absences Payable	\$ 64,107	\$ --	\$ 12,141	\$ 51,966
Obligation Under Capital Leases	217,818	--	131,763	86,055
Net Pension Obligation	<u> --</u>	<u> 25,300</u>	<u> --</u>	<u> 25,300</u>
Total	<u>\$ 281,925</u>	<u>\$ 25,300</u>	<u>\$ 143,904</u>	<u>\$ 163,321</u>
 <u>E.B.R. Parish Fire Protection District No. 6</u>				
Bonds Payable	\$ --	\$ 170,000	\$ --	\$ 170,000
Compensated Absences Payable	43,407	--	37,355	6,052
Obligation Under Capital Leases	15,850	168,730	15,850	168,730
Net Pension Obligation	<u> --</u>	<u> 20,015</u>	<u> --</u>	<u> 20,015</u>
Total	<u>\$ 59,257</u>	<u>\$ 358,745</u>	<u>\$ 53,205</u>	<u>\$ 364,797</u>
 <u>Eastside Fire Protection District</u>				
Notes Payable	\$ 612,500	\$ 420,000	\$ 67,500	\$ 965,000
Compensated Absences Payable	2,551	1,023	--	3,574
Obligation Under Capital Leases	--	38,113	--	38,113
Net Pension Obligation	<u> --</u>	<u> 3,341</u>	<u> --</u>	<u> 3,341</u>
Total	<u>\$ 615,051</u>	<u>\$ 462,477</u>	<u>\$ 67,500</u>	<u>\$1,010,028</u>
 <u>Alsen-St. Irma Lec Fire Protection District</u>				
Obligation Under Capital Leases	<u>\$ --</u>	<u>\$ 205,769</u>	<u>\$ 10,232</u>	<u>\$ 195,537</u>
Total Governmental Fund Component Units Long-Term Debt	<u>\$3,046,737</u>	<u>\$3,479,955</u>	<u>\$447,631</u>	<u>\$6,079,061</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 11 - Receivables and Payables

a. **Individual fund interfund receivable and payable balances at year-end for the Primary Government were as follows:**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 136,596	\$ 22,363
Special Revenue Funds:		
Library Board of Control Fund	--	6,516,494
Downtown Development District	--	217,812
Total Special Revenue Funds	--	6,734,306
Capital Projects Fund:		
Miscellaneous Capital Improvements Fund	6,516,494	--
Enterprise Funds:		
Greater Baton Rouge Airport District	--	136,596
Greater Baton Rouge Parking Authority	--	2,152,877
Comprehensive Sewerage System Fund	2,370,689	--
Total Enterprise Funds	2,370,689	2,289,473
Trust and Agency Funds:		
Employees' Retirement System Pension Trust Fund	22,363	--
Total	<u>\$9,046,142</u>	<u>\$9,046,142</u>

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
General	\$ --	\$1,139,455	\$138,746	\$ 7,266,918	\$1,124,578	\$ 9,669,697
Special Revenue	4,627,109	4,812,261	--	16,087,787	556,370	26,083,527
Capital Projects	--	1,575,986	--	364	--	1,576,350
Enterprise	2,307,348	1,176,143	--	113	--	3,483,604
Internal Service	--	1,026	--	--	2,189	3,215
Trust and Agency	--	--	--	33,851	--	33,851
Total	<u>\$6,934,457</u>	<u>\$8,704,871</u>	<u>\$138,746</u>	<u>\$23,389,033</u>	<u>\$1,683,137</u>	<u>\$40,850,244</u>

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

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$ 40,730
Enterprise Funds:		
Comprehensive Sewerage System Fund	--	74,066
Trust and Agency Funds:		
Indigent Defender Fund	--	(100,827)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 11 - Receivables and Payables (Continued)

c. Receivable and payable balances between the Primary Government and Component Units (Continued)

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	\$ (40,730)	\$ --
Nineteenth Judicial District Indigent Defender Board	100,827	--
Brownsfield Fire Protection District	<u>(74,066)</u>	<u>--</u>
Total	<u>\$ (13,969)</u>	<u>\$ 13,969</u>

NOTE 12 - Interfund Transfers

a. Residual Equity Transfers

1. A residual equity transfer of \$76,349 was made from the General Fund to provide local matching funds for a federal grant to cover capital outlay expenditures for Capital Transportation Corporation.
2. During 1998, the Metropolitan Council adopted a resolution abolishing the City Court Judicial Fund as of January 1, 1999. The resolution directed that the estimated revenues and appropriations formerly appearing in this fund would appear in the General Fund. In closing this fund a residual equity transfer in the amount of \$651,694 was made to transfer the remaining assets and liabilities to the General Fund. Fund Balance has been designated for this amount.
3. A residual equity transfer of \$30,400 was made from the Emergency Medical Services Fund to the Greater Baton Rouge Airport District to fund a portion of the renovation and expansion of the Aircraft Rescue and Firefighting Facility.
4. A residual equity transfer of \$562 was made from the Parish Transportation Fund to provide local matching funds for a federal grant to cover capital outlay expenditures for Capital Transportation Corporation.
5. In closing the 1965 Capital Improvements Debt Service Fund, a residual equity transfer in the amount of \$349,692 was made to transfer the remaining cash and accrued interest receivable balances to the Capital Improvement Fund.
6. In closing the New Municipal Waste Facility Fund, a residual equity transfer in the amount of \$1,242 was made to transfer the remaining cash balance to the Solid Waste Disposal Facility Fund.
7. In closing the 1993 Bond Capital Improvements Fund, a residual equity transfer in the amount of \$1,209 was made to transfer the remaining cash balance to the General Fund.
8. In closing the Parish Buildings Renovation and Relocation Fund, a residual equity transfer in the amount of \$189,832 was made to transfer the remaining cash balance to the General Fund.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 12 - Interfund Transfers (Continued)

b. **Operating Transfers In and Out for the Primary Government are listed by fund type for the year 1998:**

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	<u>\$15,685,433</u>	<u>\$32,918,107</u>
Special Revenue Funds:		
City Court Judicial Fund	--	409,022
City Constable Court Costs Fund	--	82,686
Library Board of Control Fund	--	3,479,164
Downtown Development District	35,000	--
Animal Control Center Fund	506,070	--
East Baton Rouge Parish Communications District	368,408	56,169
Emergency Medical Services Fund	--	1,168,408
Consolidated Garbage Service District No. 1	--	946,482
Grants Fund	<u>358,224</u>	<u>2,196</u>
Total Special Revenue Funds	<u>1,267,702</u>	<u>6,144,127</u>
Debt Service Funds:		
City Sales Tax Bonds Debt Service Fund	103,075	--
Excess Revenue and Limited Tax Fund	<u>1,839,075</u>	<u>--</u>
Total Debt Service Funds	<u>1,942,150</u>	<u>--</u>
Capital Projects Funds:		
1997 Bond Capital Improvements Fund	--	103,075
Miscellaneous Capital Improvements Fund	4,462,222	--
Capital Improvement Fund	<u>10,571,601</u>	<u>--</u>
Total Capital Projects Funds	<u>15,033,823</u>	<u>103,075</u>
Enterprise Funds:		
Riverside Centroplex Fund	800,000	--
Greater Baton Rouge Parking Authority	315,060	--
Comprehensive Sewerage System Fund	4,000,000	--
Solid Waste Disposal Facility Fund	<u>--</u>	<u>178,859</u>
Total Enterprise Funds	<u>5,115,060</u>	<u>178,859</u>
Internal Service Funds:		
Central Garage Fund	<u>300,000</u>	<u>--</u>
Total	<u>\$39,344,168</u>	<u>\$39,344,168</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 12 - Interfund Transfers (Continued)

c. **Operating transfers between the Primary Government and Component Units were as follows:**

	<u>Operating Transfers (To)/From Primary Government</u>	<u>Operating Transfers (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$(10,331,012)
<u>Special Revenue Funds:</u>		
Parish Transportation Fund	--	(1,189,788)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	3,051,370	--
Nineteenth Judicial District Court	3,496,330	--
E.B.R. Parish Family Court	499,947	--
E.B.R. Parish Juvenile Court	594,721	--
Nineteenth Judicial District Indigent Defender Board	125,908	--
E.B.R. Parish Clerk of Court	1,077,766	--
St. George Fire Protection District	25,000	--
Brownsfield Fire Protection District	25,000	--
Central Fire Protection District	53,730	--
E.B.R. Parish Fire Protection District No. 6	200,000	--
Eastside Fire Protection District	61,660	--
Pride Fire Protection District	35,000	--
Chaneyville Fire Protection District	35,000	--
Alsen-St. Irma Lee Fire Protection District	53,840	--
Capital Transportation Corporation	<u>2,185,528</u>	<u>--</u>
Total	<u>\$11,520,800</u>	<u>\$(11,520,800)</u>

NOTE 13 - 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 \$100,000 and carries an insurance policy for all other locations with a combined \$100,000 deductible. There were no settlements that exceeded insurance coverage for the past three years.

b. **Accounting for Risk**

In accordance with GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and the 1997 *Codification of Governmental Accounting and Financial Reporting Standards* of the Governmental Accounting Standards Board, the City-Parish accounts for and reports risk management activities in the general fund within

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 13 - Risk Management (Continued)

b. Accounting for Risk (Continued)

the constraints of the modified accrual basis of accounting. Claims paid under the self-insurance risk activities 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 General Long-Term Debt Account Group. There were no major changes in insurance coverage for the year ended December 31, 1998.

c. Contingent Liabilities - Claims and Judgments

The City-Parish is a defendant in various tort claims and lawsuits involving general liability, automobile liability, personnel suits, and contractual matters. In accordance with FASB Statement No. 5, *Accounting for Contingencies*, litigation and other claims against the City-Parish for which there is at least a reasonable possibility of loss are estimated as of the balance sheet date by an outside casualty actuary. The estimated amount of liability is based on current Louisiana laws and judgments rendered in similar matters. FASB No. 5 requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether or not it has been reported, and that the amount of loss can be reasonably estimated. In accordance with GASB Statement No. 30, *Risk Financing Omnibus*, claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. Incremental claim costs have been estimated by management to be approximately 2% of the total amount paid out in settlements and judgments.

An amount of \$40,507,000 has been recorded as a long-term obligation in the General Long-Term Debt Account Group for estimated claims and judgments for risk management purposes. Incremental claim costs as required by GASB Statement No. 30, account for approximately 2% of that total. It is the government's policy to pay judgments against the City-Parish on a current basis from available financial resources.

d. Employee Benefits

Effective January 1, 1998, the City-Parish is self-insured and maintains a minimum premium plan for the group health and dental programs, providing medical and dental coverage to those City-Parish employees who choose to participate. Prior to January 1, the City-Parish held a fully insured health maintenance contract with an outside vendor for employee health insurance coverage. Employees are given the option of joining either the Blue Cross Point-of-Service Program or a health indemnity plan. An employee can only participate in one health plan. The City-Parish contributes 62% of the premium and employees contribute 38%. The government's share of the health and dental premium in the self-insured program is charged to individual budget accounts. Claims paid by the government in excess of the premium base for any given year are covered 100% by the General Fund. Any surplus of premiums over claims within a single fiscal year are recognized as "operating transfers in" to the General Fund and increase Fund Balance Designated for Insurance.

The estimated value of self-insured claims incurred but not reported or paid as of December 31, 1998, for group health and dental are as follows:

Self-funded medical	\$4,912,234
Self-funded dental	<u>540,813</u>
Total estimate	<u>\$5,453,047</u>

This amount has been included in the General Long-Term Debt Account Group for December 31, 1998.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 1998, 1997, and 1996:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 13 - Risk Management (Continued)

e. Changes in Liabilities for Claims (Continued)

	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Claims and Judgments Payable:</u>			
Beginning Balance	\$26,521,622	\$33,907,395	\$23,203,174
Additions:			
Claims Incurred & Changes in Estimate	18,769,625	3,087,500	18,564,689
Deductions:			
Claims Paid	(1,292,308)	(2,432,225)	(1,840,582)
Claims Dismissed	<u>(3,491,939)</u>	<u>(8,041,048)</u>	<u>(6,019,886)</u>
Ending Balance	<u>\$40,507,000</u>	<u>\$26,521,622</u>	<u>\$33,907,395</u>
 <u>Employee Benefits Payable:</u>			
Beginning Balance	\$ 660,356	\$ 785,199	\$ 957,642
Additions:			
Claims Incurred	11,619,719	3,648,898	3,591,650
Deductions:			
Claims Paid	<u>(6,827,028)</u>	<u>(3,773,741)</u>	<u>(3,764,093)</u>
Ending Balance	<u>\$ 5,453,047</u>	<u>\$ 660,356</u>	<u>\$ 785,199</u>

f. Insurance Designation

The City-Parish maintains a practice of designating a portion of General Fund fund balance for self-insurance purposes. The designation is made in addition to the annual recurring appropriation of approximately \$9.3 million. The amount designated for insurance at December 31, 1998, was determined as follows:

Insurance Designation, December 31, 1997	\$17,950,735
Less: Appropriations from Insurance Designation for risk management purposes	(2,709,780)
Plus: Additional amount designated for insurance by authority of the Budget Ordinance	2,324,872
Interest earned on designated funds during 1998	<u>941,546</u>
 Insurance Designation, December 31, 1998	 <u>\$18,507,373</u>

NOTE 14 - Lease Commitments

Leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify leases as capital or operating leases. The GASB Codification and NCGA Statement No. 5 also require governmental fund assets under capital leases to be recorded in the General Fixed Assets Account Group and the lease obligation to be recorded in the General Long-Term Debt Account Group. Proprietary fund assets and liabilities arising from capital leases are accounted for and reported within the proprietary funds. Component unit leases are recorded in the same manner as those of the primary government.

a. Primary Government - Capital Leases

The City-Parish has entered into lease agreements to acquire or obtain the use of machinery equipment, communication equipment, office equipment, transportation equipment, and office space. The lease terms range from 12 to 84 months. All equipment leases will expire during the next four years. The amount necessary to reduce net minimum lease payments to present value is calculated by comparing the implicit rate and the incremental rate at the inception of the lease and using the lower of the two rates. The rate used in calculating present value ranges from 4.25% to 6.58%. The lease payments are

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

a. Primary Government - Capital Leases (Continued)

expected to remain the same throughout the term of the leases. The City-Parish has the option to purchase the equipment at a bargain price at the end of the lease term or in most cases title transfers to the City-Parish at the end of the leases. The lease agreements contain a fiscal funding clause which generally provides for cancellation in the event the Metropolitan Council does not appropriate funds in subsequent years for the lease payments.

During 1998, the majority of lease agreements entered into by the City-Parish were due to the Equipment Use Charge Program approved by the Council during 1989. The Equipment Use Charge Program is a plan whereby the Fleet Rental and Replacement Fund leases and maintains motorized equipment for use by the Department of Public Works. The Fleet Rental and Replacement Fund charges the user agency an equipment use charge to cover the total cost to operate the equipment including repair costs and purchase price. The objective of this program is to replace motorized equipment in a timely manner while minimizing costs.

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 1998:

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
1999	\$ 920,340	\$1,698,439	\$2,618,779
2000	879,437	940,779	1,820,216
2001	843,472	169,706	1,013,178
2002	<u>23,485</u>	<u>--</u>	<u>23,485</u>
 Total Minimum Lease Payments	 2,666,734	 2,808,924	 5,475,658
 Less: Amount Representing Interest	 <u>(242,969)</u>	 <u>(128,031)</u>	 <u>(370,999)</u>
 Present Value of Net Minimum Lease Payments	 <u>\$2,423,765</u>	 <u>\$2,680,893</u>	 <u>\$5,104,659</u>

Asset balances as of December 31, 1998, for equipment under capital lease by major classes are as follows:

<u>Classes of Equipment</u>	<u>General Fixed Assets Account Group</u>	<u>Proprietary Funds</u>
Machinery Equipment	\$ --	\$ 5,003,035
Office Equipment	157,128	17,950
Communication Equipment	4,649,889	--
Transportation Equipment	<u>252,128</u>	<u>288,429</u>
 Subtotal	 5,059,145	 5,309,414
 Less: Accumulated Depreciation	 <u>--</u>	 <u>(1,961,518)</u>
 Total	 <u>\$5,059,145</u>	 <u>\$ 3,347,896</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

b. Component Units - Capital Leases

Parish Fire Protection Districts

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments, as of December 31, 1998, for the parish fire protection districts:

	St. George Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Alsen- St. Irma Lee Fire Protection District
1999	\$115,908	\$78,764	\$ 29,690	\$13,895	\$ 42,598
2000	--	9,700	29,690	13,895	42,598
2001	--	--	29,690	13,896	30,901
Thereafter	<u> --</u>	<u> --</u>	<u>118,760</u>	<u> --</u>	<u>108,009</u>
Total Minimum Lease Payments	115,908	88,464	207,830	41,686	224,106
Less: Amount Representing Interest	<u>(11,810)</u>	<u>(2,409)</u>	<u>(39,100)</u>	<u>(3,573)</u>	<u>(28,569)</u>
Present Value of Net Minimum Lease Payments	<u>\$104,098</u>	<u>\$86,055</u>	<u>\$168,730</u>	<u>\$38,113</u>	<u>\$195,537</u>

Asset balances as of December 31, 1998, for equipment under capital lease by major classes for the parish fire protection districts are as follows:

<u>Classes of Equipment</u>	St. George Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Machinery Equipment	\$ --	\$651,847	\$278,011	\$ --	\$162,425
Transportation Equipment	<u>422,511</u>	<u> --</u>	<u> --</u>	<u>38,113</u>	<u>43,344</u>
Total	<u>\$422,511</u>	<u>\$651,847</u>	<u>\$278,011</u>	<u>\$38,113</u>	<u>\$205,769</u>

c. Operating Leases

1. Primary Government

Most operating leases contain one of the following options: (a) the City-Parish can, after the initial lease term, purchase the property at the fair value of the property or (b) the term can be extended on a month-to-month basis until either the City-Parish returns the equipment to the Lessor or the Lessor terminates the lease by a ten day written notice. In most cases, leases are renewed or replaced by other leases. The City-Parish does not have any operating leases with scheduled rent increases.

Operating lease payments during 1998 totaled \$215,378. A schedule by years of the future minimum rental payments as of December 31, 1998, on operating leases follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

c. Operating Leases (Continued)

1. Primary Government (Continued)

	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
1999	\$ 85,918	\$3,000	\$ 88,918
2000	45,840	--	45,840
2001	34,800	--	34,800
2002	34,800	--	34,800
2003	<u>17,400</u>	<u>--</u>	<u>17,400</u>
Total Minimum Payments	<u>\$218,758</u>	<u>\$3,000</u>	<u>\$221,758</u>

2. Component Unit - Fire Districts

St. George Fire Protection District is obligated under several operating leases for two buildings and equipment. These leases will expire over the next five years. Operating lease payments during 1998 totaled \$45,264. The future annual minimum lease payments under these operating leases as of December 31, 1998, is \$177,508.

Central Fire Protection District is obligated under several operating leases which expire over the next five years, for a building and equipment. Operating lease payments during 1998 totaled \$10,394. The future annual minimum lease payments under these operating leases as of December 31, 1998, is \$44,140.

3. Component Unit - Nineteenth Judicial District Indigent Defender Board

The Nineteenth Judicial District Indigent Defender Board is obligated under several operating leases which expire over the next five years, for a building and equipment. Operating lease payments during 1998 totaled \$140,322. The future annual minimum lease payments under these operating leases as of December 31, 1998, is \$564,670

NOTE 15 - Accounting Changes

a. Accounting Changes - Primary Government

The City-Parish implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. This statement requires employers who participate in defined benefit pension plans (sole and agent employers), to measure and disclose an amount for annual pension cost on the accrual basis of accounting, regardless of the amount recognized as pension expenditures/expense on the modified accrual or accrual basis. Annual pension cost should be equal to the employer's annual required contributions, as determined by an actuarial valuation, unless the employer has a net pension obligation due to past under- or overcontributions. The net pension obligation is the cumulative difference between annual pension cost and the employer's contributions to the plan, including any pension liability or asset at transition. The net pension obligation should measure annual pension cost equal to the annual required contribution, one year's interest on the net pension obligation, and an adjustment to the annual required contribution to offset the effect of actuarial amortization of past under-or overcontributions.

The pension liability at transition of \$13,166,169 for all employers was determined in accordance with the provisions of GASB 27. The calculation period was from January 1, 1987, through December 31, 1997. Of this transition amount, \$498,849 is for a related organization and \$327,204 is for component unit employers. See Note 7 for the calculation of the net pension obligation through December 31, 1998.

As a result of this change in accounting principle, the beginning balance in the General Long-Term Debt Account Group has been restated by \$10,811,481. See Note 10 for details on this restatement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 15 - Accounting Changes (Continued)

b. Accounting Changes - Component Units - Louisiana Public Employees' Deferred Compensation Plan

Those Louisiana local governments, including the East Baton Rouge Parish Clerk of Court, the Nineteenth Judicial District Court, and Capital Transportation Corporation who participate in the State of Louisiana Public Employees' Deferred Compensation Plan, implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with the amended provisions of Internal Revenue Code (IRC) Section 457 which were enacted into law in August 1996, all assets and income of the plan must be held in trust for the exclusive benefit of the participants and their beneficiaries. GASB Statement No. 32 requires governments who have fiduciary accountability and act in a trustee capacity for an IRC Section 457 plan to report the plan in its financial statements as an expendable trust fund. Those governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since these component units' plan is held in a custodial account with a third party administrator, the assets and liabilities were not presented as of June 30, 1998. See Note 8 for disclosure of the Louisiana Public Employees' deferred compensation plan and compliance with GASB Statement No. 32.

NOTE 16 - Capital Changes in Funds

Enterprise Funds receive contributions from federal, state, private, and local sources for the purpose of acquiring or constructing capital facilities. Retirement of federal and state contributions is the equivalent of the depreciation charged against the assets involved.

a. Primary Government

The additions and major sources of contributed capital or other changes in contributed capital of Enterprise and Internal Service Funds are as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Contributions, December 31, 1997	<u>\$153,341,377</u>	<u>\$2,684,304</u>	<u>\$156,025,681</u>
Greater Baton Rouge Airport District:			
Federal Government Contribution	6,491,557	--	6,491,557
Retirement of Federal Contribution	(1,411,324)	--	(1,411,324)
State of Louisiana Contribution	5,018,025	--	5,018,025
Retirement of State Contribution	(112,550)	--	(112,550)
Local Government Contribution	30,400	--	30,400
Riverside Centroplex:			
Retirement of Federal Contribution	(434,353)	--	(434,353)
State of Louisiana Contribution	1,055,954	--	1,055,954
Retirement of State Contribution	(269,744)	--	(269,744)
Comprehensive Sewerage System:			
Retirement of Federal Contribution	(375,864)	--	(375,864)
Retirement of State Contribution	(2,096)	--	(2,096)
Developers	25,000	--	25,000
Contribution From Impact Fees	1,775,972	--	1,775,972
Solid Waste Disposal Facility:			
Local Government Contribution	<u>1,691,971</u>	--	<u>1,691,971</u>
Net Increase	<u>13,482,948</u>	--	<u>13,482,948</u>
Contributions, December 31, 1998	<u>\$166,824,325</u>	<u>\$2,684,304</u>	<u>\$169,508,629</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 16 - Capital Changes in Funds (Continued)

b. Component Unit - Capital Transportation Corporation

Contributions, December 31, 1997	<u>\$14,419,806</u>
Federal Government Contribution	1,778,389
Retirement of Federal Contribution	(759,390)
Local Government Contribution	<u>379,743</u>
Net Increase	<u>1,398,742</u>
Contributions, December 31, 1998	<u>\$15,818,548</u>

NOTE 17 - Obligations of Intragovernmental Agencies

a. Greater Baton Rouge Airport District - 1980 Obligation

On March 15, 1980, the City of Baton Rouge issued \$11,300,000 of Airport Improvement Bonds. Concurrently, the Greater Baton Rouge Airport District signed an \$11,300,000 long-term obligation to the City of Baton Rouge bearing an interest rate of 7.86%. This long-term obligation requires that annual payments be made to the City for the use, possession, and control of the improvements constructed with the bond proceeds. The bonds matured on March 15, 1992, but the long-term obligation to the City remains in effect with semi-annual payments to be made over a 25 year period.

Payments to the City by the Airport District are recorded as miscellaneous revenues in the General Fund. Improvements constructed with the bond proceeds are recorded as assets and as a long-term obligation of the Airport District. Total principal paid prior to 1998 was \$4,719,856. In 1998, a principal payment of \$621,766 reduced the obligation payable to \$5,958,378. Scheduled maturities are as follows:

1999	\$ 670,636
2000	723,349
2001	780,204
2002	841,528
2003	907,672
2004 and after	<u>2,034,989</u>
	<u>\$5,958,378</u>

b. Greater Baton Rouge Airport District - 1997 Obligation

On October 22, 1997, the City of Baton Rouge issued \$19,325,000 in Public Improvement Sales Tax Revenue Bonds, Series 1997, for the purpose of financing a portion of the costs of construction (\$14,946,000) of certain improvements in the Terminal Development Project as well as other City-Parish construction projects. The Greater Baton Rouge Airport District is obligated under two negotiated promissory notes and the Amended Intergovernment Contract (Airport-Airline Lease Agreement) dated November 1, 1997, to make semi-annual payments to the City General Fund over a nine year period.

Payments on both obligations to the City by the Airport District are recorded as miscellaneous revenues in the General Fund and as a long-term obligation of the Airport District. Total principal paid prior to 1998 was \$274,000. In 1998, a principal payment of \$849,472 from airport rates and charges and \$664,111 from passenger facility charges reduced the obligation payable to \$13,158,417. Scheduled maturities of both obligations are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 17 - Obligations of Intragovernmental Agencies (Continued)

b. Greater Baton Rouge Airport District - 1997 Obligation (Continued)

	<u>Airport Rates and Charges</u>	<u>Passenger Facility Charges</u>	<u>Total</u>
1999	\$ 772,000	\$ 603,583	\$ 1,375,583
2000	834,083	651,833	1,485,916
2001	901,167	703,500	1,604,667
2002	973,250	759,583	1,732,833
2003	1,042,417	814,000	1,856,417
2004 and after	<u>1,770,833</u>	<u>3,332,168</u>	<u>5,103,001</u>
Total	<u>\$6,293,750</u>	<u>\$6,864,667</u>	<u>\$13,158,417</u>

c. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$85,000,000 in Public Improvement Sales Tax Revenue Bonds, Series 1992A (20 year term), for the purpose of providing funds to finance the acquisition of an undivided interest in the sewerage system owned and/or operated by the East Baton Rouge Sewerage Commission (the "Commission"). The Commission used the proceeds to refund the outstanding portion of the \$27,000,000 Public Improvement Certificates of Indebtedness and to defease the callable portion of the \$70,000,000 Sewer Revenue Bonds, Series 1987.

The Commission, through an act of credit sale, repurchased the undivided interest in the sewerage system previously sold to the City of Baton Rouge for \$76,999,452. This transaction is recorded as a long-term obligation in the Comprehensive Sewerage System Fund. Payments to the City by the Commission are required semi-annually over a 19 year period. These payments are recorded as miscellaneous revenues in the General Fund, and will fully offset the impact that the scheduled debt service payments on the \$85,000,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 1998 was \$21,243,475. In 1998, a \$2,556,722 principal payment reduced the obligation payable to \$53,199,255. Scheduled maturities are as follows:

1999	\$ 2,671,485
2000	2,797,821
2001	2,960,613
2002	3,190,575
2003	3,466,958
2004 and after	<u>38,111,803</u>
	<u>\$53,199,255</u>

NOTE 18 - Segments of Enterprise Activities

a. Primary Government

Some services provided by the local government are financed by user charges--airport, bus transportation service, arena-convention center, parking, sewerage system, and solid waste disposal. The significant financial data for these enterprises are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

EXHIBIT A-9
(Continued)

NOTE 18 - Segments of Enterprise Activities (Continued)

a. Primary Government (Continued)

	<u>Airport</u>	<u>Riverside Centroplex</u>	<u>Parking</u>	<u>Sewerage System</u>	<u>Solid Waste Disposal</u>	<u>Total</u>
Operating Revenues	\$ 6,545,532	\$ 1,720,813	\$ 620,871	\$ 23,427,924	\$ 8,589,980	\$ 40,905,120
Depreciation	2,350,655	1,145,515	403,258	17,855,796	962,091	22,717,315
Operating Income (Loss)	(704,871)	(1,816,148)	(169,434)	(19,934,512)	(772,276)	(23,397,241)
Operating Grants	2,752	46,195	--	--	--	48,947
Operating Transfers In and (Out)	--	800,000	315,060	4,000,000	(178,859)	4,936,201
Taxes	--	--	--	28,669,865	--	28,669,865
Net Income (Loss)	345,619	(920,174)	(29,071)	4,147,793	(528,258)	3,015,909
Working Capital	380,314	339,932	(2,203,998)	11,927,346	9,369,571	19,813,165
Change in Capital Contributions	11,539,982	1,055,954	--	1,800,972	1,691,971	16,088,879
Property, Plant and Equipment:						
Additions	13,329,988	12,100	--	33,524,421	1,737,786	48,604,295
Deletions	(790,280)	(14,941)	--	(8,929,843)	(24,508)	(9,759,572)
Total Assets	111,072,195	19,856,595	6,061,447	477,054,717	35,645,152	649,690,106
Obligations Payable	19,116,795	--	--	53,199,255	--	72,316,050
Revenue Bonds Payable	--	--	2,475,000	211,230,000	--	213,705,000
Equity	88,797,460	19,012,222	1,254,360	206,461,109	30,488,176	346,013,327

b. Component Unit - Capital Transportation Corporation

The following reflects financial information for the Capital Transportation Corporation enterprise fund. The activities of the pension trust fund are excluded.

Operating Revenues	\$ 2,476,593
Depreciation	934,304
Operating Income (Loss)	(4,303,501)
Operating Grants	1,167,912
Operating Transfers From Primary Government	2,185,528
Taxes	779,342
Working Capital	36,519
Net Income (Loss)	(388,400)
Change in Capital Contributions	2,158,132
Property, Plant and Equipment:	
Additions	8,511,334
Deletions	(8,145,011)
Total Assets	16,516,781
Equity	14,944,570

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 19 - 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).

FAA regulations require that PFC revenues be recognized and recorded as non-operating revenues in the year the fees are collected by the air carriers (not when the funds are spent). This provision requires that airports accrue PFC revenues at fiscal year-end.

FAA regulations also require certain Financial Statement Disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted retained earnings in the equity section of the balance sheet. On the statement of revenues, expenses, and changes in retained earnings, PFC revenue is classified as non-operating revenue, while on the statement of cash flows, PFC collections are classified as capital in nature. The Governmental Accounting Standards Board is currently studying the proper accounting for passenger facility charges; until guidance is issued by that body, the Airport will account for PFC revenue using the aforementioned FAA regulations.

The Airport began assessing the fee on December 1, 1992, and the FAA approved a total collection of \$9,823,159 over a six year period ending December 1, 1998. On February 14, 1997, the FAA approved an additional collection of \$10,157,206 over an eleven year period commencing June 1, 1997, and ending June 1, 2008. The collection periods were based on information submitted to the FAA by the Airport.

On April 23, 1993, the Airport received approval from the FAA to use PFC revenues to fund certain airport projects. The list of approved projects was amended by the FAA on February 14, 1997. The revised list of projects and approved amounts are shown in the following table.

<u>Description</u>	<u>Project Amount</u>
Terminal Concept Study	\$ 450,000
Noise Mitigation	8,532,260
Terminal Building Plan Specifications	840,899
Terminal Building Renovations/Expansion	
Financing and Interest	<u>10,157,206</u>
 Total	 <u>\$19,980,365</u>

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 1998 fiscal year resulting in a reservation of retained earnings from passenger facility charges in the amount of \$2,955,456.

Cumulative PFC Revenues (1992 - 1998)	\$ 7,444,826
Interest Earnings	<u>669,047</u>
Total Revenues	8,113,873
 * Cumulative PFC Administrative Fee	 (135,219)
Cumulative Expenses for PFC Projects (1992 - 1998)	(3,913,197)
Cumulative Bond Principal Payments	(784,333)
Cumulative Bond Interest Payments	<u>(325,668)</u>
Retained Earnings Reserved PFC's	<u>\$ 2,955,456</u>

* Prior to 1995 the administrative fee was netted with PFC fees

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1998**

EXHIBIT A-9
 (Continued)

NOTE 20 - Solid Waste Disposal Facility Closure And Postclosure Care Liability

The 1994 fiscal year was the first full year of operation for the new North Landfill, which opened when the old landfill, Devil's Swamp, was closed on October 8, 1993. The North Landfill is permitted by the U.S. Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) to dispose of municipal solid waste and non-hazardous industrial waste from East Baton Rouge Parish and from surrounding cities, towns, and parishes. Regulations issued by the EPA and the DEQ require the City-Parish to perform certain closing functions and postclosure monitoring and maintenance functions for the North Landfill.

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines recommended by GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. GASB Statement No. 18 states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The total estimated current cost of closure and postclosure care costs for the Solid Waste Disposal Facility, as prepared by an outside engineering firm, is \$19,155,550, and the total estimated capacity is 33,400,000 cubic yards with a projected useful life of 49 years. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effects of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Disposal Facility Enterprise Fund recognizes a 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. The expense and liability are based on the number of cubic yards used during the period rather than on the passage of time. As of December 31, 1998, the liability for closure and postclosure care totals \$4,380,178. The liability is based on the landfill capacity used to date of 7,637,365 cubic yards or 22.9% of the landfill capacity. The liability will be financed by retained earnings of the Solid Waste Disposal Facility Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$14,775,372 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 1998, is 44 years.

NOTE 21 - Council Members Compensation

Each Council Member receives monthly compensation in accordance with The Plan of Government. The following is a list of Council Members and their compensation for the year 1998.

District 1	
Roxson Welch	\$ 3,600
District 2	
Thomas Woods	3,600
District 3	
Pat Culbertson	3,600
District 4	
Joseph "Joe" Greco	3,600
District 5	
Charles Kelly	3,600

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998**

EXHIBIT A-9
(Continued)

NOTE 21 - Council Members Compensation (Continued)

District 6		
M. A. "Mike" Tassin		\$ 3,600
District 7		
W.T. Winfield		3,600
District 8		
Mike Futrell		3,562
District 9		
Patty Jo Roubique		3,600
District 10		
Lorri Burgess		3,600
District 11		
Mary Frey Eaton		
Council		3,600
President Pro-Tem		15,000
District 12		
James T. "Jim" Benham		3,600

In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B))

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
YEAR 2000 ISSUES
PRIMARY GOVERNMENT**

EXHIBIT A-10

In October 1998, the Governmental Accounting Standards Board (GASB) issued Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. The provisions of the GASB technical bulletin, effective for financial statements on which the auditor's report is dated after October 31, 1998, require the City-Parish to make disclosures about its state of readiness in addressing Year 2000 issues for its internal computer systems and equipment. On March 29, 1999, GASB issued Technical Bulletin 99-1 which amended the previously issued disclosure requirements allowing for the disclosure to be made in the required supplementary information (RSI). *"This note is written pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271, 112 Stat. 2386 (1998)."*

The Year 2000 issue is the result of shortcomings in electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond.

The following stages have been identified by the GASB as necessary to implement a Year 2000-compliant system:

Awareness Stage - In this first stage, an organization establishes a budget and project plan (for example, a time line or chart noting major tasks and due dates) for dealing with the Year 2000 issue.

Assessment Stage - While in this stage, an organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for Year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment--systems and equipment critical to conducting operations to check compliance.

Remediation Stage - During this stage, an organization actually makes changes to systems and equipment. This stage involves the technical issues of converting existing systems, or switching to compliant systems. Decisions are made on how to make the system or processes Year 2000 compliant, and the required system changes are made.

Validation/Testing Stage - At this stage, an organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and re-tested.

To address Year 2000 issues the City-Parish primary government established a task force to review critical services such as police protection, fire fighting, emergency medical response, traffic signal control, and sewerage operations. Community seminars were brought to Baton Rouge to inform key leaders of the nature and scope of the year 2000 problem. The government completed the awareness stage by sponsoring a satellite broadcast, "Local Government and the Year 2000 Bug," from the National Association of Counties and invited other government agencies and private entities to attend.

In beginning the assessment stage, information and guidelines were disseminated throughout the government by formal memorandums, newsletters, and the City-Parish Metronet. The Metronet web page details hardware and software items and their status for year 2000 quick reference guide with which to check equipment and status of applications. City-Parish agencies were then advised of their responsibility to inventory, assess, correct, and test all computer hardware and software systems, and to have contingency plans in place to assure the delivery of critical governmental services at the turn of the century. Each departmental assessment was required to be submitted to the Department of Information Services (IS) for review prior to December 31, 1998. The IS Department has been appointed as the overall coordinator of the City-Parish Year 2000 efforts. Any City-Parish department needing Year 2000 assistance can request help from the IS Department.

Major Systems:

IS has been working to bring major systems into Year 2000 compliance since 1992. Current status of the City-Parish major applications are as follows:

Financial Systems (Financial Information Accounting System, Fixed Assets, Inventory Control, Check Reconciliation, Sales and Use Tax System, and data based suit information systems). Many of the financial systems were purchased in the mid 1990's with the requirements document placing a major priority on Year 2000 compliance. All of these systems are in the *Validation/Testing Stage*. All are expected to be compliant on June 30, 1999.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
YEAR 2000 ISSUES
PRIMARY GOVERNMENT**

EXHIBIT A-10
(Continued)

Major Systems (Continued):

Payroll and Human Resources System has been converted and tested by the IS staff.

Public Safety Systems (Computer Aided Dispatch, Traffic Signal Maintenance, etc.) These systems are currently in the *Remediation Stage*. Much of the conversion work was done by the IS department; however, a portion of the work was contracted out and is currently being tested by an outside vendor. All public safety system testing is expected to be completed at June 30, 1999.

Funding:

Substantial funding for computer systems has been provided in recent years to City-Parish Departments and the non-departmental computerized systems account which is controlled by the IS Steering Committee. Much of the costs can be attributed to needed advancements in technology to provide government services. These technological advancements included, as mentioned above in the financial systems, preparing for the Year 2000 problem. The 1999 general fund budget includes an amount of \$710,000 that can be utilized in accordance with recommendations of the IS Steering Committee.

As of December 31, 1998, IS had contracts of \$37,000 with outside consultants to convert and test year 2000 concerns. This amount is included in the account "Reserved for Encumbrances", on the general fund balance sheet.

Departmental Networks and Personal Computers:

The IS Department and individual network administrators are currently inventorying, assessing, and providing remediation on City-Parish personal computers, network hardware and software.

Embedded Devices:

Individual departments have submitted lists of possible embedded devices located throughout the government. Those devices considered essential to operations have been addressed and solutions to replace or convert have been made.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City-Parish is or will be Year 2000 ready, that the City-Parish's remediation efforts will be successful in whole or in part, or that parties with whom the City-Parish does business will be year 2000 ready.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 EMPLOYEES' RETIREMENT SYSTEM
 SCHEDULE OF FUNDING PROGRESS**

EXHIBIT A - 11

Acturial Valuation Date	Acturial Value of Assets (a)	Acturial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$ 740,257,038	\$ 875,075,687	\$ 134,818,649	84.6 %	\$ 118,742,991	113.5 %
12/31/97	635,463,896	811,977,242	176,513,346	78.3	114,102,750	154.7
12/31/96	587,193,233	773,936,127	186,742,894	75.9	109,658,886	170.3





Bank One Centre-North Tower
Suite 1700
451 Florida Street
Baton Rouge, LA 70801-1705

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the City of Baton Rouge and Parish of East Baton Rouge, (the City-Parish), as of and for the year ended December 31, 1998, and have issued our report thereon dated April 27, 1999, which includes an explanatory paragraph for the adoption of Governmental Accounting Standards Board's Statement Number 27 and a reference to the report of other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the internal control of the City-Parish over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Metropolitan Council in a separate letter dated April 27, 1999.



This report is intended solely for the information and use of the Metropolitan Council, the City-Parish management and federal awarding agencies and pass-through entities such as the State of Louisiana and the Legislative Auditors Office and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 27, 1999



Bank One Centre-North Tower
Suite 1700
451 Florida Street
Baton Rouge, LA 70801-1705

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

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

Compliance

We have audited the compliance of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1998. The City-Parish's major federal programs are identified in the summary of auditors' results section of the City-Parish schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City-Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City-Parish's compliance with those requirements.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

Internal Control Over Compliance

The management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City-Parish as of and for the year ended December 31, 1998, and have issued our report thereon dated April 27, 1999, which included an explanatory paragraph for the adoption of Governmental Accounting Standards Board Statement No. 27 and a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 1998 as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of passenger facility charges collected and expended for the year and each quarter within the year ended December 31, 1998 are presented for the purpose of additional analysis as required by the Federal Aviation Administration of the U.S. Department of Transportation to implement Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Metropolitan Council, the City-Parish management and federal awarding agencies and pass-through entities such as the State of Louisiana and the Legislative Auditors Office and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature of KPMG LLP in black ink.

April 27, 1999



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES		GRANT AND CONTRACT REVENUES RECEIVED
	DECEMBER 31, 1997		
	GRANTOR	LOCAL	
FEDERAL AGENCY - SCHEDULE A			
U.S. Department of Housing and Urban Development	\$ 226,740	\$ (1,056,190)	\$ 9,258,892
U.S. Department of Health and Human Services	682,277	(22,004)	8,754,981
Federal Emergency Management Agency	(92,484)	(3,103)	--
U.S. Department of Transportation - FHWA	2,262,572	(1,086,838)	1,443,466
U.S. Department of Transportation - National Highway Traffic Safety Administration	175	--	14,426
U.S. Department of Transportation	--	--	--
U.S. Department of Energy	(4,077)	--	228,392
U.S. Department of Agriculture	324,279	--	1,702,938
U.S. Department of Education - Rehabilitation Service Administration	(88,381)	(329)	144,003
U.S. Department of Labor	599,247	--	3,709,959
U.S. Department of Commerce	30,560	--	36,226
U.S. Department of Justice	(978,274)	(159,728)	1,809,343
TOTAL FEDERAL AGENCY - SCHEDULE A	2,962,634	(2,328,192)	27,102,626
 FEDERAL AGENCY - SCHEDULE B			
U.S. Department of Transportation - FTA	306,478	(519,854)	3,193,607
U.S. Department of Transportation - FAA	--	--	5,095,063
Federal Emergency Management Agency	16,461	--	68,261
TOTAL FEDERAL AGENCY - SCHEDULE B	322,939	(519,854)	8,356,931

GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
			GRANTOR	LOCAL
\$ 551,863	\$ 8,893,362	\$ 297,455	\$ (138,790)	\$ (1,310,598)
26,825	9,153,950	22,004	1,081,246	(26,825)
166,667	3,223	--	(89,261)	(169,770)
--	2,859,931	571,002	3,682,227	(519,026)
--	14,251	--	--	--
--	5,700	--	5,700	--
--	245,018	--	12,549	--
--	1,636,989	450	258,780	--
--	124,894	329	(107,490)	--
--	3,908,301	--	797,589	--
--	1,949	--	(3,717)	--
202,331	2,299,402	167,382	(501,319)	(181,573)
947,686	29,146,970	1,058,622	4,997,514	(2,207,792)
856,277	3,249,131	608,090	362,002	(768,041)
--	6,607,622	68,099	--	--
--	68,761	--	16,961	--
856,277	9,925,514	676,189	378,963	(768,041)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
FEDERAL GRANTS					
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
	121004				
Direct Programs:					
Community Development:					
Block Grant - 1983	182..431602	14.218	B-83-MC-22-0002	\$ (65,000)	\$ --
Block Grant - 1986	182..431602	14.218	B-86-MC-22-0002	(100,000)	--
Block Grant - 1990	182..431602	14.218	B-90-MC-22-0002	(169,449)	--
Block Grant - 1991	182..431602	14.218	B-91-MC-22-0002	(45,540)	--
Block Grant - 1992	182..431602	14.218	B-92-MC-22-0002	(334,644)	(619)
Block Grant - 1993	182..431602	14.218	B-92-MC-22-0002	(583,050)	(430)
Block Grant - 1994	182..431602	14.218	B-94-MC-22-0002	(1,376,061)	(4,215)
Block Grant - 1995	182..431602	14.218	B-95-MC-22-0002	(148,029)	(169,239)
Block Grant - 1996	182..431602	14.218	B-96-MC-22-0002	3,049,105	(399,677)
Block Grant - 1997	182..431602	14.218	B-97-MC-22-0002	430,026	(398,965)
Block Grant - 1998	182..431602	14.218	B-98-MC-22-0002	--	--
SUBTOTAL CFDA NUMBER 14.218				657,358	(973,145)
Home Grant - 1992	183..431602	14.239*	M-92-MC-22-0204	(29,326)	(63,130)
Home Grant - 1993	183..431602	14.239*	M-93-MC-22-0204	(37,777)	--
Home Grant - 1994	183..431602	14.239*	M-94-MC-22-0204	243,222	--
Home Grant - 1995	183..431602	14.239*	M-95-MC-22-0204	78,075	--
Home Grant - 1996	183..431602	14.239*	M-96-MC-02-0204	66,445	--
Home Grant - 1997	183..431602	14.239*	M-97-MC-02-0204	--	--
SUBTOTAL CFDA NUMBER 14.239				320,639	(63,130)
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-9600-04	4,790	--
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B97-0102	--	--
SUBTOTAL CFDA NUMBER 14.235				4,790	--
Passed through E.B.R. Housing Authority					
Drug Elimination Grant	170..434105	14.854	93/94	(19,307)	--
Drug Elimination Grant	170..434105	14.854	95/97	56,376	--
SUBTOTAL CFDA NUMBER 14.854				37,069	--
Urban/Economic Development	181..431602	14.221	S-89-MC-22-0002	--	(19,915)
Emergency Shelter 1997-99	182..431602	14.231	S-97-MC-22-0002	--	--
Emergency Shelter 1996-98	182..431602	14.231	S-96-MC-22-0002	14,610	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
\$ --	\$ --	\$ --	\$ --	\$ (65,000)	\$ --
--	--	--	--	(100,000)	--
--	--	25,295	--	(144,154)	--
--	--	500	--	(45,040)	--
--	--	89,840	160	(244,804)	(459)
--	--	273,603	--	(309,447)	(430)
--	--	588,505	--	(787,556)	(4,215)
1,785,393	--	583,885	158,433	(1,349,537)	(10,806)
3,727,382	--	600,699	15,222	(77,578)	(384,455)
--	40,946	2,725,179	5,120	3,155,205	(434,791)
--	401,343	522,963	490	522,963	(400,853)
5,512,775	442,289	5,410,469	179,425	555,052	(1,236,009)
(29,326)	109,574	--	118,030	--	(54,674)
(37,134)	--	643	--	--	--
248,241	--	31,710	--	26,691	--
528,163	--	504,095	--	54,007	--
1,024,807	--	1,039,833	--	81,471	--
64,272	--	146,952	--	82,680	--
1,799,023	109,574	1,723,233	118,030	244,849	(54,674)
421,493	--	435,945	--	19,242	--
--	--	1,203	--	1,203	--
421,493	--	437,148	--	20,445	--
(19,307)	--	--	--	--	--
75,683	--	19,307	--	--	--
56,376	--	19,307	--	--	--
--	--	--	--	--	(19,915)
76,207	--	81,352	--	5,145	--
103,195	--	88,585	--	--	--

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED)					
Passed through Louisiana					
Department of Social Services	121109				
Emergency Shelter	170..432602	14.231	96/98	36,254	--
Emergency Shelter	170..432602	14.231	95/97	7,185	--
Emergency Shelter	170..432602	14.231	97/99	--	--
Department of Urban and Community Affairs	121112				
Emergency Shelter Grant	170..432603	14.231	1988	(719)	--
SUBTOTAL CFDA NUMBER 14.231				57,330	--
	121004				
Sharlo Terrace - 1994	170..431602	14.156	LA-48-0046-009	(73,283)	--
Section 8 - Existing	170..431602	14.156	LA-48-E003-001/004	(125,427)	--
Moderate Housing Assistance I - 1994	170..431602	14.156	LA-48-K219-001	(15,271)	--
Moderate Housing Assistance II - 1994	170..431602	14.156	LA-48-K219-002	29,695	--
Moderate Housing Assistance III - 1994	170..431602	14.156	LA-48-K219-003	5,748	--
Moderate Housing Assistance IV - 1987-94	170..431602	14.156	LA-48-K219-004	186,862	--
Sharlo Terrace - 1995	170..431602	14.156	LA-48-0046-009	(64,274)	--
Sharlo Terrace - 1996	170..431602	14.156	LA-48-0046-009	13,376	--
Sharlo Terrace - 1997	170..431602	14.156	LA-48-0046-009	48,118	--
Sharlo Terrace - 1998	170..431602	14.156	LA-48-0046-009	--	--
Moderate Housing Assistance I - 1995	170..431602	14.156	LA-48-K219-001	(2,663)	--
Moderate Housing Assistance II - 1995	170..431602	14.156	LA-48-K219-002	(36,981)	--
Moderate Housing Assistance III - 1995	170..431602	14.156	LA-48-K219-003	(10,888)	--
Moderate Housing Assistance IV - 1995	170..431602	14.156	LA-48-K219-004	(176,033)	--
Moderate Housing Assistance I - 1996	170..431602	14.156	LA-48-K219-001	(43,973)	--
Moderate Housing Assistance II - 1996	170..431602	14.156	LA-48-K219-002	(9,865)	--
Moderate Housing Assistance III - 1996	170..431602	14.156	LA-48-K219-003	1,957	--
Moderate Housing Assistance IV - 1996	170..431602	14.156	LA-48-K219-004	(65,092)	--
Moderate Housing Assistance II - 1997	170..431602	14.156	LA-48-K219-002	1,773	--
Moderate Housing Assistance IV - 1997	170..431602	14.156	LA-48-K219-004	(51,757)	--
Moderate Housing Assistance II - 1998	170..431602	14.156	LA-48-K219-002	--	--
Moderate Housing Assistance IV - 1998	170..431602	14.156	LA-48-K219-004	--	--
Moderate Housing Assistance IV - 1999	170..431602	14.156	LA-48-K219-004	--	--
Section 8 Certificate Program - 1996	170..431602	14.156	LA-219-CEO-1-4	(305,397)	--
Section 8 Certificate Program - 1997	170..431602	14.156	LA-219-CEO-1-4	(157,071)	--
Section 8 Certificate Program - 1998	170..431602	14.156	LA-219-CEO-001-008	--	--
Section 8 Certificate Program - 1999	170..431602	14.156	LA-219-CEO-001-008	--	--
SUBTOTAL CFDA NUMBER 14.156				(850,446)	--
Total U.S. Department of Housing and Urban Development				226,740	(1,056,190)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
77,853	--	50,016	--	8,417	--
7,185	--	--	--	--	--
38,383	--	58,888	--	20,505	--
--	--	--	--	(719)	--
302,823	--	278,841	--	33,348	--
56,458	--	--	--	(129,741)	--
--	--	--	--	(125,427)	--
--	--	--	--	(15,271)	--
18,540	--	--	--	11,155	--
8,608	--	--	--	(2,860)	--
123,287	--	--	--	63,575	--
(59,143)	--	--	--	(5,131)	--
2,684	--	--	--	10,692	--
--	--	--	--	48,118	--
391,599	--	310,714	--	(80,885)	--
--	--	--	--	(2,663)	--
(32,687)	--	--	--	(4,294)	--
(8,608)	--	--	--	(2,280)	--
(169,331)	--	--	--	(6,702)	--
--	--	--	--	(43,973)	--
(8,113)	--	--	--	(1,752)	--
--	--	--	--	1,957	--
(49,031)	--	--	--	(16,061)	--
(32,815)	--	(34,588)	--	--	--
95,075	--	7	--	(146,825)	--
--	--	15,250	--	15,250	--
522,886	--	519,224	--	(3,662)	--
51,621	--	--	--	(51,621)	--
--	--	--	--	(305,397)	--
--	--	30,461	--	(126,610)	--
229,210	--	183,296	--	(45,914)	--
26,162	--	--	--	(26,162)	--
1,166,402	--	1,024,364	--	(992,484)	--
9,258,892	551,863	8,893,362	297,455	(138,790)	(1,310,598)

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES	121006				
Direct Programs:					
Community Partnership - 1996	170..431601	93.194		387	--
Community Partnership - 1997	170..431601	93.194		3,662	--
SUBTOTAL CFDA NUMBER 93.194				4,049	--
Headstart - 1998	160..431601	93.600*	06CH006521	\$ --	\$ --
Headstart - 1997	160..431601	93.600*	06CH006520	291,653	--
SUBTOTAL CFDA NUMBER 93.600				291,653	--
Passed through Louisiana Department of Health and Hospitals-Office of Community Service	121107				
City Court Volunteer in Court	170..432001	93.992	97/98	18,056	(20,493)
City Court Volunteer in Court	170..432001	93.992	98/99	--	--
SUBTOTAL CFDA NUMBER 93.992				18,056	(20,493)
Passed through Louisiana Department of Social Services	121109				
BRACA - LIHEAP Energy Assistance	160..432400	93.568	1998	--	--
BRACA - LIHEAP Energy Assistance	160..432400	93.568	1997	(10,828)	--
BRACA - LIHEAP Energy Assistance	160..432400	93.568	1996	--	(1,511)
SUBTOTAL CFDA NUMBER 93.568				(10,828)	(1,511)
Passed through Louisiana Department of Social Services	121109				
Headstart Summer Enrichment	160..432400	93.596		--	--
Headstart Summer Enrichment	160..432400	93.596		133,260	--
SUBTOTAL CFDA NUMBER 93.596				133,260	--
Passed through Louisiana Department of Employment and Training	121118				
Community Services Block Grant:					
BRACA	160..432604	93.569	CSBG-FY-98P0019	--	--
BRACA	160..432604	93.569	CSBG-FY-97P0019	253,355	--
CSBG-State Discretionary	160..432604	93.569	CSBG-FY-92P0019	(7,268)	--
SUBTOTAL CFDA NUMBER 93.569				246,087	--
Total U.S. Department of Health and Human Services				682,277	(22,004)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
387	--	--	--	--	--
265,600	--	282,712	--	20,774	--
265,987	--	282,712	--	20,774	--
\$ 5,634,979	\$ --	\$ 6,107,245	\$ --	\$ 472,266	\$ --
476,334	--	184,681	--	--	--
6,111,313	--	6,291,926	--	472,266	--
42,346	--	24,290	20,493	--	--
17,974	26,825	37,969	--	19,995	(26,825)
60,320	26,825	62,259	20,493	19,995	(26,825)
617,491	--	1,028,018	--	410,527	--
26,071	--	36,899	--	--	--
--	--	--	1,511	--	--
643,562	--	1,064,917	1,511	410,527	--
666,446	--	613,567	--	(52,879)	--
133,260	--	--	--	--	--
799,706	--	613,567	--	(52,879)	--
611,806	--	829,637	--	217,831	--
262,287	--	8,932	--	--	--
--	--	--	--	(7,268)	--
874,093	--	838,569	--	210,563	--
8,754,981	26,825	9,153,950	22,004	1,081,246	(26,825)

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Direct Program;	121008				
Project Impact	170..431102	83.551	EMT-1999-GR0001	--	--
Passed through Department of Military Affairs	121126				
Hurricane Andrew	170..431102	83.516		(92,484)	(3,103)
Total Federal Emergency Management Agency				(92,484)	(3,103)
U.S. DEPARTMENT OF TRANSPORTATION - FHWA					
Passed through Louisiana Department of Transportation and Development - Office of Highways					
Thermoplastic Pavement	170..432200	20.205	78-CP-US-0029	764	--
Signal System Synchronization	170..432200	20.205	700-17-69	601,150	--
Millerville Road - I-12 and Harrell's Ferry Road	170..432200	20.205	700-17-71	24,247	(7,981)
Millerville Road - I-12 and Old Hammond Highway	170..432200	20.205	700-19-44	15	(5,889)
Computerized Signal - Highland Road and Nicholson Drive	170..432200	20.205	700-21-80,81	330,624	--
Monterrey Boulevard	170..432200	20.205	742-03-09	--	(3,814)
South Choctaw Drive - Between Monterrey Boulevard and North Sherwood Forest	170..432200	20.205	742-01-46	1,893	32,960
ICG Foster at Lobdell Drive	170..432200	20.205	742-04-30	5,990	--
Lee Drive Bridge	170..432200	20.205	742-04-32	154,639	--
Intersection Highland & Dalrymple	170..432200	20.205	742-04-79	113,008	(12,447)
McHugh Road - Baker	170..432200	20.205	742-05-78	55,050	(46,298)
Tigerbend Road	170..432200	20.205	742-06-0071	--	(45,507)
L & A Main Line - Pecue Lane	170..432200	20.205	742-06-05	4,202	--
L & A Main Line - Swan Avenue	170..432200	20.205	742-06-06	5,876	--
Monterrey Boulevard	170..432200	20.205	742-06-72	600,309	(100,096)
South Sherwood at Coursey	170..432200	20.205	742-07-46	51,380	(7,255)
Compressed Natural Gas Conversion	170..432200	20.205	742-07-0113	--	(7,032)
Groom Road	170..432200	20.205	700-30-0245&742-07-1	43,106	(9,389)
Country Club Lateral	170..432200	20.205	576-17-0003(301)	39,452	--
Goodwood @ E. Airport	337..432200	20.205	742-17-0009	--	(153,036)
North Sherwood @ South Choctaw	337..432200	20.205		--	(606,592)
Burbank Drive Tree Corridor	170..432200	20.205	744-17-0001	3,732	(5,297)
I-110 @ Mohican	170..432200	20.205	744-17-0006	--	(798)
Bluebonnet @ Perkins	337..432200	20.205	700-17-0126&742-17-1	19,978	(18,005)
Roadway Incident Mgt. System (RIMS)	170..432200	20.205	737-17-0001	174,554	(65,831)
Weiner Creek	337..432200	20.205	556-17-006	3,846	--
La. Hwy. 19 @ Lavey Lane	337..432200	20.205	700-17-0141	13,393	(11,425)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
--	166,667	3,223	--	3,223	(166,667)
--	--	--	--	(92,484)	(3,103)
--	166,667	3,223	--	(89,261)	(169,770)
--	--	--	--	764	--
67,360	--	176,020	--	709,810	--
36,707	--	12,460	4,154	--	(3,827)
4,871	--	11,977	3,992	7,121	(1,897)
281,364	--	22,326	--	71,586	--
--	--	--	--	--	(3,814)
1,070	--	(823)	823	--	33,783
--	--	--	--	5,990	--
116,527	--	34,865	--	72,977	--
--	--	--	--	113,008	(12,447)
473	--	(30,264)	30,264	24,312	(16,033)
--	--	110,787	27,697	110,787	(17,810)
--	--	--	--	4,202	--
--	--	--	--	5,876	--
39,683	--	241,289	94,368	801,915	(5,728)
--	--	(31)	31	51,348	(7,223)
30,405	--	30,405	--	--	(7,032)
39,685	--	5,702	1,425	9,123	(7,964)
--	--	--	--	39,452	--
--	--	507,830	126,958	507,830	(26,078)
--	--	922,066	230,517	922,066	(376,075)
3,732	--	--	--	--	(5,297)
3,192	--	--	--	--	(3,990)
28,385	--	54,420	13,605	46,013	(4,400)
338,867	--	205,114	22,797	40,801	(43,034)
127,538	--	86,858	--	(36,834)	--
19,485	--	26,773	6,693	20,681	(4,732)

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**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
U.S. DEPARTMENT OF TRANSPORTATION - FHWA (CONTINUED)					
Flannery Road @ Florida Blvd.	337.432200	20.205	700-17-0118	15,364	(13,106)
Street Name Sign Program - Local Streets	170.432200	20.205	700-17-0117&742-17-000	--	--
Street Name Sign Program - State Routes	170.432200	20.205	700-17-0116&742-17-000	--	--
Bayou Fountain	337.432200	20.205	576-17-006	--	--
SUBTOTAL CFDA NUMBER 20.205				2,262,572	(1,086,838)
Total U.S. Department of Transportation - FHWA				2,262,572	(1,086,838)
U.S. DEPARTMENT OF TRANSPORTATION- NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION					
Passed through Louisiana Highway Safety Commission	121105				
Speed Enforcement Grant	170.432101	20.600	9726	(4)	--
Red Light Running	170.432101	20.600	9759	179	--
SUBTOTAL CFDA NUMBER 20.600				175	--
Passed through Louisiana Department of Transportation and Development Passed through Capital Region Planning Commission					
Transportation Planning 1997-98	121425 170.434101	20.505	736-17-0308	--	--
Total U.S. Department of Transportation - National Highway Traffic Safety Administration				175	--
U.S. DEPARTMENT OF TRANSPORTATION					
Passed through Louisiana Department of Military Affairs					
HMEP 97-98 Planning Grant	121126 170.432103	20.703		--	--
U.S. DEPARTMENT OF ENERGY					
Passed through Louisiana Department of Social Services					
CDBG Weatherization Assistance	121109 170.432602	81.042		5,804	--
CDBG Weatherization Assistance	170.432602	81.042	94/95	(10,119)	--
SUBTOTAL CFDA NUMBER 81.042				(4,315)	--
Passed through Louisiana Department of Natural Resources Passed through Louisiana Department of Environmental Quality					
Backyard Composting Project	121125 170.432605	81.999	97/98	238	--
Total U.S. Department of Energy				(4,077)	--

See Notes to Schedule of Expenditures of Federal Awards.

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SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
28,140	--	30,714	7,678	17,938	(5,428)
--	--	35,730	--	35,730	--
--	--	53,710	--	53,710	--
275,982	--	322,003	--	46,021	--
1,443,466	--	2,859,931	571,002	3,682,227	(519,026)
1,443,466	--	2,859,931	571,002	3,682,227	(519,026)
--	--	4	--	--	--
--	--	(179)	--	--	--
--	--	(175)	--	--	--
14,426	--	14,426	--	--	--
14,426	--	14,251	--	--	--
--	--	5,700	--	5,700	--
47,812	--	66,088	--	24,080	--
--	--	--	--	(10,119)	--
47,812	--	66,088	--	13,961	--
180,580	--	178,930	--	(1,412)	--
228,392	--	245,018	--	12,549	--

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**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
U.S. DEPARTMENT OF AGRICULTURE					
Passed through Louisiana Department of Agriculture Commodity Program	121124 160..432606	10.569	LADA97/98	--	--
Commodity Program	160..432606	10.569	LADA96/97	4,717	--
SUBTOTAL CFDA NUMBER 10.569				4,717	--
Passed through Louisiana Department of Social Services LAJET	121109 170..432602	10.561	98/99	--	--
LAJET	170..432602	10.561	96/97	1,568	--
LAJET	170..432602	10.561	97/98	61,585	--
SUBTOTAL CFDA NUMBER 10.561				63,153	--
Passed through Louisiana Department of Education Juvenile Detention Food Service	121110 001..432106	10.558	98	8,551	--
Summer Food	170..432607	10.559*	98	--	--
Summer Food	170..432607	10.559*	97	12,788	--
SUBTOTAL CFDA NUMBER 10.559				12,788	--
Headstart Food 1998-99	160..432607	10.550	98/99	--	--
Headstart Food 1997-98	160..432607	10.550	97/98	235,070	--
SUBTOTAL CFDA NUMBER 10.550				235,070	--
Total U.S. Department of Agriculture				324,279	--
U.S. DEPARTMENT OF EDUCATION - REHABILITATION SERVICE ADMINISTRATION					
Passed through Louisiana Office of State Libraries Major Urban Resource Library	121121 170..432501	84.034	MURL 1997	(46,948)	--
LSCA Technology Enhanced Reference	170..432501	84.034	1996	31,671	(329)
LSCA Technology Enhancement Grant	170..432501	84.034	1996	20,000	--
LSCA Technology Enhancement Grant	170..432501	84.034	1997	--	--
State Aid To Public Libraries	170..432501	84.034	1997	(31,021)	--
State Aid To Public Libraries	170..432501	84.034	97/98	(62,083)	--
State Aid To Public Libraries	170..432501	84.034	98/99	--	--
SUBTOTAL CFDA NUMBER 84.034				(88,381)	(329)
Total U.S. Department of Education - Rehabilitation Service Administration				(88,381)	(329)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
3,282	--	7,473	--	4,191	--
17,930	--	18,480	--	5,267	--
21,212	--	25,953	--	9,458	--
16,400	--	27,922	--	11,522	--
1,568	--	(450)	450	--	--
284,301	--	222,716	--	--	--
302,269	--	250,188	450	11,522	--
52,779	--	47,854	--	3,626	--
689,545	--	697,533	--	7,988	--
12,788	--	--	--	--	--
702,333	--	697,533	--	7,988	--
--	--	226,186	--	226,186	--
624,345	--	389,275	--	--	--
624,345	--	615,461	--	226,186	--
1,702,938	--	1,636,989	450	258,780	--
--	--	21,461	--	(25,487)	--
31,671	--	329	329	329	--
20,000	--	--	--	--	--
--	--	10,000	--	10,000	--
--	--	31,021	--	--	--
--	--	62,083	--	--	--
92,332	--	--	--	(92,332)	--
144,003	--	124,894	329	(107,490)	--
144,003	--	124,894	329	(107,490)	--

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
U.S. DEPARTMENT OF LABOR					
Passed through Louisiana Department of Education	121110				
Job Training Partnership Act:					
Title I 8%	161..432607	17.250	6-08-175-3021-2	7,451	--
Title I 8%	161..432607	17.250	6-08-175-3021-2	(5,670)	--
Title I 8%	161..432607	17.250	6-08-175-3021-2	--	--
Passed through Louisiana Department of Labor	121118				
Job Training Partnership Act:					
Summer Youth Employment Program	161..432604	17.250	FY 97-21 IIB	4,854	--
Summer Youth Employment Program	161..432604	17.250	FY 98-21 IIB	--	--
Title IIA	161..432604	17.250	PY-97/98-21 IIA	252,171	--
Title IIA	161..432604	17.250	PY-98/99-21 IIA	--	--
Title IIA 5% Incentive Funds	161..432604	17.250	PY-96/97-21 5%	3,226	--
Title IIA 5% Incentive Funds	161..432604	17.250	PY-97/98-21 5%	1,424	--
Title IIC	161..432604	17.250	PY-98/99-21 IIC	--	--
Title IIC	161..432604	17.250	PY-97/98-21 IC	64,700	--
SUBTOTAL CFDA NUMBER 17.250				328,156	--
Passed through Louisiana Department of Labor					
Title IIIF	161..432604	17.246	PY 96/97-21 IIIF	16,491	--
Title IIIF	161..432604	17.246	PY 98/99-21 IIIF	--	--
Title IIIF	161..432604	17.246	PY 97/98-21 IIIF	254,600	--
Title IIIF - Golf Course Special Project	161..432604	17.246	PY 98/99-21 IIIF SP	--	--
SUBTOTAL CFDA NUMBER 17.246				271,091	--
Welfare-To-Work	161..432604	17.253	PY 98/99-21 W-T-W	--	--
JTPA Jobnet	161..432604	17.207	FY 98	--	--
Total U.S. Department of Labor				599,247	--
U.S. DEPARTMENT OF COMMERCE	121010				
Baton Rouge Works	161..431604	11.305	1996	30,560	--
U.S. DEPARTMENT OF JUSTICE					
Direct Programs:	121005				
Local Law Enforcement Block Grant	163..431103	16.592*	97-LB-VX-5231	--	--
Local Law Enforcement Block Grant	162..431103	16.592*	96-LB-VX-3716	(1,085,472)	(96,459)
SUBTOTAL CFDA NUMBER 16.592				(1,085,472)	(96,459)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
96,586	--	70,315	--	(18,820)	--
8,460	--	14,130	--	--	--
4,912	--	38,961	--	34,049	--
5,128	--	274	--	--	--
954,997	--	1,056,053	--	101,056	--
589,700	--	337,529	--	--	--
106,854	--	360,591	--	253,737	--
3,837	--	611	--	--	--
39,783	--	38,980	--	621	--
14,238	--	47,894	--	33,656	--
87,514	--	22,814	--	--	--
1,912,009	--	1,988,152	--	404,299	--
31,844	--	15,353	--	--	--
368,611	--	694,903	--	326,292	--
1,002,654	--	748,054	--	--	--
12,657	--	48,560	--	35,903	--
1,415,766	--	1,506,870	--	362,195	--
382,184	--	369,609	--	(12,575)	--
--	--	43,670	--	43,670	--
3,709,959	--	3,908,301	--	797,589	--
36,226	--	1,949	--	(3,717)	--
1,342,957	20,384	816,691	7,472	(526,266)	(12,912)
--	125,285	997,719	110,858	(87,752)	(110,887)
1,342,957	145,669	1,814,410	118,330	(614,018)	(123,799)

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
U.S. DEPARTMENT OF JUSTICE (CONTINUED)					
Direct Programs:	121005				
Partnership To Reduce Juvenile Gun Violence	170..431103	16.541	97-MU-FX-004	--	--
Partnership To Reduce Juvenile Gun Violence	170..431103	16.541	97-MU-FX-004	15,185	--
SUBTOTAL CFDA NUMBER 16.541				15,185	--
Community Policing - Cops More	170..431103	16.710	95-CI-WX-0009	--	(52,199)
Community Policing - Cops More	170..431103	16.710	96-CI-WX-0046	--	(10,001)
SUBTOTAL CFDA NUMBER 16.710				--	(62,200)
Passed through Louisiana Commission on Law Enforcement.	121116				
Multi-Jurisdictional Investigative Task Force	170..432102	16.579	95-B5-B.02-OE38	\$ 35,580	\$ (454)
Police Electronic Equipment	170..432102	16.579	P98-5-011	--	--
Drug Abuse Resistance Education	170..432102	16.579	E99-05-007	--	--
Drug Abuse Resistance Education	170..432102	16.579	E98-5-011	43,580	--
Strategic Narcotics Area Patrol (SNAP)	170..432102	16.579	P97B5-B.07-0080	--	--
Police Training Academy Equipment	170..432102	16.579	96-B5-B.07-0023	--	--
Property Crimes Task Force	170..432102	16.579	97-B5-B.05-OG32	--	--
Property Crimes Task Force	170..432102	16.579	96-B5-B.05-OF27	8,299	(614)
Drug Free School Grant	170..432102	16.579	96-B5-B.07-OO23	4,554	(1)
City Court Training Grant	170..432102	16.579		--	--
SUBTOTAL CFDA NUMBER 16.579				92,013	(1,069)
Total U.S. Department of Justice				(978,274)	(159,728)
TOTAL FEDERAL GRANTS				\$ 2,962,634	\$ (2,328,192)

* Designates Major Grant

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
--	--	20,888	--	20,888	--
190,814	--	186,232	--	10,603	--
190,814	--	207,120	--	31,491	--
--	--	13,105	--	--	(39,094)
--	--	--	--	--	(10,001)
--	--	13,105	--	--	(49,095)
\$ 34,381	\$ --	\$ (1,199)	\$ 454	\$ --	\$ --
1,476	--	1,476	--	--	--
--	--	32,917	--	32,917	--
130,226	--	86,646	--	--	--
81,046	44,266	121,839	43,210	40,793	(1,056)
6,000	--	6,000	--	--	--
5,590	12,396	13,088	4,773	7,498	(7,623)
8,299	--	--	614	--	--
4,554	--	--	1	--	--
4,000	--	4,000	--	--	--
275,572	56,662	264,767	49,052	81,208	(8,679)
1,809,343	202,331	2,299,402	167,382	(501,319)	(181,573)
\$ 27,102,626	\$ 947,686	\$ 29,146,970	\$ 1,058,622	\$ 4,997,514	\$ (2,207,792)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
FEDERAL GRANTS					
U.S. DEPARTMENT OF TRANSPORTATION					
Direct Programs:					
Federal Transit Administration: 121003					
Capital Assistance - 1990	402..431202	20.507	LA-90-0101	\$ --	\$ (80)
Planning - 1991	402..431202	20.507	LA-90-2114	--	--
Planning - 1993	402..431202	20.507	LA-90-2139	21,868	--
Planning - 1995	402..431202	20.507	LA-90-2165	2,931	--
Planning - 1996	402..431202	20.507	LA-90-2176	20,677	--
Planning - 1997	402..431202	20.507	LA-90-2183	29,330	--
Planning - 1998	402..431202	20.507	LA-90-2198	--	--
Administration / Maintenance Facility	402..431202	20.507	LA-03-0050	173,778	--
Capital Assistance - 1991	402..431202	20.507	LA-90-0114	--	(35,574)
Capital Assistance - 1992	402..431202	20.507	LA-90-0128	1,036	(19,849)
Capital Assistance - 1993	402..431202	20.507	LA-90-0139	--	(13,880)
Capital Assistance - 1994	402..431202	20.507	LA-90-0153	--	(17,877)
Capital Assistance - 1998	402..431202	20.507	LA-90-0198	--	--
Capital Assistance - 1996	402..431202	20.507	LA-90-0176	5,098	--
Capital Assistance - 1997	402..431202	20.507	LA-03-0068	--	(272,620)
Capital Assistance - 1997	402..431202	20.507	LA-90-0183	51,760	(159,974)
SUBTOTAL CFDA NUMBER 20.507				306,478	(519,854)
Total U.S. Department of Transportation- FTA				306,478	(519,854)
Direct Programs:					
Federal Aviation Administration: 482..121007					
Property Acquisition 20-N	482..431219	20.106	3-22-0006-25	--	--
Terminal Development		20.106	3-22-0006-35	--	--
Test Home Project		20.106	3-22-0006-32	--	--
Noise Compatibility Project		20.106	3-22-0006-33	--	--
Taxiway F - Engineering Phase		20.106	3-22-0006-34	--	--
Noise Mitigation - Zion City	482..431219	20.106	3-22-0006-36	--	--
Terminal Development		20.106	3-22-0006-37	--	--
Rehabilitation of ARFF Building/ARFF Vehicle		20.106	3-22-0006-38	--	--
Sound Insulation 110 Residents		20.106	3-22-0006-40	--	--
Land Acquisition/Relocation Assistance		20.106	3-22-0006-39	--	--
SUBTOTAL CFDA NUMBER 20.106				--	--
Total U.S. Department of Transportation - FAA				--	--

See Notes To Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE B

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
\$ 322	\$ --	\$ 322	\$ 80	\$ --	\$ --
1,219	--	1,219	--	--	--
41,514	--	21,064	--	1,418	--
2,931	--	--	--	--	--
47,465	--	27,464	--	676	--
73,026	--	76,163	--	32,467	--
103,373	--	135,205	--	31,832	--
9,134	--	9,952	--	174,596	--
54	--	54	13	--	(35,561)
13,257	--	12,221	3,055	--	(16,794)
53,503	--	53,503	13,374	--	(506)
--	--	320	80	320	(17,797)
906,796	856,277	906,796	280,947	--	(575,330)
1,008	--	--	--	4,090	--
1,276,627	--	1,276,627	263,512	--	(9,108)
663,378	--	728,221	47,029	116,603	(112,945)
3,193,607	856,277	3,249,131	608,090	362,002	(768,041)
3,193,607	856,277	3,249,131	608,090	362,002	(768,041)
--	--	(5,952)	--	--	--
157,325	--	246,600	--	--	--
208,097	--	522,667	--	--	--
703,449	--	957,597	--	--	--
75,522	--	5,154	--	--	--
382,690	--	421,733	--	--	--
425,528	--	637,343	--	--	--
2,075,165	--	2,074,712	68,099	--	--
--	--	289,130	--	--	--
1,067,287	--	1,458,638	--	--	--
5,095,063	--	6,607,622	68,099	--	--
5,095,063	--	6,607,622	68,099	--	--

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997	
				GRANTOR	LOCAL
FED. EMERGENCY MANAGEMENT AGENCY					
Passed through Louisiana Department of Military Affairs	121126				
Civil Defense Personnel and Administrative - 1998	001.432103	83.503		--	--
Civil Defense Personnel and Administrative - 1997	001.432103	83.503		16,461	--
SUBTOTAL CFDA NUMBER 83.503				16,461	--
Total Fed. Emergency Management Agency				16,461	--
TOTAL FEDERAL GRANTS				322,939	(519,854)

The above grants do not accrue in accordance with NCGA Statement 2; therefore, are reported separately.

* Designates Major Grant

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE B
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1998	
				GRANTOR	LOCAL
51,800	--	68,761	--	16,961	--
16,461	--	--	--	--	--
68,261	--	68,761	--	16,961	--
68,261	--	68,761	--	16,961	--
8,356,931	856,277	9,925,514	676,189	378,963	(768,041)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
COLLECTED AND EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 1998**

	FIRST QUARTER 1998	SECOND QUARTER 1998	THIRD QUARTER 1998	FOURTH QUARTER 1998	YEAR ENDED 12-31-98
PFC Revenues Received	\$ 119,185	\$ 322,744	\$ 341,790	\$ 515,842	\$ 1,299,561
Interest Earnings	36,522	35,167	32,572	32,272	136,533
Total Revenues	\$ 155,707	\$ 357,911	\$ 374,362	\$ 548,114	\$ 1,436,094
PFC Administrative Fee	\$ 3,153	\$ 8,607	\$ 9,114	\$ 13,756	\$ (34,630)
Bond Principal Payments	180,333	180,333	157,445	146,000	(664,111)
Bond Interest Payments	111,239	94,194	55,828	13,761	(275,022)
Expenditures on Approved PFC Projects	130,614	424,783	287,809	(216,098)	(627,108)
Total Expenditures	\$ 425,339	\$ 707,917	\$ 510,196	\$ (42,581)	\$ (1,600,871)
Retained Earnings, Reserved for PFC 12/31/97					\$ 3,120,233
Retained Earnings, Reserved for PFC 12/31/98					\$ 2,955,456

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

Notes to Schedule of Expenditures of Federal Awards

December 31, 1998

1. General

The City-Parish Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (the City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

2. Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified or full accrual basis of accounting, which is described in note 1 to the City-Parish's financial statements for the year ended December 31, 1998. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures (modified accrual). Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded (full accrual accounting).

3. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

Schedule of Findings and Questioned Costs

Year Ended December 31, 1998

(1) Summary of Auditors' Results:

- [a] The type of report issued on the general purpose financial statements: unqualified opinion
- [b] Reportable conditions in internal control were disclosed by the audit of the Financial Statements: no Material weaknesses: no
- [c] Noncompliance which is material to the general purpose financial statements: no
- [d] Reportable conditions in internal control over major programs: no
- [e] The type of report issued on compliance for major programs: unqualified opinion
- [f] Any audit findings which are required to be reported under Section 510 (a) of OMB Circular A-133: no
- [g] Major programs:
 - U. S. Department of Housing and Urban Development
Community Development Home Grant
C.F.D.A. Number 14.239
 - U. S. Department of Health
and Human Services
C.F.D.A. Number 93.600
 - U. S. Department of Justice
C.F.D.A. Number 16.592
 - U. S. Department of Agriculture
C.F.D.A. Number 10.559
- [h] Dollar threshold used to distinguish between Type A and Type B programs: \$1,172,175
- [i] Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None

(3) Findings and Questioned Cost relating to Federal Awards:

None



Suite 3500 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report

To the City of Baton Rouge -
Parish of East Baton Rouge and
Spectacor Management Group:

We have audited the special purpose financial statements of assets and liabilities for the Riverside Centroplex as of December 31, 1998, and the related special purpose statements of revenues and expenses and cash flows for the year then ended. These statements are the responsibility of the Riverside Centroplex management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statements were prepared for the purpose of complying with the Management Agreement for the Riverside Centroplex as described in Note 2 and are not intended to be a complete presentation of the Riverside Centroplex's financial statements and therefore are not presented in accordance with generally accepted accounting principles.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Riverside Centroplex as of December 31, 1998, and the related special purpose statements of revenues and expenses and cash flows for the year then ended on the basis of accounting described in note 2.

The Year 2000 supplementary information in the Required Supplementary Information, as listed in the Table of Contents, is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that Riverside Centroplex is or will become Year 2000 compliant, that Riverside Centroplex's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which Riverside Centroplex does business are or will become Year 2000 compliant.



This report is intended solely for the information and use of the City of Baton Rouge - Parish of East Baton Rouge and is not intended to be and should not be used by anyone other than this specified party.

KPMG LLP

February 25, 1999

RIVERSIDE CENTROPLEX
Baton Rouge, Louisiana

Special Purpose Statement of Assets and Liabilities

December 31, 1998

Assets

Current assets:

Cash (note 4)	\$ 796,668
Accounts receivable, net of allowance for doubtful account of \$25,000	233,818
Due from the City of Baton Rouge - Parish of East Baton Rouge - reimbursements	574,786
Prepaid expenses	<u>62,698</u>

Total assets \$ 1,667,970

Liabilities

Current liabilities:

Accounts payable	\$ 180,286
Accrued expenses	101,958
Due to City of Baton Rouge - Parish of East Baton Rouge (note 3)	853,296
Deferred revenue	<u>532,430</u>

Total liabilities \$ 1,667,970

See accompanying notes to the special purpose financial statements.

RIVERSIDE CENTROPLEX
Baton Rouge, Louisiana

Special Purpose Statement of Revenues and Expenses

Year ended December 31, 1998

Operating revenues:	
Event income:	
Rental	\$ 743,857
Service	261,705
Food and beverage	222,346
Novelty	49,043
	<hr/>
Total event income	1,276,951
Non-event parking	64,873
Nonevent food and beverage	85,955
Advertising	192,614
Other	100,420
	<hr/>
Total operating revenues	<u>1,720,813</u>
Operating expenses:	
Management company salaries and wages, including employee benefits	799,611
Utilities	497,850
Repairs and maintenance	27,590
Supplies and equipment, postage	98,478
Insurance	90,805
Professional, computer and contract services	32,469
Advertising and public relations	143,050
	<hr/>
Total operating expenses	<u>1,689,853</u>
Net income added to funding from the City of Baton Rouge - Parish of East Baton Rouge	30,960
Funds from the City of Baton Rouge - Parish of East Baton Rouge:	
Beginning of year	661,229
Additional funds received during the year	161,107
	<hr/>
End of year	<u>\$ 853,296</u>

See accompanying notes to special purpose financial statements.

**RIVERSIDE CENTROPLEX
Baton Rouge, Louisiana**

Special Purpose Statement of Cash Flows

Year ended December 31, 1998

Cash flows from operating activities:	
Net income added to funds from City of Baton Rouge - Parish of East Baton Rouge	\$ 30,960
Adjustments to reconcile net loss charged to funds:	
Bad debt provision	10,000
Decrease in accounts receivable	138,336
Increase in due from City of Baton Rouge - Parish of East Baton Rouge	(300,220)
Increase in prepaid expense	(35,633)
Decrease in accounts payable	(57,443)
Decrease in accrued expenses	(4,809)
Increase in deferred revenue	<u>246,460</u>
Net cash used in operating activities	<u>27,651</u>
Cash flows from financing activities - funding from the City of Baton Rouge - Parish of East Baton Rouge	
	<u>161,107</u>
Net increase in cash	188,758
Cash balance at beginning of year	<u>607,910</u>
Cash balance at end of year	<u><u>\$ 796,668</u></u>

See accompanying notes to special purpose financial statements.

**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Notes to Special Purpose Financial Statements

December 31, 1998

(1) Organization and Reporting Entity

The Riverside Centroplex is a three-venue complex consisting of an arena, exhibition hall and a performing arts theater (collectively, the "Facility") located in Baton Rouge, Louisiana. The Facility is owned by the City of Baton Rouge - Parish of East Baton Rouge (the "City") and operates as a facility for conventions and assembly events. The City entered into and executed a management agreement (the "Agreement") with the Spectacor Management Group ("SMG"), a Pennsylvania joint venture, to provide the City with management services. The management agreement commenced on April 1, 1996 and expires on March 31, 2001. Under the Agreement, SMG manages all of the activities and operations of the Facility including, but not limited to the rental of space, advertising, promotion, marketing and sales, event management, public relations, procurement, maintenance, security, custodial and support services including, but not limited to, food and beverage requirements for conferences, conventions, exhibitions, performance, special events and any and all events taking place at the Facility.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The special purpose financial statements have been prepared to reflect the financial position and the results of operations of the Facility pursuant to the Agreement between SMG and the City. Accordingly, the Statement of Assets and Liabilities does not include all of the assets and liabilities relating to the Facility, but include only those assets and liabilities of the Facility which are maintained by SMG pursuant to the Agreement. Assets and liabilities not reflected herein include, but are not limited to property, building, furniture and equipment and amounts due to third parties prior to execution of Agreement. The Statement of Revenues and Expenses does not include charges for depreciation in connection with the assets and liabilities, not reflected herein. All of the assets of the Facility are owned by the City and all of the liabilities are the obligations of the City.

The special purpose financial statements of the Facility maintained by SMG are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

Event rentals including advance deposits are recognized as revenue in the period in which the event is held. Annual box suite rentals are recognized in the period earned. Unearned receipts for event rentals and box suite rentals are included in deferred revenue.

(b) Estimates

The preparation of statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

For the statement of cash flows, cash equivalents include demand deposit accounts and short-term, highly liquid investments with original maturities of three months or less.

**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Notes to Special Purpose Financial Statements

December 31, 1998

(d) Vacation and Sick Pay

Employees earn vacation leave in varying amounts according to years of service. Unused vacation can be carried over from one calendar year to the next, but is limited to the number of days earned during the prior year. An employee who separates from the entity will be compensated for earned unused vacation days up to a maximum of 24 days. Sick leave is accrued for full-time hourly employees up to a yearly maximum of six days. There is no provision for payment of unused sick-time at termination. The accrued liability at December 31, 1998 is included in accrued expenses and totaled \$29,563.

(3) Transactions between the City and SMG

The continued operation of the Facility is dependent on funding from the City. The Agreement provides for the City to pay certain operational expenses.

Amounts provided by the City and charges against such amounts are reflected as follows:

	<u>Amount provided by the City</u>	<u>Excess of operating expenses over operating revenues</u>	<u>Net amount owed to the City</u>
Beginning of year	\$ 1,054,732	(393,503)	661,229
Amount provided by the City to the Facility	511,969	-	-
Amount reimbursed to the City by the Facility	<u>(350,862)</u>	<u>-</u>	<u>-</u>
Current year activities	<u>161,107</u>	<u>30,960</u>	<u>192,067</u>
End of year	<u>\$ 1,215,839</u>	<u>(362,543)</u>	<u>853,296</u>

(4) Cash and Cash Equivalents

The Facility's checking accounts are maintained at a local financial institution and are collateralized by FDIC insurance and pledged securities held in the Facility's name by a third party. The actual bank balances of the cash and cash equivalents at December 31, 1998 was \$1,005,663. The amounts were completely collateralized and/or insured at December 31, 1998.

(5) SMG's Base and Incentive Fees

Pursuant to Section 4.1 of the Agreement, SMG is entitled to an annual base fee for each fiscal year in which SMG meets or exceeds the Benchmark established by the City as defined in the Agreement. The Base fee is subject to certain percentages and limitations, as set forth in the Agreement. Also, pursuant to Section 4.2 of the Agreement, SMG is entitled to an annual incentive fee for each fiscal year in

**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Notes to Special Purpose Financial Statements

December 31, 1998

which the net operating loss benchmark exceeds the Net Operating Loss Base Fee Reduction limited and the utility excess limit as specified in the Agreement. The base fee is calculated as follows for the year months ended December 31, 1998:

Net operating income, for the year ended December 31, 1998 before operating funding Benchmark for 12 month period	\$ 30,960 <u>712,000</u>
Net Operating Loss Base Fee Reduction	\$ <u>742,960</u>
Base fee payable to SMG from the City pursuant to Section 4.1 of the Agreement at 50% of the first \$500,000 and 30% of amounts in excess of \$500,000	\$ <u>322,888</u>

The base fee is payable directly to SMG by the City and is not considered an expense of the Facility as defined in the Agreement.

(6) Employee Benefit Plans

SMG is a plan sponsor and participates in a 401(k) Savings and Retirement Plan (the Plan) with other related entities. All eligible employees, as defined in the Plan Document, may participate after one year of service. The benefit of investment gain and the risk of investment loss belong to the participant's accounts on the basis of the balances in those accounts. The amount contributed each year by the Facility is based on a matching formula defined in the Plan. The amount contributed to the Plan and recorded as expense for the year ended December 31, 1998 was \$12,944.

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE CENTROPLEX

Required Supplementary Information

Year 2000 Compliance

The following is a synopsis of the SMG's actions to ensure that the Riverside Centroplex is Year 2000 compliant and will continue to provide service to the public on and beyond January 1, 2000.

Awareness Stage

In February of 1998, SMG began a corporate wide program of identifying all building systems which may be affected by the Y2K bug. After review of all potential operating systems, letters were sent to all vendors to request written assurance that these systems would either be compliant or to determine what steps were needed to bring the system into compliance (see attachments).

Assessment Stage

SMG received letters from vendors throughout the months of April and May 1998. SMG did follow-up letters when the responses were vague and began contacting those vendors who's responses were negative. As of this date, SMG has received written responses from 14 of 15 vendors contacted. SMG has also run diagnostic testing on all PC's used in the office and identified which machines are in danger of failure. All information has been forwarded to the Mayor-President's office for review.

Remediation Stage

According to the responses received, most systems are compliant and pose no concern. There are three systems which need upgrading:

The security system is a DOS based system which failed Y2K testing. Replacement of software was also dependent upon upgrading of the supporting computer, which also provide new proposals for software upgrades as well as safety enhancements which the new software supports. Costs for this will range from \$900 to \$1,500.

The City is responsible for the integrity of the HVAC system for the Centroplex as well as the entire governmental complex. SMH has not received a written response from the City regarding the compliance status for the HVAC system; however, the City has indicated that upgrades are needed and plans have been made to have the system compliant by December 31, 1999. SMG does have the ability to override any system controls by hand and ensure that proper ventilation is in place, regardless of system compliance.

Four computers in the office were found to be non-compliant. The City recently provided three computers. The fourth computer controls the HVAC remote monitoring and is evidently going to be replaced when other upgrades are performed.

Confirmation/Reassessment Stage

SMG has no plans to recontact any vendors who have written positive responses to our inquiry and will continue throughout the year to assess all operational systems. All new products purchased for the facility will be required to provided a compliance statement as part of the agreement. The security upgrade will hopefully be in place. The security system upgrade will hopefully be in place by July 31, 1999. Contingency plans will be formalized (and tested if necessary) by October 31, 1999.



Bank One Centre-North Tower
Suite 1700
451 Florida Street
Baton Rouge, LA 70801-1705

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April 27, 1999

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

We have audited the combined and individual fund financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) for the year ended December 31, 1998, and have issued our report thereon dated April 27, 1999.

In planning and performing our audit of the financial statements of the City-Parish, we considered internal control *in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control.*

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are listed in Appendix A to this report. Appendix B provides a status of prior year management letter comments. Appendix C provides management's response to current year and unresolved prior year comments.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the City-Parish's organization gained during our work to make comments and suggestions that we hope will be useful to you.

This report is intended for the information of the City-Parish, management and the State of Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



CURRENT YEAR COMMENTS

Year 2000

As part of our audit, limited inquiries and documentation reviews were made in connection with Year 2000 issues. Such procedures were not intended to, and do not, provide any assurance that Year 2000 issues which may exist have been identified, on the adequacy of the City-Parish remediation plans related to Year 2000 financial or operational problems, or on whether City-Parish is or will become Year 2000 compliant. Identified comments are listed as follows:

- The City-Parish has organized the Year 2000 project to include all departments. Each department has been given the responsibility of organizing their specific Year 2000 effort. However, the City-Parish does not have documented project plans for numerous departments or a central documented project plan for its Year 2000 effort.

A significant number of tasks are to be accomplished in the next year. Without a project plan, critical tasks are more likely to be forgotten, overlooked or postponed. A detailed project plan can provide intermediate and final deadlines for the purpose of tracking and monitoring.

The City-Parish should immediately work to develop a comprehensive project plan for Year 2000. A detailed project plan can help to identify all necessary tasks and provides deadlines for accomplishing these tasks. Furthermore, the plan should establish intermediate deadlines for ease of management, instead of one citywide deadline.

- The City-Parish has not documented its Year 2000 contingency plan. The lack of a formal, documented contingency plan leaves the City-Parish at risk of discontinuity of operations in the event of problems associated with the Year 2000.

The City-Parish should immediately develop and adopt a formal Year 2000 contingency plan. The contingency plan should be aimed to provide alternate resources or direction for all of the city departments. The contingency plan would allow the City-Parish to continue operations deemed critical to the city in the event that Year 2000 problems arise.

- The City-Parish has not created documented test plans for the testing of Year 2000 related issues. Each department has been given the responsibility of organizing and creating its own Year 2000 related tests. The lack of a formalized and documented test planning process leaves the City-Parish at risk of inadequate testing by City-Parish departments. Furthermore, due to the potential interdependencies between systems, the inadequate testing of one system may potentially lead to problems with other systems.

The City-Parish should develop a documented test planning process for its Year 2000 effort. The documented process would allow the City-Parish to ensure that all testing associated with the Year 2000 is conducted appropriately.

Appendix A - (continued)

- The City-Parish Attorney's Office has not assessed the potential liability of the City-Parish due to Year 2000 failures. In addition, the Attorney's Office has not established restrictions or guidance for City-Parish employees making statements about their Year 2000 status. Inaccurate disclosures of the Year 2000 project status can leave the City-Parish liable for damages to individuals who use this information as assurance of the services provided by the City-Parish. A liability assessment by the City-Parish Attorney's office can identify additional items that need to be included in the Year 2000 project and ensure the City-Parish has adequate protection against damage claims.

The City-Parish should publish guidelines requiring that all disclosures related to Year 2000 be approved by the City-Parish Attorney's Office. The City-Parish Attorney's Office should promptly assess the potential liability of the City-Parish due to Year 2000 failures.

DISPOSITION OF PRIOR YEARS' MANAGEMENT LETTER COMMENTS

Formalized Disaster Recovery Plan

The City-Parish of Baton Rouge has not developed a formalized Disaster Recovery Plan to address their IT environment. The risk of not having a plan is that business operations may not be resumed in a timely and efficient manner after a disaster resulting in an unacceptable business interruption.

Management should ensure that a disaster recovery plan is developed for the City-Parish of Baton Rouge to aid personnel in the recovery of systems and information in the event of a disaster.

Management's Status: Information Services is currently investigating the possibility of utilizing the new Advanced Traffic Management and Emergency Operations Center as a disaster backup site. The construction of the building will be completed in the fourth quarter of 2000. The building will have a controlled environment for the computer room and will also have telecommunications equipment in place to support a backup plan.

Information Security Policies and Procedures

The City-Parish of Baton Rouge has not developed formalized Information Security Policies and Procedures, other than the policies adopted for the Internet, MetroNet, electronic mail and online services. All users are required to sign a statement acknowledging that they have read the statement.

A more comprehensive security policy will provide a uniform guideline for all employees and will help prevent unauthorized access to protected resources. We recommend that the City-Parish of Baton Rouge develop its Information Security Policies and Procedures and, once completed, a process should be implemented to distribute the policies to all City-Parish of Baton Rouge personnel on an annual basis. Additionally, we recommend that the City-Parish of Baton Rouge consider requiring their employees to acknowledge in writing that the policy has been read and that they agree to abide by these Security Policies and Procedures.

Management's Status: IS Steering Committee will continue to study security procedures and take whatever action is appropriate. At this time, the City-Parish does not have plans to implement a more comprehensive security plan. We believe that our current policies (see Attachment III) for the Internet, MetroNet, electronic mail, and online services are very thorough.

Security Administration Standards

Our audit noted that the City-Parish of Baton Rouge has not established standard security administration policies and procedures that should be applied by its local security administrators. Without standard security administration guidelines in place, departments are not held accountable for ensuring their security administration procedures are adequate to protect the organization's information assets. Additionally, the lack of standardized security administration may result in unauthorized or unknown access, alteration or loss of company data.

Formal security administration policies and procedures would help establish an organization-wide standard for the assurance of the logical security controls over the City-Parish of Baton Rouge's information assets. Documented procedures would also allow for subsequent review to ensure that compliance to standard procedures are maintained.

We recommend that the City-Parish of Baton Rouge should consider formalizing the network security administration process for their IT environment and issuing a security policy to address:

- User access requests to LAN and associated applications (e.g., standard LAN forms, necessary authorization, process for assigning a password, etc.).
- Process for removing and modifying inappropriate user access.
- Password requirements (e.g., minimum length of 6 to 8, forced changes every 90 days, easily-guessable passwords to avoid, etc.).
- Policies and standards regarding data ownership and protection of sensitive data.
- Information access based on job responsibilities.
- Recording and monitoring of security violations.

Management's Status: Several of the larger City-Parish departments do have standard security administration policies and procedures. Attachment III is an example of the policies and procedures used by the Finance Department. The IS Steering Committee will work on expanding these policies and procedures to all departments.

Software Licensing

During our review, we noted that the City-Parish of Baton Rouge does not have procedures in place to monitor for illegal copies of software loaded on the City's PC's. The City-Parish of Baton Rouge has exposure for fines if illegal copies of software are in operation on its PC workstations and Network Servers.

We recommend that the City-Parish of Baton Rouge implement policies and procedures to monitor for illegal copies of software loaded on the City's PC's.

Management's Status: This recommendation has been implemented. The IS Department purchased an Asset Management software package at the end of 1998. This software program performs a hardware and software inventory on each PC and thereby produces the foundation to monitor illegal software. The IS Department has already inventoried City-Parish personal computers. IS is in the process of notifying department heads of the results. Responsibility for corrective action rests with the department head.

Network Virus Monitoring

Our review noted that the City-Parish of Baton Rouge does not currently monitor for computer viruses on its LAN servers. However, we did note that City-Parish of Baton Rouge does run virus protection software on the PC workstations. The risks related to the viruses are significant; a computer virus could result in the loss or corruption of the City's information assets and could cause the network to fail.

We recommend that the City-Parish of Baton Rouge implement virus protection software on its LAN servers.

Management's Status: Virus protection software is almost completely installed. This recommendation has been implemented. With the exception of two of the older servers and a server maintained by a third party vendor (Risk Management server), all City-Parish LAN servers have McAfee Virus detection software installed. The two older servers are scheduled to be replaced within the next year.

Public Safety Systems - Year 2000

We noted during our review that the Public Safety systems are not Year 2000 compliant. The City-Parish of Baton Rouge has obtained correspondence from the ADSI vendor from which the Public Safety system was purchased, confirming that the Public Safety system is not Year 2000 compliant. The ADSI vendor has represented to the City-Parish that it will upgrade the standard application modules to correct the Year 2000 issue at no cost to the City-Parish of Baton Rouge. However, ADSI will not pick up the cost for upgrading the application modules which were developed specifically for the City-Parish of Baton Rouge. Instead, ADSI has given the City-Parish two options: 1) the City-Parish can contract ADSI to upgrade the systems or 2) the City-Parish can upgrade these modules themselves.

Failure to adequately address Year 2000 compliance could result in costly and significant application program failures that prevent the company from performing its normal processing activities. Planning now is critical because business processes that depend on dates in the future may experience difficulties or failures well in advance of the Year 2000.

We recommend that the City-Parish of Baton Rouge make a determination on how to address the Year 2000 issue for the Public Safety system application modules which were developed by the ADSI vendor specifically for the City-Parish of Baton Rouge.

If it is determined that the City-Parish of Baton Rouge decides to implement the Year 2000 upgrade themselves, the City-Parish should develop and document a formalized project plan to ensure they meet the Year 2000 deadline.

Management's Status: This recommendation has been implemented. Attachment IV is a copy of the Year 2000 project plan compiled by the Information Services Department. Please note that with the exception of the Sheriff's Department's Inmate Management System, all public safety and other systems managed by Information Services have completed Year 2000 assessment, remediation, and testing. The Sheriff's Department has entered into a contract to have a new Inmate Management System installed in August 1999.

Payroll Application - Year 2000

During our review we noted that the Payroll application module is not Year 2000 compliant. Based on discussions with the Financial Systems Support Team, however, a City-Parish of Baton Rouge programmer has been assigned and is currently working on a project to update the Payroll application to ensure it is Year 2000 compliant. Additionally, we noted that the City-Parish of Baton Rouge has received assurance from the Financial systems vendor, SCT, that the other Financial system application modules are Year 2000 compliant.

Failure to adequately address Year 2000 compliance could result in costly and significant application program failures that prevent the company from performing its normal processing activities. Planning now

is critical because business processes that depend on dates in the future may experience difficulties or failures well in advance of the Year 2000.

We recommend that the City-Parish of Baton Rouge continue their plans to ensure that Payroll application will be Year 2000 compliant.

Management's Status: This recommendation has been implemented. All payroll system changes have been completed, implemented, and tested.

Year 2000 information contained in this report is a "Year 2000 readiness Disclosure Statement (Pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271, 112 Stat. 2386 [1998])".

Capitalization of Airport Additions

The nature of funding received by the Airport provides for renovations to persons' homes as well as the acquisition of land and housing for noise abatement reasons. To ensure that only those items which have an extended benefit to the City-Parish are being capitalized, we recommend that management review the current capitalization procedures and adjust its fixed asset records as necessary.

Management's Status: A new procedure, RES 509.1 of the Accounting Policy and Procedures Manual was implemented March 19, 1999. A copy is included as Attachment I.

Liabilities for Claims and Judgments

The City-Parish is self-insured in several areas, including workers' compensation and general liability. Accounting literature requires estimates for claim reserves as well as estimated expenditures for claims incurred but not reported. The claims liabilities recorded in the financial statements of the City-Parish are significant.

Because of the large volume of cases, we recommend that the City-Parish consider the use of an actuary to calculate actuarially determined liabilities.

Management's Status: The City-Parish contracted with Milliman & Roberts a nationally known Casualty Actuary to calculate contingent liabilities for the December 31, 1998, Comprehensive Annual Financial Report.

Airport Draw Down Requests

The Airport receives numerous grants which are drawn down during the year as disbursements are made. In the current year, the Finance Department initiated and submitted the drawn down requests. We recommend that the Airport personnel initiate all requests timely (at least quarterly) and forward the requests to the Finance Department to request the draw.

Management's Status: Quarterly requests for draw down of funds have been initiated by the Airport and processed by the Accounting Division for the last 12 months per details on Attachment II.

MANAGEMENT'S RESPONSE TO CURRENT YEAR COMMENTS

Year 2000

- The City-Parish has organized the Year 2000 project to include all departments. Each department has been given the responsibility of organizing its specific Year 2000 effort. However, the City-Parish does not have documented project plans for numerous departments or a central documented project plan for its Year 2000 effort.

The IS Steering Committee has the oversight responsibility for the City-Parish's Year 2000 project. The IS Steering Committee is made up of representatives from many departments. The Committee Chairman is the Chief Administrative Officer to the Mayor-President.

Currently the IS Steering Committee is conducting Year 2000 hearings with all mission critical and/or public safety departments such as Fire, Police, DPW, EMS, Emergency Preparedness, Airport, Information Services, etc. Written reports are also being required of the departments.

Attachment IV is a copy of the Year 2000 project plan compiled by the Information Services Department. Also included are minutes from IS Steering Committee hearings documenting their work to date.

- The City-Parish has not documented its Year 2000 contingency plan. The lack of a formal, documented contingency plan leaves the City-Parish at risk of discontinuity of operations in the event of problems associated with the Year 2000.

The City-Parish already has an All Hazards Emergency Operations Plan in place. It is available in the East Baton Rouge Parish libraries. The Office of Emergency Preparedness is preparing a Contingency Plan specifically for Year 2000 issues, however, many aspects of this plan will be drawn directly from the All Hazards Emergency Operations Plan. A draft of the Year 2000 Contingency Plan will be available on July 1, 1999.

The City-Parish Office of Emergency Preparedness participates in the Local Emergency Planning Committee (LEPC). LEPC has 31 members including representatives from private industry, State Police, local hospitals, the Coast Guard, etc. LEPC has planned a table top exercise this summer to discuss possible actions to be taken as a result of Year 2000 emergencies.

Individual City-Parish departments have already implemented parts of the Contingency Plan. For example, DPW is making more portable stop signs in case traffic signals do not work because of loss of power. Also, many City-Parish departments such as Police, Fire, Emergency Preparedness, and DPW plan to work overtime on January 1, 2000.

- The City-Parish has not created documented test plans for the testing of Year 2000 related issues. Each city department has been given the responsibility of organizing and creating its own Year 2000 related tests. The lack of a formalized and documented test planning process leaves the City-Parish

at risk of inadequate testing by City-Parish departments. Furthermore, due to the potential interdependencies between systems, the inadequate testing of one system may potentially lead to problems with other systems.

Attachment IV is a copy of the Year 2000 project plan compiled by the Information Services Department. Please note that with the exception of the Sheriff's Department's Inmate Management System, all public safety and other systems managed by the Information Services have completed Year 2000 assessment, remediation, and testing. The Sheriff's Department has entered into a contract to have a new Inmate Management System installed in August 1999.

- The City-Parish Attorney's Office has not assessed the potential liability of the City-Parish due to Year 2000 failures. In addition, the Attorney's Office has not established restrictions or guidance for City-Parish employees making statements about their Year 2000 status. Inaccurate disclosures of the Year 2000 project status can leave the City-Parish liable for damages to individuals who use this information as assurance of the services provided by the City-Parish. A liability assessment by the City-Parish Attorney's Office can identify additional items that need to be included in the Year 2000 project and ensure the City-Parish has adequate protection against damage claims.

Because of the complexity and unprecedented nature of Year 2000 issues, we believe it impossible for the Parish Attorney's Office to make a reasonable liability assessment. An Assistant Parish Attorney attends IS Steering Committee meetings concerning Year 2000 and he provides legal guidance in regard to Year 2000 issues.



City of Baton Rouge - Parish of East Baton Rouge

Accounting Policies and Procedures Manual

DESCRIPTION: Capitalization and Depreciation of the Airport Noise Mitigation Program

INDEX: RES 509.1
POLICY: PROCEDURE: X
EFFECTIVE DATE: 03/19/99

LEGAL AUTHORIZATION

FEDERAL STATE LOCAL

PURPOSE: To explain the procedure for capitalizing and depreciating costs for the Noise Mitigation Program funded with Passenger Facility Charges (PFC).

RESPONSIBILITY: Finance-Accounting Airport Accountant

The Airport received approval from the Federal Aviation Administration (FAA) to use PFCs to fund various noise mitigation projects. These projects include school sound insulation, residential sound insulation, noise mitigation studies, and property acquisitions. The City-Parish's policy is to capitalize all costs associated with the noise mitigation projects.

The land-noise mitigation account has been established to capitalize expenses for noise mitigation studies, school and residential sound reduction projects. The City-Parish (Airport) does not necessarily own properties associated with the school and residential sound reduction projects. But management believes that by improving the homes and schools, goodwill is established in the community. Therefore, the land-noise mitigation account is used to separate these expenses from expenses made to a "true" land account.

For capitalization purposes, a transaction listing (Report 340) for each project should be obtained at the end of the year for review by the accountant. This report shows all the expenses paid for the year for each project. Documents should be pulled to determine the percentage of completion for the projects. Projects are considered substantially complete when at least 80% of the project costs have been expended. If the projects are at least 80% complete, the following journal entries are needed for capitalization:

In the Passenger Facility Charge Fund (483)

Intrafund Equity Transfer xx
Construction Work in Progress xx

In the Airport Operation Fund (481)

Land-Noise Mitigation xx
Intrafund Equity Transfer xx

If the projects are not at least 80% complete, the expenses in those projects should remain in the construction work in progress account until substantially completed. When project costs have been moved out of construction work in progress and capitalized, it is depreciated over 25 years using the

RES 509.2

straight-line method. A spreadsheet can be found showing the calculation of depreciation expense (G:\Gen-Acct\Airport\Airfa.wk4). The following journal entry is needed to record depreciation expense:

In the Airport Operation Fund (481)

Expenditures	xx		
Allowance for Depreciation-Land			
Noise Mitigation		xx	
Sub-ledger: Depreciation Expense		X	xxxxx+

UPDATED: March 1999

ATTACHMENT II

GREATER BATON ROUGE AIRPORT FUND

DRAWDOWNS MADE IN 1998:

CASH RECEIPT #	1ST QTR	2ND QTR	3RD QTR	4TH QTR
336829			2,742,937.00	
338287				2,352,126.00
339685	_____	_____	_____	<u>562,073.00</u>
TOTAL	<u>0.00</u>	<u>0.00</u>	<u>2,742,937.00</u>	<u>2,914,199.00</u>

DRAWDOWNS MADE IN 1999:

	CASH RECEIPT #	
1ST QTR	341325	678,075.00
2ND QTR	341370	<u>334,673.00</u>
TOTAL		<u>1,012,748.00</u>

INTEREST EARNINGS IN 1998:

FUND 482

1ST QTR	(1,436.78)
2ND QTR	(13,477.70)
3RD QTR	(28,132.22)
4TH QTR	<u>(29,395.49)</u>
TOTAL	<u>(72,442.19)</u>

FINANCE DEPARTMENT POLICIES AND PROCEDURES MANUAL

POLICY NO. 44

**Description: INTERNET, METRONET, ELECTRONIC MAIL,
AND ONLINE SERVICES POLICY**

On April 9, 1998, the City-Parish Information Services Steering Committee issued a policy that defined the acceptable and unacceptable uses of the Internet, MetroNet, electronic mail, and online services while using City-Parish resources (Attachment A-16). In order to protect the integrity of these systems and the City-Parish, all users of these systems are required to read and adhere to this policy.

Information Services will be monitoring the activities of users of the Internet, MetroNet, electronic mail and online services. Any employee not complying with the guidelines set forth for use of the Internet, MetroNet, electronic mail, and online services will be subject to disciplinary action as described in item six under the "Policy" section of Attachment A-16.

May 1, 1998
G:\DATA\ADMIN\WPWIN60\NAN\POLICIES\DEP.044

**INTERNET, METRONET, ELECTRONIC MAIL,
AND ONLINE SERVICES POLICY
FOR THE
CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE**

INTRODUCTION

The City of Baton Rouge/Parish of East Baton Rouge has established a policy governing the acceptable and unacceptable usage of electronic mail, Internet, MetroNet, and online services using City-Parish resources. While the City-Parish recognizes that the use of these technologies is an effective means for making government agencies more accessible, more efficient and more responsive to the needs of the public, their use is open to abuse. This policy is intended to be illustrative of the range of acceptable and unacceptable uses and is not necessarily exhaustive. In addition, the City-Parish intends to honor the policies set forth below, but must reserve the right to change them any time as may be required under the circumstances.

POLICY

1. The Internet, MetroNet, electronic mail, and online services are intended for business purposes. Although occasional personal use is not prohibited, any uses that interfere with normal business activities or interfere with the functioning of the network are strictly forbidden.
2. City-Parish employees shall not use the Internet, MetroNet, electronic mail or online services to solicit, promote or advertise for commercial ventures or other non-job-related solicitations.
3. City-Parish employees shall not use the Internet, MetroNet, electronic mail or online services to create/disseminate offensive or disruptive messages. Among those which are considered offensive, are any messages containing sexual implications, racial slurs, or any other comment that offensively addresses someone's age, sexual orientation, gender, religious or political beliefs, national origin, or disability. Among those which are considered disruptive, are chain letters which ask you to forward the letter for some sort of reward, jokes, and cartoons.

ATTACHMENT III

4. *City-Parish employees shall not use the Internet, MetroNet, electronic mail or online services to disseminate or solicit sexually oriented messages or images.*
5. *City-Parish employees shall not use the Internet, MetroNet, electronic mail or online services to create or disseminate a computer virus, monitor electronic communications unless approved by the Information Services Director, play games, or intentionally do anything that would degrade or shut down the network.*
6. *Any employee who violates this policy or uses the Internet, MetroNet, electronic mail or online services for improper purposes shall be subject to discipline, up to and including discharge as the circumstances may warrant.*

GENERAL INFORMATION AREA

The following information is provided in order to make sure that employees are aware of the possible problems which might arise with communication across the Internet, MetroNet, electronic mail or other online services. Failure to follow the advice given under this section shall not subject the employee to discipline pursuant to the policy outlined above. Repercussions for failure to follow the advice given under this section shall be left to the discretion of each employee's department.

- 1) The confidentiality of any message in e-mail should not be assumed. Even when a message is erased, it is still possible to retrieve and read that message. Thus, City-Parish employees should not use the Internet, MetroNet, electronic mail or online services to send/receive or provide access to confidential information. If you are unsure about whether or not information is considered confidential by your department, you should consult with your supervisor before sending such information by one of the above referenced means. Keep in mind that all messages composed, sent or received on the electronic mail system, are and remain the property of the City-Parish. Therefore, if you do not want your communication to become public property, do not use the above referenced means to transmit your communication. For nonconfidential information, City-Parish employees should follow existing rules and procedures of the custodial agency for dissemination.

- 2) City-Parish employees should be aware that unattended PCs are subject to misuse from unauthorized persons having access to unprotected PCs. It is recommended that employees take the necessary steps to utilize functions such as those provided in Windows to help protect the PC. One such tool available in Windows is to require a password to use the PC after the screen saver has started. For more information regarding how you may utilize or implement this function, please contact the Information Services Office and ask to talk to someone in PC support.

Employee Acknowledgment

As an employee and/or a services user of the City of Baton Rouge/Parish of East Baton Rouge, I, _____, acknowledge that I have read and that I understand the City-Parish's Internet, MetroNet, electronic mail, and online services policy. I am aware that violations of the policy may subject me to termination of services and/or disciplinary action, up to and including discharge from employment as the circumstances may warrant.

Signature of Employee

Date Signed

DEFINITIONS

Browser - *A software program that runs on a PC which allows a person to read hypertext and/or hypermedia. A browser is most often used with accessing information on the Internet and Intranet.*

Business Activities - *What constitutes business activities shall be defined by each department head or designee.*

City-Parish Resources - *Any computer hardware, software, network and related items purchased, owned or maintained by the City-Parish.*

Electronic Mail (e-mail) - *A method for sending a message, memo or file from one computer to another, typically over a network.*

File Transfer Protocol (FTP) - *A protocol for file transfer between computers; transferring files efficiently and reliably among computers and allowing the convenient use of remote file storage capabilities. A transfer protocol used to transfer files from one computer to another.*

Firewall - *A protection scheme that assists in securing internal network/computer systems from external computer environments.*

Home Page - *A starting point or center of an info-structure on the World Wide Web. A typical home page will consist of hypertext and/or hypermedia links (pointers) to other Web documents.*

Hypermedia - *An extension of hypertext to include graphics, sound, video and other kinds of data.*

Hyperlink - *A way to link access to information of various sources together within a Web document. A way to connect two Internet resources through a simple word or phrase on which a user can click to start the connection.*

Hypertext - *A collection of documents containing cross-references or hyperlinks, which with the aid of an interactive browser program, allow the reader to move easily from one document to another.*

DEFINITIONS

Hypertext Markup Language (HTML) - *A hypertext document format used on the World-Wide Web.*

Info-structure - *A group of Web documents linked together on one or more servers, usually providing information concerning a certain subject or idea.*

Internet - *A global collection of government, military, commercial, and educational computer networks sharing information.*

Intranet - *A restricted access network that works like the World-Wide Web, but isn't on it. Usually owned and managed by an organization, an Intranet enables an organization to share its resources with its employees without sensitive information being made available to everyone with Internet access. Intranets may allow connection to the Internet through firewall servers and other security devices that have the ability to screen a message in both directions so that an organization's security is maintained.*

MetroNet - *The name the City-Parish uses referring to its Intranet.*

Online Services - *Provides subscribers with a variety of references and information exchange services which typically include connection to the Internet.*

Protocol - *The language rules two (or more) computers follow in order to exchange data.*

Uniform Resource Locators (URL) - *An Internet address of an info-structure. URL's can refer to Web servers, FTP sites, news groups, etc.*

Virus - *A program which contains within it, a malicious program segment that may damage your system, programs or files.*

World-Wide Web - *Uses the Internet as its transport media and is a collection of protocols and standards that allow the user to find information available on the Internet by using hypertext and/or hypermedia documents.*

FINANCE DEPARTMENT POLICIES AND PROCEDURES MANUAL

POLICY NO. 25

Description: **SECURITY REQUIREMENTS FOR COMPUTER SYSTEMS**

The Finance Department maintains a set of department-wide policies relative to security requirements for computer systems. (See Attachment A-5). Effective May 1, 1996, all employees in the department are required to adhere to these policies as it relates to Finance Department computer systems.

March 6, 1997
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**Department of Finance
Administration Division**

City of Baton Rouge
Parish of East Baton Rouge

222 St. Louis Street
Post Office Box 1471
Baton Rouge, Louisiana
70821

(504) 389-3061
FAX (504) 389-3286

March 18, 1996

MEMORANDUM

TO: All Finance Department Employees

FROM: Otha L. Schofield
Director of Finance

SUBJECT: SECURITY REQUIREMENTS FOR COMPUTER SYSTEMS

The following security requirements have been developed to help insure the integrity of computer information available on the Finance Department's local area network and on the DEC computer system. All employees shall adhere to these requirements which are effective immediately and should be completely implemented by May 1, 1996. The division managers will add these requirements to their division's office procedures whenever revisions are made, but all employees will be informed of these requirements immediately.

PASSWORDS

A user-defined password is required by many of the computer systems used by the Finance Department. These systems include the local area network, DEC computer system, accounting system (FAIS), purchasing system, fixed and movable assets system, inventory system, check reconciliation system, and payroll system. A separate password is not required for the sales tax system once access has been gained to the DEC computer system.

1. Each user must choose their own user-defined password using the following guidelines. The security administrators may need to assign you a temporary password when your account is created, but you must change your password as soon as you gain access to the system.
 - a. Your password must be between 6 and 10 characters long.
NOTE: The maximum length of a password for the financial management system applications is 10 characters.
 - b. Your password must be a combination of letters and numbers.
Try combining two short words or abbreviations with a number.

Security Requirements for Computer Systems
March 18, 1996
Page 2

- c. Your password must NOT be easily guessed such as your name, spouse's name, children's name(s), address, social security number, birth date, etc.
 - d. Your password must NOT be a common word which may be in a dictionary. The DEC computer system prevents the use of common words contained within its own dictionary.
2. Do NOT give your user-defined password to ANYONE including the security administrator for your system. The security administrator does NOT need to know your password.
 3. Your password must NOT be written down.
 4. Use the same password in multiple systems to help avoid forgetting your password for systems which you only occasionally access.
 5. Periodic password changes are required by the DEC computer system, and you cannot re-use a password that you have previously used. Change your password in all systems to which you have access whenever one password expires. TIP: Keep a checklist listing all systems to which you have access that require a password. Whenever one password is changed, use the checklist to change the password in the other systems. However, the checklist must NOT include the actual password.
 6. Always use your own account and password whenever you access a system. Never use the account and password of another employee.
 7. If you are denied access to a system because of an invalid password, and you are sure that you have previously accessed that system, do not notify the security administrator. Instead, you should notify the Auditing Division because this could indicate your password was changed for an unauthorized purpose.
 8. Upon your request, the security administrator for each system can reset your password. If the administrator assigns you a temporary password, you must change it to a secret password as soon as you gain access to the system.
 9. The financial management systems use two levels of passwords. The assigned password is created by the security administrators, and it cannot be changed by you. The current user id is your user-defined password, and it can be changed by you at any time.

Security Requirements for Computer Systems
March 18, 1996
Page 3

LOCAL AREA NETWORKS - GENERAL INFORMATION

The following items concern usage of the department's local area networks which include the Accounting, Auditing, and Budgeting file servers.

1. Work-related files to which other users may need access must not be saved to your personal directory. Your personal directory should contain files that only you need to access. Additional shared directories may need to be created if you are using your personal directory because you cannot find a more suitable location for your files.
2. Do NOT leave your computer logged-in (signed-on) for extended periods of time when you are not at your computer.

LOCAL AREA NETWORKS - ADMINISTRATION

The following items concern the administration of the department's local area networks.

1. A primary system administrator and at least one assistant administrator must be selected for each file server.
2. A separate user account must be established for each administrator, and these accounts should be given *supervisor equivalent* rights. Example login names are: SYSTEM1 and SYSTEM2. These accounts are necessary in case the *supervisor* account gets locked out because of an intruder alert.
3. The administrators must establish "regular" user accounts for themselves to perform their normal duties. These user accounts must NOT have *supervisor equivalent* rights. However, these account can be given specific abilities to aid in the normal operation of the LAN such as the ability to control print queues.
4. The password for the *supervisor* account may be written down if it is stored in a secure location with access known to only necessary individuals.
5. Time restrictions must be established for each user based on normal work patterns. The only users with 24 hour access should be the system administrators. When special circumstances occur, the time restrictions can be modified by the system administrators. For example, general users may be restricted from the LAN between the hours of 10pm and 6am.

Security Requirements for Computer Systems

March 18, 1996

Page 4

6. Each user must be assigned a unique login name which consists of the first seven characters of the user's first name and the first character of the user's last name. Since some users may be accessing more than one file server, the administrators for each server must coordinate building new users to make sure no two users have the same login name. The naming convention may need to be modified to prevent duplicate names when necessary.
7. Users must be allowed to change their LAN passwords (using the SETPASS utility) at any time either through a menu option or through an icon in Microsoft Windows.

If you need additional information or clarification for these security requirements, please contact the Auditing Division.



Otha L. Schofield
Director of Finance

OLS:DJC

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MINUTES

IS STEERING COMMITTEE

5/4/99

Committee Members Present:

Don Nijoka, Steve Marchand, Mike Walker, Ralph Ladnier, Brian Mayers,
Judy Lanclos, Marsha Hanlon

Other Attendees: Bob Laughlin, Lynda Hunt, Thomas Yang, Don Evans, Mike Ponder, John Welborn, Renita Dixon, Phil Thomas, Lynn Long, Bob Abbott, Joe Bizette, Pam Porter, Randy Fox, Ray Crotwell, Yvonne Lemoine, Daryl Clay

1) PARISH ATTORNEY – ABC OFFICE

- A) Approved the purchase of an Electronic License System. This system included a camera, database and printing a business license for bartenders and exotic dancers. The ABC Office will acquire support through the company that furnishes the system and fund it through their existing budget. Cost of project and approved transfer of funds from Computerized Systems was \$9,889.
- B) Approved transfer from Computerized Systems of \$3,979 for a shortfall of funds approved on April 6, 1999.
- C) Approved transfer from Computerized Systems of \$1,540 for the purchase of a network laser printer.

2) YEAR 2000 STATUS REPORTS FROM DEPARTMENTS. REPORTS FROM THE DEPARTMENTS ON THE REDINESS STATUS AS FOLLOWS:

Preface: All agencies reporting stated that their reports were based on having essential services provided by outside suppliers. Those suppliers mentioned provide water, electricity and phone services. We have compliance letters on file that these suppliers do not anticipate interruption of services.

- A) Mike Walker, from the Information Services Department, reported on mainframe systems and applications. As reported, all Financial, Administrative and Public Safety Systems have been either upgraded, converted or replaced and tested. No Year 2000 issues were reported.
- B) FINANCE DEPARTMENT – Daryl Clay reported to the committee that there were no major issues that would disrupt their mission critical business processes. The only reported issue was a database program running on a PC that is used for balancing City Court fees. This system is being rewritten by Information Services to be year 2000 compliant. It is in the conversion and testing phase.
- C) FIRE DEPARTMENT – Joe Bizette reported that there were no issues with the Fire Department. There should not be any disruption of services.
- D) EMS DEPARTMENT – Pam Porter, Randy Fox and Ralph Ladnier reported two issues with the Year 2000. Five defibrillators are not compliant, but are scheduled for replacement by September 1999, and the CAL System, which is scheduled to be rewritten in June 1999. They reported there should not be any disruption of services.
- E) POLICE DEPARTMENT – Ray Crotwell reported that there were no issues to prevent them from providing police services.

* The Year 2000 Statements in these minutes are to be considered as “Year 2000 Readiness Disclosure Statement (pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271, 112 STAT. 2386 (1998))”

***Next IS Committee Meetings are scheduled for May 18, 1999 at 9:00 a.m. and May 25, 1999 at 3:00 p.m.

*Please note the May 25, 1999 meeting time has been moved to 3:00 p.m.

MINUTES

IS STEERING COMMITTEE

5/18/99

Committee Members Present:

Marsha Hanlon, Judy Lanclos, Steve Marchand, Mike Walker, Ralph Ladnier, Brain Mayers

Other Attendees: Bob Laughlin, Lynda Hunt, Thomas Yang, Don Evans, Fred Raiford

- 1) YEAR 2000 STATUS REPORT FROM THE AIRPORT – No one from the Airport attended the meeting to give their Year 2000 report.

- 2) YEAR 2000 STATUS REPORT FROM DPW – Fred Raiford, from DPW, gave the Year 2000 Status Report. Although some issues were reported, he felt that DPW would be able to provide services on January 1, 2000. Mr. Raiford stated that any outstanding issues would be taken care of by December 31, 1999. Some of the systems reported on and statues given were:
 - A) Landfill Operations – OK
 - B) City Service Stations (3) – OK
 - C) Fuelman – OK
 - D) Traffic Signals – OK (DPW making additional portable stop signs for backup)
 - E) Inspection Data Base – Under contract for re-write of data base. Will be completed by December 31, 1999.
 - F) Security Systems – These will be re-checked for Parish Prison, City Court, Governmental Bldg. etc.
 - G) Elevators – OK
 - H) Alarm Systems – Will check
 - I) Sewer Operation – Believe it to be ok, but they are waiting on additional information.

In addition, DPW is preparing contingency plans for all of its operations and is planning on having personnel work overtime during this period.

* The Year 2000 Statements in these minutes are to be considered as “Year 2000 Readiness Disclosure Statement (pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271,112 STAT. 2386 (1998))”

Next IS Committee Meeting is scheduled for May 25, 1999 at 3:00 p.m.

ATTACHMENT IV

**File Server
Y2K Compliance Graph for All
Departments**

Total Inventory: 46
Total Compliant: 46
Total NonCompliant: 0

Compliant:100%



NonCompliant:0%

ATTACHMENT IV

NOVELL NETWARE SERVER DETAIL 5/03/1999				
COUNT	Department	ServerName	Projected	Compliance (5/31/1999)
1	Finance - Account Payable	IMAGE	YES	YES
2	Finance - Accounting	ACCOUNTING	YES	YES
3	Airport	BRMA01	Mar-99	YES
4	Animal Control	ACC	Mar-99	YES
5	Auditing	AUDITING	YES	YES
6	Auditing	AUDITING_IMAGE	YES	YES
7	Budgeting	BUDGETING	YES	YES
8	Community Development	COMMDEV	Mar-99	YES
9	Coroner Office	CORONER	Mar-99	YES
10	Council Administration	TOPDOG	YES	YES
11	DPW - Engineering	BO-SAM	MAR-99**	YES
12	DPW- Bridge and Canal Opeation	BCOP	YES	YES
13	DPW- Building Maintenance	DPW	YES	YES
14	DPW- Landfill	DPW_LANDFIL_01	YES	YES
15	DPW - Engineering	ENG_01	MAR-99**	YES
16	DPW - Inspection	DPW_condes	YES	YES
17	DPW - Inspection	DPW_insp1	YES	YES
18	DPW - TRAFFIC	DPW_TRAFFIC	YES	YES
19	Emergency Preparedness	OEP	Mar-99	YES
20	EMS Communication	EMSCOM	Mar-99	YES
21	Fire Headquarter	FIRE_DEPT	YES	YES
22	Human Resources	HR	YES	YES
23	Information Services	IS_DEPT	YES	YES
24	Juvenile Services	Juvenile	YES	YES
25	Parish Attorney	PATTY2	Mar-99	YES
26	Prison Medical Services	PARISH_PRISON	Mar-99	YES
27	Purchasing	PURCHASING	Mar-99	YES
28	Recycle	RECYCLE	Mar-99	YES
29	Revenue	Revenue	YES	YES
30	Risk	CBR_ORACLE	Mar-99	YES
31	Risk Management	RISK_SERVER	Mar-99	YES
32	Training Center	QED	YES	YES
NOTE: BACKUPEXEC SOFTWARE IS STILL PUBLISHING PATCHES FOR Y2K, WILL IMPLEMENT WH				
NOTE:	Netware 3.12 Servers Total = 5			
	Netware 4.10 Servers Total = 8			
	Netware 4.11 Servers Total = 14			
	Netware 5.00 Servers Total = 5			
	Total Netware Servers = 32			

ATTACHMENT IV

WINDOW NT SERVER DETAILED 5/3/1999				
COUNT	Department	ServerName	Compliance	Version - Srv.Pack
1	Airport - BTR Metro-Airport	BRMA-NT1	YES	4.0 sp4
2	Alcoholic Beverage Control	ABC_NT_SERVER	YES	4.0 SP4
3	DPW - Engineering	ENG_02	YES	4.0 SP4
4	DPW - Environment	ENV_01	YES	4.0 SP4
5	DPW - Sewer Admin	SE_Admin	YES	4.0 SP4
6	Information Services	Metroweb	YES	4.0 sp4
7	Information Services	Metronet	YES	4.0 sp4
8	Information Services	Metrobkup	YES	4.0 sp4
9	Planning Commission	SMP22	YES	4.0 SP4
10	Police	BRPD_HQ	YES	4.0 SP4
11	Police	BRPDNARC	YES	4.0 SP4
12	Police	BRPD-PAWN	YES	4.0 SP4
13	Police	BRPD-BURGLARY	YES	4.0 SP4
14	Retirement	BRCSENT	YES	4.0 SP4
Note: March, Track-it will be run on all NT servers for Bios Diagnose - HW.				
Note: March, SP4.0 will be applied with the Permission and time of Local Administrator.				
Note: May, SP 4.0 STILL HAVE MINOR Y2K PROBLEMS, ACCORDING TO MICROSOFT.				
NOTE:		NT 4.0 SERVERS TOTAL = 14		
		TOTAL NT SERVERS = 14		

ATTACHMENT IV

**File Server
Complete Y2K Listing for
All Departments**

AIRPORT

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
------	--------	------------	----------	----------	---------------	--------	--------	--------	--------

AIR ADMIN

<u>BRMA-NT1</u>		Windows NT 4.0	02/11/99	✓	✓	✓	✓	✓	✓
<u>BRMA01 - NETWARE SERVER</u>		MS-DOS 6.20	12/23/98	✓	✓	✓	✓	✓	✓

AIR ADMIN TOTAL: 2

AIRPORT TOTAL: 2

ANIMAL CONTROL CENTER

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
------	--------	------------	----------	----------	---------------	--------	--------	--------	--------

<u>ACC - NETWARE SERVER</u>		MS-DOS 6.22	Phoenix 02/21/97	✓	✓	✓	✓	✓	✓
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ANIMAL CONTROL CENTER TOTAL: 1

COMMUNITY DEVELOPMENT PROGRAMS

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
------	--------	------------	----------	----------	---------------	--------	--------	--------	--------

<u>COMMDEV - NETWARE SERVER</u>		MS-DOS 6.22	Phoenix 06/04/97	✓	✓	✓	✓	✓	✓
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COMMUNITY DEVELOPMENT PROGRAMS TOTAL: 1

CORONER

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
------	--------	------------	----------	----------	---------------	--------	--------	--------	--------

<u>CORONER - NETWORK SERVER</u>	MS-DOS 6.20	Phoenix 06/21/96	✓	✓	✓	✓	✓	✓	✓
-------------------------------------	-------------	---------------------	---	---	---	---	---	---	---

CORONER TOTAL: 1

COUNCIL ADMINISTRATOR

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>TOPDOG - NETWORK SERVER</u>		MS-DOS 6.20	Phoenix 06/25/96	✓	✓	✓	✓	✓	✓

COUNCIL ADMINISTRATOR TOTAL: 1

DEPARTMENT OF PUBLIC WORKS

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
------	--------	------------	----------	----------	---------------	--------	--------	--------	--------

DPW B&C OP

DPW B&C OP TOTAL: 0

DPW B&C OP									
<u>FILE SERVER BC_OP</u>		MS-DOS 6.0	08/28/98	✓	✓	✓	✓	✓	✓

DPW B&C OP TOTAL: 1

DPW BUILDING

<u>DPW - NETWORK SERVER</u>		MS-DOS 6.22 (HMA)	11/29/95	✓	✓	✓	✓	✓	✓
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DPW BUILDING TOTAL: 1

DPW BUSINESS

<u>FILE SERVER BO- SAM</u>		MS-DOS 6.0	01/09/98	✓	✓	✓	✓	✓	✓
<u>FILE SERVER LNDFIL_01</u>		MS-DOS 6.0 (HMA)	Phoenix 09/02/97	✓	✓	✓	✓	✓	✓

DPW BUSINESS TOTAL: 2

DPW ENGINEERING

<u>ENG_02</u>		Windows NT 4.0	05/21/96	✓	✓	✓	✓	✓	✓
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FILE SERVER ENG_01	MS-DOS 6.22 (HMA)	03/11/97	✓	✓	✓	✓	✓	✓	✓
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DPW ENGINEERING TOTAL: 2

DPW ENVIRO									
ENV_01	Windows NT 4.0	10/14/97	✓	✓	✓	✓	✓	✓	✓

DPW ENVIRO TOTAL: 1

DPW INSPECTION									
DPW_CONDES - NETWARE SERVER	MS-DOS 6.22	Phoenix 01/10/97	✓	✓	✓	✓	✓	✓	✓
DPW_INSP1 - NETWARE SERVER	MS-DOS 6.22	Phoenix 06/25/96	✓	✓	✓	✓	✓	✓	✓

DPW INSPECTION TOTAL: 2

DPW RECYCLING									
RECYCLE - NETWARE SERVER	MS-DOS 6.20	Phoenix 03/10/97	✓	✓	✓	✓	✓	✓	✓

DPW RECYCLING TOTAL: 1

DPW SEWER ADMIN									
SE_ADMIN	Windows NT 4.0	10/16/98	✓	✓	✓	✓	✓	✓	✓

DPW SEWER ADMIN TOTAL: 1

DPW TRAFFIC									
DPW_TRAFFIC - NETWARE SERVER	MS-DOS 6.22	09/15/97	✓	✓	✓	✓	✓	✓	✓

DPW TRAFFIC TOTAL: 1

DEPARTMENT OF PUBLIC WORKS TOTAL: 12

EMERGENCY MEDICAL SERVICES

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
------	--------	------------	----------	-------------	---------------------	-----------	-----------	-----------	-----------

EMS COMM									
EMSCOM -NETWARE SERVER	MS-DOS 6.22	11/29/95	✓	✓	✓	✓	✓	✓	✓

EMS COMM TOTAL: 1

EMS PRISON

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
PARISH PRISON - NETWARE SERVER		MS-DOS 6.22	Phoenix 06/04/97	✓	✓	✓	✓	✓	✓

EMS PRISON TOTAL: 1

EMERGENCY MEDICAL SERVICES TOTAL: 2

EMERGENCY PREPAREDNESS

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
OEP - NETWARE SERVER		MS-DOS 6.22	Phoenix 02/21/97	✓	✓	✓	✓	✓	✓

EMERGENCY PREPAREDNESS TOTAL: 1

FINANCE DEPARTMENT

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
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FIN ACCOUNTING

ACCOUNTING - NETWARE SERVER		MS-DOS 6.20	Phoenix 06/21/96	✓	✓	✓	✓	✓	✓
IMAGING - NETWARE SERVER		MS-DOS 6.22	Phoenix 10/06/97	✓	✓	✓	✓	✓	✓

FIN ACCOUNTING TOTAL: 2

FIN AUDITING

AUDITING - NETWARE SERVER		MS-DOS 6.22	Phoenix 08/12/98	✓	✓	✓	✓	✓	✓
AUDIT_IMAGE - NETWARE SERVER		MS-DOS 6.20	Phoenix 06/21/96	✓	✓	✓	✓	✓	✓

FIN AUDITING TOTAL: 2

FIN BUDGETING

BUDGETING - NETWARE SERVER		MS-DOS 6.22	Phoenix 08/12/98	✓	✓	✓	✓	✓	✓
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FIN BUDGETING TOTAL: 1**FIN REVENUE**

<u>REVENUE -NETWARE SERVER</u>	MS-DOS 6.22	Phoenix 08/12/98	✓	✓	✓	✓	✓	✓	✓
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FIN REVENUE TOTAL: 1**FINANCE DEPARTMENT TOTAL: 6****FIRE DEPARTMENT**

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>FIRE_HQ - NETWARE SERVER</u>		MS-DOS 6.22 (HMA)	Phoenix 03/17/97	✓	✓	✓	✓	✓	✓

FIRE DEPARTMENT TOTAL: 1**HUMAN RESOURCES**

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>HR - NETWARE SERVER</u>		MS-DOS 6.20	Phoenix 10/06/97	✓	✓	✓	✓	✓	✓

TOTAL: 1**HR SAFETY**

<u>CBR_ORACLE - NETWARE SERVER</u>	MS-DOS 6.20	07/15/95	✓	✓	✓	✓	✓	✓	✓
<u>RISK - NETWARE SERVER</u>	MS-DOS 6.20	Phoenix 08/05/96	✓	✓	✓	✓	✓	✓	✓

HR SAFETY TOTAL: 2**HUMAN RESOURCES TOTAL: 3****INFORMATION SERVICES**

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>IS_DEPT - NETWARE SERVER</u>		MS-DOS 6.20	Phoenix 06/04/98	✓	✓	✓	✓	✓	✓

<u>METROBKUP</u>	Windows 95 OSR2	AMI 07/15/95	✓	✓	✓	✓	✓	✓	✓
<u>METRONET</u>	Windows NT 4.0	08/06/97	✓	✓	✓	✓	✓	✓	✓
<u>METROWEB</u>	Windows NT 4.0	01/12/98	✓	✓	✓	✓	✓	✓	✓

INFORMATION SERVICES TOTAL: 4

JUVENILE SERVICES

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>JUVENILE - NETWARE SERVER</u>		MS-DOS 6.22	Phoenix 03/23/98	✓	✓	✓	✓	✓	✓

JUVENILE SERVICES TOTAL: 1

PARISH ATTORNEY

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>PATTY2-NETWARE SERVER</u>		MS-DOS 6.22	Phoenix 06/25/96	✓	✓	✓	✓	✓	✓

TOTAL: 1

PATTY ABC

<u>ABC_NT_SERVER - NT SERVER</u>		Windows NT 4.0	08/12/98	✓	✓	✓	✓	✓	✓
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PATTY ABC TOTAL: 1

PARISH ATTORNEY TOTAL: 2

PLANNING COMMISSION

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
<u>SMP22</u>		Windows NT 4.0	08/15/94	✓	✓	✓	✓	✓	✓

PLANNING COMMISSION TOTAL: 1

POLICE DEPARTMENT

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
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BRPD ADMIN

<u>BRPD_HQ</u>		Windows NT 4.0	06/11/97	✓	✓	✓	✓	✓	✓
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BRPD ADMIN TOTAL: 1

BRPD CRIM INVES

<u>BRPD-BURGLARY</u>		Windows NT 4.0	10/20/97	✓	✓	✓	✓	✓	✓
<u>BRPD-PAWN</u>		Windows NT 4.0	08/12/98	✓	✓	✓	✓	✓	✓
<u>BRPDNARC</u>		Windows NT 4.0	12/06/96	✓	✓	✓	✓	✓	✓

BRPD CRIM INVES TOTAL: 3

POLICE DEPARTMENT TOTAL: 4

PURCHASING

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
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<u>PURCHASING - NETWORK SERVER</u>		MS-DOS 6.22	Phoenix 07/25/96	✓	✓	✓	✓	✓	✓
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PURCHASING TOTAL: 1

QUALITY & EMPLOYEE DEVELOPMENT

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
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<u>QED - NETWORK SERVER</u>		MS-DOS 6.22	Phoenix 05/05/98	✓	✓	✓	✓	✓	✓
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QUALITY & EMPLOYEE DEVELOPMENT TOTAL: 1

RETIREMENT OFFICE

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
BRCST		Windows NT 4.0	10/31/96	✓	✓	✓	✓	✓	✓

TOTAL: 1

RETIREMENT OFFICE TOTAL: 1

GRAND TOTAL: 46

Y2K Compliance Graph for All Departments

Total Inventory: 1150
Total Compliant: 932
Total NonCompliant: 218

Compliant:81%



NonCompliant:19%

Complete Y2K Listing for CORONER

CORONER

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
CORONER - NETWARE SERVER		MS-DOS 6.20	Phoenix 06/21/96	✓	✓	✓	✓	✓	✓
CSMITH		Windows 95 OSR2	Phoenix 02/06/98	✓	✓	✓	✓	✓	✓
JDOYLE		Windows 95 OSR2	Phoenix 02/06/98	✓	✓	✓	✓	✓	✓
LCATALDIE		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
LPOCHE		Windows 95	Phoenix 06/14/96	✓	✓	✓	✓	✓	✓
LVERBOIS		Windows 95 OSR2	Phoenix 02/21/97	✓	✓	✓	✓	✓	✓
MWILLIAMS		Windows 95 OSR2	Phoenix 02/06/98	✓	✓	✓	✓	✓	✓
PSPURLOCK		Windows 95 OSR2	Phoenix 02/06/98	✓	✓	✓	✓	✓	✓
SKEES		Windows 95 OSR2	Phoenix 02/06/98	✓	✓	✓	✓	✓	✓
TPARNELL		Windows 95 OSR2	Phoenix 02/06/98	✓	✓	✓	✓	✓	✓

TOTAL: 10**CORONER TOTAL: 10****GRAND TOTAL: 10**

Complete Y2K Listing for COUNCIL ADMINISTRATOR

COUNCIL ADMINISTRATOR

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
AWHEELER		Windows 95 OSR2	Phoenix 01/27/99	X	✓	✓	✓	✓	✓
BMAYERS		Windows 95 OSR2	Phoenix 01/27/99	✓	✓	✓	✓	✓	✓
CBURKS		Windows 95 OSR2	Phoenix 01/27/99	X	✓	✓	✓	✓	✓
CCASHIO		Windows 95 OSR2	Phoenix 01/27/99	✓	✓	✓	✓	✓	✓
CJENKINS		Windows 95 OSR2	Phoenix 01/27/99	X	✓	✓	✓	✓	✓
COUNCIL-IMAGE		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
DDUNN		Windows 95 OSR2	Phoenix 01/27/99	X	✓	✓	✓	✓	✓
DHOFFMAN		Windows 95 OSR2	Phoenix 01/27/99	✓	✓	✓	✓	✓	✓
KARD		Windows 95 OSR2	Phoenix 01/10/97	✓	✓	✓	✓	✓	✓
RGREAUD		Windows 95 OSR2	Phoenix 01/27/99	X	✓	✓	✓	✓	✓
TOPDOG - NETWARE SERVER		MS-DOS 6.20	Phoenix 06/25/96	✓	✓	✓	✓	✓	✓

TOTAL: 11**CA MAILROOM**

DJACKSON		Windows 95 OSR2	Phoenix 01/27/99	✓	✓	✓	✓	✓	✓
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CA MAILROOM TOTAL: 1**COUNCIL ADMINISTRATOR TOTAL: 12****GRAND TOTAL: 12**

Complete Y2K Listing for EMERGENCY MEDICAL SERVICES
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EMERGENCY MEDICAL SERVICES

NAME	TCP/IP	OS Version	Rom Bios	Y2K Roll	Y2K Leap Year	Y2K Q1	Y2K Q2	Y2K Q3	Y2K Q4
AFUSELIER		Windows 95	Award 12/10/96	✓	✓	✓	✓	✓	✓
ALEWIS		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
AMJOHNSON		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
APITTMAN		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
ASPEARS		Windows 95	Award 05/03/97	✓	✓	✓	✓	✓	✓
ASST_SOOPS		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
BDUPAS		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
BLAZE		Windows 95	Award 05/03/97	✓	✓	✓	✓	✓	✓
CBEAM		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
CGUILLOT		Windows 95 OSR2	Phoenix 09/02/98	✓	✓	✓	✓	✓	✓
CKENNEDY		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
DHARRISON		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
ETERRADOT		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
GTHOMAS		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
LAN ADMIN		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
LRESNICK		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
MCHUSTZ		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
MPRO		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
NBROOKS		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
PPORTER		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
PUBLIC ED		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
RROBINSON		Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
SOOPS		Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓

SRILEY	Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
SRILEY	Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
STUDENT-01	Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
SUPPLY	Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓
TLOYACONO	Windows 95 OSR2	Phoenix 07/27/98	✓	✓	✓	✓	✓	✓
TMAY	Windows 95 OSR2	Phoenix 10/27/98	✓	✓	✓	✓	✓	✓

TOTAL: 29

EMS COMM

BMESSER	Windows 95	AMI 09/22/95	✓	✓	✓	✓	✓	✓
CAL	Windows 95 OSR2	Award 03/17/97	✓	✓	✓	✓	✓	✓
DODUM	Windows 95 OSR2	AMI 04/05/96	✓	✓	✓	✓	✓	✓
EMSCOM -NETWARE SERVER	MS-DOS 6.22	11/29/95	✓	✓	✓	✓	✓	✓
EMSCOMM1	Windows 95 OSR2	AMI 09/22/95	✓	✓	✓	✓	✓	✓
HBELL	Windows 95	AMI 03/11/97	✓	✓	✓	✓	✓	✓
INFORMER	Windows 95 OSR2	12/15/97	✓	✓	✓	✓	✓	✓
JVARNADO	Windows 95	AMI 09/22/95	✓	✓	✓	✓	✓	✓
RLADNIER	Windows 95 OSR2	01/09/98	✓	✓	✓	✓	✓	✓

EMS COMM TOTAL: 9

EMS PRISON

ALEMOINE	Windows 95 OSR2	Phoenix 09/06/96	✓	✓	✓	✓	✓	✓
BGRUNTZ	Windows 95 OSR2	Phoenix 01/10/97	✓	✓	✓	✓	✓	✓
CKENNEDY	Windows 95 OSR2	Phoenix 03/10/97	✓	✓	✓	✓	✓	✓
DDAVIS	Windows 95 OSR2	Phoenix 09/06/96	✓	✓	✓	✓	✓	✓
KDENMARK	Windows 95 OSR2	Phoenix 01/10/97	✓	✓	✓	✓	✓	✓
LOLSEN	Windows 95 OSR2	Phoenix 09/06/96	✓	✓	✓	✓	✓	✓
OCAVALIER	Windows 95 OSR2	Phoenix 01/10/97	✓	✓	✓	✓	✓	✓
PARISH PRISON - NETWARE SERVER	MS-DOS 6.22	Phoenix 06/04/97	✓	✓	✓	✓	✓	✓

EMS PRISON TOTAL: 8

EMERGENCY MEDICAL SERVICES TOTAL: 46

GRAND TOTAL: 46

Mainframe Hardware and Operating Software for Year 2000

06/09/1999

System	Projected Date		Notes
	Compliant	of Compliance	
DEC Alpha Server 2100A	YES		
DEC VMS Cluster	YES		DEC status B - Year 2000 ready
Decnet	YES		DEC status B - Year 2000 ready
Dec Open VMS	YES		DEC status B - Year 2000 ready
DEC Term SVR	YES		DEC status B - Year 2000 ready
DEC NAS 200	YES		DEC status B - Year 2000 ready
DEC LSE/SCA	YES		DEC status B - Year 2000 ready
DEC Cobol	YES		DEC status B - Year 2000 ready
DEC Datatrieve	YES		DEC status B - Year 2000 ready
DEC Forms	YES		DEC status B - Year 2000 ready
DEC FMS	YES		DEC status B - Year 2000 ready
IBM RS/6000	YES		
IBM AIX	YES		
IBM C Compiler	YES		
MicroFocus Cobol	YES		
DEC Prioris 6200	YES		
MicroFocus Cobol	NO	Jun-99	Need update
UnixWare 2.1.2	YES		

Mainframe Applications for Year 2000

06/09/1999

Application	Compliant	Hardware	Projected Date of Compliance	Notes
Finance Accounting	YES	DEC		Vendor contract required compliance
Moderate Rehabilitation	YES	DEC		
Special Assessments	YES	DEC		
Council Administrator	YES	DEC		
Citizen Service	YES	DEC		
Revenue	YES	DEC		
Payroll/Personnel	YES	DEC		
Checks 123	YES	PC		
Fixed Assets	YES	DEC		Vendor contract required compliance
Inventory	YES	DEC		Vendor contract required compliance
Check Reconciliation	YES	DEC		Vendor contract required compliance
Jury Management	YES	DEC		
Purchasing	YES	DEC		Vendor contract required compliance
Garnishments	YES	DEC		
Computer Aided Dispatch	YES	IBM		
Criminal History	YES	IBM		
TP Monitor	YES	IBM		
Fire Reporting	YES	IBM		
Warrant Control	YES	IBM		
Inmate Management	NO	IBM	Aug-99	Will be replaced by new version (Sheriff has contract)
Traffic Accident	YES	IBM		
Alarm Billing	YES	IBM		
Arrest System	YES	IBM		Historical system - No longer updated
EMS Reporting	YES	IBM		
Message Switch	YES	IBM		
Records Info Mgt	YES	IBM		
Pawn Shop	YES	IBM		
Property & Evidence	YES	IBM		
Outside Information	YES	IBM		
Offense Reporting	YES	IBM		Historical system - No longer updated
CAD Batch System	YES	IBM		
Master Index	YES	IBM		
Bike Registration	YES	IBM		

Wide and Local Area Network Hardware for Year 2000

06/09/1999

Component	Compliant	Projected Date of Compliance	Notes
3-Com Link Builder Hub	YES		
ADAK-421 ISDN PAD (3)	YES		
AT&T PAD 30 ISDN Router	NO	Jun-99	Will be replaced with network equipment
Baystack 102 Hub (6)	YES		
Bay Remote Annex	YES		
XLR1297SF CPU Module	YES		
XLR1216TX Switch	YES		
Accelar 1100	YES		
Accelar 1200	YES		
Baystack 350F 10/100 (10)	YES		
Baystack 350T-HD 10/100 (5)	YES		
Baystack ARN Router (12)	YES		Upgraded to BAYRS 13.10
Baystack AN Router (24)	NO	Jun-99	Upgrade to BAYRS 13.10 (Contract with Racal - 10 left to upgrade)
Site Manager	YES		Upgraded to version 7.1
CMS 400	NO	Jun-99	Upgrade to version 6.2

Information Services Embedded List for Year 2000

06/09/1999

Device	Manufacturer	Model	QTY	Compliant	Notes
UPS	Liebert		1	YES	DPW received verbal waiting on written
Halon Fire			1	YES	Letter on File
Security	Northern	Win-Pak	1	YES	Compliance statement from WEB
Phones	Nitsuko	124i	26	YES	
		384i	2	YES	
		Voice Mail	1	YES	Can upgrade or reset date manually