

GENERAL PURPOSE FINANCIAL STATEMENTS AND SINGLE AUDIT



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For The Year Ended
December 31, 1997

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Prepared by
Department of Finance
Otto L. Scheffelt, CPA, Director

Release Date JUL 0 1 1998

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL PURPOSE FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 1997**

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page Number</u> |
|--|----------------|--------------------|
| INTRODUCTORY SECTION | | |
| Table of Contents | | iii |
| Letter of Transmittal | | v |
| FINANCIAL SECTION | | |
| Independent Auditor's Report on the General Purpose Financial Statements | | 1 |
| GENERAL PURPOSE FINANCIAL STATEMENTS | | |
| Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units | A-1 | 4 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units | A-2 | 16 |
| 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 | A-3 | 12 |
| Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types and Discretely Presented Component Units | A-4 | 16 |
| Statement of Changes in Plan Net Assets - Pension Trust Fund and Discretely Presented Component Unit | A-5 | 18 |
| Combined Statement of Cash Flows - Increase (Decrease) in Cash and Cash Equivalents - All Proprietary Fund Types and Discretely Presented Component Units | A-6 | 28 |
| Combining Balance Sheet - All Discretely Presented Component Units | A-7 | 24 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Component Units - All Governmental Fund Types | A-8 | 32 |
| Notes to Financial Statements | A-9 | 37 |
| SINGLE AUDIT SECTION | | |
| Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | | 109 |
| Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | | 111 |

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TABLE OF CONTENTS

| | Exhibit | Page Number |
|---|----------------|--------------------|
| SINGLE AUDIT SECTION (CONTINUED) | | |
| Summary Schedule of Expenditures of Federal Awards | | 114 |
| Schedule of Expenditures of Federal Awards | | |
| Schedule A | | 116 |
| Schedule B | | 137 |
| Schedule of Passenger Facility Charges Collected and Expended | | 126 |
| Notes to Schedule of Expenditures of Federal Awards | | 197 |
| Schedule of Findings and Questioned Costs | | 138 |
| Data Collection Form (Standard Form SF-114C) | | 129 |



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June 12, 1998

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, 1997. The report reflects continuing improvement in the local area economy as shown by the growth of sales tax revenues for the eleventh consecutive year. The City-Parish continues to manage its financial affairs with prudence and safety while working to maximize its resources to provide continually improved services for the people of the City of Baton Rouge and Parish of East Baton Rouge.

The Accounting Division of the City-Parish Department of Finance prepared this report using 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 all disclosures necessary to enable readers to gain a meaningful 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, **Audit 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.

The financial statements included are those of the various departments, agencies, and other organizational units governed by the Mayor-President and members of the Metropolitan Council. The criteria of evaluation used are those established by the Governmental Accounting Standards Board (GASB), which defines the City-Parish as a combined reporting entity.

The criteria deal with the legal status and selection of the governing authority, fiscal interdependency, imposition of will and the financial benefit or burden relationship between the City-Parish and its component unit agency.

The primary government includes the City-Parish (all departments and agencies under the auspices of the Mayor-President and the Metropolitan Council) and one legally separate (severed) component unit, the City-Parish Employees' Retirement System, which is a contributory pension plan administered by a governing board of elected and appointed member representatives who manage the affairs of the City-Parish Employees' Retirement System. Financial information for the primary government is presented in this report.

This report also includes financial information for the following component units, which is discretely presented, in accordance with GASB No. 14--The Financial Reporting Entity:

- △ District Attorney of the Nineteenth Judicial District
- Nineteenth Judicial District Court
- East Baton Rouge Parish Family Court
- △ East Baton Rouge Parish Juvenile Court
- Nineteenth Judicial District Indigent Defender Board
- East Baton Rouge Parish Clerk of Court
- △ Capital Region Planning Commission
- Parish Fire Protection Districts
- Capital Transportation Corporation

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 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. Baton Rouge is the center for state government and is an important site for the growth of commerce and 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 1983, enables Baton Rouge, because of its location, to take economic advantage of one of the world's largest free trade zones.

A number of major Fortune 500 oil-refining and petrochemical companies are located 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 1997, as reflected in the following chart:

| | Five States Except Florida | Baton Rouge MSA (1) |
|----------|-------------------------------|---------------------|
| 1990 | 6.6% | 7.4% |
| 1992 | 5.6 | 6.2 |
| 1996 | 5.3 | 5.8 |
| 1997 (2) | 4.2 | 4.4 |

(1) Metropolitan Statistical Area

(2) Preliminary Figures

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 1997 edition concerning local economic conditions:

If you were searching for the healthiest Louisiana MSA (Metropolitan Statistical Area) in which to locate over the past decade, the 4-parish Baton Rouge MSA would win the contest hands down. Aside up of East Baton Rouge, West Baton Rouge, Assumption, and Livingston Parishes, this MSA has enjoyed the longest, and strongest expansion of any in the state.

As seen in (Figure 1), after a 2.2 percent setback due to the recessionary years, Baton Rouge got all these lost jobs back in just one year (1997) with more than enough room to spare. This year, the MSA is celebrating its 50th straight year of employment growth. What is more remarkable is that the area's growth rate has averaged 3.2 percent a year over the last decade, and as (Figure 1) illustrates there seems to be no end to this expansion in sight.

Figure 1

BATON ROUGE MSA WAGE & SALARY EMPLOYMENT



The primary driver behind this expansion has been the chemical industry. Baton Rouge has the largest concentration of chemical industry activity in Louisiana. For example, in 1995 there were 61 plants in the 4-parish area employing 2,863 workers with an annual payroll of \$152 million. 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.

The chemical industry is very capital-intensive, and that means when it expands, so does the industrial construction sector. Indeed, the Baton Rouge MSA has an unusually high (3) percent of its workforce in the construction sector, a proportion only matched by Lake Charles... one of another major chemical concentration.

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 10 straight years. Monthly expansions like that mean healthy tax collections for the state's treasury. This has particularly been the case in the last three years. Robust tax collections mean more new dollars injected into the Baton Rouge economy from other parts of the state, further igniting the economy...

... LEM projects that the Baton Rouge MSA will continue its strong expansion, adding 12,490 jobs over the next two years. The primary driver of this continued expansion is the expected construction boom associated with the chemical industry... Consulting engineers are preparing a \$7-\$8 billion expansion bubble (over and above normal activity) in the industry during our forecast period. Specifically, Shell Chemical has applied for 10-year industrial tax exemptions on \$1 billion in planned expansion, and BASF has announced plans to build 2,000 million in new facilities by 1999. Our surveys of plants in the region indicate several others that plan expansion during our forecast period. Thus, we have added 2,000 construction jobs to the Baton Rouge MSA over 1994-99.

This prolonged expansion has inspired other new activity in the MSA. In July 1995, the huge Mall of Louisiana opened on Shreveport Avenue. The Mall's arrival for 1,500 new workers. Several other retail establishments are springing up around the area in smaller strip shopping centers.

Apex Wood Group has opened a recreation center in Baton Rouge which presently employs 120 and is expected to increase to 300 as new employees are trained. Corporate Express has purchased a site in the industrial park to construct a \$3.2 million office supply distribution center. This economic energy has fueled a new round of hotel expansions in the area. Baton Rouge alone has added or has under construction seven new hotels, which will add jobs to the MSA.

MAJOR INITIATIVES

For the Year

In July of 1994, voters authorized a one-half percent sales and use tax to be dedicated to parish streets and roads. In May 1997, voters renewed that tax for an additional five years. The renewed ballot dedicated 68% of the estimated \$27.2 million annual proceeds for street construction, with the remaining 48% dedicated to the rehabilitation and maintenance of existing streets and roads.

In October 1997, the City of Baton Rouge issued \$19,025,000 of **Public Improvement Sales Tax Revenue Bonds** to provide \$12.5 million for the Airport Improvement Program and approximately \$4.3 million for improvements at the landfill, as well as a reserve fund for the bonds, and payment of the issuance costs thereof. The bonds were sold at an average interest rate of 8.75% (our lowest rate since the mid-1980s) after Moody's Investor Service upgraded the City of Baton Rouge Sales Tax Revenue Bonds from Baa1 to A2.



In August 1996, the **Baton Rouge Police Department** received national accreditation by the Commission for the Accreditation of Law Enforcement Agencies, and in 1997 that department continued its efforts to make the streets of Baton Rouge safer. A new bomb disposal truck was added to the fleet, allowing for safe movement and detonation of large explosive devices. A 27-foot self-contained command post equipped with state-of-the-art communications capabilities was purchased in 1997 and is being used for Special Response Team events, parades, festivals, and demonstrations.

A state-of-the-art **Fire Department Administration and Training Facility** was opened during 1997, which for the first time in many years allows access to all fire administrative functions at one location. The new facility provides the opportunity for the Fire Department to share training with other fire departments, the Greater Baton Rouge Airport District, and various fire protection districts throughout the parish. The Baton Rouge Fire Department continues to maintain its Class One fire rating from the Property Insurance Association of Louisiana.



City-Parish departments and agencies continued to be recognized for professional excellence in 1997. At the Fall Institute of the Louisiana Government Finance Officers Association (LGFOA), the **Accounting Division of the Finance Department** accepted the Joseph H. Barbo Award for Outstanding Financial Reporting. This honor was bestowed for the preparation of the City-Parish **Comprehensive Annual Financial Report (CAFR)** for the year ended December 31, 1996. The City-Parish Planning Commission received three awards presented during 1997 by the Louisiana Chapter of the American Planning Association. The Planning Commission also received an award from the Louisiana Chapter of the American Society of Landscape Architects. The **Human Resources Department** received the Agency Achievement Award from the Louisiana Chapter of the International Personnel Management Association for its new fully automated employee information program. The program was featured in **ENRTECH**, the official publication of the American Payroll Association.

The City-Parish collected revenues of approximately \$12.8 million during 1997 from **streetwest gaming and video poker**. It is the local government's policy that \$4 million of gaming revenues be set aside annually for the parish's street program. Gaming revenues in excess of \$4 million are budgeted for non-recurring items of a capital nature. During 1997, in addition to the \$4 million for the new program, \$8.1 million was appropriated for various street and intersection improvements, drainage improvements, and other improvements. More than \$5 million remains in Fund Balance Designated for Gaming Revenues as of December 31, 1997.



Future Plans

The sum of \$300,000, funded primarily through gaming revenues, was appropriated in 1997 for design of an **Advanced Traffic Management and Emergency Operations Center**. Due to the geographic location of Baton Rouge, the parish is exposed to many natural and man-made hazards, all of which have the potential to disrupt the community, causing damage and casualties. Additionally, when a hurricane threatens the Louisiana coastline, much of southeast Louisiana, including New Orleans, is evacuated along routes which converge in Baton Rouge. In order to address these issues, the City-Parish is building this facility which will integrate surveillance, incident detection, traffic control, material 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 new Fire



Department Administration and Training Facility. When completed, the new building will house City-Parish agencies involved in public safety, communications, and emergency preparations, 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. The City-Parish is actively seeking federal and state assistance to fund the project's estimated cost of \$1.1 million.

The Sewer Capital Improvement Program is designed to improve the quality of wastewater treatment and to reduce water pollution within East Baton Rouge Parish. This program is a major capital improvement effort, costing approximately \$33.7 million. Completion of this work is a requirement of a consent decree with the U.S. Environmental Protection Agency. In addition, \$98.7 million in supplemental sewer rehabilitation projects have been authorized by the Metropolitan Council since 1990. Approximately \$35.5 million in improvements were capitalized during 1997.



During the 1997 state legislative session, \$700,000 was approved for the planning and design of a new Planetarium/Space Theater to be located at the south end of the Louisiana Arts and Science Center (LASC) on the Mississippi Riverfront. This new planetarium/space theater, with plans to include a sixty-foot-diameter projection dome and seating for 200 people, will take advantage of all the 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 LASC Space Theater the largest and most advanced planetarium in the region, as well as the only one within a 75-mile radius capable of showing large format motion pictures filmed in IMAX®. It is expected that the new facility will draw over 100,000 visitors annually to the downtown area. The design phase will be initiated during 1998, with construction to begin in 1999.

In July 1990, a 0.5% (\$1,000) state sales tax on hotel and motel rooms generating approximately \$400,000 per year was made available for capital improvements at the Riverside Centroplex. As of December 31, 1997 approximately \$2.5 million in capital improvements have been made to the facility from this funding source. During the 1997 Louisiana legislative session, an additional one-cent state sales tax on hotel and motel rooms was dedicated for those Baton Rouge projects including up to \$180,000 annually to be used for expansion of the Riverside Centroplex. The initial dedication referenced above was expanded to include capital improvements to the Louisiana Arts and Science Center, the Riverfront Promenade, and related projects in the Riverfront Development Plan. Also, the state authorized in the 1997 legislative session a local tax election in which voters could approve an additional one-cent local hotel and motel tax quarterly at three cents. If approved, these tax proceeds are to be used exclusively for expansion of the Riverside Centroplex.

Department Focus



The Greater Baton Rouge Airport District will welcome the 21st century with an aesthetically and functionally improved airport terminal to serve the air travel needs of the Greater Baton Rouge area. The improved facility will also provide a more positive and enduring first impression of Baton Rouge to thousands of air travelers who visit the region. The airport has been striving to obtain and maintain fares competitive with those of the New Orleans airport. In 1997, the District experienced a 7.68% increase in enplaned passengers, with an additional 6% increase in replacements anticipated for 1998.

The District has approximately \$15.5 million of noise mitigation projects and nearly \$1.6 million of runway improvements underway. The ongoing noise mitigation program has resulted in acquiring 500 parcels of land and relocating 275 families. The airport has also completed the soundproofing of seven ten homes and begun work on an additional 100 homes.

The construction phase of a \$42 million HTR Terminal Development Program began in 1997 and is progressing on schedule. The principal features of the program include:

- *Renovation and expansion of the existing passenger terminal facility and terminal area, including a large ticket and baggage claim lobby, a two-level, first-gate concourse facility that can be expanded in the future to accommodate additional gates, a pedestrian bridge that connects the second level of the terminal to the new parking garage, and a roadway canopy that shelters the entire terminal roadway.*
- *A new, three-level parking garage*
- *A new access road leading to the terminal, and intersection improvements for traffic exiting the airport.*
- *A renovated and expanded Aircraft Rescue and Firefighting Facility that increases overall efficiency and houses the Airport Police, Aircraft Rescue and Firefighting function, and an Emergency Medical Services Unit.*

Funding for the Terminal Development Program is being provided by the 1997 City Public Improvement Sales Tax Revenue Bonds previously mentioned in this letter, as well as passenger facility charges, airport cash reserves, and state and federal grants.

These terminal complex renovations are proposed to accommodate current and future transportation needs of the Greater Baton Rouge area. As a result of the renovation, more flights and passengers are projected, resulting in a positive impact on economic development in our area, as well as increased revenue collections for the District. Additional benefits of the renovations include compliance with the mandate of the Americans with Disabilities Act, as well as modernization and increased energy efficiency of the current facility.



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 selection of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial awards, 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 1997 by fund type:

| | (in thousands) | | | | |
|--------------------------------------|-------------------|------------------|-----------------------------|--------------------------|------------------------------|
| | Totals | General Fund | Special Revenue Funds | Debt Service Funds | Capital Projects Funds |
| Fund Balance, January 1, 1997 | \$ 142,943 | \$ 51,624 | \$ 16,793 | \$ 20,342 | \$ 16,224 |
| Revenues and Other Financing Sources | 165,459 | 202,982 | 102,748 | 18,688 | 41,181 |
| Expenditures and Other Uses | (322,307) | (399,930) | (96,230) | (18,169) | (12,688) |
| Revised Equity Transfer | (11,822) | (1,269) | (1,872) | — | (12,383) |
| Fund Balance, December 31, 1997 | <u>\$ 172,652</u> | <u>\$ 38,370</u> | <u>\$ 63,084</u> | <u>\$ 20,561</u> | <u>\$ 20,637</u> |

Revenues of the primary government for general governmental fund type functions for fiscal year 1997 totaled \$265.4 million, compared with \$151.6 million for the previous year, representing an increase of \$113.8 million, or 75.1%, over the previous year. 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 for that year.

| | 1996 | | 1997 | | Increase (Decrease) Over 1996 |
|----------------------------|------------------|---------------------|------------------|---------------------|-------------------------------------|
| Sources of Revenue | Revenue | Percent of Total | Revenue | Percent of Total | |
| Taxes | \$213,838 | 64.48 | \$221,812 | 66.49 | \$ 7,974 |
| Licenses and Permits | 1,157 | 0.95 | 1,868 | 0.84 | (31) |
| Intragovernmental Revenues | 44,242 | 13.34 | 47,996 | 13.82 | 3,754 |
| Charges for Services | 26,568 | 8.02 | 30,273 | 8.28 | 713 |
| Fines and Forfeits | 1,932 | 0.58 | 1,876 | 0.54 | 44 |
| Miscellaneous Revenues | 18,395 | 5.61 | 19,358 | 5.30 | 730 |
| Other Financing Sources | (20,292) | (6.12) | (41,326) | (11.52) | (21,832) |
| Total | <u>\$231,412</u> | <u>100.00</u> | <u>\$265,458</u> | <u>100.00</u> | <u>\$33,826</u> |

Tax revenues for 1997 represented 60.49% of total governmental sources. Tax revenues increased by approximately \$7.2 million from 1996. As seen in the graph above, sales and use taxes increase the largest tax revenue generated by the City-Parish. Sales and use tax revenues were \$2.5 million greater in 1997 than in 1996, reflecting a 1.8% increase. The general fund 2% sales and use tax showed a 3.25% growth rate (exclusive of audits, penalties and adjustments). An approximate growth rate of 8.5% in the parish-wide assessment rolls from 1996 to 1997 created an additional \$2.6 million in property tax revenues for the government. Revenues for gaming admission taxes and occupational license taxes grew by approximately \$1.4 million and \$780,000, respectively.

Intergovernmental revenues for 1997 were 15.02% of total governmental sources. Intergovernmental revenues increased by approximately \$1.6 million in 1997, compared with 1996. The Louisiana Department of Transportation and Development (DOTD) provided a \$1.8 million increase in funding for various street and drainage projects during 1997. The largest DOTD project revenues received in 1997 were on the Montourney Boulevard widening project. An additional \$1.1 million in revenue was realized in 1997 in the Job Training Partnership Act (JTPA) grant. JTPA funding, which is granted through the Louisiana Department of Labor, provides employment and training programs designed to prepare low-income adults and youths facing serious barriers to employment for entry or re-entry into the labor force. The increased revenue, which included funds carried forward from previous years, was a result of increased program expenditures in 1997. Parish Transportation Fund state-shared revenues from the state road fund were \$238,080 greater than those received in 1996. Various other grants received funding increases in the amount of \$434,080 during fiscal year 1997, including a new \$380,000 law enforcement block grant from the United States Department of Justice.

Other financing sources rose by \$21.8 million during 1997. The City of Baton Rouge issued \$19.3 million in sales tax revenue bonds as previously described in the Major Initiatives section of this letter. The bond issue's debt service reserve was established for approximately \$2.3 million and required an operating transfer from the Capital Project construction fund to the debt service fund. In addition, the East Baton Rouge Parish Communication District entered into a lease-purchase agreement for approximately \$204,080 of safety equipment.

Expenditures for the operations of the primary government increased 8.79% in 1997 compared to 1996. The largest increase in expenditures occurred in the public safety function, which rose by 4.8%. A significant expenditure decrease is also noted in capital outlay. 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 | 1996 | | 1997 | | Increase (Decrease) from 1996 |
|----------------------------|-------------|---------------------|-------------|---------------------|-------------------------------------|
| | Expenditure | Percent of Total | Expenditure | Percent of Total | |
| General Government | \$ 44,029 | 13.75 | \$ 46,968 | 14.67 | \$ 2,939 |
| Public Safety | 86,798 | 27.11 | 90,271 | 28.19 | 4,171 |
| Transportation | 45,694 | 14.29 | 44,626 | 13.85 | (1,068) |
| Sanitation | 16,329 | 5.08 | 19,389 | 5.98 | 3,060 |
| Health & Welfare | 4,967 | 1.52 | 5,490 | 1.73 | 523 |
| Culture & Recreation | 9,499 | 2.93 | 10,481 | 3.25 | 783 |
| Conservation & Development | 21,654 | 7.21 | 21,323 | 6.68 | (1,533) |
| Miscellaneous | -- | -- | 21 | 0.01 | 21 |
| Capital Outlay | 33,997 | 10.61 | 36,966 | 11.51 | (6,997) |
| Debt Service | 20,404 | 6.38 | 18,169 | 5.64 | (2,235) |
| Intergovernmental | 62 | 0.02 | 71 | 0.02 | 9 |
| Other Uses | 34,921 | 10.92 | 37,263 | 11.73 | 2,389 |
| Total | \$323,128 | 100.00 | \$372,386 | 100.00 | \$49,258 |

The Public Safety function had the largest governmental funds expenditure increase (\$4.2 million) in 1997. Police Department expenditures were \$1.2 million greater in 1997 than in 1996. Fire Department costs rose by \$808,000 in 1997. The increases were a result of merit and longevity pay adjustments, increased costs for leased vehicles and

equipment, and increased benefits costs in the health insurance and retirement programs. The Emergency Medical Services Fund increased spending by approximately \$380,800 in 1997 for additional salaries, benefits, and maintenance of vehicle costs. The salary increases mentioned above include eleven new EMT paramedics added to the EMS staff in order to maintain the excellent response time in answering calls. Approximately \$308,080 of additional costs were spent on the parish prisons and juvenile detention operations during 1997. Fund costs increased for both the correctional institution and the detention center. Various law enforcement and other public safety grants had increased expenditures of approximately \$1 million for 1997. The Local Law Enforcement Block Grant completed its first full year of operation. Some programs showing small expenditure increases were the Housing and Urban Development Drug Elimination Program, the Community Policing Unit Grant, and the new Roadway Incident Management System Program.

Capital Outlay expenditures were nearly \$7 million less in 1997 than in 1996. This was due to the completion of several major projects involving capital purchases in 1996, such as the country club lateral drainage project, purchase of fire trucks, and prison security improvements.

Property Assessments and Tax Levies

The assessed value of property, parish-wide, was \$1,993 billion in 1997, representing an increase of \$128.6 million, or 6.5%, over 1996. The city-wide assessed valuation of \$971 million represents an increase of \$38.8 million, or 4.1%, over 1996.

The allocation of property tax levies for city-wide and parish-wide districts for 1997 and the three preceding years are as follows:

Mills Per Dollar of Assessed Valuation

| | 1994 | 1995 | 1996 | 1997 |
|-----------------------|-------|-------|-------|-------|
| General Fund | 13.12 | 13.12 | 12.70 | 12.70 |
| Special Revenue Funds | 12.69 | 12.69 | 13.28 | 13.28 |
| Debt Service Funds | 2.82 | 2.82 | 3.22 | 3.62 |
| Total | 28.63 | 28.63 | 29.20 | 29.60 |

General Fund Fund Balance

The City-Parish continued to maintain a sound fund balance during 1997. The following schedule illustrates the relationship of the unreserved fund balance to the General Fund operating budget for the following years:

(in thousands)

| Fiscal Year Ended (November 30) | Unreserved Fund Balance for the General Fund | General Fund Operating Budget, Succeeding Year | Ratio of Unreserved General Fund Balance to Succeeding Year's Budget |
|---------------------------------|--|--|--|
| 1993 | \$38,044 | \$154,875 | 25% |
| 1994 | 39,137 | 161,937 | 24 |
| 1995 | 40,120 | 174,947 | 23 |
| 1996 | 49,021 | 185,368 | 23 |
| 1997 | 46,808 | 193,737 | 24 |

The City-Parish Finance Department will continue to prepare conservative revenue estimates in the budget process. In addition, unstable revenue sources, such as the gaming admission tax, will continue to be budgeted after they are received. They are appropriated primarily for non-recurring items, such as one-time capital outlay expenditures.

Enterprise Operations

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

The **Greater Baton Rouge Airport District** had a net income of \$354,571 for 1997. The fund's retained earnings were in excess of \$11 million as of December 31, 1997. 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 Centropolis Fund** incurred a loss before operating transfers of \$1,298,499 in 1997, compared with a loss of \$1,779,648 in 1996. On April 1, 1996, the management of the Centropolis was contracted to a private company, Spectator Management Group, Inc. (SMGI). The management fee paid to SMGI for 1997 was \$242,586. The general fund subsidy for 1997 was \$812,259.

The **Greater Baton Rouge Parking Authority** was subsidized by the General Fund in 1997 in the amount of \$221,264, as compared to the 1996 subsidy of \$221,499. 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 1983 consistent with the enactment of a sewer user fee. Retained earnings of the Comprehensive Sewerage System Fund exceeded \$146 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 operations, realized a net loss of \$2,828,179 in 1997 primarily as a result of the change in estimated liability for municipal waste disposal post-closure costs. The North 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 cities, towns, and parishes. More than 449 tons of solid waste were handled during 1997.

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

Pension Operations

The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System pension benefit obligation as of December 31, 1997, was funded at a level of 73.4%. This calculation is based on the "cost or book value" of system assets. The pension benefit obligation is a standardized measurement of the actuarial present value of credited projected benefits in accordance with GASB Statement No. 3, *Disclosure of Pension Information by Public Employees Retirement System and State and Local Governmental Employers*. Disclosure concerning the retirement system can be found in the Notes to Financial Statements.

As part of the Retirement System's 1997 actuarial valuation, the system's actuary made a calculation comparing the "market value" of system assets to the pension benefit obligation. This calculation shows that the Retirement System was 89% funded in 1997 and 82% funded in 1996 when comparing the market value of system assets to the pension benefit obligation. This comparison indicates the strength of the Retirement System's investments and the improvement of the system's financial position in 1997.

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. The data for the City-Parish government, as of December 31, 1997, are as follows:

| | Amount of Debt (in thousands) | Ratio of Debt to Assessed Value | Ratio of Debt to Present Market Value | Debt Per Capita |
|--|----------------------------------|------------------------------------|---|--------------------|
| Net Direct Debt | \$ 67 | 0.00% | 0.00% | \$ -- |
| Overlapping Debt | 12,350 | 0.62 | 0.67 | 31 |
| Net Direct and Overlapping Debt | 12,417 | 0.62% | 0.67% | 31 |

A summary of the general obligation bonds, excess revenue contracts, and revenue bond activities for 1997 is shown below:

| | (in thousands) | | | |
|--------------------------|-----------------------|-----------------|-----------------|-------------------------|
| | Outstanding 1/1/97 | Issued | Retired | Outstanding 12/31/97 |
| General Obligation Bonds | \$ 3,633 | \$ -- | \$ 2,333 | \$ 1,300 |
| Excess Revenue Contracts | 77 | -- | 18 | 69 |
| Revenue Bonds | 318,739 | 16,325 | 17,405 | 346,630 |
| Total | \$322,449 | \$16,325 | \$19,756 | \$346,991 |

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

| Date of Issue | Amount (in thousands) | Average Life (in years) | Effective Interest Rate | Interest Cost Per \$1,000 of Dollar |
|---------------|--------------------------|----------------------------|----------------------------|---|
| 03/01/93 | 258,200 | 18.00 | 5.49% | 90.87 |
| 10/01/93 | 4,000 | 15.76 | 5.13 | 0.80 |
| 10/01/93 | 78,000 | 15.26 | 5.13 | 0.78 |
| 08/01/95 | 26,000 | 18.00 | 5.97 | 1.08 |
| 03/01/96 | 65,000 | 18.00 | 5.86 | 0.91 |
| 10/01/97 | 19,325 | 6.83 | 4.79 | 0.13 |

As of December 31, 1987, City-Parish bonds are rated by three of the major rating services, exclusive of bond insurance, as follows:

| Type of Bond | Rating | | |
|---|---------------------------------|------------------------|--------------------|
| | Moody's Investors Service | Standard and Poor's | Fitch Investors |
| East Baton Rouge Parish General Obligation Bonds | A1 | A+ | -- |
| East Baton Rouge Parish Limited Tax Bonds | Baa | A- | -- |
| Parish Sewer Public Improvement (9%) Sales Tax Revenue Bonds | Baa1 | A | A |
| City and Parish Public Improvement (2%) Sales Tax Revenue Bonds | A2 | Aa- | A+ |

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 5 of the Notes to Financial Statements.

During 1987, 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 5.02% to 5.99%. Interest earnings on matured investments in the central cash management program totaled \$5,790,180 in 1987. The effective annual interest rate on all maturing centrally managed investments was 5.4% in 1987, compared with 5.3% in 1986.

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

(in thousands)

| | 1986 | | 1987 | |
|--------------------------|-----------|--------------------|-----------|--------------------|
| | Amount | Average Percent | Amount | Average Percent |
| Cash in Bank | \$ 689 | (0.11) | \$ 1,076 | 0.63 |
| Investments of Idle Cash | 181,218 | 100.00 | 169,325 | 99.37 |
| Total Cash Available | \$181,907 | 100.00 | \$170,401 | 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, 1997, were as follows:

| | (In Thousands) |
|---------------------------------------|----------------|
| Sales Tax Revenue Bonds | \$19,663 |
| Greater Baton Rouge Parking Authority | 2,923 |
| East Baton Rouge Sewerage Commission | 52,144 |
| Total Trustee-Held Funds | \$74,730 |

Investment activity as of December 31, 1997, on trustee-held funds is detailed in Exhibit E-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, 1997, 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 institution 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 auditor's 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, 1996. 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 a Certificate of Achievement for the last ten consecutive years (fiscal years ended December 31, 1987 - December 31, 1996). 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 GPCMA'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, as an operations guide, as a financial plan, and as a communications device.

Acknowledgments

I wish to express my appreciation to all the members 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 the report.

In addition, I express my appreciation to the Mayor-President and Metropolitan Council for their continuing interest and support in planning and conducting the financial affairs of the City-Parish in a responsible and progressive manner.

Respectfully submitted,



Otha L. Schofield, CPA
Director of Finance

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, 1997, 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. The accompanying general purpose financial statements of the City-Parish as of December 31, 1996, were audited by other auditors whose report thereon dated May 2, 1997, expressed an unqualified opinion on those statements.

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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, 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, 1997, and the results of its operations and cash flows of its proprietary and nonresponsible 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 1998, 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.

Effective January 1, 1997, the Board adopted *Governmental Accounting Standards Board Statements Numbers 30, 31 and 32* as discussed in note 13.

KPMG Peat Marwick LLP

June 12, 1998



GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCREETELY PRIORITIZED COMPONENT UNITS
DECEMBER 31, 2007

| | Governmental Fund Types | | | | Proprietary |
|---|-------------------------|----------------------|----------------------|----------------------|-----------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise |
| ASSETS AND OTHER DEBITS | | | | | |
| Assets | | | | | |
| Cash and Cash Equivalents (Note 3) | \$ 1,297,977 | \$ 4,577,179 | \$ 1,793,289 | \$ 7,181,513 | \$ 3,714,856 |
| Investments (Note 3) | 31,141,794 | 24,618,155 | 14,654,694 | 63,933,433 | 12,618,348 |
| Investment in Deferred Compensation (Note 3) | -- | -- | -- | -- | -- |
| Taxes Receivable - Net | 25,310,307 | 18,102,059 | 488,358 | 1,718,083 | 2,965,064 |
| Accounts Receivable - Net | 418,489 | 3,132,349 | -- | -- | 2,029,481 |
| Employer Contributions Receivable | -- | -- | -- | -- | -- |
| Employer Contributions Receivable | -- | -- | -- | -- | -- |
| Prepaid Taxes Receivable | -- | -- | -- | -- | -- |
| Other Contributions Receivable | -- | -- | -- | -- | -- |
| Accrued Interest Receivable | 380,233 | 450,871 | 317,843 | 341,176 | 427,681 |
| Special Assessments Receivable | 45,877 | -- | -- | 19,638 | 181,740 |
| Other Receivables | -- | -- | -- | -- | -- |
| Due From Other Funds (Note 11) | 894,968 | -- | -- | 3,210,263 | 2,860,448 |
| Due From Other Governments (Note 11) | 7,257,786 | 26,676,502 | 186,087 | 39,280 | 1,158,698 |
| Due From Component Units (Note 11) | 77,444 | -- | -- | -- | 5,302 |
| Due From Primary Government (Note 11) | -- | -- | -- | -- | -- |
| Prepaid Items | -- | -- | -- | -- | 17,865 |
| Loans Receivable | 96,088 | 7,187,500 | -- | -- | -- |
| Inventory | 268,268 | -- | -- | -- | -- |
| Other Assets | -- | -- | -- | -- | -- |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents (Note 3) | -- | -- | -- | -- | 12,651,883 |
| Investments (Note 3) | -- | -- | -- | -- | 77,281,613 |
| Accounts Receivable - Net | -- | -- | -- | -- | 1,288,684 |
| Accrued Interest Receivable | -- | -- | -- | -- | 1,111,076 |
| Due From Other Governments (Note 11) | -- | -- | -- | -- | 186,043 |
| Deferred Bond Issuance Costs | -- | -- | -- | -- | 1,812,047 |
| Fixed Assets, Net (Note 6) | -- | -- | -- | -- | 583,781,077 |
| Other Debits: | | | | | |
| Amount Available for Retirement of Long-Term Debt | -- | -- | -- | -- | -- |
| Amount to be Prioritized for Retirement of Long-Term Debt | -- | -- | -- | -- | -- |
| Total Assets and Other Debits | \$ 49,046,718 | \$ 27,698,818 | \$ 21,652,125 | \$ 31,607,474 | \$ 849,842,433 |

The accompanying notes are an integral part of this statement.

(Continued)

| Fund Types | Fiduciary Fund Types Total and (Spent) | Account Groups | | Totals (Memorandum Only) | | Totals (Memorandum Only) Reporting Entity |
|----------------------|--|-----------------------|------------------------|--------------------------|----------------------|---|
| | | General Fund - Direct | General Long-Term Debt | Primary Government | Component Units | |
| \$ 5,889,265 | \$ 18,947,888 | \$ -- | \$ -- | \$ 41,879,537 | \$ 12,860,889 | \$ 34,736,126 |
| -- | 877,811,817 | -- | -- | 778,873,518 | 12,819,266 | 791,891,524 |
| -- | -- | -- | -- | -- | 936,470 | 936,474 |
| -- | -- | -- | -- | 86,884,762 | 1,823,208 | 48,136,987 |
| -- | 503,847 | -- | -- | 4,882,163 | 1,491,689 | 6,127,852 |
| -- | 827,131 | -- | -- | 827,131 | -- | 827,131 |
| -- | 1,886,800 | -- | -- | 1,584,188 | -- | 1,584,188 |
| -- | 2,811,875 | -- | -- | 1,281,577 | -- | 1,831,875 |
| -- | 3,529 | -- | -- | 3,529 | -- | 3,529 |
| 49,883 | 2,175,266 | -- | -- | 4,093,339 | 24,207 | 4,879,842 |
| -- | -- | -- | -- | 243,008 | -- | 243,008 |
| -- | -- | -- | -- | -- | 231,883 | 231,883 |
| -- | -- | -- | -- | 6,886,773 | -- | 6,886,771 |
| 1,175 | 28,218 | -- | -- | 28,748,716 | 1,848,531 | 30,798,229 |
| -- | -- | -- | -- | 22,746 | -- | 22,746 |
| -- | -- | -- | -- | -- | 329,821 | 329,821 |
| -- | -- | -- | -- | 27,082 | 15,414 | 40,479 |
| 308,881 | -- | -- | -- | 7,183,181 | -- | 7,183,181 |
| -- | -- | -- | -- | 788,543 | 265,830 | 861,283 |
| -- | -- | -- | -- | -- | 12,871 | 12,871 |
| -- | -- | -- | -- | 31,655,982 | 1,237,144 | 34,813,126 |
| -- | -- | -- | -- | 77,281,613 | -- | 77,281,613 |
| -- | -- | -- | -- | 1,288,684 | -- | 1,288,684 |
| -- | -- | -- | -- | 1,113,076 | -- | 1,113,076 |
| -- | -- | -- | -- | 186,041 | 306,479 | 491,520 |
| -- | -- | -- | -- | 1,313,087 | -- | 1,313,087 |
| 8,888,289 | 976,873 | 448,264,421 | -- | 868,788,818 | 28,439,790 | 899,166,880 |
| -- | -- | -- | 12,584,021 | 17,584,021 | -- | 17,584,021 |
| -- | -- | -- | 158,587,358 | 158,587,144 | 2,846,717 | 367,991,831 |
| <u>\$ 13,112,295</u> | <u>\$ 697,995,705</u> | <u>\$ 448,264,421</u> | <u>\$ 173,551,313</u> | <u>\$ 2,171,241,624</u> | <u>\$ 62,846,498</u> | <u>\$ 2,211,892,877</u> |

Continued

CITY OF BAYON BOULE - PARISH OF EAST BAYON BOULE
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCREETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2017

| | Governmental Fund Type | | | | Proprietary |
|---|------------------------|-------------------|----------------|------------------|--------------------|
| | General | Special Revenues | Debt Service | Capital Projects | Enterprise |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | | |
| Accounts and Contracts Payable | \$ 2,753,267 | \$ 4,059,881 | \$ 497 | \$ 1,408,119 | \$ 1,784,433 |
| Accrued Expenses and Benefits Payable | -- | -- | -- | -- | -- |
| Pending, Unbilled Payable | -- | -- | -- | -- | -- |
| Due to Other Funds (Note 10) | -- | 1,469,842 | 594,713 | -- | 1,793,807 |
| Due to Other Governments | 153,882 | 111,838 | -- | -- | 141,687 |
| Due to Primary Government (Note 11) | -- | -- | -- | -- | -- |
| Due to Component Units (Note 11) | 4,691 | 27,446 | -- | -- | -- |
| Accrued Payables | 3,776,849 | 762,289 | 83,843 | -- | 543,884 |
| Deferred Revenues | 388,587 | 3,462,243 | -- | 85,638 | 467,710 |
| Deposits and Escrow Accounts | 711,136 | 138,183 | -- | -- | -- |
| Obligations Payable - Current (Note 17) | -- | -- | -- | -- | 4,092,071 |
| Compensated Absences Payable - Current | -- | -- | -- | -- | 787,158 |
| Obligation Under Capital Leases - Current (Note 14) | -- | -- | -- | -- | 12,672 |
| Other Liabilities | -- | -- | -- | -- | 1,807 |
| Liabilities Payable From Rational Assets | -- | -- | -- | -- | 18,016,697 |
| Obligations Payable - Long-Term (Note 17) | -- | -- | -- | -- | 72,316,658 |
| Revenue Bonds Payable - Long-Term (Note 10) | -- | -- | -- | -- | 312,478,800 |
| Deferred Amounts on Refunding (Note 18) | -- | -- | -- | -- | (2,319,714) |
| Bonds and Notes Payable - Long-Term (Note 10) | -- | -- | -- | -- | -- |
| Liability Claims and Pensions Due Liability (Note 20) | -- | -- | -- | -- | 3,417,228 |
| Compensated Absences Payable - Long-Term (Note 18) | -- | -- | -- | -- | -- |
| Obligations Under Capital Leases - Long-Term (Note 14) | -- | -- | -- | -- | 7,375 |
| Claims and Judgments Payable (Note 19) | -- | -- | -- | -- | -- |
| Employee Benefits Payable (Note 11) | -- | -- | -- | -- | -- |
| Arbitrage Payable for Governmental Fund Types | -- | -- | -- | -- | -- |
| Total Liabilities | 18,278,794 | 13,972,485 | 651,815 | 1,493,757 | 316,035,096 |

The accompanying notes are an integral part of this statement.

Continued

| Fund Types | Fiduciary Fund Types Trust and Agency | Account Groups | | Totals (Measurement Only) | | Component Units | Totals (Measurement Only) Reporting Entity |
|---------------------|--|---------------------|------------------------|---------------------------|----------------------|-----------------------|--|
| | | General Fund Assets | General Long-Term Debt | Primary Government | | | |
| \$ 108,150 | \$ 1,162,144 | \$ -- | \$ -- | \$ 15,412,837 | \$ 599,909 | \$ 18,009,734 | |
| -- | 509,406 | -- | -- | 655,406 | -- | 655,406 | |
| -- | 4,171,641 | -- | -- | 4,111,641 | -- | 4,111,641 | |
| -- | 179,483 | -- | -- | 8,996,777 | -- | 8,996,777 | |
| -- | 3,184,624 | -- | -- | 3,600,081 | 123,340 | 3,723,321 | |
| -- | -- | -- | -- | -- | 22,746 | 22,746 | |
| -- | 91,689 | -- | -- | 129,821 | -- | 129,821 | |
| 49,330 | -- | -- | -- | 4,627,388 | 51,720 | 5,144,515 | |
| -- | -- | -- | -- | 6,376,478 | 97,862 | 6,474,340 | |
| -- | 7,848,077 | -- | -- | 7,558,418 | 18,679,078 | 26,418,490 | |
| -- | -- | -- | -- | 4,692,071 | -- | 4,692,071 | |
| 182,388 | -- | -- | -- | 949,867 | 344,872 | 1,114,129 | |
| 1,747,488 | -- | -- | -- | 2,768,122 | -- | 2,768,122 | |
| -- | -- | -- | -- | 1,607 | 45,483 | 47,090 | |
| -- | -- | -- | -- | 18,006,097 | 1,022,548 | 19,028,645 | |
| -- | -- | -- | -- | 72,316,058 | -- | 72,316,058 | |
| -- | -- | -- | -- | 202,578,008 | -- | 202,578,008 | |
| -- | -- | -- | -- | (2,519,714) | -- | (2,519,714) | |
| -- | -- | -- | 138,578,855 | 138,578,855 | 1,626,944 | 132,100,779 | |
| -- | -- | -- | -- | 3,407,128 | -- | 3,407,128 | |
| -- | -- | -- | 8,642,505 | 8,642,505 | 1,881,037 | 9,724,100 | |
| 1,917,236 | -- | -- | 3,508,080 | 1,982,682 | 371,766 | 6,248,248 | |
| -- | -- | -- | 28,694,288 | 28,694,288 | -- | 28,694,288 | |
| -- | -- | -- | 680,326 | 680,326 | -- | 680,326 | |
| -- | -- | -- | 89,238 | 89,238 | -- | 89,238 | |
| <u>\$ 3,362,868</u> | <u>\$ 18,401,812</u> | <u>\$ --</u> | <u>\$ 171,531,212</u> | <u>\$ 335,671,579</u> | <u>\$ 22,677,637</u> | <u>\$ 358,326,286</u> | |

Continued

**CITY OF BAYON BEACH – PART OF EAST BAYON BEACH
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2007**

| | 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 1K) | -- | -- | -- | -- | 150,340,377 |
| Retained Earnings (Note 1) | | | | | |
| Reserved for Revenue Bond | | | | | |
| Debt Service | -- | -- | -- | -- | 18,330,000 |
| Reserved for Passenger Facility Charge (Plan 1F) | -- | -- | -- | -- | 3,420,233 |
| Reserved for Airport Police Unreserved | -- | -- | -- | -- | 13,733 |
| Unreserved | -- | -- | -- | -- | 121,800,813 |
| Fund Balances: | | | | | |
| Reserved for Encumbrances | 4,280,789 | 2,041,794 | -- | 4,743,130 | -- |
| Reserved for Loans Receivable | 26,000 | 7,187,583 | -- | -- | -- |
| Reserved for Inventory | 598,258 | -- | -- | -- | -- |
| Reserved for Debt Service - Principal | -- | -- | (1,584,001) | -- | -- |
| Reserved for Debt Service - Interest | -- | -- | 8,287,149 | -- | -- |
| Reserved for Employees' Pension Benefits | -- | -- | -- | -- | -- |
| Reserved for Prepaid Items | -- | -- | -- | -- | -- |
| Reserved for District Auditor | -- | -- | -- | -- | -- |
| Reserved for Subsequent Year Expenditures (Note 1) | 3,057,438 | 208,708 | -- | -- | -- |
| Unreserved: | | | | | |
| Designated for Unencumbered Appropriations (Note 1) | 6,620,199 | 7,192,814 | -- | 24,707,808 | -- |
| Designated for Insurance | 17,958,710 | -- | -- | -- | -- |
| Designated for Pension System Expenditures (Note 1) | 3,838,498 | 2,340 | -- | -- | -- |
| Designated for Solid Waste Collection and Disposal | 8,478,831 | 8,171,607 | -- | -- | -- |
| Designated for Special Purposes | 3,082,332 | -- | -- | -- | -- |
| Designated Gaming Revenues | 5,082,838 | -- | -- | -- | -- |
| Designated for Other Uses | -- | -- | -- | -- | -- |
| Unassigned | 8,720,731 | 31,854,437 | -- | 3,154,345 | -- |
| Total Equity and Other Credits | 38,388,838 | 81,083,312 | 28,983,178 | 38,417,303 | 134,987,287 |
| Total Liabilities, Equity and Other Credits | \$ 388,648,718 | \$ 277,575,818 | \$ 21,412,212 | \$ 1,079,010,478 | \$ 843,082,833 |

The accompanying notes are an integral part of this statement.

| Fund Types | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) Primary Government | Component Units | Totals (Memorandum Only) Reporting Entity |
|----------------------|-----------------------|-----------------------|------------------------|---|----------------------|---|
| | | General Fund A/C's | General Long-Term Debt | | | |
| \$ -- | \$ -- | \$ 446,964,491 | \$ -- | \$ 446,964,491 | \$ 14,419,906 | \$ 461,384,397 |
| 1,684,704 | -- | -- | -- | 116,032,681 | -- | 116,032,681 |
| -- | -- | -- | -- | 18,131,841 | -- | 18,131,841 |
| -- | -- | -- | -- | 3,139,235 | -- | 3,139,235 |
| -- | -- | -- | -- | 15,733 | -- | 15,733 |
| 1,348,120 | -- | -- | -- | 159,288,236 | (1,420,649) | 157,867,587 |
| -- | -- | -- | -- | 17,133,639 | 2,403 | 17,136,042 |
| -- | -- | -- | -- | 7,162,901 | -- | 7,162,901 |
| -- | -- | -- | -- | 158,369 | -- | 158,369 |
| -- | -- | -- | -- | 12,554,031 | -- | 12,554,031 |
| -- | -- | -- | -- | 8,327,149 | -- | 8,327,149 |
| -- | 681,097,882 | -- | -- | 681,097,882 | 2,176,388 | 683,274,270 |
| -- | -- | -- | -- | -- | 12,673 | 12,673 |
| -- | -- | -- | -- | -- | 458,195 | 458,195 |
| -- | -- | -- | -- | 5,164,008 | 27,088 | 5,191,096 |
| -- | -- | -- | -- | 38,527,009 | 7,688 | 38,534,697 |
| -- | -- | -- | -- | 17,998,719 | -- | 17,998,719 |
| -- | -- | -- | -- | 1,588,758 | -- | 1,588,758 |
| -- | -- | -- | -- | 14,858,158 | -- | 14,858,158 |
| -- | -- | -- | -- | 1,082,152 | -- | 1,082,152 |
| -- | -- | -- | -- | 1,082,028 | -- | 1,082,028 |
| -- | -- | -- | -- | -- | 36,092 | 36,092 |
| -- | -- | -- | -- | 41,748,882 | 1,696,281 | 43,445,163 |
| <u>10,889,827</u> | <u>681,097,882</u> | <u>446,964,491</u> | <u>--</u> | <u>1,639,582,085</u> | <u>40,171,776</u> | <u>1,679,753,861</u> |
| <u>\$ 11,114,982</u> | <u>\$ 681,097,882</u> | <u>\$ 446,964,491</u> | <u>\$ 179,116,215</u> | <u>\$ 1,679,753,861</u> | <u>\$ 61,846,491</u> | <u>\$ 1,741,600,352</u> |

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCREETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 1997

| | Governmental Fund Types | | |
|--|-------------------------|----------------------|----------------------|
| | General | Special Revenues | Total 200-000 |
| Revenues: | | | |
| Taxes | \$ 153,358,987 | \$ 48,182,240 | \$ 201,541,227 |
| Licenses and Permits | 2,828,811 | 238,787 | -- |
| Intergovernmental Revenues | 11,300,419 | 35,867,869 | -- |
| Charges for Services | 18,215,701 | 18,047,288 | -- |
| Fees and Fines | 1,362,444 | 408,362 | -- |
| Miscellaneous Revenues | 12,992,614 | 4,287,881 | 1,927,971 |
| Total Revenues | <u>190,049,155</u> | <u>97,231,717</u> | <u>287,280,872</u> |
| Other Financing Sources: | | | |
| Proceeds of General Fund Asset Disposition | 316,499 | 18,880 | -- |
| Proceeds From Long-Term Debt | -- | -- | -- |
| Capital Leases | 30,368 | 234,233 | -- |
| Operating Transfers In (Note 12) | 4,390,612 | 1,242,878 | 4,360,980 |
| Operating Transfers From Primary Government (Note 12) | -- | -- | -- |
| Total Other Financing Sources | <u>4,737,481</u> | <u>1,516,001</u> | <u>4,360,980</u> |
| Total Revenues and Other Financing Sources | <u>194,786,636</u> | <u>98,747,718</u> | <u>291,634,354</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 41,875,768 | 2,488,714 | -- |
| Public Safety | 80,763,802 | 80,187,684 | -- |
| Transportation | 20,880,728 | 21,704,928 | -- |
| Sanitation | 11,271,478 | 8,811,948 | -- |
| Health and Welfare | 1,499,323 | 1,090,443 | -- |
| Culture and Recreation | 1,881,644 | 9,588,624 | -- |
| Conservation and Development | 1,278,881 | 98,244,387 | -- |
| Miscellaneous | -- | 76,996 | -- |
| Capital Outlay | 4,183,964 | 51,188,788 | -- |
| Debt Service: | | | |
| Principal Retirement | -- | -- | 10,072,882 |
| Interest and Fiscal Charges | -- | -- | 1,070,688 |
| Other Costs | -- | -- | 21,718 |
| Intergovernmental | 76,126 | -- | -- |
| Total Expenditures | <u>163,289,097</u> | <u>163,681,756</u> | <u>18,188,278</u> |
| Other Uses (Note 12): | | | |
| Operating Transfers Out | 20,383,287 | 4,127,320 | -- |
| Operating Transfers to Component Units | 3,621,198 | 1,880,900 | -- |
| Total Other Uses | <u>24,004,485</u> | <u>6,008,220</u> | <u>--</u> |
| Total Expenditures and Other Uses | <u>187,293,582</u> | <u>169,690,026</u> | <u>18,188,278</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>7,493,054</u> | <u>31,057,692</u> | <u>405,076</u> |
| Fund Balances, Beginning of Year as Previously Reported | <u>51,624,186</u> | <u>56,153,214</u> | <u>20,341,681</u> |
| Price Year Adjustment (Note 12) | -- | -- | -- |
| Fund Balances, Beginning of Year Restated | <u>51,624,186</u> | <u>56,153,214</u> | <u>20,341,681</u> |
| Residual Equity Transfer (Note 12) | (126,350) | (197,200) | -- |
| Fund Balances, End of Year | <u>\$ 51,497,836</u> | <u>\$ 55,956,014</u> | <u>\$ 20,341,681</u> |

The accompanying notes are an integral part of this statement.

| Capital Projects | Total Contract/Order/Order Primary Government | Component State | Total Contract/Order/Order Reporting Entity |
|----------------------|---|---------------------|---|
| \$ 8,308,989 | \$ 223,659,452 | \$ 2,182,567 | \$ 223,254,218 |
| -- | 3,055,475 | 48,804 | 3,111,682 |
| 315,443 | 47,459,813 | 8,138,219 | 55,713,432 |
| -- | 18,175,817 | 8,700,405 | 18,975,650 |
| -- | 1,975,406 | 2,418,401 | 4,394,807 |
| 854,236 | 19,130,211 | 1,899,880 | 21,289,813 |
| <u>9,088,271</u> | <u>225,211,252</u> | <u>22,585,144</u> | <u>245,696,852</u> |
| -- | 345,181 | 41,856 | 387,061 |
| 19,523,080 | 19,723,080 | -- | 19,723,080 |
| -- | 274,261 | 181,000 | 453,581 |
| 12,187,447 | 21,181,991 | -- | 21,181,991 |
| -- | -- | 8,651,258 | 8,651,258 |
| <u>31,712,447</u> | <u>41,126,981</u> | <u>8,826,114</u> | <u>50,982,771</u> |
| 41,188,728 | 365,438,582 | 31,240,258 | 397,678,640 |
| -- | 88,987,482 | 23,698,679 | 72,698,154 |
| -- | 88,871,156 | 2,996,678 | 84,283,022 |
| -- | 44,623,708 | -- | 44,623,708 |
| -- | 19,268,426 | -- | 19,268,426 |
| -- | 3,498,258 | -- | 3,498,258 |
| -- | 18,481,478 | -- | 18,481,478 |
| -- | 21,522,898 | -- | 21,522,898 |
| -- | 28,938 | -- | 28,938 |
| 9,719,791 | 28,990,412 | 962,837 | 27,958,282 |
| -- | 18,072,652 | -- | 18,072,652 |
| -- | 8,079,608 | -- | 8,079,608 |
| -- | 25,718 | 154,112 | 379,830 |
| -- | 70,528 | -- | 70,528 |
| <u>9,739,791</u> | <u>34,492,880</u> | <u>1,116,949</u> | <u>31,382,217</u> |
| 2,297,880 | 27,188,178 | -- | 27,188,178 |
| -- | 19,827,892 | -- | 19,827,892 |
| <u>2,297,880</u> | <u>17,815,286</u> | <u>--</u> | <u>17,815,286</u> |
| 12,882,781 | 322,308,870 | 31,398,217 | 312,994,387 |
| 29,983,019 | 43,132,812 | 1,841,241 | 44,174,231 |
| 14,824,282 | 142,943,873 | 7,388,381 | 160,232,284 |
| -- | -- | (217,828) | (217,828) |
| <u>14,824,282</u> | <u>142,943,873</u> | <u>7,170,553</u> | <u>159,234,436</u> |
| (12,588,080) | (11,823,587) | -- | (11,823,587) |
| <u>\$ 36,822,861</u> | <u>\$ 271,941,239</u> | <u>\$ 3,222,764</u> | <u>\$ 181,284,082</u> |

CITY OF BAYTON BOUCE - PARISH OF EAST BAYTON BOUCE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL (NON-CAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | General Fund | | Variance, Favorable (F, unfavorable) |
|--|----------------------|-------------------------------|--|
| | Enacted Budget | Actual (Budgetary Base) | |
| Revenues: | | | |
| Taxes | \$ 140,155,168 | \$ 151,224,887 | \$ 9,889,819 |
| Licenses and Permits | 2,611,250 | 1,826,021 | 215,671 |
| Intergovernmental Revenues | 18,184,800 | 11,281,429 | 743,629 |
| Charges for Services | 12,688,880 | 16,225,761 | 545,621 |
| Fees and Fines | 1,341,900 | 1,987,644 | 735,844 |
| Miscellaneous Revenues | 11,264,171 | 12,882,604 | 1,618,643 |
| Total Revenues | <u>186,705,369</u> | <u>188,549,126</u> | <u>11,833,857</u> |
| Other Financing Sources: | | | |
| Proceeds of General Fund Asset Disposition | 365,254 | 726,489 | 163,243 |
| Operating Transfers In | 4,021,481 | 4,298,622 | 273,141 |
| Total Other Financing Sources | <u>4,386,735</u> | <u>5,025,111</u> | <u>596,384</u> |
| Total Revenues and Other Financing Sources | <u>191,092,104</u> | <u>193,574,237</u> | <u>12,430,241</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 44,894,493 | 40,621,689 | (1,172,804) |
| Public Safety | 83,328,662 | 82,426,180 | 902,479 |
| Transportation | 21,887,068 | 28,897,958 | 589,052 |
| Sanitation | 11,208,187 | 11,287,478 | (78,291) |
| Health and Welfare | 1,021,077 | 1,311,240 | 1,983 |
| Culture and Recreation | 1,083,395 | 1,081,844 | 1,411 |
| Construction and Development | 1,753,422 | 2,280,957 | 469,440 |
| Miscellaneous | -- | -- | -- |
| Capital Outlay | 11,828,728 | 7,111,611 | 4,719,109 |
| Debt Service: | | | |
| Principal Retirement | -- | -- | -- |
| Interest and Fiscal Charges | -- | -- | -- |
| Other Costs | -- | -- | -- |
| Intergovernmental | 79,326 | 79,326 | -- |
| Total Expenditures | <u>178,794,432</u> | <u>179,282,519</u> | <u>5,011,913</u> |
| Other Uses: | | | |
| Operating Transfers Out | 18,629,664 | 18,647,826 | (18,172) |
| Operating Transfers to Component Units | 9,605,265 | 9,611,190 | 5,925 |
| Total Other Uses | <u>28,234,929</u> | <u>28,259,016</u> | <u>11,903</u> |
| Total Expenditures and Other Uses | <u>207,029,361</u> | <u>207,541,535</u> | <u>5,141,216</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses | <u>(17,945,177)</u> | <u>4,426,702</u> | <u>22,274,879</u> |
| Fund Balance, January 1 | 58,005,968 | 50,881,968 | -- |
| Residual Equity Transfer (Note 12) | (226,264) | (226,264) | -- |
| Fund Balance, December 31 | <u>\$ 35,834,416</u> | <u>\$ 34,429,702</u> | <u>\$ 22,274,879</u> |

The accompanying notes are an integral part of this statement.

Continued

| Special Revenue Funds | | | Debt Service Funds | | |
|-----------------------|---------------------------|-----------------------------------|--------------------|---------------------------|-----------------------------------|
| Revised Budget | Actual (Encrypted - Fund) | Variance- Favorable (Unfavorable) | Revised Budget | Actual (Encrypted - Fund) | Variance- Favorable (Unfavorable) |
| \$ 43,644,876 | \$ 46,182,348 | \$ 2,537,472 | \$ 13,986,080 | \$ 13,423,836 | \$ (562,244) |
| 248,580 | 228,757 | (19,823) | -- | -- | -- |
| 15,315,452 | 22,987,909 | (7,672,457) | -- | -- | -- |
| 13,483,263 | 14,067,338 | (584,075) | -- | -- | -- |
| 251,880 | 488,182 | (236,302) | -- | -- | -- |
| 5,437,887 | 4,387,348 | 1,050,539 | 1,884,524 | 3,029,571 | (1,144,047) |
| (13,221,799) | 181,221,713 | (14,999,920) | (4,581,584) | (4,437,807) | (143,777) |
| 4,080 | 18,608 | (14,528) | -- | -- | -- |
| 1,286,282 | 1,345,978 | (59,696) | 2,314,688 | 2,314,681 | 7 |
| 1,272,202 | 1,287,364 | (15,162) | 2,302,688 | 2,314,631 | (11,943) |
| (16,586,271) | 182,483,787 | (14,897,514) | 16,986,164 | 16,762,458 | (223,706) |
| 3,426,183 | 3,693,079 | (266,896) | -- | -- | -- |
| 11,898,822 | 8,997,182 | 2,901,640 | -- | -- | -- |
| 24,823,867 | 22,028,738 | 2,795,129 | -- | -- | -- |
| 7,893,628 | 8,011,248 | (117,620) | -- | -- | -- |
| 4,389,228 | 4,025,899 | 363,329 | -- | -- | -- |
| 30,895,820 | 9,443,797 | 21,452,023 | -- | -- | -- |
| 31,330,293 | 28,978,086 | 2,352,207 | -- | -- | -- |
| 384,281 | 28,954 | 355,327 | -- | -- | -- |
| 18,204,812 | 8,343,748 | 9,861,064 | -- | -- | -- |
| -- | -- | -- | 8,208,078 | 8,219,866 | (11,788) |
| -- | -- | -- | 7,778,774 | 7,777,895 | 882 |
| -- | -- | -- | 25,048 | 25,718 | (670) |
| -- | -- | -- | -- | -- | -- |
| (12,841,598) | 81,758,412 | (4,121,780) | 16,223,784 | 16,222,979 | 805 |
| 4,234,423 | 4,283,680 | (49,257) | -- | -- | -- |
| 1,882,870 | 1,885,992 | (3,122) | -- | -- | -- |
| 3,349,283 | 3,482,688 | (133,405) | -- | -- | -- |
| (17,249,821) | 81,273,178 | (46,024,357) | 16,223,784 | 16,222,979 | 805 |
| (761,842) | 11,68,918 | 11,951,060 | 581,580 | 438,479 | (143,101) |
| 18,762,872 | 24,782,972 | (6,020,100) | 20,841,891 | 20,342,880 | 499,011 |
| (169,262) | (1,87,282) | 118,020 | -- | -- | -- |
| \$ 32,744,086 | \$ 47,678,688 | \$ 14,934,602 | \$ 31,634,871 | \$ 28,968,178 | \$ 2,666,693 |

Continued

CITY OF BAYTON SERVICE - PART OF EAST BAYTON SERVICE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007

EXHIBIT A - 3
 (Continued)

| | Funds | | |
|---|-----------------------|-------------------------------|---|
| | Revised Budget | Actual (Budgetary Base) | Variance- Favorable (Unfavorable) |
| Revenues: | | | |
| Taxes | \$ 350,487,018 | \$ 351,943,063 | \$ 1,456,045 |
| Licenses and Permits | 2,895,799 | 3,065,678 | 269,879 |
| Intergovernmental Revenues | 85,871,293 | 47,379,568 | (38,491,725) |
| Charges for Services | 291,71,642 | 38,172,957 | 1,188,515 |
| Fees and Profits | 1,636,088 | 1,975,688 | 339,600 |
| Miscellaneous Revenues | 11,586,287 | 18,185,974 | 7,599,687 |
| Total Revenues | 744,622,727 | 760,828,888 | (16,206,161) |
| Other Financing Sources: | | | |
| Proceeds of General Fixed Asset Disposition | 168,154 | 345,305 | 177,151 |
| Operating Transfers In | 7,728,752 | 7,948,214 | 219,462 |
| Total Other Financing Sources | 7,896,906 | 8,293,519 | 396,317 |
| Total Revenues and Other Financing Sources | 752,519,633 | 769,122,407 | (16,602,774) |
| Expenditures: | | | |
| Current: | | | |
| General Government | 48,116,678 | 45,664,768 | 2,451,910 |
| Public Safety | 92,122,482 | 92,423,260 | 2,900,778 |
| Transportation | 46,718,900 | 42,837,734 | 3,771,166 |
| Sanitation | 18,217,817 | 20,295,426 | (2,077,609) |
| Health and Welfare | 5,696,418 | 5,547,173 | 149,245 |
| Culture and Recreation | 11,179,323 | 10,671,641 | 507,682 |
| Conservation and Development | 14,843,675 | 21,260,093 | (6,416,418) |
| Miscellaneous | 104,261 | 26,996 | 77,265 |
| Capital Outlay | 16,615,033 | 11,453,109 | 5,161,924 |
| Debt Service: | | | |
| Principal Retirement | 6,512,870 | 8,519,966 | 2,007,096 |
| Interest and Fiscal Charges | 7,738,754 | 7,771,399 | 33,645 |
| Other Costs | 23,880 | 23,718 | 162 |
| Intergovernmental | 70,526 | 70,526 | - |
| Total Expenditures | 238,899,747 | 272,585,937 | (33,686,190) |
| Other Uses: | | | |
| Operating Transfers Out | 21,644,899 | 21,644,878 | 21 |
| Operating Transfers to Component Units | 10,733,575 | 18,657,092 | 7,923,517 |
| Total Other Uses | 32,378,474 | 40,301,970 | (7,923,496) |
| Total Expenditures and Other Uses | 271,278,221 | 312,887,907 | (41,609,686) |
| Excess of Revenues and Other Sources | | | |
| Over (Under) Expenditures and Other Uses | (16,082,409) | 16,019,498 | (662,911) |
| Fund Balances, January 1 | 181,258,651 | 105,159,611 | 76,099,040 |
| Revised Equity Transfer (Note 12) | (127,587) | (127,587) | - |
| Fund Balances, December 31 | \$ 153,671,064 | \$ 179,731,634 | \$ 24,060,570 |

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 SEPARATELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1997

| | Proprietor | Internal Service | Totals (Parentheses Only) Primary Government |
|---|-------------------------|---------------------|--|
| Operating Revenues: | | | |
| Charges for Services | \$ 14,911,406 | \$ 11,978,128 | \$ 26,889,534 |
| Miscellaneous Revenues | 297,833 | — | 297,833 |
| Total Operating Revenues | <u>15,209,239</u> | <u>11,978,128</u> | <u>27,187,367</u> |
| Operating Expenses: | | | |
| Cost of Materials | — | 2,914,126 | 2,914,126 |
| Personnel Services | 11,621,723 | 1,370,448 | 12,992,171 |
| Employee Benefits | 3,898,991 | 114,268 | 4,013,259 |
| Supplies | 2,491,598 | 159,441 | 2,651,039 |
| Contracted Services | 26,000,000 | 2,488,876 | 28,488,876 |
| Landfill Closure and Postclosure Care Expenses | 2,968,720 | — | 2,968,720 |
| Depreciation | 26,452,138 | 1,266,134 | 27,718,272 |
| Bull Debt | 167,178 | — | 167,178 |
| Administrative Expenses | 252,596 | — | 252,596 |
| Total Operating Expenses | <u>61,183,155</u> | <u>11,238,843</u> | <u>72,422,000</u> |
| Operating Income (Loss) | <u>1,026,084</u> | <u>739,285</u> | <u>1,765,369</u> |
| Non-Operating Revenues (Expenses): | | | |
| Taxes | 26,799,632 | — | 26,799,632 |
| Operating and Study Grants | 17,968 | — | 17,968 |
| Transportation, Planning, and Financing Studies | — | — | — |
| Passenger Facility Charges | 1,318,857 | — | 1,318,857 |
| Interest Earnings | 6,892,611 | 307,260 | 7,200,871 |
| Interest Expense | (14,897,100) | (235,814) | (15,132,914) |
| Bond Issuance Costs | (127,344) | — | (127,344) |
| Gain (Loss) on Disposition of Fixed Assets | 662,487 | 682,245 | 1,344,732 |
| Total Non-Operating Revenues (Expenses) | <u>18,449,143</u> | <u>753,691</u> | <u>19,202,834</u> |
| Net Income (Loss) Before Operating Transfers | <u>1,515,227</u> | <u>1,492,976</u> | <u>3,008,203</u> |
| Operating Transfers In and (Out) (Note 12): | | | |
| Operating Transfers In: | | | |
| General Fund | 3,039,454 | — | 3,039,454 |
| Operating Transfers Out: | | | |
| General Fund | (15,273) | — | (15,273) |
| Total Operating Transfers In and (Out) | <u>2,994,181</u> | <u>—</u> | <u>2,994,181</u> |
| Operating Transfers From Primary Government (Note 12) | <u>—</u> | <u>—</u> | <u>—</u> |
| Net Income (Loss) | <u>2,494,538</u> | <u>1,492,976</u> | <u>3,987,514</u> |
| Depreciation on Fixed Assets Acquired with Externally-Restricted Capital Contributions | <u>2,489,864</u> | <u>—</u> | <u>2,489,864</u> |
| Income (Loss) Transferred to Retained Earnings | <u>4,864,192</u> | <u>1,492,976</u> | <u>6,357,168</u> |
| Retained Earnings, January 1 | 368,911,728 | 6,369,158 | 375,280,886 |
| Retained Earnings, December 31 | <u>\$ 3,115,047,920</u> | <u>\$ 7,862,134</u> | <u>\$ 3,122,910,054</u> |

The accompanying notes are an integral part of this statement.

| Component Unit Capital Transportation Corporation | Totals (Memorandum Only) Reporting Entity |
|---|---|
| \$ 2,775,832 | \$ 20,856,190 |
| 90,884 | 31,890 |
| <u>2,867,983</u> | <u>20,888,080</u> |
| -- | 3,918,126 |
| 3,349,294 | 17,285,497 |
| -- | 3,110,219 |
| 978,848 | 3,400,859 |
| 1,032,270 | 25,125,729 |
| -- | 3,668,731 |
| 671,600 | 24,111,899 |
| -- | 167,778 |
| -- | 137,792 |
| <u>3,620,692</u> | <u>78,544,123</u> |
| <u>7,488,675</u> | <u>127,986,128</u> |
| 740,204 | 27,540,158 |
| 832,716 | 891,688 |
| (342,408) | (182,408) |
| -- | 3,118,957 |
| 42,177 | 7,053,144 |
| -- | (15,042,918) |
| -- | 1,071,144 |
| -- | 1,528,527 |
| <u>1,088,187</u> | <u>22,427,396</u> |
| <u>(1,971,224)</u> | <u>(1,648,822)</u> |
| -- | 1,608,424 |
| -- | (31,277) |
| -- | 1,577,147 |
| <u>1,814,824</u> | <u>1,874,824</u> |
| 1,680 | 1,511,883 |
| <u>470,874</u> | <u>2,960,838</u> |
| 471,874 | 6,472,131 |
| <u>(1,897,814)</u> | <u>(776,883,432)</u> |
| \$ (1,417,040) | \$ (778,325,600) |



CITY OF BAYON BOUGE - PARISH OF EAST BAYON BOUGE
STATEMENT OF CHANGES IN PLAN NET ASSETS
PERMANENT TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2007

EXHIBIT A - 5

| | Employee/ Employer System | Component Unit Capital Transportation Corporation | Totals (Member and Only) Reporting Entity |
|---|---------------------------------|---|---|
| Additions: | | | |
| Contributions: | | | |
| Employee | \$ 9,645,590 | \$ 145,727 | \$ 9,791,317 |
| Employer | <u>15,405,695</u> | <u>145,727</u> | <u>15,551,422</u> |
| Total Contributions | <u>25,051,285</u> | <u>291,454</u> | <u>25,342,739</u> |
| Investment Income: | | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | 88,711,876 | 104,881 | 88,816,757 |
| Interest | 13,039,237 | — | 13,039,237 |
| Dividends | 2,340,622 | 374,295 | 2,714,917 |
| Real Estate Operating Income, Net | 1,144,892 | — | 1,144,892 |
| Total Investment Income | <u>105,240,627</u> | <u>479,176</u> | <u>105,719,803</u> |
| Less Investment Expense | <u>1,768,338</u> | <u>4,281</u> | <u>1,772,619</u> |
| Net Investment Income | <u>103,472,289</u> | <u>474,895</u> | <u>103,947,184</u> |
| Total Additions | <u>128,523,574</u> | <u>766,349</u> | <u>129,289,923</u> |
| Deductions: | | | |
| Benefit Payments | 44,787,560 | 59,687 | 44,847,247 |
| Refunds and Withdrawals | 1,487,779 | 28,939 | 1,516,718 |
| Administrative Expenses | 964,883 | 48,199 | 1,013,082 |
| Depreciation Expense | 55,708 | — | 55,708 |
| Total Deductions | <u>47,395,930</u> | <u>136,825</u> | <u>47,532,755</u> |
| Net Increase | <u>81,127,644</u> | <u>629,524</u> | <u>81,757,168</u> |
| Net Assets Held in Trust for Employees' | | | |
| Pension Benefits | | | |
| Beginning of Year | <u>599,328,382</u> | <u>2,648,618</u> | <u>601,976,999</u> |
| End of Year | <u>680,456,026</u> | <u>3,278,142</u> | <u>683,734,168</u> |

CITY OF BAYON BOUGE - PARISH OF EAST BAYON BOUGE
COMBINED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL PROPRIETARY FUND TYPES AND DISCREETLY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1997

| | — Proprietary Fund Types — | | Total (Monomunicipal Only) Primary Government |
|--|----------------------------|---------------------|---|
| | Enterprise | Internal Service | |
| Cash Flows From Operating Activities: | | | |
| Cash Received From Customers | \$ 33,674,182 | \$ 11,919,355 | \$ 45,593,537 |
| Cash Payments to Suppliers for Goods and Services | (21,627,746) | 16,413,600 | (5,214,146) |
| Cash Payments to Employees for Services and Benefits | (17,286,267) | (7,295,192) | (24,581,459) |
| Other Operating Revenues | 111,047 | — | 111,047 |
| Net Cash Provided by (Used for) Operating Activities | <u>75,111,226</u> | <u>3,037,563</u> | <u>78,148,789</u> |
| Cash Flows From Noncapital Financing Activities: | | | |
| Cash Received From General Property Taxes | 2,443 | — | 2,443 |
| Cash Received From General Sales and Use Taxes | 26,383,118 | — | 26,383,118 |
| Operating Grants Received | 17,968 | — | 17,968 |
| Transportation Planning and Financing Studies - Net | — | — | — |
| Operating Transfers In From Other Funds | 3,038,454 | — | 3,038,454 |
| Operating Transfers Out to Other Funds | (10,177) | — | (10,177) |
| Operating Transfers From Primary Government | — | — | — |
| Interest Paid on Short-term Interfund Loans | (158,972) | — | (158,972) |
| Loans to Other Funds | (2,825,747) | — | (2,825,747) |
| Loans From Other Funds | 2,691,967 | — | 2,691,967 |
| Loans to Component Units | (5,302) | — | (5,302) |
| Repayment of Loans to Other Funds | 5,979,249 | — | 5,979,249 |
| Repayment of Loans From Other Funds | (2,996,892) | — | (2,996,892) |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>34,895,206</u> | <u>—</u> | <u>34,895,206</u> |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Proceeds From Sale of Debt | 12,590,000 | — | 12,590,000 |
| Proceeds From Capital Grants | 6,231,144 | — | 6,231,144 |
| Proceeds From Sale of Capital Assets | 710,646 | 787,278 | 1,497,924 |
| Passenger Facility Charge | 1,281,071 | — | 1,281,071 |
| Acquisition and Construction of Capital Assets | (43,595,496) | (752,488) | (44,347,984) |
| Principal Paid on Bonds, Obligations and Capital Leases | (19,844,243) | (2,852,361) | (22,696,604) |
| Interest Paid on Bonds, Obligations and Capital Leases | (18,804,186) | (215,818) | (19,020,004) |
| Capital Contributed by the Government | 212,587 | — | 212,587 |
| Capital Contributed by Primary Government | — | — | — |
| Capital Contributed by Other Governments | 489,120 | — | 489,120 |
| Capital Contributed from Impact Fees | 1,833,886 | — | 1,833,886 |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(49,031,896)</u> | <u>(2,010,858)</u> | <u>(51,042,754)</u> |
| Cash Flows From Investing Activities: | | | |
| Purchase of Investments | (89,699,939) | — | (89,699,939) |
| Proceeds From Sales and Maturities of Investments | 83,081,231 | — | 83,081,231 |
| Interest Received on Investments | 1,112,154 | 390,130 | 1,502,284 |
| Net Cash Provided by (Used for) Investing Activities | <u>(5,506,554)</u> | <u>390,130</u> | <u>(5,116,424)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents (New 1) | (4,627,778) | 1,817,465 | (13,810,313) |

The accompanying notes are an integral part of this statement.

Continued

| Component Unit Capital Transportation Corporation | Totals (Memorandum Only) Reporting Entity |
|---|---|
| \$ 2,187,000 | \$ 51,761,540 |
| (1,737,170) | (20,708,710) |
| (1,481,570) | (20,001,290) |
| 84,081 | 261,188 |
| <u>(2,397,147)</u> | <u>1,334,648</u> |
| -- | 1,483 |
| 671,007 | 27,059,623 |
| 803,714 | 871,684 |
| (242,408) | (242,408) |
| -- | 5,079,604 |
| -- | (21,073) |
| 1,954,034 | 1,074,834 |
| -- | (158,872) |
| -- | (1,823,747) |
| -- | 1,881,267 |
| -- | (1,582) |
| -- | 5,879,249 |
| -- | <u>(1,896,080)</u> |
| <u>3,298,048</u> | <u>37,246,482</u> |
| -- | 11,280,000 |
| -- | 6,275,144 |
| -- | 1,897,924 |
| -- | 1,281,672 |
| (3,384,957) | (49,641,002) |
| -- | (11,471,684) |
| -- | (18,880,082) |
| -- | 212,567 |
| 1,070,002 | 1,070,002 |
| 4,086,538 | 4,493,789 |
| -- | 1,401,880 |
| <u>(587,527)</u> | <u>(24,276,527)</u> |
| -- | (20,899,028) |
| -- | 85,881,287 |
| 41,571 | 7,380,737 |
| <u>41,571</u> | <u>641,981</u> |
| 77,983 | (14,714,471) |

Continued

CITY OF BAYON BOUGE - PARISH OF EAST BAYON BOUGE
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, 1997

| | ____Proprietary Fund Types____ | | Totals (Disseminated Only) Primary Component |
|--|--------------------------------|---------------------|--|
| | Enterprise | Internal Service | |
| Cash and Cash Equivalents, January 1 | \$ 31,289,879 | \$ 4,021,688 | \$ 35,311,567 |
| Cash and Cash Equivalents, December 31 | 36,379,841 | 3,089,287 | 41,469,128 |
| Cash and Cash Equivalents from Voluntary Fund Type (Included in Combined Balance Sheet) | ----- | ----- | ----- |
| Adjusted Cash and Cash Equivalents, December 31 | <u>\$ 36,379,841</u> | <u>\$ 3,089,287</u> | <u>\$ 41,469,128</u> |
| Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities: | | | |
| Operating Income (Loss) | \$ (22,841,582) | \$ 3,398,273 | \$ (23,982,785) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | |
| Depreciation | 26,415,239 | 3,284,724 | 29,699,963 |
| Lease/Client and Post-closure Care Expense | 2,969,711 | -- | 2,969,711 |
| Increase (Decrease) in Compensated Absences Payable | 91,365 | 36,299 | 127,664 |
| Change in Assets and Liabilities: | | | |
| Decrease (Increase) in Accounts Receivable | (179,562) | 187 | (179,440) |
| Decrease (Increase) in Prepaid Items | (9,483) | -- | (9,483) |
| Decrease (Increase) in Inventory | -- | 9,343 | 9,343 |
| Increase (Decrease) in Accounts and Contracts Payable | 125,623 | 116,352 | 441,977 |
| Increase (Decrease) in Accrued Salaries Payable | 194,442 | (6,286) | 188,156 |
| Increase (Decrease) in Deferred Revenue | 97,914 | -- | 97,914 |
| Increase (Decrease) in Other Liabilities | (2,407) | -- | (2,407) |
| Increase (Decrease) in Liabilities Payable from Restricted Assets | ----- | ----- | ----- |
| Total Adjustments | <u>29,399,244</u> | <u>3,521,296</u> | <u>31,920,540</u> |
| Net Cash Provided By (Used for) Operating Activities | <u>\$ 7,557,662</u> | <u>\$ 3,210,569</u> | <u>\$ 10,768,231</u> |

The accompanying notes are an integral part of this statement.

| Component Unit Capital Transportation Corporation | Totals (Millions of Dollars) Reporting Entity |
|---|---|
| \$ 1,812,496 | \$ 52,905,893 |
| 1,870,200 | 40,250,618 |
| <u>36,892</u> | <u>68,892</u> |
| \$ 1,849,388 | \$ 53,074,785 |
| | |
| \$ 7,333,439 | \$ 125,846,239 |
| | |
| 671,600 | 24,711,895 |
| -- | 2,988,711 |
| -- | 122,215 |
| (5,339) | (344,894) |
| 2,000 | (8,894) |
| (21,323) | (12,212) |
| (3,624) | 432,712 |
| -- | 344,708 |
| -- | 97,874 |
| -- | (2,407) |
| <u>(122,002)</u> | <u>(222,681)</u> |
| <u>416,272</u> | <u>27,628,775</u> |
| \$ 7,849,641 | \$ 153,474,914 |

Noncash Investing, Capital, and Financing Activities

Enterprise Funds

The Greater Boston Energy Assets Division acquired \$17,111 of equipment through capital lease agreements. In 1997, \$11,082 of principal and \$1,071 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.

Internal Service Funds

The Fleet Rental and Replacement Fund acquired 12,653,000 of equipment through capital lease agreements. In 1997, 12,832,354 of principal and \$215,836 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
COMBINED BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1997**

| | Discreetely Presented Component Types | | |
|---|--|---|---------------------------------------|
| | District Library of the Northwest Judicial District (District Court 11) | Northwest Judicial District (District Court 11) | F. P. R. Parish Parish Court |
| ASSETS AND OTHER DEBITS | | | |
| Assets: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 1,704,264 | \$ 916,981 | \$ 177,683 |
| Investments | -- | -- | -- |
| Investment in Defined Contribution (Note 8) | -- | 224,483 | -- |
| Property Taxes Receivable-Net (Note 4) | -- | -- | -- |
| Accounts Receivable | -- | 58,573 | -- |
| Accrued Interest Receivable | -- | -- | 585 |
| Other Receivables | 60,684 | -- | -- |
| Due From Other Governments | 51,721 | 132,718 | 34,389 |
| Due From Primary Government (Note 11) | -- | -- | -- |
| Prepaid Items | -- | -- | -- |
| Inventory | -- | -- | -- |
| Other Assets | -- | -- | -- |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | -- | -- | -- |
| Due From Other Governments | -- | -- | -- |
| Fixed Assets: | | | |
| Land | -- | -- | -- |
| Buildings | -- | -- | -- |
| Equipment | 1,621,608 | 1,628,852 | 83,628 |
| Equipment Under Capital Leases | -- | -- | -- |
| Construction - Work-In-Progress | -- | -- | -- |
| Accumulated Depreciation | -- | -- | -- |
| Other Debits: | | | |
| Amount to be Provided for Retirement of Long-Term Debt | -- | 598,115 | -- |
| Total Assets and Other Debits | \$ 3,377,275 | \$ 3,348,175 | \$ 342,316 |

(1) As of June 30, 1997

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

| E.D.R. Parish Arrests Court | Natchitoches Judicial District Indigent Defendant Board | E.D.R. Parish Clerk of Court (1) | Capital Region Planning Commission (2) | St. George Fire Protection District |
|--------------------------------------|--|---|---|--|
| \$ 449,616 | \$ 871,101 | \$ 7,143,398 | \$ 111,586 | \$ 76,622 |
| -- | -- | 9,388,161 | 241,084 | -- |
| -- | -- | 84,825 | 693,246 | -- |
| -- | -- | -- | -- | 379,458 |
| -- | 246,482 | 997,182 | -- | 86,258 |
| -- | -- | -- | 14,823 | -- |
| 3,274 | -- | 127,103 | -- | -- |
| 91,826 | -- | -- | 113,920 | -- |
| -- | 97,688 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 12,673 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 81,986 |
| -- | -- | -- | -- | 963,321 |
| 240,111 | 182,810 | 2,682,968 | 152,323 | 2,877,787 |
| -- | -- | -- | -- | 422,511 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>111,811</u> | <u>--</u> | <u>784,482</u> | <u>--</u> | <u>1,657,816</u> |
| <u>\$ 538,428</u> | <u>\$ 1,053,911</u> | <u>\$ 20,725,460</u> | <u>\$ 1,303,909</u> | <u>\$ 5,617,923</u> |

Continued

**CITY OF BAYON BRIDGE - PARISH OF EAST BAYON BRIDGE
COMBINED BALANCE SHEET
ALL DISCRETARY FUNDING-COMPONENT UNITS
DECEMBER 31, 1997**

| | Discretary Fund Type | | |
|---|--|---|--|
| | Bossierfield Fire Protection District | Central Fire Protection District | E.B.R. Parish Fire Protection District No. 8 |
| ASSETS AND OTHER DEBITS | | | |
| Assets: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ -- | \$ 32,918 | \$ 176,489 |
| Investments | -- | -- | -- |
| Investments in Deferred Compensation (Note 8) | -- | -- | -- |
| Property Taxes Receivable-Net (Note 4) | 64,157 | 348,837 | 98,008 |
| Accounts Receivable | -- | 80,644 | 33,848 |
| Accrued Interest Receivable | 365 | -- | -- |
| Other Receivables | -- | 2,715 | -- |
| Due From Other Governments | 80,623 | 107,842 | 153,957 |
| Due From Primary Government (Note 11) | -- | -- | -- |
| Prepaid Items | -- | -- | -- |
| Inventory | -- | -- | -- |
| Other Assets | -- | -- | -- |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | -- | -- | -- |
| Due From Other Governments | -- | -- | -- |
| Fixed Assets: | | | |
| Land | 18,192 | 163,018 | 33,880 |
| Buildings | 28,123 | 894,898 | 294,880 |
| Equipment | 384,998 | 788,132 | 430,840 |
| Equipment Under Capital Leases | -- | 65,180 | 100,281 |
| Construction Work-in-Progress | -- | -- | -- |
| Accumulated Depreciation | -- | -- | -- |
| Other Debits: | | | |
| Amount to be Provided for Retirement of Long-Term Debt | -- | 381,925 | 39,377 |
| Total Assets and Other Debits | \$ 528,674 | \$ 3,173,828 | \$ 1,162,368 |

The accompanying notes are an integral part of this statement.

Continued

| Governmental Fund Types | | | | Proprietary Fund Type | |
|--------------------------------|--------------------------------|---|--|--|----------------------|
| Fire Protection District | Fire Protection District | Charterelle Fire Protection District | Alton St. Ann Lee Fire Protection District | Capital Transportation Corporation | Totals |
| \$ 111,940 | \$ 67,900 | \$ 77,093 | \$ 22,015 | \$ 581,736 | \$ 12,060,889 |
| -- | -- | -- | -- | 2,785,895 | 12,648,206 |
| -- | -- | -- | -- | -- | 916,479 |
| 205,841 | -- | -- | 174,989 | -- | 1,622,304 |
| -- | -- | -- | -- | 28,870 | 1,491,689 |
| -- | 794 | 184 | 488 | 6,790 | 28,307 |
| -- | -- | -- | -- | -- | 271,800 |
| 86,879 | -- | -- | 6,816 | 262,520 | 1,048,710 |
| -- | -- | -- | -- | 32,035 | 128,821 |
| -- | -- | -- | -- | 15,414 | 13,414 |
| -- | -- | -- | -- | 305,850 | 300,658 |
| -- | -- | -- | -- | -- | 12,673 |
| -- | -- | -- | -- | 1,217,044 | 1,157,144 |
| -- | -- | -- | -- | 306,479 | 306,479 |
| 111,940 | 21,080 | -- | 9,008 | 178,307 | 826,183 |
| 1,028,711 | -- | 108,814 | 258,498 | 2,112,158 | 3,608,827 |
| 798,940 | 81,934 | 168,048 | 89,289 | 8,184,737 | 20,671,271 |
| -- | -- | -- | -- | -- | 1,183,828 |
| -- | -- | -- | -- | 8,183,124 | 6,183,124 |
| -- | -- | -- | -- | (2,798,668) | (1,798,668) |
| <u>613,691</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>1,844,737</u> |
| <u>\$ 3,038,191</u> | <u>\$ 304,211</u> | <u>\$ 244,028</u> | <u>\$ 295,102</u> | <u>\$ 17,134,916</u> | <u>\$ 67,746,881</u> |

Continued

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
COMBINED BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 1997

| | Governmental Fund Types | | |
|---|--|--|-------------------------------------|
| | District Atorney of the Nineteenth Federal District | Nineteenth Federal District Overall | E.B.R. Parish Family Comm. |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | |
| Liabilities: | | | |
| Current Liabilities: | | | |
| Accounts and Contracts Payable | \$ 94,379 | \$ 3,268 | \$ 940 |
| Due to Other Governments | 122,609 | -- | -- |
| Due to Primary Governments (Note 11) | 17,464 | -- | -- |
| Accrued Salaries Payable | -- | -- | 4,236 |
| Accrued Claims Payable | -- | -- | -- |
| Deferred Revenues | -- | -- | -- |
| Deposits and Escrow Accounts | -- | 328,400 | -- |
| Compensated Absences Payable | 52,612 | 56,157 | -- |
| Other Liabilities | 13,654 | -- | -- |
| Liabilities Payable From Restricted Assets | -- | -- | -- |
| Long-Term Liabilities (Note 12): | | | |
| Bonds and Notes Payable | -- | -- | -- |
| Compensated Absences Payable | -- | 308,315 | -- |
| Obligations Under Capital Leases (Note 14) | -- | -- | -- |
| Total Liabilities | <u>365,272</u> | <u>796,241</u> | <u>5,176</u> |
| Equity and Other Credits (Note 13): | | | |
| Investments in General Fund Assets | 1,421,686 | 1,426,851 | 95,619 |
| Contributed Capital: | | | |
| Federal Government | -- | -- | -- |
| Estimates of Federal Government Contributions | -- | -- | -- |
| 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 | 1,421,686 | 928,686 | 180,611 |
| Total Equity and Other Credits | <u>2,843,372</u> | <u>2,353,937</u> | <u>276,230</u> |
| Total Liabilities, Equity, and Other Credits | <u>\$ 3,208,644</u> | <u>\$ 3,149,178</u> | <u>\$ 281,406</u> |

(1) As of June 30, 1997

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

| P.B.R. Funds Available Court | Miscellaneous Judicial District Judges In-Under _Board_ | P.B.R. Funds Court of Civil App | Capital Budget Planning Committee (1) | St. George Fire Protection District |
|---------------------------------------|--|--|--|--|
| \$ 6,712 | \$ 103,689 | \$ 86,186 | \$ 34,215 | \$ 66,185 |
| 742 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 6,956 | 4,618 | 187,628 | -- | 7,488 |
| -- | -- | 183,892 | -- | -- |
| -- | -- | -- | 2,788 | -- |
| 28,880 | -- | 15,793,647 | 601,246 | -- |
| -- | -- | -- | 35,234 | -- |
| -- | -- | -- | 1,536 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 1,004,644 |
| 111,558 | -- | 284,442 | -- | 69,273 |
| -- | -- | -- | -- | 184,093 |
| <u>154,696</u> | <u>108,307</u> | <u>16,069,667</u> | <u>678,156</u> | <u>1,264,688</u> |
| 348,111 | 182,800 | 2,681,569 | 232,323 | 3,538,649 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 12,673 | -- | -- | -- |
| -- | 492,265 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 36,092 | -- | -- | -- | -- |
| <u>483,568</u> | <u>268,633</u> | <u>1,477,432</u> | <u>423,160</u> | <u>838,720</u> |
| 779,773 | 811,741 | 4,159,797 | 677,488 | 4,377,668 |
| <u>\$ 214,295</u> | <u>\$ 1,000,568</u> | <u>\$ 28,178,624</u> | <u>\$ 1,100,644</u> | <u>\$ 2,615,711</u> |

Continued

CITY OF BAYOU BOUGE - PARISH OF EAST BAYOU BOUGE
COMPARING BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT FUNDS
DECEMBER 31, 1997

| | Governmental Fund Types | | |
|---|---|---|--|
| | Ecorewood Fire Protection District | Central Fire Protection District | E.B.B. Public Fire Protection District No. 4 |
| LIABILITIES, EQUITY, AND OTHER CREDITS | | | |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts and Contracts Payable | \$ 13,643 | \$ 16,430 | \$ 13,667 |
| Due to Other Governments | -- | -- | -- |
| Due to Primary Government (Note 10) | 5,792 | -- | -- |
| Accrued Salaries Payable | -- | 34,486 | 2,462 |
| Accrued Claims Payable | -- | -- | -- |
| Deferred Revenue | -- | -- | -- |
| Deposits and Escrow Accounts | -- | -- | -- |
| Compensated Absences Payable | -- | -- | -- |
| Other Liabilities | -- | -- | -- |
| Liabilities Payable From Restricted Assets | -- | -- | -- |
| Long-Term Liabilities (Note 18): | | | |
| Bonds and Notes Payable | -- | -- | -- |
| Compensated Absences Payable | -- | 84,187 | 45,407 |
| Obligations Under Capital Leases (Note 14) | -- | 327,818 | 15,650 |
| Total Liabilities | 18,997 | 428,941 | 77,986 |
| Equity and Other Credits (Note 2): | | | |
| Investment in General Fixed Assets | 362,913 | 2,348,600 | 847,421 |
| Contributed Capital: | | | |
| Federal Government | -- | -- | -- |
| Reimbursements of Federal Government Contributions | -- | -- | -- |
| Primary Government | -- | -- | -- |
| Retained Earnings: | | | |
| Unreserved | -- | -- | -- |
| Fund Balances: | | | |
| Reserved for Encumbrances | -- | -- | -- |
| Reserved for Employees' Pension Benefits | -- | -- | -- |
| Reserved for Special Items | -- | -- | -- |
| Reserved for Defined Pensions | -- | -- | -- |
| Reserved for Subsequent Year Expenditures | 17,890 | -- | -- |
| Unreserved: | | | |
| Designated for Unencumbered Appropriations | -- | -- | -- |
| Designated for Other Uses | -- | -- | -- |
| Undesignated | 99,898 | 479,334 | 438,173 |
| Total Equity and Other Credits | 462,811 | 2,847,934 | 1,285,594 |
| Total Liabilities, Equity, and Other Credits | \$ 651,808 | \$ 1,276,875 | \$ 1,363,580 |

The accompanying notes are an integral part of this statement.

| Governmental Fund Types | | | | Proprietary Fund Type | |
|-----------------------------------|--------------------------------|--------------------------------------|--|------------------------------------|----------------------|
| Eastside Fire Protection District | Frish Fire Protection District | Cherryville Fire Protection District | Alamo Hills Area Land Fire Protection District | Capital Transportation Corporation | Total |
| \$ 12,775 | \$ 1,847 | \$ 1,139 | \$ 8,181 | \$ 805,470 | \$ 295,008 |
| -- | -- | -- | -- | -- | 123,347 |
| -- | -- | -- | -- | -- | 22,758 |
| 11,892 | -- | -- | -- | 60,070 | 123,143 |
| -- | -- | -- | -- | -- | 183,982 |
| -- | -- | -- | -- | 99,687 | 97,862 |
| -- | -- | -- | -- | -- | 18,628,078 |
| -- | -- | -- | -- | 208,366 | 244,872 |
| -- | -- | -- | -- | 38,829 | 42,400 |
| -- | -- | -- | -- | 1,022,248 | 1,022,248 |
| 612,208 | -- | -- | -- | -- | 1,628,984 |
| 2,131 | -- | -- | -- | -- | 1,882,027 |
| -- | -- | -- | -- | -- | 127,266 |
| <u>658,418</u> | <u>1,847</u> | <u>1,138</u> | <u>8,181</u> | <u>1,112,142</u> | <u>22,672,627</u> |
| 2,688,014 | 300,934 | 277,882 | 354,785 | -- | 36,478,728 |
| -- | -- | -- | -- | 14,828,407 | 14,828,487 |
| -- | -- | -- | -- | (4,988,127) | (4,988,187) |
| -- | -- | -- | -- | 4,187,206 | 4,287,286 |
| -- | -- | -- | -- | (1,422,648) | (1,422,648) |
| -- | 1,125 | -- | 1,880 | -- | 1,423 |
| -- | -- | -- | -- | 2,476,188 | 2,476,188 |
| -- | -- | -- | -- | -- | 21,871 |
| -- | -- | -- | -- | -- | 420,283 |
| -- | -- | -- | -- | -- | 27,880 |
| -- | -- | 7,680 | -- | -- | 7,680 |
| -- | -- | -- | -- | -- | 26,891 |
| <u>280,889</u> | <u>62,127</u> | <u>8,821</u> | <u>342,241</u> | <u>--</u> | <u>7,896,841</u> |
| <u>2,969,002</u> | <u>163,174</u> | <u>284,603</u> | <u>300,748</u> | <u>11,470,742</u> | <u>49,173,276</u> |
| <u>\$ 3,830,211</u> | <u>\$ 149,121</u> | <u>\$ 294,826</u> | <u>\$ 308,125</u> | <u>\$ 11,184,684</u> | <u>\$ 62,846,463</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT UNITS
 ALL DEPARTMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| | District Agency of the Mississippi Judicial District | Mississippi Judicial District Court (1) | E.B.R. Parish Family Court |
|---|---|--|-------------------------------------|
| Revenues | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Licenses and Permits | -- | -- | -- |
| Intergovernmental Revenues | 1,961,588 | 1,681,693 | 514,043 |
| Charges for Services | -- | 139,796 | 112,164 |
| Fees and Fines | 517,428 | -- | -- |
| Miscellaneous Revenues | <u>414,231</u> | <u>39,487</u> | <u>4,818</u> |
| Total Revenues | <u>3,893,247</u> | <u>3,851,976</u> | <u>630,991</u> |
| Other Financing Sources | | | |
| Proceeds of General Fixed Asset Disposition | -- | -- | -- |
| Capital Leases | -- | -- | -- |
| Operating Transfers From Primary Government (Note 12) | <u>2,916,970</u> | <u>3,394,808</u> | <u>406,813</u> |
| Total Other Financing Sources | <u>2,916,970</u> | <u>3,394,808</u> | <u>406,813</u> |
| Total Revenues and Other Financing Sources | <u>6,810,217</u> | <u>7,246,784</u> | <u>1,037,804</u> |
| Expenditures: | | | |
| Current: | | | |
| General Government | 1,791,121 | 7,261,887 | 961,913 |
| Public Safety | -- | -- | -- |
| Capital Outlay | 217,064 | 69,841 | 52,166 |
| Debt Service | -- | -- | -- |
| Total Expenditures | <u>2,008,185</u> | <u>7,271,728</u> | <u>1,014,079</u> |
| Excess of Revenues and Other Sources Over (Under) Expenditures | <u>4,802,032</u> | <u>415,056</u> | <u>23,725</u> |
| Fund Balances, Beginning of Year as Previously Reported | 1,723,862 | 893,690 | 128,198 |
| Prior Year Adjustments (Note 13) | -- | -- | -- |
| Fund Balances, Beginning of Year Restated | <u>1,723,862</u> | <u>893,690</u> | <u>128,198</u> |
| Fund Balances, End of Year | <u>\$ 6,525,894</u> | <u>\$ 1,308,746</u> | <u>\$ 151,923</u> |

(1) As of June 30, 1997

The accompanying notes are an integral part of this statement.

Continued

| E.B.R. Parish Juvenile Court | Siemonek Juvenile District Inmate Detainer Board | E.B.R. Parish Clerk of Court III | Capital Region Planning Commission (CI) | St. George Fire Protection District |
|---------------------------------------|---|---|--|--|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 996,693 |
| -- | -- | 45,894 | -- | -- |
| 107,158 | 710,176 | -- | 690,261 | 100,767 |
| 179,598 | -- | 6,790,236 | 98,211 | 791,682 |
| 11,057 | 1,899,816 | -- | -- | -- |
| 7,649 | 31,789 | 1,851,056 | 49,810 | 18,171 |
| <u>633,952</u> | <u>2,401,881</u> | <u>2,896,956</u> | <u>618,267</u> | <u>1,809,710</u> |
| -- | -- | -- | 956 | -- |
| -- | -- | -- | -- | -- |
| <u>586,681</u> | <u>206,281</u> | <u>579,616</u> | -- | -- |
| <u>586,681</u> | <u>206,281</u> | <u>579,616</u> | <u>956</u> | -- |
| <u>1,218,633</u> | <u>2,115,772</u> | <u>3,625,972</u> | <u>629,263</u> | <u>2,809,710</u> |
| 1,048,625 | 2,110,368 | 3,288,428 | 750,617 | -- |
| -- | -- | -- | -- | 1,570,897 |
| 35,886 | 22,900 | 48,699 | 48,159 | 15,889 |
| -- | -- | 52,119 | -- | 211,960 |
| <u>1,177,511</u> | <u>2,133,268</u> | <u>3,389,256</u> | <u>798,776</u> | <u>2,115,436</u> |
| 39,312 | (17,988) | 1,294,514 | 21,187 | (108,779) |
| 400,339 | 747,628 | 221,963 | 388,778 | 1,070,149 |
| -- | -- | -- | -- | (117,828) |
| <u>439,319</u> | <u>729,640</u> | <u>221,963</u> | <u>388,778</u> | <u>952,321</u> |
| <u>\$ 439,668</u> | <u>\$ 729,641</u> | <u>\$ 471,622</u> | <u>\$ 415,162</u> | <u>\$ 579,728</u> |

Continued

**CITY OF BAYON BOUGE - PARISH OF EAST BAYON TERRE
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - COMPONENT FUNDS
 (U.S. GOVERNMENTAL FUND TYPES)
 FOR THE YEAR ENDED DECEMBER 31, 2007**

| | <u>Brownfield Fire Protection District</u> | <u>Central Fire Protection District</u> | <u>F.B.R. Parish Fire Protection District No. 2</u> |
|--|--|---|---|
| Revenues: | | | |
| Taxes | \$ 134,269 | \$ 379,833 | \$ 176,092 |
| Licenses and Permits | -- | -- | -- |
| Intergovernmental Revenues | 86,558 | 183,823 | 198,840 |
| Charges for Services | 69,057 | 181,580 | 128,480 |
| Fees and Profits | -- | -- | -- |
| Miscellaneous Revenues | <u>3,189</u> | <u>16,819</u> | <u>15,949</u> |
| Total Revenues | <u>293,073</u> | <u>758,055</u> | <u>535,361</u> |
| Other Financing Sources: | | | |
| Proceeds of General Fixed Asset Dispositions | -- | 18,308 | -- |
| Capital Leases | -- | 162,008 | -- |
| Operating Transfers From Primary Government (Note 12) | <u>--</u> | <u>28,738</u> | <u>131,893</u> |
| Total Other Financing Sources | <u>--</u> | <u>209,054</u> | <u>131,893</u> |
| Total Revenues and Other Financing Sources | <u>293,073</u> | <u>967,109</u> | <u>667,254</u> |
| Expenditures: | | | |
| Current: | | | |
| General Commitments | -- | -- | 15,618 |
| Public Safety | 211,473 | 692,907 | 545,156 |
| Capital Outlay | 19,604 | 362,188 | 51,745 |
| Debt Service | -- | 135,735 | 17,187 |
| Total Expenditures | <u>231,077</u> | <u>1,120,830</u> | <u>731,706</u> |
| Items of Revenues and Other Sources Over (Under) Expenditures | <u>61,996</u> | <u>846,279</u> | <u>935,548</u> |
| Fund Balances, Beginning of Year as Previously Reported | 184,790 | 588,997 | 407,719 |
| Prior Year Adjustment (Note 15) | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund Balances, Beginning of Year Restated | <u>184,790</u> | <u>588,997</u> | <u>407,719</u> |
| Fund Balances, End of Year | <u>246,786</u> | <u>1,435,276</u> | <u>1,343,267</u> |

The accompanying notes are an integral part of this statement.

| Essex Fire Protection District (0-001) | Essex Fire Protection District | Chesapeake Fire Protection District | Alton- St. James Fire Protection District | Total |
|--|---|--|---|-------------------|
| \$ 296,574 | \$ -- | \$ -- | 2,040,046 | \$ 2,336,620 |
| -- | -- | -- | -- | 46,084 |
| -- | 6,800 | 7,271 | 2,417 | 8,128,279 |
| 126,887 | 25,743 | 21,531 | 10,935 | 6,780,691 |
| -- | -- | -- | -- | 2,418,081 |
| <u>34,164</u> | <u>3,050</u> | <u>644</u> | <u>3,081</u> | <u>1,898,880</u> |
| <u>481,621</u> | <u>31,213</u> | <u>21,771</u> | <u>336,989</u> | <u>21,284,144</u> |
| -- | -- | 2,400 | -- | 41,830 |
| -- | -- | -- | -- | 181,800 |
| <u>36,680</u> | <u>30,800</u> | <u>10,000</u> | <u>7,000</u> | <u>8,812,238</u> |
| <u>36,680</u> | <u>30,800</u> | <u>12,400</u> | <u>23,000</u> | <u>8,835,138</u> |
| <u>818,281</u> | <u>47,212</u> | <u>48,171</u> | <u>385,439</u> | <u>32,240,285</u> |
| -- | -- | -- | -- | 15,660,872 |
| 279,821 | 18,968 | 28,290 | 104,288 | 3,999,078 |
| 78,341 | 1,800 | 81 | 18,999 | 862,837 |
| <u>358,162</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>3,541,112</u> |
| <u>368,528</u> | <u>40,768</u> | <u>28,340</u> | <u>115,288</u> | <u>31,198,117</u> |
| <u>158,215</u> | <u>3,488</u> | <u>7,828</u> | <u>78,071</u> | <u>1,680,541</u> |
| <u>431,131</u> | <u>68,096</u> | <u>8,627</u> | <u>75,972</u> | <u>7,508,291</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(117,828)</u> |
| <u>431,131</u> | <u>68,096</u> | <u>8,627</u> | <u>75,972</u> | <u>7,490,663</u> |
| \$ 1,447,028 | \$ 66,529 | \$ 78,471 | \$ 1,186,683 | \$ 8,473,394 |



Figure 1. Relationship between the number of children and the number of children who are not in school.

where β_0 is the intercept, β_1 is the slope, and ϵ is the error term.

The regression line is shown in Figure 1. The regression equation is:

$$\text{Number of children who are not in school} = 0.4 \times \text{Number of children} + \epsilon$$

where ϵ is the error term. The regression line is shown in Figure 1.

The regression line is shown in Figure 1. The regression equation is:

$$\text{Number of children who are not in school} = 0.4 \times \text{Number of children} + \epsilon$$

where ϵ is the error term. The regression line is shown in Figure 1.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

| INDEX | Page Number |
|---|------------------------|
| Note 1 - Summary of Significant Accounting Policies | 58 |
| Note 2 - Stewardship, Compliance, and Accountability | 58 |
| Note 3 - Cash, Cash Equivalents and Investments | 62 |
| Note 4 - Property Taxes | 58 |
| Note 5 - Federal and State Financial Assistance | 68 |
| Note 6 - Changes in Fixed Assets | 62 |
| Note 7 - Employees' Retirement Systems | 68 |
| Note 8 - Deferred Compensation | 74 |
| Note 9 - Postemployment Benefits | 76 |
| Note 10 - Long-Term Debt | 77 |
| Note 11 - Receivables and Payables | 88 |
| Note 12 - Intergovernmental Transfers | 90 |
| Note 13 - Risk Management | 90 |
| Note 14 - Lease Commitments | 85 |
| Note 15 - Prior Year Adjustments and Accounting Changes | 91 |
| Note 16 - Capital Changes in Funds | 180 |
| Note 17 - Obligations of Intergovernmental Agencies | 181 |
| Note 18 - Segments of Interjurisdictional Activities | 187 |
| Note 19 - Passenger Facility Charges - Greater Baton Rouge Airport District | 184 |
| Note 20 - Solid Waste Disposal Facility Closure and Post-Closure Care Liability | 185 |
| Note 21 - Council Members Compensation | 186 |

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, appropriate 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 Unit

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 (former 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 B. Yates, Retirement Administrator, P.O. Box 1471, Baton Rouge, LA 70821-1471.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

n. Financial Reporting Entity (Continued)

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, 1997, 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 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, 1997)
- Nineteenth Judicial District Court (for the period ended June 30, 1997)
- E.H.R. Parish Family Court (for the period ended December 31, 1997)
- E.H.R. Parish Juvenile Court (for the period ended December 31, 1997)
- Nineteenth Judicial District Indigent Defender Board (for the period ended December 31, 1997)

Financial statements for the East Baton Rouge Parish Clerk of Court (for the period ended June 30, 1997) are also reported in the component units columns of the General Purpose Financial Statements. A financial hardship/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, 1997 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, Riverdale Fire Protection District, Central Fire Protection District, E.H.R. Parish Fire Protection District No. 6, Blainville Fire Protection District, Pride Fire Protection District, Chaneyville Fire Protection District, and Alton-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 incurred 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE L - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

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, 1680 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9197 or at the following administrative offices:

District Attorney Doug Morris
212 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

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

East Baton Rouge Parish Family Court
Kozmin Bullock, Judicial Administrator
212 St. Louis Street, Seventh Floor
Baton Rouge, LA 70802

East Baton Rouge Parish Juvenile Court
Donna Carter, Judicial Administrator
8133 Veterans Memorial Boulevard
Baton Rouge, LA 70803

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

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

Eastside Fire Protection District
15084 Old Hammond Highway
Baton Rouge, LA 70816-1340

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

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

St. George Fire Protection District
13686 Perkins Road
Baton Rouge, LA 70818

Brewerfield Fire Protection District
Chauvinville Fire Protection District
Frida Fire Protection District
Allen-St. Irma Lee Fire Protection District
c/o Brian Mayers, Council Administrator
P.O. Box 1471
Baton Rouge, LA 70821-0471

E.H.E. Parish Fire Protection District No. 8
7878 Prescott Road
Baton Rouge, LA 70812

Capital Transportation Corporation
Michael McClary, Director
2258 Florida Boulevard
Baton Rouge, LA 70802

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations

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

| | |
|---|--|
| Baton Rouge Recreation and Park Commission (BRRC) Mike Proctor, Finance Director P.O. Box 13887 Baton Rouge, LA 70805 | Gas Utility Service District S.M. Laurent, President 18031 Zachary-Dorval Road Zachary, LA 70791-8184 |
| East Baton Rouge Housing Authority Joseph F. Johnson, Executive Director 4146 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 Lace Memorial Hospital 6008 Main Street Zachary, LA 70791 | East Baton Rouge Mortgage Finance Authority Sidney Longwell, Jr., Chairman 8153 United Plaza Boulevard Suite 207, Four United Plaza Baton Rouge, LA 70809-2271 |
| 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:

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

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 Bulletin (ARB) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARB) 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. 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.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

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 Plus 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-Deferred Tax Revenues to 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 Penalties, and Miscellaneous Revenues (except investment earnings) are recorded as revenues when received in cash. Charges for Services and Investment Savings 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-

NOTE 1: Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting (Continued)

term debt are recorded when due, and (3) claims and judgments, group health claims, and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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 31, 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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budget Policies and Budgetary Accounting (Continued)

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 1996 to 1997 totaled \$8,623,169 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 revenues in estimated revenues must be approved by the Council. In accordance with The Financial Governance Act 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 1997, supplemental appropriations in the General Fund in the amount of \$10,178,668 were authorized.

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 awarded 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 640.119 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 include the payroll cash account, cash for insurance, cash for jawe 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, presented between funds. Cash

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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 cash 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 Asset Management Pool (LAMMP) 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 appropriations. 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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

i. Fixed Assets (Continued)

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:

| Type of Fixed Assets | Annual Rate |
|---------------------------|-------------|
| Buildings and Structures | 2.5-4% |
| Roadways and Improvements | 2.5% |
| Furniture | 18% |
| Equipment | 18-20% |

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. 24, 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.

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, 1997, 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.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

i. Long-Term Debt (Continued)

General Obligation Bonds are repaid from property taxes. These property taxes are shown as revenues in the 1995 Capital Improvements Program Debt Service 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.

ii. 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.

iii. 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.

iv. Total Columns on Combined Statements - Overview

Total Columns 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.

v. Compensated Absence

All City-Parish primary government classified and non-classified regular employees, excluding city fire department personnel, 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. City fire department personnel earn vacation in varying amounts based on years of service up to a maximum of one year accrual (two years for retirement purposes only). Vacation is payable upon resignation and discharge.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

p. Compensated Absences (Continued)

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. 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, 1997, the City-Parish retains 14.54% 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, 1997.

GAISS 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 employer's termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 1997, for certain salary-related benefits associated with the payment of compensated absences:

1. A total of 14.54% 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, 1997, is limited to 1/3 of the accumulated sick leave accrued at year-end for DBOP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable under GAISS 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.

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.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

4. Accounting for Special Assessment Projects

Special Assessment Projects are accounted for in capital projects or enterprise funds in accordance with guidelines recommended in Section 549.113-126 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.

5. 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 118 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 survival 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 28.

6. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. These 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-Centropolis Fund shows a deficit in retained earnings of \$1,605,438. 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 \$1,083,295. 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/fund balance of \$1,858,940. The retained earnings deficit for enterprise fund operations for 1997 is \$1,425,640, as compared to \$1,897,614 in 1996. The Capital Transportation Corporation position trust fund reflects fund balance in the amount of \$2,435,288. Capital Transportation Corporation is a bus company that incurs a deficit each year which is offset

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-8
 (Continued)

NOTE 1 - Stewardship, Compliance and Accountability (Continued)

a. Deficit Fund Balance and Retained Earnings of Individual Funds (Continued)

by subsidies from federal and local governments. These operating subsidies do not cover the depreciation on assets acquired with Capital Transportation Cooperation funds or local government contributions, which results in a retained earnings deficit.

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:

| | Revised Budget | Actual (Budgetary Base) | Variance- Favorable (Unfavorable) |
|--|-------------------|-------------------------------|---|
| General Fund: | | | |
| Public Works - Waste Management | \$11,318,187 | \$11,257,478 | \$60,709 |
| Special Revenue Funds: | | | |
| City Constable Court Costs Fund | 752,338 | 814,883 | (62,545) |
| East Baton Rouge Parish Communications District | 1,921,698 | 1,983,285 | (61,587) |
| Consolidated Garbage Service District No. 1 | 8,856,218 | 8,900,884 | (44,666) |
| Debt Service Funds: | | | |
| 1968 Capital Improvements Program | 2,476,238 | 2,476,888 | (650) |

The excess of expenditures and encumbrances over appropriations in Public Works-Waste Management and Consolidated Garbage Service District No. 1 was caused by contractual obligations exceeding earlier projections. Fund Balance reserves were sufficient to provide for these overages.

In accordance with Resolution 24125, adopted by the Metropolitan Council on August 7, 1993, 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.

In the East Baton Rouge Parish Communications District Fund, workers compensation expenditures exceeded projections. Fund Balance reserves were sufficient to provide for overages.

In the 1968 Capital Improvements Program Debt Service Fund, costs for collecting property taxes exceeded projections.

a. Budgetary - GAAP Reporting Reconciliation

Actual 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-4
 (Continued)

NOTE 2 - Stewardship, Compliance and Accessibility (Continued)

c. Budgetary - GAAP Reporting Reconciliation (Continued)

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 and 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) | \$4,479,700 | \$11,169,919 | \$479,479 |
| Adjustments: | | | |
| To adjust for encumbrances | 2,642,291 | (8,391,690) | — |
| To adjust for U.S. Housing and Urban Development loans receivable | — | 1,659,768 | — |
| Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses (GAAP Basis) | <u>\$1,837,409</u> | <u>\$4,437,997</u> | <u>\$479,479</u> |

The budgetary basis accounts for encumbrances as expenditures in the year in which the funds are encumbered. However, on the GAAP basis, expenditures for encumbered funds are recognized when the obligation is liquidated. Therefore, a timing difference exists between budgetary practices and GAAP. In accounting for grant funds, fiscal balance is not reserved for the greater 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:

| | 1997 | 1996 | 1997 Over (Under) 1996 |
|--------------------------|---------------------|---------------------|---------------------------|
| Reserve for Encumbrances | \$ 8,249,794 | \$10,717,562 | \$(2,467,768) |
| Grant Encumbrances | <u>1,951,348</u> | <u>3,853,267</u> | <u>(1,901,919)</u> |
| Total Encumbrances | <u>\$10,201,142</u> | <u>\$14,570,829</u> | <u>\$4,369,687</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."

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

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

a. Deposits - Primary Government

City-Parish deposits (including demand deposit accounts and certificates of deposits) at December 31, 1997, for the City-Parish primary government are summarized as follows:

| | Carrying Amount | Bank Balance |
|------------|----------------------|----------------------|
| Category 1 | \$140,316,836 | \$142,469,817 |
| Category 2 | -- | -- |
| Category 3 | ----- | ----- |
| Total | <u>\$140,316,836</u> | <u>\$142,469,817</u> |

Certificates of deposit with a maturity of 90 days or more are classified on the combined balance sheet as "Investments" (MLA 974-836). The remaining carrying amount of \$15,342,635 is classified as "Cash and Cash Equivalents."

The City-Parish's bank balance of deposits at December 31, 1997, is categorized shown 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 \$4,371,460 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 31 (3.33) of the deposits that are in Category 1.

b. Cash Equivalents and Investments - Primary Government

The City-Parish is authorized by LRS 96:1211-1240 and 93:2815 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

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

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

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 investments 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 on revenue bonds for the City of East 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 collateralized 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, and 1996 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, and 1997 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 Investor 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, 1997, 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>\$5,213,336</u> | \$ 5,213,374 | \$ 5,196,177 |
| Investments not subject to categorization: | | | |
| Louisiana Asset Management Pool (LAMP) | | <u>54,907,001</u> | <u>54,747,816</u> |
| Total | | <u>\$10,120,375</u> | <u>\$10,137,693</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

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

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

1. Component Units

| | |
|---|---------------------|
| Cash and Cash Equivalents: | |
| Deposits | \$11,407,250 |
| Cash on hand | 450 |
| Sub-total Cash and Cash Equivalents | <u>11,407,700</u> |
| Investments: | |
| Deposits | 9,621,308 |
| Investments | 2,182,898 |
| Sub-total Investments | <u>11,804,206</u> |
| Investments in Deferred Compensation | <u>916,474</u> |
| Cash, Cash Equivalents and Investments, December 31, 1997 | <u>\$24,128,380</u> |

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 15) provided that land and improvements for residential purposes be assessed at 10% of fair market value, other property and electric cooperative properties, including land, are to be assessed at 15%, and public service properties, including land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1997). 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 51:140.5), 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 1997 property tax calendar is as follows:

| | |
|-----------------------|-------------------|
| Levy Date | March 12, 1997 |
| Millage Rates Adopted | March 12, 1997 |
| Tax Bills Mailed | December 1, 1997 |
| Due Date | December 31, 1997 |
| Lien Date | January 1, 1998 |

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 47:2103). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 4 - Property Taxes (Continued)

to sell the least quantity of property necessary to settle the taxes and interest owed (LRE 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(a), 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 Receivable | Estimated Uncollectible Property Taxes | Net Property Taxes Receivable |
|-----------------------|---------------------------------|---|--|
| General Fund | \$ 9,170,229 | \$ 387,295 | \$ 8,782,934 |
| Special Revenue Funds | 15,981,619 | 934,296 | 14,848,323 |
| Debt Service Funds | <u>226,842</u> | <u>33,683</u> | <u>213,159</u> |
| Total | <u>\$15,488,690</u> | <u>\$1,215,274</u> | <u>\$14,113,416</u> |

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

| | Property Taxes Receivable | Estimated Uncollectible Property Taxes | Net Property Taxes Receivable |
|--|---------------------------------|---|--|
| St. George Fire Protection District | \$ 896,443 | \$ 116,890 | \$ 879,553 |
| Brownfield Fire Protection District | 69,737 | 4,979 | 64,757 |
| Central Fire Protection District | 272,477 | 23,599 | 248,877 |
| E.I.R.E. Parish Fire Protection District No. 4 | 166,134 | 8,184 | 157,950 |
| Eastside Fire Protection District | 214,980 | 8,839 | 206,141 |
| Allen-St. Imma Lee Fire Protection District | <u>125,387</u> | <u>468</u> | <u>124,919</u> |
| Total | <u>\$1,785,035</u> | <u>\$162,814</u> | <u>\$1,622,221</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 5 - Federal and State Financial Activities

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 Services Process." Receivables are established when expenditures are incurred. The grants normally specify the purposes for which funds may be used and are audited annually in accordance with Office of Management and Budget Circular A-113 under the "Single Audit Concept."

During 1997 and 1996, the following amounts under various grants and entitlements are recorded as revenues, advances, or additions to contributions in the accompanying financial statements:

| | <u>1997</u> | <u>1996</u> |
|--------------------------------------|---------------------|---------------------|
| Primary Government: | | |
| Special Revenue Funds: | | |
| Grants Fund | \$11,586,428 | \$28,840,501 |
| Capital Projects Funds: | | |
| 1995-1996 Capital Improvements Fund | 325,440 | - |
| Enterprise Funds: | | |
| Greater Baton Rouge Airport District | 3,003,748 | 3,784,297 |
| Riverside Complex Fund | 648,637 | 574,544 |
| Internal Service Funds: | | |
| Central Garage Fund | - | 411,738 |
| Total Primary Government | <u>\$15,573,245</u> | <u>\$33,691,080</u> |
| Component Unit: | | |
| Capital Transportation Corporation | <u>\$ 3,605,465</u> | <u>\$ 4,137,247</u> |

b. Food Stamp Program

The Food Stamp Program was operated by the City-Parish under an agreement with the State of Louisiana Department of Social Services. Under this program, the Finance Department-Revenue Division was responsible for the issuance of food stamps to eligible participants in the parish. The value of food stamps on hand, received, and issued is not recorded in the accompanying statements. Activity for the year follows:

| | |
|--|---------------------|
| Balance at January 1, 1997 | \$ 12,254,534 |
| Received | 11,251,085 |
| Issued | (18,036,545) |
| **Food Stamps returned to La. Department of Social Services | <u>(4,408,051)</u> |
| Balance at December 31, 1997 | <u>\$ 1,061,023</u> |

** In July 1997, an Electronic Benefit Transfer (EBT) program was implemented in East Baton Rouge Parish. The EBT replaced the manual issuance system which required counting and issuing food stamps.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-8
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

c. On-Behalf Payments for Salaries and Benefits

During 1995 the City-Parish implemented GASB Statement No. 34, *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 expenditures (expense) payments is the actual contribution made by the state. For 1997, 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 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 33:792 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 Lakeview Retirement Systems.

On-behalf payments recorded as revenues and expenditures (expense) in the 1997 financial statements are as follows:

| | State Supplemented Salaries | MERS Contribution | Total 1997 On-Behalf Payments |
|--|-----------------------------------|----------------------|-------------------------------------|
| Primary Government: | | | |
| General Fund | \$4,251,091 | \$162,219 | \$4,613,310 |
| Special Revenue Funds | 7,331 | -- | 7,331 |
| Enterprise Funds | <u>86,581</u> | <u>--</u> | <u>86,581</u> |
| Total Primary Government | <u>4,345,003</u> | <u>162,219</u> | <u>4,707,222</u> |
| Component Units: | | | |
| District Attorney of the Nineteenth Judicial District | 1,166,641 | -- | 1,166,641 |
| Nineteenth Judicial District Court | 2,056,070 | -- | 2,056,070 |
| E.B.R. Parish Family Court | 514,007 | -- | 514,007 |
| E.B.R. Parish Juvenile Court | 295,607 | -- | 295,607 |
| St. George Fire Protection District | 33,448 | -- | 33,448 |
| E.B.R. Parish Fire Protection District No. 6 | 12,628 | -- | 12,628 |
| Brownfield Fire Protection District | 10,374 | -- | 10,374 |
| Central Fire Protection District | <u>24,228</u> | <u>--</u> | <u>24,228</u> |
| Total Component Units | <u>4,023,061</u> | <u>--</u> | <u>4,023,061</u> |
| Total On-Behalf Payments | <u>\$8,368,064</u> | <u>\$162,219</u> | <u>\$8,530,283</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 6 - Changes in Fixed Assets

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

| | Balance 12/31/97 | Additions | Adjustments and Deletions | Balance 12/31/98 |
|-----------------------------------|---------------------------|---------------------------|---------------------------------|-----------------------------|
| Land | \$ 16,334,985 | \$ 666,607 | \$ -- | \$ 17,001,592 |
| Buildings | 120,884,987 | 2,499,154 | 148,180 | 123,242,081 |
| Improvements Other Than Buildings | 213,837,212 | 11,299,087 | (3,998,905) | 221,099,380 |
| Equipment | 60,458,149 | 8,197,446 | 4,863,988 | 64,512,587 |
| Equipment Under Capital Leases | 7,348,241 | 274,561 | 168,724 | 7,451,078 |
| Construction Work in Progress | <u>3,826,268</u> | <u>3,717,280</u> | <u>(4,828,472)</u> | <u>1,515,066</u> |
| Total | <u>342,678,792</u> | <u>326,692,165</u> | <u>\$ (4,798,866)</u> | <u>\$444,562,091</u> |

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

| | Project Authorization | Capitalized | Balance in Construction Work in Progress 12/31/97 | Committed | Estimated Required Future Financing |
|------------------------------------|---------------------------|---------------------------|---|---------------------------|--|
| New Municipal Waste Facility | \$ 22,468,000 | \$22,462,000 | \$ -- | \$ -- | None |
| 1983 Road Capital Improvements | 4,314,500 | 4,314,348 | -- | 257 | None |
| Miscellaneous Capital Improvements | 28,964,080 | 26,418,081 | -- | 3,526 | None |
| 1995-1996 Capital Improvements | 28,775,470 | 8,859,919 | 2,782,762 | 3,899,283 | None |
| Road and Street Improvements | 7,401,619 | 1,213,281 | 1,020,835 | 1,292,995 | None |
| Community Development | 11,317,941 | 6,314,234 | 1,086,908 | 963,886 | None |
| General Government | 2,648,578 | 1,178,869 | 19,358 | 216,115 | None |
| Street Improvements | 26,296,350 | 20,446,860 | 622,220 | 653,698 | None |
| Emergency Medical Services | <u>60,412</u> | <u>28,412</u> | <u>--</u> | <u>--</u> | None |
| Total | <u>112,639,411</u> | <u>102,221,971</u> | <u>25,543,181</u> | <u>\$6,531,848</u> | |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 8 - Changes in Fixed Assets (Continued)

- a. A summary of Primary Government proprietary fixed type and personal trust fixed property, plant, and equipment at December 31, 1997, follows:

| | Excess | Internal Service | Pension Trust |
|-----------------------------------|-----------------------|----------------------|---------------------|
| Land | \$ 43,884,624 | \$ 47,568 | \$ 590,028 |
| Buildings | 60,889,940 | 2,215,799 | 681,342 |
| Improvements Other Than Buildings | 528,289,215 | 7,180 | -- |
| Equipment | 13,176,218 | 8,885,191 | 193,653 |
| Equipment Under Capital Leases | 37,020 | 8,834,474 | -- |
| Construction Work in Progress | <u>16,323,818</u> | <u>—</u> | <u>—</u> |
| Total | 682,732,175 | 30,019,251 | 1,459,008 |
| Less Accumulated Depreciation | <u>(119,851,856)</u> | <u>(10,034,652)</u> | <u>(458,350)</u> |
| Net Fixed Assets | <u>\$ 562,880,319</u> | <u>\$ 19,984,599</u> | <u>\$ 1,000,658</u> |

- b. Construction Work in Progress at December 31, 1997, for Primary Government enterprise funds is composed of the following:

| | Project Authorization | Expended to Date | Capitalized | Balance in Construction Work in Progress 12/31/97 |
|---|-----------------------|--------------------|-------------------|---|
| Greater Baton Rouge Airport District: | | | | |
| Miscellaneous Project Costs | \$ 3,680,887 | \$ 716,928 | \$ 3,445 | \$ 797,483 |
| Land Acquisition for Noise Compatibility | 2,927,777 | 2,658,034 | 976,708 | 1,871,315 |
| Terminal Access Road Off-Ramp | 201,818 | 201,018 | — | 200,818 |
| Aircraft Rescue Firefighting Facility | 183,880 | 183,880 | — | 183,880 |
| Rehabilitation of Aircraft Rescue and Firefighting Facility | 2,787,525 | 263,075 | 129,869 | 168,075 |
| Land Acquisition and Relocation Assistance | 2,272,222 | 45,521 | — | 45,521 |
| Terminal Development | <u>16,648,865</u> | <u>2,868,438</u> | <u>—</u> | <u>3,065,438</u> |
| Total | <u>28,958,184</u> | <u>6,542,082</u> | <u>1,005,124</u> | <u>5,435,848</u> |
| Riverside Castleside Fund: | | | | |
| Miscellaneous | <u>4,620</u> | <u>2,086</u> | <u>—</u> | <u>2,086</u> |
| Comprehensive Sewerage System Fund: | | | | |
| North Wastewater Treatment Plant | | | | |
| Expansion Phase III | 16,860,080 | 4,454,615 | 130,696 | 4,348,917 |
| Rehabilitation Construction | 23,233,680 | 8,428,373 | 2,735,531 | 8,694,144 |
| Trunkline System | <u>86,425,048</u> | <u>85,813,076</u> | <u>85,790,341</u> | <u>48,275</u> |
| Total | <u>126,518,808</u> | <u>98,716,286</u> | <u>88,626,172</u> | <u>11,091,336</u> |
| Total-All Enterprise Funds | <u>118,467,892</u> | <u>105,284,354</u> | <u>98,736,124</u> | <u>16,527,818</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 6: Changes in Fixed Assets (Continued)

a. Construction Work in Progress at December 31, 1997, for Primary Government enterprise funds (Continued):

Total construction period interest costs of \$2,607,145 were capitalized in 1997 in the Cooperative Sewerage System Fund. Construction period interest costs of \$1,744,700 from the current and previous fiscal years remain in Construction Work in Progress at December 31, 1997. These costs cannot be capitalized because they have been allocated to projects that are not substantially complete.

a. A summary of changes in general fixed assets for governmental fund component units is as follows:

| | Balance Beginning of Year | Additions | Adjustments and Deletions | Balance End of Year |
|---|---------------------------------|-----------|---------------------------------|---------------------------|
| Districts Antennae of the Metropolitan Police Department Equipment | \$1,177,451 | \$161,880 | \$ 17,436 | \$1,356,767 |
| Metropolitan Judicial District Court Equipment | \$1,264,434 | \$ 89,840 | \$ 6,813 | \$1,361,087 |
| E.B.R. Parish Family Court Equipment | \$ 81,471 | \$ 12,758 | \$ 77 | \$ 94,306 |
| E.B.R. Parish Juvenile Court Equipment | \$ 311,351 | \$ 29,899 | \$ — | \$ 341,250 |
| Metropolitan Judicial District Judge's Defender Board Equipment | \$ 667,920 | \$ 22,491 | \$ 8,700 | \$ 699,111 |
| E.B.R. Parish Clerk of Court Equipment | \$1,652,774 | \$ 48,689 | \$ 89,100 | \$1,790,563 |
| Central Region Planning Commission Equipment | \$ 234,085 | \$ 48,118 | \$ — | \$ 282,203 |
| St. George Fire Protection District | | | | |
| Land | \$ 65,906 | \$ — | \$ — | \$ 65,906 |
| Buildings | 962,521 | — | — | 962,521 |
| Equipment | 2,148,747 | 13,080 | 83,640 | 2,245,467 |
| Equipment Under Capital Leases | 422,911 | — | — | 422,911 |
| Total St. George Fire Protection District | \$3,999,985 | \$ 13,080 | \$ 83,640 | \$4,196,705 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 8 - Changes in Fixed Assets (Continued)

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

| | Balance Beginning of Year | Additions | Adjustments and Deletions | Balance End of Year |
|---|---------------------------------|------------------|---------------------------------|---------------------------|
| Brownfield Fire Protection District | | | | |
| Land | \$ 18,992 | \$ -- | \$ -- | \$ 18,992 |
| Buildings | 59,323 | -- | -- | 59,323 |
| Equipment | 317,211 | 17,787 | -- | 334,998 |
| Total Brownfield Fire Protection District | <u>\$ 395,526</u> | <u>\$ 17,787</u> | <u>\$ --</u> | <u>\$ 413,313</u> |
| Central Fire Protection District | | | | |
| Land | \$ 165,818 | \$ -- | \$ -- | \$ 165,818 |
| Buildings | 689,818 | 144,999 | -- | 834,817 |
| Equipment | 77,448 | 86,188 | 58,512 | 222,148 |
| Equipment Under Capital Leases | 489,887 | 171,800 | -- | 661,687 |
| Total Central Fire Protection District | <u>\$2,002,971</u> | <u>\$392,987</u> | <u>\$ 58,512</u> | <u>\$2,454,470</u> |
| E.R.R. Parish Fire Protection District No. 6 | | | | |
| Land | \$ 33,000 | \$ -- | \$ -- | \$ 33,000 |
| Buildings | 250,379 | 3,871 | -- | 254,250 |
| Equipment | 437,151 | 27,824 | 34,318 | 499,293 |
| Equipment Under Capital Leases | 188,781 | -- | -- | 188,781 |
| Total E.R.R. Parish Fire Protection District No. 6 | <u>\$ 1,000,011</u> | <u>\$ 31,695</u> | <u>\$ 34,318</u> | <u>\$ 1,066,024</u> |
| Eastside Fire Protection District | | | | |
| Land | \$ 151,360 | \$ -- | \$ -- | \$ 151,360 |
| Buildings | 1,858,711 | -- | -- | 1,858,711 |
| Equipment | 658,797 | 188,146 | -- | 846,943 |
| Equipment Under Capital Leases | 82,085 | -- | 82,085 | -- |
| Total Eastside Fire Protection District | <u>\$3,721,053</u> | <u>\$188,146</u> | <u>\$ 82,085</u> | <u>\$3,991,284</u> |
| Prize Fire Protection District | | | | |
| Land | \$ 15,000 | \$ -- | \$ -- | \$ 15,000 |
| Equipment | 184,328 | 1,593 | 28,248 | 224,169 |
| Total Prize Fire Protection District | <u>\$ 199,328</u> | <u>\$ 1,593</u> | <u>\$ 28,248</u> | <u>\$ 229,169</u> |
| Cherryville Fire Protection District | | | | |
| Buildings | \$ 169,134 | \$ -- | \$ -- | \$ 169,134 |
| Equipment | 143,880 | 1,808 | 121,843 | 294,971 |
| Total Cherryville Fire Protection District | <u>\$ 313,014</u> | <u>\$ 1,808</u> | <u>\$121,843</u> | <u>\$ 436,665</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 6 - Changes in Fixed Assets (Continued)

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

| | Balance Beginning of Year | Additions | Adjustments and Deletions | Balance End of Year |
|--|---------------------------------|------------------|---------------------------------|---------------------------|
| Alton-St. Irma Lee Fire Protection District | | | | |
| Land | \$ 9,000 | \$ -- | \$ -- | \$ 9,000 |
| Buildings | 256,496 | -- | -- | 256,496 |
| Equipment | 78,229 | 10,590 | -- | 88,819 |
| Total Alton-St. Irma Lee Fire Protection District | <u>\$ 343,725</u> | <u>\$ 10,590</u> | <u>\$ --</u> | <u>\$ 354,315</u> |

b. A summary of property, plant, and equipment for Capital Transportation Corporation, a proprietary fund type component unit at December 31, 1997 is as follows:

| | |
|-------------------------------|---------------------|
| Land | \$ 378,607 |
| Buildings | 2,132,116 |
| Equipment | 9,184,357 |
| Construction Work in Progress | --8,183,324 |
| Total | 17,782,314 |
| Less Accumulated Depreciation | --(5,795,658) |
| Net Fixed Assets | <u>\$11,986,656</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
 Brewwick 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 (BRRC)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

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.) the Director of Finance serves by virtue of his/her position. The two trustees appointed by the Metropolitan Council 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:

Jeffrey B. 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 Net Deferred 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 of GASB Statement No. 25 for an employee. The primary government has not adopted GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, thus the funding policy and total information for the Retirement System are disclosed under the provisions of GASB Statement No. 5, *Disclosure of Defined Benefit Pension Information for Public Employee Retirement Systems and State and Local Government Employers*.

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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

Current membership in the Employees' Retirement System is comprised of the following:

| | |
|---|--------------|
| Retirees and beneficiaries currently receiving benefits | 1,723 |
| Vested terminated employees | 23 |
| Deferred retirees | 376 |
| Active Employees: | |
| Fully vested | 1,658 |
| Nonvested | 2,313 |
| Total | 6,093 |

Deferred retirees (participants in the Deferred Retirement Option Plan (DRO)) are employees who are eligible for retirement, but have chosen to continue employment for a maximum of five years. Pension amounts are fixed for these employees, and contributions are no longer made to the system on their earnings. Benefits for these employees are placed in a deferred reserve account until the deferred retirement option period lapses or until the employee discontinues employment. The amounts held in DRO accounts as of December 31, 1997, and 1996 total \$68,165,823 and \$83,208,174, respectively, and are included in plan net assets. Members maintaining accounts in the DRO program as of December 31, 1997, and 1996 were 650 and 684, respectively.

As of December 31, 1997, the City-Parish had a total of 4,036 employees (excluding contract employees) who earned a total annual salary of \$118,779,815. The total covered payroll of the active members (including DRAP, 138 active employees) was \$114,182,750. The actuarial report indicated that as of December 31, 1997, the negative employers in the system had 1,723 retirees and beneficiaries who received a total annual benefit of \$26,482,954.

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 7% 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 7% for each year below age 65, if service is less than 25 years.

NOTE 7 - Employee Retirement Systems (Continued)

a. Primary Government (Continued)

3. 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 employees and their employers 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 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 is 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 1997, employees made a mandatory contribution of .8% of gross earnings while the employer contribution was 12% of active payroll from January 1 through March 31 and 15.08% of active payroll from April 1 through December 31. Beginning with the 1998 fiscal year, employees will make a mandatory contribution of 9.5% of gross earnings while the employer contribution will be 16.12% of active payroll.

The 1998 actuarial valuation for the year 1997 was prepared in accordance with Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Assumed 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.

As of December 31, 1997, Normal Cost (that portion of an actuarial valuation allocated to a valuation year) was \$6,568,897 while the amortization of the actuarial assumed unfunded liability was \$14,946,118 for a total system actuarially determined employer contribution of \$21,514,627. Under the entry age actuarial method, actuarial gains (losses), as they occur, reduce (increase) the unfunded actuarial assumed liability.

For the 1997 fiscal year, the employer contribution (City-Parish only) was \$15,776,077 or 12% of active payroll from January 1 through March 31 and 15.08% of active payroll from April 1 through December 31. Actual contributions by employees (City-Parish only) for 1997 was \$8,648,823.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 1: Employee Retirement System (Continued)

a. Primary Government (Continued)

4. Funding Policy (Continued)

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date as defined by GASB Statement No. 5. The measure, which is the actuarial present value of expected projected benefits, is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public-employee retirement systems and employers. The Retirement System does not make separate measurements of assets and pension benefit obligations for individual employees. Significant actuarial assumptions used include: (a) a rate of return on the investment of present and future assets of 8.0% per year in 1997 and 1998, compounded annually, (b) projected salary increases of 4.0% per year compounded annually for 1997 and 1998, attributable to inflation, (c) additional projected salary increases based on years of service and age attributable to seniority and merit, and (d) no post-retirement benefit increases. The pension benefit obligation of the Retirement System is based on the standardized measurements established by GASB Statement No. 5 and is independent of the actuarial computation made to determine contributions to the system.

The following information regarding the system's pension benefit obligation is based on the December 31, 1997, actuarial valuation:

| | |
|---|----------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | \$253,870,714 |
| Current employees: | |
| Accumulated employee contributions | 84,163,273 |
| Employee-financed vested | 318,862,740 |
| Employee-financed retirement | <u>108,979,454</u> |
| Total pension benefit obligation | 761,695,181 |
| Net assets available for benefits | <u>531,084,558</u> |
| | |
| Unfunded pension benefit obligation | <u>\$230,610,623</u> |

Selected trend information for the Retirement System in accordance with GASB Statement No. 3 is presented as follows and is exhibit E-2:

| Fiscal Year | (1) Book Value Net Assets Available For Benefits | (2) Pension Benefit Obligation | (3) Percentage Funded (1)/(2) | (4) Unfunded Pension Benefit Obligation | (5) Annual Covered Expense | (6) Unfunded Pension Benefit Obligation as a Percentage of Covered Expense (4)/(5) |
|-------------|--|---|--|---|-------------------------------------|--|
| 1988 | \$120,542,656 | \$164,144,218 | 73.1% | \$23,601,563 | \$73,632,482 | 32.1% |
| 1989 | 144,838,125 | 264,991,580 | 54.3 | 28,941,440 | 71,034,490 | 28.3 |
| 1990 | 168,318,040 | 388,802,769 | 55.8 | 28,484,729 | 78,940,601 | 26.8 |
| 1997 | 399,988,834 | 638,644,746 | 64.3 | 23,655,912 | 89,681,021 | 26.7 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

4. Funding Policy (Continued)

Selected trend information for the Retirement System (Continued):

| Fiscal Year | (1) | (2) | (3) | (4) | (5) | (6) |
|-------------|---|---------------|-------|----------------------------------|---------------|---------------------------------|
| | Book Value Net Assets Available For Benefits | | | Pension Benefit Obligation | | Percentage Funded (1)/(2) |
| 1992 | \$428,813,596 | \$662,897,666 | 64.6% | \$ 234,084,070 | \$ 91,616,185 | 24.9% |
| 1993 | 468,645,060 | 519,486,531 | 89.2 | 58,841,471 | 94,471,926 | 51.8 |
| 1994 | 468,476,489 | 518,716,265 | 75.9 | 148,239,777 | 108,596,231 | 146.3 |
| 1995 | 484,178,088 | 608,776,819 | 72.4 | 184,597,731 | 104,801,384 | 176.3 |
| 1996 | 517,028,130 | 731,151,769 | 70.7 | 214,123,639 | 109,698,986 | 195.3 |
| 1997 | 533,864,598 | 763,614,181 | 72.4 | 219,749,583 | 114,182,750 | 184.6 |

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 Vested Annuity Plans*, and is addressing the reporting implications of 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 McClary, Director
 2258 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.

NOTE L. 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.

Required Supplementary Information

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability IASLI | Unfunded AAL | Funded Ratio | Covered Profil | Unfunded AAL as a percentage of assets |
|--------------------------------|---------------------------------|--|-----------------|-----------------|-------------------|---|
| 12/31/97 * | \$2,048,373 | \$2,109,591 | \$611,408 | 86.4% | \$2,318,162 | 4.1% |

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

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

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.

NOTE 1: Employees' Retirement Systems (Continued)

i. Component Units (Continued)

1. District Attorney of the Nineteenth Judicial District Defined Benefit Pension Plans (Continued)

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 Devine Street, New Orleans, Louisiana 70116, or by calling (504) 647-5551.

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. The current rate is 2.5% of annual covered payroll. 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 attorney's contributions to the LDARS for the year ended December 31, 1997, were \$74,560 equal to the required contributions for each 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, 1997, were \$167,728. Additional information on this system is included in Note 7(a)(1) above.

2. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System

The employees of the Commission's offices, whose salaries are paid from appropriations from the State of Louisiana, are members of the Louisiana State Employees' Retirement System ("System"), a single-employer, public employer retirement system (PERCO). 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 404. 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 Commission's office adds 12% employer's match. The Commission's offices' statutory contributions for the year ending June 30, 1997, 1996, and 1995 were \$14,006, \$14,341, and \$21,976, respectively, which was equal to the required contributions for each year.

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

3. Nineteenth Judicial District Court Pension Plan (Continued)

Louisiana Clerk of Court Retirement and Relief Fund

Other court employees, whose salaries are expenditures of the Judicial Expenses Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund. See section 631 of this note for disclosure on this multiple-employer cost-sharing PERS.

The Nineteenth Judicial District Court's contributions to the system for the years ended June 30, 1997, 1996, and 1995, were \$68,671, \$61,921, and \$57,585, 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 1993 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 unlimited period as of December 31, 1997. Contributions in 1997 were \$165,180.

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 1.7% 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 employees are established and controlled by state statute. The E.B.R. Clerk of Court's contributions to the system for the years ending June 30, 1997, 1996, and 1995, were \$179,812, \$399,390, and \$319,827, 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 Brikstone Avenue, Suite 61, 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

NOTE 8 - Deferred Compensation (Continued)

a. Primary Government (Continued)

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 implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 417 Deferred Compensation Plans*, in 1997. 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, its assets and liabilities are not presented in the City-Parish's financial statements as of December 31, 1997.

Assets totaling \$24,622,547 are held by Public Employees Benefit Services Corporation, a deferred compensation trust, and assets totaling \$264,784 are held by Aetna Life Insurance and Annuity Company under agreement with City-Parish.

b. Component Unit - Capital Region Planning Commission

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 417. 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 participants. Commission employees have all selected a fund which consists of investments in insurance companies (a) rated A+ 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.

No more than 25% of the portfolio is invested with any single insurance company. The rates of return since the fund's inception in 1984 range from 6.80% to 11.75% per annum.

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 (and will be) held or made available to the employer 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. Plan assets and the related liability to employees are reported at market value in an agency fund in accordance with GASB Statements No. 2 and 31.

NOTE 8 - Deferred Compensation (Continued)

a. Louisiana Public Employees' Deferred Compensation Plan

Many Louisiana local governments, including the East Baton Rouge Parish Clerk of Court and the Nineteenth Judicial District Court, participate in the State of Louisiana Public Employees' Deferred Compensation Plan, which is a cost-sharing multiple-employer public employee deferred compensation plan created in accordance with Internal Revenue Code Section 457, and Louisiana Revised Statutes 42:1301 through 42:1308. The plan, available to all Clerk and CTC employees, permits them to defer a portion of their salary until future periods. Participation in the plan is optional. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency similar to the Plan of the primary government.

It is the opinion of the State's Attorney General that the participating employees have no liability for losses under the plan but do have the duty of due care that would be required of an ordinary investor. Investments are managed by the plan's trustee. Choice of investment option is made by the participants.

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 insurance program. Employees are offered their choice of two health maintenance organizations or an indemnity plan for health benefits. 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 employers and retirees contributing 58% 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, 1992. 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 1997 the government recognized estimated expenditures for postretirement health and dental benefits as follows:

| | Average Number of Estimated Participants | Amount |
|--------|---|-------------|
| Health | 1,311 | \$3,135,668 |
| Dental | 979 | 286,042 |

b. Life Insurance Benefits

In accordance with City Resolution 1942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1996, all City-Parish employees who retired after May 1, 1996, have \$5,000 of term life insurance coverage. As of December 31, 1997, approximately 908 retirees had the \$5,000 coverage with Prudential Life Insurance Company.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 9 - Postemployment Benefits (Continued)

b. Life Insurance Benefits (Continued)

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-Continuation Fund Account. The fund has a balance of approximately \$300,000 as of January 1, 1998.

NOTE 10 - Long-Term Debt

a. Primary Government

i. 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 restatement 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.

| | Balance 12/31/97 | Additions | Reductions | Balance 12/31/98 |
|--|---------------------|-------------------|-------------------|---------------------|
| General Long-Term Debt Account Group | | | | |
| General Obligation Bonds | \$ 3,655,000 | \$ -- | \$ 2,355,000 | \$ 1,300,000 |
| Income Revenue Contracts | 76,804 | -- | 9,966 | 66,838 |
| Revenue Bonds | 115,848,000 | 19,329,000 | 6,151,000 | 129,026,000 |
| Compensated Absences Payable | 3,814,399 | 628,155 | -- | 4,442,554 |
| Obligation Under Capital Leases (Note 14) | 5,216,507 | 374,561 | 1,532,987 | 3,958,081 |
| Claims and Judgments Payable (Note 13) | 33,907,295 | 3,387,500 | 8,890,693 | 28,404,102 |
| Employee Benefits Payable (Note 12) | 783,199 | 3,648,899 | 3,773,741 | 660,357 |
| Advantage Payable for Governmental Fund Types | <u>18,462</u> | <u>8,735</u> | <u>--</u> | <u>19,238</u> |
| Total General Long-Term Debt Account Group | <u>167,794,715</u> | <u>27,472,868</u> | <u>22,647,119</u> | <u>173,619,215</u> |
| Enterprise Funds (Excluding Current Portion) | | | | |
| Obligations Payable | 62,136,121 | 34,948,000 | 4,966,071 | 72,118,050 |
| Revenue Bonds Payable | 217,420,809 | -- | 4,830,080 | 212,590,729 |
| Deferred Amount on Refunding Landfill Closure and Postclosure Care Liability (Note 20) | (2,199,613) | -- | (219,819) | (2,419,432) |
| Long-Term Obligation Under Capital Leases | <u>19,847</u> | <u>--</u> | <u>12,632</u> | <u>7,215</u> |
| Total Enterprise Funds | <u>217,665,164</u> | <u>35,016,800</u> | <u>5,803,522</u> | <u>247,878,442</u> |
| Internal Service Funds (Excluding Current Portion) | | | | |
| Long-Term Obligation Under Capital Leases | <u>2,580,718</u> | <u>2,681,551</u> | <u>3,075,115</u> | <u>1,853,216</u> |
| Total Long-Term Debt | <u>547,740,318</u> | <u>64,070,123</u> | <u>31,525,756</u> | <u>581,284,673</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 16 - 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, 1997:

| | <u>Interest</u> <u>Dates</u> | <u>Issue</u> <u>Date</u> | <u>Final</u> <u>Maturity</u> <u>Date</u> | <u>Original</u> <u>Authorized</u> <u>and Issued</u> | <u>Outstanding</u> |
|---|---------------------------------|-----------------------------|--|---|----------------------|
| General Obligation Bonds | | | | | |
| 1985 Capital Improvements Program: | | | | | |
| Drainage Series 1987 | 04/01-10/01 | 04/01/87 | 04/01/97 | \$ 13,500,000 | \$ -- |
| Roads and Bridges Series 1987 | 04/01-10/01 | 04/01/87 | 04/01/97 | 6,400,000 | -- |
| Drainage Series 1988 | 06/01-12/01 | 06/01/88 | 06/01/98 | 8,400,000 | 325,000 |
| Roads and Bridges Series 1988 | 06/01-12/01 | 06/01/88 | 06/01/98 | 17,500,000 | 175,000 |
| Total General Obligation Bonds | | | | <u>45,800,000</u> | <u>1,300,000</u> |
| Special Revenue Contracts | | | | | |
| Parish of East Baton Rouge | | | | | |
| 1987 Aul Project Contract | 06/15-12/15 | 12/15/82 | 06/15/2002 | 150,000 | 66,833 |
| Revenue Bonds | | | | | |
| City of Baton Rouge: | | | | | |
| 1989 Public Improvement Sales Tax | 02/01-08/01 | 08/01/89 | 08/01/2008 | 14,340,000 | 10,823,000 |
| 1990 Public Improvement Sales Tax | 02/01-08/01 | 12/01/90 | 08/01/2013 | 5,000,000 | 4,398,000 |
| 1991 Public Improvement Sales Tax | 02/01-08/01 | 02/01/92 | 08/01/2005 | 21,400,000 | 19,805,000 |
| 1982A Public Improvement Sales Tax | 02/01-08/01 | 04/01/92 | 08/01/2012 | 83,000,000 | 87,268,000 |
| 1983 Public Improvement Sales Tax | 02/01-08/01 | 10/01/93 | 08/01/2018 | 4,000,000 | 3,718,000 |
| 1987 Public Improvement Sales Tax | 02/01-08/01 | 10/01/97 | 08/01/2017 | 19,323,000 | 18,323,000 |
| Parish of East Baton Rouge: | | | | | |
| 1989 Public Improvement Sales Tax | 02/01-08/01 | 08/01/89 | 08/01/2008 | 6,825,000 | 4,865,000 |
| Newse Sales Tax Bonds: | | | | | |
| 1988 Public Improvement Sales Tax | 02/01-08/01 | 02/01/88 | 02/01/2014 | 43,800,000 | 2,330,000 |
| 1991 Public Improvement Sales Tax | 02/01-08/01 | 08/01/91 | 02/01/2016 | 20,800,000 | 18,115,000 |
| 1993 Public Improvement Sales Tax | 02/01-08/01 | 08/01/93 | 02/01/2018 | 30,200,000 | 28,133,000 |
| 1993A Public Improvement Sales Tax | 02/01-08/01 | 10/01/93 | 02/01/2018 | 70,800,000 | 69,990,000 |
| 1995 Public Improvement Sales Tax | 02/01-08/01 | 08/01/95 | 02/01/2020 | 35,800,000 | 35,465,000 |
| 1996 Public Improvement Sales Tax | 02/01-08/01 | 05/01/96 | 02/01/2021 | 62,800,000 | 64,870,000 |
| Greater Baton Rouge Parking Authority: | | | | | |
| 1978 Parking Garage | 01/01-01/01 | 01/01/78 | 07/01/2003 | 6,875,000 | 2,885,000 |
| East Baton Rouge Sewerage Commission: | | | | | |
| 1987 Sewer | 01/01-08/01 | 09/01/87 | 09/01/1997 | 70,000,000 | -- |
| Total Revenue Bonds | | | | <u>488,700,000</u> | <u>246,630,000</u> |
| Total All Bonds and Contracts | | | | <u>\$139,810,000</u> | <u>\$217,950,000</u> |

The City/Parish is in compliance with all legal debt covenants at December 31, 1997.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

1. Changes in Bonds Payable

Changes in bonds payable for the year 1997 were as follows:

| | <u>Outstanding January 1, 1997</u> | <u>Issued</u> | <u>Retired</u> | <u>Outstanding December 31, 1997</u> |
|---|--|---------------------|---------------------|--|
| General Obligation Bonds | | | | |
| (1963) Capital Improvements Program: | | | | |
| Drainage | \$ 1,790,000 | \$ -- | \$ 1,210,000 | \$ 525,000 |
| Roads and Bridges | <u>1,675,000</u> | <u>—</u> | <u>1,208,000</u> | <u>772,000</u> |
| Total General Obligation Bonds | <u>3,465,000</u> | <u>—</u> | <u>2,418,000</u> | <u>1,297,000</u> |
| Special Revenue Contracts | | | | |
| Parish of East Baton Rouge: | | | | |
| 1982 Jail Project Contract | <u>78,811</u> | <u>—</u> | <u>8,868</u> | <u>66,813</u> |
| Revenue Bonds | | | | |
| City of Baton Rouge: | | | | |
| 1988 Public Improvement Sales Tax | 11,268,080 | — | 691,808 | 10,621,808 |
| 1990 Public Improvement Sales Tax | 4,495,080 | — | 115,808 | 4,380,808 |
| 1992 Public Improvement Sales Tax | 19,499,080 | — | 480,808 | 19,085,808 |
| 1992A Public Improvement Sales Tax | 71,808,080 | — | 4,540,808 | 67,280,808 |
| 1993 Public Improvement Sales Tax | 1,798,080 | — | 80,808 | 1,719,808 |
| 1995 Public Improvement Sales Tax | — | 19,321,808 | — | 19,321,808 |
| Parish of East Baton Rouge: | | | | |
| 1988 Public Improvement Sales Tax | 5,208,080 | — | 285,808 | 4,965,808 |
| Sewer Sales Tax Bonds: | | | | |
| 1988 Public Improvement Sales Tax | 5,348,080 | — | 1,025,808 | 2,590,808 |
| 1990 Public Improvement Sales Tax | 18,688,080 | — | 485,808 | 18,115,808 |
| 1993 Public Improvement Sales Tax | 28,715,808 | — | 580,808 | 28,115,808 |
| 1993A Public Improvement Sales Tax | 67,180,808 | — | 1,590,808 | 65,590,808 |
| 1995 Public Improvement Sales Tax | 35,731,808 | — | 268,808 | 32,465,808 |
| 1996 Public Improvement Sales Tax | 65,080,808 | — | 138,808 | 64,871,808 |
| Greater Baton Rouge Parking Authority: | | | | |
| 1976 Parking Garage | 1,170,808 | — | 701,808 | 1,885,808 |
| East Baton Rouge Sewerage Commission: | | | | |
| 1987 Sewer | <u>1,785,000</u> | <u>—</u> | <u>1,785,000</u> | <u>—</u> |
| Total Revenue Bonds | <u>338,710,000</u> | <u>19,321,808</u> | <u>12,408,808</u> | <u>345,623,000</u> |
| Total All Bonds and Contracts | <u>\$342,441,811</u> | <u>\$19,321,808</u> | <u>\$24,786,808</u> | <u>\$337,076,811</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-6
(Continued)

NOTE 18 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 1997, and interest requirements to maturity:

| | Debt Payable ____12/31/97____ | Interest Requirements in Maturity____ | Total |
|---|----------------------------------|---|----------------------|
| General Obligation Bonds | | | |
| 1969 Capital Improvements Program Derivative (4.15%) | \$ 525,000 | \$ 12,963 | \$ 537,963 |
| Roads and Streets (4.18%) | 775,000 | 18,987 | 793,987 |
| Total General Obligation Bonds | 1,300,000 | 31,950 | 1,331,950 |
| Export Revenue Contracts | | | |
| 1912 Land Project Contract (10.64%) | 66,011 | 19,216 | 85,227 |
| Revenue Bonds | | | |
| City of Baton Rouge: | | | |
| 1988 Public Improvement Sales Tax (8.933%) | 18,625,000 | 4,644,898 | 23,269,898 |
| 1990 Public Improvement Sales Tax (8.933%) | 4,399,000 | 3,282,211 | 7,681,211 |
| 1992 Public Improvement Sales Tax (8.67%) | 18,805,000 | 14,298,448 | 33,103,448 |
| 1992A Public Improvement Sales Tax (6.415%) | 67,269,000 | 77,373,999 | 144,642,999 |
| 1993 Public Improvement Sales Tax (5.17%) | 3,710,000 | 3,422,149 | 7,132,149 |
| 1995 Public Improvement Sales Tax (4.79%) | 19,315,000 | 6,317,233 | 25,632,233 |
| Parish of East Baton Rouge: | | | |
| 1988 Public Improvement Sales Tax (8.933%) | 4,805,000 | 2,281,697 | 7,086,697 |
| Sewer Sales Tax Bonds: | | | |
| 1988 Public Improvement Sales Tax (7.4825%) | 2,739,000 | 198,860 | 2,937,860 |
| 1991 Public Improvement Sales Tax (8.67%) | 18,315,000 | 13,223,499 | 31,538,499 |
| 1993 Public Improvement Sales Tax (5.49%) | 28,115,000 | 19,878,331 | 47,993,331 |
| 1993A Public Improvement Sales Tax (5.31%) | 63,590,000 | 40,263,241 | 103,853,241 |
| 1995 Public Improvement Sales Tax (5.97%) | 31,495,000 | 14,374,403 | 45,869,403 |
| 1996 Public Improvement Sales Tax (5.66%) | 64,879,000 | 33,382,819 | 108,261,819 |
| Greater Baton Rouge Parking Authority: | | | |
| 1978 Parking Garage (8.29%) | 3,800,000 | 671,806 | 4,471,806 |
| Total Revenue Bonds | 146,619,000 | 272,382,348 | 419,001,348 |
| Total All Bonds and Contracts | \$247,619,000 | \$304,334,613 | \$551,953,613 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 18. 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:

| Year | General Obligation Bonds | | Revenue Revenue Contracts | | Revenue Bonds | | Total Principal and Interest All Bonds |
|--------------|-----------------------------|-----------------|------------------------------|-----------------|----------------------|----------------------|---|
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 1998 | \$1,709,080 | \$31,850 | \$10,943 | \$ 6,366 | \$ 10,983,808 | \$ 28,538,372 | \$ 32,712,631 |
| 1999 | -- | -- | 12,317 | 5,101 | 11,570,808 | 19,843,680 | 31,431,899 |
| 2000 | -- | -- | 13,268 | 3,973 | 12,485,000 | 18,894,788 | 31,318,060 |
| 2001 | -- | -- | 14,462 | 2,488 | 13,333,000 | 17,918,029 | 31,267,979 |
| 2002 | -- | -- | 16,024 | 857 | 14,315,000 | 16,933,812 | 31,263,690 |
| 2003-2007 | -- | -- | -- | -- | 82,940,000 | 69,826,467 | 152,466,467 |
| 2008-2012 | -- | -- | -- | -- | 98,868,000 | 44,793,542 | 135,780,542 |
| 2013-2017 | -- | -- | -- | -- | 75,700,000 | 20,483,918 | 96,183,918 |
| 2018-2021 | -- | -- | -- | -- | 31,823,000 | 3,608,868 | 18,061,868 |
| Total | \$1,709,080 | \$31,850 | \$29,545 | \$10,214 | \$166,629,808 | \$122,181,145 | \$288,811,130 |

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 1998 are as follows:

| | Principal | Interest | Total Requirements |
|-----------------------------------|--------------|-----------|-----------------------|
| General Obligation Bonds | | | |
| 1985 Capital Improvements Program | \$ 1,209,080 | \$ 31,850 | \$ 1,240,930 |
| Revenue Revenue Contracts | | | |
| 1982 Jail Project Contract | 10,943 | 6,366 | 17,309 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 18 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

| | Principal | Interest | Total |
|---|--------------------|--------------------|--------------------|
| | | | Requirements |
| Revenue Bonds | | | |
| City of Baton Rouge: | | | |
| 1989 Public Improvement Sales Tax | \$ 875,000 | \$ 708,193 | \$ 1,413,193 |
| 1990 Public Improvement Sales Tax | 125,000 | 298,832 | 423,832 |
| 1992 Public Improvement Sales Tax | 515,000 | 1,218,734 | 1,733,734 |
| 1992A Public Improvement Sales Tax | 2,848,000 | 4,343,625 | 7,191,625 |
| 1995 Public Improvement Sales Tax | 98,000 | 197,120 | 295,120 |
| 1997 Public Improvement Sales Tax | 1,778,000 | 845,671 | 2,213,671 |
| Parish of East Baton Rouge: | | | |
| 1989 Public Improvement Sales Tax | 312,808 | 348,777 | 661,585 |
| Sewer Sales Tax Bonds: | | | |
| 1989 Public Improvement Sales Tax | 1,120,800 | 515,150 | 1,245,950 |
| 1991 Public Improvement Sales Tax | 542,808 | 1,205,440 | 1,790,448 |
| 1993 Public Improvement Sales Tax | 600,808 | 1,565,478 | 2,166,478 |
| 1993A Public Improvement Sales Tax | 1,726,808 | 3,488,275 | 5,209,275 |
| 1993 Public Improvement Sales Tax | 285,000 | 2,158,188 | 2,443,188 |
| 1996 Public Improvement Sales Tax | 140,000 | 3,848,828 | 3,988,828 |
| Greater Baton Rouge Parking Authority: | | | |
| 1978 Parking Garage | <u>310,000</u> | <u>181,351</u> | <u>491,351</u> |
| Total Revenue Bonds | <u>10,805,000</u> | <u>28,538,272</u> | <u>31,362,272</u> |
| Total All Bonds and Contracts | <u>212,512,282</u> | <u>219,386,688</u> | <u>431,712,651</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 | | <u>\$271,800,651</u> |
| Debt Limit: 30% of Assessed Valuation (for any one purpose) | | 81,540,195 |
| Debt Limit: 35% of Assessed Valuation (aggregate, all purposes) | | 148,830,448 |
| Debt Limit: 35% of Assessed Valuation (sewerage purposes) | | 158,830,578 |
| Debt Outstanding | | <u>212,512,282</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997**

**EXHIBIT A-9
(Continued)**

NOTE 18 - Long-Term Debt (Continued)

a. Primary Government (Continued)

1. Legal Debt Margin (Continued)

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

Governing Authority: Parish of East Baton Rouge

| Purpose: | Dollars | Bonds, Highways and Districts |
|------------------------------------|------------------------|-------------------------------------|
| Assessed Valuation | <u>\$1,984,916,760</u> | <u>\$1,984,916,760</u> |
| Debt Limit: 10% of Assessed Value* | 198,491,676 | 198,491,676 |
| Debt Outstanding: | <u>152,821</u> | <u>175,821</u> |
| Legal Debt Margin | <u>\$ 167,966,675</u> | <u>\$ 157,716,675</u> |

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

Governing Authority: Greater Baton Rouge Consolidated Sewerage District

| | |
|---------------------------------------|------------------------|
| <u>Ad Valorem Taxes</u> | |
| Assessed Valuation | <u>\$1,984,916,760</u> |
| Debt Limit: 10% of Assessed Valuation | 198,491,676 |
| Debt Outstanding | <u>\$ _____</u> |

The Louisiana Constitution gives East Baton Rouge Parish, any municipal corporation in the parish and any sewerage district in the parish the power to issue debt and issue bonds for sewerage purposes up to a maximum of 10% of the assessed valuation of the taxable property in each 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 25% 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.

2. Parking Revenue Bonds

On January 1, 1978, Parking Revenue Bonds were issued in the amount of \$6,875,080 for the purpose of constructing a multi-level parking facility for approximately 1,480 vehicles, including the funding of \$668,080

NOTE 18 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. Parking Revenue Bonds (Continued)

to a debt service reserve and paying \$865,000 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 substitute 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 400 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, 1992, and each year thereafter through the year 1998, in principal amounts ranging from \$159,080 to \$419,080. The term bonds in the amount of \$1,479,860 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 \$8,625,000 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 1985 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 insurance costs thereof.

The City of Baton Rouge issued \$1,800,000 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 insurance and providing for a portion of the debt service reserve.

The City of Baton Rouge issued \$21,400,000 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 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 insurance cost thereof.

The City of Baton Rouge issued \$19,325,000 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 insurance cost 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 party bonds and are secured by the net revenues from the respective entity's two percent sales and use tax.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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 \$20,800,000 of Sales Tax Revenue Public Improvement Bonds dated August 1, 1991. During 1993, the Parish of East Baton Rouge issued \$30,000,000 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 \$24,000,000 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 of the Parish's multi-year sewerage capital improvements program, providing a reserve, and paying the insurance 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, 1988.

On March 1, 1996, the Parish of East Baton Rouge issued \$85,800,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds Series ST-1996 for the purpose of: (1) providing sufficient funds in advance (netted \$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 insurance 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.

11. Liquidation of Prior Year Defeasance

On September 1, 1987, the East Baton Rouge Sewerage Commission (EBRSWC) issued Sewer Revenue Bonds in the amount of \$78,000,000 to provide a portion of the funds necessary to finance the cost of upgrading, rehabilitating, enlarging, and improving the publicly-owned sewerage systems operated by East Baton Rouge Parish on behalf of EBRSWC.

During 1982 EBRSWC defeased the maturities from September 1, 1998, through September 1, 2012, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds were removed from accompanying financial statements. All the defeased bonds were called in full on September 1, 1997. The remaining portion of \$8,000,000 remained in liability as the same date.

12. Prior Year - Advance Refunding

As indicated in Note 10 (a) (1) above, the Parish refunded and defeased in substance the callable portion of the 1989 Public Improvement Sales Tax Revenue Bond (average rate - 6.937%; 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 Improvements Sales Tax Revenue Bond, (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 proprietary fund statements. The non-callable portion of the old issue (\$2,300,000 as of December 31, 1997), is reported as a liability of the Comprehensive Sewerage System Fund and will totally mature on February 1, 1999.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Prior Year - Advance Refunding (Continued)

As a result of refunding the callable portion of the \$45,000,000 Sales Tax Revenue Public Improvement Bonds (ST-1990) on March 1, 1996, the City-Parish implemented GASB Statement No. 21, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities. The refunding resulted in the recognition of a Deferred Amount on Refunding in the amount of \$2,710,961. As of December 31, 1997, \$190,347 of the Deferred Amount on Refunding was amortized (\$219,819 in 1997 and \$170,528 in prior years) resulting in a net Deferred Amount on Refunding of \$2,519,714. 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 this 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, 1997, for the Parish of East Baton Rouge show arbitrage rebate liabilities to the U.S. Department of Treasury as follows:

- a. For the Public Improvement Sales Tax Bonds, Series ST-1990 and Series ST-1991A, a liability in the amount of \$68,813 and \$249,296, respectively, has been recorded as a "Due to Other Governments" in the Comprehensive Sewerage System Fund.
- b. For the Public Improvement Sales Tax Bonds, Series 1993, a liability in the amount of \$19,216 has been recorded in the General Long-Term Debt Account Group.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Contract 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 either 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, 1997, there were 73 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$300,000,000.

b. Component Units

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

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year |
|---|---------------------------------|------------------|------------------|---------------------------|
| Nineteenth Judicial District Court | | | | |
| Compensated Absences Payable | \$ 485,119 | \$ 28,000 | \$ — | \$ 513,119 |
| East Baton Rouge Parish Forensic Court | | | | |
| Compensated Absences Payable | \$ 130,734 | \$ — | \$ 4,821 | \$ 135,555 |
| East Baton Rouge Parish Clerk of Court | | | | |
| Compensated Absences Payable | \$ 212,669 | \$ 61,774 | \$ — | \$ 274,443 |
| Obligation Under Capital Leases | 4,118 | — | 4,309 | — |
| Total | \$ 732,630 | \$ 89,774 | \$ 4,309 | \$ 818,095 |
| St. George Fore-Protection District | | | | |
| Bonds and Notes Payable | \$1,015,392 | \$308,000 | \$ 308,144 | \$1,015,248 |
| Compensated Absences Payable | 64,058 | 51,785 | 48,540 | 67,303 |
| Obligation Under Capital Leases | 148,021 | — | 43,928 | 104,093 |
| Total | \$1,227,471 | \$359,785 | \$399,612 | \$1,287,644 |
| Central Fire Protection District | | | | |
| Compensated Absences Payable | \$ 38,889 | \$ 31,208 | \$ — | \$ 70,097 |
| Obligation Under Capital Leases | 173,233 | 161,860 | 116,413 | 218,680 |
| Total | \$ 212,122 | \$193,068 | \$116,413 | \$ 298,777 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units (Continued)

| | Balance Beginning of Year | Additions | Deductions | Balance End of Year |
|---|---------------------------------|----------------------|-------------------------|---------------------------|
| E.R.E. Parish Fire Protection | | | | |
| Debtal Dist. 2 | | | | |
| Compensated Absences Payable | \$ 45,475 | \$ -- | \$ 2,671 | \$ 43,407 |
| Obligation Under Capital Loans | <u>38,218</u> | <u>--</u> | <u>14,686</u> | <u>13,832</u> |
| Total | <u>\$ 76,813</u> | <u>\$ --</u> | <u>\$ 16,757</u> | <u>\$ 60,212</u> |
| Estimote Fire Protection District | | | | |
| Notes Payable | \$ 677,908 | \$ -- | \$ 45,680 | \$ 612,908 |
| Compensated Absences Payable | 1,997 | 954 | -- | 2,951 |
| Obligation Under Capital Loans | <u>28,313</u> | <u>--</u> | <u>28,313</u> | <u>--</u> |
| Total | <u>\$ 707,618</u> | <u>\$ 954</u> | <u>\$ 73,993</u> | <u>\$ 634,659</u> |
| Capital Transportation Corporation | | | | |
| Advances From Primary Government | \$ 2,182 | \$ -- | \$ 2,182 | \$ -- |

NOTE 11 - Receivables and Payables

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

| | Due From Other Funds | Due To Other Funds |
|---|--------------------------|-------------------------|
| General Fund | <u>\$ 854,968</u> | <u>\$ --</u> |
| Special Revenue Funds: | | |
| Library Board of Control Fund | -- | 3,210,163 |
| Downtown Development District | -- | 231,790 |
| Emergency Medical Services Fund | <u>--</u> | <u>17,689</u> |
| Total Special Revenue Funds | <u>--</u> | <u>3,459,642</u> |
| Debt Service Funds: | | |
| City Sales Tax Bonds Debt Service Fund | <u>--</u> | <u>354,215</u> |
| Capital Projects Fund: | | |
| Miscellaneous Capital Improvements Fund | <u>3,210,163</u> | <u>--</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 11 - Receivables and Payables (Continued)

a. Individual fund interfund receivable and payable balances for the Primary Government (Continued)

| | Due From Other Funds | Due To Other Funds |
|---|---------------------------|---------------------------|
| Enterprise Funds: | | |
| Greater Baton Rouge Airport District | 37,858 | 158,830 |
| Greater Baton Rouge Parking Authority | -- | 2,801,987 |
| Comprehensive Sewerage System Fund | <u>2,521,242</u> | <u>--</u> |
| Total Enterprise Funds | <u>2,559,100</u> | <u>2,960,817</u> |
| Trust and Agency Funds: | | |
| Employees' Retirement System Pension Trust Fund | -- | 173,885 |
| Total | <u>\$2,559,100</u> | <u>\$3,134,702</u> |

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

| Fund | Local | State | School Board | Shreve | Other | Total |
|------------------|---------------------------|---------------------------|-------------------------|----------------------------|---------------------------|----------------------------|
| General | \$ 340 | \$1,076,809 | \$148,476 | \$ 2,867,787 | \$ 818,183 | \$ 7,257,786 |
| Special Revenue | 4,511,348 | 3,991,141 | -- | 11,637,088 | 613,024 | 20,679,302 |
| Debt Service | -- | -- | -- | 396,087 | -- | 396,087 |
| Capital Project | -- | 39,268 | -- | -- | -- | 39,268 |
| Enterprise | 933,854 | 619,348 | -- | 529 | 3,677 | 1,556,718 |
| Internal Service | -- | 1,826 | -- | -- | 2,149 | 3,775 |
| Trust and Agency | -- | -- | -- | 26,215 | -- | 26,215 |
| Total | <u>\$5,435,442</u> | <u>\$5,621,422</u> | <u>\$148,476</u> | <u>\$17,348,022</u> | <u>\$1,439,243</u> | <u>\$23,930,423</u> |

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

| | Due (To)/From Primary Government | Due (To)/From Component Units |
|------------------------------------|--|-------------------------------------|
| Primary Government: | | |
| General Fund | \$ -- | \$ 12,751 |
| Special Revenue Funds: | | |
| Parish Transportation Fund | -- | (27,442) |
| Enterprise Funds: | | |
| Comprehensive Sewerage System Fund | -- | 3,302 |
| Trust and Agency Funds: | | |
| Indigent Delinctor Fund | -- | (97,858) |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 11 - Receivables and Payables (Continued)

a. 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> |
|---|---|--|
| Component Units | | |
| District Attorney of the Nineteenth Judicial District | \$(17,444) | \$ -- |
| Nineteenth Judicial District Indigent Defender Board | 97,688 | -- |
| Brownfield Fire Protection District | 15,383 | -- |
| Capital Transportation Corporation | <u>32,121</u> | <u>-----</u> |
| Total | <u>\$68,028</u> | <u>\$117,628</u> |

NOTE 12 - Interfund Transfers

a. Residual Equity Transfers

1. A residual equity transfer of \$54,386 was made from the General Fund to cover capital outlay expenditures for the Greater Baton Rouge Parking Authority.
2. A residual equity transfer of \$271,408 was made from the General Fund to provide local matching funds for a federal grant to cover capital outlay expenditures for Capital Transportation Corporation.
3. A residual equity transfer of \$395,080 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 \$2,122 was made from the Parish Transportation Fund to cover capital outlay expenditures for Capital Transportation Corporation.
5. A residual equity transfer of \$12,906,060 was made from the 1997 Bond Capital Improvement Fund to the Greater Baton Rouge Airport District to finance certain improvements and reservations to the airport terminal facility.

b. Operating Transfers In and Out for the Primary Government are listed by fund type for the year 1997:

| | <u>Operating Transfers In</u> | <u>Operating Transfers Out</u> |
|--------------|-----------------------------------|------------------------------------|
| General Fund | <u>\$ 4,180,652</u> | <u>\$20,352,282</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 11 - Interfund Transfers (Continued)

b. Operating Transfers In and Out for the Primary Government (Continued):

| | <u>Operating</u> <u>Transfers In</u> | <u>Operating</u> <u>Transfers Out</u> |
|---|---|--|
| Special Revenue Funds: | | |
| City Court Judicial Fund | \$ -- | \$ 437,898 |
| City Constable Court Costs Fund | -- | 232,708 |
| Library Board of Control Fund | -- | 2,580,381 |
| Downtown Development District | 30,140 | -- |
| Animal Control Center Fund | 258,900 | -- |
| East Baton Rouge Parish-Communications District | 315,838 | 42,127 |
| Emergency Medical Services Fund | -- | 315,628 |
| Consolidated Garbage Service District No. 1 | -- | 891,996 |
| Grants Fund | <u>359,900</u> | <u>1,280</u> |
| Total Special Revenue Funds | <u>1,263,978</u> | <u>4,512,881</u> |
| Debt Service Funds: | | |
| City Sales Tax Bonds Debt Service Fund | 2,287,808 | -- |
| Excess Revenue and Limited Tax Fund | <u>1,863,658</u> | <u>--</u> |
| Total Debt Service Funds | <u>4,151,466</u> | <u>--</u> |
| Capital Projects Funds: | | |
| 1997 Bond Capital Improvement Fund | -- | 2,297,898 |
| Miscellaneous Capital Improvements Fund | 4,245,837 | -- |
| 1995-1996 Capital Improvements Fund | <u>3,841,620</u> | <u>--</u> |
| Total Capital Projects Funds | <u>8,087,457</u> | <u>2,297,898</u> |
| Enterprise Funds: | | |
| Riverside-Centropolis Fund | 812,250 | -- |
| Creeve Baton Rouge Park mg. Authority | 377,204 | -- |
| Comprehensive Sewerage System Fund | 4,698,808 | -- |
| Solid Waste Disposal Facility Fund | <u>--</u> | <u>33,273</u> |
| Total Enterprise Funds | <u>5,888,454</u> | <u>33,273</u> |
| Total | <u>\$10,001,451</u> | <u>\$10,001,451</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

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 Government | Operating Transfers (To)/From Component Units |
|---|--|---|
| Primary Government: | | |
| General Fund | \$ -- | \$ (9,621,190) |
| Special Revenue Funds: | | |
| Parish Transportation Fund | -- | (1,800,002) |
| Component Units: | | |
| District Attorney of the Nineteenth Judicial District | 2,996,970 | -- |
| Nineteenth Judicial District Court | 3,584,490 | -- |
| E.B.R. Parish Family Court | 485,853 | -- |
| E.B.R. Parish Juvenile Court | 580,881 | -- |
| Nineteenth Judicial District Indigent Defender Board | 185,291 | -- |
| E.B.R. Parish Clerk of Court | 999,618 | -- |
| Central Fire Protection District | 25,718 | -- |
| E.B.R. Parish Fire Protection District No. 5 | 132,917 | -- |
| Eastside Fire Protection District | 70,668 | -- |
| Irish Fire Protection District | 10,000 | -- |
| Chanceryville Fire Protection District | 10,000 | -- |
| Alice-St. Ives Fire Protection District | 20,848 | -- |
| Capital Transportation Corporation | <u>1,974,824</u> | <u>--</u> |
| Total | <u>\$18,677,082</u> | <u>\$ (11,421,192)</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 endorsements that exceeded insurance coverage for the past three years.

NOTE 12 - Risk Management (Continued)

b. Accounting for Risk

In accordance with GASB Statement No. 18 *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 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, 1997.

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 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 the Parish Attorney. The amount of 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 Overview*, claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claims settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, savings 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 \$28,694,280 has been recorded as a long-term obligation in the General Long-Term Debt Account Group for estimated workers' compensation and general liability claims. 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 April 1, 1995, the City-Parish and member employers contribute to the fully insured Gulf South Health Maintenance Organization group program that covers the majority of employees that carry health insurance. The City-Parish contributes 62% of the SH&O premium and employees contribute 38%. The employer share of the insurance premium is paid by the employer's departmental budget.

The City-Parish is self-insured and maintains a minimum premium plan for the indemnity group health and dental programs, providing medical and dental coverage to those City-Parish employees who choose to participate. An employee can only participate in one health plan. 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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-8
 (Continued)

NOTE 12 - Risk Management (Continued)

d. Employee Benefits (Continued)

The estimated value of self-insured claims incurred but not reported or paid as of December 31, 1997, for group health and dental are as follows:

| | |
|-----------------------|-------------------------|
| Self-funded medical | \$424,579 |
| Self-funded dental | 235,171 |
| Total estimate | <u>\$659,750</u> |

This amount has been included in the General Long-Term Debt Account Group for December 31, 1997.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years-ended December 31, 1997, 1996, and 1995:

| | 1997 | 1996 | 1995 |
|-------------------------------------|---------------------------|---------------------------|---------------------------|
| Claims and Judgments Payable | | | |
| Beginning Balance | \$3,987,095 | \$2,200,174 | \$2,055,794 |
| Additions: | | | |
| Claims Incurred | 3,187,308 | 18,564,689 | 6,851,474 |
| Deductions: | | | |
| Claims Paid | (2,432,227) | (1,848,557) | (3,814,855) |
| Claims Dismissed | (8,368,478) | (6,813,324) | (2,227,560) |
| Ending Balance | <u>\$3,684,208</u> | <u>\$3,907,395</u> | <u>\$2,200,174</u> |
| Employee Benefits Payable | | | |
| Beginning Balance | \$ 785,199 | \$ 957,842 | \$ 2,304,615 |
| Additions: | | | |
| Claims Incurred | 3,648,698 | 3,191,858 | 6,804,204 |
| Deductions: | | | |
| Claims Paid | (3,770,741) | (3,784,897) | (7,131,177) |
| Ending Balance | <u>\$ 663,156</u> | <u>\$ 785,199</u> | <u>\$ 957,842</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 \$16.7 million. The amount designated for insurance at December 31, 1997, was determined as follows:

| | |
|---|----------------------------|
| Insurance Designation, December 31, 1996 | \$15,086,563 |
| Less: Appropriations from Insurance Designation for risk management purposes | (128,535) |
| Plus: Additional amount designated for insurance by authority of the Budget Ordinance | 2,005,447 |
| Interest earned on designated funds during 1997 | <u>879,233</u> |
| Insurance Designation, December 31, 1997 | <u>\$17,843,715</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments

Leases are accounted for in accordance with Section L28 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 Asset Turnover*, 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 seven 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 5.31% to 1.05%. The lease payments are 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 bonding clause which generally provides for cancellation in the event the Metropolitan Council does not appropriate funds in subsequent years for the lease payments.

During 1997, the majority of lease agreements entered into by the City-Parish were due to the Equipment Use Charge Program approved by the Council during 1995. 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, 1997:

| | <u>Governmental</u> <u>Funds</u> | <u>Proprietary</u> <u>Funds</u> | <u>Total</u> |
|--|-------------------------------------|------------------------------------|---------------------------|
| 1998 | \$1,608,248 | \$2,696,268 | \$4,304,516 |
| 1999 | 538,642 | 1,481,870 | 2,020,512 |
| 2000 | 847,740 | 644,211 | 1,491,951 |
| 2001 | 818,889 | - | 818,889 |
| 2002 | <u>14,882</u> | <u>-</u> | <u>14,882</u> |
| Total Minimum Lease Payments | 4,775,571 | 4,823,831 | 9,599,402 |
| Less: Amount Representing Interest | <u>(412,489)</u> | <u>(261,888)</u> | <u>(674,377)</u> |
| Present Value of Net Minimum Lease Payments | <u>\$4,363,082</u> | <u>\$4,561,943</u> | <u>\$8,925,025</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

a. Primary Government - Capital Leases (Continued)

Asset balances as of December 31, 1997, for equipment under capital lease by major classes are as follows:

| Classes of Equipment | General Fixed Assets Account <u>Group</u> | Proprietary <u>Funds</u> |
|--------------------------------|---|-----------------------------|
| Machinery Equipment | \$ — | \$7,736,794 |
| Office Equipment | 248,597 | 17,939 |
| Communication Equipment | 4,812,073 | — |
| Transportation Equipment | <u>2,812,085</u> | <u>1,136,851</u> |
| Subtotal | 7,450,075 | 8,891,599 |
| Less: Accumulated Depreciation | <u>—</u> | <u>(1,028,118)</u> |
| Total | <u>\$7,450,075</u> | <u>\$8,863,481</u> |

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, 1997, for the parish fire protection districts:

| | St. George Fire Protection District | Central Fire Protection District | P.F.D. Parish Fire Protection District No. 6 |
|---|--|---|---|
| 1998 | \$ 57,854 | \$146,458 | \$17,307 |
| 1999 | 57,854 | 78,764 | — |
| 2000 | — | 2,700 | — |
| Thereafter | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Minimum Lease Payments | 115,708 | 128,222 | 17,307 |
| Less: Amount Representing Interest | <u>(11,810)</u> | <u>(11,204)</u> | <u>(1,250)</u> |
| Present Value of Net Minimum Lease Payments | <u>\$104,098</u> | <u>\$117,018</u> | <u>\$16,057</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
 (Continued)

NOTE 14 - Lease Commitments (Continued)

b. Component Units - Capital Leases (Continued)

Parish Fire Protection Districts (Continued)

Asset balances as of December 31, 1997, for equipment under capital lease by major classes for the parish fire protection districts are as follows:

| <u>Class of Equipment</u> | <u>St. George Fire Protection District</u> | <u>Central Fire Protection District</u> | <u>E.D.B. Parish Fire Protection District No. 6</u> |
|---------------------------|--|---|---|
| Machinery Equipment | \$ -- | \$851,847 | \$109,751 |
| Transportation Equipment | 422,511 | -- | -- |
| Total | <u>\$422,511</u> | <u>\$851,847</u> | <u>\$109,751</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 30 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 1997 totaled \$354,896. A schedule by years of the future minimum rental payments as of December 31, 1997, on operating leases follows:

| | <u>Governmental Funds</u> | <u>Proprietary Funds</u> | <u>Total</u> |
|-------------------------------|-------------------------------|------------------------------|-------------------------|
| 1998 | \$105,206 | \$1,808 | \$107,014 |
| 1999 | 53,918 | -- | 53,918 |
| 2000 | 45,840 | -- | 45,840 |
| 2001 | 34,800 | -- | 34,800 |
| 2002 | 34,800 | -- | 34,800 |
| Thereafter | <u>17,422</u> | <u>--</u> | <u>17,422</u> |
| Total Minimum Payments | <u>\$176,986</u> | <u>\$1,808</u> | <u>\$178,794</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 14 - Lease Commitments (Continued)

a. Operating Leases (Continued)

2. Component Unit - Clerk of Court

The Clerk is obligated under several operating leases for equipment which expire over the next fiscal year. The future annual minimum lease payments under these operating leases as of June 30, 1993, is \$23,716.

NOTE 15 - Prior Year Adjustments and Accounting Changes

a. Prior Year Adjustments - St. George Fire Protection District - Component Unit

Several adjustments were necessary to correct errors of previous year's accounts payable and accounts receivable. Accounts receivable was adjusted to record the receivables when they were measurable and available while accounts payable were overstated in the General Fund. Other adjustments were made to correct assets at their correct balances, assets that were given to the District that were not recorded at their estimated value, equipment under capital lease were recorded at their original loan amount and net cost, and assets that were sold and deleted in previous years were not previously reflected on the financial statement general fund asset accounts group. A summary of the effect to the respective accounts is as follows:

| | Beginning Balance | Adjustments Increase (Decrease) | Adjusted Beginning Balance |
|--|----------------------|---------------------------------------|----------------------------------|
| Governmental fund type-general fund | | | |
| Assets: | | | |
| Cash and cash equivalents | \$ 26,279 | \$ (3,258) | \$ 23,021 |
| Service charges - net | 613,812 | (549,199) | 64,613 |
| Property Taxes | 378,834 | 493,659 | 872,493 |
| Other receivables | \$4,966 | (84,966) | -- |
| Liabilities: | | | |
| Accounts payable and accrued expenses | 38,781 | (24,232) | 14,549 |
| Fund Balance | \$1,812,740 | \$117,820 | \$1,930,560 |

| | Equipment Under Capital Lease | Equipment |
|---|----------------------------------|--------------------|
| Account Group | | |
| General fund assets, Beginning of year as previously reported | \$884,795 | \$2,534,801 |
| Adjust to cost | 33,716 | -- |
| Additions | -- | 213,664 |
| Deletions | ----- | (831,728) |
| General fund assets, Beginning of year restated | \$918,511 | \$2,716,737 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 12 - Prior Year Adjustments and Accounting Changes (Continued)

b. Accounting Changes - Primary Government

1. The City-Parish implemented GASB Statement No. 38, *Risk Financing Overlay*. This statement requires the inclusion of specific incremental claim adjustment expenditures/expenses and estimated recoveries in the determination of the liability for unpaid claims and modifies current disclosure requirements. Implementation of this statement had no material effect to claims and judgments in the General Long Term Debt Account Group. See Note 13 for disclosure of the City-Parish's risk management activities and compliance with GASB Statement No. 38.
2. The City-Parish also implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for Internal Investment Pools*. This statement requires governmental entities to report mutual pool investments with a maturity period of greater than one year at fair value on their financial statements. Governmental external investment pools that are 2a7-like pools, such as LAMP, are permitted to report their investments at amortized cost. Governmental entities are also permitted to report certain investments, including U.S. Treasury and Agency Obligations, at amortized cost provided that the investment has a remaining maturity of one year or less at time of purchase. Implementation of this statement had no material effect on the financial statements of the City-Parish. See Note 3 for disclosure of the City-Parish's cash, cash-equivalents and investment activities and compliance with GASB Statement No. 31.
3. The City-Parish also 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 for 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 statement. Since the City-Parish plan is held in a custodial account with a third party administrator, the assets and liabilities were not presented as of December 31, 1997, and the previously reported assets and liabilities as of December 31, 1996, in the amount of \$21,014,380 were removed from the Trust and Agency Funds comparative statements. See Note 8 for disclosure of the City-Parish's deferred compensation plan and compliance with GASB Statement No. 32.

c. Accounting Changes - Capital Transportation Corporation - Component Unit

1. Capital Transportation Corporation implemented GASB Statement No. 28, *Financial Reporting of Defined Benefit Pension Plans and Their Disclosures for Defined Contribution Plans*. This statement established a financial reporting framework for defined benefit pension plans into two categories of data: (1) current financial information about plan assets and financial activities and (2) actuarially determined information, from a long-term perspective, about funded status of the plan and progress in accumulating sufficient assets. The Plan data included in the 1996 financial statements was for the plan year ended January 31, 1996, rather than January 31, 1997. Consequently, beginning net plan assets have been restated as follows:

| | |
|---|--------------------|
| Plan assets at beginning of year as previously reported | \$1,691,817 |
| Restatement for 1997 activity | 146,800 |
| Plan assets at beginning of year as restated | <u>\$2,038,617</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 15 - Prior Year Adjustments and Accounting Changes (Continued)

a. Accounting Changes - Capital Transportation Corporation - Component Unit (Continued)

2. CTC also implemented GASB Statement No. 30, *Risk Financing Overlay*. See Section 6(a)(1) above for requirements of implementation. Prior year claims estimates for CTC appeared to have included expense reserves; therefore, their statements have not been materially impacted by this statement.
3. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Government Funds* was also implemented by CTC. See Section 6(a)(1) above for requirements of implementation. The financial statements of CTC were not materially affected by adoption of this GASB statement.

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:

| | Enterprise Funds | Internal Service Funds | Total |
|---|---------------------|------------------------------|---------------|
| Contributions, December 31, 1996 | \$152,896,952 | \$2,684,356 | \$155,581,308 |
| Greater Baton Rouge Airport District: | | | |
| Federal Government Contribution | 1,780,970 | -- | 1,780,970 |
| Retirement of Federal Contribution | (1,275,087) | -- | (1,275,087) |
| State of Louisiana Contribution | 1,213,870 | -- | 1,213,870 |
| Retirement of State Contribution | (105,983) | -- | (105,983) |
| Local Government Contribution | (2,279,920) | -- | (2,279,920) |
| Riverside Centropolis: | | | |
| Retirement of Federal Contribution | (434,232) | -- | (434,232) |
| State of Louisiana Contribution | 648,378 | -- | 648,378 |
| Retirement of State Contribution | (196,272) | -- | (196,272) |
| Local Government Contribution | 56,348 | -- | 56,348 |
| Greater Baton Rouge Parking Authority: | | | |
| Local Government Contribution | 54,946 | -- | 54,946 |
| Comprehensive Sewerage System: | | | |
| Retirement of Federal Contribution | (373,864) | -- | (373,864) |
| Retirement of State Contribution | (2,896) | -- | (2,896) |
| Local Government Contribution | 2,814 | -- | 2,814 |
| Contribution From Impact Fees | 1,406,818 | -- | 1,406,818 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 16 - Capital Changes in Funds (Continued)

a. Primary Government (Continued)

| | <u>Enterprise Funds</u> | <u>General Service Funds</u> | <u>Total</u> |
|----------------------------------|-----------------------------|--------------------------------------|----------------------|
| Solid Waste Disposal Facility: | | | |
| Local Government Contribution | 21,221 | — | 21,221 |
| Net Increase | 484,420 | — | 484,420 |
| Contributions, December 31, 1997 | <u>\$151,340,377</u> | <u>11,654,304</u> | <u>\$162,994,681</u> |

b. Component Unit - Capital Transportation Corporation

| | |
|---------------------------------------|---------------------|
| Contributions, December 31, 1996 | \$10,872,615 |
| Federal Government Contribution | 1,748,120 |
| Reimbursement of Federal Contribution | (478,154) |
| Local Government Contribution | <u>1,878,085</u> |
| Net Increase | <u>4,348,721</u> |
| Contributions, December 31, 1997 | <u>\$14,412,696</u> |

NOTE 17 - Obligations of Intrajovernmental Agencies

a. Greater Baton Rouge Airport District - 1980 Obligation

On March 15, 1980, the City of Baton Rouge issued \$11,308,000 of Airport Improvement Bonds. Concurrently, the Greater Baton Rouge Airport District signed an \$11,308,000 long-term obligation to the City of Baton Rouge bearing an interest rate of 7.897%. 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, 1991, 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 1997 was \$4,143,408. In 1997, a principal payment of \$176,456 reduced the obligation payable to \$6,569,144. Scheduled maturities are as follows:

| | |
|----------------|--------------------|
| 1998 | \$ 621,768 |
| 1999 | 678,634 |
| 2000 | 723,348 |
| 2001 | 768,264 |
| 2002 | 841,528 |
| 2003 and after | <u>2,582,661</u> |
| | <u>\$6,569,144</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997**

**EXHIBIT A-9
(Continued)**

NOTE 12 - Obligations of Intergovernmental Agencies (Continued)

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 (\$14,706,000) of certain improvements as 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 Intergovernmental 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. In 1997, a principal payment of \$313,718 from airport taxes and charges and \$120,232 from passenger facility charges reduced the obligation payable to \$14,672,000. Scheduled maturities of both obligations are as follows:

| | <u>Airport Rates and Charges</u> | <u>Passenger Facility Charges</u> | <u>Total</u> |
|----------------|--------------------------------------|---------------------------------------|---------------------------|
| 1998 | \$ 649,472 | \$ 664,311 | \$ 1,313,783 |
| 1999 | 771,808 | 683,983 | 1,455,791 |
| 2000 | 834,083 | 691,833 | 1,485,916 |
| 2001 | 961,167 | 781,508 | 1,694,667 |
| 2002 | 973,258 | 799,583 | 1,712,841 |
| 2003 and after | <u>2,613,258</u> | <u>1,146,068</u> | <u>3,819,408</u> |
| Total | <u>\$2,141,132</u> | <u>\$2,428,378</u> | <u>\$4,612,080</u> |

c. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$81,800,000 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 defray the callable portion of the \$30,000,000 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 \$36,699,652. 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 \$81,800,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 1997 was \$37,716,998. In 1997, a \$3,333,885 principal payment reduced the obligation payable to \$58,716,977. Scheduled maturities are as follows:

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

(SHEET A-9)
 (Continued)

NOTE 17 - Obligations of Intergovernmental Agencies (Continued)

a. East Baton Rouge Sewerage Commission (Continued)

| | | |
|--|----------------|--------------------|
| | 1995 | \$ 2,558,723 |
| | 1994 | 2,871,485 |
| | 2000 | 2,700,821 |
| | 2001 | 2,808,613 |
| | 2002 | 3,198,575 |
| | 2003 and after | <u>41,478,761</u> |
| | | <u>\$3,255,873</u> |

NOTE 18 - Summary 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 systems, and solid waste disposal. The significant financial data for these enterprises are as follows:

| | Airport | Sewerage Composites | Parking | Sewerage System | Solid Waste Disposal | Total |
|-------------------------------------|--------------|------------------------|-------------|--------------------|----------------------------|---------------|
| Operating Revenues | \$ 2,758,847 | \$ 1,686,671 | \$ 688,708 | \$ 23,792,512 | \$ 7,892,899 | \$ 39,221,237 |
| Depreciation | 2,884,865 | 1,334,082 | 489,675 | 23,958,307 | 894,188 | 30,491,317 |
| Operating Income (Loss) | (1,126,018) | (1,953,095) | (80,967) | (10,165,795) | (2,001,289) | (24,987,164) |
| Operating Grants | 17,809 | 59 | -- | -- | -- | 17,968 |
| Operating Transfers In and (Out) | -- | 812,290 | 237,294 | 4,088,808 | (33,272) | 5,096,119 |
| Taxes | -- | -- | -- | 26,789,852 | -- | 26,789,852 |
| Net Income (Loss) | 254,271 | (1,086,266) | (67,689) | 3,720,798 | (2,036,179) | 2,494,525 |
| Working Capital | 684,292 | 168,574 | (2,641,489) | 8,123,641 | 7,948,473 | 14,203,589 |
| Change in Capital Contributions | 744,926 | 674,928 | 94,986 | 1,408,602 | 21,221 | 2,944,663 |
| Property, Plant and Equipment: | | | | | | |
| Additions | 3,996,477 | 287,443 | 2,181 | 37,836,913 | 264,734 | 47,207,788 |
| Deletions | (173,682) | (52,373) | (1,864) | (873,624) | (118,099) | (1,961,332) |
| Total Assets | 191,763,384 | 19,664,980 | 6,803,613 | 481,233,793 | 33,448,249 | 643,642,413 |
| Obligations Payable | 21,252,144 | -- | -- | 39,716,977 | -- | 77,008,121 |
| Revenue Bonds Payable | -- | -- | 2,889,808 | 214,515,080 | -- | 217,429,898 |
| Equity | 76,911,639 | 18,878,442 | 1,913,810 | 280,512,344 | 29,373,219 | 336,989,292 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-8
(Continued)

NOTE 18 - Segments of Enterprise Activities (Continued)

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 | \$ 2,287,590 |
| Depreciation | 671,608 |
| Operating Income (Loss) | (3,393,419) |
| Operating Grants | 823,716 |
| Operating Transfers From | |
| Primary Government | 1,574,834 |
| Taxes | 740,504 |
| Working Capital | 344,819 |
| Net Income (Loss) | 1,608 |
| Change in Capital Contributions | 4,817,125 |
| Property, Plant and Equipment: | |
| Additions | 3,194,909 |
| Deletions | -- |
| Total Assets | 14,707,508 |
| Equity | 12,994,168 |

NOTE 19 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 25, 1991, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$5.00 passenger facility charge (PFC) in accordance with Section 158.26 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 related 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 \$9,825,199 over a six year period ending December 1, 1998. On February 04, 1997, the FAA approved an additional collection of \$18,157,206 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, 1995, 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.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997**

**EXHIBIT A-9
(Continued)**

NOTE 15 - Passenger Facility Charges - Greater Baton Rouge Airport District (Continued)

| <u>Description</u> | <u>Project Amount</u> |
|---|----------------------------|
| Terminal Concept Study | \$ 450,000 |
| Noise Mitigation | 5,771,200 |
| Terminal Building Plan Specifications | 640,000 |
| Terminal Building Renovations/Expansion | |
| Financing and Interest | <u>10,157,208</u> |
| Total | <u>\$16,958,408</u> |

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 1997 fiscal year resulting in a reservation of retained earnings for passenger facility charges in the amount of \$1,020,233.

| | |
|--|----------------------------|
| Cumulative PFC Revenues (1992 - 1997) | \$ 6,145,265 |
| Interest Earnings | <u>520,213</u> |
| Total Revenues | 6,677,778 |
| ^a Cumulative PFC Administrative Fee | (100,100) |
| Cumulative Expenses for PFC Projects (1992 - 1997) | (2,286,648) |
| Cumulative Bond Principal Payments | (120,222) |
| Cumulative Bond Interest Payments | <u>(201,695)</u> |
| Retained Earnings Reserved for PFC's | <u>\$ 3,170,113</u> |

^a Prior to 1993 the administrative fee was accrued with PFC fees.

NOTE 16 - 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, final-site 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.

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

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 \$19,193,248, and the total estimated capacity is 33,408,000 cubic yards with a projected useful life of 45 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, 1997, the liability for closure and postclosure care totals \$5,417,428. The liability is based on the landfill capacity used to date of 3,938,172 cubic yards or 17.8% 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 \$13,775,820 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 1997, is 43 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 1997.

| | |
|-------------------------|----------|
| District 1 | |
| Razon Welch | \$ 3,600 |
| | |
| District 2 | |
| Thomas Woods | |
| Council | 3,600 |
| President Pro-Tem | 2,578 |
| | |
| District 3 | |
| Pat Culbertson | 3,488 |
| Rosemary Garratt | 87 |
| | |
| District 4 | |
| Joseph "Joe" Green | 3,600 |
| | |
| District 5 | |
| Charles Kelly | 3,488 |
| Rep. Ross Milberry, Jr. | 87 |
| | |
| District 6 | |
| M. A. "Mike" Tassin | 3,600 |
| | |
| District 7 | |
| W. E. Winfield | 3,600 |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 11 - Council Members Compensation (Continued)

| | |
|-----------------------|--------|
| District 8 | |
| Mike Pateall | 3,600 |
| Dennis Edman | 97 |
| District 9 | |
| Patty Jo Roubique | 3,600 |
| District 10 | |
| Loni Burgess | 3,600 |
| Darrell Chaspe | 97 |
| District 11 | |
| Mary Frey Kason | |
| Council | 3,600 |
| President Pro-Tem | 17,448 |
| District 12 | |
| James T. "Jim" Dordam | 3,600 |

In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance.
(LRs 13-1153-81)

**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 Easton Rouge and Parish of East Baton Rouge

We have audited the financial statements of the City of Easton Rouge and Parish of East Baton Rouge, (the City-Parish), as of and for the year ended December 31, 1997, and have issued our report thereon dated June 12, 1998, which includes an explanatory paragraph for the adoption of Governmental Accounting Standards Board's Statement Numbers 30, 31, and 32. 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 misstatements, 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 could 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 in management of the Metropolitan Council in a separate letter dated June 12, 1998.

This report is intended for the information of the Metropolitan Council, the City-Parish management and Federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

KPMG Paul Marwick LLP

June 12, 1999

REPORT ON COMPLIANCE WITH REGULATORY 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 East St. Louis and Parish of East St. Louis Rouge

Compliance

We were audited for compliance with the requirements of the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended December 31, 1997. The City-Parish's major federal programs are identified in the summary of auditors' results section of the City-Parish's 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, *Standards of Status, Local Governments, and Non-Profit Organizations*. These 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 these 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 these 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, 1997.

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 fiscal 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, 1997, and have issued our report thereon dated June 12, 1998, which included an explanatory paragraph for the adoption of Governmental Accounting Standards Board's Statements Numbers 30, 31 and 32. 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, 1997 and the schedule of passenger facility charges collected and expended for the year and each quarter within the year ended December 31, 1997 are presented for the purpose of additional analysis as required by OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations* and as required by the Federal Aviation Administration of the U.S. Department of Transportation to implement Sections 9118 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 for the information of the Metropolitan Council, the City-Parish management and Federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



June 12, 1998

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| | ACCRUED-DEFERRED GRANT AND CONTRACT REVENUES DECEMBER 31, 1996 | | GRANT AND CONTRACT REVENUES RECEIVED |
|---|--|--------------------|---|
| | GRANTOR | LOCAL | |
| FEDERAL AGENCY - SCHEDULE A | | | |
| U.S. Department of Housing and Urban Development | \$ (152,460) | \$ 496,167 | \$ 4,368,680 |
| U.S. Department of Health and Human Services | 1,009,802 | -- | 8,081,673 |
| Federal Emergency Management Agency | 192,448 | (3,100) | -- |
| U.S. Department of Transportation - FHWA | 4,257,845 | (948,948) | 8,501,673 |
| U.S. Department of Transportation - National Highway Traffic Safety Administration | 8,339 | -- | 43,555 |
| U.S. Department of Energy | (2,590) | -- | 83,688 |
| U.S. Department of Agriculture | 217,804 | (12,217) | 1,882,156 |
| U.S. Department of Education - Rehabilitation Services Administration | 14,208 | -- | 149,582 |
| U.S. Department of Labor | 128,186 | -- | 4,883,294 |
| U.S. Department of Commerce | (8,545) | (17,167) | 38,822 |
| U.S. Department of Justice | 168,107 | (170,664) | 1,134,893 |
| U.S. Department of Agriculture - Forest Service | 42 | -- | -- |
| TOTAL FEDERAL AGENCY - SCHEDULE A | <u>6,283,127</u> | <u>(2,081,484)</u> | <u>24,749,670</u> |
| FEDERAL AGENCY - SCHEDULE B | | | |
| U.S. Department of Transportation - FTA | 617,168 | (848,128) | 3,688,881 |
| U.S. Department of Transportation - FAA | -- | -- | 4,453,812 |
| U.S. Department of Agriculture | 11,294,954 | -- | 11,351,865 |
| Federal Emergency Management Agency | 21,028 | -- | 1,80,208 |
| TOTAL FEDERAL AGENCY - SCHEDULE B | <u>12,893,150</u> | <u>(848,128)</u> | <u>21,483,136</u> |

| GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENSES | ADVANCES (REPAYMENTS) OR ADJUSTMENTS | ACCRESSED EXPENSES - GRANT AND CONTRACT REVENUES DECEMBER 31, 1997 | |
|--|-------------------|---|--|--------------------|
| | | | GRANTOR | LOCAL |
| \$ 491,988 | \$ 5,816,288 | \$ -- | \$ 126,748 | \$ (1,094,178) |
| 1,481,687 | 9,134,687 | (56) | 682,177 | (21,084) |
| -- | -- | -- | (92,484) | (1,183) |
| 1,044,121 | 7,462,393 | -- | 2,242,772 | (1,086,838) |
| -- | 35,295 | -- | 175 | -- |
| -- | 93,321 | -- | (4,077) | -- |
| -- | 1,038,571 | 12,376 | 104,179 | -- |
| 37,783 | 84,777 | -- | (98,180) | (329) |
| -- | 6,978,133 | -- | 599,167 | -- |
| -- | 66,542 | -- | 38,148 | -- |
| 74,956 | 2,877,264 | 2 | (998,176) | (126,728) |
| -- | (41) | -- | -- | -- |
| <u>3,046,541</u> | <u>34,982,491</u> | <u>12,322</u> | <u>2,982,654</u> | <u>(2,328,171)</u> |
| 2,787,169 | 8,491,669 | (815) | 396,178 | (516,854) |
| -- | 1,749,815 | -- | -- | -- |
| -- | 18,936,548 | (6,489,811) | -- | -- |
| -- | 396,751 | -- | 16,481 | -- |
| <u>2,787,169</u> | <u>78,268,883</u> | <u>(14,492,865)</u> | <u>322,928</u> | <u>(1,033,854)</u> |

**CITY OF BATON ROUGE - PART OF EAST BATON PARISH
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF GRANT & SOURCE | CFDA NUMBER | FEDERAL CFDA NUMBER | GRANT NUMBER | ACCUSED (ESTIMATED) | |
|--|-------------|---------------------|------------------|---------------------|-----------------|
| | | | | GRANT YEAR | LOCAL |
| | | | | FY 1997 | FY 1998 |
| FEDERAL GRANTS | | | | | |
| U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | |
| Domestic Programs: | | | | | |
| Community Development: | | | | | |
| Block Grant - 1990 | 182-401000 | 14-219* | 9-93-MC-22-0802 | \$ (83,080) | \$ -- |
| Block Grant - 1990 | 182-401000 | 14-219* | 9-94-MC-22-0802 | (180,080) | -- |
| Block Grant - 1993 | 182-401000 | 14-219* | 9-95-MC-22-0802 | (33,473) | -- |
| Block Grant - 1994 | 182-401000 | 14-219* | 9-96-MC-22-0802 | (189,080) | -- |
| Block Grant - 1995 | 182-401000 | 14-219* | 9-97-MC-22-0802 | (164,994) | -- |
| Block Grant - 1996 | 182-401000 | 14-219* | 9-97-MC-22-0802 | (426,160) | (619) |
| Block Grant - 1996 | 182-401000 | 14-219* | 9-98-MC-22-0802 | (1,317,296) | (439) |
| Block Grant - 1996 | 182-401000 | 14-219* | 9-99-MC-22-0802 | (1,275,796) | (4,219) |
| Block Grant - 1996 | 182-401000 | 14-219* | 9-99-MC-22-0802 | 3,194,264 | (234,264) |
| Block Grant - 1996 | 182-401000 | 14-219* | 9-99-MC-22-0802 | 699,138 | (179,138) |
| Block Grant - 1997 | 182-401000 | 14-219* | 9-99-MC-22-0802 | -- | -- |
| | | | | <u>337,782</u> | <u>647,690</u> |
| SUBTOTAL CFDA NUMBER 14-219 | | | | | |
| Home Grant - 1992 | 181-431602 | 14-239 | 94-95-MC-22-0204 | 41,890 | (48,890) |
| Home Grant - 1993 | 181-431602 | 14-239 | 95-96-MC-22-0204 | (32,847) | -- |
| Home Grant - 1994 | 181-431602 | 14-239 | 96-97-MC-22-0204 | 78,078 | -- |
| Home Grant - 1995 | 181-431602 | 14-239 | 97-98-MC-22-0204 | 14,224 | -- |
| Home Grant - 1996 | 181-431602 | 14-239 | 98-99-MC-22-0204 | -- | -- |
| | | | | <u>108,148</u> | <u>(48,890)</u> |
| SUBTOTAL CFDA NUMBER 14-239 | | | | | |
| Rental Rehabilitation - 1991 | 179-431602 | 14-239 | 9-91-MC-22-0202 | -- | -- |
| Continuum of Care Supportive Housing Program | | | | | |
| Financed through R.H.R. Housing Authority: | 179-431602 | NA | LA-91-9608-04 | -- | -- |
| Drug Elimination Grant | 179-434105 | 14-834 | 93-94 | (9,347) | -- |
| Drug Elimination Grant | 179-434105 | 14-834 | 93-97 | -- | -- |
| | | | | <u>(9,347)</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 14-834 | | | | | |
| Urban/Economic Development: | | | | | |
| Emergency Shelter 1995-96 | 181-431602 | 14-221 | 9-95-MC-22-0802 | -- | (18,910) |
| Emergency Shelter 1996-98 | 181-431602 | 14-221 | 9-96-MC-22-0802 | 6,345 | -- |
| | | | | <u>6,345</u> | <u>(18,910)</u> |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT REVENUES F.D.U.M.E.D. | GRANT MATCHING CONTRIBUTION SHELL-AMERICAN REVENUES | EXPENDITURES | ADVANCES (REPAYMENTS) OR ADJUSTMENTS | ACCUMULATED DEFERRED | |
|---|---|--------------|---|---|-----------|
| | | | | GRANT AND CONTRACT REVENUES DECEMBER 31, 1997 | LOCAL |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ (30,000) | \$ -- |
| -- | -- | -- | -- | (100,000) | -- |
| -- | -- | 15,472 | -- | -- | -- |
| -- | -- | 19,839 | -- | (109,449) | -- |
| -- | -- | 119,364 | -- | (42,548) | -- |
| -- | -- | 85,322 | -- | (54,844) | 64 90 |
| -- | -- | 434,266 | -- | (581,098) | (438) |
| -- | -- | 619,468 | -- | (1,376,080) | (421 70) |
| 719,713 | -- | -- | -- | (148,029) | (148,238) |
| 4,581,687 | 13 | 1,234,255 | -- | 3,099,133 | (199,677) |
| 81,688 | 37,972 | 2,239,979 | -- | 438,026 | (198,962) |
| -- | 488,008 | 431,861 | -- | -- | -- |
| 4,584,026 | 487,988 | 3,667,867 | -- | 437,128 | (977,148) |
| 97,219 | 64,008 | 72,416 | -- | (29,129) | 63,100 |
| 189,601 | -- | 175,881 | -- | (37,777) | -- |
| 214,128 | -- | 284,380 | -- | 284,332 | -- |
| 794,186 | -- | 872,917 | -- | 76,073 | -- |
| 81,373 | -- | 147,838 | -- | 66,442 | -- |
| 1,274,607 | 64,008 | 1,613,444 | -- | 328,628 | 63,100 |
| 11 79 | -- | 11,050 | -- | -- | -- |
| -- | -- | 4,790 | -- | 4,798 | -- |
| -- | -- | -- | -- | (18,307) | -- |
| 140,328 | -- | 79,704 | -- | 76,176 | -- |
| 140,328 | -- | 79,704 | -- | 27,069 | -- |
| -- | -- | -- | -- | -- | (1,812) |
| 134,887 | -- | 117,940 | -- | -- | -- |
| 31,881 | -- | 76,413 | -- | 64,618 | -- |

Continued

**CITY OF BOSTON BUDGET - FINANCIAL REPORT BOSTON BUDGET
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF AGENCIES/SOURCES | CODE NUMBERS | FEDERAL OFFICE NUMBERS | GRANT NUMBERS | ACCOUNTS/EXPENSES | |
|---|--------------|------------------------|--------------------|---------------------------------------|------------------|
| | | | | CONTRACT REVENUES - FEDERAL FUND - | GRANT |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ASSISTANCES | | | | | |
| Food/Budgetary Expenses | | | | | |
| Department of Social Services | 121109 | | | | |
| Emergency Shelter | 178-400600 | 14-201 | 9498 | \$ | \$ |
| Emergency Shelter | 178-400600 | 14-201 | 9397 | 100,132 | -- |
| Emergency Shelter | 178-400600 | 14-201 | 9394 | 85 | -- |
| Emergency Shelter | 178-400600 | 14-201 | 9496 | 21,913 | -- |
| Food/Budgetary Expenses | | | | | |
| Department of Urban and Community Affairs | 121112 | | | | |
| Emergency Shelter Grant | 178-400600 | 14-201 | 1988 | (719) | -- |
| SUBTOTAL - CDEA NUMBER 14-201 | | | | 187,128 | -- |
| | 121890 | | | | |
| Starke Terrace - 1994 | 178-431602 | 14-156 | LA-49-0046-089 | (75,600) | -- |
| Service K - Housing | 178-431602 | 14-156 | LA-49-0081-801-804 | (198,425) | -- |
| Moderate Housing Assistance I - 1994 | 178-431602 | 14-156 | LA-49-8219-001 | 25,124 | -- |
| Moderate Housing Assistance II - 1994 | 178-431602 | 14-156 | LA-49-8219-002 | 28,621 | -- |
| Moderate Housing Assistance III - 1994 | 178-431602 | 14-156 | LA-49-8219-003 | 9,798 | -- |
| Moderate Housing Assistance IV - 1987-94 | 178-431602 | 14-156 | LA-49-8219-004 | 178,171 | -- |
| Starke Terrace - 1993 | 178-431602 | 14-156 | LA-49-0046-089 | (60,997) | -- |
| Starke Terrace - 1996 | 178-431602 | 14-156 | LA-49-0046-089 | 13,376 | -- |
| Starke Terrace - 1997 | 178-431602 | 14-156 | LA-49-0046-089 | -- | -- |
| Moderate Housing Assistance I - 1995 | 178-431602 | 14-156 | LA-49-8219-001 | (95,378) | -- |
| Moderate Housing Assistance II - 1995 | 178-431602 | 14-156 | LA-49-8219-002 | (59,614) | -- |
| Moderate Housing Assistance III - 1995 | 178-431602 | 14-156 | LA-49-8219-003 | (28,978) | -- |
| Moderate Housing Assistance IV - 1995 | 178-431602 | 14-156 | LA-49-8219-004 | (182,454) | -- |
| Moderate Housing Assistance I - 1996 | 178-431602 | 14-156 | LA-49-8219-001 | (51,282) | -- |
| Moderate Housing Assistance II - 1996 | 178-431602 | 14-156 | LA-49-8219-002 | (14,888) | -- |
| Moderate Housing Assistance III - 1996 | 178-431602 | 14-156 | LA-49-8219-003 | (32,924) | -- |
| Moderate Housing Assistance IV - 1996 | 178-431602 | 14-156 | LA-49-8219-004 | (111,348) | -- |
| Moderate Housing Assistance II-1997 | 178-431602 | 14-156 | LA-49-8219-002 | -- | -- |
| Moderate Housing Assistance IV-1997 | 178-431602 | 14-156 | LA-49-8219-004 | -- | -- |
| Section K Certificate Program - 1996 | 178-431602 | 14-156 | LA-279-CED-1 - 4 | (205,297) | -- |
| Section K Certificate Program - 1997 | 178-431602 | 14-156 | LA-279-CED-1 - 4 | -- | -- |
| SUBTOTAL - CDEA NUMBER 14-156 | | | | (847,838) | -- |
| Total U.S. Department of Housing and Urban Development | | | | (152,610) | (658,187) |
| U. S. DEPARTMENT OF COMMERCE AND HUMAN SERVICES | | | | | |
| Direct Expenses | | | | | |
| Community Partnership - 1996 | 178-431601 | 93-394 | | 37,618 | -- |
| Community Partnership - 1997 | 178-431601 | 93-394 | | -- | -- |
| SUBTOTAL - CDEA NUMBER 93-394 | | | | 37,618 | -- |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT REVENUES RECEIVED | GRANTED MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCES (REPAYMENTS) OR ADJUSTMENTS | ACCUMULATED DEFICITARY GRANT AND CONTRACT REVENUES DECEMBER 31, 1997 | |
|---|--|------------------|---|---|--------------------|
| | | | | GRAND TOTAL | LOCAL |
| \$ 24,143 | \$ -- | \$ 60,697 | \$ -- | \$ 34,154 | \$ -- |
| 147,142 | -- | 41,433 | -- | 7,189 | -- |
| -- | -- | (83) | -- | -- | -- |
| 33,238 | -- | 1,325 | -- | -- | -- |
| <u>184,523</u> | <u>--</u> | <u>102,432</u> | <u>--</u> | <u>(718)</u> | <u>--</u> |
| | | | | <u>57,136</u> | <u>--</u> |
| -- | -- | 2,247 | -- | (73,485) | -- |
| -- | -- | 73,890 | -- | (123,427) | -- |
| 44,981 | -- | 4,366 | -- | (12,271) | -- |
| -- | -- | 1,871 | -- | 28,695 | -- |
| -- | -- | (49) | -- | 3,748 | -- |
| -- | -- | 8,691 | -- | 186,887 | -- |
| -- | -- | (2,247) | -- | (84,274) | -- |
| -- | -- | -- | -- | 13,376 | -- |
| 234,197 | -- | 302,315 | -- | 68,118 | -- |
| (91,631) | -- | 1,875 | -- | (2,683) | -- |
| -- | -- | 2,683 | -- | (38,591) | -- |
| (14,827) | -- | 2,843 | -- | (38,888) | -- |
| -- | -- | 6,421 | -- | (176,003) | -- |
| (7,255) | -- | (49) | -- | (43,973) | -- |
| -- | -- | 4,972 | -- | (9,883) | -- |
| (28,883) | -- | 6,804 | -- | 1,997 | -- |
| -- | -- | 46,672 | -- | (63,082) | -- |
| 48,817 | -- | 38,699 | -- | 1,773 | -- |
| 978,968 | -- | 322,608 | -- | (21,757) | -- |
| -- | -- | -- | -- | (583,581) | -- |
| <u>330,470</u> | <u>--</u> | <u>173,899</u> | <u>--</u> | <u>(1,37,871)</u> | <u>--</u> |
| <u>1,309,832</u> | <u>--</u> | <u>1,206,096</u> | <u>--</u> | <u>(886,444)</u> | <u>--</u> |
| <u>8,358,850</u> | <u>497,889</u> | <u>8,574,748</u> | <u>--</u> | <u>236,740</u> | <u>(1,056,189)</u> |
| 398,300 | -- | 362,448 | -- | 387 | -- |
| 35,400 | -- | 78,082 | -- | 3,462 | -- |
| <u>433,700</u> | <u>--</u> | <u>440,530</u> | <u>--</u> | <u>4,849</u> | <u>--</u> |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF AGENCY & SOURCE | CODE NUMBERS | FEDERAL CFDA NUMBERS | GRANT NUMBERS | ACCUMULATED DEFERRED CASH AND CONTRACT OBLIGATIONS (IF APPLICABLE), From | |
|---|--------------|----------------------|-----------------|--|-----------|
| | | | | SELECTION | LOCAL |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES-REPRODUCTIVE HEALTH | | | | | |
| Headstart - 1996 | 168-401600 | 93-680 | 66C0904519 | \$ 603,877 | \$ -- |
| Headstart - 1997 | 168-401600 | 93-680 | 66C0904528 | -- | -- |
| | | | | <u>603,877</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 93-680 | | | | | |
| Paid through Louisiana Department of Health and Hospitals, Office of Community Services | | | | | |
| City Court Violators in Court | 176-402804 | 93-992 | 93-98 | -- | -- |
| City Court Violators in Court | 176-402804 | 93-992 | 96-97 | 16,001 | -- |
| City Court Violators in Court | 176-402804 | 93-992 | 93-98 | 92 | -- |
| | | | | <u>16,098</u> | <u>92</u> |
| SUBTOTAL CFDA NUMBER 93-992 | | | | | |
| Paid through Louisiana Department of Social Services | | | | | |
| BRACA - LREAP Energy Assistance | 168-402400 | 93-368 | 1997 | -- | -- |
| BRACA - LREAP Energy Assistance | 168-402400 | 93-368 | 1996 | 213,178 | -- |
| | | | | <u>213,178</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 93-368 | | | | | |
| Paid through Louisiana Department of Social Services | | | | | |
| Headstart Summer - Institutional | 168-401600 | 93-368 | | -- | -- |
| SUBTOTAL CFDA NUMBER 93-368 | | | | | |
| Paid through Louisiana Department of Engineering and Transport | | | | | |
| Community Services Block Grant | | | | | |
| BRACA | 168-402604 | 93-369 | CS96-PY-9679819 | 105,421 | -- |
| BRACA | 168-402604 | 93-369 | CS96-PY-9379819 | -- | -- |
| CS96 - State Discretionary | 168-402604 | 93-369 | CS96-PY-9379819 | (7,368) | -- |
| | | | | <u>98,053</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 93-369 | | | | | |
| Total U.S. Department of Health and Human Services | | | | | |
| | | | | <u>1,019,902</u> | <u>--</u> |
| FOR RAIL EMERGENCY MANAGEMENT (CEM) | | | | | |
| Paid through Department of Wildlife, Fisheries, and Hunting | | | | | |
| Hurricane Andrew | 170-401102 | 93-916 | | 292,880 | (2,182) |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT BY/FY/FO NO./F.F.O. | GRANT MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCES (REPAYMENTS OR ADJUSTMENTS) | ACCUMULATED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 1997 | |
|---|--|------------------|---|---|-----------------|
| | | | | GRAND | LOCAL |
| \$ 722,850 | \$ -- | \$ 82,150 | \$ -- | \$ -- | \$ -- |
| <u>2,554,700</u> | <u>1,489,736</u> | <u>7,186,088</u> | <u>--</u> | <u>291,611</u> | <u>--</u> |
| <u>6,082,650</u> | <u>1,489,736</u> | <u>7,186,072</u> | <u>--</u> | <u>291,611</u> | <u>--</u> |
| 15,900 | 20,493 | 31,928 | -- | 18,036 | (20,493) |
| <u>46,717</u> | <u>5,433</u> | <u>36,164</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>150</u> | <u>--</u> | <u>--</u> |
| <u>62,628</u> | <u>15,926</u> | <u>70,122</u> | <u>150</u> | <u>18,036</u> | <u>(20,493)</u> |
| 596,678 | -- | 525,651 | -- | (18,036) | -- |
| <u>204,628</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(3,311)</u> |
| <u>721,118</u> | <u>--</u> | <u>525,651</u> | <u>--</u> | <u>(18,036)</u> | <u>(3,311)</u> |
| <u>180,080</u> | <u>--</u> | <u>210,260</u> | <u>--</u> | <u>133,268</u> | <u>--</u> |
| 180,212 | -- | (3,208) | (1) | -- | -- |
| <u>669,715</u> | <u>--</u> | <u>120,128</u> | <u>--</u> | <u>203,103</u> | <u>--</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(3,208)</u> | <u>--</u> |
| <u>269,892</u> | <u>--</u> | <u>717,528</u> | <u>11</u> | <u>246,087</u> | <u>--</u> |
| <u>8,000,475</u> | <u>1,485,987</u> | <u>5,118,687</u> | <u>260</u> | <u>683,277</u> | <u>(21,080)</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(52,440)</u> | <u>(1,361)</u> |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1997

| NAME OF GRANT & SOURCE | CODE NUMBER | FEDERAL CFDA NUMBER | GRANT NUMBER | ACCOUNTS-CURRENTS | |
|---|-------------|---------------------|-------------------------|---------------------------------------|------------------|
| | | | | GRANT AND CONTRACT PAYMENTS - FEDERAL | UNEXP. BAL. |
| U.S. DEPARTMENT OF TRANSPORTATION - 100% | | | | | |
| Award through Louisiana Department of Transportation and Development - Office of Highways | | | | | |
| Thruway/Archie Overpass | 178-402200 | 28,285 | 78-CR-03-0028 | \$ 764 | \$ - |
| Signal System Synchronization | 178-402200 | 28,285 | 780-17-89 | 1,680,873 | - |
| Millerville Road - I-12 and Harrell's Ferry Road | 178-402200 | 28,285 | 780-17-11 | 34,247 | (7,981) |
| Millerville Road - I-12 and Old Hammond Highway | 178-402200 | 28,285 | 780-19-44 | 13 | (1,857) |
| Compartimented Signal - Highland Road and Nicholson Drive | 178-402200 | 28,285 | 780-21-80,81 | 1,182,163 | - |
| Monterey Boulevard | 178-402200 | 28,285 | 743-83-89 | - | (3,814) |
| South Choctaw Drive - Between Monterey Boulevard and North Shoptown Point | 178-402200 | 28,285 | 743-83-86 | 823 | 32,581 |
| ICD Foster at Leitch Drive | 178-412280 | 28,285 | 743-84-08 | 9,998 | - |
| Lee Drive Bridge | 178-412280 | 28,285 | 743-84-02 | 47,952 | - |
| Intersection Highland & Dalewyile | 178-412280 | 28,285 | 743-84-78 | 11,668 | (11,847) |
| Midhigh Road - Baton Rouge | 178-412280 | 28,285 | 743-85-78 | 54,608 | (46,888) |
| Tipton Road | 178-412280 | 28,285 | 743-86-8911 | 18,554 | (3,883) |
| L. & A. Mable Lane - Power Lane | 178-412280 | 28,285 | 743-86-83 | 4,302 | - |
| L. & A. Mable Lane - Swan Avenue | 178-412280 | 28,285 | 743-86-88 | 2,876 | - |
| Monterey Boulevard | 178-412280 | 28,285 | 743-86-73 | 5,189 | (880,586) |
| South Sherwood at Country | 178-412280 | 28,285 | 743-87-48 | 51,180 | (7,793) |
| Compartimented National Gas Conversion | 178-412280 | 28,285 | 743-87-01,13 | 2,668 | (7,933) |
| Green Road | 178-412280 | 28,285 | 780-88-0241 & 780-87-01 | 18,948 | (18,244) |
| Country Club Lateral | 178-412280 | 28,285 | 376-17-0884(884) | 19,412 | (17,722) |
| Goodwood @ E. Airport | 377-402280 | 28,285 | 743-17-0889 | - | - |
| North Sherwood @ South Choctaw | 377-402280 | 28,285 | - | - | - |
| Buffard Drive Overpass | 178-412280 | 28,285 | 744-17-0881 | - | - |
| I-10 @ Melrose | 178-412280 | 28,285 | 744-17-0886 | - | - |
| Electronics at Forties | 377-412280 | 28,284 | 780-17-0364(17-041) | - | - |
| Roadway - In-cable Mgt. System (RIMS) | 178-412280 | 28,284 | 717-17-0881 | - | - |
| Water Canal | 377-402280 | 28,285 | 376-17-0886 | - | - |
| La. Hwy. 19 @ Levey Lane | 377-402280 | 28,285 | 780-17-0441 | - | - |
| Rainey Road @ Florida Blvd. | 377-402280 | 28,285 | 780-17-0438 | - | - |
| SUBTOTAL CFDA NUMBER 28,285 | | | | 4,217,815 | (953,948) |
| Total U.S. Department of Transportation - FHWA | | | | 4,217,815 | (953,948) |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT ELEMENTS TOTAL | GRANTS MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCED REPAYMENTS OR ADJUSTMENTS | ACCRUED (DEFERRED) GRANT AND CONTRACT COSTS PER FEDERAL YEAR | |
|--|---|------------------|---|---|--------------------|
| | | | | GRAND TOTAL | LOCAL |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 764 | \$ -- |
| 1,521,694 | -- | 1,467,311 | -- | 681,158 | -- |
| -- | -- | -- | -- | 24,247 | (7,980) |
| -- | 1,993 | -- | -- | 13 | (3,899) |
| 2,663,719 | -- | 1,190,434 | -- | 396,624 | -- |
| -- | -- | -- | -- | -- | (3,814) |
| -- | -- | 1,328 | -- | 1,393 | 31,980 |
| -- | -- | -- | -- | 5,990 | -- |
| 18,310 | -- | 157,027 | -- | 154,679 | -- |
| -- | -- | -- | -- | 115,808 | (12,447) |
| -- | -- | 651 | -- | 55,849 | (46,288) |
| 186,257 | 76,532 | 184,781 | -- | -- | (45,267) |
| -- | -- | -- | -- | 4,500 | -- |
| -- | -- | -- | -- | 3,976 | -- |
| 1,583,569 | -- | 3,989,131 | -- | 668,308 | (100,898) |
| -- | -- | -- | -- | 50,348 | (7,215) |
| 3,688 | -- | -- | -- | -- | (7,812) |
| 26,283 | -- | 4,736 | -- | 43,108 | (9,389) |
| -- | 87,664 | 44,788 | -- | 39,443 | -- |
| -- | 153,718 | 682 | -- | -- | (153,046) |
| -- | 68,592 | 4,800 | -- | -- | (68,592) |
| 3,680 | 3,488 | 10,913 | -- | 3,732 | (5,297) |
| 15,892 | 4,796 | 18,990 | -- | -- | (798) |
| -- | 23,088 | 24,973 | -- | 16,208 | (14,088) |
| -- | 83,229 | 190,948 | -- | 174,554 | (83,821) |
| -- | -- | 151,107 | -- | 3,846 | -- |
| 147,261 | -- | 16,741 | -- | 13,383 | (11,423) |
| -- | 16,947 | 19,399 | -- | 18,261 | (17,188) |
| <u>8,411,475</u> | <u>1,844,321</u> | <u>7,682,192</u> | <u>--</u> | <u>2,262,272</u> | <u>(1,496,178)</u> |
| <u>8,411,475</u> | <u>1,844,321</u> | <u>7,682,192</u> | <u>--</u> | <u>2,262,272</u> | <u>(1,496,178)</u> |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF GRANTS & SOURCES | CODE NUMBERS | FEDERAL CFDA NUMBERS | GRANT NUMBERS | ACCUMULATED (EXPENSES) GRANT AND CONTRACT EXPENSES DECEMBER 31, 1996 | |
|---|--------------|----------------------|---------------|--|-----------|
| | | | | FEDERAL GRANTS | LOCAL |
| U.S. DEPARTMENT OF TRANSPORTATION - NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION | | | | | |
| Funds through Louisiana Highway Safety Commission | | | | | |
| Safety Commission | 121 905 | | | | |
| City Court (FBI) Goggles Grant | 170-412101 | 20-600 | 1997 | \$ | \$ |
| Speed Measurement Grant | 170-412101 | 20-600 | 9726 | 3,496 | -- |
| Red Light Running | 170-412101 | 20-600 | 9759 | 828 | -- |
| | | | | <u>4,324</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 20-600 | | | | 4,324 | -- |
| Funds through Louisiana Department of Transportation and Development | | | | | |
| Funds through Capital Region Planning Commission | | | | | |
| Transportation Planning, 1996-97 | 170-414001 | 20-600 | 704-13-6000 | -- | -- |
| | | | | <u>--</u> | <u>--</u> |
| Total U.S. Department of Transportation - National Highway Traffic Safety Administration | | | | 4,324 | -- |
| U.S. DEPARTMENT OF ENERGY | | | | | |
| Funds through Louisiana Department of Natural Resources | | | | | |
| Department of Social Services | 121 909 | | | | |
| CDRI Weatherization Assistance | 170-412601 | 01-642 | | -- | -- |
| CDRI Weatherization Assistance | 170-412601 | 01-642 | 9455 | 2,390 | 05 |
| | | | | <u>2,390</u> | <u>05</u> |
| SUBTOTAL CFDA NUMBER 01-642 | | | | 2,390 | 05 |
| Funds through Louisiana Department of Natural Resources | | | | | |
| Funds through Louisiana Department of Environmental Quality | | | | | |
| Backyard Composting Project | 121 134 | | | | |
| | 170-412601 | 56 | 9758 | -- | -- |
| | | | | <u>--</u> | <u>--</u> |
| Total U.S. Department of Energy | | | | 2,390 | 05 |
| U.S. DEPARTMENT FOR VETERANS AFFAIRS | | | | | |
| Funds through Louisiana Department of Agriculture | | | | | |
| Commodity Program | 121 134 | | | | |
| Commodity Program | 168-412606 | 18-569 | LADA 9697 | 4,481 | -- |
| Commodity Program | 168-412606 | 18-569 | LADA 9798 | -- | -- |
| | | | | <u>4,481</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 18-569 | | | | 4,481 | -- |
| Funds through Louisiana Department of Natural Resources | | | | | |
| Department of Natural Resources | | | | | |
| LARI | 121 134 | | | | |
| LARI | 170-412602 | 18-561 | 9796 | -- | -- |
| LARI | 170-412602 | 18-561 | 9697 | 70,279 | -- |
| LARI | 170-412602 | 18-561 | 9798 | -- | -- |
| | | | | <u>70,279</u> | <u>--</u> |
| SUBTOTAL CFDA NUMBER 18-561 | | | | 70,279 | -- |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT REVENUE TOTALS | GRANTS MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCED REPAYMENTS OR ADJUSTMENTS | ACCUMULATED GRANT AND CONTRACT RECEIVABLES AS OF SEPTEMBER 30, 1997 | |
|--|---|---------------|---|--|-----------|
| | | | | UNLITIGATION | TOTAL |
| \$ 1,190 | \$ -- | \$ 1,190 | \$ -- | \$ -- | \$ -- |
| 16,799 | -- | 8,799 | -- | 10 | -- |
| <u>11,892</u> | <u>--</u> | <u>11,297</u> | <u>--</u> | <u>110</u> | <u>--</u> |
| 28,372 | -- | 21,217 | -- | 115 | -- |
| <u>14,178</u> | <u>--</u> | <u>14,178</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| 41,555 | -- | 35,381 | -- | 172 | -- |
| -- | -- | 5,804 | -- | 5,804 | -- |
| <u>41,555</u> | <u>--</u> | <u>41,185</u> | <u>--</u> | <u>(6,118)</u> | <u>--</u> |
| 41,555 | -- | 39,684 | -- | 4,733 | -- |
| -- | -- | 108 | -- | 208 | -- |
| <u>41,555</u> | <u>--</u> | <u>40,002</u> | <u>--</u> | <u>(4,877)</u> | <u>--</u> |
| 14,240 | -- | 11,228 | -- | -- | -- |
| -- | -- | 4,211 | -- | 4,717 | -- |
| <u>14,240</u> | <u>--</u> | <u>16,471</u> | <u>--</u> | <u>4,717</u> | <u>--</u> |
| -- | -- | (249) | 209 | -- | -- |
| 284,078 | -- | 250,375 | -- | 1,588 | -- |
| <u>24,662</u> | <u>--</u> | <u>46,342</u> | <u>--</u> | <u>47,981</u> | <u>--</u> |
| 308,740 | -- | 308,940 | 209 | 4,171 | -- |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF GRANTS & SOURCE | COPM NUMBERS | FEDERAL CFDA NUMBERS | GRANT NUMBERS | ACCUSED-EXPENDITURE GRANT AND CONTRACT IDENTIFI- CATION NUMBER (1,996) | |
|---|-----------------|----------------------------|------------------|---|-----------------|
| | | | | OBJECTIVE | SCALE |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | |
| FINANCED THROUGH LEVIES | | | | | |
| Department of Education Federal Through Levies | 021130 | | | | |
| Available Database, Food Service | 601-412186 | 10-256 | 97 | \$ -- | \$ -- |
| Available Database, Food Service | 601-412186 | 10-256 | 96 | 28,024 | -- |
| SUBTOTAL CFDA NUMBER 10-256 | | | | 28,024 | -- |
| FINANCED THROUGH LEVIES | | | | | |
| Department of Education Student Food | 021130 | | | | |
| | 170-412687 | 10-259 | 97 | -- | -- |
| Headstart Food 1993-93 | 160-412687 | 10-250 | 9795 | -- | (11,277) |
| Headstart Food 1996-97 | 160-412687 | 10-250 | 9697 | 208,722 | -- |
| Headstart Food 1997-98 | 160-412687 | 10-250 | 9798 | -- | -- |
| SUBTOTAL CFDA NUMBER 10-259 | | | | 208,722 | (11,277) |
| Total U.S. Department of Agriculture | | | | 236,746 | (11,277) |
| U.S. DEPARTMENT OF EDUCATION - | | | | | |
| REHABILITATION SERVICE ADMINISTRATION | | | | | |
| FINANCED THROUGH LEVIES | | | | | |
| Office of Basic Education Major Urban Resource Library | 170131 | | | | |
| | 170-402804 | 84-004 | MURL 1997 | -- | -- |
| LS/Ca. Technology Enhancement Reference | 170-402804 | 84-004 | 1996 | 11,288 | -- |
| LS/Ca. Technology Enhancement Grant | 170-402804 | 84-004 | 1996 | 1,080 | -- |
| State Aid To Public Libraries | 170-402804 | 84-004 | 1997 | -- | -- |
| State Aid To Public Libraries | 170-402804 | 84-004 | 9798 | -- | -- |
| SUBTOTAL CFDA NUMBER 84-004 | | | | 14,288 | -- |
| Total U.S. Department of Education - Rehabilitation Service Administration | | | | 14,288 | -- |
| U.S. DEPARTMENT OF LABOR | | | | | |
| FINANCED THROUGH LEVIES | | | | | |
| Department of Education Job Training Partnership Act | 021130 | | | | |
| Title 1 9% | 041-482687 | 17-250 | 6-88-175-0021-2 | -- | -- |
| Title 1 9% | 041-482687 | 17-250 | 6-88-175-0021-2 | 28,232 | -- |
| Title 1 9% | 041-482687 | 17-250 | 6-88-175-0021-2 | -- | -- |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT FUNDING REMITTED | GRANTS MATCHING CONTRIBUTION RECEIVED | PAYING FUNDS | ADVANCES (REPAYMENTS) OR ADJUSTMENTS | ACCUMULATED (DEFERRED) GRANT AND CONTRACT REVENUE DECEMBER 31, 1997 | |
|--|--|--------------|---|--|-------|
| | | | | GRAND TOTAL | LOCAL |
| \$ 41,243 | \$ -- | \$ 33,794 | \$ -- | \$ 8,531 | \$ -- |
| 20,024 | -- | -- | -- | -- | -- |
| 61,267 | -- | 33,794 | -- | 8,531 | -- |
| 891,124 | -- | 849,913 | -- | 12,788 | -- |
| -- | -- | -- | 12,215 | -- | -- |
| 612,792 | -- | 412,880 | -- | -- | -- |
| -- | -- | 215,870 | -- | 205,078 | -- |
| 612,792 | -- | 647,030 | 12,215 | 205,078 | -- |
| 1,882,196 | -- | 1,528,072 | 12,215 | 324,278 | -- |
| 36,798 | -- | 9,450 | -- | (46,948) | -- |
| -- | 18,790 | 36,917 | -- | 21,871 | (178) |
| -- | 15,088 | 18,088 | -- | 20,088 | -- |
| 31,821 | -- | -- | -- | (21,000) | -- |
| 42,881 | -- | -- | -- | (63,081) | -- |
| 149,902 | 21,782 | 84,377 | -- | (88,281) | (178) |
| 149,902 | 21,782 | 84,377 | -- | (88,281) | (178) |
| 8,144 | -- | 14,190 | -- | 7,481 | -- |
| 54,880 | -- | 61,089 | -- | (5,870) | -- |
| 4,098 | -- | 4,098 | -- | -- | -- |

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2007**

| NAME OF GRANT & SOURCE | FUND NUMBER | FEDERAL CFDA NUMBER | GRANT NUMBER | ACCUMULATED (DEFERRED) | |
|---|-------------|---------------------|----------------|-----------------------------|------------------|
| | | | | GRANT AND CONTRACT REVENUES | EXPENSES |
| U.S. DEPARTMENT OF LABOR (CONTINUED) | | | | | |
| Parish Through Louisiana | | | | | |
| Department of Labor | 12114 | | | | |
| Job Training Partnership Act | | | | | |
| Summer Youth Employment Program | 161-403604 | 17-200 | 96WT-21-000 | \$ | \$ |
| Title IA | 161-403604 | 17-200 | FY-9798-21 EA | -- | -- |
| Title IA | 161-403604 | 17-200 | FY-9899-21 EA | 124,981 | -- |
| Title IA 75% Incentive Funds | 161-403604 | 17-200 | FY-9899-21 EA | 2,099 | -- |
| Title IA 75% Incentive Funds | 161-403604 | 17-200 | FY-9900-21 EA | 983 | -- |
| Title IA 75% Incentive Funds | 161-403604 | 17-200 | FY-9900-21 EA | -- | -- |
| Title IC | 161-403604 | 17-200 | FY-9901-21 IC | 50,831 | -- |
| Title IC | 161-403604 | 17-200 | FY-0199-21 IC | -- | -- |
| SUBTOTAL CFDA NUMBER 17-200 | | | | 204,991 | -- |
| Parish Through Louisiana | | | | | |
| Department of Labor | | | | | |
| Title 18F | 161-403604 | 17-246 | FY-9697 | 118,134 | -- |
| Title 18F | 161-403604 | 17-246 | FY-9798 | 7,813 | -- |
| Title 18F | 161-403604 | 17-246 | FY-9798 | -- | -- |
| Government-Career Challenge Grant | 161-403604 | 17-246 | 9996 | 11,864 | -- |
| SUBTOTAL CFDA NUMBER 17-246 | | | | 127,811 | -- |
| Total U.S. Department of Labor | | | | 332,802 | -- |
| U.S. DEPARTMENT OF COMMERCE | 12108 | | | | |
| Economic Development Planning Grant | 170-431604 | 11-383 | 8-29-2934-01 | 65,993 | (17,640) |
| Baton Rouge Works | 161-431604 | 11-383 | 9996 | -- | -- |
| SUBTOTAL CFDA NUMBER 11-383 | | | | 65,993 | (17,640) |
| Total U.S. Department of Commerce | | | | 65,993 | (17,640) |
| U.S. DEPARTMENT OF JUSTICE | | | | | |
| Drug Programs | 12100 | | | | |
| Local Law Enforcement Block Grant | 161-431100 | 66-993 | 96-LR-93-2716 | -- | (166,262) |
| Partnership To Reduce Juvenile Gun Violence | 170-431100 | 66-541 | 97-061-FY-4004 | -- | -- |
| Church Arson Prevention Grant | 170-431100 | 66-580 | 96-05-BX-8104 | 15,000 | -- |
| Community Policing - Cape More | 170-431100 | 66-710 | 96-CJ-93-8508 | 231,800 | (148,563) |
| Community Policing - Cape More | 170-431100 | 66-710 | 96-CJ-93-8508 | -- | -- |
| SUBTOTAL CFDA NUMBER 66-710 | | | | 231,800 | (148,563) |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT REVENUES RECEIVED | GRANTED MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCES DEBITMENTS OR ADJUSTMENTS | ACCUMULATED DEFERRED GRANT AND CONTRACT REVENUES RECEIVABLES 12/31/07 | |
|---|--|------------------|---|--|-----------------|
| | | | | GRANTOR | LOCAL |
| \$ 1,278,000 | \$ -- | \$ 1,284,714 | \$ -- | \$ 4,834 | \$ -- |
| 518,500 | -- | 870,872 | -- | 232,171 | -- |
| 740,158 | -- | 418,877 | -- | -- | -- |
| 458 | -- | 748 | -- | -- | -- |
| 58,775 | -- | 23,018 | -- | 3,228 | -- |
| -- | -- | 1,424 | -- | 1,424 | -- |
| 188,000 | -- | 121,284 | -- | -- | -- |
| 148,188 | -- | 203,889 | -- | 68,700 | (6) |
| <u>3,132,058</u> | <u>--</u> | <u>3,298,134</u> | <u>--</u> | <u>328,186</u> | <u>--</u> |
| 1,058,680 | -- | 953,007 | -- | 16,491 | -- |
| 24,514 | -- | 18,718 | -- | -- | -- |
| 391,981 | -- | 648,581 | -- | 234,600 | -- |
| -- | -- | 1,664 | -- | -- | -- |
| <u>1,475,175</u> | <u>--</u> | <u>1,608,968</u> | <u>--</u> | <u>251,091</u> | <u>--</u> |
| 4,800,298 | -- | 4,874,155 | -- | 999,247 | -- |
| 38,832 | -- | 83,942 | -- | -- | -- |
| -- | -- | 28,948 | -- | 20,980 | -- |
| <u>38,832</u> | <u>--</u> | <u>83,942</u> | <u>--</u> | <u>20,980</u> | <u>--</u> |
| 38,832 | -- | 83,942 | -- | 20,980 | -- |
| <u>38,832</u> | <u>--</u> | <u>83,942</u> | <u>--</u> | <u>20,980</u> | <u>--</u> |
| 1,713,962 | -- | 698,122 | -- | (1,882,431) | (281,428) |
| 48,847 | -- | 84,022 | -- | 18,181 | -- |
| -- | -- | 4,688 | -- | -- | -- |
| 849,214 | -- | 725,676 | -- | -- | (321,799) |
| 355,800 | 66,881 | 221,888 | -- | -- | (15,881) |
| <u>1,618,214</u> | <u>66,881</u> | <u>947,558</u> | <u>--</u> | <u>--</u> | <u>(67,680)</u> |

Continued

**CITY OF BAYTON BOUCE - PARISH OF EAST BAYOU BOUCE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF GRANT & SOURCE | COST NUMBER | FEDERAL CFDA NUMBER | GRANT NUMBER | ACCOUNT DEBITED | |
|--|-------------|---------------------|------------------|--|-----------------------|
| | | | | GRANT AND CONTRACT REVENUE DECEMBER 31, 1997 | ACTUAL |
| U.S. DEPARTMENT OF JUSTICE ACCOUNTS | | | | | |
| Funded through Louisiana Commission on Law Enforcement and Multi-Jurisdictional Investigation | | | | | |
| Task Force | 178-402300 | 16-579 | 94-B5-B-001-0034 | \$ 21,200 | \$ -- |
| Multi-Jurisdictional Investigation | | | | | |
| Task Force | 178-402300 | 16-579 | 93-B5-B-001-0038 | 21,801 | (44,745) |
| Police Electronic Equipment | 178-402300 | 16-579 | 96-P3-B-014-0122 | (2) | -- |
| Drug Abuse Resistance Education | 178-402300 | 16-579 | 89A-5-011 | 80,698 | -- |
| Drug Abuse Resistance Education | 178-402300 | 16-579 | 89A-5-011 | -- | -- |
| Juvenile Services Family Strengthening | 178-402300 | 16-579 | 89A-5-011 | 1,882 | -- |
| Electronic Monitoring | 178-402300 | 16-579 | 89A-5-006 | 3,706 | -- |
| Police Training Academy Development | 178-402300 | 16-579 | 891-9-089 | -- | -- |
| Property Owners Task Force | 178-402300 | 16-579 | 95-B-0483-0025 | 5,560 | (22) |
| Property Owners Task Force | 178-402300 | 16-579 | 96-B5-B-001-0027 | -- | -- |
| Drug Free School Grant | 178-402300 | 16-579 | 96-B5-B-001-0021 | 6,918 | (11,841) |
| Police Fax Machine | 178-402300 | 16-579 | 891-9-017 | -- | -- |
| City Court Electronic Equipment | 178-402300 | 16-579 | 891-9-038 | -- | -- |
| SUBTOTAL CFDA NUMBER 16-579 | | | | 151,965 | (57,869) |
| Total U.S. Department of Justice | | | | 158,302 | (57,894) |
| U.S. DEPARTMENT OF AGRICULTURE-FOREST AND RIL | | | | | |
| State Forestry | 120830 | | | | |
| Low Water Road Bridge | 178-431888 | 16-684 | 08-01-00-19 | 40 | -- |
| TOTAL FEDERAL GRANTS | | | | \$ 1,601,122 | \$ (2,081,494) |

* Designates Major Grant

See Notes to Schedule of Expenditures of Federal Awards.

| GRANT AND CONTRACT REVENUES RECEIVED | GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCES (DEBITMENTS) OR ADJUSTMENTS | ACCUMULATED DEFICIT | |
|---|--|---------------------|---|-------------------------------|----------------------|
| | | | | GRANT AND CONTRACT DEFICIT | LOCAL |
| \$ 23,508 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| 113,117 | -- | 189,176 | -- | 15,588 | (458) |
| -- | -- | -- | 3 | -- | -- |
| 141,028 | -- | 60,484 | -- | -- | -- |
| -- | -- | 41,880 | -- | 40,588 | -- |
| 3,482 | -- | -- | -- | -- | -- |
| 8,316 | -- | -- | -- | -- | -- |
| 3,498 | -- | 5,888 | -- | -- | -- |
| 3,583 | (27) | -- | -- | 8,598 | (614) |
| 14,133 | 8,098 | 39,036 | -- | 4,554 | 00 |
| 41,027 | -- | 31,765 | -- | -- | -- |
| 1,283 | -- | 1,283 | -- | -- | -- |
| 894 | -- | 894 | -- | -- | -- |
| <u>317,271</u> | <u>8,071</u> | <u>362,690</u> | <u>3</u> | <u>81,013</u> | <u>(1,082)</u> |
| <u>1,014,882</u> | <u>74,028</u> | <u>2,077,704</u> | <u>1</u> | <u>(978,274)</u> | <u>119,738</u> |
| -- | -- | (80) | -- | -- | -- |
| <u>\$ 1,312,153</u> | <u>\$ 2,142,101</u> | <u>\$ 3,040,412</u> | <u>\$ 11,232</u> | <u>\$ 2,962,416</u> | <u>\$ 12,378,958</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| NAME OF GRANT/AWARDS | CODE NUMBER | FEDERAL CFDA NUMBER | GRANT NUMBER | ACCUMULATED DEFERRED GRANT AND CONTRACT OBLIGATIONS DECEMBER 31, 1996 | |
|--|-------------|---------------------|--------------|---|------------------|
| | | | | GRANTOR | LOCAL |
| FEDERAL GRANTS | | | | | |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | |
| DISTRICT HIGHWAYS | | | | | |
| DISTRICT TRANSPORTATION | | | | | |
| Federal Transit Administration: | 121.001 | | | | |
| Capital Assistance - 1990 | 402-431201 | 29.300* | LA-90-0100 | \$ 5,000 | \$ (9,182) |
| Planning - 1991 | 402-431201 | 29.300* | LA-90-2114 | 1 | -- |
| Planning - 1993 | 402-431201 | 29.300* | LA-90-2119 | 320 | -- |
| Planning - 1995 | 402-431201 | 29.300* | LA-90-2165 | 5,992 | (2,192) |
| Planning - 1996 | 402-431201 | 29.300* | LA-90-2176 | 44,819 | -- |
| Planning - 1997 | 402-431201 | 29.300* | LA-90-2180 | -- | -- |
| Administration / Maintenance Facility | 402-431201 | 29.300* | LA-83-0059 | 499,908 | -- |
| Capital Assistance - 1991 | 402-431201 | 29.300* | LA-90-0114 | 7,000 | (92,312) |
| Capital Assistance - 1992 | 402-431201 | 29.300* | LA-90-0128 | 5,000 | (16,449) |
| Capital Assistance - 1993 | 402-431201 | 29.300* | LA-90-0139 | 6,345 | (12,281) |
| Capital Assistance - 1994 | 402-431201 | 29.300* | LA-90-0150 | 5,432 | (89,072) |
| Capital Assistance - 1995 | 402-431201 | 29.300* | LA-90-0165 | 4,868 | (79,089) |
| Capital Assistance - 1996 | 402-431201 | 29.300* | LA-90-0176 | 41,990 | (581,589) |
| Capital Assistance - 1997 | 402-431201 | 29.300* | LA-93-0068 | -- | -- |
| Capital Assistance - 1997 | 402-431201 | 29.300* | LA-90-0180 | -- | -- |
| Operating Grant - 1997 | | 29.300* | LA-90-0180 | -- | -- |
| | | | | <u>617,169</u> | <u>(194,179)</u> |
| SUBTOTAL CFDA NUMBER 29.30* | | | | 617,169 | (194,179) |
| Total U.S. Department of Transportation - FTA | | | | 617,169 | (194,179) |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | |
| Federal Aviation Administration: | | | | | |
| Property Acquisition 20-N | 482-121007 | 29.100* | 3-22-0086-23 | -- | -- |
| Taxway Alpha Realignment | 482-450219 | 29.100* | 3-22-0086-31 | -- | -- |
| Taxway Alpha Realignment | | 29.100* | 3-22-0086-32 | -- | -- |
| Taxway Alpha Realignment | | 29.100* | 3-22-0086-33 | -- | -- |
| Noise Compatibility Project | | 29.100* | 3-22-0086-34 | -- | -- |
| Taxway F - Engineering Phase | | 29.100* | 3-22-0086-36 | -- | -- |
| Noise Mitigation - Zone City | | 29.100* | 3-22-0086-37 | -- | -- |
| Terminal Development | | 29.100* | 3-22-0086-38 | -- | -- |
| Rehabilitation of ARFF Building/Vehicle | | 29.100* | 3-22-0086-39 | -- | -- |
| Land Acquisition/Relocation Assistance | | 29.100* | | -- | -- |
| | | | | <u>--</u> | <u>0</u> |
| SUBTOTAL CFDA NUMBER 29.10* | | | | -- | 0 |
| Total U.S. Department of Transportation - FAA | | | | -- | 0 |

See Notes to Schedule of Expenditures of Federal Awards.

Continued

| GRANT AND CONTRACT REVENUES COLLECTED | GRANT MATCHING CONTRIBUTION MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCES (REPAYMENTS) OR ADJUSTMENTS | ACCUMULATED (DEFERRED) GRANT AND CONTRACT RECEIVABLES DECEMBER 31, 2007 | |
|--|--|------------------|---|--|------------------|
| | | | | GRANTED | TOTAL |
| \$ 183,407 | \$ 00 | \$ 191,794 | \$ 3 | \$ -- | \$ (80) |
| -- | -- | -- | (3) | -- | -- |
| 9,167 | -- | 30,712 | -- | 20,848 | -- |
| 11,752 | -- | 10,963 | -- | 2,910 | -- |
| 81,796 | -- | 72,455 | -- | 28,677 | -- |
| 86,943 | -- | 338,275 | -- | 28,138 | -- |
| 790,621 | -- | 432,321 | -- | 173,778 | -- |
| 1,076,748 | 35,174 | 1,234,072 | (2,122) | -- | (15,174) |
| 78,244 | 3,408 | 70,880 | -- | 3,008 | (13,848) |
| 41,881 | 2,688 | 38,446 | 1,213 | -- | (13,888) |
| 11,332 | (88,062) | 7,630 | -- | -- | (17,872) |
| 64,281 | (88,062) | 78,300 | 90 | -- | -- |
| 2,074,612 | -- | 2,499,636 | -- | 3,008 | -- |
| -- | 372,628 | -- | -- | -- | (372,628) |
| 314,875 | 123,080 | 551,758 | -- | 91,760 | (158,974) |
| 220,992 | 2,036,492 | 3,088,992 | -- | -- | -- |
| <u>3,638,861</u> | <u>2,787,189</u> | <u>8,480,668</u> | <u>(913)</u> | <u>386,478</u> | <u>(279,574)</u> |
| <u>3,638,861</u> | <u>2,787,189</u> | <u>8,480,668</u> | <u>(913)</u> | <u>386,478</u> | <u>(279,574)</u> |
| -- | -- | 8,029 | -- | -- | -- |
| 53,148 | -- | -- | -- | -- | -- |
| 1,871,230 | -- | 899,476 | -- | -- | -- |
| 1,703,318 | -- | 140,470 | -- | -- | -- |
| 1,063,861 | -- | 115,431 | -- | -- | -- |
| 178,282 | -- | 288,869 | -- | -- | -- |
| -- | -- | 8,798 | -- | -- | -- |
| -- | -- | 282,541 | -- | -- | -- |
| -- | -- | 42,869 | -- | -- | -- |
| <u>3,411,812</u> | -- | <u>3,748,815</u> | -- | -- | -- |
| <u>3,411,812</u> | -- | <u>3,748,815</u> | -- | -- | -- |

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1997

| NAME OF GRANT & SOURCE | FUND NUMBER | FEDERAL CFDA NUMBER | GRANT NUMBER | ACCUMULATED GRANTS AND CONTRACT RECEIPTS OF PARISH, FROM GRANTS | |
|---|-------------|---------------------|--------------|---|---------------------|
| | | | | 1997 | 1998 |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | |
| Flood Struggle Louisiana | 111 089 | | | | |
| Department of Rural Services | 612-412080 | 18-151 | | \$ 12,566,818 ** | \$ _____ |
| Flood Struggle Program | | | | | |
| FEDERAL EMERGENCY MANAGEMENT AGENCY | | | | | |
| Flood Struggle Louisiana | 111 056 | | | | |
| Department of Military Affairs | | | | | |
| Civil Defense Personnel and Administration - 1994 | 600-412081 | 80-500 | | 21,948 | |
| Civil Defense Personnel and Administration - 1997 | 600-412081 | 80-500 | | _____ | _____ |
| SUBTOTAL CFDA NUMBER 83-800 | | | | 21,948 | _____ |
| Total Fed. Emergency Management Agency | | | | 21,948 | _____ |
| TOTAL FEDERAL GRANTS | | | | \$ 12,588,766 | \$ 1,040,128 |

The above grants do not appear in accordance with MOGA Statement 2; therefore, are reported separately.

* Designates Major Grant

** Designates flood stamp inventory on-hand at beginning and end of year.

See Notes to Schedule of Expenditures of Federal Awards.

| GRANT AND CONTRACT ACTIVITIES FINANCED | GRANTS MATCHING CONTRIBUTIONS MISCELLANEOUS REVENUES | EXPENDITURES | ADVANCES (REPAYMENTS) OR ADJUSTMENTS | ACCUMULATED/DEFERRED | |
|---|--|----------------------|---|---|-------------------|
| | | | | GRANT AND CONTRACT REVENUES DECEMBER 31, 2001 | LOCAL |
| \$ 11,011,884 | \$ _____ | \$ 10,992,142 | \$ 10,889,231 | \$ _____ | \$ _____ |
| 11,948 | - | - | - | - | - |
| <u>88,280</u> | <u>-</u> | <u>194,731</u> | <u>-</u> | <u>36,481</u> | <u>-</u> |
| <u>110,238</u> | <u>-</u> | <u>194,731</u> | <u>-</u> | <u>36,481</u> | <u>-</u> |
| <u>110,238</u> | <u>-</u> | <u>194,731</u> | <u>-</u> | <u>36,481</u> | <u>-</u> |
| <u>\$ 21,400,146</u> | <u>\$ 2,787,148</u> | <u>\$ 28,284,881</u> | <u>\$ 18,889,231</u> | <u>\$ 727,962</u> | <u>\$ 139,594</u> |

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
 COLLECTED AND EXPENDED
 FOR THE YEAR ENDED DECEMBER 31, 1997**

| | <u>FIRST QUARTER 1997</u> | <u>SECOND QUARTER 1997</u> | <u>THIRD QUARTER 1997</u> | <u>FOURTH QUARTER 1997</u> | <u>YEAR ENDED 12-31-97</u> |
|--|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| PFC Revenues Received | \$180,966 | \$302,413 | \$329,298 | \$496,388 | \$ 1,310,065 |
| Interest Earnings | 43,860 | 40,778 | 39,122 | 42,571 | 166,331 |
| Total Revenues | <u>\$224,826</u> | <u>\$343,191</u> | <u>\$368,420</u> | <u>\$538,959</u> | <u>\$ 1,617,291</u> |
| PFC Administrative Fee | \$ 4,742 | \$ 8,658 | \$ 8,768 | \$ 13,231 | \$ (34,999) |
| Bond Principal Payments | -- | -- | -- | 130,222 | (130,222) |
| Bond Interest Payments | -- | -- | -- | 50,644 | (50,644) |
| Expenditures on Approved PFC Projects | 682,242 | 120,128 | 464,786 | 144,543 | (2,009,699) |
| Total Expenditures | <u>\$682,242</u> | <u>\$258,186</u> | <u>\$464,786</u> | <u>\$228,641</u> | <u>\$7,310,288</u> |
| Retained Earnings, Reserved for PFC 12/31/96 | | | | | \$ 3,853,228 |
| Retained Earnings, Reserved for PFC 12/31/97 | | | | | <u>\$ 3,120,213</u> |

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

Notes to Schedule of Expenditures of Federal Awards

December 31, 1997

1. General

The City-Parish's 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 this 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, 1997. 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. Reconciliation Federal Financial Report

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

Schedule of Findings and Questioned Costs

Year Ended December 31, 1997

(I) 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 Block Grant
C.F.D.A. Number 14.218
 - U. S. Department of Transportation
Federal Transit Administration
C.F.D.A. Number 20.567
 - U. S. Department of Transportation
Federal Aviation Administration
C.F.D.A. Number 20.166
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,314,021
- (i) Auditor qualified as a low-risk auditor under Section 510 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

Form 3248-108
SP-SAC

U.S. DEPARTMENT OF COMMERCE • BUREAU OF THE CENSUS
 OFFICE OF COLLECTION ADMIN. AND
 OFFICE OF MANAGEMENT AND BUDGET

**Data Collection Form for Reporting on
 AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

RETURN TO: Single Audit Clearinghouse
 1801 E. 10th Street
 Jeffersonville, IN 47130

PART I GENERAL INFORMATION (To be completed by auditee, except for item 2)

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|--|--|
| 1. Fiscal year ending date for this submission Month: <u>Dec</u> Year: <u>1997</u> 12 / 31 / 1997 | | 2. Type of Circular A-133 audit <input checked="" type="checkbox"/> Single audit <input type="checkbox"/> Program-specific audit | | | | | | | | | |
| 3. Audit period covered <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Other - _____ Months <input type="checkbox"/> Biennial | | FEDERAL GOVERNMENT USE ONLY | | | | | | | | | |
| 4. Date received by Federal clearinghouse | | | | | | | | | | | |
| 5. Employer Identification Number (EIN) | | | | | | | | | | | |
| a. Auditee EIN <table border="1" style="display: inline-table;"><tr><td>7</td><td>2</td><td>6</td><td>9</td><td>0</td><td>1</td><td>3</td><td>7</td></tr></table> | | 7 | 2 | 6 | 9 | 0 | 1 | 3 | 7 | b. Are multiple EINs covered in this report? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| 7 | 2 | 6 | 9 | 0 | 1 | 3 | 7 | | | | |

6. AUDITEE INFORMATION

a. Auditee name
City of Baton Rouge/Parish of East

b. Auditee address (Number and street)
222 St. Louis Street
 City
Baton Rouge
 State LA ZIP Code 70802

c. Auditee contact
 Name
Vicki P. Harris
 Title
Accounting Manager

d. Auditee contact telephone
(504) 389 - 3218 Ext. 120

e. Auditee contact FAX (Optional)
(504) 389 - 7031

f. Auditee contact E-mail (Optional)
VIAHARR1@baton-rouge.la.gov

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditor name
KPMG Peat Marwick LLP

b. Auditor address (Number and street)
one Shell Square, Suite 3500
 City
NEW ORLEANS
 State LA ZIP Code 70116-3500

c. Auditor contact
 Name
Allen J. Richard III
 Title
Partner

d. Auditor contact telephone
(504) 584 - 3014

e. Auditor contact FAX (Optional)
(504) 525 - 3518

f. Auditor contact E-mail (Optional)
arichard@pm.com

8. AUDITEE CERTIFICATION STATEMENT - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts 6, 7, and 8 of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

9. AUDITOR STATEMENT - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts 6 and 7 of this form, except for Part 6b, items 5 and 6, was transferred from the auditor's report for the period described in Part I, items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report. A copy of the recording package required by OMB Circular A-133, which includes the complete auditor's report, is available in 35 minute form to the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts 6 and 7 of this form was entered in this form by the auditor based on information included in the recording package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of certifying official

Date

Vicki P. Harris

6/12/97

Name/Title of certifying official

Vicki P. Harris
 Accounting Manager

Signature of auditor

Date

KPMG Peat Marwick 6/12/97

PART II GENERAL INFORMATION - Continued

1. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box.)
 Cognizant agency Oversight agency

2. Name of Federal cognizant or oversight agency for audit. (Mark (X) one box.)

| | | | |
|---|---|--|---|
| <input type="checkbox"/> African Development Foundation | <input type="checkbox"/> Federal Emergency Management Agency | <input type="checkbox"/> Justice | <input type="checkbox"/> Peace Corps |
| <input type="checkbox"/> Agency for International Development | <input type="checkbox"/> Federal Mediation and Conciliation Service | <input type="checkbox"/> Labor | <input type="checkbox"/> Small Business Administration |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> General Services Administration | <input type="checkbox"/> National Aeronautics and Space Administration | <input type="checkbox"/> Social Security Administration |
| <input type="checkbox"/> Commerce | <input type="checkbox"/> Health and Human Services | <input type="checkbox"/> National Archives and Records Administration | <input type="checkbox"/> State |
| <input type="checkbox"/> Corporation for National and Community Service | <input type="checkbox"/> Housing and Urban Development | <input type="checkbox"/> National Endowment for the Arts | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Defense | <input type="checkbox"/> Institute for Museum Services | <input type="checkbox"/> National Endowment for the Humanities | <input type="checkbox"/> Treasury |
| <input type="checkbox"/> Education | <input type="checkbox"/> Inter-American Foundation | <input type="checkbox"/> National Science Foundation | <input type="checkbox"/> United States Information Agency |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Interior | <input type="checkbox"/> Office of National Drug Control Police | <input type="checkbox"/> Veterans Affairs |
| <input type="checkbox"/> Environmental Protection Agency | | | <input type="checkbox"/> Other - Specify: |

PART III FINANCIAL STATEMENTS (To be completed by auditee)

1. Type of audit report. (Mark (X) one box.)
 Unqualified opinion Qualified opinion Adverse opinion Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? Yes No

3. Is a reportable condition disclosed? Yes No - SGP to Item 8

4. Is any reportable condition reported as a material weakness? Yes No

5. Is a material noncompliance disclosed? Yes No

PART IV FEDERAL PROGRAMS (To be completed by auditee)

1. Type of audit report on major program compliance.
 Unqualified opinion Qualified opinion Adverse opinion Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs? \$____,000(s)
 \$1,918,001

3. Do the auditee qualify as a low-risk auditee? \$____,000?
 Yes No

4. Are there any audit findings required to be reported under 1____, 510a)?
 Yes No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

| | | | |
|---|---|--|---|
| <input type="checkbox"/> African Development Foundation | <input type="checkbox"/> Federal Emergency Management Agency | <input type="checkbox"/> Justice | <input type="checkbox"/> Peace Corps |
| <input type="checkbox"/> Agency for International Development | <input type="checkbox"/> Federal Mediation and Conciliation Service | <input type="checkbox"/> Labor | <input type="checkbox"/> Small Business Administration |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> General Services Administration | <input type="checkbox"/> National Aeronautics and Space Administration | <input type="checkbox"/> Social Security Administration |
| <input type="checkbox"/> Commerce | <input type="checkbox"/> Health and Human Services | <input type="checkbox"/> National Archives and Records Administration | <input type="checkbox"/> State |
| <input type="checkbox"/> Corporation for National and Community Service | <input type="checkbox"/> Housing and Urban Development | <input type="checkbox"/> National Endowment for the Arts | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Defense | <input type="checkbox"/> Institute for Museum Services | <input type="checkbox"/> National Endowment for the Humanities | <input type="checkbox"/> Treasury |
| <input type="checkbox"/> Education | <input type="checkbox"/> Inter-American Foundation | <input type="checkbox"/> National Science Foundation | <input type="checkbox"/> United States Information Agency |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Interior | <input type="checkbox"/> Office of National Drug Control Police | <input type="checkbox"/> Veterans Affairs |
| <input type="checkbox"/> Environmental Protection Agency | | | <input type="checkbox"/> None |
| | | | <input type="checkbox"/> Other - Specify: |

PART III FEDERAL PROGRAMS - Continued

| 7. AUDIT FINDINGS AND QUESTIONED COSTS | | | | | | | | | |
|--|--|--------------------|---|-----------------------------------|-------------------------------|-------------------------------|---------------------------------------|--|--|
| OWA number # | Name of Federal program #6 | Amount expended #5 | Major program #8 | Type of compliance requirement #9 | Amount of questioned costs #7 | Internal control findings #10 | Audit finding reference number(s) #11 | | |
| 14-210 | Community Development Block Grants | \$ 3,407,007 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 14-210 | Community Development Home Grants | \$ 3,613,434 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 14-210 | Senior Rehabilitation | \$ 13,130 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 14-48-9800-04 | Continuum of Care Supportive Housing-Housing & Stable Emp. | \$ 4,790 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 14-850 | Team Elimination | \$ 136,704 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 14-231 | Emergency Shelter | \$ 232,127 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 14-126 | Modular Housing Assistance | \$ 1,226,096 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 21-104 | Community Partnership | \$ 473,711 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 21-800 | Reconnect | \$ 7,158,222 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| 21-502 | City Court Volunteer to Court | \$ 20,123 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ N/A | 0-4 eGC | N/A | | |
| TOTAL FEDERAL AWARDS EXPENDED → | | \$ | | | | | | | |

On other identifying number when the Coding of Federal Domestic Assistance (CFA) number is not available.
 *Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)
 A. Activities allowed or unallowed
 B. Allowable expenses/procedures
 C. Cash management
 D. Civil - Bureau del
 E. Exports
 F. Equipment used and property management
 G. Material expenses
 H. Reasonable conditions
 I. Personnel
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subcontract accounting
 N. Special tests and provisions
 O. None

IF AUDITING UNIT HAS PERIODIC PLEASE INDICATE PERIODIC FINDINGS. ATTACH ADDITIONAL FINDINGS TO THE FORM AND SEE INSTRUCTIONS

8. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

PART I FEDERAL PROGRAMS - Continued

| B. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR | | F. AWARD FEES AND SUBSIDIZED COSTS | | | | | |
|---|--|------------------------------------|--|-------------------------------------|---|---|--|
| CFDA number / ID | Name of Federal Program | Amount expended (M) | Major program (id) | Type of compliance requirement (id) | Amount of compliance subsidized costs (M) | Internal control findings (findings) (id) | Audit finding reference number(s) (id) |
| 50.340 | ELDER-BOOBS ASSISTANCE | \$ 503,501 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 50.350 | HOUSING-ASSISTANCE-RENTALS | \$ 231,560 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 50.360 | COMMUNITY SERVICES BLOCK GRANTS | \$ 717,930 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 50.305 | Highway Planning & Construction Grants | \$ 3,462,393 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 50.400 | Disaster Safety Grants | \$ 20,213 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 50.505 | Transportation Planning | \$ 14,138 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 51.040 | crime victimization Assistance | \$ 93,884 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 10.561 | Localities Job Employment Training | \$ 339,283 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 10.508 | Juvenile Detentions Food Services | \$ 25,234 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| 10.509 | Commodity Program | \$ 16,475 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | \$ 0/A | <input type="checkbox"/> A <input checked="" type="checkbox"/> B | 5/7A |
| TOTAL FEDERAL AWARDS EXPENDED → | | \$ | | | \$ | | |

For other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.
 *Type of compliance requirement: if zero the benefit of that apply to audit findings and compliance costs reported for each Federal program.)
 A. Activities allowed or prohibited
 B. Alternative minimum principles
 C. Cash management
 D. Child Support Act
 E. Eligibility
 F. Equipment and real property management
 G. Financial and real property management
 H. Expendable conditions
 I. Reporting
 J. Substantive monitoring
 K. Social laws and decisions
 L. None
 M. Period of availability of funds
 N. Procurement
 O. Program terms
 P. Real property acquisition and occupation assistance
 Q. None reported

If ADDITIONAL LINES ARE NEEDED, PLEASE REPRODUCE THIS PAGE ATTACH ADDITIONAL PAGES TO THE FORM, AND GET INSTRUCTIONS

Type of Internal control findings (Mark (X) all that apply)
 A. Material weaknesses
 B. Reportable conditions
 C. None reported

PART III FEDERAL PROGRAMS - Continued

B. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

| CFDA number / title | Name of Federal program | Amount expended | Major program | | Type of compliance report annual | Amount of questioned costs | Internal control findings/ number(s) | Audit finding reference number(s) |
|---------------------|--|-----------------|--|----|----------------------------------|----------------------------|--------------------------------------|-----------------------------------|
| | | | id | id | | | | |
| 10-559 | Summer Food | \$ 649,812 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 20-220 | Headstart- Food | \$ 647,230 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 84-014 | PUBLIC LIBRARY SERVICES | \$ 84,277 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 37-250 | Job Training Partnership Act | \$ 2,256,254 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 37-246 | Job Training Partnership Act- Title III P | \$ 1,618,001 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 49-60-95-01 | Backyard composting Project Department of Energy | \$ 238 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 31-395 | Economic Development Planning | \$ 63,542 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 36-310 | community policing | \$ 647,226 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 36-560 | Church Abuse Prevention | \$ 4,600 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |
| 16-292 | Legal Law Enforcement Block Grant | \$ 658,222 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 0 | | \$ N/A | 1-CA 62C A-28 | N/A |

TOTAL FEDERAL AWARDS EXPENDED →

\$ 11,688,222

1) Other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.
 2) Type of compliance requirement: (Enter the format of all that apply to each finding and questioned costs reported for each Federal program.)
 A. Activities allowed or prohibited
 B. Allowable expenses or prohibited
 C. Cash management
 D. Civil (breach of)
 E. Eligibility
 F. Equipment and real property management
 G. Financial control findings (check all that apply)
 H. Financial statements
 I. Personnel qualifications
 J. Reporting
 K. Statistical accounting
 L. Special tests and procedures
 M. None
 O. Monitoring, level of effort, maintaining
 P. Period of availability of funds
 Q. Procurement
 R. Program income
 S. Real property acquisition and relocation assistance
 T. None reported

IF ADDITIONAL FINDINGS ARE REPORTED, PLEASE PROCEED TO THIS PAGE. ATTACH ADDITIONAL PAGES TO THE FORM AND SET INDICATING.

PART III. FEDERAL PROGRAMS - Continued

4. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

| OTDA number / # | Name of Federal program / # | Award expended / \$ | Major program / # | Type of compliance requirement / # | Amount of questioned costs / \$ | Internal control findings / # | Raffle finding reference number / # |
|--|--|----------------------|---|------------------------------------|---------------------------------|-------------------------------|-------------------------------------|
| 16-543 | Partnership to Reduce Juvenile Gun Violence | \$ 64,832 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| 16-516 | Drug Control & System Improvement | \$ 292,693 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| 16-564 | San Mar Road/Division | \$ 432 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| 20-597 | Federal Transit Capital & Operating Assistance | \$ 8,493,669 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| 20-186 | ALCOHOL INTERVENTION PROGRAM | \$ 1,248,915 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| 18-531 | Food Stamps | \$ 18,238,248 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| 03-522 | CHILD CARE | \$ 104,731 | <input type="checkbox"/> Yes <input type="checkbox"/> No | 0 | \$ 0/A | 0/A 40C 0/B | 0/A |
| | | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | 4 | \$ | 0/A 40C 0/B | |
| | | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | 5 | \$ | 0/A 40C 0/B | |
| | | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | 5 | \$ | 0/A 40C 0/B | |
| | | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | 5 | \$ | 0/A 40C 0/B | |
| TOTAL FEDERAL AWARDS EXPENDED → | | \$ 43,867,273 | | | | | |

*On other identifying number when the Office of Federal Benefits Assistance (OFBA) number is not available.

†Type of compliance requirement (When the identity of all the apply to audit findings and questionnaire costs reported for each Federal program.)

- A. Activities allowed or prohibited
- B. Allowable activities principles
- C. Cash management
- D. Debit - Bank Act
- E. Eligibility
- F. Equipment and real property management
- G. Financial statements
- H. Reporting
- I. Subcontractor management
- J. Special laws and provisions
- K. None

Type of internal control findings (Mark (X) all that apply)

- A. Material weaknesses
- B. Reportable conditions
- C. None reported

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

KPMG Peat Marwick LLP

Suite 2000 One World Square
New Orleans, LA 70119-2000

June 12, 1998

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

We have audited the consolidated financial statements of City of Baton Rouge and Parish of East Baton Rouge as of and for the year ended December 31, 1997, and have issued a report thereon dated June 12, 1998. Under generally accepted auditing standards, we are providing you with the attached information relevant to the conduct of our audit.

This information is intended solely for the use of the Members of Metropolitan Council and management and should not be used for any other purpose.

Very truly yours,

KPMG Peat Marwick LLP

CITY OF HATCH ROUGE AND PARISH OF EAST HATCH ROUGE

December 31, 1997

Our Responsibility Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the financial statements of City of Hatch Rouge and Parish of East Hatch Rouge (the City-Parish) as of and for the year ended December 31, 1997 based on our audit. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Furthermore, our audit, including the limited inquiries we made in connection with the Year 2000 issue, was not designed to, and does not, provide any assurance that a Year 2000 issue which may exist will be identified, on the adequacy of the System's plans related to Year 2000 financial or operational issues, or on whether the System is or will become Year 2000 compliant. Year 2000 compliance is the responsibility of management.

Significant Accounting Policies

The significant accounting policies used by the City-Parish are described in the 'Summary of Significant Accounting Policies' note to the financial statements.

We noted no transactions entered into by the City-Parish during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are usually based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the significance of the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We are aware of no significant areas involving management's current except as related to claims and judgments payable, landfill disclosures and compensated absence payable. In these areas, the City-Parish has engaged either internal or external specialists to assist in the valuation and determination of reported amounts. We have reviewed the methodology used and conclude that the methodology is reasonable.

Significant Audit Adjustments

We have made no adjustments to the financial statements of the City-Parish.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the City-Parish's 1997 financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained an opinion, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 38, "Reporting on the Application of Accounting Principles."

Major Issues Discussed With Management Prior to Retention

There have been no major issues discussed with management prior to our retention as your auditors.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Bank One Centre North Tower
Suite 1700
601 Poydras Street
Baton Rouge, LA 70801-1700

RECEIVED
LEGISLATIVE DIVISION
58 JUN 26 AM 11:20

June 21, 1998

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

We have audited the combined and individual fund financial statements of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the year ended December 31, 1997, and have issued our report thereon dated June 12, 1998.

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 responses to correct your comments.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not identify all weaknesses in policies or procedures that may exist. We are, however, in use our knowledge of the City-Parish's organizational structure 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 Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

KPMG Peat Marwick LLP

Appendix A

CURRENT YEAR COMMENTS**Formalized Disaster Recovery Plan**

The City-Parish has not developed a formalized Disaster Recovery Plan to address their IT environment. The risk of not having a plan in 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 to aid personnel in the recovery of systems and information in the event of a disaster.

Information Security Policies and Procedures

The City-Parish has not developed formalized Information Security Policies and Procedures, other than the policies adopted for the Internet, Message, 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 develop its Information Security Policies and Procedures and, once completed, a process should be implemented to distribute the policies to all City-Parish personnel on an annual basis. Additionally, we recommend that the City-Parish 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.

Security Administration Standards

Our audit noted that the City-Parish 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's information assets. Documented procedures would also allow for subsequent reviews to ensure that compliance to standard procedures are maintained.

We recommend that the City-Parish 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, recovery 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-possible 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.

Appendix A.8 continued

Software Licensing

During our review, we noted that the City-Parish does not have procedures in place to monitor for illegal copies of software loaded on the City's PCS. The City-Parish 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 implement policies and procedures to monitor for illegal copies of software loaded on the City's PCS.

Network Virus Monitoring

Our review noted that the City-Parish does not currently monitor for computer viruses on its LAN servers. However, we did note that City-Parish does not 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 implement virus protection software on its LAN servers.

Public Safety Financial Systems - Year 2000

We noted during our review that the Public Safety Systems are not Year 2000 compliant. The City-Parish has obtained correspondence from the ADSS vendor from which the Public Safety system was purchased, confirming that the Public Safety system is not Year 2000 compliant. The ADSS vendor has represented to the City that it will upgrade the standard application modules to correct the Year 2000 issue at no cost to the government. However, ADSS will not pick up the cost for upgrading the application modules which were developed specifically for the City-Parish. Instead, ADSS has given the City two options: 1) the City can contract ADSS to upgrade the systems or 2) the City 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 data in the future may experience difficulties or failures well in advance of the Year 2000.

We recommend that the City-Parish make a determination on how to address the Year 2000 issue for the Financial system application modules which were developed by the ADSS vendor specifically for the City-Parish.

If it is determined that the City-Parish decides to implement the Year 2000 upgrade themselves, the City should develop and document a formalized project plan to ensure they meet the Year 2000 deadline.

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 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 has received assurance from the Financial systems vendor, SACT, that the other Financial system application modules are Year 2000 compliant.

Appendix A (Continued)

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 continue their plans to ensure that Payroll application will be Year 2000 compliant.

Capitalization of Airport Additions

The nature of funding received by the Airport provides renovations to patients' homes as well as the acquisition of land and housing for voter statement rooms. 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.

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 estimates for expenditures incurred but not reported as claims. 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.

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 draw down requests. We recommended that the Airport personnel initiate all requests timely (at least quarterly) and forward the requests to the Finance Department to request the draw.

DISPOSITION OF PRIOR YEARS' MANAGEMENT LETTER COMMENTS**PAYROLL ISSUES****Payroll Issues**

The City-Parish's payroll procedures require that the employee and the employee's supervisor sign all employees' time cards. The Mosquito and Rodent Control Department did not have properly signed time cards. Also in the I.T.P.A. program, leave taken was not being recorded on the time sheets and as a result was not being properly reflected on the payroll distribution report.

The City-Parish should stress to all departments the importance of adhering to its payroll procedures as outlined in the policies and procedures manual. The I.T.P.A. program should have their payroll clerk agree all information between employee sign-in sheets and time sheets with any necessary adjustments being made prior to the payroll being processed.

MANAGEMENT RESPONSE

The response to the 1996 management letter stated that corrective action would be taken. Employees of both departments were again advised about time policies and procedures. Supervisors were informed to take the necessary steps to assure compliance in the recording and administration of time.

STATUS

Attached are responses on the current status of these prior year findings from the Director of the Mosquito Abatement and Rodent Control and the Director of the ITPA Program. Both Directors indicated that the departments are currently in compliance with the City-Parish procedures for internal control of employee time keeping and submission of time sheets.

COMMENT DISPOSITION

This finding has been cleared.

Appendix C

MANAGEMENT'S RESPONSE TO CURRENT YEAR COMMENTS

Formalized Disaster Recovery Plan

The City-Parish 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 to aid personnel in the recovery of systems and information in the event of a disaster.

Management's Response:

Management is currently developing a disaster recovery plan for the City-Parish to aid personnel in the recovery of systems and information in the event of a disaster to be completed within the next year.

Information Security Policies and Procedures

The City-Parish has not developed formalized Information Security Policies and Procedures, other than the policies adopted for the Internet, Intranet, 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 develop its Information Security Policies and Procedures and, once completed, a process should be implemented to distribute the policies to all City-Parish personnel on an annual basis. Additionally, we recommend that the City-Parish 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 Response:

As noted above, the City-Parish has adopted an Internet, Intranet, electronic mail, and online services policy. Personal computer security was addressed in the Policy and all users were required to sign a statement acknowledging they had read the policy. The IS Steering Committee will continue to study security procedures and take whatever action is appropriate.

Security Administration Standards

Our audit noted that the City-Parish 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

Appendix C (Continued)

the assurance of the logical security controls over the City-Parish's information assets. Documented procedures would also allow the subsequent review to ensure that compliance to standard procedures are maintained.

We recommend that the City-Parish 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 reporting and resolving inappropriate user access.
- Password requirements (e.g., minimum length of 8 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 Response:

Several of the larger City-Parish Departments do have standard security administration policies and procedures. The IS Steering Committee will work on expanding these policies and procedures to all departments of the government.

Software Licensing

During our review, we noted that the City-Parish does not have procedures in place to monitor for illegal copies of software loaded on the City's PCS. The City-Parish 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 implement policies and procedures to monitor for illegal copies of software loaded on the City's PCS.

Management's Response:

Informational articles have appeared in City-Parish newsletters alerting employees to the danger of copying unauthorized software. Additionally, a proposal has been made to the IS Steering Committee to purchase a product that will monitor all software on City-Parish computers. This project should begin implementation within the next twelve months.

Network Virus Monitoring

Our review noted that the City-Parish does not currently monitor for computer viruses on its LAN servers. However, we did note that City-Parish does not 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 implement virus protection software on its LAN servers.

Appendix C (Continued)

Management's Response

As of June 12, 1998, implementation has begun to install virus protection software on the City-Parish LAN system.

Public Safety Financial Systems - Year 2000

We noted during our review that the Public Safety Systems are not Year 2000 compliant. The City-Parish has obtained correspondence from the AD&S vendor from which the Public Safety system was purchased, confirming that the Public Safety system is not Year 2000 compliant. The AD&S vendor has represented to the City that it will upgrade the standard application modules to correct the Year 2000 issue at no cost to the government. However, AD&S will not pick up the cost for upgrading the application modules which were developed specifically for the City-Parish. Instead, AD&S has given the City two options: 1) the City can contract AD&S to upgrade the systems or 2) the City 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 data in the future may experience difficulties or failures well in advance of the Year 2000.

We recommend that the City-Parish make a determination on how to address the Year 2000 issue for the Financial system application modules which were developed by the AD&S vendor specifically for the City-Parish.

If it is determined that the City-Parish decides to implement the Year 2000 upgrade themselves, the City should develop and document a formalized project plan to ensure they meet the Year 2000 deadline.

Management's Response

A project plan has been executed with AD&S which shares responsibility for year 2000 compliance. The project should be completed by the end of 1998.

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 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 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 data in the future may experience difficulties or failures well in advance of the Year 2000.

We recommend that the City-Parish continue their plans to ensure that Payroll application will be Year 2000 compliant.

Appendix C.1 (Continued)

Management's Response:

The programming work on the payroll system is under way and the application is prior 2000 compliance will be completed within the next twelve months.

Capitalization of Airport Additions

The nature of funding received by the Airport provides no restrictions to personal fixtures as well as the acquisition of land and housing for noise abatement reasons. To ensure that only those items which have an intended benefit to the City-Parish are being capitalized, we recommended that management review the current capitalization procedures and adjust its fixed asset records as necessary.

Management's Response:

Finance/Accounting Division staff is currently in the process of consulting with other governments, and federal regulations concerning the capitalization of noise mitigation costs. The staff will work with the credit auditors over the next 6 months to develop an accounting procedure for the capitalization of noise mitigation costs.

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 estimates for expenditures incurred but not reported as claims. 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 Response:

The Finance Department will recommend that an actuary be retained to help estimate outstanding contingent liabilities and claims for the next 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 draw-down requests. We recommended that the Airport personnel initiate all requests (yearly or at least quarterly) and forward the requests to the Finance Department to request the draw.

Management's Response:

Attached is a response from the Director of Aviation at the Greater Baton Rouge Airport dated June 12, 1998. The Finance Department, Accounting Division will continue in process draw-down requests as needed for cash management purposes to maximize the use of Airport funds with the same care as we do with all City-Parish funds.

EAST BATON ROUGE PARISH MOSQUITO ABATEMENT
AND RODENT CONTROL DISTRICT NO. 1

2221 East Bayou de L'Anse
White House
Baton Rouge, Louisiana 70807
Phone - (504)634-2367

CITY PARISH INTEROFFICE
MEMORANDUM

EBR MOSQUITO ABATEMENT & RODENT CONTROL

TO: Mike Hill, Auditing Manager

FROM: Matthew M. Yates, Director 

DATE: June 18, 1997

RE: Our telephone conversation of June 18, 1997 concerning time card procedures.

July 11, 1997, memo from Gaylede Walker, Audit Committee Chairman, concerning management letter response.

Memorandum from Matthew Yates to Mike Hill dated July 15, 1997, and:

Memorandum from Matthew Yates to all EBRMARC employees dated July 14, 1997.

EBRMARC employees and supervisors have been in continual compliance with the July 14, 1997 memorandum concerning record-keeping and time cards. They will continue to do so. If are there any questions concerning our procedures, or if you need to see the time cards and documentation, feel free to call.

MMY/yaw



Office of the Mayor-President
Division of Human Development and Services
City of Baton Rouge
Parish of East Baton Rouge

Office of Employment and Training
JTHA
4511 Plaquemine Road
Baton Rouge, Louisiana 70802

Sidney W. Longwell
Director

Alice M. Thomas
Assistant Director

(504) 388-6376
Fax (504) 387-9676

June 12, 1990

MEMO

To: Larry St. Amant, Assistant Director, M&S

From: Sidney W. Longwell, JTHA Director *Sidney W. Longwell*

Subject: Management Letter Response - 5/1/90

In response to the status of the implementation of the prior year recommendation relating to payroll, we are still monitoring the procedure closely. The payroll clerk continues to verify time by cross referencing the time sheet with the daily sign-in sheets.

Also, we discuss the importance of recording time on the time sheet periodically at our monthly employees' meeting.

Should you need additional information, please contact me.

/s/

**GREATER BATON ROUGE
AIRPORT DISTRICT**

SUITE 210, RYAN TERMINAL BUILDING
BATON ROUGE, LA 70801
(504)383-8310

June 12, 1998

Mike Hill
Auditing Manager
P. O. Box 1471
Baton Rouge, LA 70821

Dear Mr. Hill:

This is a response to your request regarding the audit:

At the request of the City-Parish Auditing Division, the airport forwarded the responsibility of drawing down Federal Funds to the Finance Department. At that time, the airport requested the amounts to be drawn and submitted this request to the Finance Department. However, after that time, the Finance Department commenced drawing the funds without our knowledge.

However, the airport will cooperate again with the draw down for the current quarter to request Finance to make the necessary draw down from FAA.

If you need further information, please contact me or Ed Palocola at 355-8033.

Sincerely,



Gerald McKinney, A.A.E.
Assistant Director

GMK/ps

cc: Anthony Marino, Director
Brian Mayers, Acting CAO
Paul Thompson, Commission Chairman
Ed Palocola, Business Manager

000 00 00



BATON ROUGE METROPOLITAN AIRPORT

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

NOTE 1 - 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" (\$57,413,241). The remaining carrying amount of \$54,267,946 is classified on the combined balance sheet as "Investments." The difference between carrying amount and amortized cost of \$116,784 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 \$54,747,816 invested in LAMP is owned by the Parish's pooled account (\$33,121,366), the New Municipal Waste Facility (\$11,633) and the East Baton Rouge Sewerage Commission (\$24,606,817). In accordance with GASB Codification Section 156.165, 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 1983. 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 3-c1, 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 287 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:

| | Category 1 | Fair Value |
|--------------------------|----------------------|----------------------|
| U.S. Treasury Bonds | \$ 37,371,073 | \$ 37,371,073 |
| U.S. Agency Bonds | 49,694,250 | 49,694,250 |
| U.S. Agency Notes | 25,211,540 | 25,211,540 |
| Commercial Paper | 13,648,030 | 13,646,050 |
| Corporate Bonds | 35,664,823 | 35,664,823 |
| Corporate Stocks | 179,281,209 | 179,281,209 |
| Corporate Stock Index | 139,813,722 | 139,813,722 |
| International Equity | 75,654,843 | 75,654,843 |
| Enhanced Bond Index Fund | 98,424,388 | 98,424,388 |
| Repurchase Agreements | 20,389,999 | 20,389,999 |
| Total | <u>\$671,911,927</u> | <u>\$671,911,927</u> |

The fair value of \$671,911,927 is classified on the combined balance sheet as "Investments."

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

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

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

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

c. Deposits - Discretely Presented Component Units

The discretely presented component unit agencies are required to invest all 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:

| | Carrying Amount | Book Equivalent | Category <u>1</u> | Category <u>2</u> | Category <u>3</u> |
|---|----------------------------|----------------------------|---------------------------|-------------------------|----------------------------|
| District Attorney of the Nineteenth Judicial District | \$ 1,704,264 | \$ 1,779,562 | \$1,500,000 | \$479,562 | \$ -- |
| Nineteenth Judicial District Court | 516,352 | 520,514 | 180,000 | -- | 340,514 |
| E.B.R. Parish Family Court | 173,650 | 173,640 | 173,640 | -- | -- |
| E.B.R. Parish Juvenile Court | 449,614 | 587,613 | 200,000 | -- | 387,613 |
| Nineteenth Judicial District Indigent Defender Board | 531,301 | 632,793 | 200,000 | -- | 432,793 |
| Clerk of Court | 16,523,294 | 16,641,312 | 4,657,187 | -- | 11,984,125 |
| Capital Region Planning Commission | 352,518 | 366,344 | 366,344 | -- | -- |
| St. George Fire Protection District | 76,623 | 76,623 | 76,623 | -- | -- |
| Central Fire Protection District | 82,614 | 96,365 | 96,365 | -- | -- |
| District 6 Fire Protection District | 150,466 | 173,688 | 173,688 | -- | -- |
| Barndale Fire Protection District | 112,348 | 119,751 | 100,000 | -- | 19,751 |
| Pride Fire Protection District | 87,500 | 67,381 | 67,381 | -- | -- |
| Charneyville Fire Protection District | 17,310 | 17,383 | 17,383 | -- | -- |
| Allen St. Irma Lee Fire Protection District | 22,153 | 22,153 | 22,153 | -- | -- |
| Capital Transportation Corporation | <u>1,935,810</u> | <u>1,618,064</u> | <u>1,618,064</u> | <u>---</u> | <u>---</u> |
| Total Component Units | <u>\$21,816,181</u> | <u>\$21,718,126</u> | <u>\$8,871,852</u> | <u>\$479,562</u> | <u>\$11,567,692</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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

EXHIBIT A-9
(Continued)

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

c. Deposits - Discretely Presented Component Units (Continued)

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" (\$9,611,188). The remaining carrying amount of \$13,617,283 is classified as "Cash and Cash Equivalents."

The carrying amounts of deposits do not include a cash on hand balance for Capital Transportation Corporation of \$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.

d. Investments - Discretely Presented Component Units

| | Fair Value |
|--------------|--------------------|
| Mutual Funds | <u>\$6,114,474</u> |

The mutual funds are owned by Nineteenth Judicial District Court (\$218,483), I.E.R. Parish Clerk of Court (\$84,825), Capital Region Planning Commission (\$695,346), and Capital Transportation Corporation (\$2,195,998). In accordance with GASB Codification Section 100.160, these investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The fair value of \$614,474 is classified on the combined balance sheet as "Investments in Deferred Compensation." The remaining fair value of \$5,498,998 is classified as "Investments."

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 | \$ 13,942,818 |
| Cash on hand | 4,515,481 |
| Investments | 2,945,488 |
| Louisiana Asset Management Pool | <u>54,987,601</u> |
| Sub-total Cash and Cash Equivalents | <u>79,911,428</u> |
| Investments: | |
| Deposits | 116,914,008 |
| Investments | <u>718,179,881</u> |
| Sub-total Investments | <u>835,113,921</u> |
| Cash, Cash Equivalents and Investments, December 31, 1997 | <u>\$932,025,453</u> |