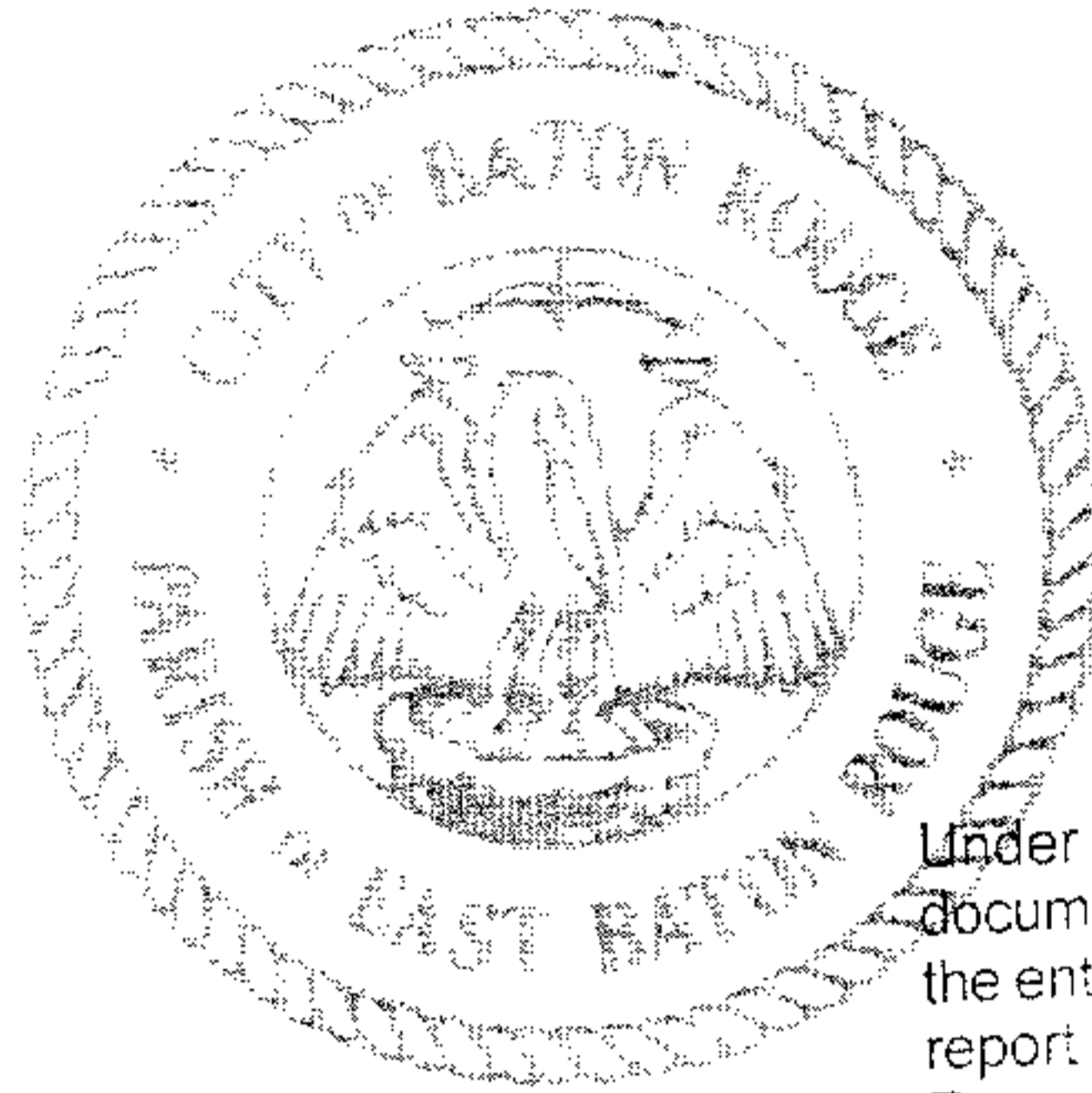


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COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

Release Date JUL 23 2003

**For The Year Ended
December 31, 2002**

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

**Prepared by
Finance Department
David M. Medlin, CPA, Director**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002**

TABLE OF CONTENTS

**Exhibit Page
Number**

INTRODUCTORY SECTION

Letter of Transmittal		v
Certificate of Achievement for Excellence in Financial Reporting		xv
Principal Officials		xvi
Organizational Charts		xviii

FINANCIAL SECTION

Independent Auditors' Report		1
Management's Discussion and Analysis		3
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	17
Statement of Activities	A-2	18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	A-3	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets ...	A-4	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-5	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	A-7	24
Proprietary Funds:		
Statement of Net Assets	A-8	30
Statement of Revenues, Expenses, and Changes in Fund Net Assets	A-9	32
Statement of Cash Flows	A-10	33
Fiduciary Funds:		
Statement of Fiduciary Net Assets	A-11	35
Statement of Changes in Fiduciary Net Assets	A-12	36
Discretely Presented Component Units:		
Combining Statement of Net Assets	A-13	38
Combining Statement of Activities	A-14	46
Notes to the Financial Statements	A-15	51
Required Supplementary Information:		
Employees' Retirement Systems - Schedules of Funding Progress	B-1	119
Employees' Retirement Systems - Schedules of Employer Contributions	B-2	120
Notes to Required Supplementary Information	B-3	121
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	C-1	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	130
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - From Inception - Capital Projects Fund	C-3	134

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002**

TABLE OF CONTENTS

**Exhibit Page
Number**

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):		
Nonmajor Governmental Funds (Continued):		
Schedules of Revenues, Expenditures, and Changes in Fund Balances -		
Budget and Actual:		
City Constable Court Costs Special Revenue Fund	C-4	135
Mosquito Abatement and Rodent Control Special Revenue Fund	C-5	136
Library Board of Control Special Revenue Fund	C-6	137
Downtown Development District Special Revenue Fund	C-7	138
Gaming Enforcement Division Special Revenue Fund	C-8	139
Animal Control Center Special Revenue Fund	C-9	140
Federal Forfeited Property Special Revenue Fund	C-10	141
East Baton Rouge Parish Communications District Special Revenue Fund	C-11	142
Emergency Medical Services Special Revenue Fund	C-12	143
Baton Rouge Fire Department Pay Enhancement Fund	C-13	144
Consolidated Road Lighting District No. 1 Special Revenue Fund	C-14	145
Parish Transportation Special Revenue Fund	C-15	146
Parish Street Maintenance Special Revenue Fund	C-16	147
Consolidated Garbage Service District No. 1 Special Revenue Fund	C-17	148
Grants Special Revenue Fund	C-18	149
City Sales Tax Bonds Debt Service Fund	C-19	154
Parish Sales Tax Bonds Debt Service Fund	C-20	155
State and Local Government Securities Debt Service Fund	C-21	156
Taxable Refunding Bonds Debt Service Fund	C-22	157
Excess Revenue and Limited Tax Debt Service Fund	C-23	158
 Nonmajor Enterprise Funds:		
Combining Statement of Net Assets	D-1	160
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	D-2	162
Combining Statement of Cash Flows	D-3	163
 Internal Service Funds:		
Combining Statement of Net Assets	E-1	166
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	E-2	167
Combining Statement of Cash Flows	E-3	168
 Fiduciary Funds - Pension Trust Funds:		
Combining Statement of Fiduciary Net Assets	F-1	170
Combining Statement of Changes in Fiduciary Net Assets	F-2	171
 Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules By Source	G-1	174
Schedule By Function and Activity	G-2	175
Schedule of Changes By Function and Activity	G-3	176
 Nonmajor Component Units - Fire Protection Districts:		
Balance Sheet	H-1	178
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	H-2	179
Statement of Revenues, Expenditures, and Changes in Fund Balances	H-3	180
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	H-4	181

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002**

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page Number</u>
<u>FINANCIAL SECTION (CONTINUED)</u>		
Combining and Individual Fund Statements and Schedules (Continued):		
Nonmajor Component Units - Fire Protection Districts (Continued):		
Schedules of Revenues, Expenditures, and Changes in Fund Balances -		
Budget and Actual:		
Brownsfield Fire Protection District	H-5	182
Chaneyville Fire Protection District	H-6	183
Pride Fire Protection District	H-7	184
Alsen - St. Irma Lee Fire Protection District	H-8	185
Schedules (Supplementary Financial Information):		
Combined Schedule of Cash, Cash Equivalents and Investments	I-1	188
Employees' Retirement System:		
Revenue by Source and Expenses by Type	I-2	191
<u>STATISTICAL SECTION (UNAUDITED)</u>		
Governmental Fund Type Expenditures and Other Uses by Functions	J-1	194
General Fund Expenditures and Other Uses by Functions	J-2	196
Governmental Fund Type Revenues and Other Financing Sources	J-3	198
General Fund Revenues and Other Financing Sources	J-4	200
General Fund Tax Revenues by Source	J-5	202
Property Tax Levies and Collections	J-6	204
Assessed and Estimated Actual Value of Taxable Property	J-7	206
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	J-8	208
Principal Taxpayers	J-9	210
Special Assessment Collections	J-10	211
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	J-11	212
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total		
General Fund Expenditures	J-12	213
Computation of Direct and Overlapping Debt	J-13	214
Revenue Bond Coverage	J-14	216
Demographic Statistics	J-15	219
Construction and Bank Deposits	J-16	220
Miscellaneous Statistics	J-17	222
<u>SINGLE AUDIT SECTION</u>		
Independent Auditors' Report on Compliance and on Internal Control Over Financial		
Reporting Based on an Audit of Financial Statements Performed in Accordance		
with Government Auditing Standards		227
Independent Auditors' Report on Compliance with Requirements Applicable to Each		
Major Program and Internal Control Over Compliance in Accordance with		
OMB Circular A-133		229
Summary Schedule of Expenditures of Federal Awards		232
Schedule of Expenditures of Federal Awards		
Governmental Activities	Schedule A	234
Business Type Activities	Schedule B	252

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2002**

TABLE OF CONTENTS

	<u>Page</u>	
	<u>Number</u>	
	<u>Exhibit</u>	
<u>SINGLE AUDIT SECTION (CONTINUED)</u>		
Notes to Schedule of Expenditures of Federal Awards	256	
Schedule of Findings and Questioned Costs	257	
Summary Schedule of Prior Year Findings and Questioned Costs	266	
Data Collection Form (Standard Form SF-SAC) - Supplementary Information	291	
Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance	299	
Schedule of Passenger Facility Charges Collected and Expended	301	
PFC Revenue Program - Schedule of Findings and Questioned Costs	302	



Department of Finance

Accounting Division

City of Baton Rouge
Parish of East Baton Rouge

222 St Louis Street
Post Office Box 1471
Baton Rouge, Louisiana
70821

(225) 389-3069
FAX (225) 389-7831

May 23, 2003

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

Dear Mayor-President and Council Members:

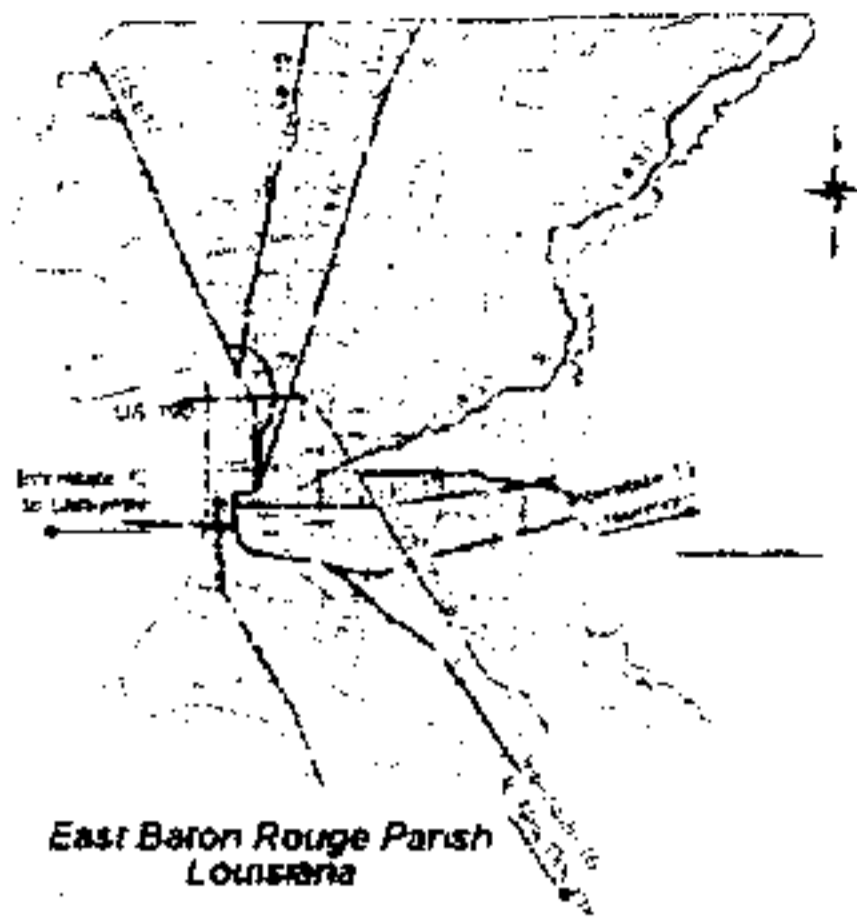
I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2002. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and *significant estimates made by management*; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2002, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

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

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

Profile of the Government



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

The legislative branch is the elected Metropolitan Council, which is composed of 12 district representatives.

The City-Parish provides a full range of services to the general public, including police and fire protection, emergency medical services, public works, 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.



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

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

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

The financial statements included in this CAFR are as follows:

<u>Name of Organization</u>	<u>Type of Unit</u>
▶ The City-Parish	Primary Government
▶ City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System	Blended Component Unit
▶ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
▶ Nineteenth Judicial District Court	Discrete Component Unit
▶ East Baton Rouge Parish Family Court	Discrete Component Unit
▶ East Baton Rouge Parish Juvenile Court	Discrete Component Unit
▶ Nineteenth Judicial District Indigent Defender Board	Discrete Component Unit
▶ East Baton Rouge Parish Clerk of Court	Discrete Component Unit
▶ Capital Region Planning Commission	Discrete Component Unit
▶ East Baton Rouge Parish Coroner	Discrete Component Unit
▶ Parish Fire Protection Districts	Discrete Component Units
▶ Capital Transportation Corporation	Discrete Component Unit

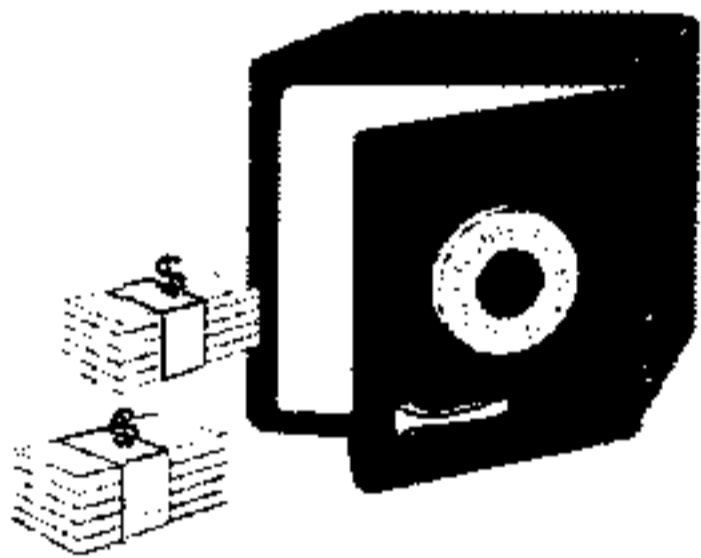
An explanation of the accounting policies of the City-Parish is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policy are explained in detail in the Notes to the Financial Statements.

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, this comparison is presented in Exhibit A-7. The Capital Projects Fund budget statement is presented on a project length basis as legally adopted by the Metropolitan Council on Exhibit C-3. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits C-4 through C-23.

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

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



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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

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



A number of Fortune 500 companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction, banking and financial services, insurance, real estate, and wholesale and retail trade.

According to the Louisiana Department of Labor, the annual average rate of local unemployment rose in 2002, as reflected in the following chart:

	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA ⁽¹⁾</u>
1998	4.3	4.6
1999	3.7	4.0
2000	4.2	4.8
2001	4.9	5.5
2002 ⁽²⁾	5.0	5.6

⁽¹⁾ Metropolitan Statistical Area

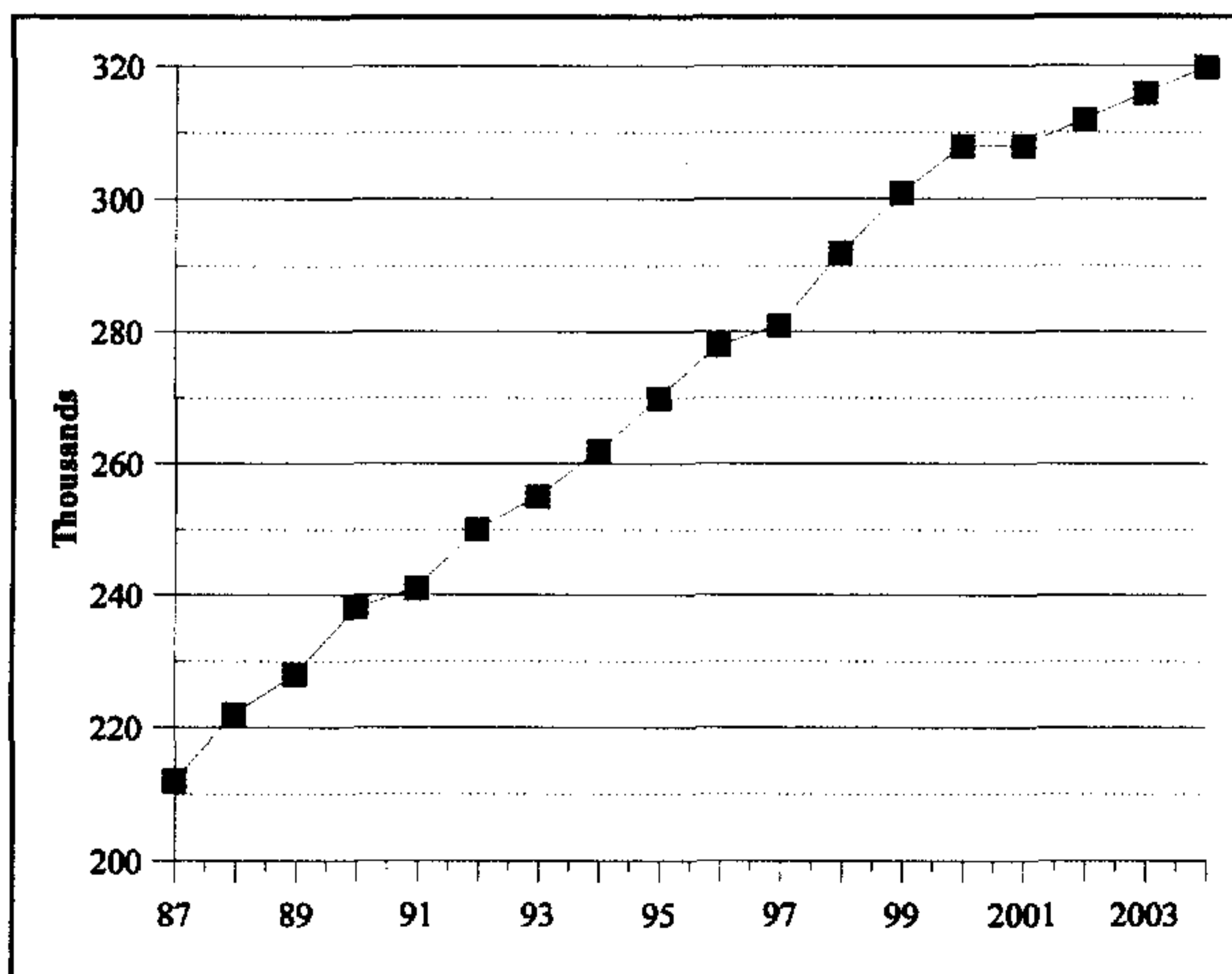
⁽²⁾ Preliminary Figures

The 2002 Louisiana Economic Outlook projects the following conditions for Baton Rouge’s four-parish Metropolitan Statistical Area (MSA) during 2003-2004:

The Baton Rouge MSA—comprised of East Baton Rouge, West Baton Rouge, Livingston, and Ascension Parishes—is the second largest in the state, with 311,700 non-agricultural workers in 2002. The petrochemical industry is a huge factor in this MSA’s economy. Several very large chemical plants are located here, and Baton Rouge is home of the nation’s largest refinery—ExxonMobil—located just north of the state capital building.

FIGURE 1

BATON ROUGE MSA WAGE & SALARY EMPLOYMENT



[Figure 1] illustrates employment patterns in the capital city area over [1987-02] along with forecasts for 2003-2004. Until 2001, the Baton Rouge MSA had the most enviable growth record in the state in terms of both size and consistency. The MSA was tapped by the recessionary years of 1982-87 for about 2.2 percent of its workforce, but the region immediately recovered those losses with a banner year in 1988 when it gained 10,300 new jobs. Then the MSA's employment went straight up for 13 straight years over 1988-00, adding a robust average of 7,500 jobs each time the calendar turned.

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

As mentioned earlier, the chemical industry is very capital-intensive, and that means when it expands, so does the **industrial construction**. Industrial construction jobs are also closely tied to "turnarounds" at these plants, i.e., when the plants are shut down completely for scheduled maintenance. ...the Baton Rouge MSA has an unusually high 11.2 percent of its workforce in the construction sector, a proportion only exceeded by Lake Charles...site 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 also grew over those same 13 straight years of 1988-00. Solid expansions like that generate a generous stream of tax collections into the state treasury.

The existence of the MSA's large universities has spawned the growth of a new, job-intensive industry in the area—**call centers**. The Baton Rouge Area Chamber of Commerce reports the addition of 11 new call centers in the MSA since 1992. These range in size from the relatively small ones with 20 employees to West Telecommunications with a workforce of 1,900.

Baton Rouge's reported performance in 2001—a net loss of 100 jobs—remains something of a puzzle to those of us who track the Louisiana economy. ...a change in a growth pattern of this magnitude would have been accompanied by layoff announcements that did not occur. We anticipate the 2001 figure will ultimately be revised upward.

... **We are projecting 8,200 jobs for the Baton Rouge MSA over 2003-04.** This means employment growth rates in 2003 and 2004 of 1.3% and 1.4%, respectively. Thus, Baton Rouge is expected to grow a bit better than the state in 2003 (1.3% versus 1%) and about the same as the state in 2004 (1.4% versus 1.3%).

While this may appear to be a nice performance, it is in fact quite a slowdown from the MSA's growth rate of 7,500 a year enjoyed in the 1990s. The problem for Baton Rouge over the next two years will be its **chemical industry**. We have already pointed out the dominant role played by this sector in the MSA's economy. The chemical sector has been hurt by two factors. First, the **national recession** hit sales in this sector very hard. It also weakened considerably the price of chemical products. The projected national recovery should come to the rescue on this score.

However, the second factor will remain problematic. **High natural gas prices** have not only raised operating costs in a declining demand market, but they have also caused several ammonia producers in the MSA to close either temporarily, partially, or completely.

Not only has direct chemical employment suffered, but expansion plans—the lifeblood of this MSA's huge industrial construction sector—have been put on hold as well. Conversations with key engineering officials reveal that significant expansion plans by chemical firms may be one and one-half to two years away. Too, in their efforts to watch every penny, chemical firms have been delaying general maintenance as much as possible—another blow to industrial construction activity.

Despite the problems in the chemical sector, there are some very positive events on the horizon for the Baton Rouge area.

- The ExxonMobil Refinery will spend between \$200-\$300 million over the next 18 months to upgrade its plant to produce a lower sulfur gasoline. Too, ExxonMobil is one of the few chemical plants expanding. The firm is spending \$150 million to add an elastomers manufacturing plant.*
- Two call centers will be adding a significant number of jobs. West Telecommunications is adding 750 employees to its facility on Anselmo Lane...Cingular Wireless is boosting its workforce from 250 to 500.*
- Georgia Pacific will install a new \$188 million paper towel machine at its Port Hudson plant and will hire 100 more workers.*
- ASA will be opening its aircraft maintenance facility during our forecast period. Depending on how quickly the travel industry revives completely, employment at this new plant will be between 55-100 employees.*
- Amitech America is opening a new pipe manufacturing plant in Zachary that will employ about 60 people.*
- Several large construction projects will be underway in the area over our forecast period. In its efforts to relocate most state government workers downtown, the Bienville Office Building (\$32.4 million) and the Iberville Office Building (\$25.2 million) will be constructed during this period. The City of Baton Rouge will spend \$30 million on an expansion of the Centroplex and another \$50 million [will be invested by the state and other public and private entities] on the Arts Council Block. At the Pennington Biomedical Research Center, a new \$40 million science building will be completed in early 2003, then construction is planned for a new \$20 million research building. In the health care field, a \$20 million specialty surgery center is under construction, and a \$30 million specialty hospital will be built in 2003.*
- Announcements may be forthcoming soon on two new, job-intensive distribution centers for this MSA. Nearly 900 new jobs could be added to the MSA if these deals are landed.*

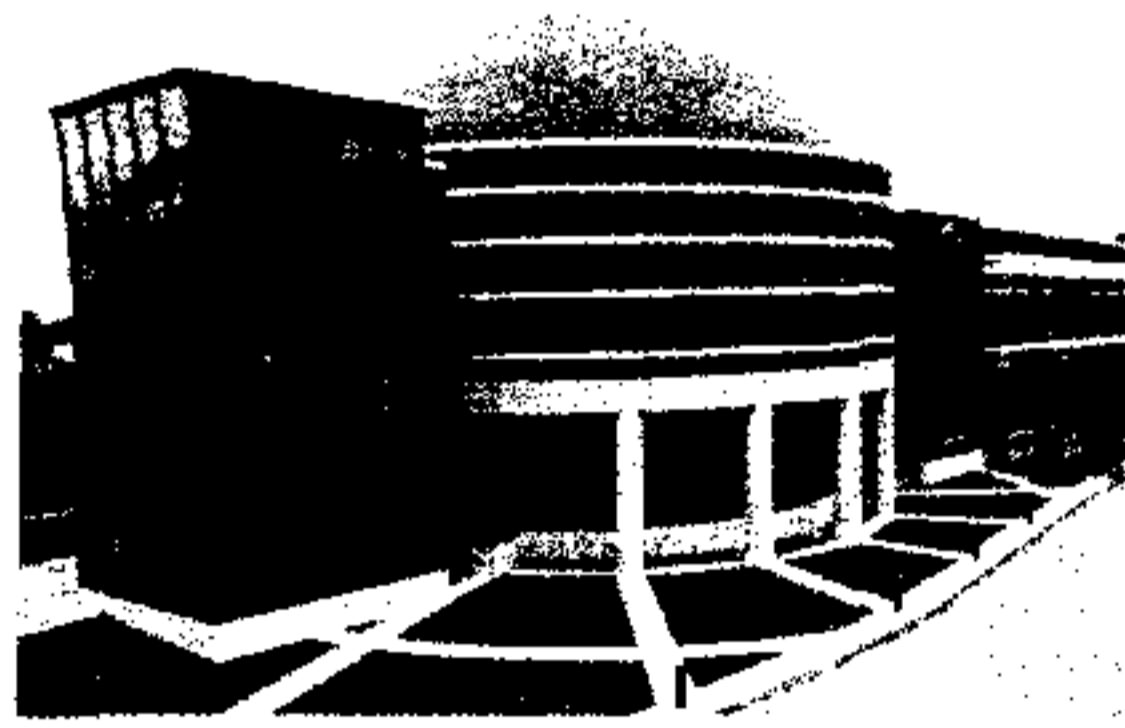
The Baton Rouge economy grew slightly in 2002 as reflected by the general sales and use tax collections. General sales and use tax (2 percent) for the operations of the City and Parish were \$3,385,647 over 2001 revenues, representing a 2.78 percent increase. Sales tax collections for the ½ percent sewerage tax were \$ 829,156 more than last year and the collections of the ½ percent road and street improvement tax increased from 2001 by \$832,039.

Major Initiatives in 2002

Two long-term obligations related to retirement debt were refinanced during 2002. The first transaction eliminated debt with an interest cost of about 7% and replaced it with variable rate taxable debt. With an assumed average interest rate on the new debt of approximately 5%, the City-Parish expected to realize gross savings of \$6.6 million dollars over an estimated 27 years. Due to the uncertainty of savings that may be experienced on an annual basis with variable rate debt, a stability fund was established to receive the first \$1.25 million in savings. This fund had a balance of over \$900,000

as of December 2002. Once the stability fund was fully funded, additional savings would be used to retire debt prematurely in order to generate interest savings. This variable rate debt was converted to a fixed rate in February 2003, which eliminated the need for a stability fund and guaranteed that the savings would be realized. A second refinancing replaced a retirement obligation with an interest rate of approximately 7% with fixed rate taxable debt of 5.73%. This will generate a gross savings of \$12.2 million over the next 27 years. Savings on an annual basis are determinable and will benefit the General Fund. These savings are \$576,000 for 2003 and approximately \$375,000 annually thereafter.

On November 5, 2002, taxpayers renewed a 1.23 mill parish-wide property tax for the operations and maintenance (including facilities and equipment) of the Mosquito and Rodent Control District for years 2004 through 2013. The referendum was approved by 63 percent of the voters who participated in the election. The election result was not surprising since the summer of 2002 brought an increased number of cases of the West Nile virus to the State of Louisiana. The renewal of the tax will enable the parish to continue the fight against these disease-causing pests.



A new planetarium and space theater, the Irene W. Pennington Planetarium, was substantially completed and capitalized during 2002. The 150-seat facility will be among the preeminent demonstration classrooms in the world when it opens in late May 2003. On the first floor gallery, visitors can walk on the sun and weigh themselves on the moon and the planet Pluto, meet Galileo and Isaac Newton or touch a falling star. Audiences will see laser and high-resolution video projections on a domed, 60-foot screen in the ExxonMobil Space Theater. In addition, there will be new exhibit areas, a redesigned sculpture garden, classrooms, a gift shop, and museum support space. Final estimated costs of the building project were \$10.4

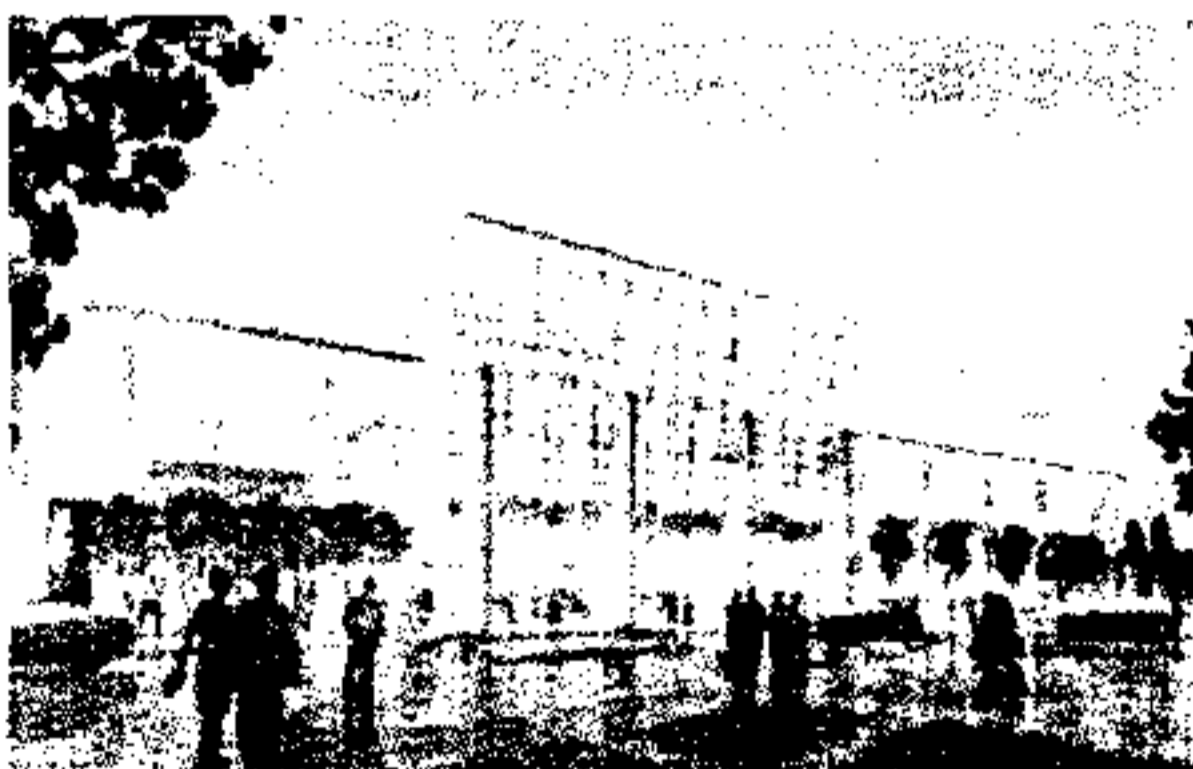
million. A grant from the Pennington Foundation will help pay for operations and keep admission fees accessible to families and schools.

A new 18,000-square-foot branch library was opened in the Central area at 11260 Joor Road on June 11, 2002. The new library houses a staff of 15 and a book collection of 100,000 volumes. The Central Branch features a 100-seat meeting room, 20 public-access computers, and ninety parking spaces. Total costs of the new branch were approximately \$3.9 million.



Long-Term Financial Planning

The Riverside Centroplex expansion is being financed by the parish's portion of a state sales tax on hotel and motel rooms, Louisiana state capital outlay appropriations, and City-Parish local funds. A portion of the costs was originally

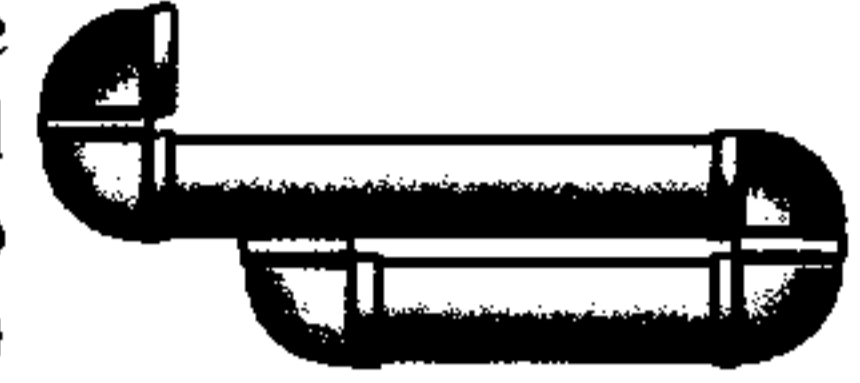


financed through a bond sale in 2001. In order to capitalize on the growing tourism industry the expansion will add 100,000 square feet of exhibition space, 20,000 square feet of meeting space, and a minimum of 15,000 square feet for a hotel-quality ballroom. The added space and numerous private and public development projects adjacent to the facility are expected to allow the Centroplex to compete as a second-tier convention center. Total project authorization is currently \$50.2 million. The expansion project is scheduled to be completed by September of 2004.

In August of 2001, the Parish of East Baton Rouge entered into a Consent Decree with the U.S. Environmental Protection Agency (EPA) and the State of Louisiana, as represented by the Department of Environmental Quality (DEQ), to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to devise a capital improvements program that will reduce sanitary sewer overflows during peak rainfall events. This program must be completed by December 31, 2014.

Sanitary Sewer Overflow Project

In 1998, an outside engineering firm was hired to develop a **Sanitary Sewer Overflow (SSO) Corrective Action Plan**, and that firm presented its findings to the Mayor-President and the Metropolitan Council in the fall of that year. The purpose of the SSO Corrective Action Plan is to: (1) protect the public health through the control of sewer overflows; (2) comply with national, state, and local laws; (3) develop a computerized model of the sanitary sewer collection system; (4) develop standard specifications and design criteria for rehabilitation and new construction; (5) determine the effectiveness of sewer rehabilitation through the collection of flow data; and (6) resolve infiltration issues to provide for future growth.



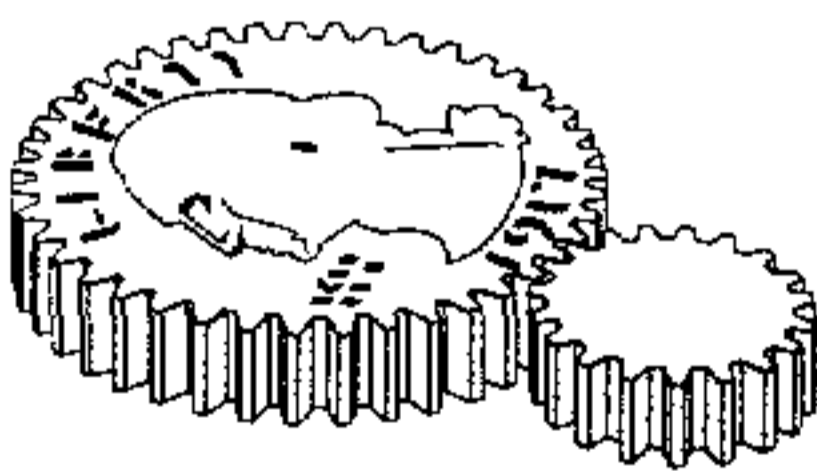
The Metropolitan Council selected a \$618 million construction plan in August of 2001 to implement the SSO Corrective Action Plan. This was approved in conjunction with the aforementioned Consent Decree with the EPA and DEQ. Highlights of this construction alternative include the construction of one large storage basin, deep underground gravity sewers, three ballasted flocculation waste water treatment facilities, storage tanks in outlying areas of the Parish, and rehabilitation of selected areas of the sanitary sewer collection system.

Financing of the SSO Corrective Action Plan began in August of 1999 with the passage of Ordinance 11542. This ordinance authorized a 95 percent increase in sewer user fees that was phased in over a three-year period beginning January 1, 2000, through January 1, 2002. In 2002 the Metropolitan Council approved an additional 10 percent increase that took effect January 1, 2003. The 2002 ordinance includes an annual 4 percent increase in the fee beginning January 1, 2004, and continuing each subsequent year until the program is completed.

Two sewer sales tax revenue bond issues, one in 1999 totaling \$43 million and one in 2001 totaling \$20 million, were authorized to begin the financing of the project. The user fee increases approved by the Metropolitan Council will provide the Parish with a stronger user fee revenue base so that revenue bonds backed by the sewer user fee can be issued to help finance the program. It is estimated that approximately \$304 million in sewer user fee bonds will be issued. Other funding mechanisms that will be considered over the next three years include borrowing funds from the Louisiana Department of Environmental Quality's Revolving Loan Fund and financing a part of the program with variable-rate debt from the Louisiana Community Development Authority (LCDA). Pay-as-you-go funds generated from system operations will also be used in the construction program.

Pension Operations

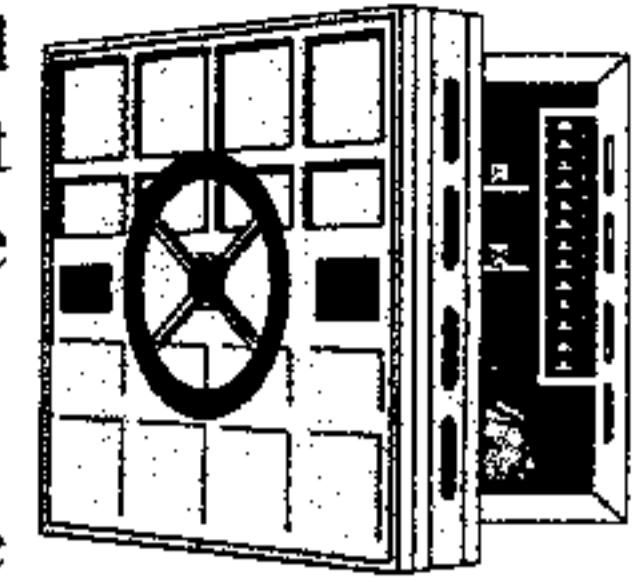
The City-Parish's contribution to the City-Parish Employees' Retirement System (CPERS) during 2002 fell short of the Governmental Accounting Standards Board (GASB) Statement No. 27 annual pension cost (APC) by approximately \$3.8 million, increasing the ordinary net pension obligation (NPO) from \$6.9 million at January 1, 2002, to \$10.7 million at December 31, 2002. The City-Parish and other participating employers contributed 73.6 percent of the annual required 2002 contribution. Constraints on the General Fund budget caused the CPERS Board of Trustees to certify a 2002 rate of 10.57 percent, which was below the actuary-recommended rate of 13.63 percent. The employer's retirement contribution for budget year 2003 was raised to 12.50 percent. See Note 7 of the Notes to the Financial Statements for additional information regarding pension operations.



Cash Management Policies and Practices

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.

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



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

During 2002, temporarily idle cash was invested primarily in the Louisiana Asset Management Pool (LAMP), U.S. government securities, certificates of deposit, and our fiscal agency demand deposit account. At year end, interest earnings in 2002 on matured investments in the central cash management program totaled \$1,935,956, a decrease of \$1,996,563 under earnings for 2001. The effective annual interest rate on all maturing centrally managed investments was 2.01% in 2002, compared with 4.72% in 2001.

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, 2002, were as follows:

Sales Tax Revenue Bonds	\$22,682,539
Greater Baton Rouge Parking Authority	601,361
2002A Variable Rate Stability Fund	918,947
East Baton Rouge Sewerage Commission	<u>37,026,603</u>
Total Trustee-Held Funds	<u>\$61,229,450</u>

Investment activity as of December 31, 2002, on trustee-held funds is detailed in Exhibit I-1. All of the primary government's deposits as of December 31, 2002, 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 as required by law.

Risk Management

The City-Parish's comprehensive risk management program includes coverage for property, general liability, workers' compensation, unemployment, health, life, and dental insurance. The City-Parish self-insurance policy is further explained in Note 13 of the Notes to the Financial Statements.

Awards and Acknowledgments



The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baton Rouge and Parish of East Baton Rouge for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

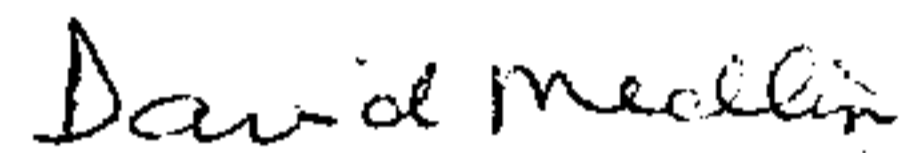
In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both Generally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

A Certificate of Achievement is valid for a period of one year only. The City-Parish has received this award each year for the 15-year period ending December 31, 2001. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

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

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, APAC. In addition, I express my sincere appreciation to Mayor-President Bobby Simpson and the Metropolitan Council for the support they have shown the Finance Department over the last year. With the assistance of the Mayor-President and Metropolitan Council, we will strive to continuously improve our accounting and financial reporting to the people of East Baton Rouge Parish and other readers of our financial reports.

Respectfully submitted,



David Medlin, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



President

Executive Director

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2002



Mayor-President
Bobby Simpson



District 1
Wayne Carter



District 2
Ulysses Z. Addison, Jr.



District 3
Pat Culbertson



District 4
Joseph "Joe" Greco



District 5
Charles Kelly



District 6
Martha J. Tassin

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2002**



President Pro-Tempore
District 10
Lorri Burgess



District 7
Byron Sharper



District 9
Darrell P. Ourso



District 8
J. Michael "Mike" Walker

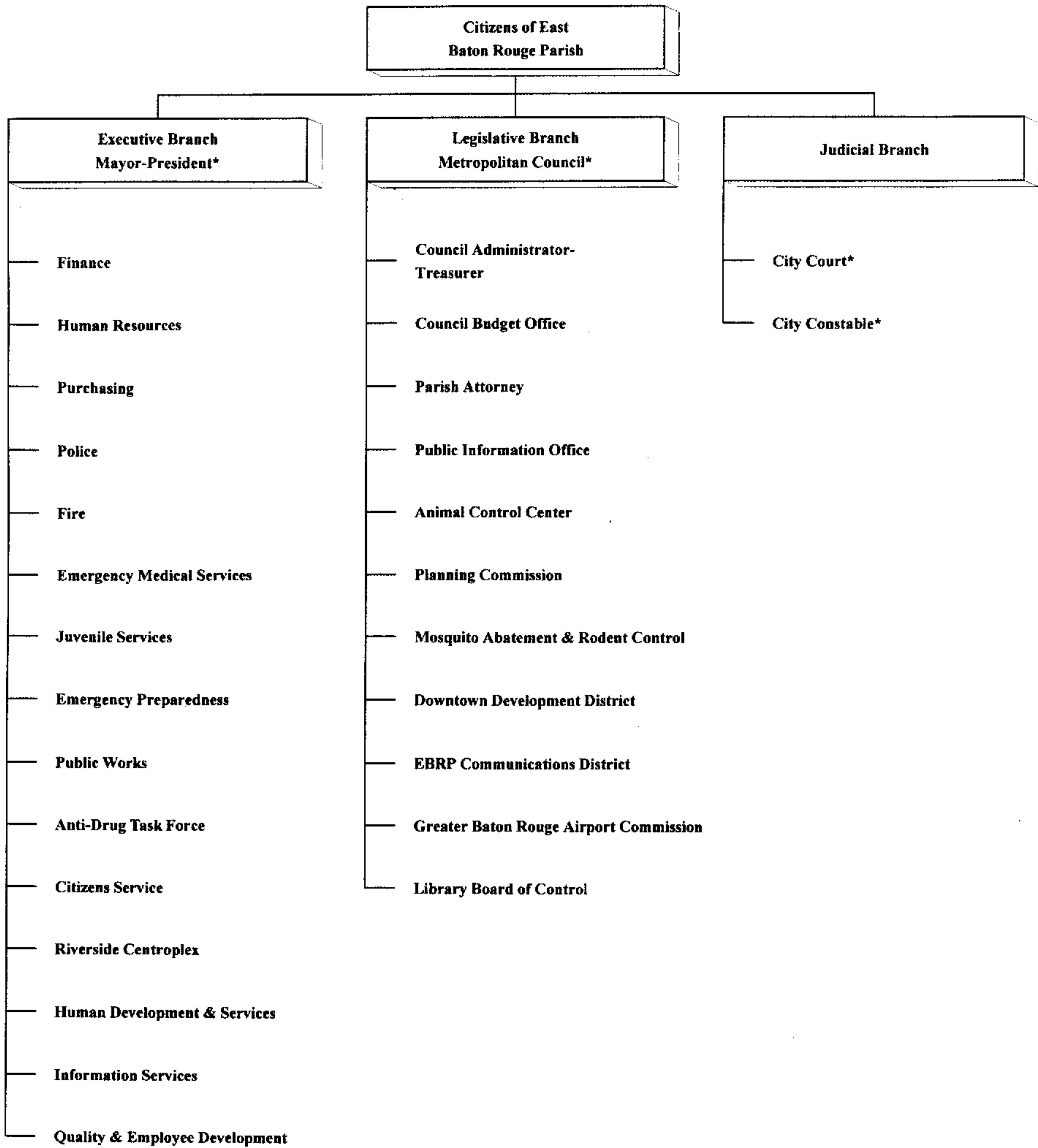


District 11
David J. Boneno



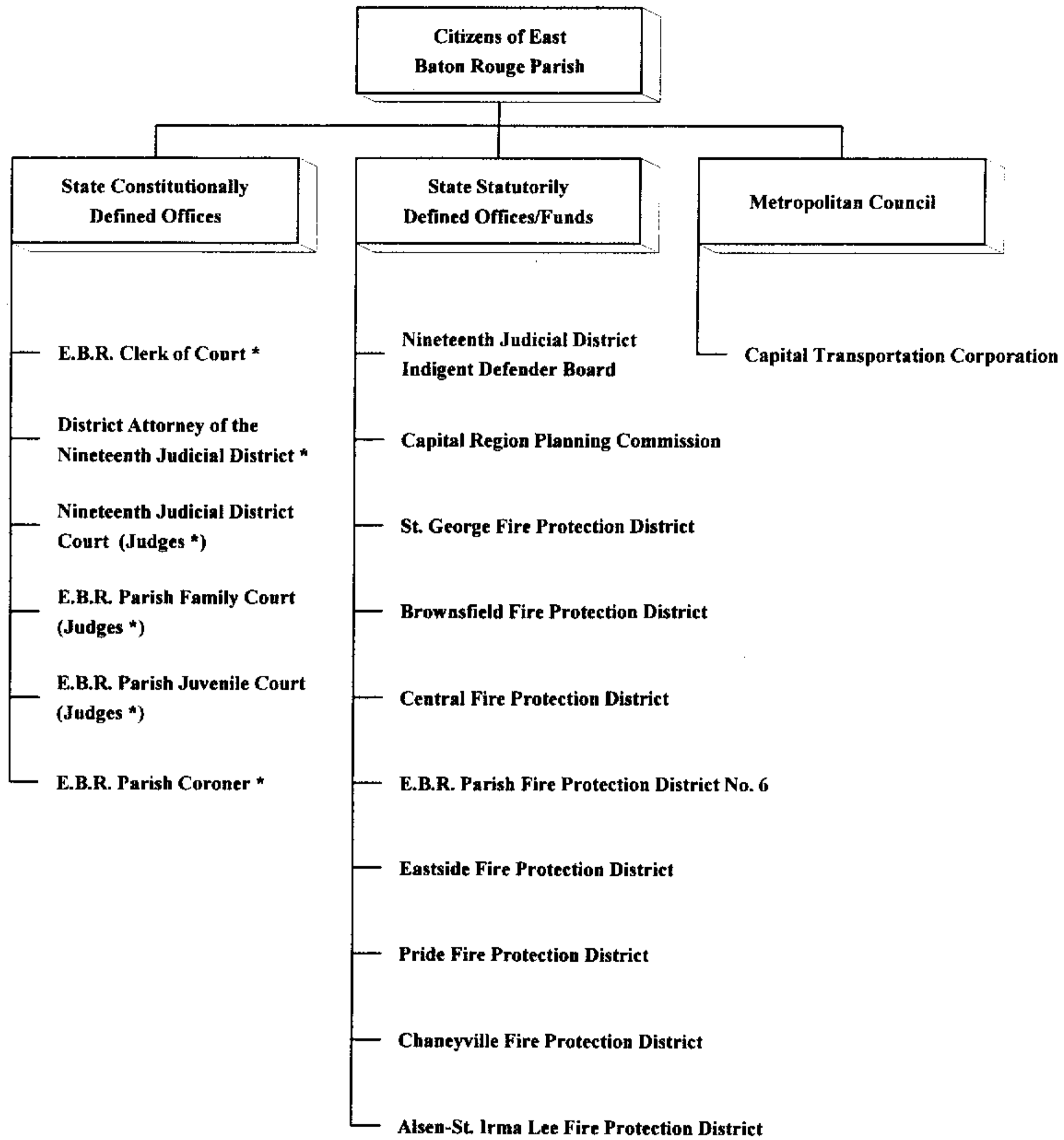
District 12
James T. "Jim" Benham

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



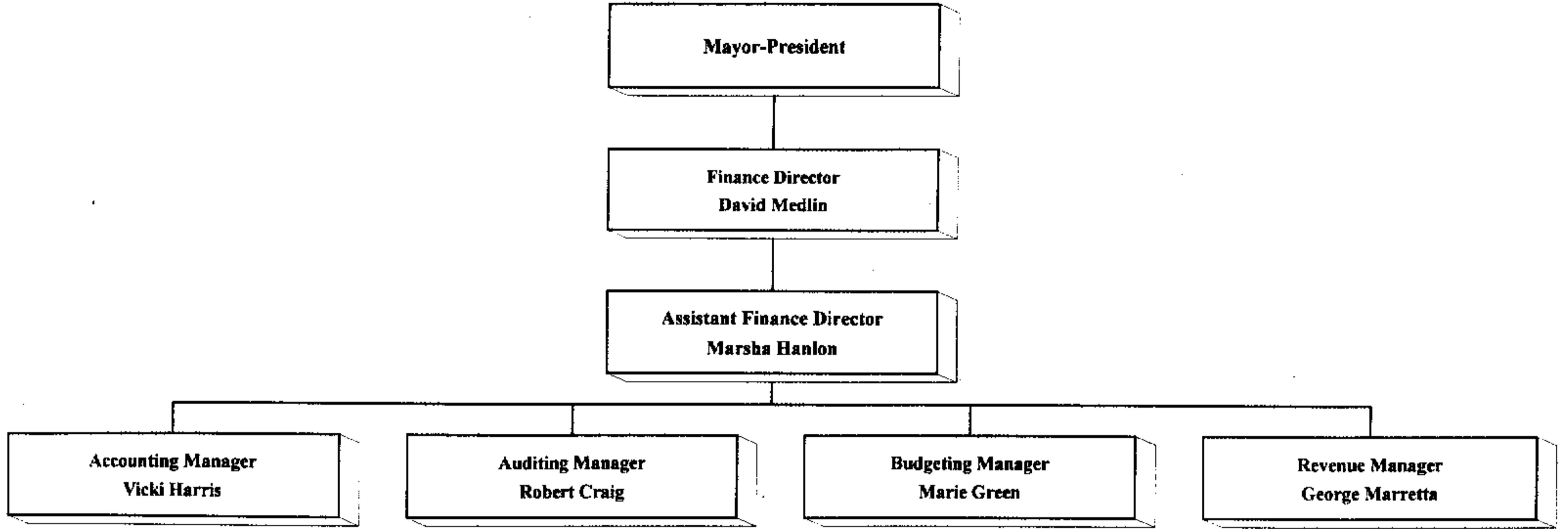
* Designates Elected Officials

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



* Designates Elected Officials

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





Postlethwaite & Netterville

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Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2002, which collectively comprise the City-Parish's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City-Parish's non-major governmental, non-major enterprise, and internal service funds on the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the City-Parish's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1a to the financial statements which represent 63.6 % and 64.4 %, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon were furnished to us, and our opinion, herein, insofar as it relates to the amounts included for these entities, is based upon the reports of the other auditors.

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

In our opinion, based upon our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principals generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the City-Parish as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2003, on our consideration of internal control over financial reporting of the City-Parish and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis beginning on page 3, and the Trend Data on Pension Funding listed as Required Supplemental Information in the Table of Contents as Exhibits B-1 through B-3, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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



Baton Rouge, Louisiana
May 23, 2003

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

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

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

FINANCIAL HIGHLIGHTS

- Assets of the City-Parish primary government exceeded its liabilities at the close of the most recent fiscal year by \$877.1 million (*net assets*). Of this amount, \$83.7 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The primary government's total net assets increased by \$82.8 million during 2002. Governmental activities' net assets increased \$41.5 million during 2002, primarily as a result of the increase in net capital assets (\$15.8 million), the reduction of prior-year long-term debt (\$6.3 million), growth in the parish-wide property tax rolls (\$3.1 million), an increase in sales and use taxes (\$4.2 million), additional grant revenues (\$5.2 million), increases in charges for services (\$3.3 million), and other miscellaneous asset increases (\$3.6 million). Additional sewer user fees (\$7.6 million), an increase in sales and use taxes (\$0.8 million), landfill user charges (\$0.3 million), contributions from the federal and state governments, subdivision developers, and impact fees (\$25.6 million), and other miscellaneous increases (\$7.0 million) accounted for the rise in net assets in business-type activities.
- As of the close of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$283.9 million, an increase of \$15.1 million in comparison with the prior year. Approximately 40% of the fund balances, \$112.7 million, is *available for spending* at the City-Parish's discretion (*unreserved fund balance*).
- At December 31, 2002, unreserved fund balance for the General Fund was \$50.11 million, or 26% of total 2002 General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

With the implementation of Governmental Accounting Standards Board Statement 34, a government's presentation of financial statements has been greatly changed. The new statements focus on the government as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the City-Parish's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see Exhibits A-1 and A-2) are designed to be similar to those of private sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds' current financial resources with capital assets and long-term obligations. Donated infrastructure for the years 1980 - 2000 is expected to be included by 2005. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units are separate legal governmental entities to which the City-Parish Metropolitan Council may

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

be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities in the Fund Financial Statements. All City-Parish component unit agencies except for four fire protection districts (See exhibits H-1 through H-8) issue separate independently audited financial statements.

The Statement of Net Assets (Exhibit A-1) presents information on all the government's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the City-Parish is improving or deteriorating.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Governmental Major Fund (see Exhibits A-3 through A-7) presentation is presented on a modified accrual basis. This is the manner in which the financial plan is typically developed excluding certain timing differences between the budget basis and the generally accepted accounting principle (GAAP) basis. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The City-Parish has presented the General Fund and the Capital Projects Fund as major funds. All non-major governmental funds are presented in one column, titled Other Governmental Funds. Combining financial statements of the non-major funds can be found in the Combining and Individual Fund Statements and Schedules that follow the basic financial statements.

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

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

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

While the total column on the business-type fund financial statements for enterprise funds (see Exhibit A-8) is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the different measurement focus which is reflected on the page following each statement (see Exhibits A-4 and A-6). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements.

Capital Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives greater than two years and exceed the government's capitalization threshold (see Note 6, Exhibit A-15). The City-Parish has capitalized all purchased general capital assets. Donated infrastructure assets (those placed into the government's maintenance through contributions from private development) have not been capitalized in this financial presentation for the years 1980 through 2000. Donated governmental activities infrastructure accepted into City-Parish maintenance during years 2001 and 2002 have been capitalized. Governmental Accounting Standards Board Statement No. 34 allows the City-Parish a transitional period for reporting infrastructure assets up to June 15, 2005. The government plans to record all material donated assets within the next two fiscal years. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time based on the date of acquisition and the life span of the asset in the 2001 financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-15 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City-Parish's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Exhibits B-1 through B-3 of this report.

The combining statements referred to earlier in connection with the non-major governmental and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules include Exhibits C-1 through H-8 of the report.

Certain supplementary financial information can be found in Exhibits I-1 and I-2 of this report. These schedules and the Statistical Section (Exhibits J-1 through J-17) are included for additional information and analysis and do not constitute a part of the audited financial statements.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings, and schedules, including the OMB Data Collection Form. This information can be found under the Single Audit section.

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

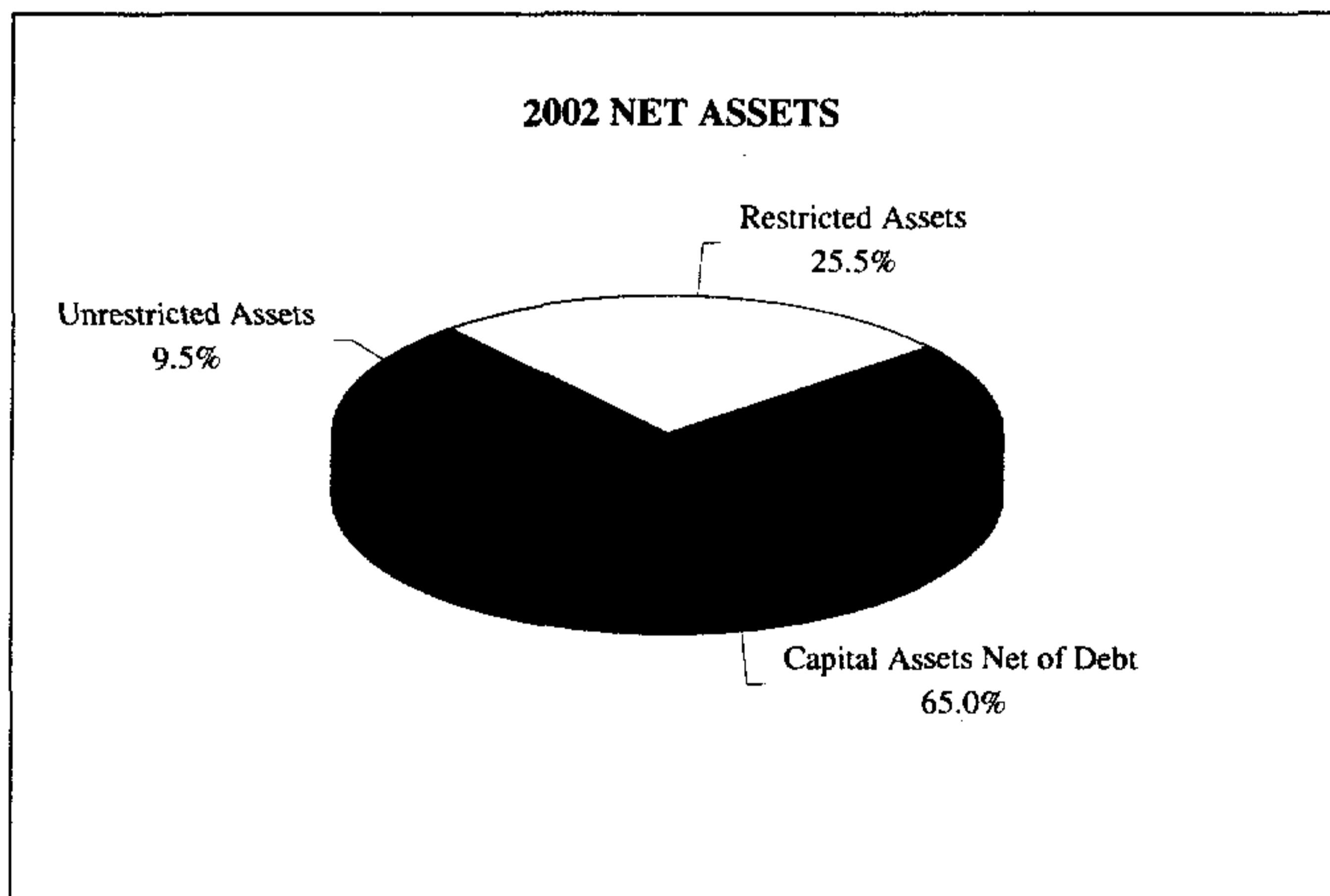
Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Assets for 2002, with comparative figures from 2001:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Assets
December 31, 2002 & 2001
(in millions)

	Governmental Activities		Business- Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Assets:						
Current and Other Assets	\$350.2	\$325.4	\$ 93.8	\$ 70.4	\$ 444.0	\$ 395.8
Restricted Assets	--	--	132.6	130.1	132.6	130.1
Capital Assets	<u>325.5</u>	<u>309.7</u>	<u>563.9</u>	<u>552.8</u>	<u>889.4</u>	<u>862.5</u>
Total Assets	<u>675.7</u>	<u>635.1</u>	<u>790.3</u>	<u>753.3</u>	<u>\$1,466.0</u>	<u>\$1,388.4</u>
Liabilities:						
Current Liabilities	53.3	48.0	12.5	19.0	65.8	67.0
Long-Term Liabilities	<u>205.1</u>	<u>211.3</u>	<u>318.0</u>	<u>315.8</u>	<u>523.1</u>	<u>527.1</u>
Total Liabilities	<u>258.4</u>	<u>259.3</u>	<u>330.5</u>	<u>334.8</u>	<u>588.9</u>	<u>594.1</u>
Net Assets:						
Invested in Capital Assets Net of Debt	262.0	241.9	308.3	286.3	570.3	528.2
Restricted	151.5	139.2	71.6	61.9	223.1	201.1
Unrestricted	<u>3.8</u>	<u>(5.3)</u>	<u>79.9</u>	<u>70.3</u>	<u>83.7</u>	<u>65.0</u>
Total Net Assets	<u>\$417.3</u>	<u>\$375.8</u>	<u>\$459.8</u>	<u>\$418.5</u>	<u>\$ 877.1</u>	<u>\$ 794.3</u>

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



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

Approximately 65.0% (\$570.3 million) of the City-Parish's net assets as of December 31, 2002, reflects the government's investment in capital assets (land, buildings, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 25.5% (\$223.1 million) of the government's net assets is subject to external restrictions on how those assets may be used, such as property tax approved by the electorate for specific purposes. The remaining 9.5% of net assets, referred to as *unrestricted* (\$83.7 million), may be used to meet the ongoing obligations of the government to citizens and creditors.

The table below provides a summary of the changes in net assets for the year ended December 31, 2002, with comparative figures from 2001:

City of Baton Rouge, Parish of East Baton Rouge
 Condensed Statement of Changes in Net Assets
 For the Years Ended December 31, 2002 & 2001
 (in millions)

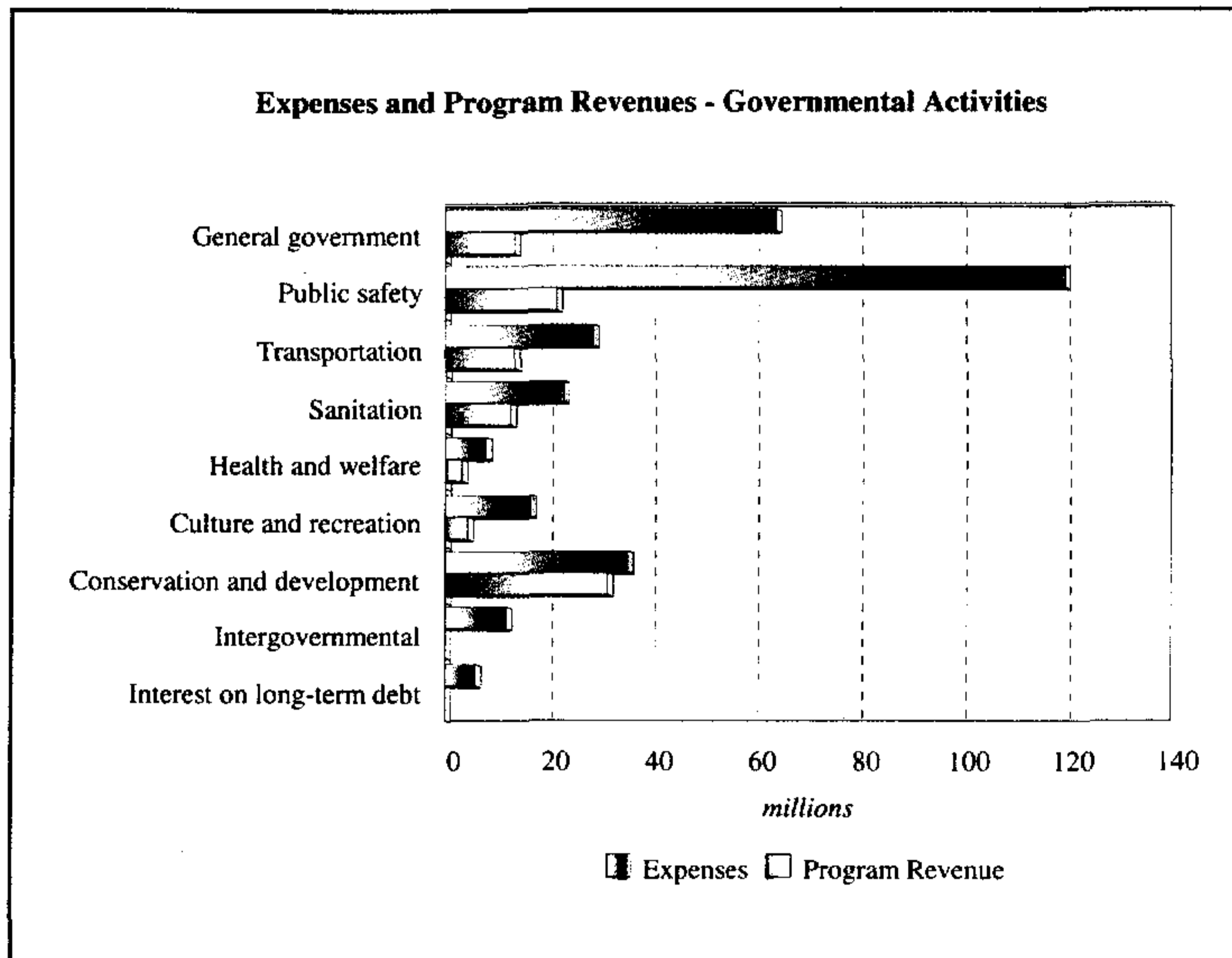
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:						
Program Revenue:						
Charges for Services	\$ 45.1	\$ 41.8	\$ 68.7	\$ 60.7	\$113.8	\$102.5
Operating Grants and Contributions	38.2	33.4	0.4	0.4	38.6	33.8
Capital Grants and Contributions	18.2	16.0	25.6	20.9	43.8	36.9
General Revenues:						
Sales Taxes	154.9	150.7	29.9	29.8	184.8	180.5
Other Taxes	98.0	96.0	--	--	98.0	96.0
Grants and Contributions Not Restricted to Specific Programs	4.1	4.8	--	--	4.1	4.8
Other	<u>5.7</u>	<u>10.9</u>	<u>4.3</u>	<u>6.1</u>	<u>10.0</u>	<u>17.0</u>
Total Revenues	<u>364.2</u>	<u>353.6</u>	<u>128.9</u>	<u>117.9</u>	<u>493.1</u>	<u>471.5</u>
Expenses:						
General Government	64.1	54.9	0.8	0.8	64.9	55.7
Public Safety	120.2	118.7	--	--	120.2	118.7
Transportation	29.1	42.9	12.2	11.0	41.3	53.9
Sanitation	23.1	22.8	78.8	77.6	101.9	100.4
Health and Welfare	8.1	6.8	--	--	8.1	6.8
Culture and Recreation	16.9	16.0	3.3	3.4	20.2	19.4
Conservation and Development	35.5	29.5	--	--	35.5	29.5
Intergovernmental	12.1	11.9	--	--	12.1	11.9
Interest on Long-Term Debt	<u>6.1</u>	<u>6.9</u>	<u>--</u>	<u>--</u>	<u>6.1</u>	<u>6.9</u>
Total Expenses	<u>315.2</u>	<u>310.4</u>	<u>95.1</u>	<u>92.8</u>	<u>410.3</u>	<u>403.2</u>
Increase in Net Assets Before						
Transfers	49.0	43.2	33.8	25.1	82.8	68.3
Transfers	<u>(7.5)</u>	<u>(5.6)</u>	<u>7.5</u>	<u>5.6</u>	<u>--</u>	<u>--</u>
Increase In Net Assets	41.5	37.6	41.3	30.7	82.8	68.3
Net Assets, January 1	<u>375.8</u>	<u>338.2</u>	<u>418.5</u>	<u>387.8</u>	<u>794.3</u>	<u>726.0</u>
Net Assets, December 31	<u>\$417.3</u>	<u>\$375.8</u>	<u>\$459.8</u>	<u>\$418.5</u>	<u>\$877.1</u>	<u>\$794.3</u>

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

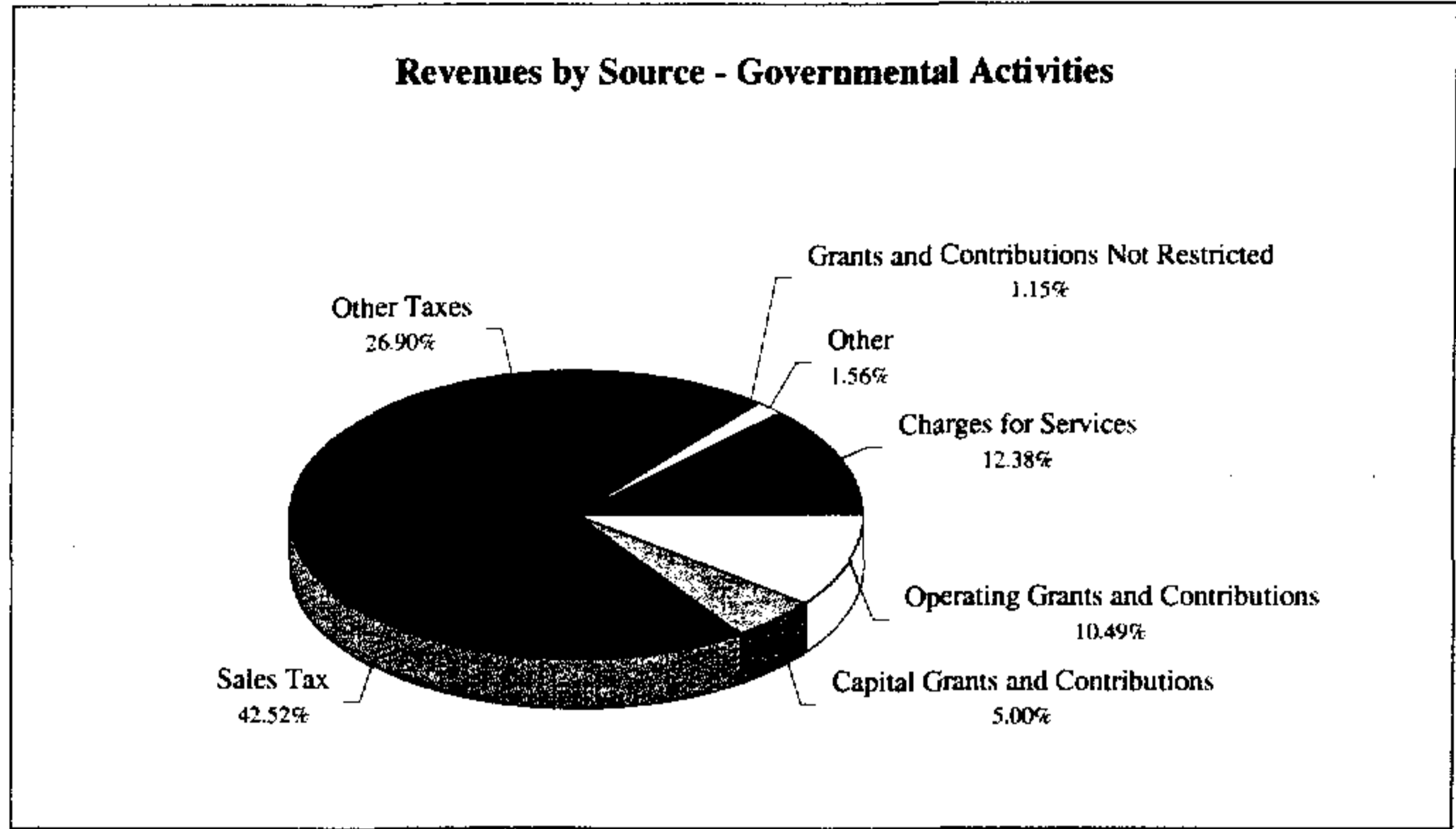
The government's net assets increased \$82.8 million during the current fiscal year.

Governmental Activities net assets increased \$41.5 million in 2002, primarily due to:

- (1) An increase in net capital assets of approximately \$15.8 million capitalized during the year from the following external sources: State capital grant for the new planetarium (\$3.1 million), donated infrastructure from developers (\$4.1 million), and capital grants from the State of Louisiana for transportation purposes (approximately \$8.6 million).
- (2) An additional \$4.2 million in sales and use tax revenues due to growth in the economy.
- (3) An additional \$3.1 million in property taxes due to growth of the tax rolls.
- (4) A net decrease of approximately \$6.3 million in long-term debt caused by a reduction in the estimate for long-term claims and judgments.
- (5) Additional grant revenues of approximately \$5.2 million in the following programs: Headstart (\$1.0 million), Housing and Urban Development rehabilitation (\$2.0 million), weatherization grants (\$1.0 million), and Workforce Investment Act youth programs and dislocated workers (\$1.2 million).
- (6) An increase in charges for services revenues of \$3.3 million for fiscal management fees, in-kind services for the Headstart grant, city court civil fees, enhanced 911 revenues, garbage fees, and emergency medical third-party billings. Other charges for service increases included the lease of the pistol range and private donations for capital improvements.
- (7) Other miscellaneous increases of \$3.6 million.

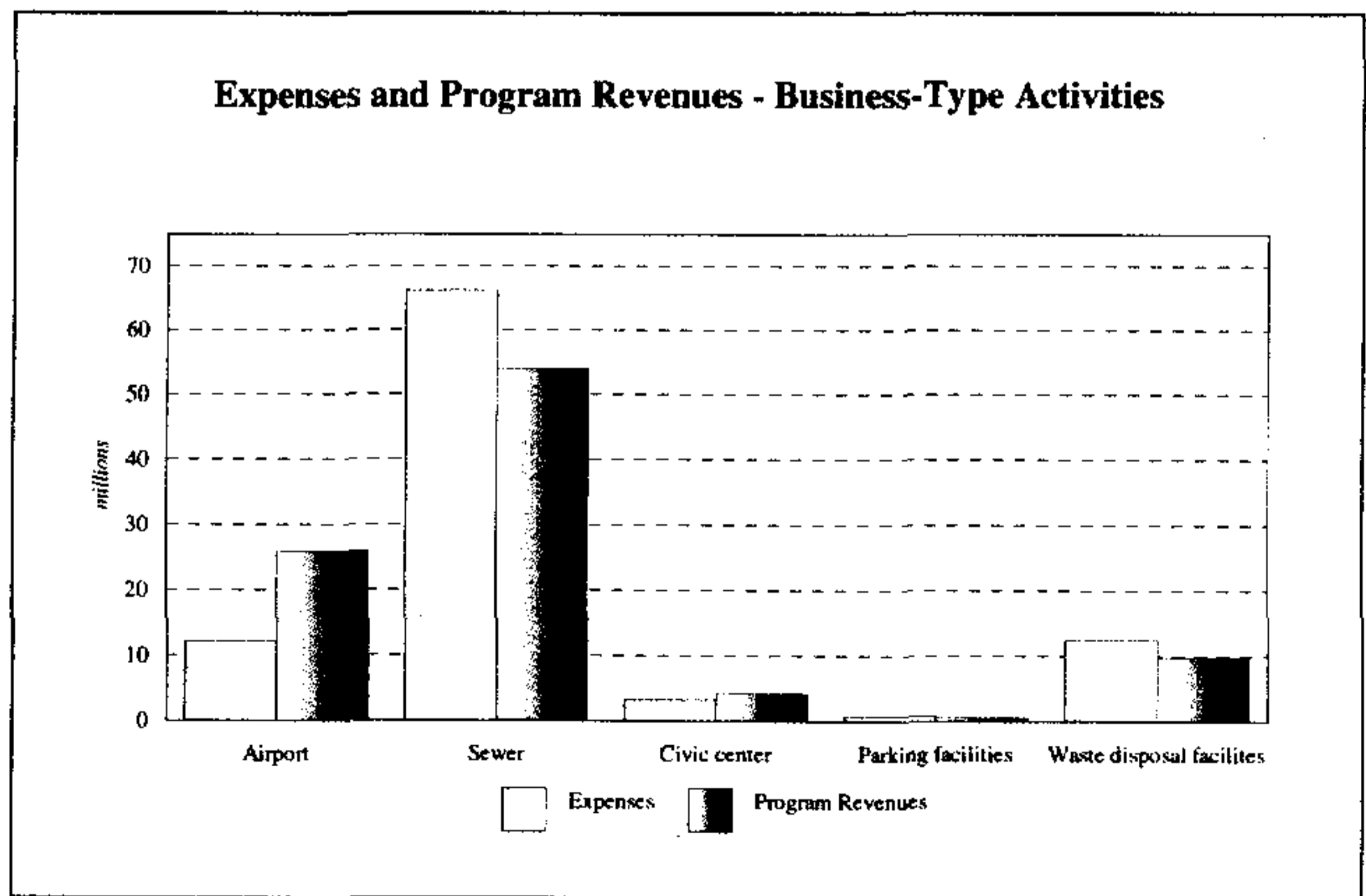


**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

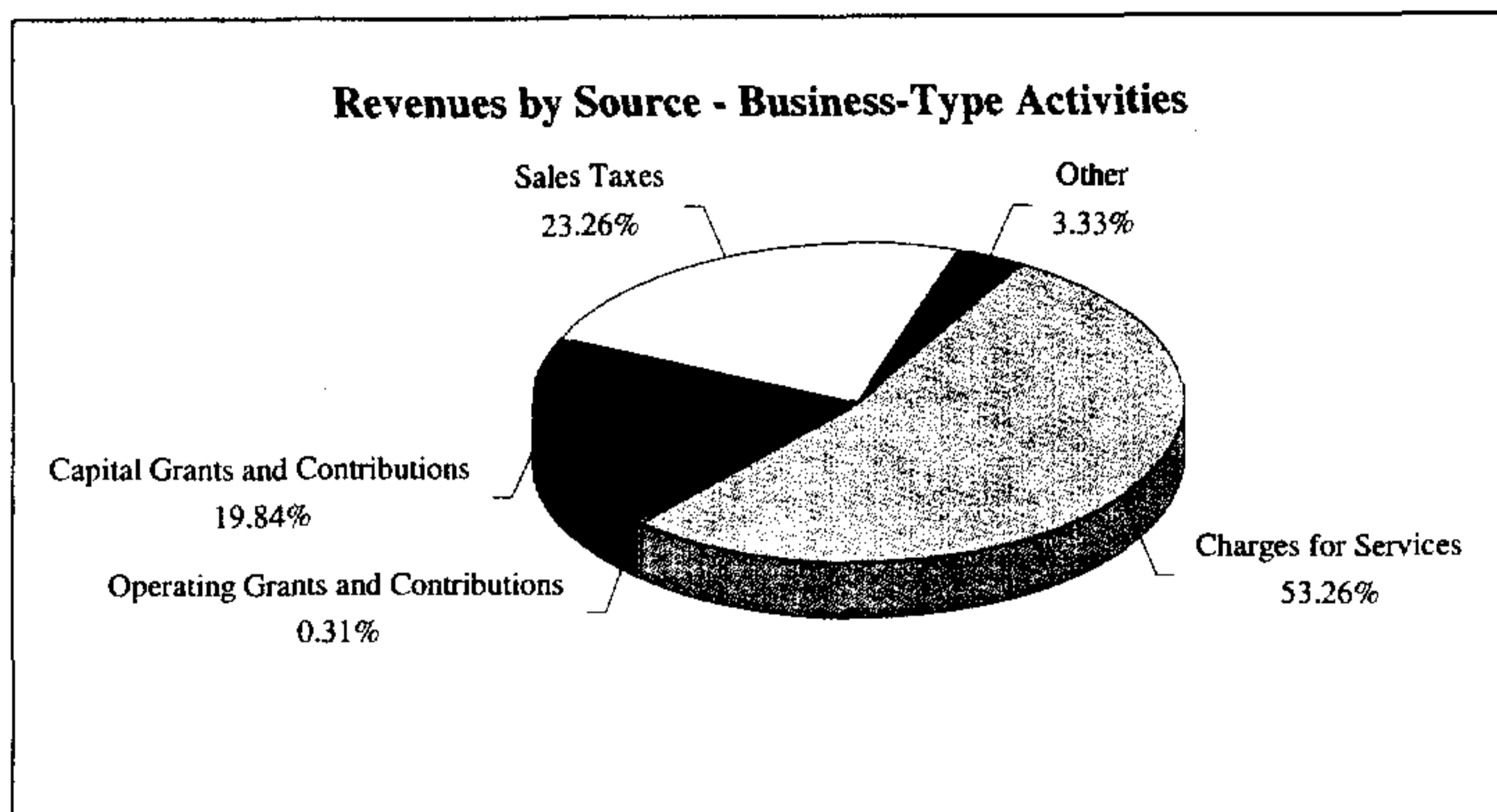


Business Type Activities' net assets increased by \$41.3 million in 2002, primarily due to:

- (1) A 31% increase in the sewer user fee initiated by the Metropolitan Council on January 1, 2002, generating an additional \$7.6 million.
- (2) Increased revenue of \$0.3 million tipping fee charges generated at the government-owned solid waste facility.
- (3) An additional \$0.8 million in sales and use tax revenues due to growth in the economy.
- (4) Enterprise Fund contributions from external parties of \$25.6 million from the following sources: Airport grants from federal and state agencies (\$17.1 million), sewer fund grants from federal and state agencies (\$1.3 million), state capital outlay funds for the Riverside Centroplex (\$2.9 million), contributions of infrastructure from private developers to the sewerage system (\$0.9 million), and sewer impact fees (\$3.4 million).
- (5) Other miscellaneous increases in net assets of \$7.0 million.



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



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the primary government's governmental funds reported combined ending fund balances of \$283.9 million, an increase of \$15.1 million in comparison with the prior year. Approximately 40% of this total amount (\$112.7 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to: (1) liquidation of contracts and purchase orders of the prior period (\$34.3 million), (2) payment of debt service (\$28.0 million), (3) loans to low-income recipients (\$6.8 million), (4) legal appropriations in the 2003 operating budget (\$11.4 million), (5) continuing projects carried forward to the next fiscal year (\$90.0 million), or (6) investment of inventories at December 31, 2002 (\$0.7 million).

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$7.2 million, while total fund balance was \$68.9 million. Compared with total fund balance of \$73.5 million at the end of 2001, fund balance fell approximately \$4.6 million during 2002. The decrease in fund balance was primarily a result of a loss of \$2.1 million in the self-insured employee health program and the payment of a liability judgment of \$2.5 million.

Fund Balance in the Capital Projects Fund rose \$16 million in 2002. The increase in fund balance represents earmarked capital funds that have not been spent at year end for departmental capital outlay projects of approximately \$6.2 million, and on-going projects earmarked in ½ percent sales tax road funds for major improvement to public streets.

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

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

Unrestricted net assets of the Greater Baton Rouge Airport Authority Fund at December 31, 2002, reflected a negative \$3.8 million since most of this fund's assets are restricted capital assets or restricted cash from the federal government that must be spent on airport improvements. For operating purposes, the Authority has an airport-airline lease agreement, whereby all surpluses and 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. This fund is the only fund in the City-Parish system that is self-supporting from program revenues.

Unrestricted net assets of the Comprehensive Sewerage System Fund was \$77.4 million at December 31, 2002. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. Restricted assets total over \$192.0 million, reflecting the heavy investment in capital assets and construction cash funding the previously mentioned ongoing *Sanitary Sewer Overflow Corrective Action Program*. This program is a result of the U. S. Environmental Protection Agency's mandate for the City-Parish to rehabilitate its sewerage system to eliminate infiltration of rainwater drainage into the system.

General Fund Budgetary Highlights

The total difference between the original General Fund budget and the final amended budget was an increase in appropriations of \$9.8 million. Supplemental appropriations totaling \$9.8 million were approved during the year by the Metropolitan Council for various programs summarized as follows: (1) Settlement of general liability, auto, police and personnel claims and judgments (\$4.0 million), (2) drainage, road and building projects (\$4.2 million), (3) replacement of police capital equipment and additional police overtime (\$0.5 million), (4) supplementary departmental operating expenditures (\$0.2 million), (5) increases in the Local Services Agreement between the Parish and the City (\$0.9 million).

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

- Growth within both the city and the parish increased property tax collections over the budgeted amount by approximately \$0.5 million.
- Sales and use taxes were collected in excess of budget by approximately \$4.7 million. The original General Fund budget used a zero percent growth rate and these taxes grew by 2.7 percent during 2002.
- Gaming admissions taxes were collected in excess of budget by approximately \$4.0 million. The administration's policy on these taxes is to appropriate gaming revenues only after they are collected and use them primarily for non-recurring expenditures.
- Gross receipts business taxes were collected in excess of budget by approximately \$1.0 million. These taxes are based on the consumption of utilities and are very cyclical in nature. Conservative estimates are used for this revenue in the General Fund budget.
- Fiscal management fees collected on the government-wide cost allocation plan and the auction facility were \$0.6 million greater than budgeted, and the Police Department generated \$0.7 million in miscellaneous revenues over the estimated amount.

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

- The risk management budget was overspent by approximately \$1.5 million when actual claims for employee benefits were higher than projected in the operating budget.
- Approximately \$7.7 million of appropriations for departmental budgets were not spent during 2002. The Plan of Government allows for the carry-forward of funds that are allocated to one-time projects to subsequent years. These appropriations carried forward, in the amount of \$6.9 million, are listed on the balance sheet as "reserved for continuing projects". The majority of these funds are appropriated to replace police equipment, upgrade information services network systems, and provide funds for public works projects such as drainage and street improvements.

Capital Asset and Debt Administration

Capital Assets: The City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's investment in capital assets for its governmental and business type activities as of December 31, 2002, amounts to \$889.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, airport facilities, parking facilities, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's investment in capital assets for the current fiscal year was \$26.9 million, a 4.9% increase for governmental activities and a 2.0% increase for business-type activities.

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

- Opening and dedication of the Central branch of the Library (\$1.0 million).
- Substantial completion of the Irene W. Pennington Planetarium and Space Museum (\$3.3 million).
- Completion of the Bluebonnet Road realignment from Interstate 10 to Airline Highway (\$5 million).
- Rehabilitation of Tiger Bend Road (\$1.8 million).
- Renovations and improvements to the Airport terminal building and other Airport improvements (\$15.2 million).
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$10.2 million).

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

City of Baton Rouge, Parish of East Baton Rouge
Capital Assets
(Net of Depreciation)
December 31, 2002 & 2001
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Land	\$ 70.7	\$ 68.3	\$ 69.7	\$ 64.5	\$140.4	\$132.8
Buildings	83.8	75.9	65.5	61.2	149.3	137.1
Improvements Other Than Buildings and Infrastructure	133.3	113.9	409.6	415.4	542.9	529.3
Machinery and Equipment	19.9	21.2	2.9	3.0	22.8	24.2
Construction Work-In-Progress	<u>17.8</u>	<u>30.4</u>	<u>16.2</u>	<u>8.7</u>	<u>34.0</u>	<u>39.1</u>
Total	<u>\$325.5</u>	<u>\$309.7</u>	<u>\$563.9</u>	<u>\$552.8</u>	<u>\$889.4</u>	<u>\$862.5</u>

Additional information on the City-Parish's capital assets can be found in Note 6, Exhibit A-15 of this report.

Long-Term Debt: At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$461.0 million. Of this amount, \$77.8 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as the general sales tax of the General Fund. There are no general obligation bonds outstanding for the City of Baton Rouge nor the Parish of East Baton Rouge at the end of the fiscal year.

City of Baton Rouge, Parish of East Baton Rouge
Summary of Excess Revenue and Revenue Bonds
December 31, 2002 & 2001
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Excess Revenue Contracts, Loans and Notes	\$ 77.8	\$ 76.9	\$ 4.9	\$ 1.2	\$ 82.7	\$ 78.1
Sales Tax Revenue Bonds	<u>75.7</u>	<u>79.5</u>	<u>302.6</u>	<u>315.5</u>	<u>378.3</u>	<u>395.0</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$153.5</u>	<u>\$156.4</u>	<u>\$307.5</u>	<u>\$316.7</u>	<u>\$461.0</u>	<u>\$473.1</u>

The City-Parish issued an additional \$77.3 million in bonded debt during the year.

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgment. These bonds bear interest at a weekly rate as determined by the remarketing agent. The weekly rate is the lowest rate of interest which, in the judgment of the remarketing agent, would cause the bonds to have a market value equal to the principal amount plus accrued interest, under prevailing market conditions. Under no circumstances shall the weekly rate exceed the maximum rate of 18%. The bonds, at the discretion of the issuer, are subject to a conversion to a fixed rate or a short-term rate. As of December 31, 2002, the variable rate bonds bore a weekly interest rate of 1.47%. These variable rate bonds were converted to a fixed rate in March 2003.

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

On October 1, 2002, the City of Baton Rouge issued \$47,550,000 in fixed-rate taxable bonds with a true interest cost (TIC) of 5.73% to refund the remaining two-thirds of the MPERS note. Additional details of these current-year refundings are included in Note 10 of the Notes to Financial Statements.

In 2002, the City of Baton Rouge received \$3,750,633 of additional long-term loan proceeds from the Louisiana Community Development Authority to provide funds to the Greater Baton Rouge Airport District in connection with their Terminal Development Program. Although total loan authorization is \$9,000,000, only \$4,936,905 has been loaned to the City as of December 31, 2002. Funds are drawn down as expenses are incurred on airport projects. The loan is expected to be repaid over a twenty-eight year term.

As of December 31, 2002, City-Parish bonds are rated by three of the major rating services as follows:

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

Additional information on debt administration can be found in Note 10 of the Notes to the Financial Statements.

Computation of legal debt margin for general obligation bonds is as follows:

Governing Authority: City of Baton Rouge

Ad valorem taxes:

Assessed valuation, 2002 tax rolls \$1,153,809,550

Debt limit: 10% of assessed valuation (for any one purpose) \$ 115,380,955

Debt limit: 15% of assessed valuation (for sewerage purposes) 173,071,432

Debt limit: 35% of assessed valuation (aggregate, all purposes) 403,833,342

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

Governing Authority: Parish of East Baton Rouge

Ad valorem taxes:

Assessed valuation, 2002 tax rolls \$2,533,605,400

Debt limit: 10% of assessed valuation (for any one purpose) \$ 253,360,540

Debt limit: 15% of assessed valuation (for sewerage purposes) 380,040,810

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

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

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2002 tax rolls \$2,533,605,400

Debt limit: 15% of assessed valuation \$ 380,040,810

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

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

Excess revenue contracts, loans, and notes are secured by the 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.

Economic Factors and Next Year's Budget and Rates

The City-Parish's General Fund receives approximately 50% of its revenues from the 2% general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. Revenue assumptions are reviewed by Dr. James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus in the Department of Economics at Louisiana State University. In their annual report of October 2002, they stated, "*The uncertainties of the national economy certainly extend to the Louisiana economy and the Baton Rouge economy. We believe that this requires extremely prudent budgeting. The Baton Rouge economy experienced almost no growth in employment in 2001 and is estimated to grow just over 1 percent in 2002. This is very unusual for Baton Rouge. The Louisiana Economic forecast is projecting that employment growth in Baton Rouge for the year 2003 will be 1.3 percent, a rate that is considerably lower than the growth Baton Rouge experienced in the 1990's. The Louisiana economy and the Baton Rouge economy will be affected by any change in the direction of the national economy. Based on our economic projections for the rest of this year and 2003 and the general uncertainties that are present in the global and national economies at this time, we believe that the City-Parish government would be prudent in projecting its sales tax revenues for 2003 to be in the range of 1 percent to 2 percent above what it expects to receive in 2002.*" The City-Parish government took the advice of these economists and prepared a 2003 operating budget with a one percent projected growth rate for sales tax revenues.

Requests For Information

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



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
DECEMBER 31, 2002

EXHIBIT A - 1

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 3)	\$ 82,004,378	\$ 25,066,679	\$ 107,071,057	\$ 9,011,972
Investments (Note 3)	168,768,300	58,580,577	227,348,877	2,952,246
Receivables - net	34,187,101	9,002,300	43,189,401	1,745,892
Due from other governments (Note 11)	55,761,234	8	55,761,242	2,365,402
Due from component units (Note 11)	--	116,459	116,459	--
Due from primary government (Note 11)	--	--	--	62,761
Prepaid items	--	61,578	61,578	135,286
Loans receivable	6,800,403	--	6,800,403	--
Inventory	809,197	--	809,197	229,183
Net pension asset	--	--	--	835,603
Deferred bond issuance costs	1,881,845	1,024,040	2,905,885	--
Restricted assets:				
Cash and cash equivalents (Note 3)	--	26,597,897	26,597,897	617,882
Investments (Note 3)	--	95,490,973	95,490,973	--
Receivables - net	--	715,964	715,964	--
Due from other governments (Note 11)	--	9,778,020	9,778,020	651,235
Capital assets (Note 6):				
Non-depreciable	90,408,238	85,959,973	176,368,211	710,567
Depreciable, net	235,110,121	477,927,064	713,037,185	12,708,692
Total assets	<u>675,730,817</u>	<u>790,321,532</u>	<u>1,466,052,349</u>	<u>32,026,721</u>
LIABILITIES				
Accounts payable and other current liabilities	18,522,086	4,451,978	22,974,064	1,341,380
Internal balances (Note 11)	5,654,679	(5,654,679)	--	--
Due to other governments	2,389,765	150,219	2,539,984	1,765
Due to primary government (Note 11)	--	--	--	116,459
Due to component units (Note 11)	62,761	--	62,761	--
Accrued payables	9,370,412	716,058	10,086,470	1,077,396
Deferred revenue	2,676,340	756,178	3,432,518	--
Deposits and escrow accounts	14,674,348	--	14,674,348	--
Other liabilities	--	--	--	899,980
Liabilities payable from restricted assets	--	12,124,063	12,124,063	258,274
Non-current liabilities:				
Due within one year	11,454,779	14,960,298	26,415,077	1,119,958
Due in more than one year	193,605,936	302,994,854	496,600,790	5,805,403
Total liabilities	<u>258,411,106</u>	<u>330,498,969</u>	<u>588,910,075</u>	<u>10,620,615</u>
NET ASSETS				
Invested in capital assets, net of related debt	261,952,498	308,261,028	570,213,526	9,673,967
Restricted for:				
Capital projects	56,020,658	37,863,277	93,883,935	--
Debt service	24,588,790	31,805,580	56,394,370	--
Passenger facility charges	--	1,995,356	1,995,356	--
Other purposes	70,947,741	--	70,947,741	1,710,265
Unrestricted	3,810,024	79,897,322	83,707,346	10,021,874
Total net assets	<u>\$ 417,319,711</u>	<u>\$ 459,822,563</u>	<u>\$ 877,142,274</u>	<u>\$ 21,406,106</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 64,107,902	\$ 13,665,803	\$ 72,839	\$ --
Public safety	120,254,922	14,201,345	7,024,830	772,959
Transportation	29,077,866	419,539	609,155	12,637,875
Sanitation	23,154,855	12,883,654	--	--
Health and welfare	8,068,109	548,377	2,705,751	16,133
Culture and recreation	16,871,094	440,484	848,892	3,083,381
Conservation and development	35,485,219	2,954,384	26,907,306	1,649,270
Intergovernmental	12,052,947	--	--	--
Interest and fiscal charges on long-term debt	6,137,335	--	--	--
Total governmental activities	<u>315,210,249</u>	<u>45,113,586</u>	<u>38,168,773</u>	<u>18,159,618</u>
Business-type activities:				
Airport	12,235,955	8,644,221	126,984	17,133,324
Sewer	66,155,844	48,137,474	219,788	5,600,558
Civic center	3,329,986	1,412,105	15,662	2,871,425
Parking facilities	817,434	616,626	--	--
Waste disposal facilities	12,595,809	9,892,908	--	--
Total business-type activities	<u>95,135,028</u>	<u>68,703,334</u>	<u>362,434</u>	<u>25,605,307</u>
Total primary government	<u>\$ 410,345,277</u>	<u>\$ 113,816,920</u>	<u>\$ 38,531,207</u>	<u>\$ 43,764,925</u>
Component units:				
Judicial court services	\$ 31,199,807	\$ 16,839,696	\$ 14,764,979	\$ 971
Coroner	737,445	109,235	647,990	--
Fire protection districts	10,153,236	1,906,900	347,946	29,750
Mass transit	12,811,175	3,870,796	881,708	52,534
Total component units	<u>\$ 54,901,663</u>	<u>\$ 22,726,627</u>	<u>\$ 16,642,623</u>	<u>\$ 83,255</u>

General revenues:

- Taxes:
 - Property
 - Gross receipts business
 - Sales
 - Occupancy
 - Occupational
 - Insurance premium
 - Gaming admissions
 - Interest and penalties - delinquent taxes
- Grants and contributions not restricted to specific programs
- Investment earnings
- Gain (loss) on sale of capital assets
- Transfers (to) from other funds
- Total general revenues and transfers**
-
- Change in net assets
-
- Net Assets - beginning of year
-
- Net Assets - end of year

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (50,369,260)	\$ --	\$ (50,369,260)	\$ --
(98,255,788)	--	(98,255,788)	--
(15,411,297)	--	(15,411,297)	--
(10,271,201)	--	(10,271,201)	--
(4,797,848)	--	(4,797,848)	--
(12,498,337)	--	(12,498,337)	--
(3,974,259)	--	(3,974,259)	--
(12,052,947)	--	(12,052,947)	--
(6,137,335)	--	(6,137,335)	--
<u>(213,768,272)</u>	<u>--</u>	<u>(213,768,272)</u>	<u>--</u>
--	13,668,574	13,668,574	--
--	(12,198,024)	(12,198,024)	--
--	969,206	969,206	--
--	(200,808)	(200,808)	--
--	(2,702,901)	(2,702,901)	--
--	(463,953)	(463,953)	--
<u>(213,768,272)</u>	<u>(463,953)</u>	<u>(214,232,225)</u>	<u>--</u>
--	--	--	405,839
--	--	--	19,780
--	--	--	(7,868,640)
--	--	--	(8,006,137)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(15,449,158)</u>
57,874,694	--	57,874,694	6,287,672
20,507,647	--	20,507,647	--
154,905,194	29,953,612	184,858,806	--
772,347	--	772,347	807,561
7,343,976	--	7,343,976	--
3,071,734	--	3,071,734	--
7,131,320	--	7,131,320	--
1,329,378	--	1,329,378	--
4,125,190	--	4,125,190	7,947,622
5,222,432	4,173,333	9,395,765	907,409
485,498	131,794	617,292	(882)
(7,472,844)	7,472,844	--	--
<u>255,296,566</u>	<u>41,731,583</u>	<u>297,028,149</u>	<u>15,949,382</u>
41,528,294	41,267,630	82,795,924	500,224
<u>375,791,417</u>	<u>418,554,933</u>	<u>794,346,350</u>	<u>20,905,882</u>
<u>\$ 417,319,711</u>	<u>\$ 459,822,563</u>	<u>\$ 877,142,274</u>	<u>\$ 21,406,106</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2002

EXHIBIT A - 3

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents (Note 3)	\$ 18,326,557	\$ 26,907,430	\$ 34,239,197	\$ 79,473,184
Investments (Note 3)	44,868,466	58,409,096	59,293,676	162,571,238
Property taxes receivable - net (Note 4)	3,362,381	--	8,082,318	11,444,699
Gross receipts business taxes receivable	4,672,640	--	--	4,672,640
Sales taxes receivable	12,399,686	1,711,178	1,247,725	15,358,589
Interest and penalties receivable on taxes	65,660	--	--	65,660
Accounts receivable - net	753,404	--	1,141,639	1,895,043
Accrued interest receivable	107,865	161,901	410,346	680,112
Special assessments receivable	40,497	13,957	--	54,454
Due from other funds (Note 11)	67,461	18,195,846	--	18,263,307
Due from other governments (Note 11)	14,716,418	2,296,335	35,481,138	52,493,891
Loans receivable	--	--	6,800,403	6,800,403
Inventory	641,527	--	--	641,527
Total assets	\$ 100,022,562	\$ 107,695,743	\$ 146,696,442	\$ 354,414,747
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 8,986,991	\$ 4,767,136	\$ 4,317,443	\$ 18,071,570
Due to other funds (Note 11)	--	--	23,917,986	23,917,986
Due to other governments	2,269,286	--	120,479	2,389,765
Due to component units	62,761	--	--	62,761
Accrued payables	4,461,714	--	1,416,845	5,878,559
Deferred revenue	937,474	13,957	4,562,790	5,514,221
Deposits and escrow accounts	14,402,373	--	271,975	14,674,348
Total liabilities	31,120,599	4,781,093	34,607,518	70,509,210
Fund balances:				
Reserved for:				
Encumbrances	1,182,378	28,942,047	4,191,211	34,315,636
Loans receivable	--	--	6,800,403	6,800,403
Inventory	641,527	--	--	641,527
Debt service - principal	--	--	19,958,214	19,958,214
Debt service - interest	--	--	8,062,634	8,062,634
Subsequent year expenditures (Note 1)	10,059,760	--	1,362,240	11,422,000
Continuing projects (Note 1)	6,906,114	73,972,603	9,085,632	89,964,349
Unreserved, designated for:				
Insurance	19,800,975	--	--	19,800,975
Solid waste collection and disposal	7,512,581	--	11,860,213	19,372,794
Special purposes	1,196,911	--	--	1,196,911
Gaming revenues	3,974,320	--	--	3,974,320
Budget stabilization	10,400,000	--	--	10,400,000
Unreserved, Undesignated, reported in:				
General Fund	7,227,397	--	--	7,227,397
Special Revenue Funds	--	--	50,768,377	50,768,377
Total fund balances	68,901,963	102,914,650	112,088,924	283,905,537
Total liabilities and fund balances	\$ 100,022,562	\$ 107,695,743	\$ 146,696,442	\$ 354,414,747

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2002**

EXHIBIT A - 4

Fund balances - total governmental funds \$ 283,905,537

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

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds

Governmental capital assets	600,395,406	
Less accumulated depreciation	<u>(280,116,353)</u>	320,279,053

Assets used in governmental activities that are not financial
resources and, therefore, are not reported in the
governmental funds

Deferred bond issuance costs		1,881,845
------------------------------	--	-----------

Some revenues were collected more than sixty days after
year-end and, therefore, are not available soon enough
to pay for current-period expenditures.

Property tax revenue	2,837,881	
Louisiana revenue sharing	1,108,776	
Beer tax revenue	37,180	
Enhanced 911 revenues	34,899	
Emergency Medical Services transport charges	160,999	
La. Department of Transportation and Development	<u>1,923,340</u>	6,103,075

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the
governmental funds.

Accrued interest payable	(3,432,058)	
Bonds payable	(153,485,084)	
Deferred amount on refunding	(952,453)	
Compensated absences payable	(10,450,996)	
Obligation under capital leases	(21,370)	
Arbitrage payable	(7,399)	
Claims and judgments payable	(26,438,012)	
Employee benefits payable	(4,960,358)	
Net pension obligation	<u>(8,275,065)</u>	(208,022,795)

Internal service funds are used by management to charge the
costs of fleet management and maintenance to individual
funds. The assets and liabilities of the internal service funds
are included in governmental activities in the statement
of net assets.

13,172,996

Net assets of governmental activities

\$ 417,319,711

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 5

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 17,364,141	\$ --	\$ 40,390,446	\$ 57,754,587
Gross receipts business taxes	20,507,647	--	--	20,507,647
Sales	109,890,937	17,211,616	27,802,641	154,905,194
Occupancy	772,347	--	--	772,347
Occupational	7,343,976	--	--	7,343,976
Insurance premiums	3,071,734	--	--	3,071,734
Gaming admissions	7,131,320	--	--	7,131,320
Interest and penalties - delinquent	1,329,378	--	--	1,329,378
Licenses and permits	2,915,318	--	344,431	3,259,749
Intergovernmental revenues	9,478,103	6,367,256	38,699,610	54,544,969
Charges for services	19,549,596	--	15,209,298	34,758,894
Fines and forfeits	1,438,317	--	456,673	1,894,990
Investment earnings	1,234,692	1,573,058	2,252,724	5,060,474
Miscellaneous revenues	11,181,424	511,071	3,022,891	14,715,386
Total revenues	213,208,930	25,663,001	128,178,714	367,050,645
EXPENDITURES				
Current:				
General government	56,892,370	--	748,309	57,640,679
Public safety	88,472,988	--	19,787,692	108,260,680
Transportation	18,991,378	--	11,464,400	30,455,778
Sanitation	12,990,405	--	9,551,322	22,541,727
Health and welfare	1,539,683	--	6,220,877	7,760,560
Culture and recreation	1,342,224	--	14,017,859	15,360,083
Conservation and development	1,738,185	--	32,878,381	34,616,566
Debt service:				
Principal retirement	--	--	10,955,864	10,955,864
Interest and fiscal charges	--	--	11,029,121	11,029,121
Bond issuance costs	--	--	1,926,879	1,926,879
Capital outlay	--	26,925,528	7,407,447	34,332,975
Intergovernmental	11,104,853	--	947,230	12,052,083
Total expenditures	193,072,086	26,925,528	126,935,381	346,932,995
Excess (deficiency) of revenues over (under) expenditures	20,136,844	(1,262,527)	1,243,333	20,117,650
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 12)	17,057,093	20,733,568	8,353,086	46,143,747
Transfers out (Note 12)	(42,253,427)	(3,518,824)	(7,844,340)	(53,616,591)
Refunding bonds issued	--	--	73,450,000	73,450,000
Current refunding of debt	--	--	(71,482,907)	(71,482,907)
Proceeds of capital asset disposition	478,107	--	6,894	485,001
Total other financing sources and uses	(24,718,227)	17,214,744	2,482,733	(5,020,750)
Net change in fund balances	(4,581,383)	15,952,217	3,726,066	15,096,900
Fund balances, January 1	73,483,346	86,962,433	108,362,858	268,808,637
Fund balances, December 31	\$ 68,901,963	\$ 102,914,650	\$ 112,088,924	\$ 283,905,537

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ 15,096,900

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

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

Capital outlay	34,332,975	
Depreciation expense	<u>(21,205,665)</u>	13,127,310

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net assets.		3,822,965
--	--	-----------

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

Property tax revenue	120,107	
Louisiana revenue sharing	11,077	
Beer tax revenue	(62,677)	
Enhanced 911 revenues	(101,595)	
Emergency Medical Services transport charges	60,828	
La. Department of Transportation and Development	<u>1,923,340</u>	1,951,080

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

Refunding bonds issued	(73,450,000)	
Current refunding of debt	71,482,907	
Deferred bond issuance costs	1,926,880	
Amortization of bond issuance costs	(45,035)	
Amortization of gain on refunding	35,276	
Principal payments	10,955,864	
Adjustment for debt recorded in business type activities	<u>(5,134,522)</u>	5,771,370

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

Accrued interest payable	605,844	
Compensated absences payable	(966,141)	
Net pension obligation	(2,934,127)	
Claims and judgments payable	5,352,217	
Employee benefits payable	(220,823)	
Arbitrage payable	<u>160,859</u>	1,997,829

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

(239,160)

Change in net assets of governmental activities

\$ 41,528,294

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 16,847,810	\$ 16,876,710	\$ 17,364,141	\$ 487,431
Gross receipts business taxes	19,490,530	19,490,530	20,507,647	1,017,117
General sales and use taxes	104,913,590	105,182,472	109,890,937	4,708,465
Occupancy taxes	700,000	700,000	772,347	72,347
Occupational taxes	7,150,000	7,150,000	7,343,976	193,976
Insurance premiums taxes	2,890,000	2,893,900	3,071,734	177,834
Gaming admissions taxes	2,000,000	3,157,000	7,131,320	3,974,320
Interest and penalties - delinquent taxes	1,108,000	1,108,000	1,329,378	221,378
Total taxes	<u>155,099,930</u>	<u>156,558,612</u>	<u>167,411,480</u>	<u>10,852,868</u>
Licenses and permits:				
Use of streets:				
Public conveyances	10,300	10,300	10,260	(40)
Bicycle registration fees	55,000	55,000	58,815	3,815
Occupational and professional:				
Air conditioning and heating	30,000	30,000	28,165	(1,835)
Electrical contractors	25,000	25,000	24,900	(100)
Plumbers	20,000	20,000	23,700	3,700
House moving	1,000	1,000	925	(75)
Garbage collectors	24,800	24,800	24,400	(400)
Arborists	--	--	300	300
Classified employees	80,000	80,000	96,400	16,400
Waiter / waitress	200	200	150	(50)
Retail clerks	71,500	71,500	66,935	(4,565)
Entertainers	4,000	4,000	7,025	3,025
Liquor and beer	452,000	452,000	453,042	1,042
Restaurant	19,250	19,250	17,665	(1,585)
Gaming	3,300	3,300	2,800	(500)
Chauffeurs	1,800	1,800	1,670	(130)
Second hand dealers	1,000	1,000	755	(245)
Construction permits:				
Air conditioning and heating	250,000	250,000	254,300	4,300
Electrical	325,000	325,000	369,894	44,894
Building	980,000	980,000	986,416	6,416
Plumbing and gas	272,500	272,500	320,326	47,826
House moving	3,400	3,400	6,400	3,000
Fence	300	300	750	450
Special events	4,000	4,000	6,300	2,300
Alarm user	100,000	100,000	150,512	50,512
Sign permits	2,000	2,000	2,000	--
Miscellaneous fire permits	1,000	1,000	513	(487)
Total licenses and permits	<u>2,737,350</u>	<u>2,737,350</u>	<u>2,915,318</u>	<u>177,968</u>
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	468,300	468,300	477,750	9,450
Department of Military Affairs	65,600	65,600	69,366	3,766
Juvenile meal reimbursement	55,000	55,000	52,612	(2,388)

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State grants (continued):				
Highways and streets:				
Street maintenance	\$ 298,020	\$ 298,020	\$ 300,963	\$ 2,943
Culture and recreation:				
Hotel/motel sales tax	769,550	769,550	762,335	(7,215)
State shared revenues:				
Beer taxes	400,000	400,000	452,860	52,860
Insurance company taxes	446,870	446,870	503,327	56,457
Louisiana revenue sharing	1,023,860	1,023,860	1,032,915	9,055
Mineral royalties	150,000	150,000	81,384	(68,616)
Severance taxes	800,000	800,000	795,556	(4,444)
On-behalf payments for salaries and benefits	5,128,570	4,953,340	4,948,279	(5,061)
Payments in lieu of taxes:				
Federal government	--	--	756	756
Total intergovernmental revenues	<u>9,605,770</u>	<u>9,430,540</u>	<u>9,478,103</u>	<u>47,563</u>
Charges for services:				
General government:				
City court civil fees	1,000,000	1,000,000	1,336,333	336,333
Judiciary court costs	660,000	660,000	573,010	(86,990)
City court school fees	195,000	195,000	149,404	(45,596)
City court bench warrant fees	525,000	525,000	552,195	27,195
City court miscellaneous fees	225,000	225,000	284,376	59,376
City court credit card payment fees	20,000	20,000	17,493	(2,507)
City constable civil fees	500,000	500,000	541,907	41,907
Fiscal management fees	5,021,000	5,021,000	5,656,279	635,279
Fiscal management fees - inventory	32,000	32,000	34,576	2,576
Fiscal management fees - auction facility	80,500	20,511	20,511	--
Sales tax collection charges	1,400,000	1,400,000	1,582,463	182,463
Occupancy tax collection charges	6,000	6,000	6,000	--
NSF check fees	5,000	5,000	3,449	(1,551)
Advertising	11,000	11,000	17,226	6,226
Board of adjustment fees	6,500	6,500	7,290	790
Sale of construction codes and plans	15,000	15,000	17,829	2,829
Pre-trial diversion fees	275,000	275,000	293,116	18,116
Notice of intent	72,000	72,000	62,604	(9,396)
Adjudicated property	20,000	20,000	21,096	1,096
Zoning fees	75,000	75,000	89,030	14,030
Planning assistance	66,000	66,000	80,745	14,745
Planning advertising fees	--	19,900	21,400	1,500
Miscellaneous	6,600	6,600	9,610	3,010
Public safety:				
Subdivision inspection, testing and plan review	19,000	19,000	22,150	3,150
Flood determination fees	18,600	18,600	19,310	710
Commercial and residential plan review	215,000	215,000	240,165	25,165
Sale of reports and photos	265,000	265,000	253,834	(11,166)
Sobriety test	20,000	20,000	23,421	3,421
False alarm fees	80,000	80,000	76,549	(3,451)
Radio shop charges	10,000	10,000	438	(9,562)
Prison medical charges	47,000	47,000	49,616	2,616

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Charges for services (continued):				
Public safety (continued):				
Juvenile services fees	\$ 2,000	\$ 2,000	\$ 3,545	\$ 1,545
Miscellaneous	--	--	5,588	5,588
Transportation:				
Parking meters	193,000	193,000	200,968	7,968
Sanitation:				
Solid waste user fees	7,191,200	7,191,200	7,135,240	(55,960)
Weed cutting charges	37,000	37,000	28,979	(8,021)
Culture and recreation:				
Summer program - North Baton Rouge Community Center	--	16,000	15,398	(602)
Riverfront docking fees	6,140	6,140	2,350	(3,790)
Conservation and development:				
Rent/utilities:				
Leo S. Butler Community Center	18,800	18,800	22,425	3,625
North Baton Rouge Community Center	--	25,151	32,703	7,552
Dr. Martin Luther King, Jr. Community Center	7,800	7,800	14,570	6,770
Chaneyville Community Center	--	--	1,609	1,609
Rent/donations:				
Delmont Community Center	13,440	13,440	22,796	9,356
Total charges for services	<u>18,360,580</u>	<u>18,361,642</u>	<u>19,549,596</u>	<u>1,187,954</u>
Fines and forfeits:				
City court criminal fines and forfeitures	200,000	200,000	258,454	58,454
City court forfeitures	30,000	30,000	17,376	(12,624)
City court traffic fines	1,300,000	1,300,000	1,139,837	(160,163)
Alcoholic Beverage Control Board fines	25,000	25,000	26,650	1,650
Miscellaneous	--	--	(4,000)	(4,000)
Total fines and forfeits	<u>1,555,000</u>	<u>1,555,000</u>	<u>1,438,317</u>	<u>(116,683)</u>
Investment earnings	<u>875,000</u>	<u>875,000</u>	<u>1,234,692</u>	<u>359,692</u>
Miscellaneous revenues:				
Rentals:				
Land	19,000	19,000	21,325	2,325
Buildings	140,380	140,380	140,382	2
Oil, gas and mineral royalties	60,000	60,000	53,947	(6,053)
Airport note	2,583,380	2,583,380	2,596,887	13,507
East Baton Rouge sewerage commission	6,877,780	6,877,780	6,877,779	(1)
Condemnations	55,000	55,000	60,488	5,488
Juvenile detention meals	3,000	3,000	3,200	200
Confiscated funds - police	200,000	200,000	129,229	(70,771)
Abandoned or impounded bicycles	6,000	6,000	5,902	(98)
Police - miscellaneous revenues	93,730	260,108	964,715	704,607
Juvenile detention reimbursement	150,000	150,000	198,921	48,921
Donations	30,000	91,840	101,990	10,150
Other	13,500	13,520	26,659	13,139
Total miscellaneous revenues	<u>10,231,770</u>	<u>10,460,008</u>	<u>11,181,424</u>	<u>721,416</u>
Total revenues	<u>198,465,400</u>	<u>199,978,152</u>	<u>213,208,930</u>	<u>13,230,778</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government:				
Metropolitan council	\$ 619,370	\$ 642,187	\$ 585,362	\$ 56,825
Council administrator	1,524,725	1,537,280	1,400,658	136,622
Council budget office	147,260	147,260	143,396	3,864
Parish attorney	5,081,290	5,124,507	5,022,805	101,702
Public information office	274,129	318,405	315,178	3,227
Planning commission	939,961	996,104	886,336	109,768
City court - administration	5,558,144	5,735,257	5,677,374	57,883
City constable	1,566,310	1,540,919	1,530,447	10,472
Justice of peace and ward constables	60,360	60,539	60,539	--
Sheriff - costs of court	172,820	172,820	172,643	177
Registrar of voters	484,430	499,054	494,893	4,161
Mayor - president	967,574	958,569	827,643	130,926
Finance	5,943,475	5,896,683	5,437,468	459,215
Collection of funds	1,746,800	1,797,120	1,771,595	25,525
Service fee business office	354,670	354,670	337,924	16,746
Information services	2,092,840	2,083,444	2,083,443	1
Computerized systems	65,876	1,223,569	672,132	551,437
Purchasing	822,239	784,457	726,618	57,839
Human resources	2,035,277	2,031,387	2,022,341	9,046
Risk management	9,130,070	12,684,835	14,156,326	(1,471,491)
Quality and employee development	500,829	510,709	490,797	19,912
Municipal fire and police civil service board	44,550	44,550	43,632	918
Public works - administration, engineering, warehouse and building maintenance	12,464,300	12,638,841	12,515,274	123,567
Capital area legal services	39,290	39,290	39,290	--
Municipal associations	90,340	90,340	82,855	7,485
Total general government	<u>52,726,929</u>	<u>57,912,796</u>	<u>57,496,969</u>	<u>415,827</u>
Public safety:				
Sheriff - correctional institution	3,955,169	4,040,609	3,485,781	554,828
Mayor-President's anti-drug task force	254,150	257,329	252,406	4,923
Police	45,278,428	44,272,506	43,060,964	1,211,542
Fire	29,751,275	29,549,736	29,539,734	10,002
Emergency medical services	2,653,619	3,100,898	2,945,630	155,268
Juvenile services	3,031,154	2,967,182	2,884,961	82,221
Emergency preparedness	255,682	304,264	301,614	2,650
Public works - inspection and traffic engineering	6,448,925	6,268,192	6,268,192	--
Demolition program	426,516	426,516	293,488	133,028
Interagency criminal information tracking system	20,000	20,000	--	20,000
Crimestoppers	13,390	13,390	13,390	--
Total public safety	<u>92,088,308</u>	<u>91,220,622</u>	<u>89,046,160</u>	<u>2,174,462</u>
Transportation:				
Public works - highway division	16,029,246	15,369,580	15,369,580	--
Street lighting	4,032,420	3,946,092	3,536,168	409,924
Federal urban system	10,489	33,778	--	33,778
Street maintenance	95,580	95,580	95,580	--
Total transportation	<u>20,167,735</u>	<u>19,445,030</u>	<u>19,001,328</u>	<u>443,702</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Sanitation:				
Public works - waste management	\$ 13,712,936	\$ 13,594,904	\$ 12,999,575	\$ 595,329
Health and welfare:				
Health unit	502,567	540,699	464,850	75,849
Council on Aging projects	661,050	661,050	661,050	--
Crisis Care Center	185,050	185,050	185,053	(3)
Baton Rouge Area Alcohol and Drug Center	161,710	161,710	161,710	--
O'Brien House	17,020	17,020	17,020	--
Cenikor Foundation	50,000	50,000	50,000	--
Total health and welfare	<u>1,577,397</u>	<u>1,615,529</u>	<u>1,539,683</u>	<u>75,846</u>
Culture and recreation:				
Community Centers Summer Programs	2,763	18,763	15,054	3,709
Louisiana Arts and Science Center	591,240	591,240	591,240	--
Arts Council of Greater Baton Rouge	131,550	131,550	131,550	--
Baton Rouge Symphony Association	91,060	91,060	91,060	--
U.S.S. Kidd	128,400	128,400	128,400	--
Baton Rouge Center for World Affairs	84,920	84,920	84,920	--
2005 ABC Bowling Congress Tournament	300,000	300,000	300,000	--
Total culture and recreation	<u>1,329,933</u>	<u>1,345,933</u>	<u>1,342,224</u>	<u>3,709</u>
Conservation and development:				
Economic Development Program	131,498	131,498	62,696	68,802
Urban Restoration Projects	--	250,000	612	249,388
Community centers	826,140	886,445	830,365	56,080
Human Development and Services	521,330	541,460	523,829	17,631
Earth Day	22,990	22,990	22,990	--
Cooperative Extension Service	52,144	53,844	52,120	1,724
Veterans Service Office	40,570	40,570	40,564	6
Big Buddy Program	58,210	58,210	58,210	--
Greater Baton Rouge Food Bank	22,320	22,320	22,320	--
Community Action for Children	24,000	24,000	24,000	--
Can Do	120,240	127,376	116,461	10,915
Total conservation and development	<u>1,819,442</u>	<u>2,158,713</u>	<u>1,754,167</u>	<u>404,546</u>
Capital outlay	<u>11,181,271</u>	<u>3,427,708</u>	<u>--</u>	<u>3,427,708</u>
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	74,130	91,020	90,889	131
District Attorney of the Nineteenth Judicial District	3,015,320	3,015,320	3,015,320	--
Nineteenth Judicial District Court	3,788,675	3,788,675	3,786,627	2,048
E.B.R. Parish Family Court	554,990	554,990	554,990	--
E.B.R. Parish Juvenile Court	694,396	689,282	686,719	2,563
Nineteenth Judicial District Indigent Defender Board	160,000	160,000	148,201	11,799
E.B.R. Parish Clerk of Court	1,021,980	1,021,980	877,517	144,463
E.B.R. Parish Coroner	659,890	659,890	647,990	11,900

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Intergovernmental expenditures (continued):				
Brownsfield Fire Protection District	\$ 17,050	\$ 17,050	\$ 17,050	\$ --
Central Fire Protection District	36,820	36,820	36,820	--
E.B.R. Parish Fire Protection District No. 6	68,990	68,990	68,990	--
Eastside Fire Protection District	32,740	32,740	32,740	--
Pride Fire Protection District	11,120	11,120	11,120	--
Chaneyville Fire Protection District	22,230	22,230	22,230	--
Alsen-St. Irma Lee Fire Protection District	25,750	25,750	25,750	--
Capital Region Planning Commission	49,250	49,250	49,250	--
Capital Transportation Corporation	1,032,650	1,032,650	1,032,650	--
Total intergovernmental expenditures	<u>11,265,981</u>	<u>11,277,757</u>	<u>11,104,853</u>	<u>172,904</u>
Total expenditures	<u>205,869,932</u>	<u>201,998,992</u>	<u>194,284,959</u>	<u>7,714,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,404,532)</u>	<u>(2,020,840)</u>	<u>18,923,971</u>	<u>20,944,811</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Parish Sub Fund	17,570,667	18,490,197	14,422,611	(4,067,586)
Consolidated Garbage Service District No. 1	1,077,030	1,077,030	1,077,030	--
State and Local Government Securities Debt Service Fund	982,820	982,820	982,741	(79)
Capital Projects Fund	--	292,500	292,868	368
Greater Baton Rouge Airport District	--	281,843	281,843	--
Total transfers in	<u>19,630,517</u>	<u>21,124,390</u>	<u>17,057,093</u>	<u>(4,067,297)</u>
Transfers out:				
City Sub Fund	(17,570,667)	(18,490,197)	(14,422,611)	4,067,586
City Constable Court Costs Fund	--	(133,273)	(133,273)	--
Downtown Development District	(22,320)	(25,420)	(25,420)	--
Animal Control Center Fund	(532,140)	(532,140)	(532,140)	--
Grants Fund	(38,720)	(35,514)	(35,514)	--
Taxable Refunding Bonds Fund	--	(3,019,028)	(3,019,028)	--
Excess Revenue and Limited Tax Fund	(6,079,230)	(3,270,202)	(3,239,398)	30,804
Capital Projects Fund	(3,427,020)	(15,846,818)	(15,846,818)	--
Riverside Centroplex Fund	(595,000)	(595,000)	(595,000)	--
Greater Baton Rouge Parking Authority	(352,730)	(373,730)	(373,730)	--
Comprehensive Sewerage System Fund	(4,000,000)	(4,000,000)	(4,000,000)	--
Total transfers out	<u>(32,617,827)</u>	<u>(46,321,322)</u>	<u>(42,222,932)</u>	<u>4,098,390</u>
Proceeds of capital asset disposition	<u>102,000</u>	<u>191,314</u>	<u>478,107</u>	<u>286,793</u>
Total other financing sources and uses	<u>(12,885,310)</u>	<u>(25,005,618)</u>	<u>(24,687,732)</u>	<u>317,886</u>
Net change in fund balances	<u>(20,289,842)</u>	<u>(27,026,458)</u>	<u>(5,763,761)</u>	<u>21,262,697</u>
Fund balances, January 1	<u>73,483,346</u>	<u>73,483,346</u>	<u>73,483,346</u>	<u>--</u>
Fund balances, December 31	<u>\$ 53,193,504</u>	<u>\$ 46,456,888</u>	<u>\$ 67,719,585</u>	<u>\$ 21,262,697</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2002

EXHIBIT A - 8

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ --	\$ 19,337,764	\$ 5,728,915	\$ 25,066,679	\$ 2,531,194
Investments	--	47,344,182	11,236,395	58,580,577	6,197,062
Sales taxes receivable	--	2,959,141	--	2,959,141	--
Accounts receivable - net	552,071	3,411,257	1,659,135	5,622,463	--
Accrued interest receivable	3,914	130,977	30,194	165,085	15,904
Special assessments receivable	--	255,611	--	255,611	--
Due from other funds (Note 11)	--	7,542,960	--	7,542,960	--
Due from other governments (Note 11)	--	8	--	8	2,149
Due from component units (Note 11)	--	116,459	--	116,459	--
Prepaid items	--	--	61,578	61,578	--
Inventory	--	--	--	--	167,670
Total current assets	<u>555,985</u>	<u>81,098,359</u>	<u>18,716,217</u>	<u>100,370,561</u>	<u>8,913,979</u>
Deferred bond issuance costs	--	1,024,040	--	1,024,040	--
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	--	25,598,676	999,221	26,597,897	--
Investments	--	93,044,606	2,446,367	95,490,973	--
Accounts receivable - net	124,628	--	--	124,628	--
Accrued interest receivable	5,257	578,817	7,262	591,336	--
Due from other governments (Note 11)	7,980,612	522,042	1,275,366	9,778,020	--
Total restricted assets	<u>8,110,497</u>	<u>119,744,141</u>	<u>4,728,216</u>	<u>132,582,854</u>	<u>--</u>
Capital assets (Note 6):					
Land	51,628,765	9,145,546	8,919,507	69,693,818	47,568
Buildings	65,147,428	--	42,292,650	107,440,078	2,213,798
Improvements (other than buildings)	64,386,894	548,936,957	25,626,807	638,950,658	7,190
Equipment	2,602,011	7,511,303	1,580,737	11,694,051	19,070,790
Equipment under capital lease	--	--	--	--	654,045
Construction work in progress	2,889,043	5,254,122	8,122,990	16,266,155	--
Total capital assets	<u>186,654,141</u>	<u>570,847,928</u>	<u>86,542,691</u>	<u>844,044,760</u>	<u>21,993,391</u>
Accumulated depreciation	<u>(38,095,536)</u>	<u>(202,837,041)</u>	<u>(39,225,146)</u>	<u>(280,157,723)</u>	<u>(16,754,085)</u>
Net capital assets	<u>148,558,605</u>	<u>368,010,887</u>	<u>47,317,545</u>	<u>563,887,037</u>	<u>5,239,306</u>
Total assets	<u>157,225,087</u>	<u>569,877,427</u>	<u>70,761,978</u>	<u>797,864,492</u>	<u>14,153,285</u>

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2002

EXHIBIT A - 8
(Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
LIABILITIES					
Current liabilities:					
Accounts and contracts payable	\$ 369,868	\$ 1,174,779	\$ 2,907,331	\$ 4,451,978	\$ 450,516
Due to other funds (Note 11)	1,887,972	--	309	1,888,281	--
Due to other governments	141,687	--	8,532	150,219	--
Accrued salaries payable	126,120	460,423	61,479	648,022	59,795
Accrued expenses payable	--	--	49,872	49,872	--
Accrued interest payable	--	--	18,164	18,164	--
Deferred revenue	--	255,981	500,197	756,178	--
Obligations payable (Note 10)	2,089,256	3,466,960	--	5,556,216	--
Bonds payable (Note 10)	84,700	7,785,000	560,000	8,429,700	--
Compensated absences payable	187,729	710,942	75,711	974,382	146,797
Obligation under capital leases	--	--	--	--	119,739
Total current liabilities	4,887,332	13,854,085	4,181,595	22,923,012	776,847
Liabilities payable from restricted assets:					
Accounts and contracts payable	4,598,333	1,836,288	--	6,434,621	--
Due to other governments	--	28,548	--	28,548	--
Accrued interest payable	--	5,660,894	--	5,660,894	--
Total restricted liabilities	4,598,333	7,525,730	--	12,124,063	--
Noncurrent liabilities:					
Obligations payable (Note 10)	8,885,405	38,111,795	--	46,997,200	--
Bonds payable (Note 10)	4,811,805	241,685,000	--	246,496,805	--
Deferred amount on refunding (Note 10)	--	(2,157,221)	--	(2,157,221)	--
Landfill closure and postclosure care liability (Note 19)	--	--	9,859,860	9,859,860	--
Net pension obligation	278,856	1,400,244	119,110	1,798,210	203,442
Total noncurrent liabilities	13,976,066	279,039,818	9,978,970	302,994,854	203,442
Total liabilities	23,461,731	300,419,633	14,160,565	338,041,929	980,289
NET ASSETS					
Invested in capital assets, net of related debt	132,711,235	128,792,248	46,757,545	308,261,028	5,119,567
Restricted for capital projects	2,108,638	32,759,189	2,995,450	37,863,277	--
Restricted for debt service	746,756	30,475,131	583,693	31,805,580	--
Restricted Passenger Facility Charges	1,995,356	--	--	1,995,356	--
Unrestricted	(3,798,629)	77,431,226	6,264,725	79,897,322	8,053,429
Total net assets	\$ 133,763,356	\$ 269,457,794	\$ 56,601,413	\$ 459,822,563	\$ 13,172,996

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 9

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
OPERATING REVENUES					
Charges for services	\$ 7,364,865	\$ 48,102,710	\$ 11,841,154	\$ 67,308,729	\$ 11,049,771
Miscellaneous revenues	244,800	34,764	80,485	360,049	--
Total operating revenues	<u>7,609,665</u>	<u>48,137,474</u>	<u>11,921,639</u>	<u>67,668,778</u>	<u>11,049,771</u>
OPERATING EXPENSES					
Personal services	2,598,766	9,492,277	1,450,495	13,541,538	1,255,626
Employee benefits	695,369	3,055,846	396,039	4,147,254	420,601
Supplies	287,174	1,735,945	178,860	2,201,979	165,293
Contractual services	3,572,583	14,267,097	9,455,741	27,295,421	2,784,624
Landfill closure and postclosure care expense	--	--	2,481,062	2,481,062	--
Cost of materials	--	--	--	--	4,190,338
Depreciation	4,354,743	21,204,304	2,520,002	28,079,049	2,804,367
Bad debts	--	334,858	--	334,858	--
Management fee	--	--	200,000	200,000	--
Total operating expenses	<u>11,508,635</u>	<u>50,090,327</u>	<u>16,682,199</u>	<u>78,281,161</u>	<u>11,620,849</u>
Operating income (loss)	<u>(3,898,970)</u>	<u>(1,952,853)</u>	<u>(4,760,560)</u>	<u>(10,612,383)</u>	<u>(571,078)</u>
NONOPERATING REVENUES (EXPENSES)					
Taxes pledged as securities for revenue bonds	--	29,953,612	--	29,953,612	--
Operating grants	126,984	219,788	15,662	362,434	--
Passenger facility charges (Note 18)	1,034,556	--	--	1,034,556	--
Investment earnings	273,412	3,521,940	377,981	4,173,333	161,958
Interest expense	(727,320)	(15,653,782)	(61,030)	(16,442,132)	(44,444)
Bond issuance costs	--	(411,735)	--	(411,735)	--
Gain (loss) on disposition of capital assets	1,375	129,479	940	131,794	214,404
Total nonoperating revenues (expenses)	<u>709,007</u>	<u>17,759,302</u>	<u>333,553</u>	<u>18,801,862</u>	<u>331,918</u>
Income (loss) before contributions and transfers	<u>(3,189,963)</u>	<u>15,806,449</u>	<u>(4,427,007)</u>	<u>8,189,479</u>	<u>(239,160)</u>
Capital contributions	17,133,324	5,600,558	2,871,425	25,605,307	--
Transfers in	--	4,000,000	3,754,686	7,754,686	--
Transfers out	<u>(281,842)</u>	<u>--</u>	<u>--</u>	<u>(281,842)</u>	<u>--</u>
Change in net assets	<u>13,661,519</u>	<u>25,407,007</u>	<u>2,199,104</u>	<u>41,267,630</u>	<u>(239,160)</u>
Total net assets - January 1	<u>120,101,837</u>	<u>244,050,787</u>	<u>54,402,309</u>	<u>418,554,933</u>	<u>13,412,156</u>
Total net assets - December 31	<u>\$ 133,763,356</u>	<u>\$ 269,457,794</u>	<u>\$ 56,601,413</u>	<u>\$ 459,822,563</u>	<u>\$ 13,172,996</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT A - 10

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 7,791,455	\$ 47,442,033	\$ 12,213,124	\$ 67,446,612	\$ 11,049,771
Payments to suppliers for goods and services	(3,667,254)	(16,791,282)	(9,670,337)	(30,128,873)	(6,859,679)
Payments to employees for services and benefits	(3,151,281)	(11,863,248)	(1,811,169)	(16,825,698)	(1,584,779)
Other operating revenues	--	34,764	--	34,764	--
Net cash provided by (used for) operating activities	972,920	18,822,267	731,618	20,526,805	2,605,313
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Receipts from general property taxes	--	385	--	385	--
Receipts from general sales and use taxes	--	29,905,826	--	29,905,826	--
Operating grants received	126,984	353,168	15,662	495,814	--
Transfers in from other funds	--	4,000,000	968,730	4,968,730	--
Transfers out to other funds	(281,842)	--	--	(281,842)	--
Interest paid on short-term interfund loans	--	--	(6,680)	(6,680)	--
Loans to other funds	--	(7,542,960)	--	(7,542,960)	--
Loans from other funds	1,820,511	--	309	1,820,820	--
Loans to component units	--	(116,459)	--	(116,459)	--
Repayment of loans to other funds	(1,326,413)	8,040,774	--	6,714,361	--
Repayment of loans from other funds	--	--	(483,165)	(483,165)	--
Net cash provided by (used for) noncapital financing activities	339,240	34,640,734	494,856	35,474,830	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Receipts from occupancy taxes	--	--	51,173	51,173	--
Proceeds from sale of debt	3,750,634	--	--	3,750,634	--
Proceeds from capital grants	16,248,540	1,477,421	--	17,725,961	--
Proceeds from sale of capital assets	1,375	142,650	940	144,965	195,593
Passenger facility charges	1,027,897	--	--	1,027,897	--
Acquisition and construction of capital assets	(19,551,412)	(10,027,977)	(2,515,738)	(32,095,127)	(1,661,987)
Principal paid on bonds, obligations and capital leases	(1,982,745)	(10,400,577)	(525,000)	(12,908,322)	(1,083,412)
Interest paid on bonds, obligations and capital leases	(746,612)	(17,554,596)	(73,530)	(18,374,738)	(44,444)
Capital contributed by other governments	--	--	1,811,981	1,811,981	--
Capital contributed from impact fees	--	3,552,905	--	3,552,905	--
Net cash provided by (used for) capital and related financing activities	(1,252,323)	(32,810,174)	(1,250,174)	(35,312,671)	(2,594,250)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments	--	(140,388,788)	(13,682,762)	(154,071,550)	(6,197,062)
Proceeds from sales and maturities of investments	--	70,573,667	5,510,276	76,083,943	--
Interest received on investments	(59,837)	3,528,907	391,105	3,860,175	167,076
Net cash provided by (used for) investing activities	(59,837)	(66,286,214)	(7,781,381)	(74,127,432)	(6,029,986)

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT A - 10
(Continued)

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total	
Net increase (decrease) in cash and cash equivalents (Note 1)	\$ --	\$ (45,633,387)	\$ (7,805,081)	\$ (53,438,468)	\$ (6,018,923)
Cash and cash equivalents, January 1	--	90,569,827	14,533,217	105,103,044	8,550,117
Cash and cash equivalents, December 31	<u>\$ --</u>	<u>\$ 44,936,440</u>	<u>\$ 6,728,136</u>	<u>\$ 51,664,576</u>	<u>\$ 2,531,194</u>
Classified as:					
Current assets	\$ --	\$ 19,337,764	\$ 5,728,915	\$ 25,066,679	\$ 2,531,194
Restricted assets	--	25,598,676	999,221	26,597,897	--
Totals	<u>\$ --</u>	<u>\$ 44,936,440</u>	<u>\$ 6,728,136</u>	<u>\$ 51,664,576</u>	<u>\$ 2,531,194</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (3,898,970)	\$ (1,952,853)	\$ (4,760,560)	\$ (10,612,383)	\$ (571,078)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	4,354,743	21,204,304	2,520,002	28,079,049	2,804,367
Landfill closure and postclosure care expense	--	--	2,481,062	2,481,062	--
Increase (decrease) in compensated absences payable	53,218	97,585	12,247	163,050	25,286
Increase (decrease) in net pension obligation	73,942	522,906	32,270	629,118	57,878
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	181,790	(331,746)	121,843	(28,113)	--
Decrease (increase) in prepaid items	--	--	(41,956)	(41,956)	--
Decrease (increase) in inventory	--	--	--	--	10,046
Increase (decrease) in accounts and contracts payable	192,503	163,186	206,493	562,182	270,530
Increase (decrease) in due to other governments	--	(945,500)	(1,844)	(947,344)	--
Increase (decrease) in accrued salaries payable	15,694	64,385	(9,152)	70,927	8,284
Increase (decrease) in deferred revenue	--	--	171,213	171,213	--
Total adjustments	<u>4,871,890</u>	<u>20,775,120</u>	<u>5,492,178</u>	<u>31,139,188</u>	<u>3,176,391</u>
Net cash provided by (used for) operating activities	<u>\$ 972,920</u>	<u>\$ 18,822,267</u>	<u>\$ 731,618</u>	<u>\$ 20,526,805</u>	<u>\$ 2,605,313</u>
Non cash investing, capital, and financing activities:					
Gain in fair value of investments	\$ 9,171	\$ 709,794	\$ 37,456	\$ 756,421	\$ 15,904
Capital assets contributed from other funds	--	--	2,785,956	2,785,956	--
Gain (loss) on disposal of capital assets	--	(13,171)	--	(13,171)	18,811

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2002

EXHIBIT A - 11

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 988,652
Receivables:	
Employee contributions	1,030,859
Employer contributions	714,677
Interest and dividends	1,408,726
Pending trades	2,857,961
Other contributions	480,543
Total receivables	<u>6,492,766</u>
Investments, at fair value:	
U.S. government obligations	52,120,972
Bonds - domestic	69,174,732
Bonds - enhanced index fund	138,708,516
Equity securities - domestic	317,338,968
Equity securities - international	109,128,773
Mutual funds	4,118,450
Repurchase agreements	27,150,000
Total investments	<u>717,740,411</u>
Capital assets:	
Land	550,628
Buildings	697,496
Equipment	153,359
Accumulated depreciation	(614,084)
Total capital assets	<u>787,399</u>
Total assets	<u>726,009,228</u>
LIABILITIES	
Accrued expenses and benefits payable	678,154
Pending trade payables	<u>15,047,156</u>
Total liabilities	<u>15,725,310</u>
NET ASSETS	
Held in trust for pension benefits (See Exhibit B-1)	<u>\$ 710,283,918</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT A - 12

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employee	\$ 8,862,750
Employer	12,443,113
Severance contributions from employee	703,276
Total contributions	<u>22,009,139</u>
Investment income:	
Net depreciation in fair value of investments	(73,621,676)
Interest	8,312,921
Dividends	1,919,215
Total investment income (loss)	<u>(63,389,540)</u>
Less: investment expense	<u>1,586,226</u>
Net investment income (loss)	<u>(64,975,766)</u>
Total additions	<u>(42,966,627)</u>
DEDUCTIONS	
Benefit payments	45,974,259
Refunds and withdrawals	1,783,165
Administrative expenses	1,106,430
Total deductions	<u>48,863,854</u>
Change in net assets	(91,830,481)
Net assets - beginning of year	<u>802,114,399</u>
Net assets - end of year	<u>\$ 710,283,918</u>

The accompanying notes are an integral part of this statement.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF NET ASSETS
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2002**

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
ASSETS			
Cash and cash equivalents	\$ 2,667,583	\$ 802,346	\$ 293,062
Investments	--	--	--
Property taxes receivable - net (Note 4)	--	--	--
Accounts receivable	47,765	85,707	25,162
Accrued interest receivable	--	--	--
Other receivables	--	--	--
Due from other governments	56,266	248,018	--
Due from primary government (Note 11)	--	--	--
Prepaid items	--	--	--
Inventory	--	--	--
Net pension asset	--	--	--
Restricted assets:			
Cash and cash equivalents	--	--	--
Due from other governments	--	--	--
Capital assets:			
Non-depreciable:			
Land	--	--	--
Construction work-in-progress	--	--	--
Depreciable:			
Buildings	--	--	--
Equipment	1,447,058	824,218	272,254
Equipment under capital leases	--	--	--
Accumulated depreciation	<u>(1,057,042)</u>	<u>(685,753)</u>	<u>(214,786)</u>
Total assets	<u>\$ 3,161,630</u>	<u>\$ 1,274,536</u>	<u>\$ 375,692</u>

(1) As of June 30, 2002

(2) As of September 30, 2002

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

<u>E.B.R. Parish Juvenile Court</u>	<u>Nineteenth Judicial District Indigent Defender Board</u>	<u>E.B.R. Parish Clerk of Court (1)</u>	<u>E.B.R. Parish Coroner</u>	<u>St. George Fire Protection District (2)</u>	<u>Brownsfield Fire Protection District</u>
\$ 515,889	\$ 489,578	\$ 2,645,847	\$ 34,741	\$ 234,538	\$ --
--	--	2,640,000	--	--	--
--	--	--	--	34,274	27,294
618	173,492	472,179	28,819	5,373	--
--	--	--	--	--	--
--	--	40,957	--	10,266	--
140,219	--	--	--	--	200,888
--	62,761	--	--	--	--
--	9,067	--	--	17,340	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	289,531	18,592
--	--	--	--	25,066	--
--	--	--	--	1,330,694	64,773
315,986	120,859	2,723,896	131,297	3,448,196	228,215
--	--	--	--	--	48,980
(235,965)	(82,850)	(2,421,066)	(73,588)	(1,976,341)	(194,053)
<u>\$ 736,747</u>	<u>\$ 772,907</u>	<u>\$ 6,101,813</u>	<u>\$ 121,269</u>	<u>\$ 3,418,937</u>	<u>\$ 394,689</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF NET ASSETS
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2002**

Governmental Fund Types

	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District
ASSETS			
Cash and cash equivalents	\$ 357,950	\$ 98,580	\$ 73,030
Investments	--	--	--
Property taxes receivable - net (Note 4)	189,271	122,169	147,739
Accounts receivable	113,468	43,644	--
Accrued interest receivable	--	--	--
Other receivables	--	--	--
Due from other governments	447,443	519,331	439,207
Due from primary government (Note 11)	--	--	--
Prepaid items	--	--	--
Inventory	--	--	--
Net pension asset	--	--	--
Restricted assets:			
Cash and cash equivalents	--	--	--
Due from other governments	--	--	--
Capital assets:			
Non-depreciable:			
Land	159,018	43,000	151,360
Construction work-in-progress	--	--	--
Depreciable:			
Buildings	855,124	469,917	1,509,509
Equipment	1,328,694	636,002	700,569
Equipment under capital leases	437,604	278,628	440,613
Accumulated depreciation	<u>(1,153,445)</u>	<u>(681,075)</u>	<u>(721,908)</u>
Total assets	<u>\$ 2,735,127</u>	<u>\$ 1,530,196</u>	<u>\$ 2,740,119</u>

- (1) As of June 30, 2002
 (2) As of September 30, 2002

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types				Proprietary Fund Type	
Pride Fire Protection District	Chaneyville Fire Protection District	Alsen-St. Irma Lee Fire Protection District	Capital Region Planning Commission (1)	Capital Transportation Corporation	Totals
\$ 112,112	\$ --	\$ --	\$ 137,175	\$ 549,541	\$ 9,011,972
--	--	--	312,246	--	2,952,246
--	--	51,018	--	--	571,765
--	--	--	16,334	110,127	1,122,688
200	2	14	--	--	216
--	--	--	--	--	51,223
2,500	3,210	149,104	159,216	--	2,365,402
--	--	--	--	--	62,761
--	--	--	--	108,879	135,286
--	--	--	--	229,183	229,183
--	--	--	--	835,603	835,603
--	--	--	--	617,882	617,882
--	--	--	--	651,235	651,235
15,000	--	9,000	--	--	685,501
--	--	--	--	--	25,066
135,353	109,334	256,496	--	--	4,731,200
180,146	204,984	256,039	326,872	10,914,316	24,059,601
--	--	256,663	--	--	1,462,488
(130,995)	(236,887)	(355,865)	(273,698)	(7,049,280)	(17,544,597)
<u>\$ 314,316</u>	<u>\$ 80,643</u>	<u>\$ 622,469</u>	<u>\$ 678,145</u>	<u>\$ 6,967,486</u>	<u>\$ 32,026,721</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
ALL DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2002

	Governmental Fund Types		
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court
LIABILITIES			
Accounts payable and other current liabilities	\$ 95,474	107,254	--
Due to other governments	--	--	--
Due to primary government (Note 11)	--	--	--
Accrued payables	108,954	59,626	13,377
Other liabilities	59,078	--	--
Liabilities payable from restricted assets	--	--	--
Non-current liabilities:			
Due within one year	--	--	--
Due in more than one year:			
Bonds and notes payable	--	--	--
Compensated absences payable	--	602,886	41,973
Obligation under capital leases (Note 14)	--	--	--
Claims and judgments payable	--	--	--
Net pension obligation (Note 7)	218,548	6,773	26,491
Other long-term liabilities	--	--	--
Total liabilities	<u>482,054</u>	<u>776,539</u>	<u>81,841</u>
NET ASSETS			
Invested in capital assets, net of related debt	390,016	138,465	57,468
Restricted for:			
Other purposes	--	--	--
Unrestricted	<u>2,289,560</u>	<u>359,532</u>	<u>236,383</u>
Total net assets	<u>\$ 2,679,576</u>	<u>497,997</u>	<u>293,851</u>

- (1) As of June 30, 2002
(2) As of September 30, 2002

The accompanying notes are an integral part of this statement.

Continued

Governmental Fund Types

E.B.R. Parish Juvenile Court	Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	E.B.R. Parish Coroner	St. George Fire Protection District (2)	Brownsfield Fire Protection District
3,477	\$ 516,983	\$ 163,088	\$ 7,359	\$ 19,107	\$ 15,827
1,765	--	--	--	--	--
--	--	--	--	--	96,853
--	--	152,302	--	105,381	--
37,125	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	1,004,084	--
--	--	--	--	1,836,758	--
149,611	--	359,773	1,594	227,958	--
--	--	--	--	--	19,627
--	--	--	--	--	--
63,613	--	--	38,454	143,781	12,459
--	--	--	--	--	--
<u>255,591</u>	<u>516,983</u>	<u>675,163</u>	<u>47,407</u>	<u>3,337,069</u>	<u>144,766</u>
80,021	38,009	302,830	57,709	526,304	146,880
47,736	393,412	--	--	--	--
353,399	(175,497)	5,123,820	16,153	(444,436)	103,043
<u>481,156</u>	<u>\$ 255,924</u>	<u>\$ 5,426,650</u>	<u>\$ 73,862</u>	<u>\$ 81,868</u>	<u>\$ 249,923</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF NET ASSETS
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 DECEMBER 31, 2002**

	Governmental Fund Types		
	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District
LIABILITIES			
Accounts payable and other current liabilities	\$ 8,068	\$ 27,095	\$ --
Due to other governments	--	--	--
Due to primary government (Note 11)	--	--	--
Accrued payables	37,025	10,053	24,116
Other liabilities	--	--	--
Liabilities payable from restricted assets	--	--	--
Non-current liabilities:			
Due within one year	52,184	63,690	--
Due in more than one year:			
Bonds and notes payable	--	--	399,500
Compensated absences payable	86,551	1,077	55,498
Obligation under capital leases (Note 14)	177,865	50,413	242,727
Claims and judgments payable	--	--	--
Net pension obligation (Note 7)	31,775	25,460	5,000
Other long-term liabilities	--	--	--
Total liabilities	<u>393,468</u>	<u>177,788</u>	<u>726,841</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,396,946	632,369	1,437,916
Restricted for:			
Other purposes	--	--	--
Unrestricted	<u>944,713</u>	<u>720,039</u>	<u>575,362</u>
Total net assets	<u>\$ 2,341,659</u>	<u>\$ 1,352,408</u>	<u>\$ 2,013,278</u>

(1) As of June 30, 2002

(2) As of September 30, 2002

The accompanying notes are an integral part of this statement.

Governmental Fund Types				Proprietary Fund Type	
Pride Fire Protection District	Chaneyville Fire Protection District	Alsen-St. Irma Lee Fire Protection District	Capital Region Planning Commission (1)	Capital Transportation Corporation	Totals
\$ 2,063	\$ 1,110	\$ 2,110	\$ 38,319	\$ 334,046	\$ 1,341,380
--	--	--	--	--	1,765
--	2,516	17,090	--	--	116,459
--	--	--	--	566,562	1,077,396
--	--	--	24,631	779,146	899,980
--	--	--	--	258,274	258,274
--	--	--	--	--	1,119,958
--	--	--	--	--	2,236,258
--	--	--	28,216	366,805	1,921,942
--	--	148,444	--	--	639,076
--	--	--	--	177,500	177,500
--	--	--	--	--	572,354
--	--	--	--	258,273	258,273
<u>2,063</u>	<u>3,626</u>	<u>167,644</u>	<u>91,166</u>	<u>2,740,606</u>	<u>10,620,615</u>
199,504	77,431	273,889	53,174	3,865,036	9,673,967
--	--	--	--	1,269,117	1,710,265
<u>112,749</u>	<u>(414)</u>	<u>180,936</u>	<u>533,805</u>	<u>(907,273)</u>	<u>10,021,874</u>
<u>\$ 312,253</u>	<u>\$ 77,017</u>	<u>\$ 454,825</u>	<u>\$ 586,979</u>	<u>\$ 4,226,880</u>	<u>\$ 21,406,106</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF ACTIVITIES
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

	Judicial Court Services			
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
EXPENSES	\$ 7,327,416	\$ 8,452,237	\$ 1,169,520	\$ 1,454,200
PROGRAM REVENUES:				
Charges for services	1,560,916	2,061,832	104,004	497,465
Operating grants and contributions	5,312,527	5,969,165	1,008,803	983,460
Capital grants and contributions	--	971	--	--
Net program (expenses) revenue	<u>(453,973)</u>	<u>(420,269)</u>	<u>(56,713)</u>	<u>26,725</u>
GENERAL REVENUES:				
Taxes:				
Property	--	--	--	--
Occupancy	--	--	--	--
Grants and contributions not restricted to specific programs	27,986	261,625	--	--
Investment earnings	57,198	34,742	6,320	8,640
Gain (loss) on sale of capital assets	--	--	--	--
Total general revenues	<u>85,184</u>	<u>296,367</u>	<u>6,320</u>	<u>8,640</u>
Change in net assets	(368,789)	(123,902)	(50,393)	35,365
Net assets, beginning	<u>3,048,365</u>	<u>621,899</u>	<u>344,244</u>	<u>445,791</u>
Net assets, ending	<u>\$ 2,679,576</u>	<u>\$ 497,997</u>	<u>\$ 293,851</u>	<u>\$ 481,156</u>

- (1) Period ending June 30, 2002
 (2) Period ending September 30, 2002

The accompanying notes are an integral part of this statement.

Continued

Judicial Court Services			Coroner	Fire Protection Districts	
Nineteenth Judicial District Indigent Defender Board	E.B.R. Parish Clerk of Court (1)	Total Judicial Court Services	E.B.R. Parish Coroner	St. George Fire Protection District (2)	Brownsfield Fire Protection District
\$ 2,652,790	\$ 10,143,644	\$ 31,199,807	\$ 737,445	\$ 6,487,165	\$ 458,633
1,951,752	10,663,727	16,839,696	109,235	872,373	133,210
613,507	877,517	14,764,979	647,990	312,861	35,085
--	--	971	--	--	--
(87,531)	1,397,600	405,839	19,780	(5,301,931)	(290,338)
--	--	--	--	4,222,691	177,837
--	--	--	--	--	--
--	273,836	563,447	--	345,337	95,036
9,317	717,835	834,052	--	40,529	75
--	--	--	(6,032)	--	--
9,317	991,671	1,397,499	(6,032)	4,608,557	272,948
(78,214)	2,389,271	1,803,338	13,748	(693,374)	(17,390)
334,138	3,037,379	7,831,816	60,114	775,242	267,313
\$ 255,924	\$ 5,426,650	\$ 9,635,154	\$ 73,862	\$ 81,868	\$ 249,923

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF ACTIVITIES
 ALL DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

	Fire Protection Districts			
	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Pride Fire Protection District
EXPENSES	\$ 1,118,283	\$ 853,562	\$ 753,497	\$ 80,180
PROGRAM REVENUES:				
Charges for services	332,113	216,331	282,514	39,519
Operating grants and contributions	--	--	--	--
Capital grants and contributions	29,750	--	--	--
Net program (expenses) revenue	<u>(756,420)</u>	<u>(637,231)</u>	<u>(470,983)</u>	<u>(40,661)</u>
GENERAL REVENUES:				
Taxes:				
Property	525,432	582,894	572,409	--
Occupancy	--	--	--	--
Grants and contributions not restricted to specific programs	231,658	215,198	32,740	20,768
Investment earnings	4,020	5,439	3,063	2,493
Gain on sale of capital assets	--	--	--	--
Total general revenues	<u>761,110</u>	<u>803,531</u>	<u>608,212</u>	<u>23,261</u>
Change in net assets	4,690	166,300	137,229	(17,400)
Net assets, beginning	<u>2,336,969</u>	<u>1,186,108</u>	<u>1,876,049</u>	<u>329,653</u>
Net assets, ending	<u>\$ 2,341,659</u>	<u>\$ 1,352,408</u>	<u>\$ 2,013,278</u>	<u>\$ 312,253</u>

- (1) Period ending June 30, 2002
 (2) Period ending September 30, 2002

The accompanying notes are an integral part of this statement.

Fire Protection Districts			Mass Transit			
Chaneyville Fire Protection District	Alsen- St. Irma Lee Fire Protection District	Total Fire Protection Districts	Capital Region Planning Commission (1)	Capital Transportation Corporation	Total Mass Transit	Total All Component Units
\$ 97,749	\$ 304,167	\$ 10,153,236	\$ 762,760	\$ 12,048,415	\$ 12,811,175	\$ 54,901,663
12,282	18,558	1,906,900	136,276	3,734,520	3,870,796	22,726,627
--	--	347,946	673,818	207,890	881,708	16,642,623
--	--	29,750	--	52,534	52,534	83,255
(85,467)	(285,609)	(7,868,640)	47,334	(8,053,471)	(8,006,137)	(15,449,158)
--	206,409	6,287,672	--	--	--	6,287,672
--	--	--	--	807,561	807,561	807,561
30,930	29,960	1,001,627	--	6,382,548	6,382,548	7,947,622
28	1,724	57,371	13,129	2,857	15,986	907,409
5,150	--	5,150	--	--	--	(882)
36,108	238,093	7,351,820	13,129	7,192,966	7,206,095	15,949,382
(49,359)	(47,516)	(516,820)	60,463	(860,505)	(800,042)	500,224
126,376	502,341	7,400,051	526,516	5,087,385	5,613,901	20,905,882
<u>\$ 77,017</u>	<u>\$ 454,825</u>	<u>\$ 6,883,231</u>	<u>\$ 586,979</u>	<u>\$ 4,226,880</u>	<u>\$ 4,813,859</u>	<u>\$ 21,406,106</u>



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

<u>INDEX</u>	<u>Page Number</u>
Note 1 - Summary of Significant Accounting Policies	52
Note 2 - Stewardship, Compliance, and Accountability	64
Note 3 - Cash, Cash Equivalents and Investments	66
Note 4 - Property Taxes	72
Note 5 - Federal and State Financial Assistance	73
Note 6 - Changes in Capital Assets	75
Note 7 - Employees' Retirement Systems	82
Note 8 - Council Members Compensation	89
Note 9 - Postemployment Benefits	89
Note 10 - Long-Term Debt	90
Note 11 - Interfund and Intergovernmental Receivables and Payables	105
Note 12 - Interfund Transfers	107
Note 13 - Risk Management	108
Note 14 - Lease Commitments	110
Note 15 - Communications District Wireless E911 Service	113
Note 16 - Segments of Enterprise Activities	113
Note 17 - Restricted Assets	115
Note 18 - Passenger Facility Charges - Greater Baton Rouge Airport District	115
Note 19 - Solid Waste Disposal Facility Closure and Postclosure Care Liability	116
Note 20 - Other Receivables	117

NOTE 1 - Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

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

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

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

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

Blended Component Units

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. 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 and by local matching funds appropriated by the Metropolitan Council. CTC's financial statements for the period ended December 31, 2002, are discretely presented in the basic financial statements.

The Louisiana State Constitution mandates that parish governments fund a significant portion of the operational budgets of certain legally separate state constitutionally defined parish officials. These budgets are adopted as part of the City-Parish budget process. These 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, 2002)
Nineteenth Judicial District Court (for the period ended June 30, 2002)
E.B.R. Parish Coroner (for the period ended December 31, 2002)
E.B.R. Parish Family Court (for the period ended December 31, 2002)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2002)
Nineteenth Judicial District Indigent Defender Board (for the period ended December 31, 2002)

Financial statements for the East Baton Rouge Parish Clerk of Court (for the period ended June 30, 2002) are also reported in the component units columns of the basic financial statements. A financial burden/benefit relationship exists between the Clerk and the primary government since the parish is statutorily required to fund certain items in the budget of the Clerk. The parish is also entitled to fifty percent of any surplus general funds of the Clerk of Court at the end of the Clerk's elected term.

Capital Region Planning Commission - The Capital Region Planning Commission is a private non-profit government agency that administers federal funding from the U.S. Department of Transportation. A majority of the commissioners are appointed by the City-Parish governing authority. The Metropolitan Council also approves grant budgets and pass-through funding to the Commission. The Commission's financial statements for the year ended June 30, 2002 are included in the discrete component unit columns of the basic financial statements.

Parish Fire Protection Districts - Parish Fire Protection Districts (including St. George Fire Protection District, Brownsfield Fire Protection District, Central Fire Protection District, E.B.R. Parish Fire Protection District No. 6, Eastside Fire Protection District, Pride Fire Protection District, Chaneyville Fire Protection District, and Alsen-St. Irma Lee Fire Protection District) are established pursuant to State Statutes. The Metropolitan Council appoints a majority of the board members of each fire protection district. The Council has the right to approve the fire protection districts' tax rates and charges. Although the City-Parish has issued debt in the past on behalf of one or more of the fire protection districts, each district is legally responsible for the debt it incurs. The fiscal year for all fire protection districts is the calendar year except St. George Fire Protection District whose fiscal year end is September 30, 2002.

Brownsfield Fire Protection District, Chaneyville Fire Protection District, Pride Fire Protection District and Alsen - St. Irma Lee Fire Protection District do not have separately issued audit reports. Fiscal agency services for these legally separate discrete component units are provided by the City-Parish financial management system. Individual fund financial statements for these four non-major component units are included in the Combining and Individual Fund Statements and Schedules section of this report. (See Exhibits G-1 through G-8.)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Discrete Component Units (Continued)

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

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

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

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

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

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

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

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

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

East Baton Rouge Parish Coroner
Dr. Louis Cataldie
222 St. Louis Street, Fifth Floor
Baton Rouge, LA 70802

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

Capital Transportation Corporation
Dona McLean, Finance Director
2250 Florida Boulevard
Baton Rouge, LA 70802

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

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

Related Organizations

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

Gas Utility Service District
Arlene Norwood, Office Manager
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

a. Financial Reporting Entity (Continued)

Related Organizations (Continued)

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
David Verinder, Chief Financial Officer
Lane Memorial Hospital
6300 Main Street
Zachary, LA 70791

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

Industrial Development Board
(No Financial Transactions)

b. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of GASB 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

The daily accounts and operations of the City-Parish continue to be 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, into generic fund types and three broad fund categories as follows:

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

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

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. There are no special revenue fund major funds.

Debt Service Funds -- Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. There are no debt service fund major funds.

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

Proprietary Funds:

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

b. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (Continued):

Proprietary Funds (Continued):

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

Fiduciary Fund:

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

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

c. Basis of Accounting and Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS:

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

FUND FINANCIAL STATEMENTS:

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

c. Basis of Accounting and Measurement Focus (Continued)

FUND FINANCIAL STATEMENTS (Continued):

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

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

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

d. Budgetary Data

BUDGET POLICIES AND BUDGETARY ACCOUNTING:

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

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

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

Annual operating budgets are adopted for the following governmental funds: General, Special Revenue, and Debt Service. All annual appropriations lapse at fiscal year-end. The General Fund is the only major fund for which an annual budget is adopted, therefore, it is the only budget presentation in the basic financial statements. The original budget column on the budget presentation includes the adjustments necessary to bring forward appropriations for both unspent projects of a continuing nature and legal encumbrances at the end of the last fiscal year.

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

d. Budgetary Data (Continued)

BUDGET POLICIES AND BUDGETARY ACCOUNTING (Continued):

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

In accordance with The Plan of Government, appropriations, in addition to those contained in any current expenditure budget, shall be made only on the recommendation of the Mayor-President, and only if the Director of Finance certifies that there is available an unappropriated cash surplus sufficient to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Reserved for Continuing Projects. Such appropriations for continuing projects carried forward from 2001 to 2002 totaled \$11,714,286 for the General Fund, which is included in the original budget column. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. At year-end, interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations. During 2002, the General Fund budget was increased by \$9,832,555 as reflected in the final budget column of the budget presentation and as discussed in the Management's Discussion and Analysis section of this report.

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

ENCUMBRANCES:

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

e. Assets, Liabilities, and Fund Equity

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):

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 are not included in the City-Parish's consolidated bank account. This retirement system is considered part of the City-Parish primary government but operates a separate bank account and controls its own disbursements and investments.

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

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

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

RESTRICTED ASSETS:

Certain bond proceeds and debt service sinking funds of the Greater Baton Rouge Parking Authority, Greater Baton Rouge Airport Authority and the Comprehensive Sewerage System Enterprise Funds are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Assets since the use of these funds are limited by applicable bond resolutions. In addition, the Greater Baton Rouge Airport Fund shows an additional net asset restriction for unappropriated passenger facility charges and unspent restricted grant proceeds. Impact fees in the Comprehensive Sewerage System Fund are restricted to future capital improvements in the impact district.

INVENTORIES AND PREPAID ITEMS:

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

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

INTERFUND RECEIVABLES AND PAYABLES:

Short-term cash borrowing between funds bears interest at the prevailing consolidated cash rate of return and is considered temporary in nature. These amounts are reported as "due to/from other funds." Long-term interfund loans are recorded as "advances to/from other funds" along with a fund balance reserve account to properly indicate that the amount is not available for appropriation in governmental fund types. Repayments are credited to the receivable with a corresponding reduction of the fund balance reserve. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

ACCOUNTS RECEIVABLE:

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Disposal Facility Enterprise Fund. Uncollectible revenues are estimated at approximately ½ percent for the sewer user fees. At December 31, 2002, an uncollectible allowance of 35 percent has been recorded for the Greater Baton Rouge Airport District. Uncollectible amounts for waste disposal fees are historically immaterial and no allowance is recorded.

CAPITAL ASSETS:

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

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

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

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

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

All infrastructure assets purchased by the primary government since 1960 are recorded as capital assets and depreciated accordingly. Certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and other assets acquired from subdivision developers, between year 1980 and year 2000, have not been capitalized as of December 31, 2002. GASB 34 allows the City-Parish until fiscal year 2005 to record and depreciate these donated infrastructure assets. The net financial effect of recording these infrastructure assets will be an increase in net capital assets on the government-wide statements. Donated infrastructure accepted into the City-Parish's maintenance program for years 2001 and 2002 have been capitalized and depreciated in accordance with the above capitalization policy.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

CAPITAL ASSETS (Continued):

The City-Parish capitalizes interest cost (net of interest earned) during the construction phase of major capital projects of proprietary funds in accordance with FASB Statements No. 34, *Capitalization of Interest Cost*, and No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*. The objectives of capitalizing interest are: (a) to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b) to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefitted. The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt 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, 2001, is disclosed by project in Note 6, Changes in Capital Assets.

LONG-TERM DEBT:

In the government-wide statement of net assets and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, issuance costs, and gains (losses) on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable costs are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts is normally provided by transfers from the General Fund to 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. Sales tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund. Parking garage revenue bonds and any future sewer sales tax revenue bonds are payable from earnings of operations and are accounted for in their respective enterprise fund.

COMPENSATED ABSENCES:

All City-Parish primary government classified and non-classified regular employees earn vacation leave in varying amounts according to the employee's number of years of continuous service up to a maximum of five years accrual.

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

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed liability for separation benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2002, the City-Parish retains approximately 15.3% of the total liability for accumulated sick and vacation leave per calculations performed by an outside actuary consultant.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

COMPENSATED ABSENCES (Continued):

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, 2002.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2002, for certain salary-related benefits associated with the payment of compensated absences:

1. The actuarially determined percentage of accrued vacation for each employee valued at the employees' current rate of pay.
2. Using the "termination pay method," the value of the City-Parish's liability for sick leave as of December 31, 2002, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable under GASB Statement No. 16 is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2002, in the governmental fund-type fund financial statements.

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

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

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

The Solid Waste Disposal Facility Enterprise Fund recognizes (based on MSWLF use) that portion of the estimated total current cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. A complete explanation of the liability and its calculation is referenced in Note 19.

RESERVES AND DESIGNATIONS OF EQUITY:

Some portions of fund balance in the governmental fund types are reserved to indicate that a portion of equity is legally restricted to a specific future use 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 2002 Operating Budget. "Reserved for Continuing

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

RESERVES AND DESIGNATIONS OF EQUITY (Continued):

Projects" are those portions of incomplete projects where appropriations are carried forward to the following year. 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. Other designations are made for specific indicated purposes included in the title and require a council appropriation in subsequent years.

NET ASSETS:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

ACCOUNTING ESTIMATES:

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

NOTE 2 - Stewardship, Compliance and Accountability

a. Deficit Fund Balance and Unrestricted Net Assets of Individual Funds

Greater Baton Rouge Airport District:

Unrestricted net assets of the Greater Baton Rouge Airport District at December 31, 2002, reflected a negative \$3,798,629 since most of this fund's assets are restricted capital assets or restricted cash from the federal government that must be spent on airport improvements. For operating purposes the District has an airport-airline lease agreement, whereby all surplus and 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. This fund is the only fund in the City-Parish system that is self-supporting from program revenues. (See Exhibit A-2.)

Greater Baton Rouge Parking Authority:

The Greater Baton Rouge Parking Authority (a non-major proprietary fund) has negative unrestricted net assets in the amount of \$70,455. Management policy is to provide a transfer out from the General Fund for the amount of the net loss, exclusive of depreciation. The negative unrestricted net asset amount is primarily the result of prior years accumulated depreciation.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 2 - Stewardship, Compliance and Accountability (Continued)

a. Deficit Fund Balance and Unrestricted Net Assets of Individual Funds (Continued)

Non-major Component Unit - Chaneyville Fire Protection District:

Chaneyville Fire Protection District has negative unrestricted net assets in the amount of \$414. On the fund level, the district incurred a \$13,107 negative net change in fund balance in fiscal year 2002, due to major billing issues in the fire service fee. The district has addressed the billing problem in 2003 and expects to collect enough revenues to cover the deficit fund balance and negative unrestricted net assets in future years.

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

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

	<u>Revised Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Favorable (Unfavorable)</u>
General Fund:			
General government:			
Risk Management	\$12,684,835	\$14,156,326	\$(1,471,491)

The excess of expenditures and encumbrances over appropriations in the Risk Management budget was incurred when employee health and dental claims exceeded the premium base and the budgeted amount.

c. Budgetary - GAAP Reporting Reconciliation

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

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

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>
Net change in fund balances (Budget Basis)	\$(5,763,761)	\$ 608,866
Adjustments:		
To adjust for encumbrances	1,182,378	6,006,633
To adjust for U.S. Housing and Urban Development loans receivable	<u> --</u>	<u>(2,889,433)</u>
Net change in fund balances (GAAP Basis)	<u><u>\$(4,581,383)</u></u>	<u><u>\$3,726,066</u></u>

The budgetary basis accounts for encumbrances as expenditures in the year in which the funds are encumbered. However, on the GAAP basis, expenditures for encumbered funds are recognized when the obligation is incurred. Therefore, a timing difference exists between budgetary practices and GAAP. In accounting for grant funds, fund balance is not reserved for the grantor portion of encumbrances. Accordingly, grant encumbrances must be added to the reserve for encumbrances in

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 2 - Stewardship, Compliance and Accountability (Continued)

c. Budgetary - GAAP Reporting Reconciliation (Continued)

calculating the adjustment necessary to reconcile GAAP basis to budgetary basis. For non-major governmental funds, the adjustment for encumbrances is calculated as follows:

Reserve for encumbrances	\$4,191,211
Grant encumbrances	<u>1,815,422</u>
 Total encumbrances	 <u>\$6,006,633</u>

NOTE 3 - Cash, Cash Equivalents and Investments

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

a. Deposits - Primary Government

City-Parish deposits (including demand deposit accounts and certificates of deposits) at December 31, 2002, for the City-Parish primary government are summarized as follows:

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1	\$227,121,131	\$232,313,089
Category 2	--	--
Category 3	--	--
 Total	 <u>\$227,121,131</u>	 <u>\$232,313,089</u>

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Assets as "Investments" (\$202,009,048). The remaining carrying amount of \$25,112,083 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2002, is categorized above in three levels of credit risk. Category 1 includes bank balance which is insured or collateralized with securities held by the City-Parish or its agent in the City-Parish's name. Category 2 includes bank balance which is collateralized with securities held by the pledging financial institution's trust department or agent in the City-Parish's name. Category 3 includes bank balance which is uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City-Parish's name.

The carrying amount of deposits does not include a cash on hand balance of \$1,724,834 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.

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

a. Deposits - Primary Government (Continued)

2. Employees' Retirement System Pension Trust Fund:

At December 31, 2002, the carrying amount of the Retirement System's cash was \$988,652 and the bank balance was \$1,018,382 of which \$100,000 was covered by Federal Depository Insurance. The remainder was collateralized by securities held by the System's agent, Bank One, N.A., Baton Rouge, LA in a custodial account in the Retirement System's name. (Category 1) The carrying amount is classified on the Statement of Fiduciary Net Assets as "Cash and cash equivalents."

b. Cash Equivalents and Investments - Primary Government

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

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

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

Proceeds from the issuance of the Parish's 1993, 1995, 1996, 1998, 1999, and 2001 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 1993, 1997, 1998, and 2001 Public Improvement Sales Tax Revenue Bonds are in general, government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

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

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

City-Parish investments for the primary government at December 31, 2002, 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/ Fair Value</u>
U.S. Government Securities	\$ 80,866,201	\$ 80,866,201	\$ 81,079,724
State and Local Government Series	4,167,100	4,167,100	4,167,100
Repurchase Agreements	<u>37,317,809</u>	37,317,809	37,317,809
	<u>\$122,351,110</u>		
Investments not subject to categorization:			
Louisiana Asset Management Pool (LAMP)		<u>105,311,729</u>	<u>105,311,729</u>
Total		<u>\$227,662,839</u>	<u>\$227,876,362</u>

Investments with a maturity of less than 90 days are classified on the Statement of Net Assets as "Cash and cash equivalents" (\$106,832,037). The remaining carrying amount of \$120,830,802 is classified on the Statement of Net Assets as "Investments." The difference between carrying amount and amortized cost/fair value of \$213,523 is included in "Receivables - net" on the Statement of Net Assets. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments in U.S. Treasury obligations that have a remaining maturity at time of purchase of one year or less, and investments in 2a7-like pools are stated at amortized cost which is not materially different from fair value. All other investments are shown at fair value.

The \$105,311,729 invested in LAMP is owned by the Parish's pooled account (\$104,000,000), and the East Baton Rouge Sewerage Commission (\$1,311,729). In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

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

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

2. Employees' Retirement System Pension Trust Fund:

	<u>Category 1</u>	<u>Category Rating Not Required</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 7,106,341	\$ --	\$ 7,106,341
U.S. Agency Notes	45,014,631	--	45,014,631
Corporate Bonds	69,174,732	--	69,174,732
Corporate Stocks	98,701,398	--	98,701,398
Corporate Stock Index	--	218,637,570	218,637,570
International Equity	--	109,128,773	109,128,773
Enhanced Bond Index Fund	--	138,708,516	138,708,516
Repurchase Agreements	<u>27,150,000</u>	<u>--</u>	<u>27,150,000</u>
Total	<u>\$247,147,102</u>	<u>\$466,474,859</u>	<u>\$713,621,961</u>

The fair value of \$713,621,961 is classified on the Statement of Fiduciary Net Assets as "Investments."

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

c. Deposits - Discretely Presented Component Units

The discretely presented component unit agencies are required to invest idle funds within the same state statute as the primary government. Component unit deposits (including demand deposit accounts and certificates of deposits) at their respective year ends, are categorized below in the three levels of credit risk as explained in section (a) of this note above:

Discretely presented Component Units:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
District Attorney of the Nineteenth Judicial District	\$ 2,667,583	\$ 2,784,621	\$1,000,000	\$1,784,621	\$ --
Nineteenth Judicial District Court	802,346	943,389	100,000	--	843,389
E.B.R. Parish Family Court	293,062	293,441	293,441	--	--
E.B.R. Parish Juvenile Court	515,589	567,813	180,723	--	387,090
Nineteenth Judicial District Indigent Defender Board	489,578	498,506	498,506	--	--
E.B.R. Parish Clerk of Court	5,283,622	5,446,000	504,815	--	4,941,185
E.B.R. Parish Coroner	34,741	37,976	37,976	--	--
St. George Fire Protection District	234,538	234,538	234,538	--	--
Central Fire Protection District	357,950	376,495	100,000	--	276,495
District 6 Fire Protection District	98,580	103,760	100,000	--	3,760

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

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

c. Deposits - Discretely Presented Component Units (Continued)

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Eastside Fire Protection District	\$ 73,030	\$ 73,030	\$ 73,030	\$ --	\$ --
Pride Fire Protection District	112,112	112,112	112,112	--	--
Capital Region Planning Commission	434,785	451,862	451,862	--	--
Capital Transportation Corporation	<u>1,165,889</u>	<u>611,679</u>	<u>611,679</u>	<u>--</u>	<u>--</u>
Total Component Units	<u>\$12,563,405</u>	<u>\$12,535,222</u>	<u>\$4,298,682</u>	<u>\$1,784,621</u>	<u>\$6,451,919</u>

For the component unit agencies that carry pledged securities that are considered Category 3 under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the component unit agency that the fiscal agent has failed to pay deposited funds upon demand.

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Assets as "Investments" (\$2,937,830). The remaining carrying amount of \$9,625,575 is classified as "Cash and cash equivalents."

The carrying amounts of deposits do not include a cash on hand balance for E.B.R. Parish Juvenile Court (\$300), Clerk of Court (\$2,225), Capital Region Planning Commission (\$220) and Capital Transportation Corporation (\$1,534) 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

Discretely presented component units excluding Pension Trust Funds:

Investments for component units include a fair value amount of \$14,416 in government securities held by Capital Region Planning Commission that are classified as Category 1.

Fiduciary Pension Trust Fund:

Investments for component unit fiduciary pension trust funds include a fair value amount of \$4,118,450 in mutual funds. The mutual funds are owned by Capital Transportation Corporation's Fiduciary Pension Trust Fund. In accordance with GASB Codification Section I50.165, these investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

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

e. Cash, Cash Equivalents and Investments Summary

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

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

Cash and cash equivalents:	
Deposits	\$ 25,112,083
Cash on hand	1,724,834
Investments	1,520,308
Louisiana Asset Management Pool	<u>105,311,729</u>
Sub-total cash and cash equivalents	<u>133,668,954</u>
Investments:	
Deposits	202,009,048
Investments	<u>120,830,802</u>
Sub-total investments	<u>322,839,850</u>
Cash, cash equivalents and investments, December 31, 2002	<u>\$456,508,804</u>

B. Component units excluding Capital Transportation Corporation Pension Trust Fund

Cash and cash equivalents:	
Deposits	\$ 9,625,575
Cash on hand	<u>4,279</u>
Sub-total cash and cash equivalents	<u>9,629,854</u>
Investments:	
Deposits	2,937,830
Investments	<u>14,416</u>
Sub-total investments	<u>2,952,246</u>
Cash, cash equivalents and investments, December 31, 2002	<u>\$ 12,582,100</u>

2. The following is a reconciliation of the carrying amount of deposits and investments to "Cash and cash equivalents" and "Investments" for Pension Trust Funds on the Statement of Fiduciary Net Assets.

Cash and cash equivalents:	
Deposits - Employee's Retirement System Pension Trust Fund	<u>\$ 988,652</u>
Investments:	
Investments - Employee's Retirement System Pension Trust Fund	713,621,961
Investments - Capital Transportation Corporation Fiduciary Pension Trust Fund	<u>4,118,450</u>
Sub-total investments	<u>717,740,411</u>
Cash, cash equivalents and investments, December 31, 2002	<u>\$718,729,063</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

EXHIBIT A - 15
 (Continued)

NOTE 4 - Property Taxes

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Year 2000 was the last reassessment year.

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

The 2002 property tax calendar is as follows:

Levy date	November 28, 2001
Millage rates adopted	November 28, 2001
Tax bills mailed	November 27, 2002
Due date	December 31, 2002
Lien date	January 1, 2003

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181). Therefore, there are no delinquent taxes at year-end.

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 taxes receivable 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.

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

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

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

	Property Taxes <u>Receivable</u>	Estimated Uncollectible Property <u>Taxes</u>	Net Property Taxes <u>Receivable</u>
General Fund	\$ 3,793,573	\$ 431,192	\$ 3,362,381
Special Revenue Funds	<u>9,310,719</u>	<u>1,228,401</u>	<u>8,082,318</u>
Total	<u>\$13,104,292</u>	<u>\$1,659,593</u>	<u>\$11,444,699</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 4 - Property Taxes (Continued)

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

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
St. George Fire Protection District	\$ 85,879	\$ 51,605	\$ 34,274
Brownsfield Fire Protection District	33,496	6,202	27,294
Central Fire Protection District	215,371	26,100	189,271
E.B.R. Parish Fire Protection District No. 6	148,400	26,231	122,169
Eastside Fire Protection District	159,732	11,993	147,739
Alsen-St. Irma Lee Fire Protection District	<u>53,447</u>	<u>2,429</u>	<u>51,018</u>
Total	<u>\$696,325</u>	<u>\$124,560</u>	<u>\$571,765</u>

NOTE 5 - Federal and State Financial Assistance

a. **Grants From Other Governmental Units**

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

During 2002 and 2001, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or additions to contributions in the accompanying financial statements:

	<u>2002</u>	<u>2001</u>
Primary Government:		
Governmental activities:		
Capital Projects Fund	\$ 4,159,009	\$ 3,911,149
Non-major governmental funds	35,073,344	30,426,351
Business-type funds:		
Greater Baton Rouge Airport District	17,260,308	14,188,407
Comprehensive Sewerage System Fund	5,820,346	6,150,327
Non-major business-type funds	<u>2,887,087</u>	<u>944,891</u>
Total primary government	<u>\$65,200,094</u>	<u>\$55,621,125</u>
Component Units:		
District Attorney of the Nineteenth Judicial District	\$ 897,398	\$ 931,448
Nineteenth Judicial District Court	149,611	69,903
E.B.R. Parish Juvenile Court	72,047	335,778
Nineteenth Judicial District Indigent Defender Board	366,869	353,713
Capital Region Planning Commission	568,985	643,469
Brownsfield Fire Protection District	24,700	1,115
Central Fire Protection District	29,750	-
Capital Transportation Corporation	<u>4,527,808</u>	<u>5,133,488</u>
Total component units	<u>\$6,637,168</u>	<u>\$7,468,914</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 5 - Federal and State Financial Assistance (Continued)

b. On-Behalf Payments for Salaries and Benefits

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

Supplementary salary payments are made by the state directly to certain groups of employees. City-Parish is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 2002, the state paid supplemental salaries to the following groups of employees of the primary government: fire and law enforcement employees, city court judges, and employees of the Registrar of Voters' Office. The state also paid supplemental salaries for employees of the Nineteenth Judicial District Attorney, judges salaries and benefits for the three court systems and state supplemental salaries of the parish fire protection district component units.

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute these funds back to the City-Parish Employees' Retirement System and the Cities of Zachary and Baker Retirement Systems.

On-behalf payments recorded as revenues and expenditures (expenses) in the 2002 financial statements are as follows:

	<u>State Supplemented Salaries</u>	<u>MERS Contribution</u>	<u>Total 2002 On-Behalf Payments</u>
Primary Government:			
Governmental activities	\$4,494,915	\$482,994	\$4,977,909
Business-type activities	<u>88,061</u>	--	<u>88,061</u>
Total primary government	<u>4,582,976</u>	<u>482,994</u>	<u>5,065,970</u>
Component Units:			
District Attorney of the Nineteenth Judicial District	1,414,928	--	1,414,928
Nineteenth Judicial District Court	1,701,799	--	1,701,799
E.B.R. Parish Family Court	453,813	--	453,813
E.B.R. Parish Juvenile Court	226,907	--	226,907
St. George Fire Protection District	312,861	--	312,861
E.B.R. Parish Fire Protection District No. 6	35,110	--	35,110
Brownsfield Fire Protection District	10,385	--	10,385
Central Fire Protection District	<u>43,200</u>	--	<u>43,200</u>
Total component units	<u>4,199,003</u>	--	<u>4,199,003</u>
 Total on-behalf payments	 <u>\$8,781,979</u>	 <u>\$482,994</u>	 <u>\$9,264,973</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets

a. **Primary government capital asset activity for the year ended December 31, 2002, was as follows:**

	<u>Balance</u> <u>1/1/2002</u>	<u>Additions</u>	<u>Adjustments</u> <u>and</u> <u>Deletions</u>	<u>Balance</u> <u>12/31/2002</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 68,319,724	\$ 2,358,451	\$ --	\$ 70,678,175
Improvements (other than buildings) and infrastructure-earthen canals	1,950,962	--	--	1,950,962
Construction work in progress	<u>30,357,167</u>	<u>10,159,840</u>	<u>22,737,906</u>	<u>17,779,101</u>
Total capital assets not being depreciated	<u>100,627,853</u>	<u>12,518,291</u>	<u>22,737,906</u>	<u>90,408,238</u>
Capital assets being depreciated:				
Buildings	162,110,735	5,037,208	(8,656,217)	175,804,160
Improvements (other than buildings) and infrastructure	257,291,465	9,975,695	(18,117,546)	285,384,706
Equipment and equipment under lease	<u>65,842,631</u>	<u>8,483,079</u>	<u>3,534,017</u>	<u>70,791,693</u>
Total capital assets being depreciated	<u>485,244,831</u>	<u>23,495,982</u>	<u>(23,239,746)</u>	<u>531,980,559</u>
Less accumulated depreciation for:				
Buildings	\$ (86,156,646)	\$ (5,794,852)	\$ --	\$ (91,951,498)
Improvements (other than buildings) and infrastructure	(145,370,022)	(8,678,950)	--	(154,048,972)
Equipment and equipment under lease	<u>(44,654,362)</u>	<u>(9,536,230)</u>	<u>(3,320,624)</u>	<u>(50,869,968)</u>
Total accumulated depreciation	<u>(276,181,030)</u>	<u>(24,010,032)</u>	<u>(3,320,624)</u>	<u>(296,870,438)</u>
Total capital assets being depreciated, net	<u>209,063,801</u>	<u>(514,050)</u>	<u>(26,560,370)</u>	<u>235,110,121</u>
Total governmental activities capital assets, net	<u>\$309,691,654</u>	<u>\$12,004,241</u>	<u>\$ (3,822,464)</u>	<u>\$325,518,359</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 64,510,837	\$ 5,182,981	\$ --	\$ 69,693,818
Construction work in progress	<u>8,652,626</u>	<u>36,476,010</u>	<u>28,862,481</u>	<u>16,266,155</u>
Total capital assets not being depreciated	<u>73,163,463</u>	<u>41,658,991</u>	<u>28,862,481</u>	<u>85,959,973</u>
Capital assets being depreciated:				
Buildings	99,741,535	7,698,543	--	107,440,078
Improvements (other than buildings) and infrastructure	621,314,127	17,636,531	--	638,950,658
Equipment	<u>11,276,679</u>	<u>1,097,006</u>	<u>679,634</u>	<u>11,694,051</u>
Total capital assets being depreciated	<u>732,332,341</u>	<u>26,432,080</u>	<u>679,634</u>	<u>758,084,787</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets (Continued)

a. Primary government capital asset activity for the year ended December 31, 2002 (Continued)

	<u>Balance 1/1/2002</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance 12/31/2002</u>
Business-Type Activities (Continued):				
Less accumulated depreciation for:				
Buildings	\$ (38,443,735)	\$ (3,576,995)	\$ --	\$ (42,020,730)
Improvements (other than buildings and infrastructure)	(206,000,208)	(23,334,855)	--	(229,335,063)
Equipment	<u>(8,301,194)</u>	<u>(1,167,199)</u>	<u>(666,463)</u>	<u>(8,801,930)</u>
Total accumulated depreciation	<u>(252,745,137)</u>	<u>(28,079,049)</u>	<u>(666,463)</u>	<u>(280,157,723)</u>
 Total capital assets being depreciated, net	 <u>479,587,204</u>	 <u>(1,646,969)</u>	 <u>13,171</u>	 <u>477,927,064</u>
 Total business-type activities capital assets, net	 <u>\$552,750,667</u>	 <u>\$40,012,022</u>	 <u>\$28,875,652</u>	 <u>\$563,887,037</u>

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

Governmental Activities:

General government	\$ 2,556,404
Public safety	7,709,204
Transportation	8,706,916
Sanitation	4,375
Health and welfare	274,066
Culture and recreation	1,362,153
Conservation and development	592,547
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	<u>2,804,367</u>
 Total depreciation expense - governmental activities	 <u>\$24,010,032</u>

Business-Type Activities:

Airport	\$ 4,354,743
Sewer	21,204,304
Non-major business - type activities	<u>2,520,002</u>
 Total depreciation expense - business-type activities	 <u>\$28,079,049</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets (Continued)

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

	<u>Project Authorization</u>	<u>Capitalized to Date</u>	<u>Balance in Construction Work In Progress 12/31/2002</u>	<u>Committed</u>	<u>Estimated Required Future Financing</u>
Capital Projects Fund:					
1997 Bond Capital Improvements	\$ 19,746,166	\$ 19,702,593	\$ --	\$ 12,216	None
1998A City Bonds Capital Improvements	9,803,848	7,409,781	--	167,532	None
Miscellaneous Capital Improvements	68,751,643	47,748,251	1,396,163	4,443,839	None
Capital Improvement	58,641,272	47,984,334	1,831,364	1,119,654	None
Road and Street Improvement	97,196,000	37,950,276	8,826,206	5,745,416	None
LCDA Capital Projects	15,480,104	15,079,078	--	--	None
LA DOTD Grants Capital Projects	34,117,132	19,650,712	2,987,818	5,664,298	None
General Capital Expenditures	11,391,609	5,237,616	1,575	324,261	None
Community Development	18,007,770	12,396,618	1,770,686	852,481	None
General Government	4,112,733	4,112,733	--	--	None
Street Improvements	28,542,884	21,990,360	965,289	922,796	None
Animal Control Center	<u>78,561</u>	<u>78,561</u>	<u>--</u>	<u>--</u>	None
Total	<u>\$365,869,722</u>	<u>\$239,340,913</u>	<u>\$17,779,101</u>	<u>\$19,252,493</u>	

d. Construction work in progress at December 31, 2002, for primary government enterprise funds is composed of the following:

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Capitalized</u>	<u>Balance in Construction Work in Progress 12/31/02</u>
Greater Baton Rouge Airport District:				
Miscellaneous project costs	\$ 1,194,983	\$ 817,462	\$ 28,695	\$ 788,767
Terminal access road	201,018	201,018	--	201,018
Runway and apron improvements	8,878,293	1,150,617	--	1,150,617
Noise mitigation projects	<u>8,777,777</u>	<u>748,641</u>	<u>--</u>	<u>748,641</u>
Total	<u>19,052,071</u>	<u>2,917,738</u>	<u>28,695</u>	<u>2,889,043</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets (Continued)

d. Construction work in progress at December 31, 2002, for primary government enterprise funds (Continued):

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Capitalized</u>	<u>Balance in Construction Work in Progress 12/31/02</u>
Riverside Centroplex Fund:				
Centroplex expansion project	\$ 32,659,630	\$ 5,976,617	\$ --	\$ 5,976,617
Expansion-from Capital Projects Fund	17,530,376	2,144,307	--	2,144,307
Miscellaneous building improvements	<u>3,048,261</u>	<u>2,903,825</u>	<u>2,901,759</u>	<u>2,066</u>
Total	<u>53,238,267</u>	<u>11,024,749</u>	<u>2,901,759</u>	<u>8,122,990</u>
Comprehensive Sewerage System Fund:				
Central wastewater treatment plant				
Outfall line replacement	4,090,913	226,514	9,000	217,514
Miscellaneous treatment plant improvements	343,470	112,707	73,515	39,192
Rehabilitation construction	2,646,089	506,035	169,696	336,339
Sanitary sewer overflow corrective action plan	64,693,720	15,002,720	10,572,342	4,430,378
Trunkline system	793,591	34,444	--	34,444
Telemetry system	1,072,429	116,861	--	116,861
Supplemental environmental projects	1,125,000	76,455	--	76,455
Rehabilitation of air ejector pump stations	<u>140,000</u>	<u>2,939</u>	<u>--</u>	<u>2,939</u>
Total	<u>74,905,212</u>	<u>16,078,675</u>	<u>10,824,553</u>	<u>5,254,122</u>
Total-all enterprise funds	<u>\$147,195,550</u>	<u>\$30,021,162</u>	<u>\$13,755,007</u>	<u>\$16,266,155</u>

Total construction period interest costs of \$909,066 were capitalized in 2002 in the Comprehensive Sewerage System Fund. Construction period interest costs of \$1,100,994 from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2002.

During 2001, the City-Parish entered into a Consent Decree with U.S. Environmental Protection Agency (EPA) to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the City-Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to achieve and maintain compliance with its NPDES permits and the Clean Water Act.

The Consent Decree requires the City-Parish to complete a construction program to reduce sanitary sewer overflows by December 31, 2014. The City-Parish selected construction "Alternate 7" to correct the sanitary sewer overflow problem. This alternate will require the City-Parish to institute a \$618 million construction program involving the construction of a large storage basin, deep underground gravity sewers, three ballasted flocculation waste water treatment facilities, storage tanks in outlying areas of the Parish, and rehabilitation of selected areas of the sanitary sewer collection system.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets (Continued)

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Equipment	\$ 1,425,992	\$ 98,046	\$ 76,980	\$ 1,447,058
Less: accumulated depreciation	<u>(956,706)</u>			<u>(1,057,042)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 469,286</u>			<u>\$ 390,016</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	\$ 884,454	\$ 33,931	\$ 94,167	\$ 824,218
Less: accumulated depreciation	<u>(719,802)</u>			<u>(685,753)</u>
Total Nineteenth Judicial District Court	<u>\$ 164,652</u>			<u>\$ 138,465</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 248,960	\$ 23,294	\$ --	\$ 272,254
Less: accumulated depreciation	<u>(180,634)</u>			<u>(214,786)</u>
Total E.B.R. Parish Family Court	<u>\$ 68,326</u>			<u>\$ 57,468</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 371,426	\$ 6,118	\$ 61,558	\$ 315,986
Less: accumulated depreciation	<u>(259,400)</u>			<u>(235,965)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 112,026</u>			<u>\$ 80,021</u>
<u>Nineteenth Judicial District Indigent Defender Board</u>				
Equipment	\$ 188,324	\$ 4,786	\$ 72,251	\$ 120,859
Less: accumulated depreciation	<u>(147,382)</u>			<u>(82,850)</u>
Total Nineteenth Judicial District Indigent Defender Board	<u>\$ 40,942</u>			<u>\$ 38,009</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 2,727,285	\$ 99,169	\$ 102,558	\$ 2,723,896
Less: accumulated depreciation	<u>(2,410,314)</u>			<u>(2,421,066)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 316,971</u>			<u>\$ 302,830</u>
<u>E.B.R. Parish Coroner</u>				
Equipment	\$ 206,170	\$ 18,826	\$ 93,699	\$ 131,297
Less: accumulated depreciation	<u>(142,549)</u>			<u>(73,588)</u>
Total E.B.R. Parish Coroner	<u>\$ 63,621</u>			<u>\$ 57,709</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets (Continued)

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>St. George Fire Protection District</u>				
Land	\$ 289,531	\$ --	\$ --	\$ 289,531
Construction work in progress	91,202	299,486	365,622	25,066
Buildings	965,072	--	(365,622)	1,330,694
Equipment	<u>3,437,766</u>	<u>12,017</u>	<u>1,587</u>	<u>3,448,196</u>
Total	4,783,571	311,503	1,587	5,093,487
Less: accumulated depreciation	<u>(1,728,318)</u>			<u>(1,976,341)</u>
Total St. George Fire Protection District	<u>\$ 3,055,253</u>			<u>\$ 3,117,146</u>
<u>Brownsfield Fire Protection District</u>				
Land	\$ 18,592	\$ --	\$ --	\$ 18,592
Buildings	59,323	5,450	--	64,773
Equipment	228,215	--	--	228,215
Equipment under capital leases	<u>48,980</u>	<u>--</u>	<u>--</u>	<u>48,980</u>
Total	355,110	5,450	--	360,560
Less: accumulated depreciation	<u>(144,894)</u>			<u>(194,053)</u>
Total Brownsfield Fire Protection District	<u>\$ 210,216</u>			<u>\$ 166,507</u>
<u>Central Fire Protection District</u>				
Land	\$ 159,018	\$ --	\$ --	\$ 159,018
Buildings	855,124	--	--	855,124
Equipment	1,286,074	49,501	6,881	1,328,694
Equipment under capital leases	<u>437,604</u>	<u>--</u>	<u>--</u>	<u>437,604</u>
Total	2,737,820	49,501	6,881	2,780,440
Less: accumulated depreciation	<u>(1,019,036)</u>			<u>(1,153,445)</u>
Total Central Fire Protection District	<u>\$ 1,718,784</u>			<u>\$ 1,626,995</u>
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Land	\$ 43,000	\$ --	\$ --	\$ 43,000
Buildings	456,930	12,987	--	469,917
Equipment	636,619	--	617	636,002
Equipment under capital leases	<u>278,011</u>	<u>--</u>	<u>(617)</u>	<u>278,628</u>
Total	1,414,560	12,987	--	1,427,547
Less: accumulated depreciation	<u>(614,994)</u>			<u>(681,075)</u>
Total E.B.R. Parish Fire Protection District No. 6	<u>\$ 799,566</u>			<u>\$ 746,472</u>
<u>Eastside Fire Protection District</u>				
Land	\$ 151,360	\$ --	\$ --	\$ 151,360
Buildings	1,505,609	3,900	--	1,509,509
Equipment	681,993	18,576	--	700,569
Equipment under capital leases	<u>440,613</u>	<u>--</u>	<u>--</u>	<u>440,613</u>
Total	2,779,575	22,476	--	2,802,051
Less: accumulated depreciation	<u>(590,565)</u>			<u>(721,908)</u>
Total Eastside Fire Protection District	<u>\$ 2,189,010</u>			<u>\$ 2,080,143</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 6 - Changes in Capital Assets (Continued)

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>Pride Fire Protection District</u>				
Land	\$ 15,000	\$ --	\$ --	\$ 15,000
Buildings	135,353	--	--	135,353
Equipment	<u>180,146</u>	<u>--</u>	<u>--</u>	<u>180,146</u>
Total	330,499	--	--	330,499
Less: accumulated depreciation	<u>(103,204)</u>			<u>(130,995)</u>
Total Pride Fire Protection District	<u>\$ 227,295</u>			<u>\$ 199,504</u>
<u>Chaneyville Fire Protection District</u>				
Buildings	\$ 109,334	\$ --	\$ --	\$ 109,334
Equipment	<u>244,882</u>	<u>--</u>	<u>39,898</u>	<u>204,984</u>
Total	354,216	--	39,898	314,318
Less: accumulated depreciation	<u>(240,533)</u>			<u>(236,887)</u>
Total Chaneyville Fire Protection District	<u>\$ 113,683</u>			<u>\$ 77,431</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Land	\$ 9,000	\$ --	\$ --	\$ 9,000
Buildings	256,496	--	--	256,496
Equipment	256,039	--	--	256,039
Equipment under capital lease	<u>256,663</u>	<u>--</u>	<u>--</u>	<u>256,663</u>
Total	778,198	--	--	778,198
Less: accumulated depreciation	<u>(277,587)</u>			<u>(355,865)</u>
Total Alsen-St. Irma Lee Fire Protection District	<u>\$ 500,611</u>			<u>\$ 422,333</u>
<u>Capital Region Planning Commission</u>				
Equipment	\$ 302,492	\$ 39,007	\$ 14,627	\$ 326,872
Less: accumulated depreciation	<u>(81,863)</u>			<u>(273,698)</u>
Total Capital Region Planning Commission	<u>\$ 220,629</u>			<u>\$ 53,174</u>
<u>Capital Transportation Corporation</u>				
Equipment	\$ 11,500,575	\$ 36,820	\$ 623,079	\$ 10,914,316
Less: accumulated depreciation	<u>(6,681,317)</u>			<u>(7,049,280)</u>
Total Capital Transportation Corporation	<u>\$ 4,819,258</u>			<u>\$ 3,865,036</u>
Total component units capital assets	\$ 31,389,227	<u>\$ 761,914</u>	<u>\$ 1,187,285</u>	\$ 30,963,856
Less: total accumulated depreciation	<u>(16,299,098)</u>			<u>(17,544,597)</u>
Total component units capital assets, net	<u>\$ 15,090,129</u>			<u>\$ 13,419,259</u>

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description and Provisions

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

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

- * Related Organization under GASB 14

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

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

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

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

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

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

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

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

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

3. Concentrations of Investments

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

4. Funding Policy

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are made to properly fund the system. In 2002, employees made a mandatory contribution of 8% of gross earnings. The employer contribution rate during the 2002 fiscal year was 7.70% of active payroll for the General Fund and 14.64% of active payroll for all special funds and outside employers.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Annual Pension Cost and Net Pension Obligation for Regular Employees' Trust

The following information regarding the Retirement System's net pension obligation is based on the December 31, 2002, actuarial valuation:

Annual required contribution	\$16,110,422
Interest on net pension obligation	596,600
Adjustment to annual required contribution	<u>(548,000)</u>
Annual pension cost	16,159,022
Contributions made	<u>11,855,318</u>
Increase (decrease) in net pension obligation	4,303,704
Net pension obligation beginning of year	<u>7,457,506</u>
Net pension obligation end of year	11,761,210
Less: Net pension obligation for related organization	<u>(841,862)</u>
Net pension obligation - Primary Government and Component Units	<u>\$10,919,348</u>

The annual required contribution for the current year was determined as part of the December 31, 2002, actuarial valuation using the Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability. This method compares the theoretical reserve for service prior to the valuation date to plan assets. With this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over both the earnings and service of the individual between entry age (date of membership in the system) and assumed exit age.

Significant actuarial assumptions used in the valuation include: (1) a rate of return on the investment of present and future assets of 8.0% per year, compounded annually; (2) projected salary increases of 4.0% per year compounded annually, attributable to inflation; (3) additional projected salary increases based on years of service and age attributable to seniority and merit; (4) no post-retirement benefit increases. The actuarial value of assets was determined using the Expected Value Method. This asset valuation method involves the determination of expected value, based on the actuarial asset value at the beginning of the previous year. The difference between the expected value and the market value for total (unrealized and realized) investment gains/losses is then reflected at the rate of 20% per year for each of the subsequent five years. This technique smooths the volatility of market value for investments.

The initial Unfunded Actuarial Accrued Liability (UAAL) will be amortized over 30 years (closed amortization period) as a level percentage of payroll, assuming payroll increases of 4% per year during the first 15 years of the amortization period and 0% per year during the remaining 15 years. Each change in UAAL will be amortized over the greater of 20 years or the remaining amortization period for the initial UAAL, as a level percent of payroll assuming payroll increases 0% per year during the final 15 years of the amortization period and 4% per year for all years prior to the final 15 years. The remaining amortization period at December 31, 2002, is 22 years.

Three-Year Trend Information for the Retirement System

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/02	\$ 16,159,022	73.4%	\$ 11,761,210
12/31/01	13,751,022	79.3	7,457,507
12/31/00	11,314,078	116.0	4,617,629

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Police Guarantee Trust

The Police Guarantee Trust was established on February 26, 2000, by the City-Parish and the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS), as a single-employee defined benefit pension plan. As a part of the transfer agreement, each officer signed a "Police Guarantee Agreement" with CPERS whereby each officer receives the same benefit he/she would have received if they had remained with CPERS. The CPERS Board of Trustees established a separate Police Guarantee Trust to administer benefits to the transferred officers. The benefits paid from the trust will equal the difference between the benefit the employee would have received from CPERS if the transfer had not taken place, and the benefit actually paid by MPERS. An initial investment of \$24.6 million was moved from the CPERS trust to the Police Guarantee Trust for the future administration of the benefits.

The December 31, 2002, actuarial valuation was conducted using the Aggregate Actuarial Cost Method. Under this method the excess actuarial present value of projected benefits of the group included in an actuarial valuation over the actuarial value of assets is allocated on a level basis over the earnings or service of the group between the valuation date and assumed exit. This allocation is performed for the group as a whole, not as a sum of individual allocations. That portion of the actuarial present value allocated to a valuation year is called normal cost. The actuarial accrued liability is equal to the actuarial value of assets. The December 31, 2002, actuarial valuation concluded the trust had an actuarial loss of \$847,041 which will increase future normal costs by \$112,913. The allocation was based on earnings of the group. Significant actuarial assumptions include: (1) an investment return of 8% compounded annually on plan assets and (2) salary increases of 4% compounded annually due to inflation, longevity and merit increases. For the year ended December 31, 2002, the City-Parish made contributions of \$55,955 to the trust, equal to the annual required contribution. The City-Parish had no net pension obligation with respect to the Police Guarantee Trust under GASB Statement No. 27 at December 31, 2002.

7. Municipal Police Employees' Retirement System (MPERS)

The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan administered by the MPERS Board of Trustees. MPERS covers any full-time public safety officer employed by a participating municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing said officer does not have to pay social security. Section 6 of this note describes the transfer of 637 public safety officers from CPERS to MPERS, effective February 26, 2000. All new public safety officers hired by the City-Parish after February 26, 2000, are required to join MPERS as a condition of employment. MPERS benefits are established by state statutes and may be amended at the discretion of the State Legislature. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 8550 United Plaza Blvd., Suite 501, Baton Rouge, Louisiana 70809-0200.

Funding Policy

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. Plan members contribute 7.5% of earned compensation while employers contribute 9% of earned compensation excluding certain overtime, but including state supplemental pay. The City-Parish's contributions to MPERS for the years ended December 31, 2002, 2001, and 2000, were \$2,290,190, \$2,273,924 and \$1,896,912, respectively. This was equal to the statutorily required contributions. The City-Parish had no net pension obligation with respect to MPERS under GASB Statement No. 27 at December 31, 2002.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

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 a Board of Trustees. CTC issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CTC's Pension Trust Fund. CTC has adopted the reporting provisions of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and has implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. CTC's financial reports may be obtained by writing to:

Capital Transportation Corporation
Dona McLean, Finance Director
2250 Florida Boulevard
Baton Rouge, LA 70802

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

b. Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

The Corporation's annual pension cost and net pension asset for the year ended December 31, 2002, was as follows:

Annual required contribution	\$ 217,556
Interest on net pension asset	(49,768)
Adjustment to annual required contribution	<u>69,005</u>
Annual pension cost	236,793
Contributions made	<u>339,946</u>
Increase (decrease) in net pension asset	103,153
Net pension asset beginning of year	<u>732,450</u>
Net pension asset end of year	<u>\$ 835,603</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

1. Capital Transportation Corporation Pension Plan (Continued)

b. Summary of Significant Accounting Policies (Continued)

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

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Asset</u>
12/31/02	\$236,793	143.6%	\$835,603
12/31/01	118,237	251.8	732,450
12/31/00	100,051	296.8	553,003

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

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

The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

Plan members are required to contribute 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. There were no employer contributions required for 2002 or 2001.

Certain other employees, whose salaries are paid by the Office of the District Attorney, are members of the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System. The District Attorney's contributions for the year ended December 31, 2002, 2001, and 2000 were \$229,051, \$208,622, and \$273,983, respectively. Additional information on this system is included in Note 7(a)(1) above.

Trend Information for the District Attorney of the Nineteenth Judicial District Defined-Benefit
Pension Plan for Members Enrolled in the City of Baton Rouge and
Parish of East Baton Rouge Employees' Retirement System

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/02	\$325,278	70.4%	\$218,548
12/31/01	278,199	76.1	122,320
12/31/00	243,950	112.4	55,857

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

3. Nineteenth Judicial District Court Pension Plans

Louisiana State Employees' Retirement System

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

Plan members are required by state statute to contribute 7.5% of gross salary to which the Commissioners' office adds 13.0% employer's match. The Commissioners' offices' statutory and actual contributions for the year ending June 30, 2002, 2001, and 2000 were \$23,221, \$23,095, and \$21,898, respectively.

Louisiana Clerk of Court Retirement and Relief Fund

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

The Nineteenth Judicial District Court's contributions to the system for the years ended June 30, 2002, 2001 and 2000, were \$34,784, \$50,203, and \$20,131, respectively, which was equal to the required contributions for each year.

4. Nineteenth Judicial District Indigent Defender Board Pension Plan

The Board contracted with A.G. Edwards in 1992 for a pension plan that paid 7.7% 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 7.7% contribution. There is no unfunded portion at December 31, 2002. Contributions during 2002, which were 100% funded, were \$94,823.

5. East Baton Rouge Parish Clerk of Court Pension Plan

Substantially all employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("Fund"), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 10% of covered payroll. Contributions also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. Contribution requirements of both members and employers are established and amended by state statute. The E.B.R. Clerk of Court's contributions to the system for the years ending June 30, 2002, 2001, and 2000, were \$498,839, \$441,897, and \$469,890 respectively. These contributions were equivalent to the required contributions for each fiscal year.

Effective July 1, 1999, the East Baton Rouge Parish Clerk of Court could elect to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the employees' salary. This election can be changed annually by the Clerk. The East Baton Rouge Parish Clerk of Court elected to implement this policy for the years ended June 30, 2002 and 2001. The contributions to the System under this election were \$403,648 and \$359,650, respectively.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2002**

EXHIBIT A - 15
 (Continued)

NOTE 8 - Council Members Compensation

Each Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$300 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) The following is a list of Council Members with gross wages, including auto allowance that was reported as paid in year 2002.

District 1	Wayne Carter	\$13,200
District 2	Ulysses Z. Addison, Jr.	13,200
District 3	Pat Culbertson	13,200
District 4	Joseph "Joe" Greco	13,200
District 5	Charles Kelly	13,200
District 6	Martha J. Tassin	13,200
District 7	Byron Sharper	13,200
District 8	J. Michael "Mike" Walker	13,200
District 9	Darrell P. Ourso	13,200
District 10	Lorri Burgess	
	Council	13,200
	President Pro-Tempore	18,000
District 11	David J. Boneno	13,200
District 12	James T. "Jim" Benham	13,200

NOTE 9 - Postemployment Benefits

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

a. Health and Dental Benefits

All classified and unclassified employees of the City-Parish may at their option participate in the employees' group health and dental self insurance programs. Since 1998, employees are participating in the point-of-service health maintenance plan. Employees may also participate in the indemnity plan for dental benefits. Upon retirement the employee may continue his coverage with the same benefits payable to active employees. During 2002, the minimum premium plan was funded with employees and retirees contributing 35% of the premium and the City-Parish contributing 65% of the premium. Retirees may continue coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972. The City-Parish's portion of the postretirement benefit for health and dental coverage is funded on a pay-as-you-go basis from the General Fund-Risk Management budget.

During 2002, the government recognized expenditures for postretirement health and dental benefits as follows:

	<u>Average Number of Participants</u>	<u>Amount</u>
Health	1,620	\$5,899,272
Dental	1,355	361,261

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 9 - Postemployment Benefits (Continued)

b. Life Insurance Benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all City-Parish employees who retired after May 1, 1976, have \$3,000 of term life insurance coverage. As of December 31, 2002, approximately 1,601 retirees had the \$3,000 coverage with Prudential Life Insurance Company.

The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Continuance Fund Account. At December 31, 2002, the balance in the Insurance Continuance Account was approximately \$37,000.

NOTE 10 - Long-Term Debt

a. Primary Government

1. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the primary government for year 2002:

	<u>Balance</u> <u>1/1/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/02</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Excess revenue contracts, loans and notes	\$ 76,897,048	\$ 73,450,000	\$ 72,508,548	\$ 77,838,500	\$ 2,045,500
Deferred gain on refunding	--	987,729	35,276	952,453	--
Revenue bonds payable, gross	137,235,000	--	9,035,000	128,200,000	9,715,000
Less: Intragovernment payable	(57,687,938)	--	(5,134,522)	(52,553,416)	(5,556,216)
Compensated absences payable	9,606,366	4,642,988	3,651,561	10,597,793	146,797
Obligation under capital leases (Note 14)	1,267,010	--	1,125,901	141,109	135,941
Claims and judgments payable (Note 13)	33,630,692	10,570,455	17,763,135	26,438,012	--
Employee benefits payable (Note 13)	4,739,535	13,611,638	13,390,815	4,960,358	4,960,358
Arbitrage payable for governmental fund types (Note 10)	168,258	--	160,859	7,399	7,399
Net pension obligation (Note 7)	<u>5,486,502</u>	<u>2,992,005</u>	<u>--</u>	<u>8,478,507</u>	<u>--</u>
Total governmental activities	<u>\$ 211,342,473</u>	<u>\$ 106,254,815</u>	<u>\$ 112,536,573</u>	<u>\$ 205,060,715</u>	<u>\$ 11,454,779</u>
<u>Business-Type Activities:</u>					
Excess revenue contracts, loans and notes	\$ 1,184,672	\$ 3,750,633	\$ 38,800	\$ 4,896,505	\$ 84,700
Revenue bonds payable	257,765,000	--	7,735,000	250,030,000	8,345,000
Deferred amount on refunding	(2,468,095)	--	(310,874)	(2,157,221)	--
Revenue bonds payable from City issues	57,687,938	--	5,134,522	52,553,416	5,556,216
Landfill closure and postclosure care liability (Note 19)	7,378,798	2,481,062	--	9,859,860	--
Compensated absences payable	811,332	424,447	261,397	974,382	974,382
Net pension obligation (Note 7)	<u>1,169,092</u>	<u>629,118</u>	<u>--</u>	<u>1,798,210</u>	<u>--</u>
Total business-type activities	<u>\$ 323,528,737</u>	<u>\$ 7,285,260</u>	<u>\$ 12,858,845</u>	<u>\$ 317,955,152</u>	<u>\$ 14,960,298</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

Internal service funds serve predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$146,797 of compensated absences, \$119,739 of obligation under capital leases, and \$203,442 of net pension obligation for internal service funds are included in the above amounts. Also, for the governmental activities, compensated absences, obligation under capital leases, arbitrage payable, and net pension obligation are liquidated by the governmental fund in which the liability is incurred. Claims and judgments payable and employee benefits payable are liquidated by the General Fund.

2. Schedule of Bonds Payable

The following is a schedule of bonds payable for the primary government at December 31, 2002:

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Governmental Activities:					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
State Municipal Police Employees Retirement System Note	Quarterly	02/26/00	10/01/2002	\$ 72,738,769	\$ --
2002A Variable Rate Taxable Refunding	Quarterly	05/17/02	01/01/2030	25,900,000	25,900,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/02	01/15/2029	47,550,000	47,550,000
Parish of East Baton Rouge:					
1982 Jail Project Contract	06/15-12/15	12/15/82	06/15/2002	150,000	--
LA Community Development Authority	Monthly	08/11/99	09/30/2020	<u>7,643,873</u>	<u>4,388,500</u>
Total excess revenue contracts, loans and notes				<u>153,982,642</u>	<u>77,838,500</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
1993 Public Improvement Sales Tax	02/01-08/01	10/01/93	08/01/2018	4,000,000	3,190,000
1997 Public Improvement Sales Tax	02/01-08/01	10/01/97	08/01/2017	19,325,000	11,390,000
1998A Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2016	94,450,000	87,035,000
2001A Public Improvement Sales Tax	02/01-08/01	08/15/01	08/01/2026	23,625,000	23,220,000
Less: debt recorded in business-type activities				(103,245,452)	(52,553,416)
Parish of East Baton Rouge:					
1998C Public Improvement Sales Tax	02/01-08/01	11/01/98	08/01/2008	<u>4,600,000</u>	<u>3,365,000</u>
Total revenue bonds				<u>42,754,548</u>	<u>75,646,584</u>
Total governmental activities				<u>196,737,190</u>	<u>153,485,084</u>
<u>Business-Type Activities:</u>					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
LA Community Development Authority (Airport)	Monthly	10/04/2001	11/30/2029	<u>4,936,905</u>	<u>4,896,505</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
Revenue bonds payable from City issues				103,245,452	52,553,416

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
Business-Type Activities (Continued):					
<u>Revenue bonds (Continued)</u>					
Parish of East Baton Rouge:					
Sewer sales tax bonds:					
1993 Public Improvement Sales Tax	02/01-08/01	03/01/93	02/01/2018	\$ 30,200,000	\$ 24,370,000
1993A Public Improvement Sales Tax	02/01-08/01	10/01/93	02/01/2018	70,000,000	55,540,000
1995 Public Improvement Sales Tax	02/01-08/01	08/01/95	02/01/2020	36,000,000	33,690,000
1996 Public Improvement Sales Tax	02/01-08/01	03/01/96	02/01/2021	65,000,000	59,725,000
1998B Public Improvement Sales Tax	02/01-08/01	11/01/98	02/01/2016	16,825,000	16,440,000
1999 Public Improvement Sales Tax	02/01-08/01	08/01/99	02/01/2024	43,000,000	39,760,000
2001B Public Improvement Sales Tax	02/01-08/01	08/15/01	02/01/2026	20,000,000	19,945,000
Greater Baton Rouge Parking Authority:					
1978 Parking Garage	01/01-07/01	01/01/78	07/01/2003	<u>6,875,000</u>	<u>560,000</u>
Total revenue bonds				<u>391,145,452</u>	<u>302,583,416</u>
Total business-type activities				<u>396,082,357</u>	<u>307,479,921</u>
Total all bonds, contracts, loans and notes				<u>\$592,819,547</u>	<u>\$460,965,005</u>

The City-Parish is in compliance with all legal debt covenants at December 31, 2002.

3. Changes in Bonds Payable

	<u>Outstanding January 1, 2002</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding December 31, 2002</u>
Governmental Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
State Municipal Police Employees Retirement System Note	\$ 71,356,024	\$ --	\$71,356,024	\$ --
2002A Variable Rate Taxable Refunding	--	25,900,000	--	25,900,000
2002B Fixed Rate Taxable Refunding	--	47,550,000	--	47,550,000
Parish of East Baton Rouge:				
1982 Jail Project Contract	16,024	--	16,024	--
LA Community Development Authority	<u>5,525,000</u>	<u>--</u>	<u>1,136,500</u>	<u>4,388,500</u>
Total excess revenue contracts, loans and notes	<u>76,897,048</u>	<u>73,450,000</u>	<u>72,508,548</u>	<u>77,838,500</u>
<u>Revenue bonds</u>				
City of Baton Rouge:				
1993 Public Improvement Sales Tax	3,310,000	--	120,000	3,190,000
1997 Public Improvement Sales Tax	13,225,000	--	1,835,000	11,390,000
1998A Public Improvement Sales Tax	93,240,000	--	6,205,000	87,035,000
2001A Public Improvement Sales Tax	23,625,000	--	405,000	23,220,000
Less: debt recorded in business-type activities	(57,687,938)	--	(5,134,522)	(52,553,416)
Parish of East Baton Rouge:				
1998C Public Improvement Sales Tax	<u>3,835,000</u>	<u>--</u>	<u>470,000</u>	<u>3,365,000</u>
Total revenue bonds	<u>79,547,062</u>	<u>--</u>	<u>3,900,478</u>	<u>75,646,584</u>
Total governmental activities	<u>156,444,110</u>	<u>73,450,000</u>	<u>76,409,026</u>	<u>153,485,084</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	Outstanding January 1, 2002	Issued	Retired	Outstanding December 31, 2002
Business-Type Activities:				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
LA Community Development Authority (Airport)	\$ 1,184,672	\$ 3,750,633	\$ 38,800	\$ 4,896,505
<u>Revenue bonds</u>				
City of Baton Rouge:				
Revenue bonds payable for City issues	57,687,938	--	5,134,522	52,553,416
Parish of East Baton Rouge:				
Sewer sales tax bonds:				
1993 Public Improvement Sales Tax	25,265,000	--	895,000	24,370,000
1993A Public Improvement Sales Tax	57,820,000	--	2,280,000	55,540,000
1995 Public Improvement Sales Tax	34,175,000	--	485,000	33,690,000
1996 Public Improvement Sales Tax	61,485,000	--	1,760,000	59,725,000
1998B Public Improvement Sales Tax	16,810,000	--	370,000	16,440,000
1999 Public Improvement Sales Tax	41,125,000	--	1,365,000	39,760,000
2001B Public Improvement Sales Tax	20,000,000	--	55,000	19,945,000
Greater Baton Rouge Parking Authority:				
1978 Parking Garage	1,085,000	--	525,000	560,000
Total revenue bonds	<u>315,452,938</u>	<u>--</u>	<u>12,869,522</u>	<u>302,583,416</u>
Total business-type activities	<u>316,637,610</u>	<u>3,750,633</u>	<u>12,908,322</u>	<u>307,479,921</u>
Total all bonds, contracts, loans and notes	<u>\$473,081,720</u>	<u>\$77,200,633</u>	<u>\$89,317,348</u>	<u>\$460,965,005</u>

4. Debt Service Requirements to Maturity

The following is a summary of bonded debt at December 31, 2002, and interest requirements to maturity:

	Debt Payable 12/31/02	Interest Requirements to Maturity	Total
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
LA Community Development Authority Airport Loan	\$ 4,896,505	\$ 1,938,627	\$ 6,835,132
2002A Variable Rate Taxable Refunding (4.975% Avg.)**	25,900,000	20,581,077	46,481,077
2002B Fixed Rate Taxable Refunding (5.73%)**	47,550,000	43,518,695	91,068,695
Parish of East Baton Rouge:			
LA Community Development Authority	<u>4,388,500</u>	<u>580,354</u>	<u>4,968,854</u>
Total excess revenue contracts, loans and notes	<u>82,735,005</u>	<u>66,618,753</u>	<u>149,353,758</u>
<u>Revenue bonds</u>			
City of Baton Rouge:			
1993 Public Improvement Sales Tax (5.13%)*	3,190,000	1,510,740	4,700,740
1997 Public Improvement Sales Tax (4.79%)*	11,390,000	2,473,942	13,863,942
1998A Public Improvement Sales Tax (4.43%)**	87,035,000	28,660,325	115,695,325
2001A Public Improvement Sales Tax (4.85%)**	23,220,000	16,419,001	39,639,001
Parish of East Baton Rouge:			
1998C Public Improvement Sales Tax (4.11%)**	3,365,000	498,966	3,863,966

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Debt Service Requirements to Maturity (Continued)

	<u>Debt Payable</u> <u>12/31/02</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
Revenue bonds (Continued)			
Parish of East Baton Rouge (Continued):			
Sewer sales tax bonds:			
1993 Public Improvement Sales Tax (5.49%)*	\$ 24,370,000	\$ 11,624,763	\$ 35,994,763
1993A Public Improvement Sales Tax (5.13%)*	55,540,000	24,367,264	79,907,264
1995 Public Improvement Sales Tax (5.97%)*	33,690,000	23,849,463	57,539,463
1996 Public Improvement Sales Tax (5.66%)*	59,725,000	34,937,931	94,662,931
1998B Public Improvement Sales Tax (4.66%)**	16,440,000	6,105,350	22,545,350
1999 Public Improvement Sales Tax (5.69%)**	39,760,000	30,263,101	70,023,101
2001B Public Improvement Sales Tax (5.02)**	19,945,000	17,554,382	37,499,382
Greater Baton Rouge Parking Authority:			
1978 Parking Garage (6.29%)*	<u>560,000</u>	<u>35,700</u>	<u>595,700</u>
 Total revenue bonds	 <u>378,230,000</u>	 <u>198,300,928</u>	 <u>576,530,928</u>
 Total all bonds, contracts, loans and notes	 <u>\$460,965,005</u>	 <u>\$264,919,681</u>	 <u>\$725,884,686</u>

* Net interest cost (NIC)

** True interest cost (TIC)

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

5. Debt Service Requirements to Maturity

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

<u>Year</u>	<u>Excess Revenue Contracts, Loans and Notes</u>			<u>Revenue Bonds</u>			<u>Total</u> <u>Principal and</u> <u>Interest All</u> <u>Bonds</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2003	\$ 2,130,200	\$ 3,424,225	\$ 5,554,425	\$ 18,060,000	\$ 19,738,005	\$ 37,798,005	\$ 43,352,430
2004	1,862,100	3,890,938	5,753,038	18,710,000	18,671,470	37,381,470	43,134,508
2005	1,938,000	3,832,286	5,770,286	19,760,000	17,680,629	37,440,629	43,210,915
2006	2,015,200	3,766,205	5,781,405	19,665,000	16,568,172	36,233,172	42,014,577
2007	2,101,800	3,692,772	5,794,572	20,715,000	15,493,486	36,208,486	42,003,058
2008-2012	12,149,700	17,096,925	29,246,625	106,085,000	61,489,376	167,574,376	196,821,001
2013-2017	13,254,400	14,177,139	27,431,539	92,670,000	34,858,023	127,528,023	154,959,562
2018-2022	15,814,100	10,512,347	26,326,447	63,850,000	12,109,439	75,959,439	102,285,886
2023-2027	20,925,100	5,667,837	26,592,937	18,715,000	1,692,328	20,407,328	47,000,265
2028-2030	<u>10,544,405</u>	<u>558,079</u>	<u>11,102,484</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,102,484</u>
 Total	 <u>\$82,735,005</u>	 <u>\$66,618,753</u>	 <u>\$149,353,758</u>	 <u>\$378,230,000</u>	 <u>\$198,300,928</u>	 <u>\$576,530,928</u>	 <u>\$725,884,686</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2003 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
LA Community Development Authority (Airport)	\$ 84,700	\$ 116,107	\$ 200,807
2002A Variable Rate Taxable Refunding	480,000	1,270,615	1,750,615
2002B Fixed Rate Taxable Refunding	1,250,000	1,943,442	3,193,442
Parish of East Baton Rouge:			
LA Community Development Authority	<u>315,500</u>	<u>94,061</u>	<u>409,561</u>
Total excess revenue contracts, loans and notes	<u>2,130,200</u>	<u>3,424,225</u>	<u>5,554,425</u>
 <u>Revenue bonds</u>			
City of Baton Rouge:			
1993 Public Improvement Sales Tax	130,000	156,120	286,120
1997 Public Improvement Sales Tax	1,980,000	517,555	2,497,555
1998A Public Improvement Sales Tax	6,660,000	4,441,050	11,101,050
2001A Public Improvement Sales Tax	440,000	1,157,824	1,597,824
Parish of East Baton Rouge:			
1998C Public Improvement Sales Tax	505,000	136,723	641,723
Sewer sales tax bonds:			
1993 Public Improvement Sales Tax	965,000	1,250,877	2,215,877
1993A Public Improvement Sales Tax	2,380,000	2,658,876	5,038,876
1995 Public Improvement Sales Tax	620,000	2,000,388	2,620,388
1996 Public Improvement Sales Tax	1,920,000	3,372,627	5,292,627
1998B Public Improvement Sales Tax	875,000	738,300	1,613,300
1999 Public Improvement Sales Tax	980,000	2,266,573	3,246,573
2001B Public Improvement Sales Tax	45,000	1,005,392	1,050,392
Greater Baton Rouge Parking Authority:			
1978 Parking Garage	<u>560,000</u>	<u>35,700</u>	<u>595,700</u>
Total revenue bonds	<u>18,060,000</u>	<u>19,738,005</u>	<u>37,798,005</u>
Total all bonds, contracts, loans and notes	<u>\$20,190,200</u>	<u>\$23,162,230</u>	<u>\$43,352,430</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, 2002 tax rolls \$1,153,809,550

Debt limit: 10% of assessed valuation (for any one purpose) \$ 115,380,955

Debt limit: 15% of assessed valuation (for sewerage purposes) 173,071,432

Debt limit: 35% of assessed valuation (aggregate, all purposes) 403,833,342

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin (Continued)

Governing Authority: Parish of East Baton Rouge

Ad valorem taxes:

Assessed valuation, 2002 tax rolls	<u>\$2,533,605,400</u>
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Debt limit: 10% of assessed valuation (for any one purpose)	\$ 253,360,540
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Debt limit: 15% of assessed valuation (for sewerage purposes)	380,040,810
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There are no outstanding bonds secured by ad valorem taxes of the Parish of East Baton Rouge at this time.

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:

Assessed valuation, 2002 tax rolls	<u>\$2,533,605,400</u>
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Debt limit: 15% of assessed valuation	\$ 380,040,810
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There are no outstanding bonds secured by ad valorem taxes of the East Baton Rouge Sewerage Commission at this time.

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

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

8. Parking Revenue Bonds

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

The bonds are a combination serial and term bond issue with serial bonds maturing July 1, 1982, and each year thereafter through the year 1998, in principal amounts ranging from \$150,000 to \$410,000. The term bonds in the amount of \$1,580,000 mature July 1, 2003. Mandatory sinking fund payments were made to retire the term bonds from years 1999-2002. This debt will be totally retired on July 1, 2003.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. Governmental Funds Sales Tax Revenue Bonds

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

These bonds are paid through the City Sales Tax Bonds Debt Service Fund and the Parish Sales Tax Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2002, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2002</u>	<u>Primary Purpose of Issue</u>
City of Baton Rouge		
\$ 4,000,000; Series 1993	\$ 3,190,000	Improvements to public buildings and facilities
\$19,325,000; Series 1997	11,390,000	Airport terminal development program and landfill improvements
\$94,450,000; Series 1998A	87,035,000	Advance refunding parity bond issues and improvements to public buildings
\$23,625,000; Series 2001A	<u>23,220,000</u>	Fund local match for the Centroplex expansion project, refund PFC note
Total	<u>\$124,835,000</u>	
Parish of East Baton Rouge:		
\$4,600,000; Series 1998C	<u>\$ 3,365,000</u>	Advance refunding parity bond issues and improvements to public buildings

All of the above governmental fund type sales tax revenue bonds issued by the City of Baton Rouge and Parish of East Baton Rouge are complete parity bonds and are secured by the net revenues from the respective entity's two percent sales and use tax.

10. Proprietary Fund Sales Tax Revenue Bonds

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

These bonds are accounted for in the Comprehensive Sewerage System Enterprise Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2002, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2002</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Sewer Sales Tax Bonds:		
\$30,200,000; Series ST-1993	\$ 24,370,000	Sewerage Capital Improvements Program
\$70,000,000; Series ST-1993A	55,540,000	Sewerage Capital Improvements Program
\$36,000,000; Series ST-1995	33,690,000	Sewerage Capital Improvements Program
\$65,000,000; Series ST-1996	59,725,000	Advance Refunding Parity Bond Issues
\$16,825,000; Series 1998B	16,440,000	Advance Refunding Parity Bond Issues
\$43,000,000; Series 1999	39,760,000	Sewerage Capital Improvements Program
\$20,000,000; Series 2001B	<u>19,945,000</u>	Sewerage Capital Improvements Program
Total	<u>\$249,470,000</u>	

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. Proprietary Fund Sales Tax Revenue Bonds (Continued)

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

11. Obligations of Intragovernmental Agencies

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

a. Greater Baton Rouge Airport District - 1980 Obligation

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

Payments to the City by the Airport District are recorded as miscellaneous revenues in the General Fund. Improvements constructed with the bond proceeds are recorded as assets and as a long-term obligation of the Airport District. Total principal paid prior to 2002 was \$7,515,811. In 2002, a principal payment of \$841,528 reduced the obligation payable to \$2,942,661. Scheduled maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 907,672	\$195,622	\$1,103,294
2004	979,015	121,474	1,100,489
2005	<u>1,055,974</u>	<u>41,499</u>	<u>1,097,473</u>
Total	<u>\$2,942,661</u>	<u>\$358,595</u>	<u>\$3,301,256</u>

b. Greater Baton Rouge Airport District - 1997 Rates and Charges Obligation

On October 22, 1997, the City of Baton Rouge issued \$19,325,000 in Public Improvement Sales Tax Revenue Bonds, Series 1997, for the purpose of financing a portion of the costs of construction (\$14,946,000) of certain improvements in the Terminal Development Project as well as other City-Parish construction projects. The Greater Baton Rouge Airport District obligated itself 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. The Airport signed two separate promissory notes to the General Fund, the first note in an amount of \$7,297,000 was pledged from the airport rates and charges, the second note in an amount of \$7,649,000 was pledged from the passenger facility charge (PFC) as authorized by the Federal Aviation Administration.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Obligations of Intragovernmental Agencies (Continued)

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

On September 5, 2001 the Airport refinanced its PFC note to the General Fund with a portion of the proceeds of the City of Baton Rouge, August 1, 2001, Public Improvement Sales Tax Revenues Bonds, Series 2001A. The remaining principal amount of \$5,212,000 on the 1997 PFC note was refunded and replaced with the 2001 PFC note. State and local government securities were purchased with the these proceeds and will mature on the dates necessary to service the original 1997 City Debt.

Payments on the Rates and Charges obligation to the City by the Airport District are recorded as miscellaneous revenues in the General Fund and as a long-term obligation of the Airport District. Total principal paid prior to 2002 was \$3,510,500. In 2002, a principal payment of \$973,250 reduced the obligation payable to \$2,813,250. Scheduled maturities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$1,042,417	\$125,167	\$1,167,584
2004	1,104,667	79,373	1,184,040
2005	<u>666,166</u>	<u>29,978</u>	<u>696,144</u>
Total	<u>\$2,813,250</u>	<u>\$234,518</u>	<u>\$3,047,768</u>

c. Greater Baton Rouge Airport District - Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under the Second Amended Intergovernmental Contract dated August 1, 2001, and the Passenger Facility Charge Note of \$5,400,000 to make semi-annual payments to the City General Fund over a twenty-year period. Total principal paid prior to 2002 was \$52,083. In 2002, a principal payment of \$129,167 reduced the obligation payable to \$5,218,750. Scheduled maturities and interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 139,167	\$ 258,480	\$ 397,647
2004	151,250	247,347	398,597
2005	164,166	235,247	399,413
2006	176,250	222,113	398,363
2007	191,250	209,748	400,998
2008 and after	<u>4,396,667</u>	<u>1,698,665</u>	<u>6,095,332</u>
Total	<u>\$5,218,750</u>	<u>\$2,871,600</u>	<u>\$8,090,350</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Obligations of Intragovernmental Agencies (Continued)

d. East Baton Rouge Sewerage Commission

On April 1, 1992, the City of Baton Rouge issued \$85,000,000 in Public Improvement Sales Tax Revenue Bonds, Series 1992A (20 year term), for the purpose of providing funds to finance the acquisition of an undivided interest in the sewerage system owned and/or operated by the East Baton Rouge Sewerage Commission (the "Commission"). The Commission used the proceeds to refund the outstanding portion of the \$27,000,000 Public Improvement Certificates of Indebtedness and to defease the callable portion of the \$70,000,000 Sewer Revenue Bonds, Series 1987. The Commission, through an act of credit sale, repurchased the undivided interest in the sewerage system previously sold to the City of Baton Rouge for \$76,999,452. This transaction is recorded as a long-term obligation in the Comprehensive Sewerage System Fund. Payments to the City by the Commission are required semi-annually over a 19 year period. These payments are recorded as miscellaneous revenues in the General Fund, and will fully offset the impact that the scheduled debt service payments on the \$85,000,000 Public Improvement Sales Tax Revenue Bonds have on the General Fund. Total principal paid prior to 2002 was \$32,230,120. In 2002, a \$3,190,577 principal payment reduced the obligation payable to \$41,578,755. Scheduled maturities and future interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 3,466,960	\$ 3,424,426	\$ 6,891,386
2004	3,766,221	3,138,887	6,905,108
2005	4,095,228	2,828,702	6,923,930
2006	4,453,147	2,491,419	6,944,566
2007	4,842,536	2,124,657	6,967,193
2008 and after	<u>20,954,663</u>	<u>4,145,719</u>	<u>25,100,382</u>
	<u>\$41,578,755</u>	<u>\$18,153,810</u>	<u>\$59,732,565</u>

12. Louisiana Community Development Authority Loan

In 1999, the Metropolitan Council authorized the Parish to execute a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funds for the construction of the Advanced Traffic Management Facility and other capital programs of the City-Parish. A total of \$7,643,873 was loaned to the Parish on the 1999 program. A total of \$3,255,373 has been repaid, leaving an outstanding balance on this loan of \$4,388,500 as of December 31, 2002. Future debt service is budgeted over an 17 year period at 2.5%.

In 2001, the City applied for an additional LCDA Loan for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$4,936,905 has been loaned to the City and a \$40,400 principal has been repaid. As of December 31, 2002, the airport enterprise fund has recorded a direct obligation of \$4,896,505. Future debt service is budgeted over a 27 year period at 2.5%. Total LCDA authorization for the loan to the Airport is \$9,000,000. Funds are drawn down as the expenses are made on airport projects.

The interest rate on both notes fluctuate weekly with changes in the Bond Market Association (BMA) Municipal Swap Index.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

13. 2002 Refunding of the MPERS Note

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

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgement attributable to the City-Parish Employees Retirement System (CPERS). These variable-rate derivative bonds bear interest at a weekly rate as determined by the remarketing agent. The weekly rate is the lowest rate of interest which, in the judgment of the remarketing agent, would cause the bonds to have a market value equal to the principal amount plus accrued interest, under prevailing market conditions. Under no circumstances shall the weekly rate exceed the maximum rate of 18%. The bonds, at the discretion of the issuer, are subject to a conversion to a fixed rate or a short-term rate. As of December 31, 2002, the variable rate bonds bore a weekly interest rate of 1.47%. There was a balance of \$954,112 in a Financial Stability Fund at December 31, 2002, to offset interest fluctuations.

On October 1, 2002, the City of Baton Rouge issued \$47,550,000 in fixed rate taxable bonds with a true interest cost (TIC) of 5.73% to refund the remaining two-thirds of the MPERS note. Details of these current year refundings are as follows:

	<u>5-17-02</u> <u>Refunding</u>	<u>10-01-02</u> <u>Refunding</u>
<u>Sources and Use of Funds:</u>		
Sources:		
Principal Proceeds	\$ 25,900,000	\$ 47,550,000
Discount	--	(369,683)
Total Sources	<u>\$ 25,900,000</u>	<u>\$ 47,180,317</u>
Uses:		
MPERS Payoff	\$ 23,444,196	\$ 46,198,248
CPERS Payoff	1,840,463	--
Underwriter's Discount	102,305	366,135
Bond Insurance	323,819	400,702
Issuance Costs	189,217	215,232
Total Uses	<u>\$ 25,900,000</u>	<u>\$ 47,180,317</u>
<u>Cash Flow Difference:</u>		
Old Debt Service Cash Flows	\$ 55,264,135	\$ 103,314,590
New Debt Service Cash Flows	48,662,470	91,068,695
Gross Savings	<u>\$ 6,601,665</u>	<u>\$ 12,245,895</u>
<u>Economic Gain:</u>		
Present Value of Old Debt Service Cash Flows	\$ 28,772,215	\$ 52,722,958
Present Value of New Debt Service Cash Flows *	25,284,569	46,198,248
Present Value Savings	<u>\$ 3,487,646</u>	<u>\$ 6,524,710</u>

* The above calculation assumes a ten year LIBOR average of 4.975% for the \$25,900,000 variable rate bond issue.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

13. 2002 Refunding of the MPERS Note (Continued)

Amortization of Accounting Gain:

The City recognized an accounting gain of \$987,729 on the above two refundings when the reacquisition price was smaller than the carrying amount of the original obligation. In accordance with GASB 23, this gain must be deferred and amortized over the life of the debt on the entity-wide financial statements. Year 2002 debt service interest expense was reduced by \$35,276 on the Statement of Activities representing the 2002 amortization amount, resulting in the reporting of an additional \$952,453 in total debt on the entity-wide statement of net assets for governmental activities.

14. Prior Year Refundings - Deferred Amount, Business-Type Activities

On March 1, 1996, the Parish issued \$65,000,000 of Public Improvement Sales Tax Revenue Bonds, Series ST-1996, to refund and defease in substance the callable portion of the 1989 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1989 (net interest cost rate - 6.933%; principal refunded - \$36,300,000, called February 1, 1999). As a result of the refunding, the City-Parish recognized a Deferred Amount on Refunding of \$2,710,061. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. As of December 31, 2002, \$1,453,389 of the Deferred Amount on Refunding was amortized (\$196,801 in 2002 and \$1,256,588 in prior years) resulting in a net Deferred Amount on Refunding of \$1,256,672. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

On November 1, 1998, the Parish issued \$16,825,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1998B, to refund and defease in substance the callable portion of the 1991 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (net interest cost - 6.67%; principal refunded - \$15,690,000, called February 1, 2001). As a result of refunding the callable portion of the \$20,000,000 Public Improvement (Sewer) Sales Tax Revenue Bonds, Series ST-1991 (with the Series ST-1998B bonds), on November 1, 1998, the City-Parish recognized a Deferred Amount on Refunding in the amount of \$1,291,440. This recognition is required by GASB Statement No. 23, *Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities*. As of December 31, 2002, \$390,891 of the Deferred Amount on Refunding was amortized (\$114,073 in 2002 and \$276,818 in prior years) resulting in a net Deferred Amount on Refunding of \$900,549. This is reflected as a reduction of bonds payable on the balance sheet for the Comprehensive Sewerage System Fund.

15. 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.

16. Port Authority Bonds

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

17. 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, 2002, for the City-Parish show arbitrage rebate liabilities to the U.S. Department of Treasury for the following Public Improvement Sales Tax Bonds:

<u>Bond Issue</u>	<u>Arbitrage Liability</u>
Governmental Activities:	
City of Baton Rouge:	
\$ 4,000,000; Series 1993	\$ 4,361
\$ 4,600,000; Series 1998-C	<u>3,038</u>
Total Governmental Activities	<u>\$ 7,399</u>
Business-type Activities:	
Parish of East Baton Rouge:	
\$70,000,000; Series ST-1993-A (Sewer)	\$16,832
\$36,000,000; Series ST-1995 (Sewer)	<u>11,716</u>
Total Business-Type Activities	<u>\$28,548</u>

These business-type activities arbitrage rebate liabilities have been recorded as "Due to Other Governments" in the Comprehensive Sewerage System enterprise fund. The governmental activities arbitrage rebate liability has been included as a long-term liability in the Government-wide Statement of Net Assets.

18. Conduit Debt Obligations

The Parish and Parish Special Districts have issued industrial development revenue bonds and industrial pollution control revenue bonds. These bonds are limited obligations of the Parish or District payable from revenues of the projects. The bonds are not a charge upon other income of the Parish or District nor are they a charge against the credit or taxing power of the District, the Parish of East Baton Rouge, or the City of Baton Rouge.

As of December 31, 2002, there were 60 series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$238,000,000.

b. Component Units

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Net pension obligation	<u>\$ 122,320</u>	<u>\$ 96,228</u>	<u>\$ --</u>	<u>\$ 218,548</u>
<u>Nineteenth Judicial District Court</u>				
Compensated absences payable	\$ 533,764	\$ 69,122	\$ --	\$ 602,886
Net pension obligation	<u>6,773</u>	<u>--</u>	<u>--</u>	<u>6,773</u>
Total	<u>\$ 540,537</u>	<u>\$ 69,122</u>	<u>\$ --</u>	<u>\$ 609,659</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Family Court</u>				
Compensated absences payable	\$ --	\$ 41,973	\$ --	\$ 41,973
Net pension obligation	15,747	10,744	--	26,491
Total	<u>\$ 15,747</u>	<u>\$ 52,717</u>	<u>\$ --</u>	<u>\$ 68,464</u>
<u>E.B.R. Parish Juvenile Court</u>				
Compensated absences payable	\$ 139,043	\$ 10,568	\$ --	\$ 149,611
Net pension obligation	38,461	25,152	--	63,613
Total	<u>\$ 177,504</u>	<u>\$ 35,720</u>	<u>\$ --</u>	<u>\$ 213,224</u>
<u>E.B.R. Parish Clerk of Court</u>				
Compensated absences payable	<u>\$ 323,368</u>	<u>\$ 36,405</u>	<u>\$ --</u>	<u>\$ 359,773</u>
<u>E.B.R. Parish Coroner</u>				
Compensated absences payable	\$ 1,594	\$ --	\$ --	\$ 1,594
Net pension obligation	27,043	11,411	--	38,454
Total	<u>\$ 28,637</u>	<u>\$ 11,411</u>	<u>\$ --</u>	<u>\$ 40,048</u>
<u>St. George Fire Protection District</u>				
Bonds and notes payable	\$ 2,040,842	\$ 3,590,842	\$ 3,040,842	\$ 2,590,842
Compensated absences payable	442,583	427,020	391,645	477,958
Net pension obligation	39,599	104,182	--	143,781
Total	<u>\$ 2,523,024</u>	<u>\$ 4,122,044</u>	<u>\$ 3,432,487</u>	<u>\$ 3,212,581</u>
<u>Brownsfield Fire Protection District</u>				
Obligation under capital leases	\$ 31,849	\$ --	\$ 12,222	\$ 19,627
Net pension obligation	7,290	5,169	--	12,459
Total	<u>\$ 39,139</u>	<u>\$ 5,169</u>	<u>\$ 12,222</u>	<u>\$ 32,086</u>
<u>Central Fire Protection District</u>				
Compensated absences payable	\$ 84,497	\$ 2,054	\$ --	\$ 86,551
Obligation under capital leases	279,052	--	49,003	230,049
Net pension obligation	19,775	12,000	--	31,775
Total	<u>\$ 383,324</u>	<u>\$ 14,054</u>	<u>\$ 49,003</u>	<u>\$ 348,375</u>
<u>E.B.R. Parish Fire Protection District No. 6</u>				
Bonds payable	\$ 68,000	\$ --	\$ 34,000	\$ 34,000
Compensated absences payable	1,077	--	--	1,077
Obligation under capital leases	104,070	--	23,967	80,103
Net pension obligation	11,460	14,000	--	25,460
Total	<u>\$ 184,607</u>	<u>\$ 14,000</u>	<u>\$ 57,967</u>	<u>\$ 140,640</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 10 - Long-Term Debt (Continued)

b. Component Units (Continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>Eastside Fire Protection District</u>				
Notes payable	\$ 551,500	\$ --	\$ 152,000	\$ 399,500
Compensated absences payable	48,977	6,521	--	55,498
Obligation under capital leases	310,215	--	67,488	242,727
Net pension obligation	2,369	2,631	--	5,000
Total	<u>\$ 913,061</u>	<u>\$ 9,152</u>	<u>\$ 219,488</u>	<u>\$ 702,725</u>
<u>Alsen-St. Irma Lee Fire Protection District</u>				
Obligation under capital leases	<u>\$ 188,908</u>	<u>\$ --</u>	<u>\$ 40,464</u>	<u>\$ 148,444</u>
<u>Capital Region Planning Commission</u>				
Compensated absences payable	<u>\$ 25,224</u>	<u>\$ 2,992</u>	<u>\$ --</u>	<u>\$ 28,216</u>
<u>Capital Transportation Corporation</u>				
Compensated absences payable	\$ 340,060	\$ 26,745	\$ --	\$ 366,805
Claims and judgements payable	751,188	--	573,688	177,500
Other long-term payables	204,569	53,704	--	258,273
Total	<u>\$ 1,295,817</u>	<u>\$ 80,449</u>	<u>\$ 573,688</u>	<u>\$ 802,578</u>
Total component units long-term debt	<u>\$ 6,761,217</u>	<u>\$ 4,549,463</u>	<u>\$ 4,385,319</u>	<u>\$ 6,925,361</u>

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2002, consist of the following:

\$ 67,461	Due to the General Fund from the Greater Baton Rouge Airport District representing accrued interest on intragovernmental debt between the Airport District and the City.
18,195,846	Due to the Capital Projects Fund from other governmental funds (Library Board of Control Fund) representing unspent balances on construction projects appropriated in the Capital Projects Fund.
7,542,960	Due to the Comprehensive Sewerage System Fund from other governmental funds (Downtown Development District and B.R. Fire Department Pay Enhancement Fund), other enterprise funds (G.B.R. Parking Authority), and the Greater Baton Rouge Airport District representing short-term loans.
<u>\$25,806,267</u>	

Summary of balances due from (to) other funds reported in fund financial statements and net internal balances as reported in the Statement of Net Assets:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Net Internal Balances</u>
Balance Sheet - Governmental Funds	\$18,263,307	\$(23,917,986)	\$(5,654,679)
Statement of Net Assets - Proprietary Funds	<u>7,542,960</u>	<u>(1,888,281)</u>	<u>5,654,679</u>
Totals	<u>\$25,806,267</u>	<u>\$(25,806,267)</u>	<u>\$ --</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 11 - Interfund and Intergovernmental Receivables and Payables (Continued)

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

	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
<u>Governmental Activities:</u>						
General Fund	\$ --	\$ 600,161	\$225,727	\$13,184,513	\$ 706,017	\$14,716,418
Capital Projects Fund	--	2,234,982	--	61,353	--	2,296,335
Nonmajor governmental Funds	1,854,491	1,881,633	--	30,899,219	845,795	35,481,138
Internal Service Funds	--	--	--	--	2,149	2,149
Adjustments to full accrual basis of accounting	--	1,960,520	--	1,108,776	195,898	3,265,194
<u>Business-type Activities:</u>						
Greater Baton Rouge Airport District	3,554,386	4,426,226	--	--	--	7,980,612
Comprehensive Sewerage System Fund	428,965	93,077	--	8	--	522,050
Nonmajor enterprise funds	--	1,275,366	--	--	--	1,275,366
Totals	<u>\$5,837,842</u>	<u>\$12,471,965</u>	<u>\$225,727</u>	<u>\$45,253,869</u>	<u>\$1,749,859</u>	<u>\$65,539,262</u>

Summary of balances due from other governments reported on the Statement of Net Assets:

Current assets - Due from other governments	\$55,761,242
Restricted assets - Due from other governments	<u>9,778,020</u>
Totals	<u>\$65,539,262</u>

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

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$ (62,761)
Enterprise Funds:		
Comprehensive Sewerage System Fund	--	116,459
<u>Component Units:</u>		
Nineteenth Judicial District Indigent Defender Board	62,761	--
Brownsfield Fire Protection District	(96,853)	--
Chaneyville Fire Protection District	(2,516)	--
Alsen-St. Irma Lee Fire Protection District	<u>(17,090)</u>	<u>--</u>
Total	<u>\$ (53,698)</u>	<u>\$ 53,698</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 12 - Interfund Transfers

a. Interfund transfers at December 31, 2002 consist of the following:

\$ 690,833	From the General Fund to other governmental funds (City Constable Court Costs Fund, Downtown Development District, and Animal Control Center Fund) to subsidize operations.
4,968,730	From the General Fund to the Comprehensive Sewerage System Fund and other enterprise funds (G.B.R. Parking Authority and the Riverside Centroplex Fund) to subsidize operations.
35,514	From the General Fund to other governmental funds (Grants Fund) to provide local match on Federal and State grants.
783,000	From the General Fund to the Capital Projects Fund to provide local match on Federal and State Capital Grants.
6,288,922	From the General Fund to other governmental funds (Taxable Refunding Bonds Fund and Excess Revenue and Limited Tax Fund) to pay debt service requirements on outstanding debt.
235,000	From the General Fund to the Capital Projects Fund to increase funding for the Highland Road Fire Station Project.
3,408,150	From the General Fund to the Capital Projects Fund for major drainage and road projects from gaming tax revenues.
11,420,667	From the General Fund to the Capital Projects Fund for 2002 departmental capital outlays greater than \$5,000 unit cost.
14,422,611	Between the City and Parish Sub Funds created in accordance with <u>The Plan of Government</u> . A legally binding Local Services Agreement exists between the City of Baton Rouge and the Parish of East Baton Rouge whereby they engage jointly to provide certain services or activities, and fulfill certain obligations.
440,000	From the Capital Projects Fund to other governmental funds (Excess Revenue and Limited Tax Fund) to advance pay debt service principal on the LA Community Development Authority Loan.
292,868	From the Capital Projects Fund to the General Fund to return local funds for closed projects.
2,785,956	From the Capital Projects Fund to other enterprise funds (Riverside Centroplex and Solid Waste Disposal Facility Fund) for purchase of capital assets.
4,550,000	From other governmental funds (Library Board of Control Fund) to the Capital Projects Fund to provide funding for building branch libraries.
11,854	From other governmental funds (Library Board of Control Fund) to other governmental funds (Grants Fund) to provide local match on library grants.
414,042	From other governmental funds (E.B.R. Parish Communications District) to other governmental funds (Excess Revenue and Limited Tax Fund) to pay debt service requirements on capital debt.
395,951	From other governmental funds (Emergency Medical Services Fund) to other governmental funds (E.B.R. Parish Communications District) to subsidize operations.
2,059,771	From other governmental funds (Consolidated Garbage Service District and State and Local Government Securities Debt Service Fund) to reimburse the General Fund for debt service payments funded by City sales tax.
412,722	From other governmental funds (Grants Fund) to the Capital Projects Fund to move local match from operating to capital grants.
281,842	From the Greater Baton Rouge Airport District to the General Fund to provide funds for payment of a non-recurring project.
<u>\$ 53,898,433</u>	Total

Summary of transfers in and (out) reported in fund financial statements and net transfers as reported in the Statement of Activities:

	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>(Out)</u>	<u>Net</u> <u>Transfers</u>
Statement of Revenues, Expenditures, and Changes in Fund			
Balances - Governmental Funds	\$46,143,747	\$(53,616,591)	\$(7,472,844)
Statement of Revenues, Expenses, and Changes in Fund			
Net Assets - Proprietary Funds	<u>7,754,686</u>	<u>(281,842)</u>	<u>7,472,844</u>
Totals	<u>\$53,898,433</u>	<u>\$(53,898,433)</u>	<u>\$ --</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 12 - Interfund Transfers (Continued)

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2002 are classified as external transactions on the Government-wide Statement of Activities:

	<u>Operating Exchanges (To)/From Primary Government</u>	<u>Operating Exchanges (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ --	\$(11,013,964)
Non-major Special Revenue Fund		
Parish Transportation Fund	--	(947,230)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	3,015,320	--
Nineteenth Judicial District Court	3,786,627	--
E.B.R. Parish Family Court	554,990	--
E.B.R. Parish Juvenile Court	686,719	--
Nineteenth Judicial District Indigent Defender Board	148,201	--
E.B.R. Parish Clerk of Court	877,517	--
E.B.R. Parish Coroner	647,990	--
Brownsfield Fire Protection District	17,050	--
Central Fire Protection District	36,820	--
E.B.R. Parish Fire Protection District No. 6	68,990	--
Eastside Fire Protection District	32,740	--
Pride Fire Protection District	11,120	--
Chaneyville Fire Protection District	22,230	--
Alsen-St. Irma Lee Fire Protection District	25,750	--
Capital Region Planning Commission	49,250	--
Capital Transportation Corporation	<u>1,979,880</u>	<u>--</u>
 Total	 <u>\$11,961,194</u>	 <u>\$(11,961,194)</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 \$1,000,000 and carries an insurance policy for all other locations with a combined \$1,000,000 deductible. There were no settlements that exceeded insurance coverage for the past three years.

NOTE 13 - Risk Management (Continued)

b. Accounting for Risk

In accordance with GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and the 2002 *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 Government-wide Statement of Net Assets under governmental activities. There were no major changes in insurance coverage for the year ended December 31, 2002.

c. Contingent Liabilities - Claims and Judgments

The City-Parish is a defendant in various tort claims and lawsuits involving general liability, automobile liability, personnel suits, and contractual matters. In accordance with FASB Statement No. 5, *Accounting for Contingencies*, litigation and other claims against the City-Parish for which there is at least a reasonable possibility of loss are estimated by the Parish Attorney as of the balance sheet date.

The estimated amount of liability is based on current Louisiana laws and judgments rendered in similar matters. FASB No. 5 requires the accrual of a loss contingency if it is probable that an asset has been impaired or a liability incurred, whether or not it has been reported, and that the amount of loss can be reasonably estimated. In accordance with GASB Statement No. 30, *Risk Financing Omnibus*, claims liabilities are based on an estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation.

An amount of \$26,438,012 has been recorded as a long-term obligation on the Government-wide Statement of Net Assets for estimated claims and judgments for risk management purposes. Incremental claim costs as required by GASB Statement No. 30, account for approximately 2% of that total. It is the government's policy to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

d. Employee Benefits

The City-Parish is self-insured and maintains a minimum premium plan for the group health and dental programs, providing medical and dental coverage to those City-Parish employees who choose to participate. During 2002, the City-Parish contributed 65% of the premium and employees contributed 35%. The government's share of the health and dental premium in the self-insured program is charged to individual budget accounts. Claims paid by the government in excess of the premium base for any given year are covered 100% by the General Fund. Any surplus of premiums over claims within a single fiscal year are recognized as "transfers in" to the General Fund and increase Fund Balance Designated for Insurance.

The estimated value of self-insured claims incurred but not reported or paid as of December 31, 2002, for group health and dental are as follows:

Self-funded medical	\$ 4,760,358
Self-funded dental	<u>200,000</u>
Total estimate	<u>\$ 4,960,358</u>

This amount has been included on the Government-wide Statement of Net Assets for December 31, 2002.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 13 - Risk Management (Continued)

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2002, 2001, and 2000:

	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Claims and Judgments Payable:</u>			
Beginning Balance	\$33,630,692	\$30,491,378	\$41,809,000
Additions:			
Claims Incurred & Changes in Estimate	10,570,455	17,214,780	3,323,561
Deductions:			
Claims Paid	(5,505,046)	(3,232,943)	(1,309,037)
Claims Dismissed & Changes in Estimate	<u>(12,258,089)</u>	<u>(10,842,523)</u>	<u>(13,332,146)</u>
Ending Balance	<u>\$26,438,012</u>	<u>\$33,630,692</u>	<u>\$30,491,378</u>
<u>Employee Benefits Payable:</u>			
Beginning Balance	\$ 4,739,535	\$ 4,082,211	\$ 4,560,643
Additions:			
Claims Incurred	13,611,638	9,789,211	8,579,938
Deductions:			
Claims Paid	<u>(13,390,815)</u>	<u>(9,131,887)</u>	<u>(9,058,370)</u>
Ending Balance	<u>\$ 4,960,358</u>	<u>\$ 4,739,535</u>	<u>\$ 4,082,211</u>

f. Insurance Designation

The City-Parish maintains a practice of designating a portion of General Fund fund balance for self-insurance purposes. The designation is made in addition to the annual recurring appropriation of approximately \$9.1 million. The amount designated for insurance at December 31, 2002, was determined as follows:

Insurance Designation, December 31, 2001	\$24,377,867
Less: Appropriations from Insurance Designation for risk management purposes	(3,584,765)
Less: Reduction in designation as a result of health and dental claims exceeding premiums	(2,185,434)
Plus: Additional amount designated for insurance by authority of the Budget Ordinance	713,943
Interest earned on designated funds during 2002	<u>479,364</u>
Insurance Designation, December 31, 2002	<u>\$19,800,975</u>

NOTE 14 - Lease Commitments

Leases are accounted for in accordance with Section L20 of the GASB Codification and NCGA Statement No. 5 which require governments to use the criteria contained in FASB Statement No. 13, *Accounting for Leases*, and GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, to classify leases as capital or operating leases. The GASB Codification and NCGA Statement No. 5 also require that assets under capital leases be recorded as capital assets and the lease obligation be recorded as long-term debt in the Government-wide Statement of Net Assets. Component unit leases are recorded in the same manner as those of the Primary Government.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 14 - Lease Commitments (Continued)

a. Primary Government - Capital Leases

The City-Parish has entered into lease agreements to acquire or obtain the use of machinery equipment, office equipment, transportation equipment, and office space. The lease terms range from 36 to 48 months. All equipment leases will expire during the next three years. The amount necessary to reduce net minimum lease payments to present value is calculated by comparing the implicit rate and the incremental rate at the inception of the lease and using the lower of the two rates. The rate used in calculating present value ranges from 4.40% to 7.14%. 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 funding clause which generally provides for cancellation in the event the Metropolitan Council does not appropriate funds in subsequent years for the lease payments.

During 2002, the City-Parish did not initiate any new lease agreements for the primary government. The majority of lease agreements entered into by the City-Parish in previous years were due to the Equipment Use Charge Program approved by the Council during 1989. The Equipment Use Charge Program is a plan whereby the Fleet Rental and Replacement Fund leases and maintains motorized equipment for use by the Department of Public Works. The Fleet Rental and Replacement Fund charges the user agency an equipment use charge to cover the total cost to operate the equipment including repair costs and purchase price. The objective of this program is to replace motorized equipment in a timely manner while minimizing costs.

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2002:

	<u>Governmental Activities</u>
2003	\$ 139,085
2004	<u>5,240</u>
Total minimum lease payments	144,325
Less: amount representing interest	<u>(3,216)</u>
Present value of net minimum lease payments	<u>\$141,109</u>

Asset balances as of December 31, 2002, for equipment under capital lease by major classes are as follows:

<u>Classes of Equipment</u>	<u>Capital Assets Governmental Activities</u>
Machinery equipment	\$ 654,046
Office equipment	5,053
Transportation equipment	<u>79,921</u>
Subtotal	739,020
Less: accumulated depreciation	<u>(378,498)</u>
Total	<u>\$ 360,522</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 14 - Lease Commitments (Continued)

b. Component Units - Capital Leases

Parish Fire Protection Districts

The following is a schedule by years of the future minimum lease payments under capital leases together with the present value of the net minimum lease payments, as of December 31, 2002, for the parish fire protection districts:

	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Alsen- St. Irma Lee Fire Protection District
2003	\$ 13,656	\$ 67,117	\$ 29,690	\$ 81,933	\$ 48,151
2004	6,828	67,117	29,690	81,933	48,151
2005	--	67,117	29,690	81,933	48,151
Thereafter	<u>--</u>	<u>67,217</u>	<u>--</u>	<u>20,515</u>	<u>15,862</u>
Total minimum lease payments	20,484	268,568	89,070	266,314	160,315
Less: amount representing interest	<u>(857)</u>	<u>(38,519)</u>	<u>(8,967)</u>	<u>(23,587)</u>	<u>(11,871)</u>
Present value of net minimum lease payments	<u>\$ 19,627</u>	<u>\$ 230,049</u>	<u>\$ 80,103</u>	<u>\$ 242,727</u>	<u>\$ 148,444</u>

Asset balances as of December 31, 2002, for equipment under capital lease by major classes for the parish fire protection districts are as follows:

<u>Classes of Equipment</u>	Brownsfield Fire Protection District	Central Fire Protection District	E.B.R. Parish Fire Protection District No. 6	Eastside Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Machinery equipment	\$ --	\$ 437,604	\$ 278,628	\$ --	\$ 256,663
Transportation equipment	<u>48,980</u>	<u>--</u>	<u>--</u>	<u>440,613</u>	<u>--</u>
Total equipment under capital lease	<u>\$ 48,980</u>	<u>\$ 437,604</u>	<u>\$ 278,628</u>	<u>\$ 440,613</u>	<u>\$ 256,663</u>

NOTE 14 - Lease Commitments (Continued)

c. Operating Leases

1. Primary Government

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

Operating lease payments during 2002 totaled \$237,645. The future minimum rental payments as of December 31, 2002, total \$54,201 all due in year 2003.

2. Component Unit - Fire Districts

St. George Fire Protection District is obligated under several operating leases for two buildings and equipment. These leases will expire over the next three years. Operating lease payments during 2002 totaled \$36,823. The future annual minimum lease payments under these operating leases as of December 31, 2002, is \$28,816.

Central Fire Protection District is obligated under several operating leases which expire over the next five years, for a building and equipment. Operating lease payments during 2002 totaled \$10,174. The future annual minimum lease payments under these operating leases as of December 31, 2002, is \$19,790.

3. Component Unit - Nineteenth Judicial District Indigent Defender Board

The Nineteenth Judicial District Indigent Defender Board is obligated under several operating leases which expire over the next two years, for a vehicle and a building. Operating lease payments during 2002 totaled \$12,578. The future annual minimum lease payments under these operating leases as of December 31, 2002, is \$12,250.

NOTE 15 - Communications District Wireless E911 Service

Act 1029 of the 1999 Louisiana Legislative Session authorizes the parish governing authority of a communication district to levy an emergency telephone service charge on wireless communications systems to pay the costs of implementing FCC ordered enhancements to the E911 system. The act further requires that governing authorities disclose in the audited financial statements information on the revenues derived from the service charge, the use of such revenues, and the status of implementation of wireless E911 service.

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. The Communications District collected revenues of \$399,863 during the year 2000, \$943,927 during the year 2001 and \$1,589,905 during 2002. These revenues were recognized in the East Baton Rouge Communications District Special Revenue Fund and will be used to pay the costs of technological enhancements to the E911 system. Phase I implementation is complete. Current upgrades are being made to the Baker and Zachary areas to prepare for Phase II implementation. A total of \$214,000 has been spent on Phase I.

NOTE 16 - Segments of Enterprise Activities

On January 1, 1978, Parking Revenue bonds were issued in the amount of \$6,875,000 for the purpose of constructing a multi-level parking facility. 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 Plaza Garage, Arena Lot, and designated on-street parking meters. Any additional sums required are unconditionally obligated to be budgeted and paid from the General Fund.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 16 - Segments of Enterprise Activities (Continued)

CONDENSED STATEMENT OF NET ASSETS

Assets:	
Current assets	\$ 609,549
Capital assets	<u>1,960,380</u>
Total assets	<u>2,569,929</u>
Liabilities:	
Current liabilities	623,356
Due to other funds	309
Noncurrent liabilities	<u>32,646</u>
Total liabilities	<u>656,311</u>
Net assets:	
Invested in capital assets, net of related debt	1,400,380
Restricted	583,693
Unrestricted	<u>(70,455)</u>
Total net assets	<u>\$ 1,913,618</u>

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Auto parking charges	\$ 616,119
Miscellaneous revenues	507
Depreciation expense	(402,347)
Other operating expenses	<u>(354,057)</u>
Operating loss	(139,778)
Nonoperating revenues (expenses):	
Investment earnings	6,758
Interest expense	(61,030)
Transfers in	<u>373,730</u>
Change in net assets	179,680
Total net assets - January 1	<u>1,733,938</u>
Total net assets - December 31	<u>\$ 1,913,618</u>

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided by (used for):	
Operating activities	\$ 273,696
Noncapital financing activities	(115,806)
Capital and related financing activities	(598,530)
Investing activities	<u>8,703</u>
Net increase (decrease)	(431,937)
Cash and cash equivalents, January 1	<u>1,033,298</u>
Cash and cash equivalents, December 31	<u>\$ 601,361</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 17 - Restricted Assets

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

	<u>Greater Baton Rouge Airport District</u>	<u>Comprehensive Sewerage System</u>	<u>Other Enterprise Total</u>	<u>Total</u>
Cash for capital projects	\$ --	\$ 33,514,177	\$ 3,445,588	\$ 36,959,765
Sales tax revenue bonds construction accounts	--	49,414,232	--	49,414,232
Sales tax revenue bonds debt service accounts	--	35,714,873	--	35,714,873
Accounts receivable - net passenger facility charges	124,628	--	--	124,628
Accrued interest receivable - cash for capital projects	--	157,665	7,262	164,927
Accrued interest receivable - sales tax revenue bonds trustee accounts	--	421,152	--	421,152
Accrued interest receivable - passenger facility charges	5,257	--	--	5,257
Due from other governments - federal and state grants	<u>7,980,612</u>	<u>522,042</u>	<u>1,275,366</u>	<u>9,778,020</u>
 Total restricted assets	 <u>\$ 8,110,497</u>	 <u>\$ 119,744,141</u>	 <u>\$ 4,728,216</u>	 <u>\$ 132,582,854</u>

NOTE 18 - Passenger Facility Charges - Greater Baton Rouge Airport District

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158).

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

FAA regulations also require certain Financial Statement Disclosures with regard to passenger facility charges. Any PFC revenue received, but not yet spent, along with interest income, is classified as restricted net assets on the Statement of Net Assets. On the Statement of Revenues, Expenses, and Changes in Fund Net Assets, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

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

On April 23, 1993, the Airport received approval from the FAA to use PFC revenues to fund certain airport projects. The list of approved projects was amended by the FAA on February 14, 1997.

On July 18, 2000, the FAA approved an additional \$8,912,110 with the date of collection the same, and the estimated charge expiration date of August 1, 2016. The FAA also approved a new project in the amount of \$6,504,390 on July 25, 2000, with an estimated charge expiration date of January 1, 2022. The total amount of approved projects are shown in the following table:

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002**

EXHIBIT A - 15
(Continued)

NOTE 18 - Passenger Facility Charges - Greater Baton Rouge Airport District (Continued)

<u>Description</u>	<u>Project Amount</u>
Terminal Concept Study	\$ 450,000
Noise Mitigation	8,532,260
Terminal Building Plan Specifications	840,899
Terminal Building Renovations/Expansion	
Financing and Interest	19,069,316
Terminal Access Road/Passenger	
Loading Bridges	<u>6,504,390</u>
 Total	 <u>\$ 35,396,865</u>

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2002 fiscal year resulting in a restriction of net assets from passenger facility charges as follows:

Cumulative PFC Revenues (1992 - 2002)	\$ 11,845,467
Proceeds from debt issuance	65,130
Interest earnings	<u>997,485</u>
Total revenues	12,908,082
 * Cumulative PFC administrative fee	 (255,093)
Cumulative expenses for PFC projects (1992 - 2002)	(6,562,580)
Cumulative bond principal payments	(2,658,650)
Cumulative bond interest payments	<u>(1,436,403)</u>
Net assets restricted for PFC's	<u>\$ 1,995,356</u>

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

NOTE 19 - Solid Waste Disposal Facility Closure And Postclosure Care Liability

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

EXHIBIT A - 15
(Continued)

NOTE 19 - 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 \$19,155,550. Based on calculations made by the Department of Public Works, the total estimated capacity was changed in 2002 from 33,400,000 cubic yards to 28,628,570 cubic yards with a projected useful life of 42 years. (The previous projected useful life was 49 years.) The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effects of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Disposal Facility Enterprise Fund recognizes a portion of the estimated total current cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards used during the period rather than on the passage of time. As of December 31, 2002, the liability for closure and postclosure care totals \$9,859,860. The liability is based on the landfill capacity used to date of 14,735,869 cubic yards or 51.5% of the landfill capacity. The liability will be financed by the Solid Waste Disposal Facility Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$9,295,690 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2002, is 33 years.

NOTE 20 - Other Receivables

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>	<u>Total</u>
Governmental Activities:					
<u>Receivables:</u>					
Property taxes	\$ 3,793,573	\$ --	\$ 9,310,719	\$ --	\$13,104,292
Gross receipts business taxes	4,672,640	--	--	--	4,672,640
Sales taxes	12,399,686	1,711,178	1,247,725	--	15,358,589
Interest and penalties on taxes	65,660	--	--	--	65,660
Accounts	541,525	--	1,141,639	--	1,683,164
Accrued interest	107,865	161,901	410,346	15,904	696,016
Special assessments	40,497	13,957	--	--	54,454
Other	<u>211,879</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>211,879</u>
Gross receivables	21,833,325	1,887,036	12,110,429	15,904	35,846,694
Less: allowance for uncollectibles	<u>(431,192)</u>	<u>--</u>	<u>(1,228,401)</u>	<u>--</u>	<u>(1,659,593)</u>
Net total receivables	<u>\$21,402,133</u>	<u>\$1,887,036</u>	<u>\$10,882,028</u>	<u>\$15,904</u>	<u>\$34,187,101</u>



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEMS
SCHEDULES OF FUNDING PROGRESS
(UNAUDITED)**

EXHIBIT B - 1

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/02	\$818,150,788	\$947,726,617	\$129,575,829	86.3 %	\$101,339,785	127.8 %
12/31/01	813,977,773	902,821,264	88,843,491	90.2	102,793,456	86.4
12/31/00	786,941,507	855,994,379	69,052,872	91.9	99,510,155	69.4
12/31/99 (1)	741,562,144	809,012,654	67,450,510	91.7	96,744,086	69.7
12/31/98	740,257,038	875,075,687	134,818,649	84.6	118,742,991	113.5
12/31/97	635,463,896	811,977,242	176,513,346	78.3	114,102,750	154.7
12/31/96	587,193,233	773,936,127	186,742,894	75.9	109,658,886	170.3
12/31/95	551,301,959	718,277,070	166,975,111	76.8	104,601,384	159.6
12/31/94	480,505,268	657,162,178	176,656,910	73.1	100,596,231	175.6

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Present Value of Future Benefits (b)	Present Value of Future Member Contributions (c)	Funded Ratio	Present Value of Future Normal Costs (b-a-c)
12/31/02	\$25,481,771	\$26,630,297	\$301,485	N/A	\$847,041
12/31/01	24,815,273	25,316,854	325,344	N/A	176,237
12/31/00 (2)	25,684,328	26,022,017	400,006	N/A	(62,317)
12/31/99	24,627,209	24,627,209	--	N/A	--

CAPITAL TRANSPORTATION CORPORATION

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/02	\$4,138,544	\$4,309,796	\$171,252	96.0 %	\$3,991,134	4.3 %
12/31/01	4,244,806	4,763,742	518,936	89.1	4,252,624	12.2
12/31/00	4,113,469	4,113,469	--	100.0	4,099,654	--
12/31/99	3,752,507	3,752,507	--	100.0	3,917,671	--
02/01/98 (3)	2,476,580	2,814,804	338,224	87.9	2,569,374	13.2
02/01/97	2,048,573	2,169,991	121,418	94.4	2,519,162	4.8

- (1) These results reflect the impact of the public safety employees transfer to the Municipal Police Employees' Retirement System and the actuarial assumption changes. This method does not identify or separately amortize unfunded actuarial liabilities. (See Note 7)
- (2) Aggregate Actuarial Cost Method (See Note 7)
- (3) Actuarial valuations prior to 1999 were determined as of the beginning of the plan year.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 REQUIRED SUPPLEMENTARY INFORMATION
 EMPLOYEES' RETIREMENT SYSTEMS
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 (UNAUDITED)**

EXHIBIT B - 2

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

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/02	\$16,110,422	73.6 %
12/31/01	13,708,997	79.6
12/31/00	11,240,695	116.7
12/31/99	15,658,856	130.4
12/31/98	17,967,514	107.1
12/31/97	19,510,792	91.5
12/31/96	17,773,028	91.3
12/31/95	17,845,851	80.0

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

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/02	\$55,955	100.0 %
12/31/01	55,359	100.0
12/31/00	67,554	100.0

CAPITAL TRANSPORTATION CORPORATION

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/02	\$217,556	153.3 %
12/31/01	106,152	280.4
12/31/00	91,777	323.5
12/31/99	109,745	209.7
12/31/98	102,371	188.3
12/31/97	88,077	159.5
12/31/96	71,240	125.4
12/31/95	57,314	124.8

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEMS
(UNAUDITED)**

EXHIBIT B - 3

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	CPERS REGULAR EMPLOYEES' TRUST	CPERS POLICE GUARANTEE TRUST
Valuation date	12/31/02	12/31/02
Actuarial cost method	Entry Age Normal	Aggregate Actuarial Cost Method
	Level percentage of payroll on a closed basis, assuming payroll increases 0% per year during the final 15 years of the amortization period, and 4% per year for all years prior to the final 15 years	N/A
Remaining amortization period	22 years	N/A
Asset valuation method	Expected value method which recognizes the difference between the expected value and the market value for total (realized and unrealized) investment gains/losses at the rate of 20% per year for each of the subsequent five years.	As of December 31, 2002, Expected value method which recognizes the difference between the expected value and the market value for total (realized and unrealized) investment gains/losses at the rate of 20% per year for each of the subsequent five years.
Actuarial assumptions: Investment rate of return	8% per year, compounded annually	8% per year, compounded annually
Projected salary increases	4% per year, compounded annually, attributable to inflation. Additional projected salary increases based on years of service and age attributable to seniority and merit, and no post-retirement benefit increases.	4% per year, compounded annually attributable to inflation, plus longevity and merit increases.
Cost-of-living adjustments	None	N/A

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEMS
(UNAUDITED)

EXHIBIT B - 3
(Continued)

CAPITAL
TRANSPORTATION
CORPORATION
COMPONENT UNIT

Valuation date	12/31/02
Actuarial cost method	Frozen entry age actuarial cost method
Amortization method	Level percent closed
Remaining amortization period	10 years
Asset valuation method	Current market value as of the last day of the prior plan year.
Actuarial assumptions: Investment rate of return	7% compounded annually
Projected salary increases	4% per year
Cost-of-living adjustments	N/A

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Downtown Development District accounts for the special property tax levied within the district for education, planning, traffic, security, promotion and development of the district.

Gaming Enforcement Division Fund accounts for monies collected from the 5% bingo assessment fee collected for the purpose of funding the enforcement and administration of guidelines and regulations relative to the playing of charitable bingo by licensed organizations.

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

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

East Baton Rouge Parish Communications District was created to provide citizens of East Baton Rouge Parish with Enhanced 911, a computer aided telephone dispatch system that processes incoming requests for emergency assistance, and provides instructions in first aid to the caller.

Emergency Medical Services Fund accounts for the special property tax levy required to maintain emergency medical services in East Baton Rouge Parish.

Fire Department Pay Enhancement Fund accounts for the special property tax levied within the City of Baton Rouge to fund increases in salaries and benefits for the City of Baton Rouge Municipal Fire personnel.

Consolidated Road Lighting District No. 1 accounts for the special property tax levy required to provide street and road lights within the district.

Parish Transportation Fund accounts for receipts from the State Shared Revenue-Parish Transportation Fund as authorized by the Louisiana Revised Statute 48:751 to be used primarily for road improvement and mass transit.

Continued

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Parish Street Maintenance Fund accounts for the portion (40%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

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

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

Debt Service Funds

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

City Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1992, 1992A, 1993, 1997, 1998A and 2001A Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

Parish Sales Tax Bonds Debt Service Fund accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1998C Public Improvement Sales Tax Bonds of the Parish of East Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

State and Local Government Securities Debt Service Fund accounts for the portion of the 1997 City Sales Tax Revenue Bonds which were previously being paid from the 1997 Passenger Facility Charge Intergovernmental Obligation from the Greater Baton Rouge Airport District to the General Fund. The proceeds reserved for refunding of the 1997 note were placed in State and Local Government Series securities (SLGS), where they will be used to service the original 1997 City Bonds.

Taxable Refunding Bonds Debt Service Fund accounts for the payment of principal, interest, and related charges for the 2002A Variable Rate Taxable Refunding Bonds, the 2002B Fixed Rate Taxable Refunding Bonds, and for fiscal year 2002, the debt service for the City of Baton Rouge's long-term Note to the Municipal Employees' Police Retirement System (MPERS) prior to its refunding.

Excess Revenue and Limited Tax Fund accounts for transfers from the general fund, special revenue funds, and capital projects funds for payment of interest and principal redemption requirements of capital leases, contracts, loans, notes, and bonds that do not require a vote of the general public.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2002**

Special Revenue

	City Constable Court Costs	Mosquito Abatement and Rodent Control	Library Board of Control	Downtown Development District	Gaming Enforcement Division
ASSETS					
Cash and cash equivalents	\$ 22,358	\$ 925,614	\$ 9,024,546	\$ --	\$ 2,017
Investments	--	--	22,094,579	--	--
Property taxes receivable-net	--	449,748	4,229,215	87,228	--
Sales taxes receivable	--	--	--	--	--
Accounts receivable	--	--	--	--	--
Accrued interest receivable	--	2,397	64,886	--	--
Due from other governments	--	1,667,260	15,518,522	244,149	--
U.S. Housing and Urban Development loans receivable	--	--	--	--	--
Total assets	\$ 22,358	\$ 3,045,019	\$ 50,931,748	\$ 331,377	\$ 2,017
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payable	\$ 11,238	\$ 109,701	\$ 285,208	\$ 1,987	\$ 179
Due to other funds	--	--	18,195,846	232,128	--
Due to other governments	--	--	--	--	--
Accrued salaries payable	11,120	35,046	336,172	9,216	1,838
Deferred revenue	--	102,916	967,771	8,866	--
Deposits and escrow accounts	--	--	(80)	--	--
Total liabilities	22,358	247,663	19,784,917	252,197	2,017
Fund balances:					
Reserved for:					
Encumbrances	--	22,234	28,709	--	--
U.S. Housing and Urban Development loans	--	--	--	--	--
Debt service - principal	--	--	--	--	--
Debt service - interest	--	--	--	--	--
Subsequent year expenditures	--	224,660	--	--	--
Continuing projects	--	666,030	--	26,123	--
Unreserved:					
Designated for solid waste collection and disposal	--	--	--	--	--
Undesignated	--	1,884,432	31,118,122	53,057	--
Total fund balances	--	2,797,356	31,146,831	79,180	--
Total liabilities and fund balances	\$ 22,358	\$ 3,045,019	\$ 50,931,748	\$ 331,377	\$ 2,017

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

Animal Control Center	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	B.R. Fire Department Pay Enhancement	Consolidated Road Lighting District No. 1	Parish Transportation
\$ 62,336	\$ 125,067	\$ 2,259,498	\$ 1,631,184	\$ 196,809	\$ 2,482,847	\$ 1,580,095
--	--	--	3,993,587	--	--	3,868,510
--	--	--	1,144,098	1,228,575	111,826	--
--	--	--	--	--	--	--
--	--	--	709,815	--	--	--
88	143	4,218	11,648	--	4,888	11,076
--	--	755,317	4,198,108	5,215,770	421,075	452,101
--	--	--	--	--	--	--
<u>\$ 62,424</u>	<u>\$ 125,210</u>	<u>\$ 3,019,033</u>	<u>\$ 11,688,440</u>	<u>\$ 6,641,154</u>	<u>\$ 3,020,636</u>	<u>\$ 5,911,782</u>
\$ 14,259	\$ 14	\$ 66,622	\$ 136,585	\$ 32,275	\$ 33,883	\$ 331,797
--	--	--	--	5,490,012	--	--
--	--	--	--	--	--	--
22,974	84	45,068	260,865	242,772	--	--
--	--	--	261,805	343,545	20,661	--
--	--	--	--	--	--	--
<u>37,233</u>	<u>98</u>	<u>111,690</u>	<u>659,255</u>	<u>6,108,604</u>	<u>54,544</u>	<u>331,797</u>
--	--	--	288,949	--	--	956,910
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
10,613	2,919	--	572,375	--	500,000	782,230
--	--	--	--	--	--	2,900,173
--	--	--	--	--	--	--
14,578	122,193	2,907,343	10,167,861	532,550	2,466,092	940,672
25,191	125,112	2,907,343	11,029,185	532,550	2,966,092	5,579,985
<u>\$ 62,424</u>	<u>\$ 125,210</u>	<u>\$ 3,019,033</u>	<u>\$ 11,688,440</u>	<u>\$ 6,641,154</u>	<u>\$ 3,020,636</u>	<u>\$ 5,911,782</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2002

	Special Revenue			Total
	Parish Street Maintenance	Consolidated Garbage Service District No. 1	Grants	
ASSETS				
Cash and cash equivalents	\$ 1,709,365	\$ 2,531,224	\$ 2,794,788	\$ 25,347,748
Investments	4,184,996	6,197,134	--	40,338,806
Property taxes receivable-net	--	831,628	--	8,082,318
Sales taxes receivable	1,247,725	--	--	1,247,725
Accounts receivable	--	431,824	--	1,141,639
Accrued interest receivable	11,895	17,657	8,052	136,948
Due from other governments	--	3,199,203	3,809,633	35,481,138
U.S. Housing and Urban Development loans receivable	--	--	6,800,403	6,800,403
Total assets	\$ 7,153,981	\$ 13,208,670	\$ 13,412,876	\$ 118,576,725
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 1,117,967	\$ 757,766	\$ 1,319,093	\$ 4,218,574
Due to other funds	--	--	--	23,917,986
Due to other governments	119,805	--	674	120,479
Accrued salaries payable	--	--	451,690	1,416,845
Deferred revenue	--	235,341	2,621,885	4,562,790
Deposits and escrow accounts	--	--	272,055	271,975
Total liabilities	1,237,772	993,107	4,665,397	34,508,649
Fund balances:				
Reserved for:				
Encumbrances	2,853,050	--	41,359	4,191,211
U.S. Housing and Urban Development loans	--	--	6,800,403	6,800,403
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Subsequent year expenditures	--	355,350	--	1,362,240
Continuing projects	2,685,714	--	1,721,685	9,085,632
Unreserved:				
Designated for solid waste collection and disposal	--	11,860,213	--	11,860,213
Undesignated	377,445	--	184,032	50,768,377
Total fund balances	5,916,209	12,215,563	8,747,479	84,068,076
Total liabilities and fund balances	\$ 7,153,981	\$ 13,208,670	\$ 13,412,876	\$ 118,576,725

The accompanying notes are an integral part of this statement.

Debt Service

City Sales Tax Bonds	Parish Sales Tax Bonds	State and Local Government Securities	Taxable Refunding Bonds	Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
\$ 3,606,991	\$ 65,626	\$ 4,167,170	\$ 1,051,662	\$ --	\$ 8,891,449	\$ 34,239,197
18,301,502	653,368	--	--	--	18,954,870	59,293,676
--	--	--	--	--	--	8,082,318
--	--	--	--	--	--	1,247,725
--	--	--	--	--	--	1,141,639
264,342	8,390	--	666	--	273,398	410,346
--	--	--	--	--	--	35,481,138
--	--	--	--	--	--	6,800,403
<u>\$ 22,172,835</u>	<u>\$ 727,384</u>	<u>\$ 4,167,170</u>	<u>\$ 1,052,328</u>	<u>\$ --</u>	<u>\$ 28,119,717</u>	<u>\$ 146,696,442</u>
\$ 653	\$ --	\$ --	\$ 98,216	\$ --	\$ 98,869	\$ 4,317,443
--	--	--	--	--	--	23,917,986
--	--	--	--	--	--	120,479
--	--	--	--	--	--	1,416,845
--	--	--	--	--	--	4,562,790
--	--	--	--	--	--	271,975
<u>653</u>	<u>--</u>	<u>--</u>	<u>98,216</u>	<u>--</u>	<u>98,869</u>	<u>34,607,518</u>
--	--	--	--	--	--	4,191,211
--	--	--	--	--	--	6,800,403
14,187,518	670,417	4,146,167	954,112	--	19,958,214	19,958,214
7,984,664	56,967	21,003	--	--	8,062,634	8,062,634
--	--	--	--	--	--	1,362,240
--	--	--	--	--	--	9,085,632
--	--	--	--	--	--	11,860,213
--	--	--	--	--	--	50,768,377
<u>22,172,182</u>	<u>727,384</u>	<u>4,167,170</u>	<u>954,112</u>	<u>--</u>	<u>28,020,848</u>	<u>112,088,924</u>
<u>\$ 22,172,835</u>	<u>\$ 727,384</u>	<u>\$ 4,167,170</u>	<u>\$ 1,052,328</u>	<u>\$ --</u>	<u>\$ 28,119,717</u>	<u>\$ 146,696,442</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Special Revenue				
	City Constable Court Costs	Mosquito Abatement and Rodent Control	Library Board of Control	Downtown Development District	Gaming Enforcement Division
REVENUES					
Taxes:					
Property	\$ --	\$ 2,194,617	\$ 20,637,102	\$ 338,519	\$ --
Sales	--	--	--	--	--
Licenses and permits	--	--	--	--	--
Intergovernmental revenues	26,030	277,594	--	--	3,600
Charges for services	418,309	23,352	86,754	--	76,160
Fines and forfeits	10,772	--	327,444	--	--
Investment earnings	(395)	43,284	750,810	(1,559)	77
Miscellaneous revenues	--	38,760	8,538	3,250	--
Total revenues	<u>454,716</u>	<u>2,577,607</u>	<u>21,810,648</u>	<u>340,210</u>	<u>79,837</u>
EXPENDITURES					
Current:					
General government	587,989	--	--	--	98,234
Public safety	--	--	--	--	--
Transportation	--	--	--	--	--
Sanitation	--	--	--	--	--
Health and welfare	--	2,852,298	--	--	--
Culture and recreation	--	--	13,915,474	--	--
Conservation and development	--	--	--	354,357	--
Debt service:					
Principal retirement	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Bond issuance costs	--	--	--	--	--
Capital outlay	--	152,577	266,981	5,323	--
Intergovernmental	--	--	--	--	--
Total expenditures	<u>587,989</u>	<u>3,004,875</u>	<u>14,182,455</u>	<u>359,680</u>	<u>98,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(133,273)</u>	<u>(427,268)</u>	<u>7,628,193</u>	<u>(19,470)</u>	<u>(18,397)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	133,273	--	--	25,420	--
Transfers out	--	--	(4,561,854)	--	--
Refunding bonds issued	--	--	--	--	--
Current refunding of debt	--	--	--	--	--
Proceeds of capital asset disposition	--	--	1,129	--	--
Total other financing sources and uses	<u>133,273</u>	<u>--</u>	<u>(4,560,725)</u>	<u>25,420</u>	<u>--</u>
Net change in fund balances	--	(427,268)	3,067,468	5,950	(18,397)
Fund balances, January 1	--	3,224,624	28,079,363	73,230	18,397
Fund balances, December 31	<u>\$ --</u>	<u>\$ 2,797,356</u>	<u>\$ 31,146,831</u>	<u>\$ 79,180</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue						
Animal Control Center	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	B.R. Fire Department Pay Enhancement	Consolidated Road Lighting District No. 1	Parish Transportation
\$ --	\$ --	\$ --	\$ 5,582,798	\$ 6,875,384	\$ 555,763	\$ --
--	--	--	--	--	--	--
344,431	--	--	--	--	--	--
--	--	--	--	--	56,945	2,769,638
107,994	--	3,252,063	5,525,231	--	--	--
--	118,457	--	--	--	--	--
1,081	1,018	34,792	140,766	(53,151)	52,368	118,551
33,840	--	--	81,472	--	--	--
<u>487,346</u>	<u>119,475</u>	<u>3,286,855</u>	<u>11,330,267</u>	<u>6,822,233</u>	<u>665,076</u>	<u>2,888,189</u>
--	--	--	--	--	--	--
--	61,631	2,254,055	8,989,312	6,202,386	--	--
--	--	--	--	--	478,253	594,498
--	--	--	--	--	--	--
1,005,141	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
18,525	--	--	471,210	--	--	3,204,307
--	--	--	--	--	--	947,230
<u>1,023,666</u>	<u>61,631</u>	<u>2,254,055</u>	<u>9,460,522</u>	<u>6,202,386</u>	<u>478,253</u>	<u>4,746,035</u>
(536,320)	57,844	1,032,800	1,869,745	619,847	186,823	(1,857,846)
532,140	--	395,951	75,972	--	--	--
--	--	(414,042)	(395,951)	--	--	--
--	--	--	--	--	--	--
40	--	75	5,250	--	--	--
<u>532,180</u>	<u>--</u>	<u>(18,016)</u>	<u>(314,729)</u>	<u>--</u>	<u>--</u>	<u>--</u>
(4,140)	57,844	1,014,784	1,555,016	619,847	186,823	(1,857,846)
29,331	67,268	1,892,559	9,474,169	(87,297)	2,779,269	7,437,831
<u>\$ 25,191</u>	<u>\$ 125,112</u>	<u>\$ 2,907,343</u>	<u>\$ 11,029,185</u>	<u>\$ 532,550</u>	<u>\$ 2,966,092</u>	<u>\$ 5,579,985</u>

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Special Revenue			Total
	Parish Street Maintenance	Consolidated Garbage Service District No. 1	Grants	
REVENUES				
Taxes:				
Property	\$ --	\$ 4,206,263	\$ --	\$ 40,390,446
Sales	12,738,869	--	--	12,738,869
Licenses and permits	--	--	--	344,431
Intergovernmental revenues	--	770,053	34,795,750	38,699,610
Charges for services	--	5,719,435	--	15,209,298
Fines and forfeits	--	--	--	456,673
Investment earnings	108,944	201,415	61,677	1,459,678
Miscellaneous revenues	--	--	2,857,031	3,022,891
Total revenues	<u>12,847,813</u>	<u>10,897,166</u>	<u>37,714,458</u>	<u>112,321,896</u>
EXPENDITURES				
Current:				
General government	--	--	62,086	748,309
Public safety	--	--	2,280,308	19,787,692
Transportation	10,297,426	--	94,223	11,464,400
Sanitation	--	9,551,322	--	9,551,322
Health and welfare	--	--	2,363,438	6,220,877
Culture and recreation	--	--	102,385	14,017,859
Conservation and development	--	--	32,524,024	32,878,381
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	--	--	3,288,524	7,407,447
Intergovernmental	--	--	--	947,230
Total expenditures	<u>10,297,426</u>	<u>9,551,322</u>	<u>40,714,988</u>	<u>103,023,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,550,387</u>	<u>1,345,844</u>	<u>(3,000,530)</u>	<u>9,298,379</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	--	--	47,368	1,210,124
Transfers out	--	(1,077,030)	(412,722)	(6,861,599)
Refunding bonds issued	--	--	--	--
Current refunding of debt	--	--	--	--
Proceeds of capital asset disposition	--	--	400	6,894
Total other financing sources and uses	<u>--</u>	<u>(1,077,030)</u>	<u>(364,954)</u>	<u>(5,644,581)</u>
Net change in fund balances	2,550,387	268,814	(3,365,484)	3,653,798
Fund balances, January 1	<u>3,365,822</u>	<u>11,946,749</u>	<u>12,112,963</u>	<u>80,414,278</u>
Fund balances, December 31	<u>\$ 5,916,209</u>	<u>\$ 12,215,563</u>	<u>\$ 8,747,479</u>	<u>\$ 84,068,076</u>

The accompanying notes are an integral part of this statement.

Debt Service

City Sales Tax Bonds	Parish Sales Tax Bonds	State and Local Government Securities	Taxable Refunding Bonds	Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 40,390,446
14,648,079	415,693	--	--	--	15,063,772	27,802,641
--	--	--	--	--	--	344,431
--	--	--	--	--	--	38,699,610
--	--	--	--	--	--	15,209,298
--	--	--	--	--	--	456,673
577,160	20,987	190,941	3,958	--	793,046	2,252,724
--	--	--	--	--	--	3,022,891
<u>15,225,239</u>	<u>436,680</u>	<u>190,941</u>	<u>3,958</u>	<u>--</u>	<u>15,856,818</u>	<u>128,178,714</u>
--	--	--	--	--	--	748,309
--	--	--	--	--	--	19,787,692
--	--	--	--	--	--	11,464,400
--	--	--	--	--	--	9,551,322
--	--	--	--	--	--	6,220,877
--	--	--	--	--	--	14,017,859
--	--	--	--	--	--	32,878,381
8,565,000	470,000	--	299,764	1,621,100	10,955,864	10,955,864
6,560,011	156,952	--	1,809,324	2,502,834	11,029,121	11,029,121
--	--	--	1,926,879	--	1,926,879	1,926,879
--	--	--	--	--	--	7,407,447
--	--	--	--	--	--	947,230
<u>15,125,011</u>	<u>626,952</u>	<u>--</u>	<u>4,035,967</u>	<u>4,123,934</u>	<u>23,911,864</u>	<u>126,935,381</u>
<u>100,228</u>	<u>(190,272)</u>	<u>190,941</u>	<u>(4,032,009)</u>	<u>(4,123,934)</u>	<u>(8,055,046)</u>	<u>1,243,333</u>
--	--	--	3,019,028	4,123,934	7,142,962	8,353,086
--	--	(982,741)	--	--	(982,741)	(7,844,340)
--	--	--	73,450,000	--	73,450,000	73,450,000
--	--	--	(71,482,907)	--	(71,482,907)	(71,482,907)
--	--	--	--	--	--	6,894
--	--	(982,741)	4,986,121	4,123,934	8,127,314	2,482,733
100,228	(190,272)	(791,800)	954,112	--	72,268	3,726,066
<u>22,071,954</u>	<u>917,656</u>	<u>4,958,970</u>	<u>--</u>	<u>--</u>	<u>27,948,580</u>	<u>108,362,858</u>
<u>\$ 22,172,182</u>	<u>\$ 727,384</u>	<u>\$ 4,167,170</u>	<u>\$ 954,112</u>	<u>\$ --</u>	<u>\$ 28,020,848</u>	<u>\$ 112,088,924</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 3

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
General property taxes	\$ 16,993,668	\$ --	\$ 16,993,668	\$ 16,993,668
General sales and use taxes	74,816,106	17,211,616	92,027,722	91,467,860
Total taxes	<u>91,809,774</u>	<u>17,211,616</u>	<u>109,021,390</u>	<u>108,461,528</u>
Intergovernmental revenues:				
State grants:				
Department of Public Safety and Corrections	16,375,582	2,125,878	18,501,460	29,407,775
Department of Transportation and Development	11,118,168	1,060,303	12,178,471	13,356,826
Louisiana State Capital Outlay Bill	365,208	3,098,706	3,463,914	6,250,000
Department of Treasury	1,161,000	--	1,161,000	1,161,000
Pride Fire Protection District	10,353	--	10,353	10,353
E.B.R. Parish Sheriff	186,009	82,369	268,378	500,000
Payment in lieu of taxes	5,870	--	5,870	5,870
Total intergovernmental revenues	<u>29,222,190</u>	<u>6,367,256</u>	<u>35,589,446</u>	<u>50,691,824</u>
Investment earnings	<u>14,278,107</u>	<u>1,573,058</u>	<u>15,851,165</u>	<u>15,291,890</u>
Miscellaneous revenues:				
Interest earned on assessments	4,984	--	4,984	4,984
Lease of old pistol range land	32,500	292,500	325,000	325,000
Special assessments	31,332	--	31,332	31,332
Contributions from private business	700,937	218,571	919,508	656,031
Contributions from government agencies	24,137	--	24,137	12,637
Donations	278,360	--	278,360	278,360
Total miscellaneous revenues	<u>1,072,250</u>	<u>511,071</u>	<u>1,583,321</u>	<u>1,308,344</u>
Total revenues	<u>136,382,321</u>	<u>25,663,001</u>	<u>162,045,322</u>	<u>175,753,586</u>
EXPENDITURES				
Land	12,722,460	998,541	13,721,001	23,341,380
Buildings	68,677,825	6,116,461	74,794,286	93,892,909
Improvements (other than buildings)	94,195,092	14,393,534	108,588,626	171,304,125
Equipment	6,334,251	5,322,230	11,656,481	17,947,648
Other	532,716	94,762	627,478	932,426
Total expenditures	<u>182,462,344</u>	<u>26,925,528</u>	<u>209,387,872</u>	<u>307,418,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,080,023)</u>	<u>(1,262,527)</u>	<u>(47,342,550)</u>	<u>(131,664,902)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	98,919,552	20,733,568	119,653,120	119,653,120
Transfers out	(30,979,197)	(3,518,824)	(34,498,021)	(51,467,980)
Bonds issued	60,338,517	--	60,338,517	60,338,517
Increase in long term lease	4,763,584	--	4,763,584	4,763,584
Total other financing sources and uses	<u>133,042,456</u>	<u>17,214,744</u>	<u>150,257,200</u>	<u>133,287,241</u>
Net change in fund balances	<u>\$ 86,962,433</u>	<u>15,952,217</u>	<u>\$ 102,914,650</u>	<u>\$ 1,622,339</u>
Fund balances, January 1		<u>86,962,433</u>		
Fund balances, December 31		<u>\$ 102,914,650</u>		

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY CONSTABLE COURT COSTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 4

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 26,100	\$ 26,590	\$ 26,030	\$ (560)
Charges for services:				
Judiciary court costs	470,000	359,126	359,451	325
School security fees	--	23,000	20,904	(2,096)
Constable bench warrant fees	60,000	46,000	37,784	(8,216)
Miscellaneous	--	--	170	170
Total charges for services	<u>530,000</u>	<u>428,126</u>	<u>418,309</u>	<u>(9,817)</u>
Fines and forfeits:				
City court forfeitures	--	--	10,772	10,772
Investment earnings				
	--	--	(395)	(395)
Total revenues	556,100	454,716	454,716	--
EXPENDITURES				
Current:				
General government:				
Judicial	556,100	587,989	587,989	--
Excess (deficiency) of revenues over (under) expenditures	--	(133,273)	(133,273)	--
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	--	133,273	133,273	--
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOSQUITO ABATEMENT AND RODENT CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 2,011,450	\$ 2,011,450	\$ 2,194,617	\$ 183,167
Intergovernmental revenue:				
State grants:				
Department of Military Affairs	--	277,594	277,594	--
Charges for services:				
Out of parish spraying	--	--	23,352	23,352
Investment earnings	70,000	70,000	43,284	(26,716)
Miscellaneous revenues:				
Other income	6,500	6,500	38,760	32,260
Total revenues	<u>2,087,950</u>	<u>2,365,544</u>	<u>2,577,607</u>	<u>212,063</u>
EXPENDITURES				
Current:				
Health and welfare:				
Operations	2,105,850	2,900,819	2,574,704	326,115
West Nile Virus expense recovery	--	277,594	277,594	--
Capital outlay	875,000	838,031	174,811	663,220
Total expenditures	<u>2,980,850</u>	<u>4,016,444</u>	<u>3,027,109</u>	<u>989,335</u>
Excess (deficiency) of revenues over (under) expenditures	(892,900)	(1,650,900)	(449,502)	1,201,398
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	6,000	6,000	--	(6,000)
Net change in fund balances	(886,900)	(1,644,900)	(449,502)	1,195,398
Fund balances, January 1	<u>3,224,624</u>	<u>3,224,624</u>	<u>3,224,624</u>	<u>--</u>
Fund balances, December 31	<u>\$ 2,337,724</u>	<u>\$ 1,579,724</u>	<u>\$ 2,775,122</u>	<u>\$ 1,195,398</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIBRARY BOARD OF CONTROL SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 18,922,220	\$ 18,922,220	\$ 20,637,102	\$ 1,714,882
Charges for services:				
Library - copy machine	92,000	92,000	86,754	(5,246)
Fines and forfeits:				
Fines	285,000	285,000	327,444	42,444
Investment earnings	825,000	825,000	750,810	(74,190)
Miscellaneous revenues:				
Donations	2,000	2,000	7,684	5,684
Other income	1,000	1,000	854	(146)
Total miscellaneous revenues	3,000	3,000	8,538	5,538
Total revenues	20,127,220	20,127,220	21,810,648	1,683,428
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	14,938,407	15,009,781	13,944,183	1,065,598
Capital outlay	400,730	317,502	266,981	50,521
Total expenditures	15,339,137	15,327,283	14,211,164	1,116,119
Excess (deficiency) of revenues over (under) expenditures	4,788,083	4,799,937	7,599,484	2,799,547
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Grants Fund	--	(11,854)	(11,854)	--
Capital Projects Fund	(4,550,000)	(4,550,000)	(4,550,000)	--
Total transfers out	(4,550,000)	(4,561,854)	(4,561,854)	--
Proceeds of capital asset disposition	--	--	1,129	1,129
Total other financing sources and uses	(4,550,000)	(4,561,854)	(4,560,725)	1,129
Net change in fund balances	238,083	238,083	3,038,759	2,800,676
Fund balances, January 1	28,079,363	28,079,363	28,079,363	--
Fund balances, December 31	\$ 28,317,446	\$ 28,317,446	\$ 31,118,122	\$ 2,800,676

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 322,480	\$ 322,480	\$ 338,519	\$ 16,039
Investment earnings	--	--	(1,559)	(1,559)
Miscellaneous revenues:				
Donations	20,000	20,000	3,250	(16,750)
Total revenues	<u>342,480</u>	<u>342,480</u>	<u>340,210</u>	<u>(2,270)</u>
EXPENDITURES				
Current:				
Conservation and development:				
Operations	379,286	380,481	354,357	26,124
Capital outlay	3,418	5,323	5,323	--
Total expenditures	<u>382,704</u>	<u>385,804</u>	<u>359,680</u>	<u>26,124</u>
Excess (deficiency) of revenues over (under) expenditures	(40,224)	(43,324)	(19,470)	23,854
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	22,320	25,420	25,420	--
Net change in fund balances	(17,904)	(17,904)	5,950	23,854
Fund balances, January 1	<u>73,230</u>	<u>73,230</u>	<u>73,230</u>	--
Fund balances, December 31	<u>\$ 55,326</u>	<u>\$ 55,326</u>	<u>\$ 79,180</u>	<u>\$ 23,854</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GAMING ENFORCEMENT DIVISION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 3,600	\$ 3,600	\$ 3,600	\$ --
Charges for services:				
Gaming fees	115,000	76,652	76,160	(492)
Investment earnings	700	700	77	(623)
Total revenues	119,300	80,952	79,837	(1,115)
EXPENDITURES				
Current:				
General government:				
Operations	121,730	99,349	98,234	1,115
Excess (deficiency) of revenues over (under) expenditures	(2,430)	(18,397)	(18,397)	--
Fund balances, January 1	18,397	18,397	18,397	--
Fund balances, December 31	<u>\$ 15,967</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ANIMAL CONTROL CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits:				
Licenses	\$ 339,000	\$ 339,000	\$ 344,431	\$ 5,431
Charges for services:				
Shelter income	58,760	67,094	70,761	3,667
Outside sales	16,000	16,000	10,789	(5,211)
Spay and neuter animals	--	--	1,150	1,150
Veterinary services	26,250	26,250	25,294	(956)
Total charges for services	101,010	109,344	107,994	(1,350)
Investment earnings	1,200	1,200	1,081	(119)
Miscellaneous revenues:				
Contributions from government agencies	--	6,666	5,833	(833)
Donations	24,000	24,000	27,956	3,956
Other income	--	--	51	51
Total miscellaneous revenues	24,000	30,666	33,840	3,174
Total revenues	465,210	480,210	487,346	7,136
EXPENDITURES				
Current:				
Health and welfare:				
Operations	996,420	1,005,141	1,005,141	--
Capital outlay	22,860	29,139	18,525	10,614
Total expenditures	1,019,280	1,034,280	1,023,666	10,614
Excess (deficiency) of revenues over (under) expenditures	(554,070)	(554,070)	(536,320)	17,750
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	532,140	532,140	532,140	--
Proceeds of capital asset disposition	3,000	3,000	40	(2,960)
Total other financing sources	535,140	535,140	532,180	(2,960)
Net change in fund balances	(18,930)	(18,930)	(4,140)	14,790
Fund balances, January 1	29,331	29,331	29,331	--
Fund balances, December 31	\$ 10,401	\$ 10,401	\$ 25,191	\$ 14,790

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 10

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits:				
Forfeited property	\$ 125,000	\$ 7,213	\$ 118,457	\$ 111,244
Investment earnings	--	500	1,018	518
Total revenues	<u>125,000</u>	<u>7,713</u>	<u>119,475</u>	<u>111,762</u>
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	125,000	64,550	61,631	2,919
Capital outlay	56,837	--	--	--
Total expenditures	<u>181,837</u>	<u>64,550</u>	<u>61,631</u>	<u>2,919</u>
Excess (deficiency) of revenues over (under) expenditures	(56,837)	(56,837)	57,844	114,681
Fund balances, January 1	<u>67,268</u>	<u>67,268</u>	<u>67,268</u>	--
Fund balances, December 31	<u>\$ 10,431</u>	<u>\$ 10,431</u>	<u>\$ 125,112</u>	<u>\$ 114,681</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EAST BATON ROUGE PARISH COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Enhanced 911	\$ 2,400,000	\$ 2,400,000	\$ 3,252,063	\$ 852,063
Investment earnings	--	--	34,792	34,792
Total revenues	<u>2,400,000</u>	<u>2,400,000</u>	<u>3,286,855</u>	<u>886,855</u>
EXPENDITURES				
Current:				
Public safety:				
Communications	2,460,430	2,460,430	2,268,097	192,333
Capital outlay	32,440	32,440	--	32,440
Total expenditures	<u>2,492,870</u>	<u>2,492,870</u>	<u>2,268,097</u>	<u>224,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,870)</u>	<u>(92,870)</u>	<u>1,018,758</u>	<u>1,111,628</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	430,580	430,580	395,951	(34,629)
Transfers out:				
Excess Revenue and Limited Tax Fund	(400,000)	(400,000)	(400,000)	--
Proceeds of capital asset disposition	--	--	75	75
Total other financing sources and uses	<u>30,580</u>	<u>30,580</u>	<u>(3,974)</u>	<u>(34,554)</u>
Net change in fund balances	<u>(62,290)</u>	<u>(62,290)</u>	<u>1,014,784</u>	<u>1,077,074</u>
Fund balances, January 1	<u>1,892,559</u>	<u>1,892,559</u>	<u>1,892,559</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,830,269</u>	<u>\$ 1,830,269</u>	<u>\$ 2,907,343</u>	<u>\$ 1,077,074</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 12

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 5,119,080	\$ 5,371,080	\$ 5,582,798	\$ 211,718
Charges for services:				
Emergency transport charges	4,664,000	4,664,000	5,525,231	861,231
Investment earnings	215,690	215,690	140,766	(74,924)
Miscellaneous revenues:				
Other income	16,220	16,220	81,472	65,252
Total revenues	<u>10,014,990</u>	<u>10,266,990</u>	<u>11,330,267</u>	<u>1,063,277</u>
EXPENDITURES				
Current:				
Public safety:				
Operations	9,172,972	9,385,558	9,014,357	371,201
Capital outlay	945,235	984,649	735,114	249,535
Total expenditures	<u>10,118,207</u>	<u>10,370,207</u>	<u>9,749,471</u>	<u>620,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(103,217)</u>	<u>(103,217)</u>	<u>1,580,796</u>	<u>1,684,013</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Capital Projects Fund	--	75,972	75,972	--
Transfers out:				
East Baton Rouge Parish Communications District	(430,580)	(430,580)	(395,951)	34,629
Proceeds of capital asset disposition	--	--	5,250	5,250
Total other financing sources and uses	<u>(430,580)</u>	<u>(354,608)</u>	<u>(314,729)</u>	<u>39,879</u>
Net change in fund balances	(533,797)	(457,825)	1,266,067	1,723,892
Fund balances, January 1	<u>9,474,169</u>	<u>9,474,169</u>	<u>9,474,169</u>	<u>--</u>
Fund balances, December 31	<u>\$ 8,940,372</u>	<u>\$ 9,016,344</u>	<u>\$ 10,740,236</u>	<u>\$ 1,723,892</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BATON ROUGE FIRE DEPARTMENT PAY ENHANCEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 13

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 6,541,470	\$ 6,541,470	\$ 6,875,384	\$ 333,914
Investment earnings	--	--	(53,151)	(53,151)
Total revenues	6,541,470	6,541,470	6,822,233	280,763
EXPENDITURES				
Current:				
Public safety:				
Operations	6,541,470	6,541,470	6,202,386	339,084
Excess (deficiency) of revenues over (under) expenditures	--	--	619,847	619,847
Fund balances, January 1	(87,297)	(87,297)	(87,297)	--
Fund balances, December 31	<u>\$ (87,297)</u>	<u>\$ (87,297)</u>	<u>\$ 532,550</u>	<u>\$ 619,847</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED ROAD LIGHTING DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 14

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 527,730	\$ 527,730	\$ 555,763	\$ 28,033
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	123,250	66,250	56,945	(9,305)
Investment earnings	90,000	55,000	52,368	(2,632)
Total revenues	740,980	648,980	665,076	16,096
EXPENDITURES				
Current:				
Transportation:				
Operations	1,040,980	1,040,980	478,253	562,727
Excess (deficiency) of revenues over (under) expenditures	(300,000)	(392,000)	186,823	578,823
Fund balances, January 1	2,779,269	2,779,269	2,779,269	--
Fund balances, December 31	<u>\$ 2,479,269</u>	<u>\$ 2,387,269</u>	<u>\$ 2,966,092</u>	<u>\$ 578,823</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 15

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
State road fund	\$ 2,590,000	\$ 2,590,000	\$ 2,769,638	\$ 179,638
Investment earnings	250,000	250,000	118,551	(131,449)
Total revenues	<u>2,840,000</u>	<u>2,840,000</u>	<u>2,888,189</u>	<u>48,189</u>
EXPENDITURES				
Current:				
Transportation:				
Operations	892,755	1,092,755	654,979	437,776
Capital outlay	6,425,909	6,800,909	4,100,736	2,700,173
Intergovernmental	947,230	947,230	947,230	--
Total expenditures	<u>8,265,894</u>	<u>8,840,894</u>	<u>5,702,945</u>	<u>3,137,949</u>
Excess (deficiency) of revenues over (under) expenditures	(5,425,894)	(6,000,894)	(2,814,756)	3,186,138
Fund balances, January 1	<u>7,437,831</u>	<u>7,437,831</u>	<u>7,437,831</u>	<u>--</u>
Fund balances, December 31	<u>\$ 2,011,937</u>	<u>\$ 1,436,937</u>	<u>\$ 4,623,075</u>	<u>\$ 3,186,138</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PARISH STREET MAINTENANCE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 16

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 6,009,700	\$ 12,363,250	\$ 12,738,869	\$ 375,619
Investment earnings	59,740	120,750	108,944	(11,806)
Total revenues	6,069,440	12,484,000	12,847,813	363,813
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	9,277,292	15,849,822	13,150,476	2,699,346
Excess (deficiency) of revenues over (under) expenditures	(3,207,852)	(3,365,822)	(302,663)	3,063,159
Fund balances, January 1	3,365,822	3,365,822	3,365,822	--
Fund balances, December 31	\$ 157,970	\$ --	\$ 3,063,159	\$ 3,063,159

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CONSOLIDATED GARBAGE SERVICE DISTRICT NO. 1 SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 17

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 3,772,410	\$ 3,772,410	\$ 4,206,263	\$ 433,853
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	761,570	761,570	770,053	8,483
Charges for services:				
Solid waste user fees	5,573,000	5,573,000	5,719,435	146,435
Investment earnings	425,000	425,000	201,415	(223,585)
Total revenues	10,531,980	10,531,980	10,897,166	365,186
EXPENDITURES				
Current:				
Sanitation:				
Operations	9,891,460	9,891,460	9,551,322	340,138
Excess (deficiency) of revenues over (under) expenditures	640,520	640,520	1,345,844	705,324
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	(1,077,030)	(1,077,030)	(1,077,030)	--
Net change in fund balances	(436,510)	(436,510)	268,814	705,324
Fund balances, January 1	11,946,749	11,946,749	11,946,749	--
Fund balances, December 31	<u>\$ 11,510,239</u>	<u>\$ 11,510,239</u>	<u>\$ 12,215,563</u>	<u>\$ 705,324</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 18

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Federal grants:				
Federal Emergency Management Agency	\$ 172,404	\$ 139,762	\$ --	\$ (139,762)
Department of Justice	1,845,283	1,845,283	540,698	(1,304,585)
Office of National Drug Control Policy	5,000	5,000	5,000	--
Department of Transportation	6,001	12,078	6,078	(6,000)
Department of Health and Human Services	8,427,057	9,504,972	8,400,933	(1,104,039)
Department of Housing and Urban Development	38,394,526	38,533,205	12,761,056	(25,772,149)
Environmental Protection Agency	190,805	190,805	77,627	(113,178)
State grants:				
Department of Health and Hospitals	51,073	49,009	49,009	--
Highway Safety Commission	131,578	131,578	66,790	(64,788)
Commission on Law Enforcement	764,511	773,033	488,954	(284,079)
Department of Military Affairs	4,950,979	4,969,234	1,968,751	(3,000,483)
Department of Public Safety and Corrections	113,824	113,824	113,824	--
Office of the Governor	1,583,055	1,583,055	42,107	(1,540,948)
Louisiana State Supreme Court	78,330	81,484	51,974	(29,510)
Department of Transportation and Development	510,713	344,032	69,286	(274,746)
Louisiana State Capital Outlay Bill	30,000	30,000	15,000	(15,000)
Louisiana Housing Finance Agency	1,962,847	2,461,593	1,567,206	(894,387)
Department of Culture, Recreation and Tourism	172,601	172,601	78,163	(94,438)
Department of Social Services	1,296,796	856,955	372,224	(484,731)
Department of Labor	14,119,747	13,802,948	6,111,522	(7,691,426)
Department of Agriculture	55,006	55,000	15,000	(40,000)
Department of Education	2,382,668	2,237,890	1,683,775	(554,115)
Other grants:				
Capital Region Planning Commission	51,840	51,840	36,831	(15,009)
Entergy	39,248	39,248	37,435	(1,813)
Pennington Foundation	200,000	200,000	200,000	--
Summerlee Foundation	5,000	5,000	2,793	(2,207)
State Farm Insurance Company	20,000	20,000	--	(20,000)
Arts Council of Greater Baton Rouge	18,519	18,519	10,069	(8,450)
Capital Area United Way	23,645	23,645	23,645	--
Total intergovernmental revenues	<u>77,603,056</u>	<u>78,251,593</u>	<u>34,795,750</u>	<u>(43,455,843)</u>
Investment earnings	--	3,601	61,677	58,076
Miscellaneous revenues:				
Program income (Housing and Urban Development)	650,000	709,767	709,767	--
Condemnations (Housing and Urban Development)	--	150	150	--
Headstart - in kind contributions	1,544,800	2,144,808	2,144,808	--
Other income	--	2,300	2,306	6
Total miscellaneous revenues	<u>2,194,800</u>	<u>2,857,025</u>	<u>2,857,031</u>	<u>6</u>
Total revenues	<u>79,797,856</u>	<u>81,112,219</u>	<u>37,714,458</u>	<u>(43,397,761)</u>
EXPENDITURES				
Current:				
General government:				
City Constable - Bulletproof Vest Grant	1,826	1,826	--	1,826
City Court Volunteers in the Court	44,108	42,727	42,727	--

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 18
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
General government (continued):				
City Constable - DARE	\$ 28,970	\$ 28,970	\$ 18,389	\$ 10,581
City Constable Electronic Equipment	971	970	970	--
Total general government	<u>75,875</u>	<u>74,493</u>	<u>62,086</u>	<u>12,407</u>
Public safety:				
Project Impact	16,607	--	--	--
Assistance to Firefighters	199,660	199,660	--	199,660
Community Policing Unit	580,130	1	--	1
Local Law Enforcement Block Grant	705,988	708,620	435,581	273,039
Drug-free Communities	196,078	197,078	85,107	111,971
Domestic Preparedness Equipment Program	194,400	235,500	136,546	98,954
Project Sentry	300,000	300,000	--	300,000
Project Safe Neighborhoods	150,000	150,000	5,077	144,923
Building dedication reimbursement	8,378	8,378	8,378	--
First Responder Training	6,001	6,001	--	6,001
Metropolitan Medical Response System	281,378	481,378	59,653	421,725
Ecstasy and Club Drug Infrastructure Development	344,800	344,800	29,131	315,669
High Intensity Drug Trafficking Area	5,000	5,000	5,000	--
Rural Development Grant	29,750	29,750	29,750	--
Governor's Safe and Drug-free Schools and Community	29,625	29,625	8,677	20,948
Truancy Assessment Project	113,808	113,808	113,808	--
Louisiana State Police Right-To-Know Grant	15	15	15	--
Terrorism Consequence Management Preparedness	24,216	42,470	42,470	--
Tropical Storm Allison	54,910	54,910	54,910	--
Tropical Storm Isidore	81,616	81,616	81,616	--
Hurricane Lili	444,608	444,608	441,112	3,496
Enhanced Hazardous Materials Grant	7,640	7,640	7,640	--
Hazardous Materials Emergency Preparedness Grant	5,566	5,566	5,566	--
Families In Need of Services	78,330	112,334	64,653	47,681
Drug Abuse Resistance Education	73,914	73,914	49,479	24,435
City Court Electronic Equipment Enhancement	971	971	971	--
Strategic Narcotics Area Patrol	611	--	--	--
Juvenile Accountability Incentive Block Grant	638,010	648,011	371,275	276,736
Integrated Criminal Apprehension Project	113,334	113,334	113,334	--
Reduce Underage Drinking	53,988	53,988	29,255	24,733
Operation Crossroads	79,478	79,478	37,850	41,628
Pennington Foundation Grants	150,000	150,000	150,000	--
Juvenile Underage Drinking Enforcement Grant	50,000	50,000	50,000	--
Non-grant funds:				
Multi-Jurisdictional Investigative Narcotics				
Task Force Program Income	148,563	156,872	--	156,872
Total public safety	<u>5,167,373</u>	<u>4,885,326</u>	<u>2,416,854</u>	<u>2,468,472</u>
Transportation:				
Capital City Inter-Modal Transportation Study	5,520	5,520	5,520	--
Street Name Sign Program	324,557	324,557	49,811	274,746
East Baton Rouge Flood Property Acquisition	176,974	176,974	6,871	170,103
Capital Region Planning Commission				
Transportation Planning Study	11,620	34,991	34,991	--
State Farm Intersection - Highland at Lee	20,000	20,000	--	20,000
Total transportation	<u>538,671</u>	<u>562,042</u>	<u>97,193</u>	<u>464,849</u>

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 18
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Health and welfare:				
Summer Food Program	\$ 1,024,745	\$ 879,966	\$ 879,966	\$ --
Emergency Medical Services-Prison Medical Services Disease Screening Grant	25,296	25,165	25,165	--
Mosquito Monitoring and Control - Ouachita Parish	34	(6)	(6)	--
Low Income Housing Energy Assistance Program	1,468,186	2,089,878	1,382,677	707,201
Temporary Assistance to Needy Families	38,512	38,512	18,712	19,800
Federal Emergency Management Agency Emergency Shelter	23,645	23,645	23,645	--
Summerlee Foundation Grant	5,000	5,000	4,317	683
Non-grant funds:				
Health Insurance	9,922	9,922	9,922	--
Weatherization Assistance Program	640	640	--	640
Low Income Housing Energy Assistance Program	90,027	81,315	19,885	61,430
Summer Food Program	5,780	5,780	--	5,780
Temporary Assistance to Needy Families	97,339	97,339	679	96,660
Total health and welfare	2,789,126	3,257,156	2,364,962	892,194
Culture and recreation:				
State Aid to Public Libraries	92,113	170,276	78,163	92,113
Early Childhood Collection Grant	2,325	2,325	--	2,325
Decentralized Arts Funding Grant	44,526	44,526	24,222	20,304
Total culture and recreation	138,964	217,127	102,385	114,742
Conservation and development:				
Environmental Protection Agency Brownsfield Pilot Program	159,343	159,343	51,783	107,560
Watershed Protection Roundtable Workshop	25,843	25,843	25,843	--
Section 8 Operating Reserve	125,427	125,427	--	125,427
Sharlo Terrace II	664,506	669,163	334,756	334,407
MOD I Section 8 Rehabilitation	47,280	47,280	--	47,280
MOD III Section 8 Rehabilitation	2,007	2,007	--	2,007
MOD IV Section 8 Rehabilitation	1,647,231	1,647,230	638,702	1,008,528
Section 8 Certificate Program	658,774	730,232	96,471	633,761
Section 8 Voucher Program	488,971	551,534	533,077	18,457
Downtown Parking Structure Feasibility Study	171,622	171,622	28,275	143,347
Headstart	7,662,835	8,452,100	8,410,269	41,831
Street Tree Inventory	6	--	--	--
Urban Forestry Educational Enhancement	35,000	35,000	15,000	20,000
Urban Forestry Management and Greenspace Plan	20,000	20,000	--	20,000
Headstart Food Program	1,328,970	1,328,970	774,856	554,114
Job Training Partnership Act:				
Title II-A Incentive Funds	53,194	53,194	53,194	--
Welfare to Work	1,015,887	633,985	633,985	--
Community Services Block Grant:				
Administration and Outreach	2,050,147	2,186,791	957,882	1,228,909
State Discretionary	6,550	6,550	--	6,550

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 18
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
McKinley High Renovations	\$ 1,500,000	\$ 1,500,000	\$ --	\$ 1,500,000
Louisiana Job Employment Training	691,104	506,268	209,460	296,808
Community Development Weatherization Assistance	248,935	(70)	(70)	--
Community Development Emergency Shelter Grants	350,757	350,757	162,834	187,923
Emergency Shelter Grants	5,365	5,365	--	5,365
Flood Mitigation Assistance Program - Commercial Floodproofing	24,000	24,000	--	24,000
East Baton Rouge Parish Elevation Project	225	225	(3,725)	3,950
Workforce Investment Act:				
Administration	883,517	899,181	265,814	633,367
Adult Program	2,475,650	2,505,651	1,205,464	1,300,187
Youth Program	2,892,448	2,972,025	1,154,358	1,817,667
Dislocated Workers Program	2,875,642	2,892,971	1,120,962	1,772,009
Tropical Storm Allison	1,543,654	1,543,654	550,667	992,987
Weatherization Assistance Program	344,811	221,865	54,479	167,386
Gulf States Emergency Management	39,248	39,248	37,435	1,813
Non-grant funds:				
Headstart Programs	31,361	31,361	--	31,361
Childhood Learning Centers Food Program	810	810	--	810
Rental Rehabilitation Local Funds	367,917	410,673	--	410,673
Head Start - In Kind Services	1,544,800	2,144,808	2,144,808	--
Louisiana Job Employment Training	94,868	94,868	3,310	91,558
Downtown Visitors Amenity Plan	60,000	60,000	30,000	30,000
Urban/Economic Development Program:				
Program Administration	19,845	19,845	--	19,845
Contingencies	25,849	26,364	--	26,364
Community Development Block Grant:				
Public Improvements, Facilities	1,641,577	290,815	194,721	96,094
Demolition and Clearance	371,060	346,060	179,344	166,716
Public Services	2,410,027	2,426,527	411,290	2,015,237
Relocation Assistance	35,000	35,000	--	35,000
Housing Rehabilitation	7,974,691	8,219,139	3,928,484	4,290,655
Economic Development	200,000	200,000	31,709	168,291
Planning	10,000	10,000	--	10,000
Program Administration	3,124,143	2,917,690	1,620,476	1,297,214
Contingencies	777,839	240,599	--	240,599
Community Development Home Program:				
Construction of Housing	56,488	56,488	--	56,488
Direct Home Ownership Assistance	5,833,968	5,749,018	1,543,964	4,205,054
Housing Rehabilitation	1,082,876	856,576	3,997	852,579
Program Administration	1,272,125	1,336,617	423,381	913,236
Community Housing Development Organization	2,077,699	2,388,949	757,904	1,631,045
Continuum of Care - Supportive Housing Program:				
Public Services	3,509,236	3,509,236	1,142,068	2,367,168
Program Administration	198,021	198,021	50,265	147,756
Housing Opportunities for Persons with AIDS Program:				
Public Services	805,112	805,112	579,328	225,784
Program Administration	33,942	33,942	33,942	--
Total conservation and development	<u>63,598,203</u>	<u>62,715,929</u>	<u>30,390,762</u>	<u>32,325,167</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 18
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Capital outlay	9,600,730	11,332,370	4,248,094	7,084,276
Total expenditures	81,908,942	83,044,443	39,682,336	43,362,107
Excess (deficiency) of revenues over (under) expenditures	(2,111,086)	(1,932,224)	(1,967,878)	(35,654)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	175,720	35,514	35,514	--
Library Board of Control Fund	11,854	11,854	11,854	--
Total transfers in	187,574	47,368	47,368	--
Transfers out:				
Capital Projects Fund	(412,722)	(412,722)	(412,722)	--
Proceeds of capital asset disposition	--	400	400	--
Total other financing sources and uses	(225,148)	(364,954)	(364,954)	--
Net change in fund balances	(2,336,234)	(2,297,178)	(2,332,832)	(35,654)
Fund balances, January 1	2,423,127	2,423,127	2,423,127	--
Fund balances, December 31	<u>\$ 86,893</u>	<u>\$ 125,949</u>	<u>\$ 90,295</u>	<u>\$ (35,654)</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CITY SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 19

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 14,680,010	\$ 14,680,010	\$ 14,648,079	\$ (31,931)
Investment earnings	665,160	665,160	577,160	(88,000)
Total revenues	<u>15,345,170</u>	<u>15,345,170</u>	<u>15,225,239</u>	<u>(119,931)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	8,565,000	8,565,000	8,565,000	--
Interest and fiscal charges:				
Bond interest	6,670,030	6,670,030	6,557,601	112,429
Paying agent fees	7,000	7,000	2,410	4,590
Total interest and fiscal charges	<u>6,677,030</u>	<u>6,677,030</u>	<u>6,560,011</u>	<u>117,019</u>
Total expenditures	<u>15,242,030</u>	<u>15,242,030</u>	<u>15,125,011</u>	<u>117,019</u>
Excess (deficiency) of revenues over (under) expenditures	103,140	103,140	100,228	(2,912)
Fund balances, January 1	<u>22,071,954</u>	<u>22,071,954</u>	<u>22,071,954</u>	<u>--</u>
Fund balances, December 31	<u>\$ 22,175,094</u>	<u>\$ 22,175,094</u>	<u>\$ 22,172,182</u>	<u>\$ (2,912)</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PARISH SALES TAX BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 20

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	\$ 606,400	\$ 416,400	\$ 415,693	\$ (707)
Investment earnings	<u>27,710</u>	<u>27,710</u>	<u>20,987</u>	<u>(6,723)</u>
Total revenues	<u>634,110</u>	<u>444,110</u>	<u>436,680</u>	<u>(7,430)</u>
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	<u>470,000</u>	<u>470,000</u>	<u>470,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	156,940	156,940	156,932	8
Paying agent fees	1,000	1,000	20	980
Total interest and fiscal charges	<u>157,940</u>	<u>157,940</u>	<u>156,952</u>	<u>988</u>
Total expenditures	<u>627,940</u>	<u>627,940</u>	<u>626,952</u>	<u>988</u>
Excess (deficiency) of revenues over (under) expenditures	6,170	(183,830)	(190,272)	(6,442)
Fund balances, January 1	<u>917,656</u>	<u>917,656</u>	<u>917,656</u>	<u>--</u>
Fund balances, December 31	<u>\$ 923,826</u>	<u>\$ 733,826</u>	<u>\$ 727,384</u>	<u>\$ (6,442)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE AND LOCAL GOVERNMENT SECURITIES DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 21

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 190,940	\$ 190,940	\$ 190,941	\$ 1
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	(982,820)	(982,820)	(982,741)	79
Net change in fund balances	(791,880)	(791,880)	(791,800)	80
Fund balances, January 1	4,958,970	4,958,970	4,958,970	--
Fund balances, December 31	<u>\$ 4,167,090</u>	<u>\$ 4,167,090</u>	<u>\$ 4,167,170</u>	<u>\$ 80</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAXABLE REFUNDING BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT C - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ --	\$ --	\$ 3,958	\$ 3,958
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	1,097,344	1,097,344	299,764	797,580
Interest and fiscal charges:				
Bond interest	2,068,683	2,068,683	1,763,460	305,223
Paying agent fees	106,500	106,500	45,864	60,636
Total interest and fiscal charges	2,175,183	2,175,183	1,809,324	365,859
Bond issuance costs	2,052,790	2,052,790	1,926,879	125,911
Total expenditures	5,325,317	5,325,317	4,035,967	1,289,350
Excess (deficiency) of revenues over (under) expenditures	(5,325,317)	(5,325,317)	(4,032,009)	1,293,308
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	3,019,028	3,019,028	3,019,028	--
Refunding bonds issued	73,800,000	73,800,000	73,450,000	(350,000)
Current refunding of debt	(71,493,711)	(71,493,711)	(71,482,907)	10,804
Total other financing sources and uses	5,325,317	5,325,317	4,986,121	(339,196)
Net change in fund balances	--	--	954,112	954,112
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ 954,112	\$ 954,112

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT C - 23

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	\$ 1,510,370	\$ 1,526,617	\$ 1,578,611	\$ (51,994)
Interest and fiscal charges:				
Bond interest	4,968,860	2,583,585	2,500,786	82,799
Total expenditures	6,479,230	4,110,202	4,079,397	30,805
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	6,079,230	3,270,202	3,239,397	(30,805)
East Baton Rouge Parish				
Communications District	400,000	400,000	400,000	--
Capital Projects Fund	--	440,000	440,000	--
Total other financing sources	6,479,230	4,110,202	4,079,397	(30,805)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Riverside Centroplex Fund accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

Greater Baton Rouge Parking Authority accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2002

EXHIBIT D - 1

	Riverside Centroplex	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 538,041	\$ 601,361	\$ 4,589,513	\$ 5,728,915
Investments	--	--	11,236,395	11,236,395
Accounts receivable - net	609,233	8,007	1,041,895	1,659,135
Accrued interest receivable	--	181	30,013	30,194
Prepaid items	61,578	--	--	61,578
Total current assets	<u>1,208,852</u>	<u>609,549</u>	<u>16,897,816</u>	<u>18,716,217</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	999,221	--	--	999,221
Investments	2,446,367	--	--	2,446,367
Accrued interest receivable	7,262	--	--	7,262
Due from other governments	1,275,366	--	--	1,275,366
Total restricted assets	<u>4,728,216</u>	<u>--</u>	<u>--</u>	<u>4,728,216</u>
Capital assets:				
Land	1,024,914	808,586	7,086,007	8,919,507
Buildings	32,313,188	9,979,462	--	42,292,650
Improvements (other than buildings)	--	17,375	25,609,432	25,626,807
Equipment	1,183,586	154,881	242,270	1,580,737
Construction work in progress	8,122,990	--	--	8,122,990
Total capital assets	<u>42,644,678</u>	<u>10,960,304</u>	<u>32,937,709</u>	<u>86,542,691</u>
Accumulated depreciation	<u>(21,509,775)</u>	<u>(8,999,924)</u>	<u>(8,715,447)</u>	<u>(39,225,146)</u>
Net capital assets	<u>21,134,903</u>	<u>1,960,380</u>	<u>24,222,262</u>	<u>47,317,545</u>
Total assets	<u>27,071,971</u>	<u>2,569,929</u>	<u>41,120,078</u>	<u>70,761,978</u>

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2002

EXHIBIT D - 1
(Continued)

	Riverside Centroplex	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	\$ 2,048,432	\$ 9,273	\$ 849,626	\$ 2,907,331
Due to other funds	--	309	--	309
Due to other governments	--	8,532	--	8,532
Accrued salaries payable	32,444	9,765	19,270	61,479
Accrued expenses payable	49,872	--	--	49,872
Accrued interest payable	115	18,049	--	18,164
Deferred revenue	488,961	--	11,236	500,197
Compensated absences payable	44,031	17,737	13,943	75,711
Revenue bonds payable	--	560,000	--	560,000
Total current liabilities	2,663,855	623,665	894,075	4,181,595
Noncurrent liabilities:				
Landfill closure and postclosure care liability	--	--	9,859,860	9,859,860
Net pension obligation	--	32,646	86,464	119,110
Total long-term liabilities	--	32,646	9,946,324	9,978,970
Total liabilities	2,663,855	656,311	10,840,399	14,160,565
NET ASSETS				
Invested in capital assets, net of related debt	21,134,903	1,400,380	24,222,262	46,757,545
Restricted for capital projects	2,995,450	--	--	2,995,450
Restricted for debt service	--	583,693	--	583,693
Unrestricted	277,763	(70,455)	6,057,417	6,264,725
Total net assets	\$ 24,408,116	\$ 1,913,618	\$ 30,279,679	\$ 56,601,413

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT D - 2

	Riverside Centroplex	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,342,222	\$ 616,119	\$ 9,882,813	\$ 11,841,154
Miscellaneous revenues	69,883	507	10,095	80,485
Total operating revenues	<u>1,412,105</u>	<u>616,626</u>	<u>9,892,908</u>	<u>11,921,639</u>
OPERATING EXPENSES				
Personal services	811,915	209,073	429,507	1,450,495
Employee benefits	208,702	71,456	115,881	396,039
Supplies	111,001	7,332	60,527	178,860
Contractual services	944,193	66,196	8,445,352	9,455,741
Landfill closure and postclosure care expense	--	--	2,481,062	2,481,062
Depreciation	1,054,175	402,347	1,063,480	2,520,002
Management fee	200,000	--	--	200,000
Total operating expenses	<u>3,329,986</u>	<u>756,404</u>	<u>12,595,809</u>	<u>16,682,199</u>
Operating income (loss)	<u>(1,917,881)</u>	<u>(139,778)</u>	<u>(2,702,901)</u>	<u>(4,760,560)</u>
NONOPERATING REVENUES (EXPENSES)				
Operating grants	15,662	--	--	15,662
Investment earnings	72,109	6,758	299,114	377,981
Interest expense	--	(61,030)	--	(61,030)
Gain (loss) on disposition of capital assets	940	--	--	940
Total nonoperating revenues (expenses)	<u>88,711</u>	<u>(54,272)</u>	<u>299,114</u>	<u>333,553</u>
Income (loss) before contributions and transfers	<u>(1,829,170)</u>	<u>(194,050)</u>	<u>(2,403,787)</u>	<u>(4,427,007)</u>
Capital contributions	2,871,425	--	--	2,871,425
Transfers in	2,928,485	373,730	452,471	3,754,686
Change in net assets	3,970,740	179,680	(1,951,316)	2,199,104
Total net assets - January 1	<u>20,437,376</u>	<u>1,733,938</u>	<u>32,230,995</u>	<u>54,402,309</u>
Total net assets - December 31	<u>\$ 24,408,116</u>	<u>\$ 1,913,618</u>	<u>\$ 30,279,679</u>	<u>\$ 56,601,413</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT D - 3

	Riverside Centroplex	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,505,831	\$ 609,868	\$ 10,097,425	\$ 12,213,124
Cash payments to suppliers for goods and services	(1,197,919)	(71,106)	(8,401,312)	(9,670,337)
Cash payments to employees for services and benefits	(1,023,948)	(265,066)	(522,155)	(1,811,169)
Net cash provided by (used for) operating activities	<u>(716,036)</u>	<u>273,696</u>	<u>1,173,958</u>	<u>731,618</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating grants received	15,662	--	--	15,662
Transfers in from other funds	595,000	373,730	--	968,730
Interest paid on short-term interfund loans	--	(6,680)	--	(6,680)
Loans from other funds	--	309	--	309
Repayment of loans from other funds	--	(483,165)	--	(483,165)
Net cash provided by (used for) noncapital financing activities	<u>610,662</u>	<u>(115,806)</u>	<u>--</u>	<u>494,856</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash received from occupancy taxes	51,173	--	--	51,173
Proceeds from sale of capital assets	940	--	--	940
Acquisition and construction of capital assets	(2,515,738)	--	--	(2,515,738)
Principal paid on bonds, obligations and capital leases	--	(525,000)	--	(525,000)
Interest paid on bonds, obligations and capital leases	--	(73,530)	--	(73,530)
Capital contributed by other governments	1,811,981	--	--	1,811,981
Net cash provided by (used for) capital and related financing activities	<u>(651,644)</u>	<u>(598,530)</u>	<u>--</u>	<u>(1,250,174)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investments	(2,446,367)	--	(11,236,395)	(13,682,762)
Proceeds from sales and maturities of investments	1,206,520	--	4,303,756	5,510,276
Interest received on investments	76,304	8,703	306,098	391,105
Net cash provided by (used for) investing activities	<u>(1,163,543)</u>	<u>8,703</u>	<u>(6,626,541)</u>	<u>(7,781,381)</u>
Net increase (decrease) in cash and cash equivalents	(1,920,561)	(431,937)	(5,452,583)	(7,805,081)
Cash and cash equivalents, January 1	<u>3,457,823</u>	<u>1,033,298</u>	<u>10,042,096</u>	<u>14,533,217</u>
Cash and cash equivalents, December 31	<u>\$ 1,537,262</u>	<u>\$ 601,361</u>	<u>\$ 4,589,513</u>	<u>\$ 6,728,136</u>
Classified as:				
Current assets	\$ 538,041	\$ 601,361	\$ 4,589,513	\$ 5,728,915
Restricted assets	999,221	--	--	999,221
Totals	<u>\$ 1,537,262</u>	<u>\$ 601,361</u>	<u>\$ 4,589,513</u>	<u>\$ 6,728,136</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT D - 3
(Continued)

	Riverside Centroplex	Greater Baton Rouge Parking Authority	Solid Waste Disposal Facility	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (1,917,881)	\$ (139,778)	\$ (2,702,901)	\$ (4,760,560)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,054,175	402,347	1,063,480	2,520,002
Landfill closure and postclosure care expense	--	--	2,481,062	2,481,062
Increase (decrease) in compensated absences payable	8,610	3,225	412	12,247
Increase (decrease) in net pension obligation	--	10,956	21,314	32,270
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(66,251)	(5,187)	193,281	121,843
Decrease (increase) in prepaid items	(41,956)	--	--	(41,956)
Increase (decrease) in accounts and contracts payable	99,231	2,695	104,567	206,493
Increase (decrease) in due to other governments	--	(1,844)	--	(1,844)
Increase (decrease) in accrued salaries payable	(11,941)	1,282	1,507	(9,152)
Increase (decrease) in deferred revenue	159,977	--	11,236	171,213
Total adjustments	1,201,845	413,474	3,876,859	5,492,178
Net cash provided by (used for) operating activities	\$ (716,036)	\$ 273,696	\$ 1,173,958	\$ 731,618
Non cash investing, capital, and financing activities:				
Gain in fair value of investments	\$ 7,262	\$ 181	\$ 30,013	\$ 37,456
Capital assets contributed from other funds	2,333,485	--	452,471	2,785,956

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

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

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2002

EXHIBIT E - 1

	Fleet Rental and Replace- ment Fund	Central Garage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,825,109	\$ 706,085	\$ 2,531,194
Investments	4,468,370	1,728,692	6,197,062
Accrued interest receivable	11,819	4,085	15,904
Due from other governments	--	2,149	2,149
Inventory	--	167,670	167,670
Total current assets	6,305,298	2,608,681	8,913,979
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	18,886,736	184,054	19,070,790
Equipment under capital leases	654,045	--	654,045
Total capital assets	19,540,781	2,452,610	21,993,391
Accumulated depreciation	(15,272,333)	(1,481,752)	(16,754,085)
Net capital assets	4,268,448	970,858	5,239,306
Total assets	10,573,746	3,579,539	14,153,285
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	92,964	357,552	450,516
Accrued salaries payable	--	59,795	59,795
Compensated absences payable	--	146,797	146,797
Obligation under capital leases	119,739	--	119,739
Total current liabilities	212,703	564,144	776,847
Long-term liabilities:			
Net pension obligation	--	203,442	203,442
Total liabilities	212,703	767,586	980,289
NET ASSETS			
Invested in capital assets, net of related debt	4,148,709	970,858	5,119,567
Unrestricted	6,212,334	1,841,095	8,053,429
Total net assets	\$ 10,361,043	\$ 2,811,953	\$ 13,172,996

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT E - 2

	Fleet Rental and Replace- ment Fund	Central Garage	Total
Operating revenues:			
Charges for services:			
Billings to departments	\$ 4,329,542	\$ 6,720,229	\$ 11,049,771
Operating expenses:			
Personal services	--	1,255,626	1,255,626
Employee benefits	--	420,601	420,601
Supplies	40,353	124,940	165,293
Contractual services	2,047,285	737,339	2,784,624
Cost of materials	--	4,190,338	4,190,338
Depreciation	2,727,767	76,600	2,804,367
Total operating expenses	4,815,405	6,805,444	11,620,849
Operating income (loss)	(485,863)	(85,215)	(571,078)
Non-operating revenues (expenses):			
Investment earnings	122,347	39,611	161,958
Interest expense	(44,444)	--	(44,444)
Gain (loss) on disposition of capital assets	213,056	1,348	214,404
Total non-operating revenues (expenses)	290,959	40,959	331,918
Net income (loss)	(194,904)	(44,256)	(239,160)
Total net assets - January 1	10,555,947	2,856,209	13,412,156
Total net assets - December 31	\$ 10,361,043	\$ 2,811,953	\$ 13,172,996

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT E - 3

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers	\$ 4,329,542	\$ 6,720,229	\$ 11,049,771
Cash payments to suppliers for goods and services	(1,997,180)	(4,862,499)	(6,859,679)
Cash payments to employees for services and benefits	--	(1,584,779)	(1,584,779)
Net cash provided by (used for) operating activities	<u>2,332,362</u>	<u>272,951</u>	<u>2,605,313</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	194,245	1,348	195,593
Acquisition and construction of capital assets	(1,661,987)	--	(1,661,987)
Principal paid on bonds and capital leases	(1,083,412)	--	(1,083,412)
Interest paid on bonds and capital leases	(44,444)	--	(44,444)
Net cash provided by (used for) capital and related financing activities	<u>(2,595,598)</u>	<u>1,348</u>	<u>(2,594,250)</u>
Cash Flows From Investing Activities:			
Purchase of Investments	(4,468,370)	(1,728,692)	(6,197,062)
Interest received on investments	126,738	40,338	167,076
Net cash provided by (used for) investing activities	<u>(4,341,632)</u>	<u>(1,688,354)</u>	<u>(6,029,986)</u>
Net increase (decrease) in cash and cash equivalents	(4,604,868)	(1,414,055)	(6,018,923)
Cash and cash equivalents, January 1	<u>6,429,977</u>	<u>2,120,140</u>	<u>8,550,117</u>
Cash and cash equivalents, December 31	<u>\$ 1,825,109</u>	<u>\$ 706,085</u>	<u>\$ 2,531,194</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (485,863)	\$ (85,215)	\$ (571,078)
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,727,767	76,600	2,804,367
Increase (decrease) in compensated absences payable	--	25,286	25,286
Increase (decrease) in net pension obligation	--	57,878	57,878
Change in assets and liabilities:			
Decrease (increase) in inventory	--	10,046	10,046
Increase (decrease) in accounts and contracts payable	90,458	180,072	270,530
Increase (decrease) in accrued salaries payable	--	8,284	8,284
Total adjustments	<u>2,818,225</u>	<u>358,166</u>	<u>3,176,391</u>
Net cash provided by (used for) operating activities	<u>\$ 2,332,362</u>	<u>\$ 272,951</u>	<u>\$ 2,605,313</u>
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	\$ 11,819	\$ 4,085	\$ 15,904
Gain on disposal of capital assets	18,811	--	18,811

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS

Pension Trust Funds

City-Parish Employees Retirement System (CPERS) Regular Pension Trust Fund

accounts for a multiple-employer defined benefit pension system established for employees of the City-Parish government, some of the government's discretely presented component agencies and related organizations.

CPERS Police Guarantee Trust Fund

accounts for a single-employer special trust set up by CPERS to administer certain benefits to police employees who transferred to the State Municipal Police Employees Retirement System (MPERS) in 2000. This fund covers benefits that were included in the CPERS system that are not covered by the MPERS system.

Capital Transportation Corporation Pension Trust Fund

accounts for a defined-benefit single-employer pension plan that covers the employees of Capital Transportation Corporation, a discrete component unit of the City of Baton Rouge-Parish of East Baton Rouge, Louisiana.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2002

EXHIBIT F - 1

	<u>CPERS Regular Retirement System</u>	<u>CPERS Police Guarantee Trust</u>	<u>Capital Transportation Corporation Pension Fund</u>	<u>Total Pension Trust Funds</u>
ASSETS				
Cash and cash equivalents	\$ 918,117	\$ 70,535	\$ --	\$ 988,652
Receivables:				
Employee contributions	1,004,874	3,796	22,189	1,030,859
Employer contributions	711,521	3,156	--	714,677
Interest and dividends	1,388,609	22	20,095	1,408,726
Pending trades	2,855,001	2,960	--	2,857,961
Other contributions	418,057	62,486	--	480,543
Total receivables	<u>6,378,062</u>	<u>72,420</u>	<u>42,284</u>	<u>6,492,766</u>
Investments, at fair value				
U.S. government obligations	52,120,972	--	--	52,120,972
Bonds - domestic	69,174,732	--	--	69,174,732
Bonds - enhanced index fund	131,069,027	7,639,489	--	138,708,516
Equity securities - domestic	307,106,500	10,232,468	--	317,338,968
Equity securities - international	105,707,438	3,421,335	--	109,128,773
Mutual funds	--	--	4,118,450	4,118,450
Repurchase agreements	26,450,000	700,000	--	27,150,000
Total investments	<u>691,628,669</u>	<u>21,993,292</u>	<u>4,118,450</u>	<u>717,740,411</u>
Capital assets:				
Land	550,628	--	--	550,628
Buildings	697,496	--	--	697,496
Equipment	153,359	--	--	153,359
Accumulated depreciation	(614,084)	--	--	(614,084)
Total capital assets	<u>787,399</u>	<u>--</u>	<u>--</u>	<u>787,399</u>
 Total assets	 <u>699,712,247</u>	 <u>22,136,247</u>	 <u>4,160,734</u>	 <u>726,009,228</u>
LIABILITIES				
Accrued expenses and benefits payable	546,829	131,325	--	678,154
Pending trades payable	15,047,156	--	--	15,047,156
 Total liabilities	 <u>15,593,985</u>	 <u>131,325</u>	 <u>--</u>	 <u>15,725,310</u>
NET ASSETS				
Held in trust for pension benefits (See Exhibit B-1)	<u>\$ 684,118,262</u>	<u>\$ 22,004,922</u>	<u>\$ 4,160,734</u>	<u>\$ 710,283,918</u>

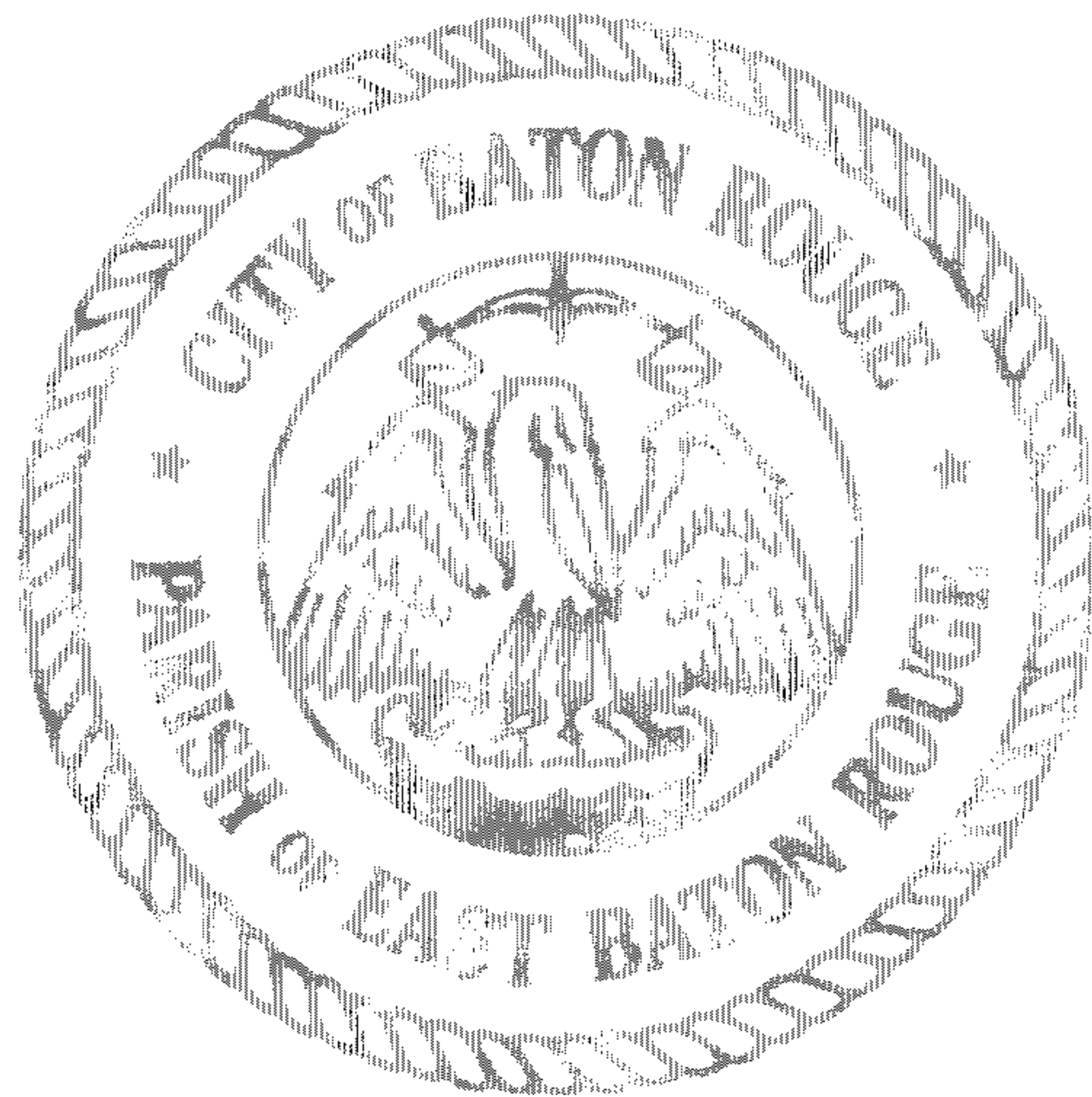
The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT F - 2

	CPERS Regular Retirement System	CPERS Police Guarantee Trust	Capital Transportation Corporation Pension Fund	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employee	\$ 8,520,690	\$ 43,427	\$ 298,633	\$ 8,862,750
Employer	12,053,689	55,955	333,469	12,443,113
Severance contributions from employee	703,276	--	--	703,276
Total contributions	<u>21,277,655</u>	<u>99,382</u>	<u>632,102</u>	<u>22,009,139</u>
Investment income:				
Net depreciation in fair value of investments	(71,317,665)	(1,768,728)	(535,283)	(73,621,676)
Interest	8,307,516	5,405	--	8,312,921
Dividends	1,800,067	--	119,148	1,919,215
Total investment income (loss)	<u>(61,210,082)</u>	<u>(1,763,323)</u>	<u>(416,135)</u>	<u>(63,389,540)</u>
Less: investment expense	<u>1,529,027</u>	<u>57,149</u>	<u>50</u>	<u>1,586,226</u>
Net investment income (loss)	<u>(62,739,109)</u>	<u>(1,820,472)</u>	<u>(416,185)</u>	<u>(64,975,766)</u>
Total additions	<u>(41,461,454)</u>	<u>(1,721,090)</u>	<u>215,917</u>	<u>(42,966,627)</u>
DEDUCTIONS				
Benefit payments	45,286,042	531,005	157,212	45,974,259
Refunds and withdrawals	1,670,141	600	112,424	1,783,165
Administrative expenses	817,319	258,758	30,353	1,106,430
Total deductions	<u>47,773,502</u>	<u>790,363</u>	<u>299,989</u>	<u>48,863,854</u>
Change in net assets	<u>(89,234,956)</u>	<u>(2,511,453)</u>	<u>(84,072)</u>	<u>(91,830,481)</u>
Net assets - beginning of year	<u>773,353,218</u>	<u>24,516,375</u>	<u>4,244,806</u>	<u>802,114,399</u>
Net assets - end of year	<u>\$ 684,118,262</u>	<u>\$ 22,004,922</u>	<u>\$ 4,160,734</u>	<u>\$ 710,283,918</u>

The accompanying notes are an integral part of this statement.



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

(Excludes Internal Service Funds)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUND
COMPARATIVE SCHEDULES BY SOURCE (1)
DECEMBER 31, 2002 AND 2001**

EXHIBIT G - 1

	2002	2001
Governmental funds capital assets:		
Land	\$ 70,630,607	\$ 68,272,156
Buildings	173,590,362	159,896,937
Improvements (other than buildings) and infrastructure	287,328,478	259,235,237
Equipment	50,981,883	45,992,426
Equipment under capital leases	84,975	385,339
Construction work in progress	17,779,101	30,357,167
Total governmental funds capital assets	\$ 600,395,406	\$ 564,139,262
Investments in governmental funds capital assets by source:		
Investment in property acquired prior to 1960	\$ 3,601,707	\$ 3,601,707
Investment in property acquired after 1960:		
Capital Projects Funds:		
General Obligation Bonds	55,683,037	55,683,037
Excess Revenue Certificates of Indebtedness	47,809,383	47,809,383
Revenue Bonds	12,037,992	11,569,207
Limited Tax Certificates of Indebtedness	6,150,000	6,150,000
Special Assessment Certificates of Indebtedness	17,217,911	17,217,911
Federal grants	33,640,673	33,640,673
State grants	22,171,295	20,378,160
City grants	37,825,582	34,851,038
Parish grants	18,221,812	17,034,548
Property taxes	16,400,026	16,428,026
Library Board of Control Special Revenue Fund	25,451,395	23,569,681
Dedicated sales tax	46,776,483	39,772,491
Other sources	39,729,197	32,863,488
General Fund revenues	57,922,406	54,708,309
Special Revenue Funds revenues	139,931,962	133,073,932
Gifts	957,633	956,616
Donated infrastructure	9,584,217	5,548,362
Capital Transportation Corporation	8,540,700	8,540,698
Trust and Agency Funds	673,447	673,447
Eminent domain	68,548	68,548
Total governmental funds capital assets	\$ 600,395,406	\$ 564,139,262

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

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (1)
DECEMBER 31, 2002

EXHIBIT G - 2

	Land	Buildings	Improvements (Other Than Buildings) and Infrastructure	Equipment	Totals	
					December 31, 2002	December 31, 2001
Function and Activity						
General government:						
Legislative	\$ --	\$ --	\$ --	\$ 331,757	\$ 331,757	\$ 311,382
Executive	--	167,938	2,207	263,255	433,400	517,124
Judicial	1,680	17,497,401	2,704	1,217,609	18,719,394	18,764,128
Elections	--	--	--	105,455	105,455	80,786
Finance	--	--	--	617,124	617,124	607,465
Personnel	--	739,000	--	113,088	852,088	870,619
Law	115,670	108,858	--	535,849	760,377	694,639
Administration office and boards	511,406	1,141,247	174,982	3,031,982	4,859,617	4,698,781
General government buildings	8,689,763	28,636,044	26,435	--	37,352,242	37,352,242
Total general government	9,318,519	48,290,488	206,328	6,216,119	64,031,454	63,897,166
Public safety:						
Police	809,549	3,513,455	179,927	20,854,987	25,357,918	22,539,545
Fire	1,037,835	8,096,816	29,685	10,137,361	19,301,697	18,716,621
Emergency Medical Services	75,307	2,027,717	43,144	3,392,513	5,538,681	5,550,717
Correctional institution	--	32,847,528	738,903	603,199	34,189,630	34,156,298
Other	625,149	14,570,010	998,278	3,084,664	19,278,101	18,435,792
Total public safety	2,547,840	61,055,526	1,989,937	38,072,724	103,666,027	99,398,973
Transportation	53,545,113	9,219,548	272,978,266	112,058	335,854,985	305,790,265
Sanitation	--	--	--	34,478	34,478	34,478
Health and welfare	2,400	4,928,638	26,238	1,714,318	6,671,594	6,428,872
Culture and recreation	3,058,292	38,929,488	4,255,076	3,133,052	49,375,908	35,615,050
Conservation and development	1,913,007	11,166,674	4,986,870	1,699,134	19,765,685	19,100,753
Miscellaneous	245,436	--	2,885,763	--	3,131,199	3,131,199
Total governmental funds capital assets allocated to functions	\$ 70,630,607	\$ 173,590,362	\$ 287,328,478	\$ 50,981,883	\$ 582,531,330	\$ 533,396,756
Equipment under capital leases					84,975	385,339
Construction work in progress					17,779,101	30,357,167
Total governmental funds capital assets					\$ 600,395,406	\$ 564,139,262

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

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY (1)
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT G - 3

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Governmental Funds Capital Assets December 31, 2002</u>
General government:					
Legislative	\$ 311,382	\$ 20,375	\$ --	\$ --	\$ 331,757
Executive	517,124	39,052	122,776	--	433,400
Judicial	18,764,128	15,564	60,298	--	18,719,394
Elections	80,786	24,669	--	--	105,455
Finance	607,465	30,792	21,133	--	617,124
Personnel	870,619	5,131	23,662	--	852,088
Law	694,639	23,200	12,418	(54,956)	760,377
Administration office and boards	4,698,781	187,157	26,321	--	4,859,617
General government buildings	37,352,242	--	--	--	37,352,242
Total general government	<u>63,897,166</u>	<u>345,940</u>	<u>266,608</u>	<u>(54,956)</u>	<u>64,031,454</u>
Public safety:					
Police	22,539,545	3,950,690	1,132,317	--	25,357,918
Fire	18,716,621	596,940	11,864	--	19,301,697
Emergency Medical Services	5,550,717	471,209	483,245	--	5,538,681
Correctional institution	34,156,298	90,906	57,574	--	34,189,630
Other	18,435,792	698,006	102,122	(246,425)	19,278,101
Total public safety	<u>99,398,973</u>	<u>5,807,751</u>	<u>1,787,122</u>	<u>(246,425)</u>	<u>103,666,027</u>
Transportation	305,790,265	11,957,875	10,636	(18,117,481)	335,854,985
Sanitation	34,478	--	--	--	34,478
Health and welfare	6,428,872	216,150	--	(26,572)	6,671,594
Culture and recreation	35,615,050	5,155,150	--	(8,605,708)	49,375,908
Conservation and development	19,100,753	690,269	49,337	(24,000)	19,765,685
Miscellaneous	3,131,199	--	--	--	3,131,199
Equipment under capital leases	385,339	--	--	300,364	84,975
Construction work in progress	30,357,167	10,159,840	--	22,737,906	17,779,101
Total governmental funds capital assets	<u>\$ 564,139,262</u>	<u>\$ 34,332,975</u>	<u>\$ 2,113,703</u>	<u>\$ (4,036,872)</u>	<u>\$ 600,395,406</u>

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

The accompanying notes are an integral part of this statement.

SELECTED NONMAJOR COMPONENT UNITS

Fire Protection Districts Included in Primary Government Audit

Brownsfield Fire Protection District is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

Chaneyville Fire Protection District is located in the northern part of East Baton Rouge Parish. Services are financed by a fire service fee and state insurance company taxes.

Pride Fire Protection District is located in the northeastern part of East Baton Rouge Parish. Services are financed primarily through a fire service fee.

Alsen-St. Irma Lee Fire Protection District is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

**BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 BALANCE SHEET
 DECEMBER 31, 2002**

EXHIBIT H - 1

	<u>Brownsfield Fire Protection District</u>	<u>Chaneyville Fire Protection District</u>	<u>Pride Fire Protection District</u>	<u>Alsen- St. Irma Lee Fire Protection District</u>
ASSETS				
Cash and cash equivalents	\$ --	\$ --	\$ 112,112	\$ --
Property taxes receivable - net	27,294	--	--	51,018
Accrued interest receivable	--	2	200	14
Due from other governments	<u>167,223</u>	<u>3,210</u>	<u>2,500</u>	<u>149,104</u>
Total assets	<u>\$ 194,517</u>	<u>\$ 3,212</u>	<u>\$ 114,812</u>	<u>\$ 200,136</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ 15,827	\$ 1,110	\$ 2,063	\$ 2,110
Due to primary government	96,853	2,516	--	17,090
Deferred revenue	<u>15,635</u>	<u>--</u>	<u>--</u>	<u>15,641</u>
Total liabilities	<u>128,315</u>	<u>3,626</u>	<u>2,063</u>	<u>34,841</u>
Fund balances:				
Reserved for:				
Encumbrances	--	--	3,978	--
Subsequent year expenditures	--	6,480	1,000	27,470
Continuing projects	11,000	--	--	13,000
Unreserved:				
Undesignated	<u>55,202</u>	<u>(6,894)</u>	<u>107,771</u>	<u>124,825</u>
Total fund balances	<u>66,202</u>	<u>(414)</u>	<u>112,749</u>	<u>165,295</u>
Total liabilities and fund balances	<u>\$ 194,517</u>	<u>\$ 3,212</u>	<u>\$ 114,812</u>	<u>\$ 200,136</u>

The accompanying notes are an integral part of this statement.

BROWNSFIELD FIRE PROTECTION DISTRICT
CHANEYVILLE FIRE PROTECTION DISTRICT
PRIDE FIRE PROTECTION DISTRICT
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2002

EXHIBIT H - 2

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Fund balances - total governmental funds	\$ 66,202	\$ (414)	\$ 112,749	\$ 165,295
Amounts reported for governmental activities in the				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds				
Governmental capital assets	360,560	314,318	330,499	778,198
Less accumulated depreciation	(194,053)	(236,887)	(130,995)	(355,865)
Some revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures.				
	49,300	--	--	15,641
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Obligation under capital leases	(19,627)	--	--	(148,444)
Net pension obligation	(12,459)	--	--	--
Net assets of governmental activities	<u>\$ 249,923</u>	<u>\$ 77,017</u>	<u>\$ 312,253</u>	<u>\$ 454,825</u>

**BROWNSFIELD FIRE PROTECTION DISTRICT
 CHANEYVILLE FIRE PROTECTION DISTRICT
 PRIDE FIRE PROTECTION DISTRICT
 ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT H - 3

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
REVENUES				
Taxes:				
General property taxes	\$ 171,102	\$ --	\$ --	\$ 191,408
Intergovernmental revenues:				
Louisiana Office of the Governor	24,700	--	--	--
Insurance company taxes	21,065	8,700	9,648	4,210
Louisiana revenue sharing	57,490	--	--	--
On-behalf payments for salaries and benefits	10,385	--	--	--
City of Baton Rouge	17,050	22,230	11,120	25,750
Charges for services:				
Fire protection service charges	132,310	12,282	38,421	9,160
Investment earnings	75	28	2,493	1,724
Miscellaneous revenues:				
Other income	900	--	1,098	9,398
	<u>435,077</u>	<u>43,240</u>	<u>62,780</u>	<u>241,650</u>
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	230,601	26,305	14,245	137,078
Employee benefits	51,772	1,893	3,757	28,315
Supplies	21,585	6,856	5,565	7,214
Contractual services	79,663	26,443	28,822	45,595
Rural Development Grant	19,250	--	--	--
Debt service:				
Principal	12,222	--	--	40,464
Interest	1,434	--	--	7,687
Capital outlay	5,450	--	--	--
	<u>421,977</u>	<u>61,497</u>	<u>52,389</u>	<u>266,353</u>
Excess (deficiency) of revenues over (under) expenditures	13,100	(18,257)	10,391	(24,703)
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	--	5,150	--	--
	<u>13,100</u>	<u>(13,107)</u>	<u>10,391</u>	<u>(24,703)</u>
Fund balances, January 1	<u>53,102</u>	<u>12,693</u>	<u>102,358</u>	<u>189,998</u>
Fund balances, December 31	<u>\$ 66,202</u>	<u>\$ (414)</u>	<u>\$ 112,749</u>	<u>\$ 165,295</u>

The accompanying notes are an integral part of this statement.

BROWNSFIELD FIRE PROTECTION DISTRICT
CHANEYVILLE FIRE PROTECTION DISTRICT
PRIDE FIRE PROTECTION DISTRICT
ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT H - 4

	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen- St. Irma Lee Fire Protection District
Net change in fund balances - total governmental funds	\$ 13,100	\$ (13,107)	\$ 10,391	\$ (24,703)
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.				
Capital outlay	5,450	--	--	--
Depreciation expense	(49,159)	(36,252)	(27,791)	(78,278)
Because some revenues will not be collected for several months after year-end, they are not considered "available" revenues in the governmental funds.				
Property tax revenues	6,735	--	--	15,001
Louisiana revenue sharing	(569)	--	--	--
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.				
	12,222	--	--	40,464
Some expenses reported in the statement of activities, such as net pension obligation, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.				
	(5,169)	--	--	--
Change in net assets of governmental activities	<u>\$ (17,390)</u>	<u>\$ (49,359)</u>	<u>\$ (17,400)</u>	<u>\$ (47,516)</u>

BROWNSFIELD FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT H - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 167,260	\$ 176,260	\$ 171,102	\$ (5,158)
Intergovernmental revenues:				
Louisiana Office of the Governor	19,250	36,500	24,700	(11,800)
Insurance company taxes	21,710	21,710	21,065	(645)
Louisiana revenue sharing	55,940	55,940	57,490	1,550
On-behalf payments for salaries and benefits	9,300	10,390	10,385	(5)
City of Baton Rouge	17,050	17,050	17,050	--
Total intergovernmental revenues	123,250	141,590	130,690	(10,900)
Charges for services:				
Fire protection service charges	115,000	127,000	132,310	5,310
Investment earnings	750	750	75	(675)
Miscellaneous revenues:				
Other income	--	--	900	900
Total revenues	406,260	445,600	435,077	(10,523)
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	217,350	231,310	230,601	709
Employee benefits	54,180	51,880	51,772	108
Supplies	25,790	21,590	21,585	5
Contractual services	76,040	79,664	79,663	1
Rural Development Grant	19,250	19,250	19,250	--
Total Public Safety	392,610	403,694	402,871	823
Debt service:				
Principal	12,220	12,222	12,222	--
Interest	1,430	1,434	1,434	--
Total Debt Service	13,650	13,656	13,656	--
Capital Outlay	--	28,250	5,450	22,800
Total expenditures	406,260	445,600	421,977	23,623
Excess (deficiency) of revenues over (under) expenditures	--	--	13,100	13,100
Fund Balances, January 1	53,102	53,102	53,102	--
Fund Balances, December 31	\$ 53,102	\$ 53,102	\$ 66,202	\$ 13,100

The accompanying notes are an integral part of this statement.

**CHANEYVILLE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002**

EXHIBIT H - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Insurance company taxes	\$ 8,170	\$ 8,700	\$ 8,700	\$ --
City of Baton Rouge	22,230	22,230	22,230	--
Total intergovernmental revenues	30,400	30,930	30,930	--
Charges for services:				
Fire protection service charges	25,000	15,400	12,282	(3,118)
Investment earnings	1,000	100	28	(72)
Total revenues	56,400	46,430	43,240	(3,190)
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	24,180	24,180	26,305	(2,125)
Employee benefits	1,850	1,850	1,893	(43)
Supplies	6,700	6,700	6,856	(156)
Contractual services	23,670	25,050	26,443	(1,393)
Total expenditures	56,400	57,780	61,497	(3,717)
Excess (deficiency) of revenues over (under) expenditures	--	(11,350)	(18,257)	(6,907)
OTHER FINANCING SOURCES				
Proceeds of capital asset disposition	--	5,150	5,150	--
Net change in fund balances	--	(6,200)	(13,107)	(6,907)
Fund Balances, January 1	12,693	12,693	12,693	--
Fund Balances, December 31	\$ 12,693	\$ 6,493	\$ (414)	\$ (6,907)

The accompanying notes are an integral part of this statement.

PRIDE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT H - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Federal Emergency Management Agency	\$ --	\$ 37,215	\$ --	\$ (37,215)
Louisiana Office of the Governor	--	25,000	--	(25,000)
Insurance company taxes	7,000	7,000	9,648	2,648
City of Baton Rouge	11,120	11,120	11,120	--
Total intergovernmental revenues	<u>18,120</u>	<u>80,335</u>	<u>20,768</u>	<u>(59,567)</u>
Charges for services:				
Fire protection service charges	30,110	30,110	38,421	8,311
Investment earnings	4,500	2,500	2,493	(7)
Miscellaneous revenues:				
Other income	--	--	1,098	1,098
Total revenues	<u>52,730</u>	<u>112,945</u>	<u>62,780</u>	<u>(50,165)</u>
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	15,410	15,410	14,245	1,165
Employee benefits	2,940	4,060	3,757	303
Supplies	5,090	5,570	5,565	5
Contractual services	29,290	29,290	28,822	468
Assistance to Firefighters Grant	--	41,350	39,775	1,575
Rural Development Grant	--	19,000	--	19,000
Total public safety	<u>52,730</u>	<u>114,680</u>	<u>92,164</u>	<u>22,516</u>
Capital outlay	<u>6,000</u>	<u>6,000</u>	<u>--</u>	<u>6,000</u>
Total expenditures	<u>58,730</u>	<u>120,680</u>	<u>92,164</u>	<u>28,516</u>
Excess (deficiency) of revenues over (under) expenditures	(6,000)	(7,735)	(29,384)	(21,649)
Fund Balances, January 1	<u>102,358</u>	<u>102,358</u>	<u>102,358</u>	<u>--</u>
Fund Balances, December 31	<u>\$ 96,358</u>	<u>\$ 94,623</u>	<u>\$ 72,974</u>	<u>\$ (21,649)</u>

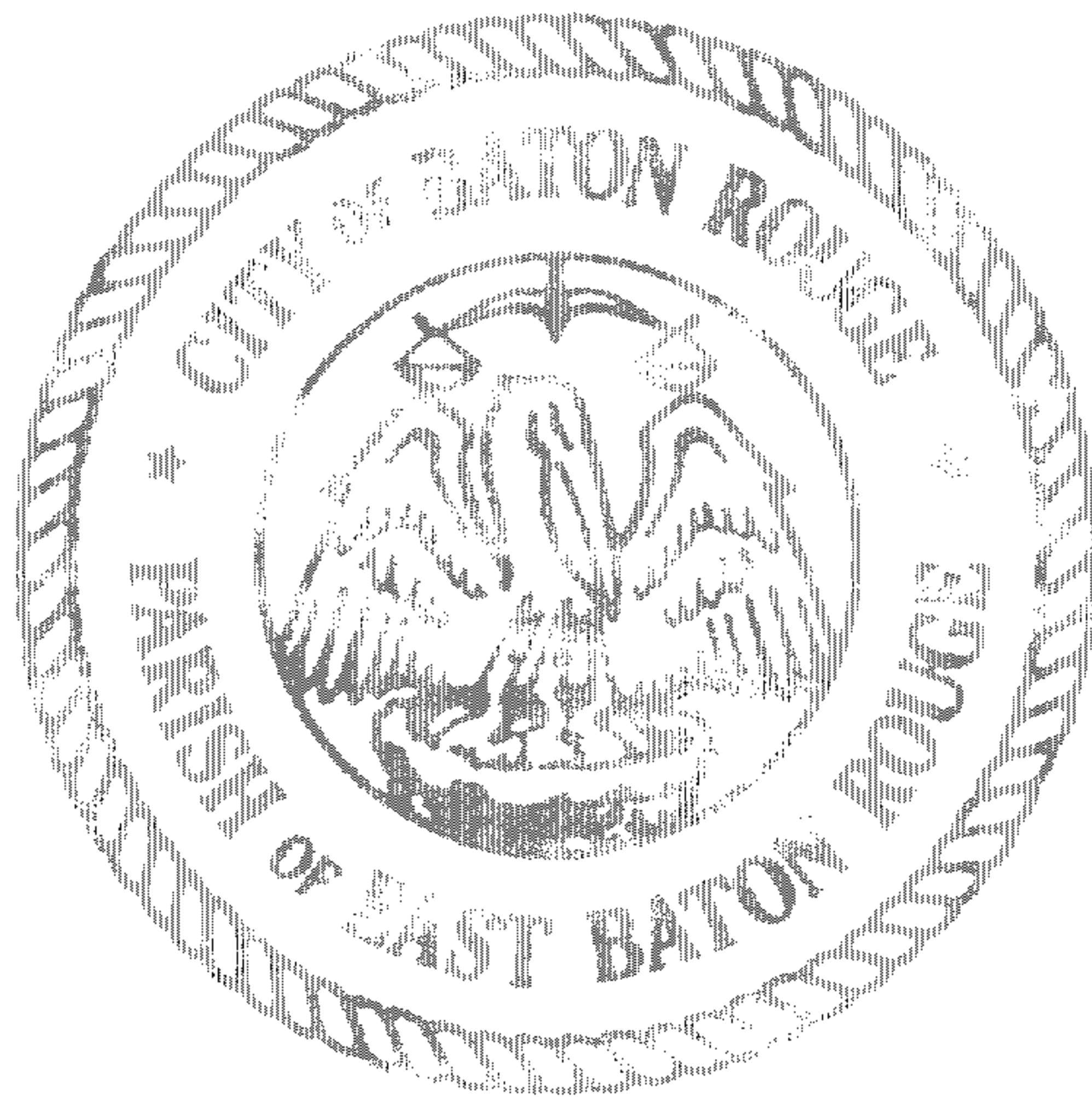
The accompanying notes are an integral part of this statement.

ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -- BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

EXHIBIT H - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	\$ 211,700	\$ 211,700	\$ 191,408	\$ (20,292)
Intergovernmental revenues:				
Insurance company taxes	2,610	2,610	4,210	1,600
City of Baton Rouge	25,750	25,750	25,750	--
Total intergovernmental revenues	28,360	28,360	29,960	1,600
Charges for services:				
Fire protection service charges	10,270	10,270	9,160	(1,110)
Investment earnings	4,950	4,950	1,724	(3,226)
Miscellaneous revenues:				
Other income	--	8,198	9,398	1,200
Total revenues	255,280	263,478	241,650	(21,828)
EXPENDITURES				
Current:				
Public safety:				
Operations:				
Personal services	140,000	137,092	137,078	14
Employee benefits	21,380	28,463	28,315	148
Supplies	7,700	15,438	7,214	8,224
Contractual services	39,130	50,602	45,595	5,007
Total public safety	208,210	231,595	218,202	13,393
Debt service:				
Principal	40,460	40,464	40,464	--
Interest	7,690	7,687	7,687	--
Total Debt Service	48,150	48,151	48,151	--
Total expenditures	256,360	279,746	266,353	13,393
Excess (deficiency) of revenues over (under) expenditures	(1,080)	(16,268)	(24,703)	(8,435)
Fund Balances, January 1	189,998	189,998	189,998	--
Fund Balances, December 31	\$ 188,918	\$ 173,730	\$ 165,295	\$ (8,435)

The accompanying notes are an integral part of this statement.



SCHEDULES

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2002**

EXHIBIT I - 1

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT</u>		
<u>Consolidated Cash Account</u>		
Louisiana Asset Management Pool	1.39-2.28	\$ 104,000,000
Certificates of Deposit - Hibernia National Bank	1.21-1.70	70,000,000
Certificates of Deposit - Bank One	1.25-1.75	70,000,000
Certificates of Deposit - Hancock Bank	1.25-1.67	50,000,000
U.S. Treasury Bills	1.18-1.50	49,743,337
U.S. Agency Bills	1.58-1.64	29,602,556
State and Local Government Series Securities	3.35-4.69	4,167,100
Cash in Bank - Whitney National Bank		10,195,024
Total Cash and Investments - Consolidated Cash Account		387,708,017
 <u>Payroll Cash Account</u>		
		5,279,450
 <u>Other Cash Items</u>		
Petty Cash		13,211
Cash on Hand		1,711,623
Total Other Cash Items		1,724,834
 <u>Riverside Centroplex</u>		
Whitney National Bank:		
Cash in Bank		621,053
 <u>Greater Baton Rouge Parking Authority</u>		
Bank One		
One Group U.S. Treasury Securities	0.73-1.70	601,361
 <u>East Baton Rouge Sewerage Commission</u>		
Louisiana Asset Management Pool	1.39-2.28	1,311,729
Repurchase Agreements	3.89-4.88	21,136,703
Whitney National Bank:		
Cash in Bank		98
Certificates of Deposit - Hibernia National Bank	1.18-1.70	7,482,545
Certificates of Deposit - Hancock Bank	1.25-1.79	7,095,528
Total East Baton Rouge Sewerage Commission		37,026,603
 <u>1993 Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		1
Certificates of Deposit - Hibernia National Bank	1.18-1.70	47,687
Certificates of Deposit - Hancock Bank	1.25-1.63	66,357
Repurchase Agreements	3.89	303,930
Total 1993 Public Improvement Sales Tax Revenue Bonds		417,975
 <u>1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)</u>		
Whitney National Bank:		
Cash in Bank		10
Certificates of Deposit - Hibernia National Bank	1.18-1.70	416,259
Certificates of Deposit - Hancock Bank	1.25-1.63	584,894
Repurchase Agreements	3.89	2,297,000
Total 1997 Public Improvement Sales Tax Revenue Bonds (Airport/Solid Waste)		3,298,163

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2002**

EXHIBIT I - 1
(Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<u>PRIMARY GOVERNMENT (Continued)</u>		
<u>1998A Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		\$ 64
Certificates of Deposit - Hibernia National Bank	1.18-1.70	1,850,125
Certificates of Deposit - Hancock Bank	1.25-1.63	2,578,928
Repurchase Agreements	3.89	11,520,553
Total 1998A Public Improvement Sales Tax Revenue Bonds		15,949,670
 <u>1998C Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		4
Certificates of Deposit - Hibernia National Bank	1.18-1.70	213,908
Certificates of Deposit - Hancock Bank	1.25	51,207
Repurchase Agreements	3.89	460,000
Total 1998C Public Improvement Sales Tax Revenue Bonds		725,119
 <u>2001A Public Improvement Sales Tax Revenue Bonds</u>		
Whitney National Bank:		
Cash in Bank		6
Certificates of Deposit - Hibernia National Bank	1.18-1.70	306,623
Certificates of Deposit - Hancock Bank	1.25-1.63	331,359
Repurchase Agreements	5.04	1,599,624
Total 1998C Public Improvement Sales Tax Revenue Bonds		2,237,612
 <u>2002A/2002B Taxable Refunding Bonds</u>		
Bank One		
One Group U.S. Treasury Securities	0.73-1.70	918,947
 Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		
		\$ 456,508,804
 <u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 988,652
U.S. Treasury Bonds		7,106,341
U.S. Agency Notes		45,014,631
Corporate Bonds		69,174,732
Corporate Stocks		98,701,398
Corporate Stock Index		218,637,570
International Equity		109,128,773
Enhance Bond Index Fund		138,708,516
Repurchase Agreements		27,150,000
Total Employees' Retirement System Pension Trust Fund		714,610,613
 <u>Capital Transportation Corporation's Retirement System Pension Trust Fund</u>		
Mutual Funds		
		4,118,450
 Grand Total Cash, Cash Equivalents and Investments - Fiduciary Accounts		
		\$ 718,729,063

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
 DECEMBER 31, 2002**

EXHIBIT I - 1
 (Continued)

<u>Description</u>	<u>Carrying Amount</u>
<u>COMPONENT UNITS</u>	
District Attorney of the Nineteenth Judicial District	\$ 2,667,583
Nineteenth Judicial District Court	802,346
E.B.R. Parish Family Court	293,062
E.B.R. Parish Juvenile Court	515,889
Nineteenth Judicial District Indigent Defender Board	489,578
E.B.R. Parish Clerk of Court	5,285,847
E. B. R. Parish Coroner	34,741
St. George Fire Protection District	234,538
Central Fire Protection District	357,950
E.B.R. Parish Fire Protection District No. 6	98,580
Eastside Fire Protection District	73,030
Pride Fire Protection District	112,112
Capital Region Planning Commission	449,421
Capital Transportation Corporation	<u>1,167,423</u>
 Grand Total Cash, Cash Equivalents and Investments - Component Units	 \$ <u>12,582,100</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEMS
REVENUE BY SOURCE AND EXPENSES BY TYPE**

EXHIBIT I - 2

REGULAR EMPLOYEES' TRUST

<u>Revenue By Source</u>					
<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Net Appreciation (Depreciation) in Fair Value of Investments</u>	<u>Total</u>
1993	\$ 7,979,402	\$ 12,521,766	\$ 45,938,522	\$ --	\$ 66,439,690
1994	8,071,425	12,559,091	8,078,771	--	28,709,287
1995	8,751,553	14,276,717	23,361,645	84,200,933 *	130,590,848
1996	9,033,167	16,219,697	20,725,256	35,437,680	81,415,800
1997	9,645,590	18,405,695	14,772,623	86,711,576	129,535,484
1998	11,632,339	20,120,542	9,901,484	79,443,675	121,098,040
1999	11,776,623	20,334,067	9,694,688	83,703,462	125,508,840
2000	9,231,205	13,587,244	10,466,030	7,199,059	40,483,538
2001	8,972,290	11,516,686	10,284,795	(25,651,838)	5,121,933
2002	9,223,966	12,053,689	8,578,556	(71,317,665)	(41,461,454)

<u>Expenses By Type</u>				
<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds and Withdrawals</u>	<u>Total</u>
1993	\$ 23,175,012	\$ 1,780,369	\$ 1,372,805	\$ 26,328,186
1994	25,063,890	1,719,250	1,094,799	27,877,939
1995	28,602,602	791,387	1,724,025	31,118,014
1996	30,666,429	877,475	1,815,573	33,359,477
1997	44,787,560	1,020,585	1,487,729	47,295,874
1998	37,095,474	1,015,699	1,493,287	39,604,460
1999	40,759,659	944,577	2,012,039	43,716,275
2000	43,966,217	732,364	1,760,171	46,458,752
2001	43,261,108	789,316	1,999,902	46,050,326
2002	45,286,042	817,319	1,670,141	47,773,502

POLICE GUARANTEE TRUST

<u>Revenue By Source</u>					
<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Net Appreciation (Depreciation) in Fair Value of Investments</u>	<u>Total</u>
2000	\$ 42,082	\$ 61,106	\$ (4,310)	\$ 2,260,840	\$ 2,359,718
2001	45,442	117,845	(40,769)	(197,380)	(74,862)
2002	43,427	55,955	(51,744)	(1,768,728)	(1,721,090)

<u>Expenses By Type</u>				
<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds and Withdrawals</u>	<u>Total</u>
2000	\$ 836,898	\$ 465,689	\$ 13	\$ 1,302,600
2001	790,646	301,978	466	1,093,090
2002	531,005	258,758	600	790,363

* The Retirement System elected early implementation of GASB Statement No. 25.



This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL FUND TYPE EXPENDITURES AND OTHER USES BY FUNCTIONS
PRIMARY GOVERNMENT
LAST TEN YEARS**

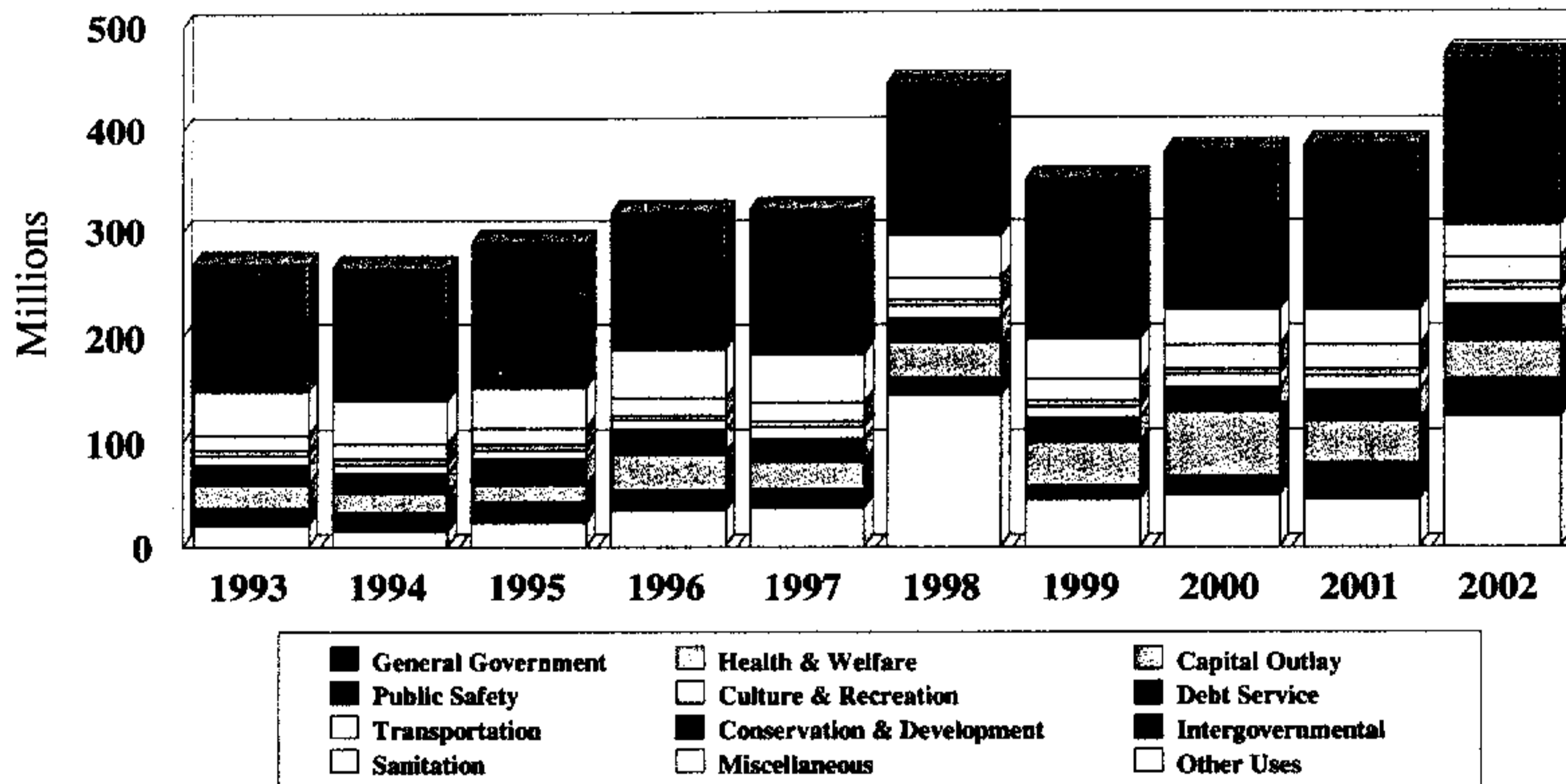
<u>Year</u>	<u>Total (1)</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Trans- portation</u>	<u>Sanitation</u>	<u>Health and Welfare</u>
1993	\$268,986,629	\$49,602,791	\$ 70,764,745	\$40,872,378	\$14,834,208	\$4,580,032
1994	265,309,202	50,232,560	74,158,451	41,307,164	15,069,530	4,703,574
1995	290,267,262	54,021,789 (3)	82,767,969 (3)	38,784,240	15,731,515	4,911,308
1996	319,779,315	44,058,708	86,700,228	45,689,687	16,229,461	4,966,789
1997	322,306,070	46,967,482	90,871,356	44,625,709	19,269,426	5,490,266
1998	443,619,969	50,119,584	96,422,826	40,283,982	20,224,396	6,471,130
1999	351,391,004	54,017,146	98,944,490	36,891,317	20,701,834	6,210,161
2000	378,181,375	50,625,426	100,598,273	33,896,014	21,839,759	5,918,579
2001	384,707,767	51,845,747	106,812,339	32,773,354	22,495,257	6,469,321
2002	472,032,493	57,640,679	108,260,680	30,455,778	22,541,727	7,760,560

- (1) Includes expenditures and other uses of General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- (2) The miscellaneous function is used for items which cannot be properly classified under the other ten functions.
- (3) In compliance with Governmental Accounting Standards Board Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," expenditures previously classified under general government and public safety have been re-classified as other uses.
- (4) In accordance with the legally binding Local Services Agreement currently existing between the City of Baton Rouge and the Parish of East Baton Rouge, the operating transfer from the Parish Sub Fund to the City Sub Fund increased in 1998. Also, a payment was made to the refunded bond escrow agent for the defeasance of several City and Parish bond issues.
- (5) In compliance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," transfers to discretely presented component units previously classified as other uses have been re-classified as intergovernmental expenditures.
- (6) A payment was made to refund the outstanding portion of the State Municipal Police Employees Retirement System Note.

Source: Comprehensive Annual Financial Report

<u>Culture and Recreation</u>	<u>Conservation and Development</u>	<u>Miscellaneous (2)</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Inter-governmental</u>	<u>Other Uses</u>
\$ 8,553,083	\$19,160,199	\$ --	\$22,571,460	\$17,090,921	\$ 59,271	\$ 20,897,541
8,931,876	19,007,729	--	17,583,398	18,898,135	59,528	15,357,257
9,219,762	24,381,475	2,141	16,531,220	19,971,045	62,521	23,882,277 (3)
9,698,050	23,055,882	--	33,992,571	20,404,158	62,443	34,921,338
10,481,478	21,522,898	26,956	26,995,425	18,169,278	70,526	37,815,270
11,418,611	22,932,155	--	32,523,169	17,015,904	73,286	146,134,926 (4)
11,346,276	23,416,272	--	40,819,328	12,894,116	70,505	46,079,559
12,094,134	24,052,326	--	61,163,313	17,736,581	70,618	50,186,352
14,562,080	28,718,968	--	40,312,819	22,408,477	11,870,634 (5)	46,438,771 (5)
15,360,083	34,616,566	--	34,332,975	23,911,864	12,052,083	125,099,498 (6)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL FUND TYPE EXPENDITURES AND OTHER USES BY FUNCTIONS
PRIMARY GOVERNMENT
LAST TEN YEARS**



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTIONS
LAST TEN YEARS**

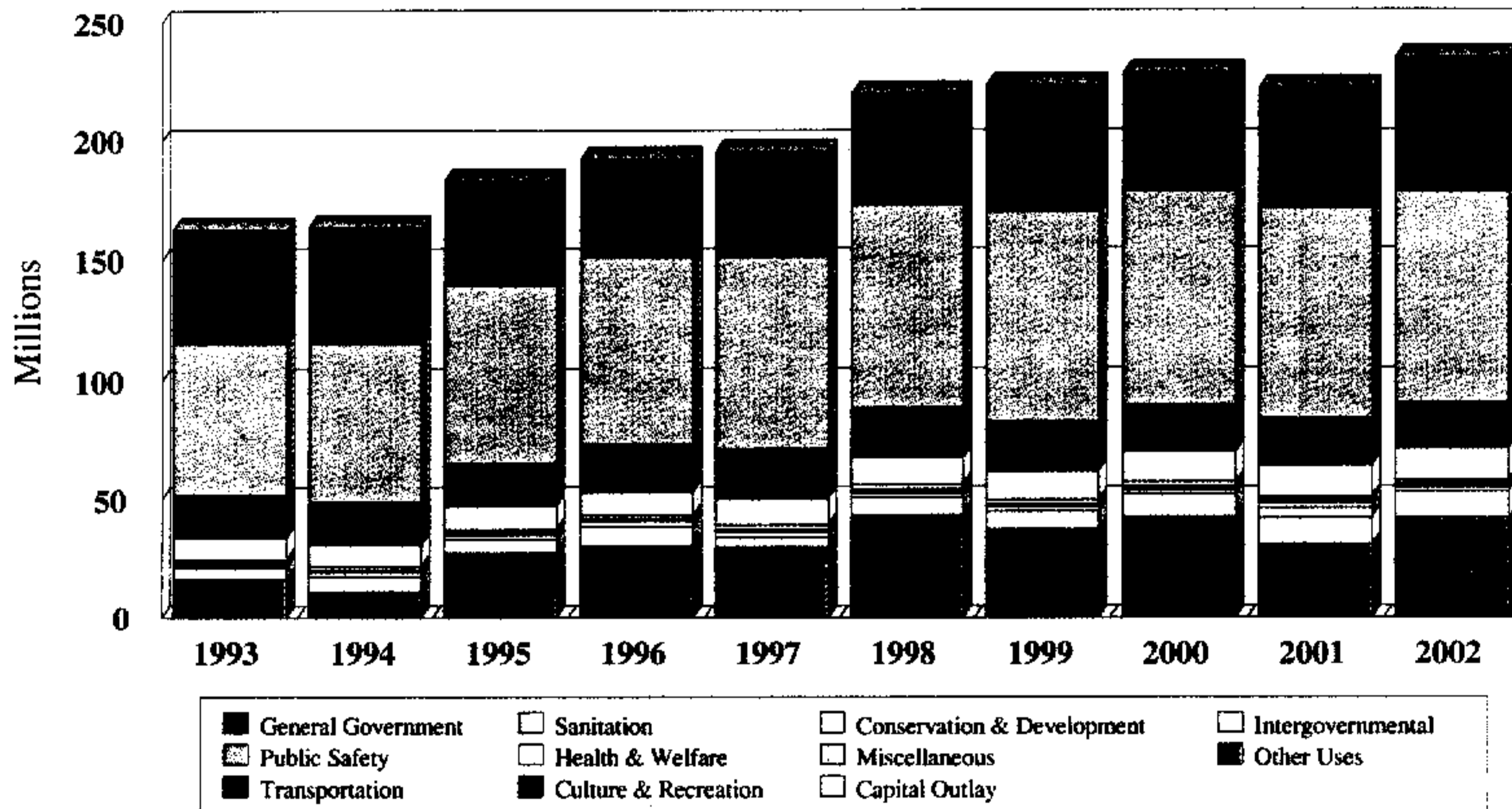
<u>Year</u>	<u>Total</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Trans- portation</u>	<u>Sanitation</u>	<u>Health and Welfare</u>
1993	\$162,823,036	\$46,931,374	\$63,812,266	\$17,968,435	\$ 9,235,737	\$1,416,986
1994	163,581,634	47,658,854	66,813,473	18,020,614	9,359,876	1,322,268
1995	183,549,046	43,512,173 (2)	74,703,520 (2)	18,088,978	9,793,321	1,456,043
1996	192,866,934	41,107,486	78,379,920	20,088,917	10,120,664	1,398,596
1997	195,909,562	43,978,768	80,763,912	20,890,759	11,257,478	1,499,823
1998	220,113,074	46,843,956	84,767,333	20,700,360	11,989,912	1,649,605
1999	223,433,990	53,016,676	87,896,333	20,661,129	12,268,134	1,657,568
2000	228,695,866	49,546,646	89,246,620	20,066,465	12,833,300	1,644,784
2001	222,257,102	51,063,982	87,451,882	19,641,058	13,073,045	1,607,790
2002	235,325,513	56,892,370	88,472,988	18,991,378	12,990,405	1,539,683

- (1) The miscellaneous function is used for items which cannot be properly classified under the other ten functions.
- (2) In compliance with Governmental Accounting Standards Board Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance," expenditures previously classified under general government and public safety have been reclassified as other uses.
- (3) In accordance with the legally binding Local Services Agreement currently existing between the City of Baton Rouge and the Parish of East Baton Rouge, the operating transfer from the Parish Sub Fund to the City Sub Fund increased in 1998.
- (4) In compliance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," transfers to discretely presented component units previously classified as other uses have been re-classified as intergovernmental expenditures.
- (5) Beginning in 2002, capital outlay expenditures for General Fund operating budgets have been recorded in the Capital Projects Fund.

Source: Comprehensive Annual Financial Report

<u>Culture and Recreation</u>	<u>Conservation and Development</u>	<u>Miscellaneous (1)</u>	<u>Capital Outlay</u>	<u>Inter-governmental</u>	<u>Other Uses</u>
\$1,041,409	\$ 1,342,616	--	\$4,708,752	\$ 59,271	\$16,306,190
919,117	1,821,389	--	6,321,756	59,528	11,284,759
952,927	1,757,039	--	5,940,759	62,521	27,281,765 (2)
1,115,012	1,990,203	--	8,081,381	62,443	30,522,312
1,081,844	2,278,001	--	4,103,964	70,526	29,984,487
1,439,533	2,196,926	--	7,203,044	73,286	43,249,119 (3)
1,174,082	1,815,828	--	7,280,484	70,505	37,593,251
1,448,020	2,152,670	--	9,139,235	70,618	42,547,508
1,221,336	1,915,033	--	4,219,980	10,923,404 (4)	31,139,592 (4)
1,342,224	1,738,185	--	-- (5)	11,104,853	42,253,427 (5)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND EXPENDITURES AND OTHER USES BY FUNCTIONS
LAST TEN YEARS**



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL FUND TYPE REVENUES AND OTHER FINANCING SOURCES
PRIMARY GOVERNMENT
LAST TEN YEARS**

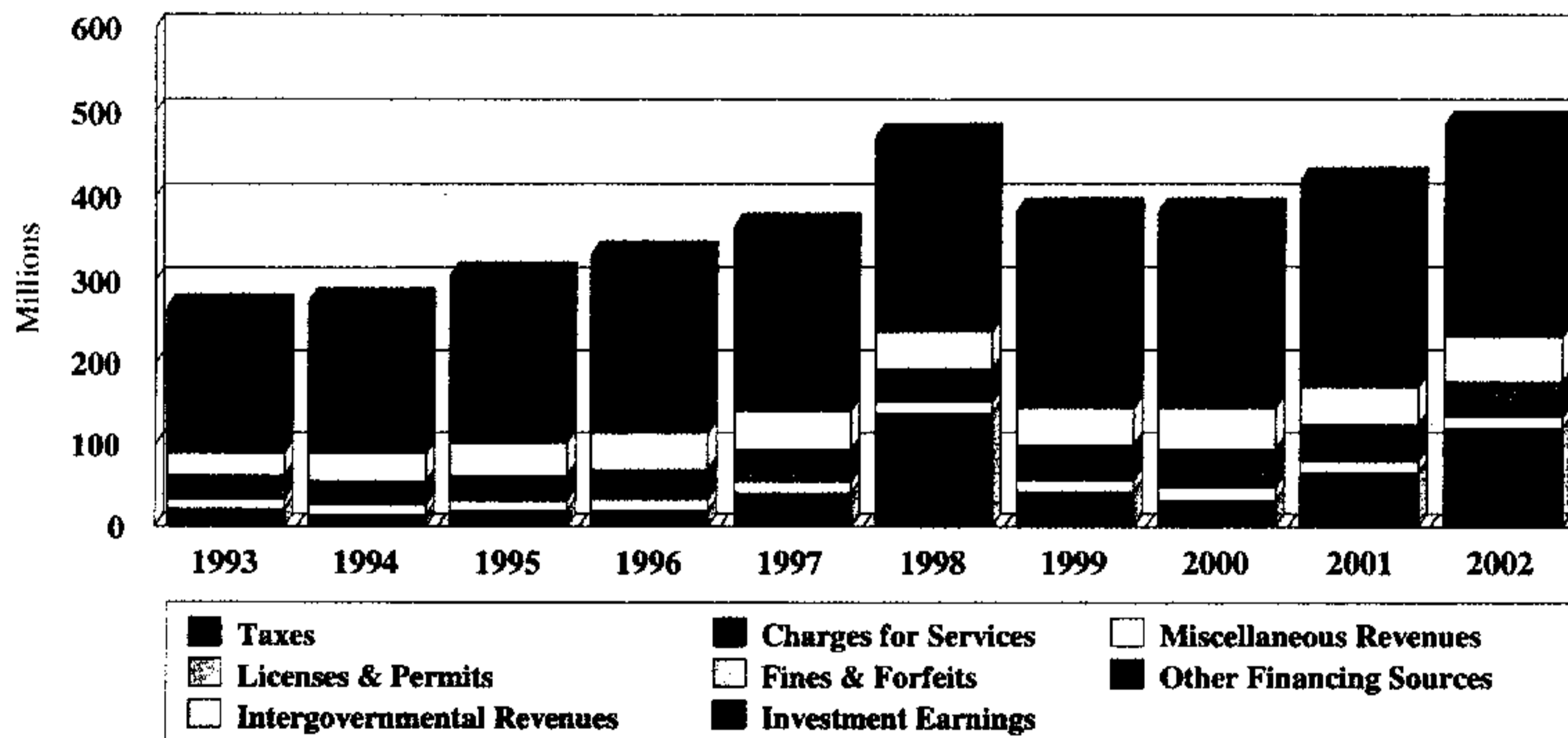
<u>Year</u>	<u>Total (1)</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- governmental Revenues</u>	<u>Charges for Services</u>	<u>Fines and Forfeits</u>
1993	\$267,473,153	\$174,284,706	\$3,037,947	\$28,161,618	\$22,330,799	\$2,131,460
1994	275,120,767	182,063,264	2,997,316	34,237,501	23,140,340	2,061,064
1995	307,651,235	201,318,217	2,821,922	40,729,266	23,228,832	1,667,922
1996	331,612,577	213,835,500	3,157,223	44,242,005	29,559,869	1,931,575
1997	365,437,976	221,051,652	3,065,678	47,595,813	30,272,957	1,975,000
1998	473,295,625	231,463,834	3,053,896	45,235,023	31,464,891	1,453,303
1999	382,298,028	234,567,952	3,333,017	45,756,884	31,274,432	2,041,949
2000	382,304,960	234,263,527	3,175,718	50,363,986	33,420,104	2,330,863
2001	420,448,983	246,633,408	3,105,601	46,953,068	32,499,844	1,886,045
2002	487,129,393	252,816,183	3,259,749	54,544,969	34,758,894	1,894,990

- (1) Includes revenues and other financing sources of General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- (2) City of Baton Rouge issued \$19,325,000 in Sales Tax Revenue Bonds
- (3) City of Baton Rouge issued \$94,450,000 and the Parish of East Baton Rouge issued \$4,600,000 in Sales Tax Revenue Bonds.
- (4) The Parish of East Baton Rouge executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") in the amount of \$12,000,000.
- (5) City of Baton Rouge issued \$23,625,000 in Sales Tax Revenue Bonds
- (6) City of Baton Rouge issued \$25,900,000 in Variable Rate Taxable Refunding Bonds and \$47,550,000 in Fixed Rate Taxable Refunding Bonds.

Source: Comprehensive Annual Financial Report

<u>Investment Earnings</u>	<u>Miscellaneous Revenues</u>	<u>Other Financing Sources</u>
\$ 2,346,058	\$13,597,402	\$21,583,163
3,177,834	12,884,323	14,559,125
5,158,003	13,244,992	19,482,081
5,147,317	13,448,110	20,290,978
6,166,708	13,183,505	42,126,663 (2)
7,739,227	14,252,772	138,632,679 (3)
8,130,317	14,178,816	43,014,661 (4)
11,155,967	14,425,412	33,169,383
9,899,112	14,144,221	65,327,684 (5)
5,060,474	14,715,386	120,078,748 (6)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GOVERNMENTAL FUND TYPE REVENUES AND OTHER FINANCING SOURCES
PRIMARY GOVERNMENT
LAST TEN YEARS**



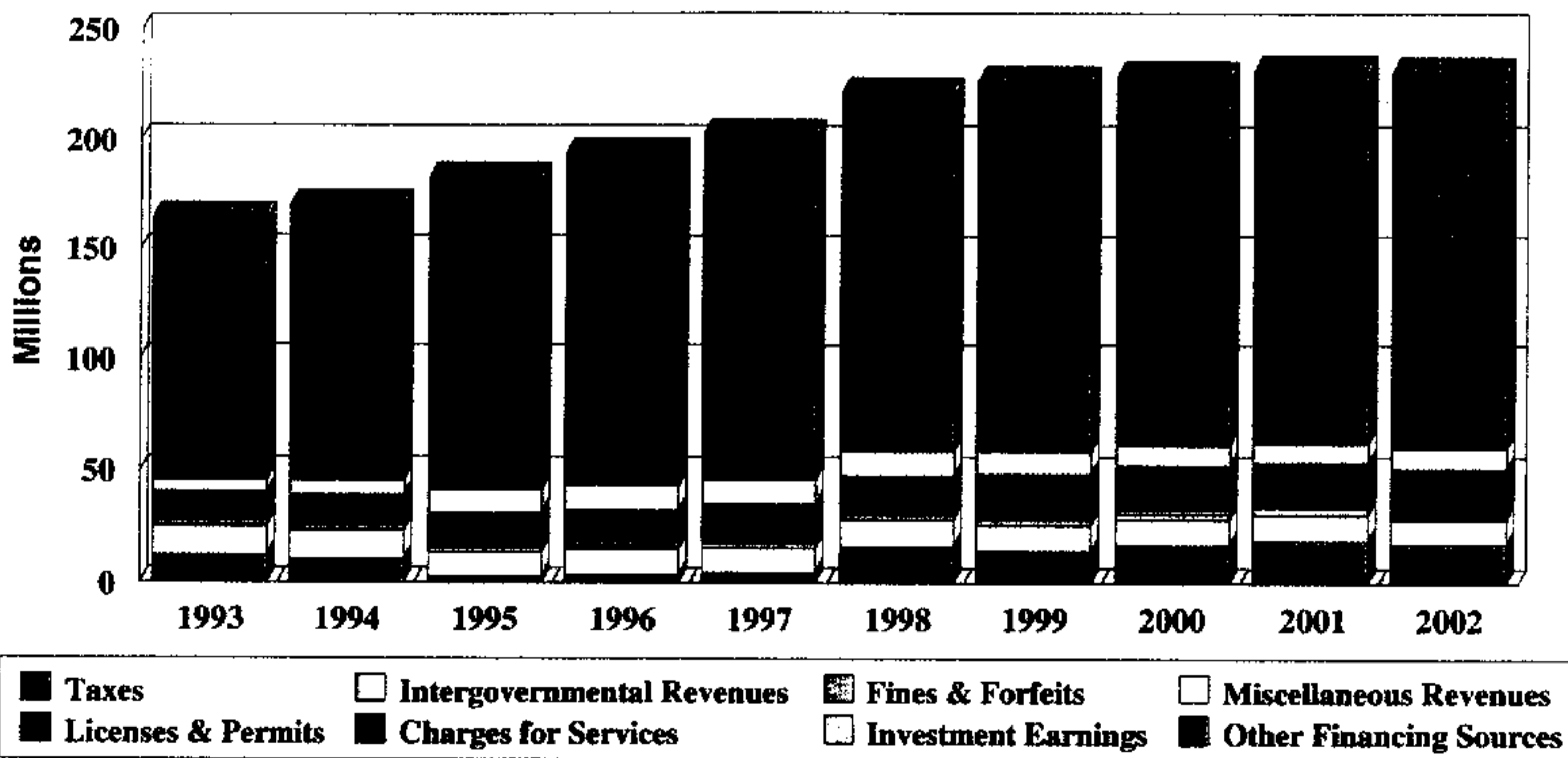
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
LAST TEN YEARS**

<u>Year</u>	<u>Total</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter- governmental Revenues</u>	<u>Charges for Services</u>	<u>Fines and Forfeits</u>
1993	\$164,691,611	\$116,416,988	\$2,512,143	\$ 5,202,725	\$12,637,412	\$2,131,460
1994	170,789,885	122,261,708	2,754,084	6,290,476	13,566,792	1,819,888
1995	183,273,574	138,854,383	2,589,576	10,470,949	13,967,669	1,424,165
1996	193,788,312	147,305,845	2,914,367	11,263,149	14,154,692	1,529,699
1997	202,981,555	153,338,987	2,826,921	11,302,459	16,225,701	1,567,444
1998	221,624,801	159,561,146	2,799,733	11,066,268	16,439,149	1,162,126
1999	226,998,291	164,277,924	3,070,913	11,056,363	18,997,254	1,409,358
2000	228,926,402	164,332,179	2,838,900	9,317,378	19,294,735	1,689,015
2001	231,504,945	165,876,719	2,759,106	9,190,639	18,506,335	1,546,660
2002	230,744,130	167,411,480	2,915,318	9,478,103	19,549,596	1,438,317

* In accordance with the legally binding Local Services Agreement currently existing between the City of Baton Rouge and the Parish of East Baton Rouge, the operating transfer from the Parish Sub Fund to the City Sub Fund increased in 1998.

<u>Investment Earnings</u>	<u>Miscellaneous Revenues</u>	<u>Other Financing Sources</u>
\$736,657	\$ 12,941,716	\$ 12,112,510
1,157,794	12,433,310	10,505,833
1,946,589	11,315,402	2,704,841
1,643,647	11,041,980	3,934,933
1,903,366	11,079,248	4,737,429
2,305,662	11,865,060	16,425,657 *
2,093,016	11,548,371	14,545,092
2,945,016	11,553,945	16,955,234
3,349,954	11,228,636	19,046,896
1,234,692	11,181,424	17,535,200

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES
LAST TEN YEARS**



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN YEARS**

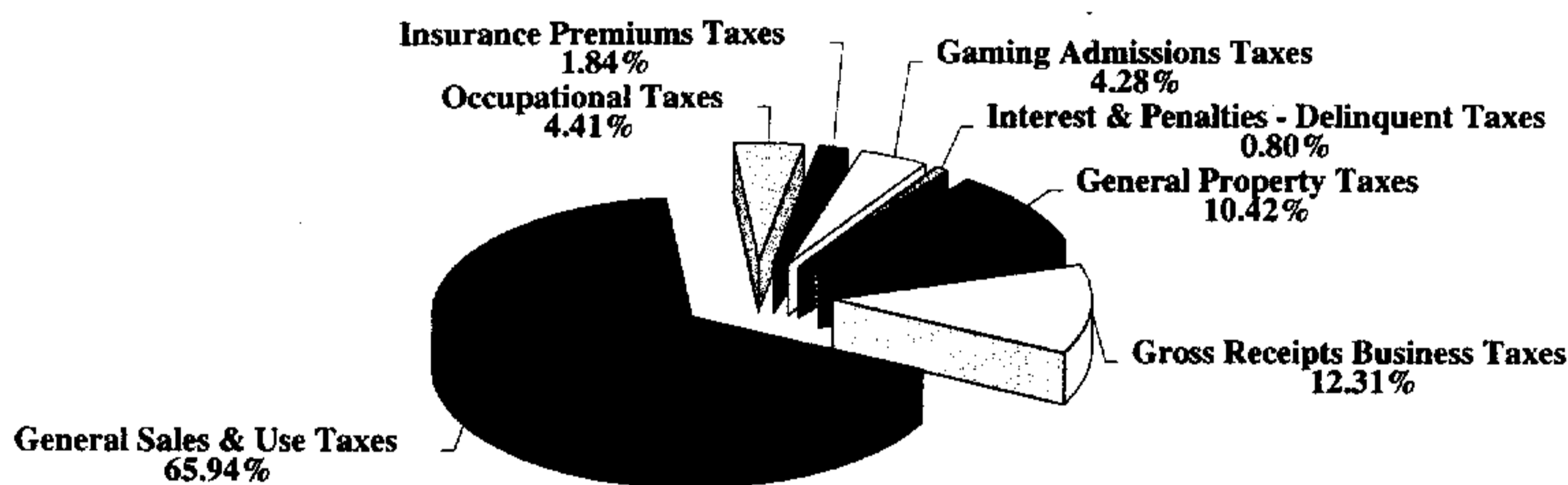
<u>Year</u>	<u>Total</u>	<u>General Property Taxes</u>	<u>Gross Receipts Business Taxes</u>	<u>General Sales and Use Taxes</u>	<u>Occupancy Taxes</u>	<u>Occu- pational Taxes</u>
1993	\$116,416,988	\$12,317,734	\$16,892,534	\$ 78,051,237	\$ --	\$5,560,704
1994	122,261,708	12,455,036	16,692,577	81,881,889	--	5,620,602
1995	138,854,383	13,112,531	18,526,515	88,885,089	--	6,057,817
1996	147,305,845	13,488,009	17,878,832	96,451,955	--	5,847,445
1997	153,338,987	14,365,475	18,298,419	99,559,762	--	6,612,191
1998	159,561,146	15,153,213	18,554,173	105,532,011	--	6,675,712
1999	164,277,924	15,495,132	18,540,984	110,631,364	--	7,101,452
2000	164,332,179	15,383,050	20,503,808	110,176,695	--	7,113,392
2001	165,876,719	16,650,545	22,835,795	107,989,967	--	7,092,503
2002	167,411,480	17,364,141	20,507,647	109,890,937	772,347 *	7,343,976

* During 2002, occupancy taxes previously recorded in the Riverside Centroplex Fund were deposited to the General Fund.

Source: Comprehensive Annual Financial Report

<u>Insurance Premiums Taxes</u>	<u>Gaming Admissions Taxes</u>	<u>Interest and Penalties- Delinquent Taxes</u>
\$2,279,684	\$ --	\$1,315,095
2,416,304	1,877,979	1,317,321
2,969,461	8,254,369	1,048,601
2,817,827	8,626,811	2,194,966
2,816,105	10,028,668	1,658,367
2,790,832	9,415,495	1,439,710
2,955,211	8,216,068	1,337,713
2,832,468	7,010,225	1,312,541
2,947,040	7,054,025	1,306,844
3,071,734	7,131,320	1,329,378

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
GENERAL FUND TAX REVENUES BY SOURCE
FOR THE YEAR ENDED DECEMBER 31, 2002**



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

EXHIBIT J - 6

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
<u>City of Baton Rouge Sub Fund</u>						
1992	\$6,942,024	\$6,723,979	96.86 %	\$234,103	\$6,958,082	100.23 %
1993	7,207,838	6,996,135	97.06	154,782	7,150,917	99.21
1994	7,346,852	7,186,633	97.82	164,460	7,351,093	100.06
1995	7,630,188	7,446,243	97.59	134,131	7,580,374	99.35
1996	7,923,458	7,756,358	97.89	126,883	7,883,241	99.49
1997	8,253,582	8,063,699	97.70	140,344	8,204,043	99.40
1998	8,662,650	8,388,954	96.84	97,277	8,486,231	97.96
1999	8,924,989	8,782,957	98.41	136,608	8,919,565	99.94
2000	9,233,409	9,056,440	98.08	105,071	9,161,511	99.22
2001	9,412,866	9,171,828	97.44	107,678	9,279,506	98.58
2002	9,622,772					
<u>Parish of East Baton Rouge Sub Fund</u>						
1992	\$4,891,539	\$4,676,694	95.61 %	\$148,676	\$4,825,370	98.65 %
1993	5,109,437	4,870,910	95.33	122,709	4,993,619	97.73
1994	5,255,610	5,062,722	96.33	137,405	5,200,127	98.94
1995	5,477,704	5,297,728	96.71	77,330	5,375,058	98.13
1996	5,698,781	5,530,813	97.05	79,484	5,610,297	98.45
1997	6,158,765	5,980,058	97.10	145,285	6,125,343	99.46
1998	6,635,226	6,422,070	96.79	52,132	6,474,202	97.57
1999	6,942,479	6,758,323	97.35	60,835	6,819,158	98.22
2000	7,172,500	6,939,318	96.75	67,904	7,007,222	97.70
2001	7,593,434	7,355,336	96.86	57,340	7,412,676	97.62
2002	7,946,684					

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

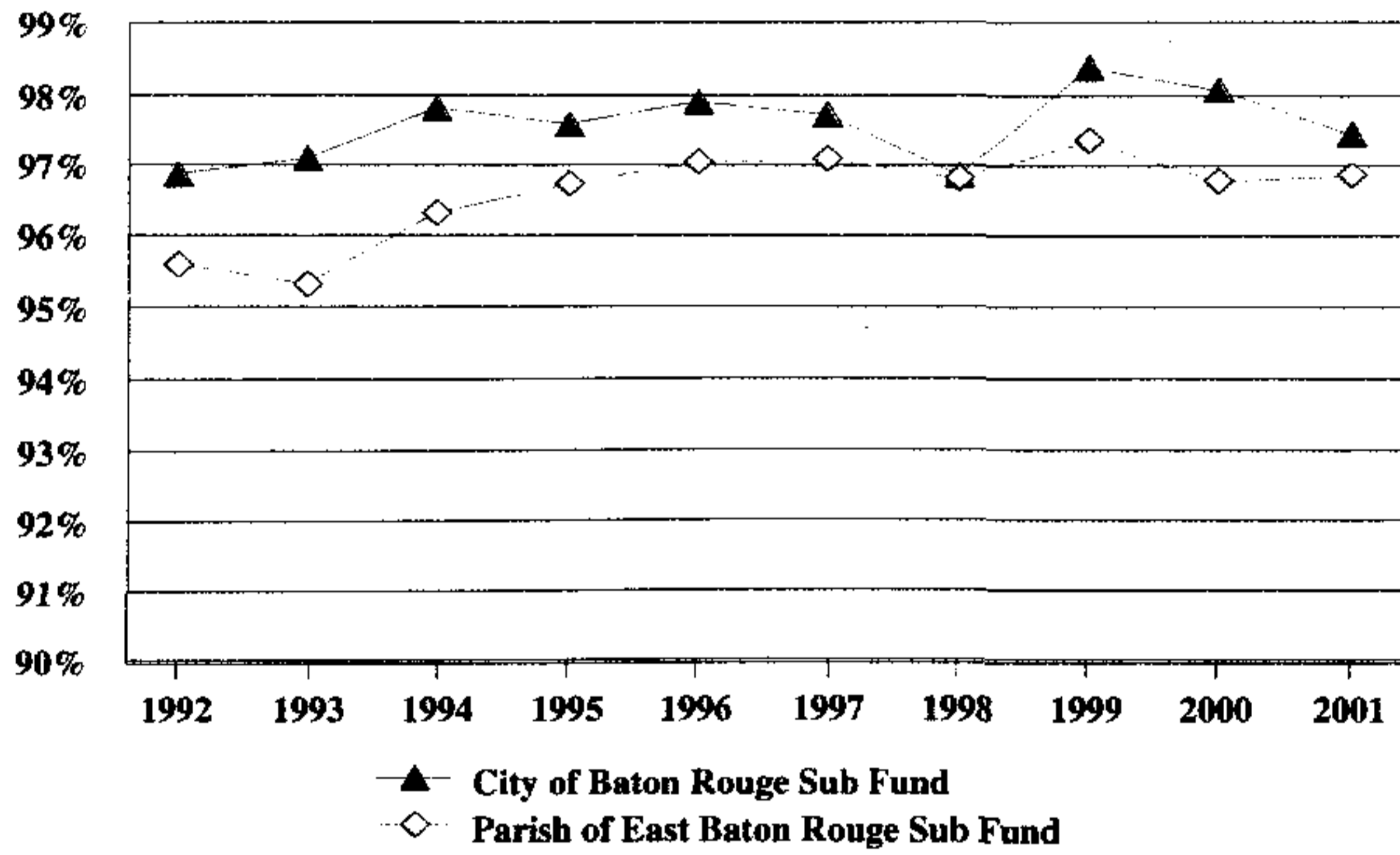
Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

EXHIBIT J - 6
(Continued)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PERCENT OF LEVY COLLECTED
LAST TEN YEARS



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS**

EXHIBIT J - 7

<u>Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value*</u>
<u>City of Baton Rouge</u>			
1993	\$ 824,695,370	\$ 7,497,230,636	11 %
1994	840,600,932	7,641,826,655	11
1995	873,019,222	7,936,538,382	11
1996	932,171,540	8,474,286,727	11
1997	971,009,652	8,827,360,473	11
1998	1,019,135,241	9,264,865,827	11
1999	1,049,998,711	9,545,442,827	11
2000	1,107,123,367	10,064,757,882	11
2001	1,128,641,029	10,260,372,991	11
2002	1,153,809,550	10,489,177,727	11
<u>Parish of East Baton Rouge</u>			
1993	\$1,627,894,980	\$14,799,045,164	11 %
1994	1,674,869,070	15,226,082,455	11
1995	1,738,389,370	15,803,539,727	11
1996	1,864,291,960	16,948,108,764	11
1997	1,984,916,760	18,044,697,818	11
1998	2,110,523,938	19,186,581,255	11
1999	2,196,149,252	19,964,993,200	11
2000	2,324,089,310	21,128,084,636	11
2001	2,437,458,220	22,158,711,091	11
2002	2,533,605,400 **	23,032,776,364	11

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

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

**Exempt Properties

Does not include exempt assessed valuations as follows:

	<u>2002</u>	<u>2001</u>
(a) Manufacturing plants under a ten-year contract	\$518,695,478	\$554,836,251
(b) Churches, schools, and government buildings	<u>61,120,413</u>	<u>58,901,250</u>
Total Exempt Properties	<u>\$579,815,891</u>	<u>\$613,737,501</u>

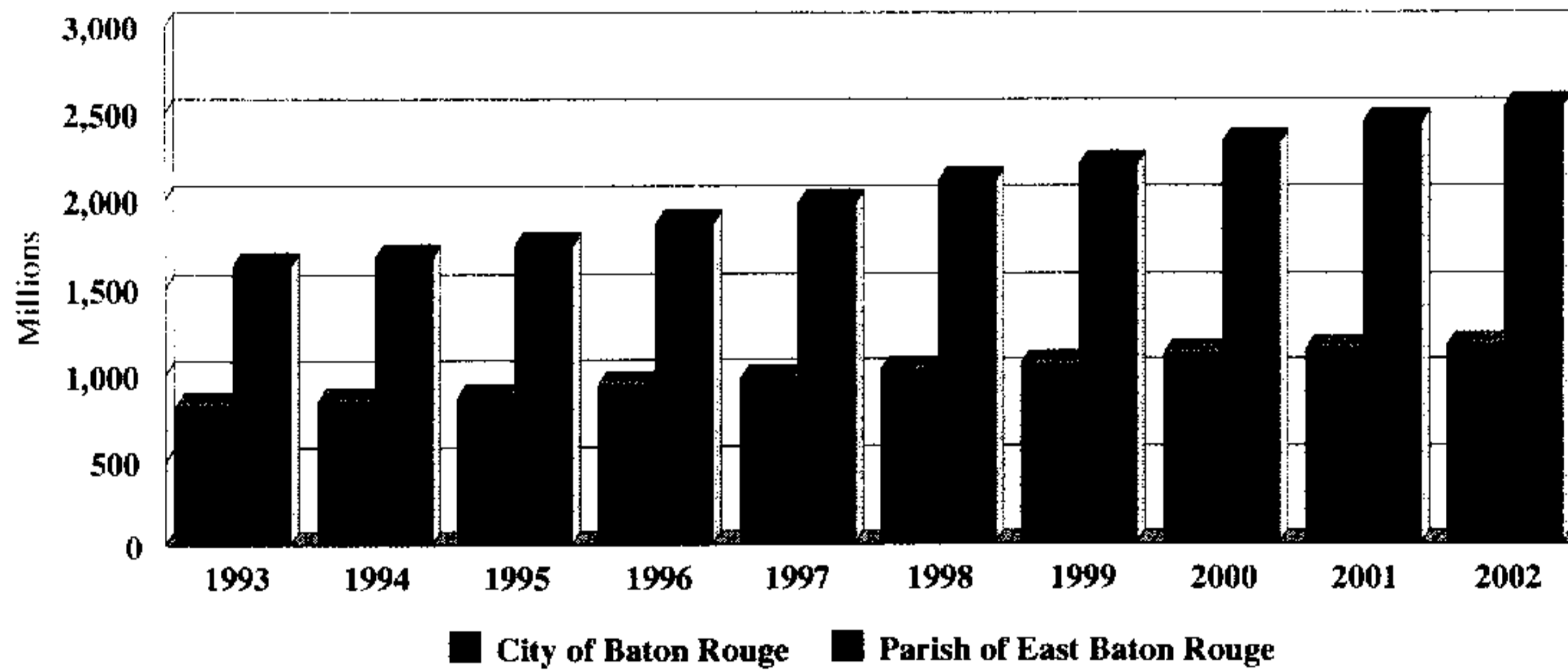
Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

EXHIBIT J - 7
(Continued)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN YEARS



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)
LAST TEN YEARS**

Year	City		Parish			
	Operating	Operating	Debt Service (2)	Mosquito and Rodent Tax	Emergency Medical Services	Library Board of Control
<u>TAX RATES (mills per dollar)</u>						
1993	8.74	4.38	2.85	1.25	3.13	8.33
1994	8.74	4.38	2.85	1.23	3.13	8.33
1995	8.74	4.38	2.85	1.23	3.13	8.33
1996	8.50	4.20	1.22	1.18	3.00	11.10
1997	8.50	4.20	0.63	1.18	3.00	11.10
1998	8.50	4.20	--	1.18	3.00	11.10
1999	8.50	4.20	--	1.18	3.00	11.10
2000	8.34	4.06	--	1.14	2.90	10.72
2001	8.34	4.06	--	1.14	2.90	10.72
2002	8.34	4.06	--	1.14	2.90	10.72

<u>TAX LEVIES</u>						
1993	\$7,207,838	\$7,130,180	\$4,639,501	\$2,034,869	\$5,095,311	\$13,560,365
1994	7,346,852	7,335,927	4,773,377	2,060,089	5,242,340	13,951,659
1995	7,630,188	7,614,145	4,954,410	2,138,219	5,441,159	14,480,783
1996	7,923,458	7,830,026	2,274,436	2,199,865	5,592,876	20,693,641
1997	8,253,582	8,336,650	1,250,498	2,342,202	5,954,750	22,032,576
1998	8,662,650	8,864,201	--	2,490,418	6,331,572	23,426,816
1999	8,924,989	9,223,827	--	2,591,456	6,588,448	24,377,257
2000	9,233,409	9,435,803	--	2,649,462	6,739,859	24,914,237
2001	9,412,866	9,896,080	--	2,778,702	7,068,629	26,129,552
2002	9,622,772	10,286,438	--	2,888,310	7,347,456	27,160,250

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and cost due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

<u>School District</u>	<u>Recreation and Park</u>	<u>Law Enforcement District</u>	<u>Assessor's Salary and Expense Fund</u>	<u>Total</u>
<u>TAX RATES (mills per dollar)</u>				
37.84	9.45	8.09	1.60	85.66
45.34	9.45	14.99	1.60	100.04
45.34	11.45	14.99	1.60	102.04
43.45	10.97	14.99	1.53	100.14
43.45	10.95	14.99	1.53	99.53
43.45	10.95	14.99	1.53	98.90
43.45	10.95	14.99	1.53	98.90
43.45	10.95	14.99	1.48	98.03
43.45	10.95	14.99	1.48	98.03
43.45	10.95	14.99	1.48	98.03

TAX LEVIES

\$61,599,546	\$15,383,608	\$13,169,670	\$2,604,632	\$132,425,520
75,938,564	15,827,513	25,106,287	2,679,791	160,262,399
78,818,574	19,904,558	26,058,457	2,781,423	169,821,916
81,003,486	20,451,283	27,945,737	2,852,367	178,767,175
86,244,633	21,734,839	29,753,902	3,036,923	188,940,555
91,702,265	23,110,237	31,636,754	3,229,102	199,454,015
95,422,686	24,047,834	32,920,277	3,360,108	207,456,882
100,981,681	25,448,778	34,838,099	3,439,652	217,680,980
105,907,560	26,690,168	36,537,499	3,607,438	228,028,494
110,085,155	27,742,979	37,978,745	3,749,736	236,861,841

- (1) Not included are the following: Consolidated Road Lighting District No. 1, Consolidated Garbage District No. 1, St. George Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District, Central Fire Protection District, Eastside Fire Protection District, East Baton Rouge Parish Fire Protection District No. 6, Downtown Development District, Pontchartrain Levee District, Comite Diversion Canal, Baton Rouge Municipal Fire Salaries and Benefits, City of Baker and City of Zachary. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL TAXPAYERS
DECEMBER 31, 2002**

EXHIBIT J - 9

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
ExxonMobil Corporation	Petroleum Products	\$179,799,210	7.10 %
Entergy, Inc.	Electric and Gas Utility	57,982,360	2.29
Bellsouth Communications	Telephone Utility	51,590,760	2.04
Georgia-Pacific Corporation	Pulp and Paper Products	49,656,890	1.96
Hibernia National Bank	Bank	26,421,300	1.04
Bank One	Bank	25,237,100	1.00
Baton Rouge Water Company	Water Utility	15,201,680	0.60
Formosa Plastics	Plastic Manufacturer	14,303,000	0.56
Union Planters Bank	Bank	12,706,100	0.50
Wal-Mart	Retail Store	<u>11,889,500</u>	<u>0.47</u>
		<u><u>\$444,787,900</u></u>	<u><u>17.56 %</u></u>

(1) Source: East Baton Rouge Parish Assessor's Office

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN YEARS**

EXHIBIT J - 10

<u>Year</u>	<u>Assessments Beginning of Year</u>	<u>Additions and Adjustments</u>	<u>Collections</u>	<u>Assessments End of Year</u>
1993	\$455,873	(\$139,568)	\$17,680	\$298,625
1994	298,625	2,333	12,395	288,563
1995	288,563	4,602	4,296	288,869
1996	288,869	180	12,607	276,442
1997	276,442	(29,011)	5,395	242,036
1998	242,036	220,938	15,765	447,209
1999	447,209	--	43,776	403,433
2000	403,433	588	34,384	369,637
2001	369,637	370	42,271	327,736
2002	327,736	--	17,671	310,065 (1)

(1) Assessments End of Year includes \$40,497 for paving assessments accounted for in the General Fund. Street lighting assessments in the amount of \$13,957 are accounted for in the Miscellaneous Capital Improvements Fund. Sewer assessments in the amount of \$255,611 are accounted for in the Comprehensive Sewerage System Fund.

Source: Finance Department Records

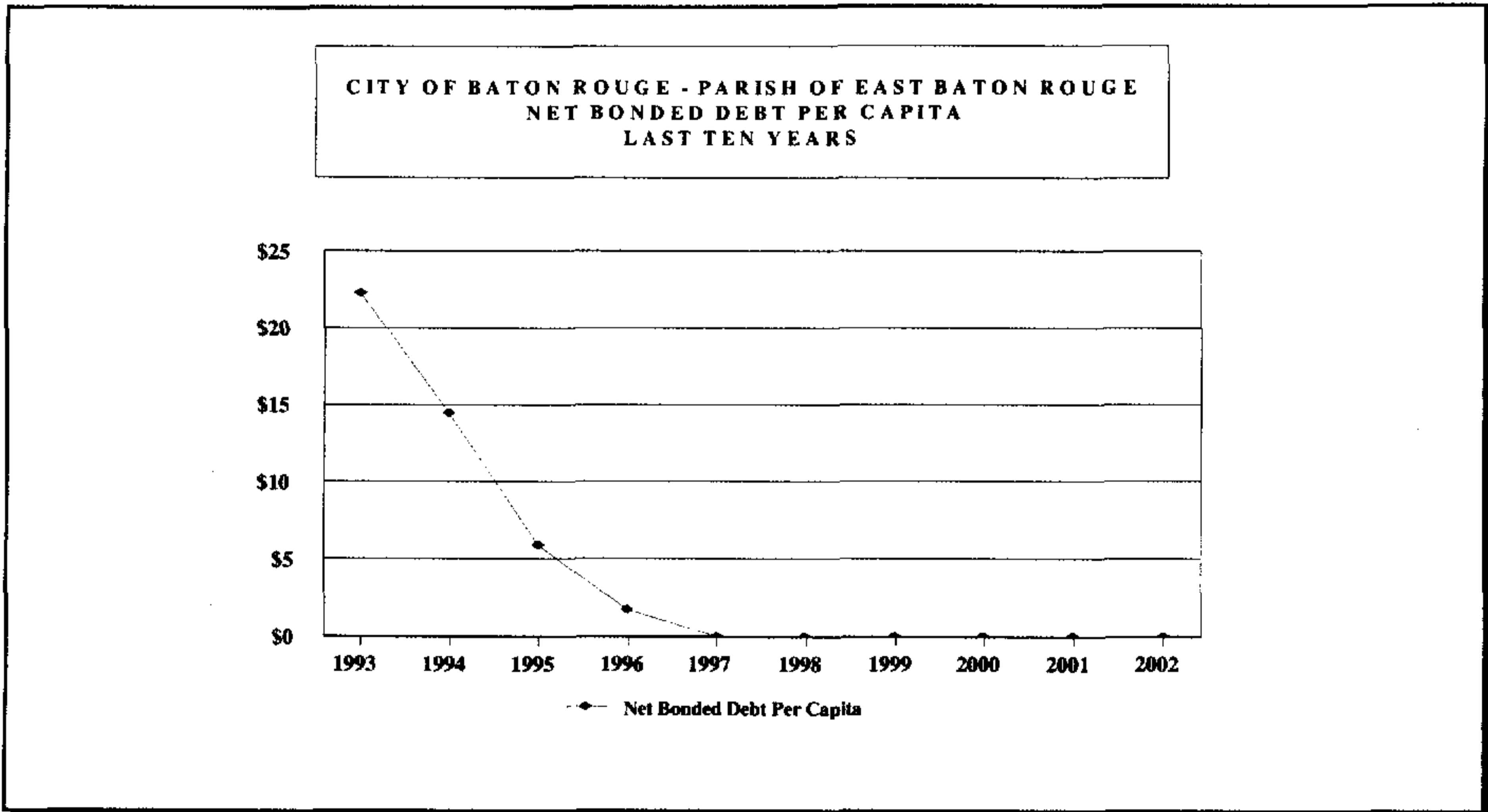
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
 RATIO OF NET BONDED DEBT TO ASSESSED VALUE
 AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS**

EXHIBIT J - 11

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value</u>	<u>General Obligation Bonded Debt</u>	<u>Less Debt Service Fund (3)</u>	<u>Net Bonded Debt (4)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1993	393,923	\$1,627,894,980	\$11,990,000	\$3,213,767	\$8,776,233	0.54 %	\$22
1994	396,364	1,674,869,070	9,330,000	3,580,668	5,749,332	0.34	15
1995	398,661	1,738,389,370	6,550,000	4,182,365	2,367,635	0.14	6
1996	399,992	1,864,291,960	3,655,000	2,944,079	710,921	0.04	2
1997	396,331	1,984,916,760	1,300,000	1,300,000	--	--	--
1998	396,556	2,110,523,938	--	--	--	--	--
1999	399,105	2,196,149,252	--	--	--	--	--
2000	412,852 (2)	2,324,089,310	--	--	--	--	--
2001	414,040	2,437,458,220	--	--	--	--	--
2002	414,833	2,533,605,400	--	--	--	--	--

- (1) Estimates - Planning Commission
- (2) Official U. S. Census
- (3) Amount available for repayment of general obligation and limited tax bond principal
- (4) Revenue bonds and excess revenue bonds, certificates of indebtedness, notes and contracts are not included in this exhibit.

Source: Comprehensive Annual Financial Report



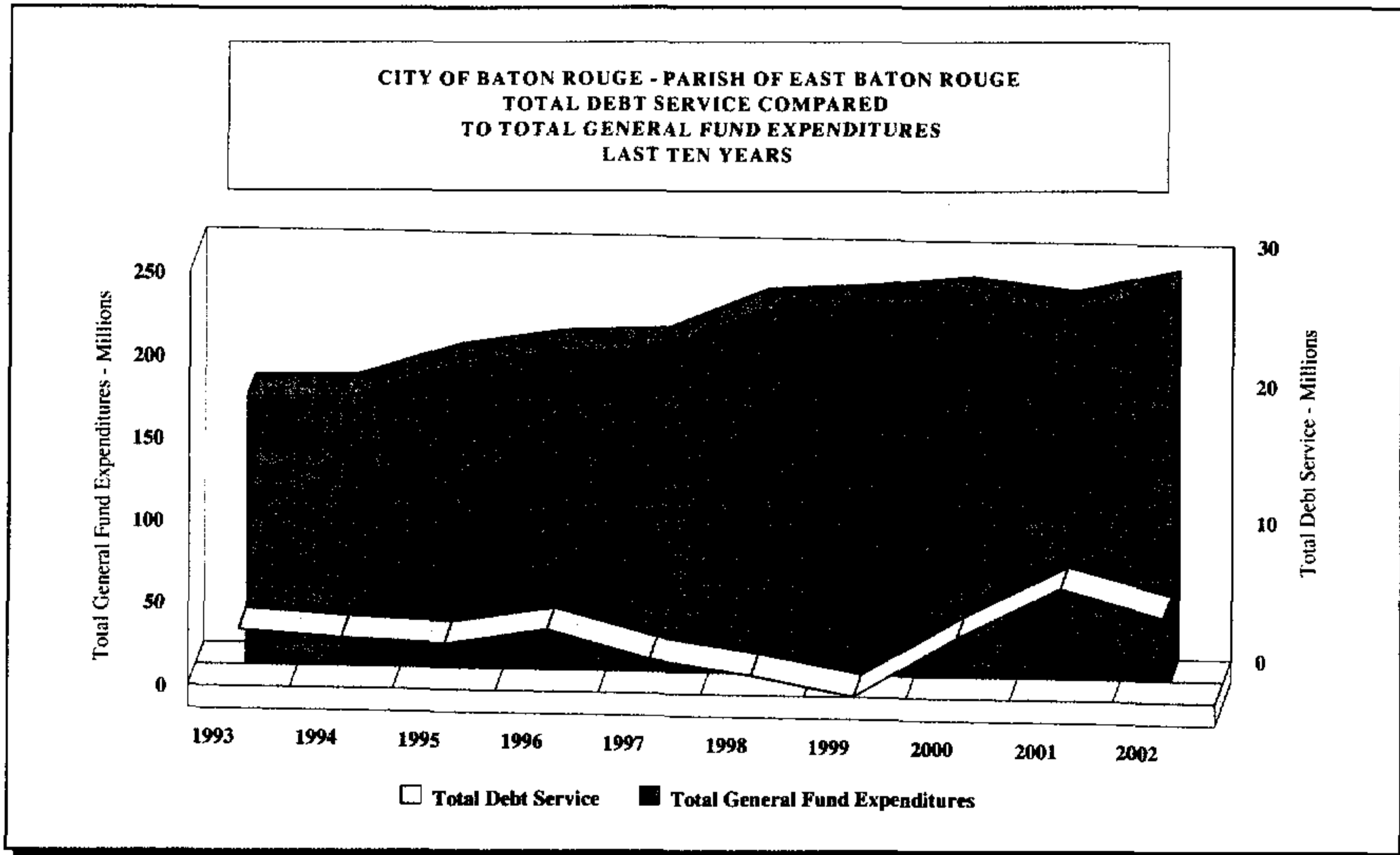
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN YEARS**

EXHIBIT J - 12

<u>Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service (2)</u>	<u>Total General Fund Expenditures (3)</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1993	\$3,267,584	\$ 727,613	\$3,995,197	\$162,883,036	2.45 %
1994	2,943,306	551,651	3,494,957	163,581,634	2.14
1995	2,849,810	408,251	3,258,061	183,549,046	1.78
1996	4,101,763	291,318	4,393,081	192,866,934	2.28
1997	2,364,966	102,044	2,467,010	195,909,562	1.26
1998	1,310,943	38,416	1,349,359	220,113,074	0.61
1999	12,117	5,332	17,449	223,433,990	0.01
2000	601,409 (4)	3,683,161 (4)	4,284,570	228,695,866	1.87
2001	2,927,960 (5)	5,067,403	7,995,363	222,257,102	3.60
2002	1,878,375 (6)	4,264,246	6,142,621	235,325,513	2.61

- (1) Excludes paying agent fees and other costs.
- (2) Total Debt Service includes general obligation bonds, excess revenue and limited tax bonds, certificates, notes, and contracts (excluding revenue bonds and 1987 Public Improvement Certificates issued by the East Baton Rouge Sewerage Commission).
- (3) Includes Expenditures and Other Uses (encumbrances not included) of the General Fund only.
- (4) The City signed a long-term note with the State Municipal Police Employees' Retirement System in the amount of \$72,738,769.
- (5) The Parish advance paid principal in the amount of \$1,840,373 on the LA Community Development Authority note.
- (6) The Parish advance paid principal in the amount of \$840,000 on the LA Community Development Authority note.

Source: Comprehensive Annual Financial Report



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2002**

	<u>Gross Debt Outstanding</u>	<u>Amounts in Debt Service Fund For Principal</u>	<u>Net Debt Outstanding</u>
<u>City of Baton Rouge:</u>			
2002A Variable Rate Taxable Refunding	\$ 25,900,000	\$ 954,112	\$ 24,945,888
2002B Fixed Rate Taxable Refunding	47,550,000	--	47,550,000
<u>Parish of East Baton Rouge:</u>			
LA Community Development Authority	<u>4,388,500</u>	<u>--</u>	<u>4,388,500</u>
Total direct debt	<u>77,838,500</u>	<u>954,112</u>	<u>76,884,388</u>
<u>Overlapping Debt:</u>			
City of Baker	1,945,000	1,141,373	803,627
City of Zachary	710,462	--	710,462
Hospital Service District No. 1 (Lane Memorial Hospital)	9,490,952	983,647	8,507,305
St. George Fire Protection District	2,040,842	--	2,040,842
East Baton Rouge Parish School System	4,121,324	--	4,121,324
Port of Greater Baton Rouge	<u>8,323,156</u>	<u>298,617</u>	<u>8,024,539</u>
Total overlapping debt	<u>26,631,736</u>	<u>2,423,637</u>	<u>24,208,099</u>
Total direct and overlapping debt	<u>\$ 104,470,236</u>	<u>\$ 3,377,749</u>	<u>\$ 101,092,487</u>
2002 Population			
Per Capita			

<u>Parish</u>		<u>City</u>	
<u>Percent</u>	<u>Share of Debt</u>	<u>Percent</u>	<u>Share of Debt</u>
100 %	\$ 24,945,888	100 %	\$ 24,945,888
100	47,550,000	100	47,550,000
100	<u>4,388,500</u>	46	<u>2,018,710</u>
	<u>76,884,388</u>		<u>74,514,598</u>
100	803,627	--	--
100	710,462	--	--
100	8,507,305	--	--
100	2,040,842	--	--
100	4,121,324	46	1,895,809
100	<u>8,024,539</u>	100	<u>8,024,539</u>
	<u>24,208,099</u>		<u>9,920,348</u>
	<u>\$ 101,092,487</u>		<u>\$ 84,434,946</u>
	<u>414,833</u>		<u>229,132</u>
	<u>\$244</u>		<u>\$368</u>

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

EXHIBIT J - 14

SCHEDULE A - GREATER BATON ROUGE PARKING AUTHORITY

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Expenses (2)</u>	<u>Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (3)</u>	<u>Total</u>	
1993	\$ 980,926	\$380,078	\$600,848	\$300,000	\$291,574	\$591,574	1.02
1994	985,613	388,995	596,618	320,000	273,409	593,409	1.01
1995	1,078,744	350,245	728,499	340,000	254,810	594,810	1.22
1996	945,085	345,018	600,067	360,000	235,279	595,279	1.01
1997	898,680	350,271	548,409	385,000	212,594	597,594	0.92
1998	944,364	387,047	557,317	410,000	183,130	593,130	0.94
1999	1,028,511	332,846	695,665	435,000	160,798	595,798	1.17
2000	1,025,283	333,335	691,948	460,000	128,140	588,140	1.18
2001	1,019,752	337,918	681,834	495,000	95,214	590,214	1.16
2002	997,114	354,057	643,057	525,000	61,030	586,030	1.10

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

<u>Year</u>	<u>Gross Revenue (4)</u>	<u>Expenses (5)</u>	<u>Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest (3)</u>	<u>Total</u>	
1993	\$21,671,535	\$245,108	\$21,426,427	\$ 970,000	\$ 5,389,762	\$ 6,359,762	3.37
1994	23,595,872	295,723	23,300,149	1,545,000	9,541,639	11,086,639	2.10
1995	25,167,277	292,682	24,874,595	3,065,000	9,968,885	13,033,885	1.91
1996	27,378,976	289,369	27,089,607	3,605,000	12,168,515	15,773,515	1.72
1997	28,111,049	310,592	27,800,457	4,080,000	12,752,811	16,832,811	1.65
1998	29,939,127	313,501	29,625,626	4,444,000	12,397,987	16,841,987	1.76
1999	30,466,913	323,639	30,143,274	4,810,000	11,604,018	16,414,018	1.84
2000	31,209,926	289,000	30,920,926	6,110,000	13,924,207	20,034,207	1.54
2001	30,417,224	265,929	30,151,295	6,630,000	13,408,005	20,038,005	1.50
2002	30,745,621	284,997	30,460,624	7,210,000	13,868,884	21,078,884	1.45

Continued

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

EXHIBIT J - 14
(Continued)

SCHEDULE C - CITY SALES TAX (2%)

Year	Gross Revenue (6)	Expenses (7)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
1993	\$68,602,851	\$ --	\$68,602,851	\$2,640,000	\$8,611,534	\$11,251,534	6.10
1994	70,508,633	--	70,508,633	4,565,000	8,552,838	13,117,838	5.38
1995	73,551,183	--	73,551,183	4,960,000	8,213,678	13,173,678	5.58
1996	77,653,910	--	77,653,910	5,385,000	7,783,874	13,168,874	5.90
1997	80,565,270	--	80,565,270	5,860,000	7,312,606	13,172,606	6.12
1998	77,582,757	360,000	77,222,757	5,640,000	7,548,727	13,188,727	5.86
1999	79,171,844	--	79,171,844	6,000,000	5,421,613	11,421,613	6.93
2000	78,274,925	--	78,274,925	5,620,000	6,336,631	11,956,631	6.55
2001	78,508,665	--	78,508,665	7,035,000	5,903,227	12,938,227	6.07
2002	77,319,666	--	77,319,666	8,565,000	6,560,011	15,125,011	5.11

SCHEDULE D - PARISH SALES TAX (2%)

Year	Gross Revenue (6)	Expenses (7)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (3)	Total	
1993	\$22,347,862	\$ --	\$22,347,862	\$230,000	\$426,269	\$656,269	34.05
1994	25,258,905	--	25,258,905	245,000	411,849	656,849	38.45
1995	29,129,135	--	29,129,135	260,000	396,093	656,093	44.40
1996	32,626,109	--	32,626,109	275,000	379,217	654,217	49.87
1997	34,683,096	--	34,683,096	295,000	361,042	656,042	52.87
1998	42,429,476	88,591	42,340,885	315,000	340,777	655,777	64.57
1999	43,959,488	--	43,959,488	340,000	156,853	496,853	88.48
2000	44,821,104	--	44,821,104	320,000	189,993	509,993	87.89
2001	45,601,245	--	45,601,245	440,000	176,072	616,072	74.02
2002	48,233,190	--	48,233,190	470,000	156,952	626,952	76.93

- (1) Total operating revenues plus non-operating revenues plus operating transfers in
- (2) Total operating expenses plus non-operating expenses less depreciation and debt service interest on revenue bonds
- (3) Fiscal charges included
- (4) Total sales tax revenues plus interest earnings on sales tax revenues
- (5) Total sales tax collection costs
- (6) Total general sales and use taxes in the general and debt service funds plus interest earnings on sales tax revenues in the City and Parish Sales Tax Bonds Debt Service Funds and operating transfers in
- (7) Refunding bond issuance costs



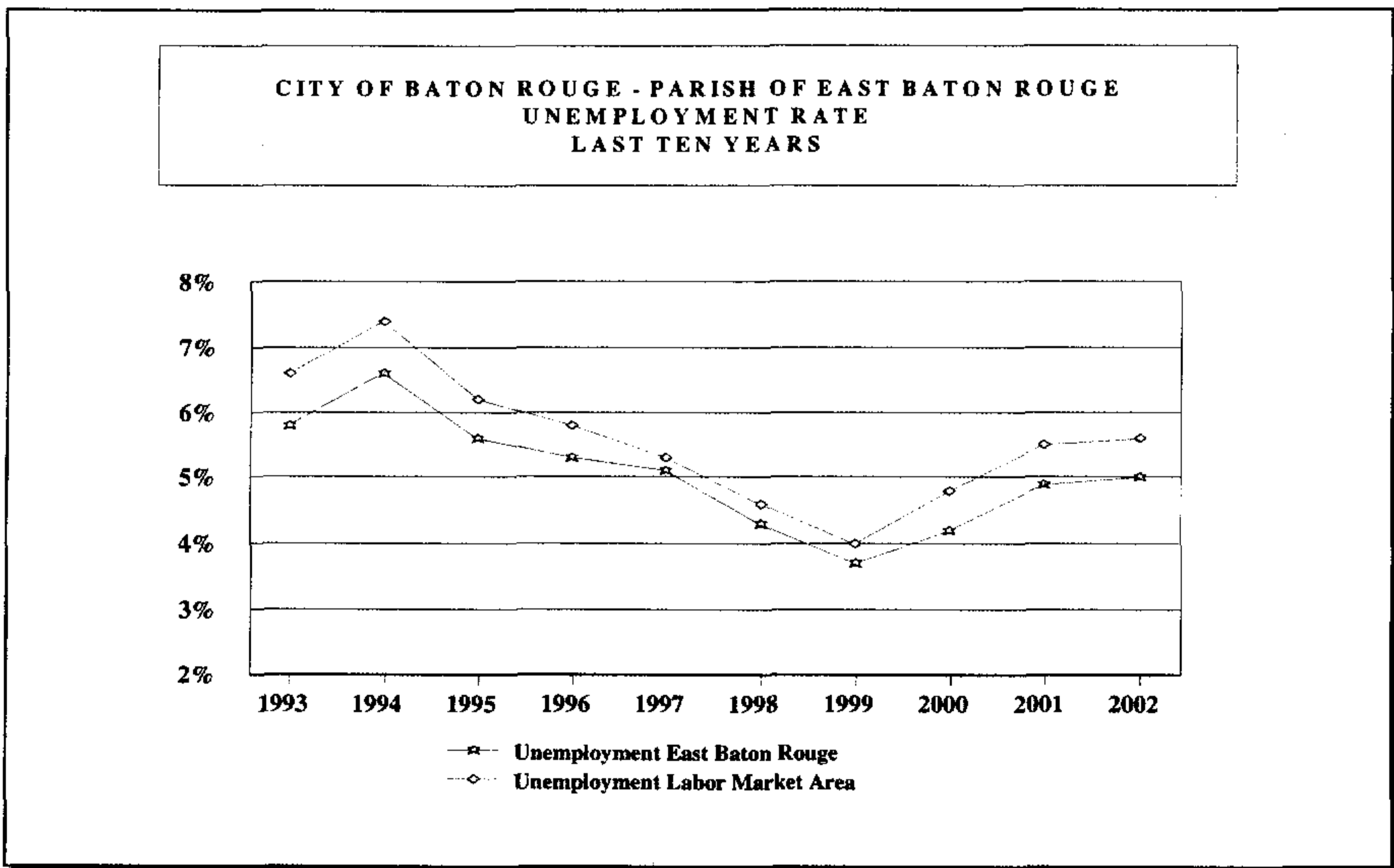
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

EXHIBIT J - 15

<u>Year</u>	<u>Popu- lation (1)</u>	<u>Per Capita Income (3)</u>	<u>Median Age (1)</u>	<u>Public School Enrollment (4)</u>	<u>Unem- ployment East Baton Rouge (5)</u>	<u>Unem- ployment Labor Market Area (6)</u>
1993	393,923	18,148	29.9	60,643	5.8	6.6
1994	396,364	18,798	29.9	59,026	6.6	7.4
1995	398,661	19,288	29.9	57,430	5.6	6.2
1996	399,992	20,484	29.9	55,970	5.3	5.8
1997	396,331	22,361	29.9	53,379	5.1	5.3
1998	396,556	23,077	29.9	55,507	4.3	4.6
1999	399,105	23,561	29.9	54,443	3.7	4.0
2000	412,852 (2)	25,592	31.5	52,213	4.2	4.8
2001	414,040	26,604	31.5	51,258	4.9	5.5
2002	414,833	25,956	31.5	52,570	5.0 (7)	5.6 (7)

All information is Parishwide

- (1) Estimates - Louisiana Tech University for the U.S. Bureau of Census
- (2) Official U.S. Census
- (3) Estimates - Bureau of Economic Analysis
- (4) East Baton Rouge Parish School Board
- (5) Louisiana Department of Labor - Benchmark rates for East Baton Rouge Parish only - These data are disaggregated using claims for unemployment compensation and population sharing ratios which are applied to present market area estimates and are valid only for the allocation of manpower revenue sharing funds.
- (6) Louisiana Department of Labor - Baton Rouge Labor Market Area includes East Baton Rouge, Ascension, Livingston, and West Baton Rouge Parishes. The Labor Market Rate reflects unemployment in Baton Rouge and the surrounding area. Baton Rouge serves as the focus of employment for many of the parishes that border it.
- (7) Preliminary figures



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS**

EXHIBIT J - 16

Year	Commercial Construction (2)		Residential Construction (2)		Bank Deposits (1) (In Thousands)
	Number Of Permits	Value	Number Of Permits	Value	
1993	920	\$133,669,625	2,542	\$129,633,256	\$12,519,825
1994	948	205,269,598	2,529	123,468,138	16,502,452
1995	958	210,975,208	2,160	93,878,466	17,685,694
1996	1,037	262,585,974	2,312	109,909,237	19,428,938
1997	1,104	197,840,970	2,081	100,546,972	19,214,205
1998	870	218,408,621	2,182	107,752,471	4,697,591 (4)
1999	991	279,127,563	2,382	117,686,932	5,263,770
2000	907	276,550,291	1,832	97,868,821	5,180,209
2001	837	281,290,772	2,343	122,285,336	See Below
2002	938	307,698,093	2,121	128,520,845	See Below

	Bank Deposits (In Thousands) (1)	
	June 30, 2002	June 30, 2001
Hibernia National Bank	\$1,468,889	\$1,358,189
Bank One, N.A.	2,406,672	1,548,842
Alliance Bank of Baton Rouge	51,100	46,508
Whitney National Bank	257,006	259,738
Regions Bank of Louisiana	248,882	282,796
Bank One Trust Company, National Association	23,187	23,359
Hancock Bank of Louisiana	613,184	521,503
Union Planters Bank	568,840	540,597
Britton & Koontz First National Bank	29,999	32,855
AmSouth Bank	77,430	86,501
Liberty Bank & Trust Company	17,361	14,928
Citizens Bank & Trust Company	38,754	33,501
Bank of West Baton Rouge	49,081	44,308
Bank of Zachary	89,968	83,912
Business Bank of Baton Rouge	87,307	75,793
First National Banker's Bank	74,223	58,983
First Bank and Trust	57	--
First Bank	33,287	23,131
Dillard National Bank	500	100
The Highlands Bank	1,183	--
Clinton Bank & Trust Company	6,286	5,831
Fidelity Bank & Trust Company	71,727	76,929
Total Deposits	\$6,214,923	\$5,118,304

All Information is Parishwide

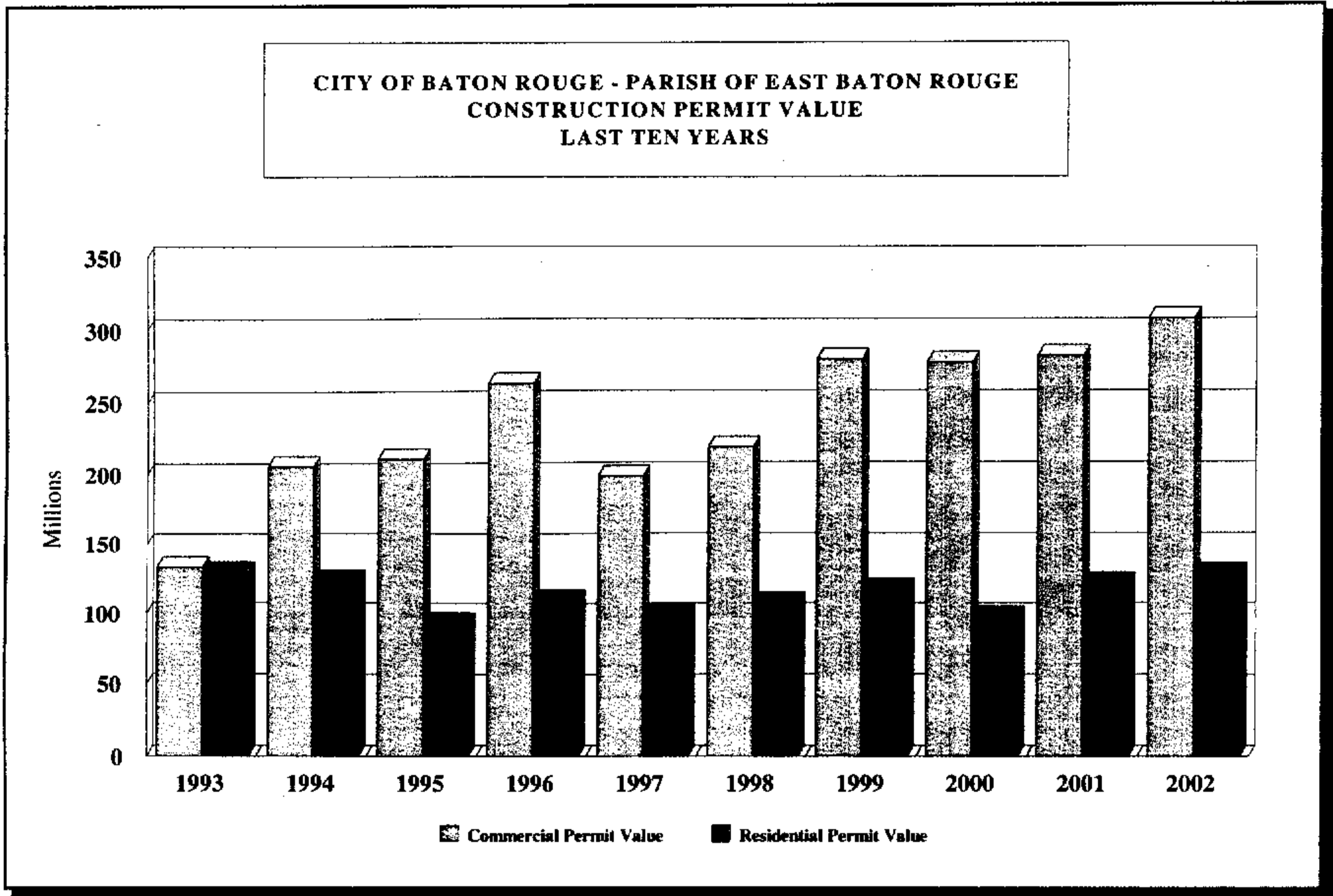
(1) Source: Louisiana State Office of Financial Institutions

(2) Source: Department of Public Works - Inspection Division

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

EXHIBIT J - 16
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
MISCELLANEOUS STATISTICS
DECEMBER 31, 2002**

EXHIBIT J - 17

Date of Incorporation (1)	July 6, 1817
Form of Government (2)	Mayor - Council City-Parish Consolidation
Area (3)	City 76.55 sq. miles Parish 472.10 sq. miles
Number of Street Lights (4)	34,508
Fire Protection (5) (City Only)	
Number of Stations	19
Number of Fire Fighters and Officers (exclusive of volunteer fire fighters)	555
Police Protection (6) (City Only)	
Number of Stations	4
Number of Police Officers	657
Education (Public Pre-K - 12 & Charter)* (7)	
Attendance Centers	102
Number of Teachers	4,253
Number of Students	52,570
Sewers* (4)	
Pumping Stations	435
Secondary Treatment Plants	3
Value of Building Permits Issued (4)	
1998	\$ 332,373,441
1999	\$ 403,515,293
2000	\$ 381,308,186
2001	\$ 409,420,878
2002	\$ 441,693,034
Recreation and Culture* (8)	
Number of Libraries	12
Number of Volumes	1,740,952
Employees* (9) (Primary Government)	
Classified	4,387
Unclassified	100
Elected	26

***Parishwide**

- (1) Foundation for Historical Louisiana, The Baton Rouge Story: An Historical Sketch of Louisiana's Capital City, c. 1967.
- (2) "The Plan of Government" of the Parish of East Baton Rouge and the City of Baton Rouge
- (3) Planning Commission
- (4) Department of Public Works
- (5) Fire Department
- (6) Police Department
- (7) East Baton Rouge Parish School Board. This is the official count on which state funding is based.
- (8) East Baton Rouge Parish Library
- (9) Human Resources

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
MISCELLANEOUS STATISTICS
DECEMBER 31, 2002**

EXHIBIT J - 17
(Continued)

<u>Population (1)</u>	<u>City</u>	<u>Parish</u>
1988	241,557	386,176
1989	242,045	384,006
1990	219,531	380,105
1991	221,208	383,983
1992	223,622	390,763
1993	226,647	393,923
1994	228,101	396,364
1995	230,460	398,661
1996	231,219	399,992
1997	231,276	396,331
1998	232,637	396,556
1999	234,226	399,105
2000	227,818	412,852
2001	227,818	414,040
2002	229,132	414,833

(1) Source: Estimates - Planning Commission

Ten Largest Employers by Industry (2)

Company Name

Public Schools	East Baton Rouge Parish School Board
University	Louisiana State University - Baton Rouge
Retail	Wal-Mart Stores, Inc.
Government	City of Baton Rouge - Parish of East Baton Rouge
Petroleum Products Chemical Products Plastic Products	Exxon Corporation - Houston, TX
Hospital	Our Lady of the Lake Regional Medical Center
Health Care	Innovative Rehab Agency
Construction	J E Merit Construction, Inc.
Pipe Fabrication Business	Shaw International Inc.
University	Louisiana State University - Agriculture Center

(2) Source: Louisiana Department of Labor - based on information available as of the first quarter of 2002.
Includes firms with 1,000 or more employees.



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

DECEMBER 31, 2002





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2002, and have issued our report thereon dated May 23, 2003, which includes a reference to the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the City-Parish are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance which we have reported to the management of the City-Parish in a separate letter dated May 23, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City-Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City-Parish in a separate letter dated May 23, 2003.

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

Postlethwaite & Nettleville

Baton Rouge, Louisiana
May 23, 2003



Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

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

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

Compliance

We have audited the compliance of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney) and the Capital Transportation Corporation, presented as component units. These entities expended \$897,398 and \$3,874,494 of federal grant funding during the year ended December 31, 2002, respectively, that does not appear in the accompanying schedule of expenditures of federal awards for the year ended December 31, 2002. Our audit of compliance, described below, did not include the programs of the District Attorney and the Capital Transportation Corporation, as those entities were audited under separate engagements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirement.

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, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2002-1 through 2002-8.

Internal Control Over Compliance

The management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City-Parish's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect City-Parish's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2002-1 and 2002-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City-Parish as of and for the year ended December 31, 2002, and have issued our report thereon dated May 23, 2003, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2002 as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Baton Rouge, Louisiana
May 23, 2003



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>		<u>GRANT AND CONTRACT REVENUES RECEIVED</u>
	<u>GRANTOR</u>	<u>LOCAL</u>	
<u>FEDERAL AGENCY - SCHEDULE A</u>			
U.S. Department of Housing and Urban Development	\$ 510,940	\$ (1,188,617)	\$ 13,102,839
U.S. Department of Health and Human Services	481,353	(89,247)	10,192,197
Federal Emergency Management Agency	269,920	(166,667)	3,374,263
U.S. Department of Transportation - FHWA	3,188,426	(5,576,789)	4,193,485
U.S. Department of Transportation - National Highway Traffic Safety Administration	(1,840)	96,320	26,667
U.S. Department of Transportation	--	--	--
U.S. Department of Energy	17,625	--	29,500
U.S. Department of Agriculture	173,871	--	1,780,234
U.S. Department of Education - Rehabilitation Service Administration	(80,488)	--	92,113
U.S. Department of Labor	679,561	--	5,193,913
U. S. Department of Justice	(645,192)	(120,259)	621,345
U. S. Environmental Protection Agency	3,014	--	58,447
Office of National Drug Control Policy	9,469	--	14,469
Federal Highway Administration	--	--	6,078
TOTAL FEDERAL AGENCY - SCHEDULE A	<u>\$ 4,606,659</u>	<u>\$ (7,045,259)</u>	<u>\$ 38,685,550</u>
<u>FEDERAL AGENCY - SCHEDULE B</u>			
U.S. Department of Transportation - FTA	\$ 746,423	\$ (437,345)	\$ 1,457,148
U.S. Department of Transportation - FAA	3,477,502	--	12,282,028
Federal Emergency Management Agency	16,833	--	67,411
U. S. Environmental Protection Agency	828,111	(2,321,719)	1,555,548
TOTAL FEDERAL AGENCY - SCHEDULE B	<u>\$ 5,068,869</u>	<u>\$ (2,759,064)</u>	<u>\$ 15,362,135</u>

GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
			GRANTOR	LOCAL
\$ 687,852	\$ 12,923,888	\$ 801,360	\$ 331,989	\$ (1,075,109)
2,017,453	10,912,473	2,106,700	1,201,629	--
(74,883)	2,024,047	27,751	(1,080,296)	(64,033)
1,300,582	4,910,776	1,312,840	3,905,717	(5,564,531)
100,000	36,831	3,680	8,324	--
--	5,566	--	5,566	--
--	54,409	--	42,534	--
(28,953)	1,945,847	(28,953)	339,484	--
--	78,163	--	(94,438)	--
--	5,136,557	--	622,205	--
83,934	1,029,654	114,655	(236,883)	(89,538)
--	77,303	--	21,870	--
--	5,000	--	--	--
2,300	6,078	2,300	--	--
<u>\$ 4,088,285</u>	<u>\$ 39,146,592</u>	<u>\$ 4,340,333</u>	<u>\$ 5,067,701</u>	<u>\$ (6,793,211)</u>
\$ 17,846	\$ 724,315	\$ 162,139	\$ 13,590	\$ (293,052)
--	12,344,933	--	3,540,407	--
--	69,959	--	19,381	--
--	1,156,401	946,146	428,964	(1,375,573)
<u>\$ 17,846</u>	<u>\$ 14,295,608</u>	<u>\$ 1,108,285</u>	<u>\$ 4,002,342</u>	<u>\$ (1,668,625)</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>FEDERAL GRANTS</u>					
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
	121004				
<u>Direct Programs:</u>					
<u>Community Development:</u>					
Block Grant - 1986	182..431602	14.218	B-86-MC-22-0002	\$ (100,000)	\$ --
Block Grant - 1990	182..431602	14.218	B-90-MC-22-0002	(120,806)	--
Block Grant - 1991	182..431602	14.218	B-91-MC-22-0002	(11,837)	--
Block Grant - 1992	182..431602	14.218	B-92-MC-22-0002	(244,804)	--
Block Grant - 1993	182..431602	14.218	B-93-MC-22-0002	(111,424)	--
Block Grant - 1994	182..431602	14.218	B-94-MC-22-0002	(436,660)	(4,266)
Block Grant - 1995	182..431602	14.218	B-95-MC-22-0002	(401,095)	(10,233)
Block Grant - 1996	182..431602	14.218	B-96-MC-22-0002	(268,529)	(8,203)
Block Grant - 1997	182..431602	14.218	B-97-MC-22-0002	(590,448)	(6,211)
Block Grant - 1998	182..431602	14.218	B-98-MC-22-0002	(1,186,105)	(59,989)
Block Grant - 1999	182..431602	14.218	B-99-MC-22-0002	295,335	(173,618)
Block Grant - 2000	182..431602	14.218	B-00-MC-22-0002	3,069,265	(268,825)
Block Grant - 2001	182..431602	14.218	B-01-MC-22-0002	781,688	(481,604)
Block Grant - 2002	182..431602	14.218	B-02-MC-22-0002	--	--
SUBTOTAL CFDA NUMBER 14.218				674,580	(1,012,949)
Home Grant - 1992	183..431602	14.239	M-92-MC-22-0204	--	(175,668)
Home Grant - 1994	183..431602	14.239	M-94-MC-22-0204	(557)	--
Home Grant - 1995	183..431602	14.239	M-95-MC-22-0204	(5,577)	--
Home Grant - 1996	183..431602	14.239	M-96-MC-22-0204	7,534	--
Home Grant - 1997	183..431602	14.239	M-97-MC-02-0204	10,887	--
Home Grant - 1998	183..431602	14.239	M-98-MC-02-0204	93,709	--
Home Grant - 1999	183..431602	14.239	M-99-MC-02-0204	82,466	--
Home Grant - 2000	183..431602	14.239	M-00-MC-02-0204	(16,291)	--
Home Grant - 2001	183..431602	14.239	M-01-MC-02-0204	--	--
SUBTOTAL CFDA NUMBER 14.239				172,171	(175,668)
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-96-00	48,540	--
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B97-01	42,003	--
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B80-01	23,890	--
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B90-40	29,925	--
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B00-10	15,352	--
Continuum of Care Supportive Housing Program	184..431602	14.235	LA-48-B10-40	--	--
SUBTOTAL CFDA NUMBER 14.235				159,710	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 100,000	\$ --	\$ 200,000	\$ --	\$ --	\$ --
25,262	--	146,068	--	--	--
--	--	11,837	--	--	--
123,337	--	368,141	--	--	--
111,124	--	222,548	--	--	--
143,244	--	579,904	--	--	(4,266)
193,727	--	594,822	--	--	(10,233)
98,777	--	367,306	65	--	(8,138)
240,997	--	831,445	--	--	(6,211)
321,915	--	1,508,020	50,623	--	(9,366)
123,602	--	(171,733)	122,033	--	(51,585)
1,418,854	--	(1,650,411)	135,938	--	(132,887)
3,547,205	37,852	2,926,677	298,732	161,160	(220,724)
443,690	500,000	667,713	1,279	224,023	(498,721)
<u>6,891,734</u>	<u>537,852</u>	<u>6,602,337</u>	<u>608,670</u>	<u>385,183</u>	<u>(942,131)</u>
--	150,000	--	192,690	--	(132,978)
--	--	--	--	(557)	--
--	--	274	--	(5,303)	--
(250)	--	(3,574)	--	4,210	--
68,298	--	63,048	--	5,637	--
524,919	--	429,278	--	(1,932)	--
1,151,506	--	1,096,761	--	27,721	--
698,664	--	769,770	--	54,815	--
181,000	--	181,000	--	--	--
<u>2,624,137</u>	<u>150,000</u>	<u>2,536,557</u>	<u>192,690</u>	<u>84,591</u>	<u>(132,978)</u>
123,369	--	94,986	--	20,157	--
297,603	--	292,497	--	36,897	--
267,454	--	262,563	--	18,999	--
131,056	--	119,804	--	18,673	--
329,197	--	344,439	--	30,594	--
--	--	78,042	--	78,042	--
<u>1,148,679</u>	<u>--</u>	<u>1,192,331</u>	<u>--</u>	<u>203,362</u>	<u>--</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED)</u>					
HOPWA Grant - 2000	185..431602	14.241	LAH00F002	\$ 84,104	\$ --
HOPWA Grant - 2001	185..431602	14.241	B01MC220002	--	--
SUBTOTAL CFDA NUMBER 14.241				84,104	--
Emergency Shelter 2000-02	182..431602	14.231	S-00-MC-22-0002	5,172	--
Emergency Shelter 2001-03	182..431602	14.231	S-01-MC-22-0002	--	--
<u>Passed through Louisiana Department of Social Services</u>					
	121109				
Emergency Shelter	170..432602	14.231	99/01	(333)	--
Emergency Shelter	170..432602	14.231	00/02	64,891	--
Emergency Shelter	170..432602	14.231	01/03	--	--
<u>Passed through Louisiana Department of Urban and Community Affairs</u>					
	121112				
Emergency Shelter Grant	170..432603	14.231	1988	(719)	--
SUBTOTAL CFDA NUMBER 14.231				69,011	--
121004					
Sharlo Terrace - 1994	170..431602	14.156	LA-48-0046-009	(69,036)	--
Sharlo Terrace - 1998	170..431602	14.156	LA-48-0046-009	(5,020)	--
Sharlo Terrace - 1999	170..431602	14.156	LA-48-0046-009	(8,297)	--
Sharlo Terrace - 2000	170..431602	14.156	LA-48-0046-009	(13,572)	--
Sharlo Terrace - 2001	170..431602	14.156	LA-48-0046-009	(8,915)	--
Sharlo Terrace - 2002	170..431602	14.157	LA-48-0046-009	--	--
Section 8 - Existing	170..431602	14.156	LA-48-E003-001/004	(125,427)	--
Moderate Housing Assistance I - 1994	170..431602	14.156	LA-48-K219-001	(47,280)	--
Moderate Housing Assistance II - 1994	170..431602	14.156	LA-48-K219-002	4,163	--
Moderate Housing Assistance III - 1994	170..431602	14.156	LA-48-K219-003	(2,007)	--
Moderate Housing Assistance IV - 1987-94	170..431602	14.156	LA-48-K219-004	(6,351)	--
Moderate Housing Assistance IV - 1998	170..431602	14.156	LA-48-K219-004	(70)	--
Moderate Housing Assistance IV - 1999	170..431602	14.156	LA-48-K219-004	(68,889)	--
Moderate Housing Assistance IV - 2000	170..431602	14.156	LA-48-K219-004	(54,755)	--
Moderate Housing Assistance IV - 2001	170..431602	14.156	LA-48-K219-004	(36,160)	--
Moderate Housing Assistance IV - 2002	170..431602	14.157	LA-48-K219-004	--	--
Section 8 Certificate Program - 1996	170..431602	14.156	LA-219-CEO-1, 2, 3 & 4	(157,884)	--
Section 8 Certificate Program - 1997	170..431602	14.156	LA-219-CEO-1, 2, 3 & 4	668	--
Section 8 Certificate Program - 1998	170..431602	14.156	LA-219-CEO-001-008	24,842	--
Section 8 Certificate Program - 1999	170..431602	14.156	LA-219-CEO-001-008	(28,137)	--
Section 8 Certificate Program - 2000	170..431602	14.156	LA-219-CEO-001-008	(67,086)	--
Section 8 Vouchers Program - 1999	170..431602	14.156	LA-219-CEO-001-008	(3,928)	--
Section 8 Vouchers Program - 2000	170..431602	14.156	LA-219-CEO-001-008	36,852	--
Section 8 Vouchers Program - 2001	170..431602	14.156	LA-219-CEO-001-008	(12,347)	--
Section 8 Vouchers Program - 2002	170..431602	14.156	LA-219-CEO-001-008	--	--
SUBTOTAL CFDA NUMBER 14.156				(648,636)	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 166,554	\$ --	\$ 78,856	\$ --	\$ (3,594)	\$ --
478,012	--	534,415	--	56,403	--
<u>644,566</u>	<u>--</u>	<u>613,271</u>	<u>--</u>	<u>52,809</u>	<u>--</u>
54,768	--	54,410	--	4,814	--
123,440	--	130,868	--	7,428	--
--	--	333	--	--	--
153,245	--	88,354	--	--	--
63,443	--	74,147	--	10,704	--
--	--	--	--	(719)	--
<u>394,896</u>	<u>--</u>	<u>348,112</u>	<u>--</u>	<u>22,227</u>	<u>--</u>
--	--	--	--	(69,036)	--
--	--	--	--	(5,020)	--
--	--	--	--	(8,297)	--
--	--	5,741	--	(7,831)	--
4,657	--	5,439	--	(8,133)	--
325,144	--	323,576	--	(1,568)	--
--	--	--	--	(125,427)	--
--	--	--	--	(47,280)	--
--	--	--	--	4,163	--
--	--	--	--	(2,007)	--
--	--	--	--	(6,351)	--
--	--	--	--	(70)	--
--	--	69,708	--	819	--
--	--	54,568	--	(187)	--
(14,715)	--	19,897	--	(1,548)	--
503,225	--	494,527	--	(8,698)	--
--	--	--	--	(157,884)	--
--	--	--	--	668	--
--	--	--	--	24,842	--
--	--	29,464	--	1,327	--
--	--	67,008	--	(78)	--
--	--	3,928	--	--	--
--	--	(38,029)	--	(1,177)	--
(2,281)	--	12,656	--	2,590	--
554,522	--	554,522	--	--	--
<u>1,370,552</u>	<u>--</u>	<u>1,603,005</u>	<u>--</u>	<u>(416,183)</u>	<u>--</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED)</u>					
Parking Structure Feasibility Study	070..431602	14.276	B-01-SP-LA-0224	\$ --	\$ --
Total U.S. Department of Housing and Urban Development				510,940	(1,188,617)
<u>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Metropolitan Medical Response System	121006 170..431601	93.010051	233-01-0051	118,622	--
Headstart - 2001	160..431601	93.600	06CH006524	143,044	--
Headstart - 2002	160..431601	93.600	06CH0065235	--	--
SUBTOTAL CFDA NUMBER 93.600				143,044	--
Ecstasy and Club Drug	170..431601	93.243	IU798P10018-01	--	--
<u>Passed through Louisiana Department of Health and Hospitals-Office of Community Service</u>					
City Court Volunteer in Court	121107 170..432001	93.959	00/01	--	(16,529)
City Court Volunteer in Court	170..432001	93.959	01/02	12,433	(18,365)
SUBTOTAL CFDA NUMBER 93.959				12,433	(34,894)
<u>Passed through Louisiana Department of Social Services</u>					
BRACA - LIHEAP Energy Assistance	121109 160..432400	93.568	2000	--	(30,708)
BRACA - LIHEAP Energy Assistance	160..432400	93.568	2001	--	(23,645)
<u>Passed through Louisiana Housing Finance Agency</u>					
Low Income Housing Entergy Assistance	121119 160..432401	93.568	2001	83,921	--
Low Income Housing Entergy Assistance	160..432401	93.568	2002	--	--
Low Income Housing Entergy Assistance	160..432401	93.568	02/03	--	--
SUBTOTAL CFDA NUMBER 93.568				83,921	(54,353)
Temporary Assistance for Needy Families	170..432401	93.558	01/02	20,238	--
Temporary Assistance for Needy Families	170..432401	93.558	02/03	--	--
Temporary Assistance for Needy Families	170..432401	93.558	02/03	--	--
SUBTOTAL CFDA NUMBER 93.558				20,238	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 28,275	\$ --	\$ 28,275	\$ --	\$ --	\$ --
13,102,839	687,852	12,923,888	801,360	331,989	(1,075,109)
236,433	--	59,653	--	(58,158)	--
237,408	--	94,364	--	--	--
7,177,791	2,144,808	8,217,784	2,144,808	1,039,993	--
7,415,199	2,144,808	8,312,148	2,144,808	1,039,993	--
--	--	29,131	--	29,131	--
--	(16,529)	--	--	--	--
36,283	512	23,850	18,877	--	--
36,283	(16,017)	23,850	18,877	--	--
--	--	--	30,708	--	--
--	--	--	23,645	--	--
97,632	(13,998)	13,711	(13,998)	--	--
1,336,072	--	1,283,145	--	(52,927)	--
--	--	99,820	--	99,820	--
1,433,704	(13,998)	1,396,676	40,355	46,893	--
38,777	(17,339)	18,539	(17,339)	--	--
97,512	(80,001)	97,512	(80,001)	--	--
3,150	--	--	--	(3,150)	--
139,439	(97,340)	116,051	(97,340)	(3,150)	--

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>					
<u>Passed through Louisiana Department of Employment and Training</u>					
Community Services Block Grant:	121118				
BRACA	160.432604	93.569	CSBG-FY-00P0019	\$ --	\$ --
BRACA	160.432604	93.569	CSBG-FY-01P0019	103,110	--
CSBG-State Discretionary	160.432604	93.569	CSBG-FY-92P0019	(15)	--
SUBTOTAL CFDA NUMBER 93.569				103,095	--
Total U.S. Department of Health and Human Services				481,353	(89,247)
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>					
<u>Direct Program:</u>					
Project Impact	121008				
	170.431102	83.551	EMT-1999-GR0001	234,163	(166,667)
Assistance to Fire Fighters	170.431102	83.554	EMW-2001-FG-06942	--	--
Assistance to Fire Fighters-Pride	170.431102	83.554	EMW-2002-FG-06616	--	--
Assistance to Fire Fighters-BRFD	170.431102	83.554	EMW-2002-FG-07178	--	--
SUBTOTAL CFDA NUMBER 83.554				--	--
<u>Passed through Department of Military Affairs</u>					
Hurricane Andrew	121126				
	170.431102	83.516		(82,979)	--
Tropical Storm Allison	170.431102	83.516		114,902	--
Tropical Storm Isidore	170.431102	83.516		--	--
Hurricane Lili	170.432103	83.516		--	--
SUBTOTAL CFDA NUMBER 83.516				31,923	--
Hazardous Mitigation Grant	170.432103	83.534		1,000	--
E.B.R. Flood Property Acquisition	170.432103	83.534		3,334	--
Acquisition/Elev. of Rep. Loss Structures	170.432103	83.534		--	--
Elevation of Flood Property	170.432103	83.534		2,750	--
Terrorism Consequence Preparedness	170.432103	83.534		--	--
Terrorism Consequence Preparedness	170.432103	83.534		(3,000)	--
Emergency Enhanced Hazmat Program	170.432103	83.534		--	--
SUBTOTAL CFDA NUMBER 83.534				4,084	--
<u>Passed through United Way of America</u>					
Emergency Shelter (FEMA)	121423				
	160.434602	83.523	LRO 001	--	--
Emergency Shelter (FEMA)	160.434602	83.523	LRO 001	(250)	--
SUBTOTAL CFDA NUMBER 83.523				(250)	--
Total Federal Emergency Management Agency				269,920	(166,667)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 627,906	\$ --	\$ 774,841	\$ --	\$ 146,935	\$ --
303,233	--	200,123	--	--	--
--	--	--	--	(15)	--
<u>931,139</u>	<u>--</u>	<u>974,964</u>	<u>--</u>	<u>146,920</u>	<u>--</u>
10,192,197	2,017,453	10,912,473	2,106,700	1,201,629	--
234,163	(154,867)	--	11,800	--	--
37,218	15,951	37,218	15,951	--	--
--	4,135	--	--	--	(4,135)
--	59,898	--	--	--	(59,898)
<u>37,218</u>	<u>79,984</u>	<u>37,218</u>	<u>15,951</u>	<u>--</u>	<u>(64,033)</u>
--	--	--	--	(82,979)	--
169,811	--	54,909	--	--	--
47,062	--	81,616	--	34,554	--
--	--	441,111	--	441,111	--
<u>216,873</u>	<u>--</u>	<u>577,636</u>	<u>--</u>	<u>392,686</u>	<u>--</u>
--	--	--	--	1,000	--
696,144	--	648,089	--	(44,721)	--
2,127,000	--	691,074	--	(1,435,926)	--
--	--	(3,725)	--	(975)	--
39,470	--	39,470	--	--	--
--	--	3,000	--	--	--
--	--	7,640	--	7,640	--
<u>2,862,614</u>	<u>--</u>	<u>1,385,548</u>	<u>--</u>	<u>(1,472,982)</u>	<u>--</u>
23,645	--	23,645	--	--	--
(250)	--	--	--	--	--
<u>23,395</u>	<u>--</u>	<u>23,645</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>3,374,263</u>	<u>(74,883)</u>	<u>2,024,047</u>	<u>27,751</u>	<u>(1,080,296)</u>	<u>(64,033)</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001	
				GRANTOR	LOCAL
U.S. DEPARTMENT OF TRANSPORTATION - FHWA					
<u>Passed through Louisiana Department of Transportation and Development - Office of Highways</u>					
	121101				
Signal System Synchronization	341..432200	20.205	700-17-69	\$ 62,782	\$ (17,486)
Millerville Road - I-12 and Harrell's Ferry Road	341..432200	20.205	700-17-71	37,012	(52,342)
Millerville Road - I-12 and Old Hammond Highway	341..432200	20.205	700-19-44	46,163	(31,053)
Monterrey Boulevard		20.205	742-03-09	--	(3,814)
Lee Drive Bridge	341..432200	20.205	742-04-32	--	(217,101)
McHugh Road - Baker	341..432200	20.205	742-05-78	28,606	(14,961)
Tigerbend Road	341..432200	20.205	742-06-0071	19,235	(4,237)
Tigerbend Road	337..432200	20.205	742-06-0071	476,451	(909,926)
Monterrey Boulevard	170..432200	20.205	742-06-72	147,445	--
Groom Road	341..432200	20.205	700-30-0245	--	(70,567)
Goodwood @ E. Airport	341..432200	20.205	742-17-0009	--	(70,404)
North Sherwood @ South Choctaw	341..432200	20.205		6,558	97,803
Bluebonnet @ Perkins	341..432200	20.205	700-17-0126	--	(137,237)
La. Hwy. 19 @ Lavey Lane	341..432200	20.205	700-17-0141	265,536	(73,231)
Flannery Road @ Florida Blvd.	341..432200	20.205	700-17-0118	--	(31,532)
Street Name Sign Program - Local Streets	170..432200	20.205	700-17-0117	37,779	--
Street Name Sign Program - State Routes	170..432200	20.205	700-17-0116	56,783	--
Bayou Fountain	341..432200	20.205	576-17-006	--	--
Greenwell Springs-Monticello Sidewalks	341..432200	20.205	774-17-0011	32,461	(4,976)
Choctaw Dr. @ Sorrel Ave. Intersection	341..432200	20.205	742-06-0089	68,141	--
Signal Replacement Florida/Perkins/Airline	341..432200	20.205	742-17-0114	65	--
Signal Synchronization System-Phase IV	341..432200	20.205	700-17-0172	--	--
Aster-Chimes Drainage Improvements	341..432200	20.205	576-17-0008	--	--
Tiger Bend Road (Jefferson to Antioch)	341..432200	20.205	742-04-0059	--	--
Jones Creek Rd (Tiger Bend to Coursey)	341..432200	20.205	742-17-0131	--	--
Nicholson Dr@Brightside Lane/West Lee	341..432200	20.205	742-17-0130	--	--
North Sherwood Forest Blvd. Improve	341..432200	20.205	700-26-0078	--	--
Millerville Road Improvements	341..432200	20.205	742-17-0136	--	--
Flannery Rd. to Florida Blvd. Intersection	341..432200	20.205		--	--
	121129				
Advanced Traffic Management Center	170..432200	20.205	742-17-0120	864,237	--
	121130				
Advanced Traffic Management Center	340..432201	20.205	742-17-0120	--	(4,035,725)
Advanced Traffic Management Center	340..432202	20.205	742-17-0120	1,039,172	--
SUBTOTAL CFDA NUMBER 20.205				3,188,426	(5,576,789)
Total U.S. Department of Transportation - FHWA				3,188,426	(5,576,789)

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 38,606	\$ --	\$ 193,989	\$ --	\$ 218,165	\$ (17,486)
115,986	--	119,939	39,980	40,965	(12,362)
23,705	140,000	146,736	48,912	169,194	(122,141)
--	--	--	3,814	--	--
--	--	--	--	--	(217,101)
40,976	--	12,370	(12,370)	--	(27,331)
--	--	--	194	19,235	(4,043)
1,334,297	--	1,430,616	357,654	572,770	(552,272)
148,167	--	722	--	--	--
41,760	130,000	88,295	22,074	46,535	(178,493)
--	--	--	--	--	(70,404)
--	--	(6,558)	6,558	--	104,361
562,317	--	574,018	143,505	11,701	6,268
279,402	--	64,566	38,735	50,700	(34,496)
33,346	6,345	89,842	22,461	56,496	(15,416)
65,623	--	27,844	--	--	--
72,523	--	21,967	--	6,227	--
--	--	--	--	--	--
32,409	--	--	--	52	(4,976)
68,141	--	--	--	--	--
656,742	--	1,678,742	--	1,022,065	--
252,298	--	306,031	--	53,733	--
--	766,237	142,321	16,158	142,321	(750,079)
18,753	--	--	--	(18,753)	--
--	90,000	--	--	--	(90,000)
--	38,000	--	--	--	(38,000)
--	45,000	--	--	--	(45,000)
--	45,000	--	--	--	(45,000)
--	40,000	--	--	--	(40,000)
393,676	--	4,578	--	475,139	--
14,758	--	14,758	625,165	--	(3,410,560)
--	--	--	--	1,039,172	--
<u>4,193,485</u>	<u>1,300,582</u>	<u>4,910,776</u>	<u>1,312,840</u>	<u>3,905,717</u>	<u>(5,564,531)</u>
<u>4,193,485</u>	<u>1,300,582</u>	<u>4,910,776</u>	<u>1,312,840</u>	<u>3,905,717</u>	<u>(5,564,531)</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION- NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</u>					
<u>Passed through Louisiana</u>					
<u>Department of Transportation and Development</u>					
<u>Passed through Capital Region</u>					
<u>Planning Commission</u>					
	121425				
Transportation Planning 2001-02	170..434101	20.505	PL-736-17-0325	\$ --	\$ --
Transportation Planning 2002-03	170..434101	20.505	PL-0011(26)	--	--
Public Input Transportation Program	170..434101	20.505	PL-736-17-0328	--	--
Capital City Inter-Modal Transportation	170..434101	20.505	01-07-00-82B-10	(1,840)	96,320
SUBTOTAL CFDA NUMBER 20.505				(1,840)	96,320
Total U.S. Department of Transportation - National Highway Traffic Safety Administration				(1,840)	96,320
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Passed through Louisiana</u>					
<u>Department of Military Affairs</u>					
	121126				
HMEP Grant Program	170..432103	20.703		--	--
Total U. S. Department of Transportation				--	--
<u>U.S. DEPARTMENT OF ENERGY</u>					
<u>Passed through Louisiana</u>					
<u>Department of Social Services</u>					
	121109				
CDBG Weatherization Assistance	170..432602	81.042	00/03	70	--
<u>Passed through Louisiana</u>					
<u>Housing Finance Agency</u>					
	121119				
Weatherization Assistance Program	170..432401	81.042	2001	17,555	--
Weatherization Assistance Program	170..432401	81.042	2002	--	--
SUBTOTAL CFDA NUMBER 81.042				17,625	--
Total U.S. Department of Energy				17,625	--
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<u>Passed through Louisiana</u>					
<u>Department of Social Services</u>					
	121109				
LAJET	170..432602	10.561	99/00	(809)	--
LAJET	170..432602	10.561	00/01	(105)	--
LAJET	170..432602	10.561	01/02	33,972	--
LAJET	170..432602	10.561	02/03	--	--
SUBTOTAL CFDA NUMBER 10.561				33,058	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES <u>RECEIVED</u>	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES <u>DECEMBER 31, 2002</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
\$ 20,000	\$ --	\$ 20,000	\$ --	\$ --	\$ --
--	--	4,991	--	4,991	--
6,667	--	10,000	--	3,333	--
--	100,000	1,840	3,680	--	--
<u>26,667</u>	<u>100,000</u>	<u>36,831</u>	<u>3,680</u>	<u>8,324</u>	<u>--</u>
<u>26,667</u>	<u>100,000</u>	<u>36,831</u>	<u>3,680</u>	<u>8,324</u>	<u>--</u>
--	--	5,566	--	5,566	--
--	--	5,566	--	5,566	--
--	--	(70)	--	--	--
29,500	--	11,945	--	--	--
--	--	42,534	--	42,534	--
<u>29,500</u>	<u>--</u>	<u>54,409</u>	<u>--</u>	<u>42,534</u>	<u>--</u>
<u>29,500</u>	<u>--</u>	<u>54,409</u>	<u>--</u>	<u>42,534</u>	<u>--</u>
(809)	--	--	--	--	--
(965)	--	(860)	--	--	--
184,373	--	150,401	--	--	--
--	--	59,919	--	59,919	--
<u>182,599</u>	<u>--</u>	<u>209,460</u>	<u>--</u>	<u>59,919</u>	<u>--</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NAME OF GRANTS & SOURCES	CODE NUMBERS	FEDERAL CFDA NUMBERS	GRANT NUMBERS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001	
				GRANTOR	LOCAL
<u>U.S. DEPARTMENT OF AGRICULTURE (CONTINUED)</u>					
<u>Passed through Louisiana</u>					
<u>Department of Education</u>					
	121110				
Juvenile Detention Food Service	001.432106	10.558	01	\$ 4,744	\$ --
Juvenile Detention Food Service	001.432106	10.558	02	--	--
Headstart Food 2001-02	160.432607	10.558	01/02	136,069	--
Headstart Food 2002-03	160.432607	10.558	02/03	--	--
SUBTOTAL CFDA NUMBER 10.558				140,813	--
	121110				
Summer Food	170.432607	10.559	02	--	--
Total U.S. Department of Agriculture				173,871	--
<u>U.S. DEPARTMENT OF EDUCATION - REHABILITATION SERVICE ADMINISTRATION</u>					
<u>Passed through Louisiana</u>					
<u>Office of State Libraries</u>					
	121121				
State Aid to Public Libraries	170.432501	84.034	01/02	(2,325)	--
State Aid to Public Libraries	170.432501	84.034	02/03	--	--
State Aid to Public Libraries	170.432501	84.034	01/02	(78,163)	--
SUBTOTAL CFDA NUMBER 84.034				(80,488)	--
Total U.S. Department of Education - Rehabilitation Service Administration				(80,488)	--
<u>U.S. DEPARTMENT OF LABOR</u>					
<u>Passed through Louisiana</u>					
<u>Department of Labor</u>					
<u>Job Training Partnership Act:</u>					
	121118				
Title IIA	161.432604	17.250	PY-99/00-21 IIA	(167)	--
Title IIA 5% Incentive Funds	161.432604	17.250	PY-99/00-21 5%	2,041	--
SUBTOTAL CFDA NUMBER 17.250				1,874	--
Title IIIF	161.432604	17.246	PY 99/00-21 IIIF	(624)	--
Welfare-To-Work	161.432604	17.253	PY 98/01-21 W-T-W	4,400	--
Welfare-To-Work	161.432604	17.253	PY 99/02-21 W-T-W	87,129	--
SUBTOTAL CFDA NUMBER 17.253				91,529	--
WIA- Administration	161.432604	NA	FY2001	29,829	--
WIA- Administration	161.432604	NA	PY2001	--	--
WIA- Administration	161.432604	NA	FY2002	--	--
SUBTOTAL CFDA NUMBER NA				29,829	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 4,744	\$ --	\$ --	\$ --	\$ --	\$ --
49,804	--	52,612	--	2,808	--
681,981	(28,953)	545,912	(28,953)	--	--
--	--	257,897	--	257,897	--
<u>736,529</u>	<u>(28,953)</u>	<u>856,421</u>	<u>(28,953)</u>	<u>260,705</u>	<u>--</u>
861,106	--	879,966	--	18,860	--
<u>1,780,234</u>	<u>(28,953)</u>	<u>1,945,847</u>	<u>(28,953)</u>	<u>339,484</u>	<u>--</u>
--	--	--	--	(2,325)	--
92,113	--	--	--	(92,113)	--
--	--	78,163	--	--	--
<u>92,113</u>	<u>--</u>	<u>78,163</u>	<u>--</u>	<u>(94,438)</u>	<u>--</u>
92,113	--	78,163	--	(94,438)	--
(167)	--	--	--	--	--
55,235	--	53,194	--	--	--
55,068	--	53,194	--	--	--
(624)	--	--	--	--	--
5,962	--	1,562	--	--	--
645,592	--	632,423	--	73,960	--
<u>651,554</u>	<u>--</u>	<u>633,985</u>	<u>--</u>	<u>73,960</u>	<u>--</u>
58,977	--	29,148	--	--	--
201,023	--	205,006	--	3,983	--
17,644	--	58,585	--	40,941	--
<u>277,644</u>	<u>--</u>	<u>292,739</u>	<u>--</u>	<u>44,924</u>	<u>--</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>U.S. DEPARTMENT OF LABOR</u>					
<u>(CONTINUED)</u>					
WIA-Adult Program	161..432604	17.258	FY2001	\$ 216,563	\$ --
WIA-Adult Program	161..432604	17.258	PY2001	18,107	--
WIA-Adult Program	161..432604	17.258	PY2002	--	--
WIA-Adult Program	161..432604	17.258	PY2001	--	--
SUBTOTAL CFDA NUMBER 17.258				234,670	--
WIA-Youth Program	161..432604	17.259	PY 2000	108,334	--
WIA-Youth Program	161..432604	17.259	PY2001	--	--
SUBTOTAL CFDA NUMBER 17.259				108,334	--
WIA-Dislocated Workers	161..432604	17.260	FY2001	167,801	--
WIA-Dislocated Workers	161..432604	17.260	PY2001	--	--
WIA-Dislocated Workers	161..432604	17.260	FY2002	--	--
WIA-Tropical Storm Allison	161..432604	17.260	PY 2001	46,148	--
SUBTOTAL CFDA NUMBER 17.260				213,949	--
Total U.S. Department of Labor				679,561	--
<u>U. S. DEPARTMENT OF JUSTICE</u>					
<u>Direct Programs:</u>					
Local Law Enforcement Block Grant	165..431103	16.592	2001-LB-BX-3694	(759,743)	(84,416)
Local Law Enforcement Block Grant	167..431103	16.592	2002-LB-BX-2799	--	--
SUBTOTAL CFDA NUMBER 16.592				(759,743)	(84,416)
Partnership To Reduce Juvenile Gun Violence	170..431103	16.541	97-MU-FX-K004	3,676	--
Drug-Free Communities Program	170..431103	16.729	2001-JN-FX-0031	2,922	--
Community Policing - Cops More	170..431103	16.710	96-CI-WX-0046	--	(10,001)
Project Safe Neighborhood	170..431103	16.609		--	--
<u>Passed through Louisiana Commission on Law Enforcement</u>					
Drug Abuse Resistance Education	170..432102	16.579	E02-5-001	31,561	--
Drug Abuse Resistance Education	170..432102	16.579	E03-5-004	--	--
Police Electronic Equipment Enhancement	170..432102	16.579	P02-5-018	--	--
Integrated Criminal Apprehension (ICAP)	170..432102	16.579	B01-5-006	--	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 227,008	\$ --	\$ 10,445	\$ --	\$ --	\$ --
269,908	--	251,801	--	--	--
52,389	--	135,762	--	83,373	--
807,455	--	807,455	--	--	--
<u>1,356,760</u>	<u>--</u>	<u>1,205,463</u>	<u>--</u>	<u>83,373</u>	<u>--</u>
171,797	--	63,463	--	--	--
884,395	--	1,216,084	--	331,689	--
<u>1,056,192</u>	<u>--</u>	<u>1,279,547</u>	<u>--</u>	<u>331,689</u>	<u>--</u>
339,988	--	172,187	--	--	--
338,041	--	338,041	--	--	--
532,573	--	610,734	--	78,161	--
586,717	--	550,667	--	10,098	--
<u>1,797,319</u>	<u>--</u>	<u>1,671,629</u>	<u>--</u>	<u>88,259</u>	<u>--</u>
<u>5,193,913</u>	<u>--</u>	<u>5,136,557</u>	<u>--</u>	<u>622,205</u>	<u>--</u>
--	--	450,515	50,057	(309,228)	(34,359)
--	17,505	--	--	--	(17,505)
<u>--</u>	<u>17,505</u>	<u>450,515</u>	<u>50,057</u>	<u>(309,228)</u>	<u>(51,864)</u>
3,676	--	--	--	--	--
84,463	--	85,107	--	3,566	--
--	--	--	--	--	(10,001)
--	--	5,077	--	5,077	--
66,049	--	34,488	--	--	--
--	--	14,991	--	14,991	--
971	--	971	--	--	--
60,906	28,334	85,000	28,334	24,094	--

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>					
<u>(CONTINUED)</u>					
Constable DARE Grant	170.432102	16.579	E02-5-002	\$ --	\$ --
Constable DARE Grant	170.432102	16.579	E03-5-003	--	--
City Constable Electronic Equipment	170.432102	16.579	P02-5-021	--	--
Street Sales Disruption	170.432102	16.579	B00-5-015	22,462	(136)
SUBTOTAL CFDA NUMBER 16.579				54,023	(136)
Juvenile Accountability Block Grant	170.432102	16.523	A99-8-019	1,214	--
Juvenile Accountability Block Grant	170.432102	16.523	A00-8-019	52,716	(25,706)
Juvenile Accountability Block Grant	170.432102	16.523	A01-8-019	--	--
SUBTOTAL CFDA NUMBER 16.523				53,930	(25,706)
Total U.S. Department of Justice				(645,192)	(120,259)
<u>U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>					
<u>Direct Programs:</u>					
EPA Wetlands Grant	121011 170.431605	66.461	CD-986221-01-0	323	--
EPA Brownsfield Pilot Program Grant	170.431605	66.811	BP-98661401-0	2,691	--
Watershed Protection Roundtable Workshop	170.431605	66.606	X-986900-01-01	--	--
Total U. S. Environmental Protection Agency				3,014	--
<u>OFFICE OF NATIONAL DRUG CONTROL POLICY</u>					
High Intensity Drug Trafficking Area	121023 170.431104	99.999999		--	--
High Intensity Drug Trafficking Area	170.431104	99.999999	IIPGCP509	9,469	--
Total Office of National Drug Control Policy				9,469	--
<u>FEDERAL HIGHWAY ADMINISTRATION & PRIVATE DONATIONS</u>					
ATM/EOC Building Dedication Reimbursement	121015 170.431203	99.999999		--	--
Total Federal Highway Administration & Private Donations				--	--
TOTAL FEDERAL GRANTS				\$ 4,606,659	\$ (7,045,259)

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE A
(Continued)

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 18,389	\$ --	\$ 18,389	\$ --	\$ --	\$ --
2,645	--	--	--	(2,645)	--
970	--	970	--	--	--
22,462	--	--	136	--	--
<u>172,392</u>	<u>28,334</u>	<u>154,809</u>	<u>28,470</u>	<u>36,440</u>	<u>--</u>
1,214	--	--	--	--	--
293,067	--	240,351	25,706	--	--
66,533	38,095	93,795	10,422	27,262	(27,673)
<u>360,814</u>	<u>38,095</u>	<u>334,146</u>	<u>36,128</u>	<u>27,262</u>	<u>(27,673)</u>
<u>621,345</u>	<u>83,934</u>	<u>1,029,654</u>	<u>114,655</u>	<u>(236,883)</u>	<u>(89,538)</u>
--	--	(323)	--	--	--
<u>32,604</u>	<u>--</u>	<u>51,783</u>	<u>--</u>	<u>21,870</u>	<u>--</u>
25,843	--	25,843	--	--	--
58,447	--	77,303	--	21,870	--
5,000	--	5,000	--	--	--
9,469	--	--	--	--	--
<u>14,469</u>	<u>--</u>	<u>5,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
6,078	2,300	6,078	2,300	--	--
6,078	2,300	6,078	2,300	--	--
<u>\$ 38,685,550</u>	<u>\$ 4,088,285</u>	<u>\$ 39,146,592</u>	<u>\$ 4,340,333</u>	<u>\$ 5,067,701</u>	<u>\$ (6,793,211)</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>FEDERAL GRANTS</u>					
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Direct Programs:</u>					
<u>Federal Transit Administration:</u>					
	121003				
Capital Assistance - 1988	402..431202	20.507	LA-90-0079	\$ --	\$ (35,215)
Planning - 2000	402..431202	20.507	LA-90-2217	21,712	--
Planning - 2001	402..431202	20.507	LA-90-2226	(1)	--
Capital Assistance - 1997	402..431202	20.507	LA-90-0183	7,007	(92,736)
Capital Assistance - 1998	402..431202	20.507	LA-90-0198	--	(76,009)
Capital Assistance - 1999	402..431202	20.507	LA-90-0208	--	(48,095)
Capital Assistance - 2000	402..431202	20.507	LA-90-0217	449,531	(14,470)
Capital Assistance - 2001	402..431202	20.507	LA-90-0226	268,174	(170,820)
SUBTOTAL CFDA NUMBER 20.507				746,423	(437,345)
Total U.S. Department of Transportation- FTA				746,423	(437,345)
<u>Direct Programs:</u>					
<u>Federal Aviation Administration:</u>					
	482..121007				
Test Home Project	482..431219	20.106	3-22-0006-32	729,536	--
Noise Compatibility Project		20.106	3-22-0006-33	1,126	--
Taxiway F - Engineering Phase		20.106	3-22-0006-34	828	--
Terminal Development		20.106	3-22-0006-35	128,830	--
Noise Mitigation - Zion City		20.106	3-22-0006-36	39,135	--
Terminal Development		20.106	3-22-0006-37	205,030	--
Rehabilitation of ARFF Building/ARFF Vehicle		20.106	3-22-0006-38	267,563	--
Sound Insulation 110 Residents		20.106	3-22-0006-40	43,319	--
Land Acquisition/Relocation Assistance		20.106	3-22-0006-39	1,644	--
Construction New Access Road		20.106	3-22-0006-41	(1)	--
Relocate Electrical Vault		20.106	3-22-0006-43	1,454	--
Soundproof Sixty Residences		20.106	3-22-0006-42	63,989	--
Construct Access Road Phase I		20.106	3-22-0006-44	344,287	--
Sound Insulate Residences		20.106	3-22-0006-45	29,264	--
Engineered Material Arresting System		20.106	3-22-0006-46	26,396	--
Rehabilitate Portion of South G. A. Apron		20.106	3-22-0006-47	45,613	--
Noise Mitigation within the 65 DNL Contour		20.106	3-22-0006-48	563,987	--
Rehabilitate Taxiway "F" and East G. A. Apron		20.106	3-22-0006-49	339,020	--
Aircraft Rescue and Firefighting Vehicle		20.106	3-22-0006-50	585,450	--
Soundproof 65-69 DNL Noise		20.106	3-22-0006-51	31,570	--
Install Engineered Material Arresting System		20.106	3-22-0006-52	--	--
Acquire ILEAV Equipment		20.106	3-22-0006-53	29,462	--
Rehabilitate Runway 4L-22R, Phase I		20.106	3-22-0006-54	--	--
Compensation for Portion of Security After 9/11/01		20.106	3-22-0006-55	--	--
Residences & Easements within 65-69 DNL		20.106	3-22-0006-56	--	--
Rehabilitate Runway 4L-22R, Phase II		20.106	3-22-0006-57	--	--
SUBTOTAL CFDA NUMBER 20.106				3,477,502	--
Total U.S. Department of Transportation - FAA				3,477,502	--

See Notes to Schedule of Expenditures of Federal Awards.

Continued

GRANT AND CONTRACT REVENUES RECEIVED	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2002	
				GRANTOR	LOCAL
\$ 32,639	\$ 17,846	\$ 32,639	\$ 28,685	\$ --	\$ (24,376)
79,265	--	58,202	--	649	--
97,794	--	99,394	--	1,599	--
255,318	--	248,303	62,075	(8)	(30,661)
263,208	--	271,180	67,795	7,972	(8,214)
3,960	--	7,280	1,821	3,320	(46,274)
449,529	--	--	--	2	(14,470)
275,435	--	7,317	1,763	56	(169,057)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,457,148	17,846	724,315	162,139	13,590	(293,052)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,457,148	17,846	724,315	162,139	13,590	(293,052)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
--	--	2,772	--	732,308	--
--	--	--	--	1,126	--
--	--	--	--	828	--
--	--	(11,328)	--	117,502	--
--	--	--	--	39,135	--
--	--	--	--	205,030	--
--	--	--	--	267,563	--
--	--	15,469	--	58,788	--
--	--	28,611	--	30,255	--
--	--	--	--	(1)	--
1,454	--	182,154	--	182,154	--
--	--	180	--	64,169	--
--	--	--	--	344,287	--
118,542	--	105,378	--	16,100	--
237,062	--	277,053	--	66,387	--
962,714	--	1,245,687	--	328,586	--
1,889,704	--	1,342,533	--	16,816	--
2,247,971	--	1,964,982	--	56,031	--
585,450	--	--	--	--	--
2,076,466	--	2,527,860	--	482,964	--
2,858,306	--	2,858,306	--	--	--
64,713	--	35,251	--	--	--
539,685	--	677,853	--	138,168	--
89,766	--	89,766	--	--	--
610,136	--	673,777	--	63,641	--
59	--	328,629	--	328,570	--
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
12,282,028	--	12,344,933	--	3,540,407	--
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
12,282,028	--	12,344,933	--	3,540,407	--

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

<u>NAME OF GRANTS & SOURCES</u>	<u>CODE NUMBERS</u>	<u>FEDERAL CFDA NUMBERS</u>	<u>GRANT NUMBERS</u>	<u>ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES DECEMBER 31, 2001</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
<u>FED. EMERGENCY MANAGEMENT AGENCY</u>					
<u>Passed through Louisiana</u>					
<u>Department of Military Affairs</u> 121126					
Civil Defense Personnel and Administrative - 2000	001..432103	83.503		\$ --	\$ --
Civil Defense Personnel and Administrative - 1999	001..432103	83.503		16,833	--
SUBTOTAL CFDA NUMBER 83.503				16,833	--
Total Fed. Emergency Management Agency				16,833	--
<u>U. S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u>					
<u>Direct Programs:</u>					
Wastewater Systems Improvements	429..431605	66.606	XP986109-01-0	--	(893,506)
Wastewater Systems Improvements	429..431605	66.606	XP98635001-0	624,549	(598,686)
Wastewater Systems Improvements	429..431605	66.606	XP986109-01-0	203,562	(196,009)
Wastewater Systems Improvements	429..431605	66.606	XP986910-10-0	--	(633,518)
SUBTOTAL CFDA NUMBER 66.606				828,111	(2,321,719)
Total U. S. Environmental Protection Agency				828,111	(2,321,719)
TOTAL FEDERAL GRANTS				\$ 5,068,869	\$ (2,759,064)

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

See Notes to Schedule of Expenditures of Federal Awards.

SCHEDULE B
(Continued)

GRANT AND CONTRACT REVENUES <u>RECEIVED</u>	GRANTEE MATCHING CONTRIBUTION MISCELLANEOUS REVENUES	FEDERAL EXPENDITURES AND ADJUSTMENTS	LOCAL EXPENDITURES AND ADJUSTMENTS	ACCRUED (DEFERRED) GRANT AND CONTRACT REVENUES <u>DECEMBER 31, 2002</u>	
				<u>GRANTOR</u>	<u>LOCAL</u>
\$ 50,578	\$ --	\$ 69,959	\$ --	\$ 19,381	\$ --
16,833	--	--	--	--	--
67,411	--	69,959	--	19,381	--
67,411	--	69,959	--	19,381	--
36,902	--	313,774	256,724	276,872	(636,782)
690,973	--	136,670	111,821	70,246	(486,865)
377,128	--	173,566	142,008	--	(54,001)
450,545	--	532,391	435,593	81,846	(197,925)
1,555,548	--	1,156,401	946,146	428,964	(1,375,573)
1,555,548	--	1,156,401	946,146	428,964	(1,375,573)
<u>\$ 15,362,135</u>	<u>\$ 17,846</u>	<u>\$ 14,295,608</u>	<u>\$ 1,108,285</u>	<u>\$ 4,002,342</u>	<u>\$ (1,668,625)</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

Notes to Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2002

Note A - General

The City-Parish Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the primary government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, (the City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

Note B - Basis of Accounting

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified 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, 2002. 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).

Note C - Relationship to Federal Financial Reports

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

Note D - Subrecipients

Concerning the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City-Parish provided federal awards to subrecipients on the following:

<u>Program: Title</u>	<u>CFDA</u>	<u>Amount Provided to Subrecipient</u>
Workforce Investment Act Youth Program	17.257	\$ 1,279,547

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

A. Summary of Auditors' Results:

- [a] The type of report issued on the financial statements: unqualified opinion
- [b] Reportable conditions in internal control were disclosed by the audit of the Financial Statements: none reported Material weaknesses: no
- [c] Noncompliance which is material to the financial statements: no
- [d] Reportable conditions in internal control over major programs: yes Material weaknesses: 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: yes
- [g] Major programs:
 - U.S. Department of Housing and Urban Development
Community Development Block Development
C.F.D.A. Number 14.218
 - U.S. Department of Housing and Urban Development
Home Investment Partnership Program
C.F.D.A. Number 14.239
 - U.S. Department of Labor
Workforce Investment Act Cluster
C.F.D.A. Number 17.258 -17.260
 - U.S. Department of Agriculture
Child and Adult Care Food Program
C.F.D.A. Number 10.558
 - U.S. Department of Transportation
Airport Improvement Program
C.F.D.A. Number 20.106
- [h] Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,603,266
- [i] Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes

B. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

None

C. Findings and Questioned Cost relating to Major Federal Award Programs:

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

17.258-60 Workforce Investment Act (WIA)

2002-1) Procurement, Allowable Costs

Questioned Costs: \$2,550

Criteria: Program regulations state that benefits are to be disbursed on behalf of eligible recipients through the use of individual training accounts (ITA's) established for each recipient. The local WIA Board designed the program to employ the use of these accounts and has set the account limit for each individual at \$10,000. Although not specifically stated in the regulations, it can be reasonably implied that the Program should have an accounting system that ensures proper posting and tracking of ITA's.

Condition: The Program's administration employs a spreadsheet in tracking amounts available and paid for each participant's account. In our tests of the spreadsheet, we found two benefit payments which were not posted to the individual's account (one account out of 15 tested). Those two benefit payments totaled \$ 2,550.

The underlying condition that caused this lack of posting is the manual nature of the spreadsheet. While manual accounting records are often adequate, they must undergo certain internal control procedures to help ensure accuracy and completeness, such as independent review and reconciliation to the general ledger. Such internal control procedures were not being performed. Additionally, the spreadsheet lacked the ability to provide a detail of activity posted to the accounts.

Effect: The Program could potentially pay an amount in excess of the participant's allotted amount and be unaware of the overpayment.

Recommendation: It is acknowledged that the designed spreadsheet has served the program's administration well in their tracking of the accounts thus far and that most accounts tested appeared to include all benefit payments. However, improvements to the system/spreadsheet need to be made. We suggest several methods of tracking the accounts:

- ▶ Set-up each participant account as a sub-account in the general ledger with a budget up to \$10,000.
- ▶ Design or purchase software that is capable of tracking participants' accounts and portraying a detailed transaction history (not unlike a bank statement or other credit type account). Reconcile the accounts in total to the general ledger on a monthly basis.
- ▶ Continue the use of the spreadsheet (redesigned to allow identification of the monthly postings across all accounts), reconciling the transactions each month to the general ledger and performing supervisory review of the spreadsheet on a monthly basis.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

Management Response: At the present time we are in the process of negotiating the purchase of software, Mach Link Plus, which has the ability to track individual customer expenditures. The implementation of this software along with working with the City-Parish should give the internal control procedures to ensure accuracy and completeness in tracking expenditures for each customer's Individual Training Account. This should be implemented by September 30, 2003.

2002-2) Earmarking

Questioned Costs: \$30,000

Criteria: A local area grant recipient may spend no more than 10% of the grant on administrative costs.

Condition: The Program has established a separate administrative department (separate and distinct from the program department) in part, to aid in distinguishing administrative costs from program costs. The administration department's operating costs are budgeted at 10% of the grant amount. This department performs most of the administrative functions of executing the program (accounting, procurement, monitoring, etc.). However, we noted during the performance of our auditing procedures that a fiscal specialist position is funded under the program department. It is our understanding that the duties of the fiscal specialist are administrative in nature.

Effect: The administration department expends its budget for every program year. This fulfillment is ensured through allowed carryover of available funds to subsequent program years, and a practice of charging funds to the earliest available grant (first in - first out). Since the 01-02 program year budget of the department was expended in full, the compensation of the fiscal specialist, if charged to the administrative budget on a first in - first out basis, would have caused the program to exceed its budget (10% of the total grant). The questioned costs of \$30,000 is approximately equal to the fiscal specialist's salaries and benefits for the program year ended June 30, 2002.

Recommendation: The costs of all administrative positions and functions should be budgeted in the administration department. Those costs should not exceed the 10% threshold.

Management Response: We disagree with this finding. The placing of the Senior Fiscal Specialist in the administrative office of the Department of Social Services was in adherence of the Federal Register's request for the WIA administrative function and the WIA programmatic function to have a distinct separation. This employee does not perform any management or administrative functions.

In 1999 and 2000, considerable discussion took place with the State and Federal representatives. It was concluded that some functions that were for the direct benefit of the customer were allowable program costs. Section 667.220(5)(V) allows for supportive services to be charged to program cost. We are requesting clarification on this matter from the State Department of Labor.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

2002-3) Allowable Costs

Questioned Costs: \$7,500

Criteria: Compensation costs must be adequately documented and must be supported by after-the-fact time records reflecting actual time worked.

Condition: As part of its adult and dislocated worker programs, the City pays participants (if the participant so elects) a stipend which counts against their ITA. In the course of our audit and through discussions with the City-Parish's internal auditing department, we became aware of instances of known payroll fraud with regard to the stipends. These instances were the result of falsified time and class attendance records on the part of two participants. Administrative personnel promptly responded to these instances by notifying the internal audit (IA) department and appropriate law enforcement. The City is pursuing prosecution of the two participants.

The City-Parish's internal audit department conducted an audit of the stipend payment process in 2001, upon learning of the above fraud. In that audit, the IA department noted several deficiencies in internal control over the payroll stipend process. Although the audit report has not yet been finalized, the IA department reviewed the findings and the weaknesses in internal control with program personnel in March 2002, and recommended certain actions be taken to remedy the weaknesses. During the performance of our audit procedures, we noted areas in which internal controls could be enhanced, some of which were mentioned in the internal audit department's audit. Those issues consist of:

- ▶ Tardy submission of time records and processing thereof (several weeks' timesheets may be paid at one time, and some of those timesheets represent a work period prior to the current payroll period).
- ▶ Mathematical and critical review errors. One individual was paid for attendance indicated on the timesheet for a date that was actually a holiday.
- ▶ A lack of review of timesheets/attendance records by the caseworkers.
- ▶ A lack of segregation of duties

Effect: The amount determined to be paid under false pretenses in 2001 was approximately \$7,500. However, if improvements are not made to remedy the internal control issues noted above, the program could be at risk of future instances of fraud.

Recommendation: As a result of the occurrences of fraud, the City's Internal Auditing department has designed certain procedures specifically for processing stipend payments, including channels for receipt of time records, review by program personnel, and separation of duties. While some of those recommendations have been implemented, we recommend that all of those recommendations be placed in operation as soon as possible and that they be applied in their entirety.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

Management Response: *The Internal Auditing Department did make recommendations and some were implemented. The balance will be implemented immediately.*

We have developed a new process for calculating and payment of stipends. The amount will be calculated on actual hours spent in training. The customer will receive 35% of the calculated amount when 50% of training is completed and verified by the training provider. Another 35% will be paid when the customer completes training and receives a credential. The balance, 30%, will be paid at the satisfactory completion of follow-up, which is approximately 12 months after completion of training.

This new procedure must be approved by the Baton Rouge Workforce Investment Board. Their next meeting is scheduled for June 17, 2003. If approved, this new procedure will be implemented on July 1, 2003, for all new customers. Existing customers will receive stipends under the old method but will be phased out as customers exit the program.

2002-4) Allowable Costs

Questioned Costs: Undetermined

Criteria: **OMB Circular A-87 indicates that for employees that work on multiple federal programs, compensation must be supported by after-the-fact time distribution records, indicating the amount of time spent on each program. Exceptions to the process of using time distribution records must be approved by the granting agency.**

Condition: **The Program's employees spend time on several different programs. Compensation costs are charged to those programs based upon a set percentage that represents an estimate of the time expended, rather than time distribution records as required by OMB Circular A-87.**

Effect: **While the percentages used to charge compensation costs to the various programs do not appear unreasonable, the Program is in technical violation of the cost standards.**

Recommendation: **Absent a written approval from the granting agency, all compensation costs charged to the program should be supported by after-the-fact time distribution records.**

Management Response: *We will institute the use of daily time sheets that will identify which program was worked on. The budget will be prepared as per a time allocation plan and reconciled back to the time sheet on a monthly basis. We will forward this procedure to the Louisiana Department of Labor for their approval.*

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

10.558 Child and Adult Care Food Program (Head-Start Food)

2002-5) Allowable Costs

Questioned Costs: Undetermined

- Criteria:** CFR section 226.15 (e) requires that institutions operating a CACFP must maintain documentation regarding various aspects of program administration including those regarding eligibility, participant application, attendance and number of meals served by category and type. Grants funds are to be paid to the grantee based upon the number of meals served applied to a pre-determined rate per meal.
- Condition:** The reimbursement requests that were selected as part of our tests appear to have been based upon attendance records rather than actual meal counts. In the auditor's tests of 25 days of meals served selected from among 5 different centers, only one contained a difference between the number of breakfasts, lunches and snacks served and the number of children in attendance. A further review of the attendance records for the centers not included in our original audit tests revealed few, if any, differences between those records and the number of meals served. A certain number of discrepancies between these records would be expected due to children arriving late or departing early.
- Effect:** The program may be non-compliant with the program regulations which require reimbursement of program dollars based upon the actual number of meals served. It is acknowledged, however, that the difference of any over (or under) reimbursement of federal funds is unlikely to be material, given the fact that substantially all children attending will receive a breakfast, lunch and snack or some combination thereof.
- Recommendation:** Reimbursement requests should be prepared based upon the actual number of meals served.
- Management Response:** *East Baton Rouge Parish Head Start believes we have demonstrated compliance with CACFP section 226.15. Our daily meal counts are called in each day only from our six satellite centers and the numbers given are recorded on the menu worksheet which is maintained for three years. The completed menu worksheets are maintained at each center and are available upon audit request. This procedure is accepted under USDA/CACFP 226.15. The USDA/CACFP uses the actual number of meals recorded on the menu worksheets as proof of the number of meals served. These numbers are used to request reimbursement.*
- Attendance reports are not used for verification of meal counts, an actual plate count is used to verify number of meals served daily.*

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

2002-6) Procurement

Questioned Costs: Undetermined

- Criteria:** The A-102 Common Rule and the program regulations prohibit the application of local geographic preference, even if prescribed by state law, in the awarding of contracts involving federal funds.
- Condition:** The standardized contract used in awarding food contracts allows the City-Parish to apply local geographic preference in the awarding of food contracts.
- Effect:** In our audit procedures, we did not find any instances where the local geographic preference was actually applied; in fact, we observed an instance in which a contract was awarded to an out-of-state vendor. There is, therefore, no current effect on compliance.
- Recommendation:** For this program and for any other federal program which may use this standardized contract, the City-Parish should eliminate the contract clause that allows for local geographic preference.
- Management Response:** *There are no geographical preferences given vendors of the East Baton Rouge Parish Head Start.*

20.106 Airport Improvement Program

2002-7) Davis-Bacon Act

Questioned Costs: Undetermined

- Criteria:** When required by the Davis-Bacon Act, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Federal DOL. To ensure that contractors and subcontractors are in compliance with Davis-Bacon Act, grantee personnel must monitor the weekly payrolls of all contractors and subcontractors employed on applicable programs.
- Condition:** Two vendors tested for compliance with the Davis-Bacon Act did not submit certified payrolls on a weekly basis. We noted that certified payrolls which were submitted were reviewed by Airport personnel for compliance with wage rate requirements, but no procedures were in place to ensure that all required certified payrolls required by law were submitted on a timely (weekly) basis.
- Effect:** A contractor or subcontractor could be paying rates below the required wage rates without the Airport's knowledge. Timely review and correction of any problems cannot be completed if the payrolls are not submitted weekly.
- Recommendation:** The Airport should require all contractors to submit weekly payroll data and reconcile all payroll reports to the monthly pay estimate report to ensure that all weekly payrolls are indeed submitted.

CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

Management Response: *In December 2002, Airport personnel sent letters to all contractors and their subs reminding them of their responsibility to submit weekly payrolls. The Airport will send registered letters to all contractors with another reminder to submit their payrolls.*

Also, the Airport has developed a form, which details the payrolls by contractor and payroll period. This form will be checked weekly to ensure that all payrolls have been received.

2002-8) Suspension & Debarment

Questioned Costs: Undetermined

Criteria: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Contractors receiving individual awards for \$100,000 or more and all subrecipients must certify that the organization and its principals are not suspended or debarred. The non-Federal entities may rely upon the certification unless it knows that the certification is erroneous.

Condition: The City-Parish has not obtained a certificate of non-debarment or suspension for three of the eight vendors selected for testing.

Effect: The City-Parish may contract with a contractor that has been suspended or debarred from receiving federal contracts.

Recommendation: The City-Parish should obtain non-suspension & debarment certificates on all contracts of the Airport Improvement Program (as well as all other federal programs) greater than \$100,000.

Management Response: *The Airport has received the certificates of non-debarment or suspensions from the three contractors who did not have them attached to their contracts. To ensure that these certificates are provided, the Airport has added this certificate to our contract documents.*



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2001

17.255 Workforce Investment Act (WIA)

2001-1) Monitoring

Criteria: As part of its monitoring responsibilities with regard to subrecipients, a pass-through or awarding entity is responsible for, among other things, ensuring that required audits are performed, reviewing the results of those audits, and requiring the subrecipient to take prompt corrective action for any findings of non-compliance.

Condition: While the grantee does obtain the required audit reports, it does not review the appropriate reports within the submitted audit reporting package that would reveal findings of non-compliance or internal control weaknesses over compliance.

Effect: The grantee would be unaware of any findings of non-compliance or internal control weaknesses and, therefore, would be unable to monitor prompt corrective action.

Recommendation: As well as reviewing the financial statements of the subrecipient and the audit report thereon, Workforce Investment Board administrative staff should review the related reports on compliance and internal control for major federal award programs and the Schedule of Findings and Questioned Costs, all of which should be included in the submitted audit reporting package. If findings have been reported, then corrective action plans for remedying the findings should be monitored.

Management Response: *The City-Parish Workforce Investment office has set up a policy/procedure whereby the Workforce Investment Board administrative staff will review the financial statements of the subrecipient/contractor and the audit reports therein, on compliance and internal control of major Federal award programs and the Schedule of Findings and Questioned Costs, all of which should be included. If findings have been reported, then a corrective action plan will be established and monitored for remedying the finding. If necessary, funding may be held up until corrective action takes place. This policy will be implemented immediately. We are in the process of reviewing contracts in place and will review the financials for all new contracts.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2001

Updated Management Response: *The Baton Rouge Workforce Investment Board staff continues to review the financial statements of the subrecipient/contractor and the audit reports therein, on compliance and internal control of major Federal award programs and the Schedule of Findings and Questioned Costs, all of which should be included. If findings have been reported, then a corrective action plan is established and monitored for remedying the finding. If necessary, funding is held up until corrective action takes place.*

14.218 Community Development Block Grant

2001-2) Program Income

Criteria: The OMB Common Rule requires program income received to be deducted from federal outlays unless the grant agreement or federal agency specifies alternative uses.

Condition: Program income, consisting primarily of loan repayments has not been used consistently on a first-in, first-out basis to offset draw-downs on the grant. Draw-downs occurred even though program income was available for use.

Effect: The grantee is out of compliance with the grants management provisions of the Common Rule and has in essence overdrawn the amount of funds needed in order to carry out the program. The balance of available program income as of December 31, 2001, was \$678,378.

Recommendation: All draw-downs of grant funds should be offset by the balance of unused program income.

Management Response: *The program income in question is that income received and applied to the housing loan program activity. Attached is a letter dated May 16, 2001, to the grantor agency, U.S. Housing and Urban Development. The City-Parish has requested clarification on the methodology of drawing-down funds for loans. When a response is received, we will take corrective action as instructed by the grantor agency.*

Updated Management Response: *See Attachment A for HUD's response of October 30, 2002 which concluded that the first-in, first-out rule does not apply to the revolving fund.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2001

2001-3) Program Income

- Criteria:** The OMB Common Rule encourages grantees to generate program income to defray the program costs.
- Conditions:** The grantee, while designing its program to collect program income by way of collection of loan repayments, lacks a formalized process and policy for pursuing collection of delinquent loan payments.
- Effect:** The grantee may be foregoing program income that it may have generated had such a formalized process and policy been established and followed.
- Recommendation:** The grantee should establish, in writing, the processes and procedures to follow in pursuing collection of delinquent loans. Grantee staff should then consistently adhere to the written policy and procedures and document compliance with those procedures.
- Management Response:** *Within sixty (60) days, the City-Parish Office of Community Development will complete and implement a written set of procedures for collection actions involving delinquent loans.*
- Updated Management Response:** *See Comment after 2001-4.*

2001-4) Program Income

- Criteria:** Program income should be recorded into the accounting records of the grantee on a timely basis.
- Conditions:** The primary tool used by the grantee to track and collect program income is the software used by the company that has been contracted to service the loans. This software generates monthly portfolio, collection and delinquency reports which are submitted to the grantee on a monthly basis. During our testing, we noticed that certain loans which had been disbursed from the grant funds did not appear on the servicer's December 2001 portfolio report. This indicates that the tested loans had not been entered into the servicer's accounting software on a timely basis.
- Effect:** The grantee may not be getting a true picture of the loans outstanding in the program and could potentially be unaware of program income due from borrowers if the servicer's monthly reports are not current and complete. Additionally, loan payments may be coming due without knowledge of the servicer who is responsible for collection of the loans. Timely billing may not occur if the loans are not entered into the servicer's loan accounting software.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2001

Recommendation: The grantee should develop procedures to ensure that loans disbursed are posted into the servicer's loan accounting software in a timely manner. Such procedures could include:

- a. Reconciliation of loans disbursed per the general ledger to the loan servicer's reports.
- b. Tickler system in loan files that would serve as a reminder to personnel to submit the information to the servicer.
- c. Review of the servicer's report for completeness and accuracy by program personnel.

Management Response: *The following corrective action will be taken by the City-Parish Community Development Office:*

- 1) *Loans closed each month will be submitted to the servicer on a set schedule at the end of each month. This will apply to loans closed in the month and for which the closing and receipt of complete final loan documents is on hand within 5 work days prior to the end of the month. (Timing on submission of the complete document copies to the servicer is partly dependent upon the timing for receipt of documents from closing attorneys. Loan documentation, for example, includes a copy of the recorded mortgage on the property. Recording into the official property records does not occur until after the closing of the loan.)*
- 2) *A loan portfolio report is received from the servicer monthly, generally by the 15th of each month. That report reflects all outstanding loans "booked" as of the end of the preceding month. A copy of each monthly portfolio report is already provided to the Loan Officer for review. We will revise our process as follows: After the report is compared with those loans submitted to the servicer, it will be annotated to indicate loans added to the servicer portfolio listing - noting whether each is correctly listed. A copy of each monthly reconciliation will be forwarded to Finance-Accounting. If any corrections are found to be necessary, OCD staff will notify the servicer and the correction monitored on the following report. A copy of OCD's list of loans that are pending set-up on the servicer's portfolio list will also be provided to Finance-Accounting for its use in reconciling with its general ledger.*

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2001

Updated Management Response:

Attachment B details the corrective action for 2001-3 and 2001-4. It is our understanding that the tracking procedures developed in response to the findings were adequate and included appropriate diligence procedures, but certain gaps were identified by the auditor in the implementation of those procedures. The following addresses those gaps.

1. Use of the OCD spreadsheet to track new posted loans against the loan servicer's report. The tested spreadsheet did not indicate supervisory review nor were updates being regularly entered on the spreadsheet. Supervisors and staff have been re-instructed to confirm with the update schedule specified in the tracking instructions. To better assure that updates are regularly and correctly entered, OCD has requested the Finance Department's assistance in reviewing the current spreadsheet on a quarterly basis.

2. Forbearance agreements not being obtained in writing. There are typically two forms of forbearance agreements: (1) one prepared by the loan servicer and which is signed by both the borrower and OCD; (2) one prepared between OCD and the borrower and submitted to the servicer. In the first instance, we know of no such case of an unsigned agreement. In the second case, forbearance has sometimes involved written correspondence from the borrower followed by a returned acknowledgment notice to the borrower. To tighten this process for OCD-prepared forbearance, the terms of a forbearance/repayment plan will be consolidated onto a single agreement document for signature by both parties.

3. Monitoring of payment plans submitted by borrowers. OCD does not necessarily concur that recent monitoring of borrower compliance with the plan is not being maintained. We tested one payment plan that we believe was tested in the audit. Our records indicate that the borrower made the promised payments. Rather, the entry was not made on the tracking schedule. While staff have been re-instructed to make appropriate monitoring entries on a timely basis, we have also requested Finance Department review in this area.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended December 31, 2001

4. Reconciliation of loan subsidiary listing against the general ledger. OCD attempted a reconciliation procedure as part of the loan tracking procedures that it initially developed. The procedure was found to be overly cumbersome and ineffective to its loan tracking. As a result, the loan tracking process was revised to its current form. OCD has requested that the Finance Department Accounting Division oversee the general ledger reconciliation. We believe that this would be more appropriate in that any errors or omissions from OCD entries may not be detected if the same agency is overseeing the reconciliation. OCD will provide the Finance Department with its monthly portfolio tracking spreadsheet, for quarterly or other periodic review by Finance.

Attachment A



Office of Community Development

Division of Human Development and Services
City of Baton Rouge
Parish of East Baton Rouge

May 16, 2002

Mr. Gregory J. Hamilton
CPD Director
U.S. Department of Housing and Urban Development
Hale Boggs Building
501 Magazine St.
8th Floor
New Orleans, LA 70130

Dear Mr. Hamilton:

The annual single-audit for the City-Parish 2001 Fiscal year is in the process of being completed. During the course of the audit, the independent auditors raised a question concerning CDBG program income.

While the final audit report is not complete as of the date of this letter, it appears that the report will include a finding concerning the expenditure of CDBG program income prior to disbursement of entitlement funds.

The preliminary audit finding notes that program income has not been consistently used prior to drawdowns of entitlement funds, and refers to the OMB Common Rule that calls for program income to be deducted from federal outlays unless the grant agreement/federal agency specifies otherwise. As a corrective action, the preliminary audit comment recommends that grant funds be offset by the balance of unused program income.

The program income in question involves income from loan repayments. We use a revolving loan fund. Repayments on loans made with CDBG entitlement funds are deposited to a separate housing loan activity account and this repayment income is solely used to make additional housing loans. It is our office's understanding of CDBG regulations that the "first-use" of program income pursuant to a revolving fund does not apply to all CDBG drawdowns, but only to activities under the revolving fund.

The response that I prepared to the finding, for inclusion in the audit report, further describes our understanding of CDBG regulations on program income as it applies to a revolving fund. That response disagrees with the recommend corrective action to offset housing loan income under our revolving fund against all entitlement drawdowns. That response notes that we will first seek written clarification from HUD, and will then take corrective action, if so determined necessary, in accordance with HUD's response.

Thus, this letter is pursuant to our initial response to this audit finding and to request HUD's clarification on this matter. If there are any questions or additional information needed pursuant to this response, please contact me at (225) 389-3039.

Sincerely,

Al Gensler
Urban Development Director

Post Office Box 1471, Baton Rouge, LA 70821-1471
Tel: (225) 389-3039 FAX: (225) 389-3939 TDD: (225) 389-3082

Email: ocd@ci.baton-rouge.la.us
Internet: <http://www.ci.baton-rouge.la.us/dept/ocd>



EQUAL HOUSING
OPPORTUNITY

BUSINESS CONDUCTED IN ACCORDANCE WITH THE FEDERAL FAIR HOUSING LAW
(TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968)



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Louisiana State Office
Hale Boggs Federal Building
501 Magazine Street, 9th Floor
New Orleans, LA 70130-3099

RECEIVED

NOV 01 2002

OFFICE OF COMMUNITY PLANNING & DEVELOPMENT

OFFICE OF
COMMUNITY DEVELOPMENT

OCT 30 2002

Mr. Al Gensler
Director
Office of Community Development
P. O. Box 1471
Baton Rouge, LA 70821

Dear Mr. Gensler:

Subject: Regulations on Community Development Block Grants
(CDBG) Revolving Fund Program Income

We have received your letter dated May 16, 2002, requesting clarification on CDBG program income. Please accept our apology for this late response.

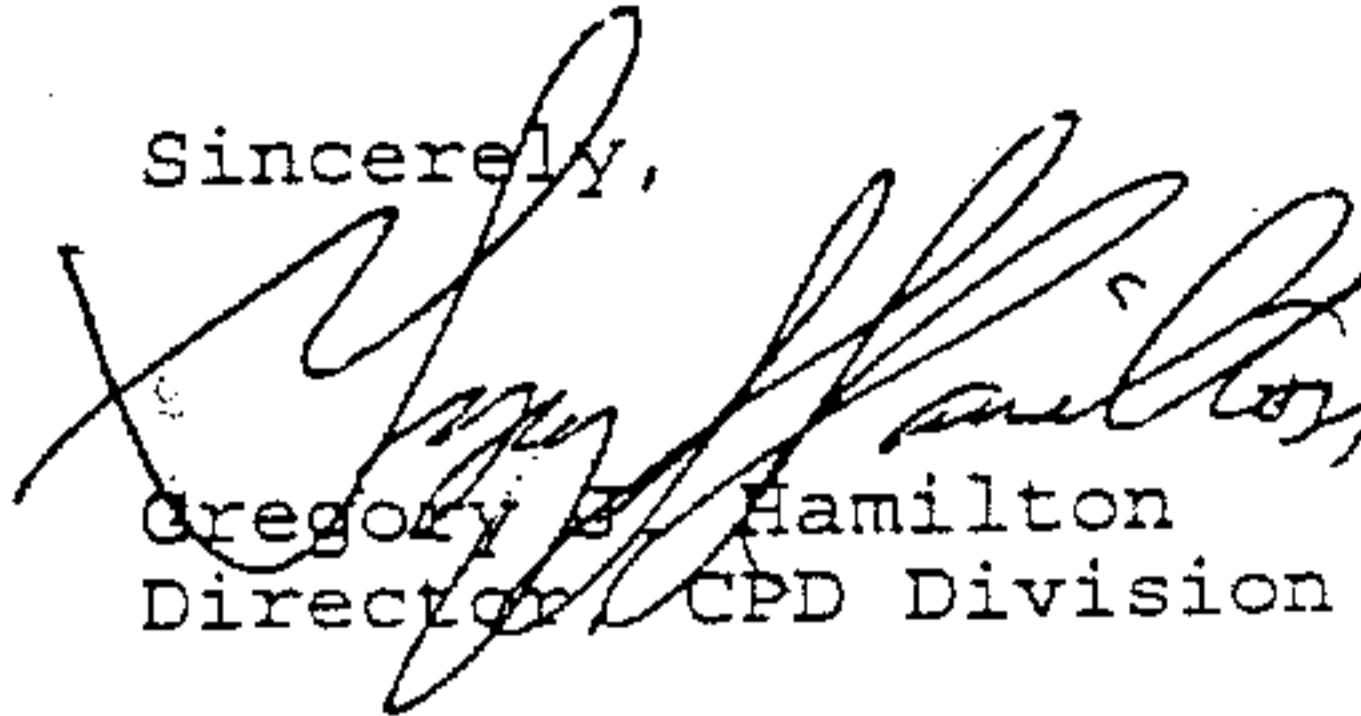
The OMB Common Rule does require program income received to be deducted from Federal outlays before any other funds are drawn down, unless the grant agreement or Federal agency specifies alternative uses. The Program income in question is income generated from the housing loan activity account. The City/Parish currently uses a revolving loan fund to record all loan repayments.

The revolving funds rule, under the Regulations at 24 CFR 570.500 (5) (b), states that a revolving fund is a separate fund (with a set of accounts that are independent of other program accounts) established for the purpose of carrying out specific activities which, in turn, generate payments to the fund for use of carrying out the same activities. The first-in, first-out rule, therefore, does not apply to the revolving fund.

We hope this will clarify the ruling of program income received from the revolving funds. The A-133 audit report was received on June 26, 2002, and was addressed under separate cover.

If there are any further questions, feel free to contact
Ms. Nora Blake, Financial Analyst at (504) 589-7212 Extension
3054.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory S. Hamilton". The signature is fluid and cursive, with the first name being the most prominent.

Gregory S. Hamilton
Director CPD Division

Attachment B



Office of Community Development

Division of Human Development and Services
City of Baton Rouge
Parish of East Baton Rouge

February 14, 2003

Mr. Gregory J. Hamilton
CPD Director
U.S. Department of Housing and Urban Development
Hale Boggs Building
501 Magazine St.
8th Floor
New Orleans, LA 70130

Dear Mr. Hamilton:

The following is in reference to 2001 Single-Audit findings concerning program income and in response to your 10/30/02 letter (copy enclosed) concerning these findings.

2001-3 (Written, formalized process for collection for collection of delinquent loan payments)

A copy of the Office of Community Development written procedures and guidelines for collection actions is enclosed.

2001-04 (Recording of loans onto accounting records on a timely basis.)

The process that was initially pursued to address this corrective action was found to be overly cumbersome and inefficient. The procedure was revised and a copy of the procedures being applied is enclosed. I also wish to note the following comments concerning this finding.

- 1) The audit report noted that the primary tool for tracking the loan portfolio is that of monthly reports from the loan servicer. While this is a primary tool, it is not the only one. The servicer's monthly reports reflect loans submitted to the servicer for servicing. The servicer reports are not the accounting records of the City-Parish. It has been our practice to annually submit to the Finance Department a copy of the servicer's year-end portfolio report to the Finance Department, and to also submit a supplemental year-end listing of loans that are not yet entered onto the servicer's report. While it is acknowledged that the process and review procedures could be improved, I believe that the combination of the two reports adequately provided a means of reconciling loan disbursements.
- 2) The greater majority of homebuyer loans are so-called "soft seconds", having deferred payments beginning 20 or more years into the future, and in the case of most rehab financing in connection with homebuyer loans, payments are typically deferred and forgiven over 15 years. As such, the timing for submission of the loans to the servicer for "warehousing" for future servicing has no impact on shorter term program income.

Post Office Box 1471, Baton Rouge, LA. 70821-1471
Tel: (225) 389-3039 FAX: (225) 389-3939 TDD: (225) 389-3082

Email: ocd@ci.baton-rouge.la.us
Internet: <http://www.ci.baton-rouge.la.us/dept/ocd>



EQUAL HOUSING
OPPORTUNITY

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(TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968)

Mr. Gregory Hamilton
February 14, 2003
Page 2

Some homebuyer loans do involve amortization payments that begin within a shorter period of time after purchase and loan closing. Our review of such loans under our former process found no occasions whereby timely billing to the borrower was delayed.

- 3) Loans are submitted to the servicer only when the loans require servicing. In some cases, such as rental housing rehab loans, financing involves a Collateral Mortgage, with loan disbursements occurring over time as construction is satisfactorily undertaken. Such development financing is subsequently converted to a permanent, amortizing mortgage loan after completion of the rehabilitation period. Such loans are not submitted to the servicer until the project is completed and the permanent mortgage loan is placed- as there is no loan payments and monitoring required of the servicer prior to that time. Such loans are tracked during project development in the individual project records.

Audit recommendations included that of a tickler system for submission of new loans to the servicer and a review of the servicer's report for completeness and accuracy by program staff. The need for an improved tickler system is acknowledged and the enclosed procedures address this matter. Copies of monthly servicer reports have routinely been provided to program staff for review. Prior to revising these procedures, what I considered as lacking in this regard was written verification that individual loans had been reviewed and confirmed for accuracy. This matter is addressed as a part of the tickler system that has been established.

If there are any questions concerning this, please contact me at (225) 389-3039.

Sincerely,



Al Gensler
Urban Development Director

Enclosures



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Louisiana State Office
Hale Boggs Federal Building
501 Magazine Street, 9th Floor
New Orleans, LA 70130-3099

OFFICE OF COMMUNITY PLANNING & DEVELOPMENT

OCT 30 2002

Honorable Bobby Simpson
Mayor/President of Baton Rouge and
East Baton Rouge
P. O. Box 1471
Baton Rouge, LA 70821

Dear Mayor Simpson:

Subject: Audit reports for the Years ended December 31, 2000
and December 31, 2001

We have received the subject audit reports. The reports were prepared in accordance with OMB Circular A-133 requirements. The Department of Housing & Urban Development (DHUD) is the cognizant agency. There were no findings or concerns for the year ended December 31, 2000. However, the report for the December 31, 2001, contained three findings related to DHUD programs as summarized below:

Finding 2001-2 Program Income

The OMB Common Rule requires program income received to be deducted from federal outlays unless the grant agreement or federal agency specifies alternative uses.

The auditor noted that Program Income, consisting primarily of loan repayments, has not been used consistently on a first-in, first-out basis to offset draw-downs on the grant. Draw-downs occurred even though program income was available for use.

The regulations at 24 CFR 570.500 (5) (b) Revolving fund state this is "a separate fund (with a set of accounts that are independent of other program accounts) established for the purpose of carrying out specific activities which, in turn, generate payments to the fund for use in carrying out the same activities."

Disposition of program income received by recipients

According to 24 CFR 570.504 (b) (2) (i) "Program Income in the form of repayments to, or interest earned on, a revolving fund as defined in 570.500 (b), shall be substantially disbursed from such fund before additional cash withdrawals are made from the U. S. Treasury for the same activity." Substantially all

other program income shall be disbursed for eligible activities before additional cash withdrawals are made from the U. S. Treasury. "

Corrective Action

According to the City's letter dated May 16, 2002, page 216 of the audit report, the income in question involves income from loan repayments on the housing loan account and is being used to make additional housing loans in accordance with the above regulations. If the above income is on the housing loan account, no corrective plan is necessary. **This finding is closed.**

Finding 2001-3 No process in place to collect delinquent loan payments

The OMB Common Rule also encourages grantees to generate program income to defray the program costs.

The grantee, while designing its program to collect program income by way of collection of loan repayments, lacks a formalized process and policy for pursuing collection of delinquent loan payments. The grantee may be foregoing program income that it may have generated had such a formalized process and policy been established and followed.

Corrective Action:

The grantee should establish, in writing, the processes and procedures to follow in pursuing collection of delinquent loans. Forward to HUD a copy of the written procedures. Grantee staff should then consistently adhere to the policy and procedures and document compliance with those procedures.

Finding 2001-4

Program income should be recorded in the accounting records of the grantee on a timely basis.

The primary tool used by the grantee to track and collect program income is the software used by the company that has been contracted to service the loans. This software generates monthly portfolio, collection and delinquency reports which are submitted to the grantee on a monthly basis. During the auditor's testing, he noticed that certain loans which had been disbursed from the grant funds did not appear on the servicer's December 2001 portfolio report. This indicates that the tested loans had not been entered into the servicer's accounting software on a timely basis.

Corrective Action

The grantee should submit to HUD evidence that the above

procedures have been processed and are now in place.

If there are any questions, please have the appropriate person on your staff contact Ms. Nora Blake, Financial Analyst, at (504) 589-7212, Ext 3054.

Sincerely,



Gregory J. Hamilton
Director
Community Planning &
Development Division

cc: Al Gensler, Director
Community and Economic Development

INSTRUCTIONS

Page 1 of 3

Rental Housing Loans: Tracking for loan portfolio status

Background: The City-Parish 2001 single-audit contained a finding concerning tracking of housing loan disbursements so as to better assure that loan disbursements are correctly recorded on the loan portfolio reports of our loan servicer.

This applies to both homebuyer and homeowner rehab projects, as well as to rental housing loans. However, rental housing loans can often involve more complicated loan documents, different types of mortgage instruments, and a more extended disbursement process. Thus, the tracking of rental housing loans will be different than for homeowner housing loans. These instructions apply only to rental housing loans.

Tracking records location:

- The record is kept on our server.
- File path is: G:Sections/Housing/Loans/PortfolioTracking/Rental

Within the Rental folder, documents containing:

Instructions

Document labeled for each calendar year: e.g., 2002RentalTracking

- 1) Each annual year document is to contain a cover page listing the loans being tracked for that year. When ever a new rental loan is made, it is to be added to the cover page listing.
- 2) At the time that a new loan is added to the cover page, a page is to be added to the end of the document.
- 3) That page is to list, at the top, the calendar year, the name of the borrower, the source of funds for the loan and the portfolio status. Also at the top of the page, include a "Last update" line, with a space for a date.
- 4) Any time that the page for a loan is updated to reflect more current information, change the last update date to the date on which a revision is made (e.g., highlight the date, "Control D" will then insert the current date)
- 5) Keep each loan tracking page to a single summary page. It is not the intent of these tracking forms to go into a lot of detail on a particular project. Rather, it is to provide a monitoring process, from the start of loan disbursements to the point that a loan has been set up on the servicer's portfolio records and checked as to accuracy; as well as to monitor to assure that loans belonging on the servicer's portfolio report have been submitted for recording.
- 6) Provide a brief summary of the loan. E.g., amount, property, loan agreement date, type of loan, scheduled start of amortization payments, and related summary notes.
- 7) Include a listing of disbursements and any undisbursed loan balances.
- 8) Include summary notes on when the loan set up has been/will be sent to the servicer, and any particular comments concerning steps to be taken, etc.
- 9) Add update notes to the bottom. Prior notes that are no longer applicable can be lined through or deleted.

- 10) Portfolio Status: The status of each loan is "Incomplete" until it has been submitted to the servicer and checked against a subsequent servicer portfolio report to determine that it has been correctly recorded. After no further action is required to confirm that the loan is correctly recorded on the portfolio, the status is changed to "Complete".
- 11) In some cases, a loan might be set up with the servicer, but remain subject to a revision. For example, a loan set up for the full principal amount of the loan, but for which final loan draws are for less than the principal amount of the loan. In cases where a loan is completed at less than the note amount, the service must be provided notice to reduce the loan principal to the actual amount of funds disbursed. (Loan agreements typically specify an "up to" amount of the loan, and specify that if all funds are not disbursed, the undisbursed amount is credited back to principal reduction.) This requires further monitoring to assure that the reduction to loan principal is subsequently reflected on the portfolio reports. Whenever a loan is set up with the servicer and involves funds remaining to be disbursed, the status remains "incomplete" until the final disbursement amount is determined, notice to the servicer provided, and confirmation of the change is checked on a subsequent portfolio report.
- 12) When a loan has been confirmed as correctly set up and the status changed to Complete, no further action is typically required.

Handling Updates:

- a) The staff person having monitoring oversight of the loan agreement is responsible for adding the loan to the annual list and for making periodic updates to the monitoring report for the loan.
- b) The staff person is to update the loan information each time that there is an action related to portfolio set-up. Each summary page is to be, nevertheless, to be updated no less than bi-monthly. (Jan., Mar, May,). If no change, a statement to the bottom to that effect.
- c) The Assistant Director is to review the listing no less than quarterly. Loans identified from the review as lagging in set-up or updating are to be flagged with the appropriate staff person and supervisor for follow-up. Supervisors, if other than the staff person monitoring the loan agreement, should also periodically review the listing.

Carry-overs:

- Loans may involve disbursements begun in one year, and subsequently carried over into another before final loan portfolio set-up is completed.
- At the end of each calendar year, any loans still shown as incomplete for the year are to be carried forward into the next year.
- A new file document for the next year is to be prepared. The page on the loan is to be copied and pasted into the new year's document. The last update Date is to be changed for the new document to the date on which it was copied over.
- The cover list is to contain a listing of carry-over loan projects at the bottom of that page.

Notations on rental housing loans and when they should be booked with the servicer.

- A) Loans set up with the servicer are amortizing loans— whether amortization payments begin soon or whether there is a deferral period before such payments start.
- B) In many cases, particularly in the case of larger rental housing projects and projects involving joint development funding with private lenders, loan closings do not begin with an amortizing, permanent loan. Rather, there is a Collateral Mortgage or Multiple Indebtedness Mortgage form of loan closed at the start of the project. This is a typical form of development financing and private lenders often use the same financing.
- C) Collateral Mortgage loans are for the development period. Our agreements typically specify a time period by which the Collateral Mortgage is to be converted to a permanent, amortizing mortgage. This is a point in time after the project is scheduled to be completed. At the time of conversion, final disbursement amounts are reconciled, the Collateral Mortgage is canceled and the amortizing loan replaces it on the property records.
- D) Development loans (e.g. collateral mortgages) are not sent to the servicer for portfolio recording. There is nothing (no payments, collections, etc.) for the servicer to service at that point. The loan is submitted to the servicer when the development loan is converted to the amortizing loan.
- E) Disbursements involving Collateral Mortgage loans are tracked with the individual loan records. These portfolio tracking sheets will provide a cross-check and summary of the loan status, as well as monitoring to confirm that the converted mortgages are submitted to and recorded with the servicer.
- F) For a loan set-up, the servicer typically requires 2 months advance notice before the first payment due date. Time can vary depending on the part of the month in which the loan set-up information is submitted. Time is needed for the servicer to book the loan on its records and to provide the borrower with timely notice as to how to make payments.
- G) The servicer's timing needs aside, loans should be sent to the servicer for set-up at the earliest time after which the amortizing mortgage is closed.
- H) For smaller rental loans and those whereby we may not be involving a private lender, we may have an amortizing mortgage closed at the onset. But, with funds under that loan still subject to disbursement under the loan agreement terms. (E.g., rehab construction draws). Such loans should be submitted to the servicer after they are closed, with notice of any reductions to loan principal submitted to the servicer when the project has been completed. If funds are fully used, no follow-up notice to the servicer is necessary. Any principal reduction notices to the servicer should also be copied to the borrower.

INSTRUCTIONS

Page 1 of 3

Homebuyer Loans: Tracking for loan portfolio status

Background: The City-Parish 2001 single-audit contained a finding concerning tracking of housing loan disbursements so as to better assure that loan disbursements are correctly recorded on the loan portfolio reports of our loan servicer.

This applies to both homebuyer and homeowner rehab projects, as well as to rental housing loans. Because of differences in project types and loan processing, tracking procedures are differently applied to each. These instructions apply to only homebuyer loans. These instructions apply only to rental housing loans.

Tracking records location:

- The record is kept on our server.
- File path is: G:Sections/Housing/Loans/PortfolioTracking/Homebuyer

Within the Homebuyer folder, documents containing:

Instructions

Separate tickler subfolder lists for each portfolio (756-CDBG and 757-HOME), plus an Archive subfolder.

A. Portfolio Set-up Tracking List (tickler file):

- 1) Each (756 & 757) folder contains a listing of closed homebuyer loans that are pending final confirmation as to reconciliation for accuracy and completeness against the loan servicer's portfolio report.
- 2) The listing serves as a "tickler" file to monitor portfolio set-ups.
- 3) When a new loan is made, the name of the borrower, property address, project number, loan agreement date and loan amount(s) is to be entered onto the tickler list.
- 4) The total initial disbursement amount is to be entered under the "Disburse.#1" column. In cases whereby the borrower is being provided closing cost assistance, the amount of that assistance is part of the initial disbursement. The total disbursement amount is to be entered, and the amount of closing cost assistance entered in the "Notes" column.
- 5) The figure(s) in the Loan Amount column is only to show the mortgage amount of the loan, i.e., the loan amount(s) to be serviced. When mortgage loans involve more than one promissory note with different loan repayment provisions, each note amount is to be listed in this column. (The servicer's portfolio report also records each promissory note separately.)
- 6) When more than one promissory note is involved, this typically involves a deferred payment note for purchase and a deferred-forgivable note for rehab. When listing the loan amounts in these cases, list them in this order, i.e., deferred first, forgivable second.
- 7) In cases where rehabilitation financing is included in a loan, the rehab funds are not disbursed at the time of purchase closing. Rehab funds are disbursed as the rehab work is completed and the borrower draws funds from the loan to pay for costs incurred. Each disbursement is to be entered.
- 8) The "Total Disburse." column is a computer formula calculation that totals all disbursements across the row for a loan. This total includes closing costs when such have been provided. Upon final reconciliation of a loan against the servicer's portfolio report, the total in this block-minus any closing costs- must equal the total loan amount before the loan can be considered for final confirmation that it reconciles with the servicer's report.
- 9) When loan documents have been submitted to the servicer, make an entry in the "To ACS." column. The absence of an entry or a "no" denotes that the loan submission has not be made.

- 10) The month following the submission of the loan to the servicer, review the servicer's latest monthly portfolio report. If the loan is correctly listed on the servicer's report, make a confirming entry under the "Confirm" column.

B. Rehab loans-reconfirm, additional instructions

- 1) Homebuyer/owner housing loans involving rehab financing are initially set up with the servicer for the full amount of the loan. However, it is possible that the full amount of loan proceeds for rehab costs may not be used for the property at the completion of the project. In such cases, the non-disbursed amount is credited to loan principal reduction following rehab completion.
- 2) Because loans involving rehab disbursements can involve a subsequent reconciliation against the servicer's portfolio report, these loans are to be marked on the list so as to denote that a final reconciliation is required. In these cases, the entry under the "Confirm" column will initially reflect that the loan has been booked on the servicer's report, but is to be annotated to flag that the loan is subject to a final reconciliation and confirmation in the event that there are unused loan funds.
- 3) Upon completion of rehab project and final loan disbursements, reconcile the total loan disbursements against the loan amount. If total disbursements are less, send a written notice to the servicer, specifying the amount of principal reduction to be applied to the note.
- 4) Review the next monthly servicer report(s) to confirm that the reduction has been correctly applied. When so confirmed, delete the prior entry under the "Confirm" column and put in a new entry showing that the final amount has been confirmed on the servicer's report.

Maintenance of Homebuyer Tickler file:

- 1) Review the servicer's monthly portfolio report against the outstanding confirmations. Complete the reviews within ten (10) work days following receipt of each monthly report, making all appropriate entries.
- 2) The timing as to when to expect a loan to show up on the servicer's report is dependent upon a number of factors, including the part of the month in which the loan is submitted. If a loan does not appear on the servicer's report within two monthly reports, submit an email to the Loan Officer.
- 3) Entries for new loans and disbursements for rehab progress payments should be made no less than monthly. Housing loan staff should maintain a consolidated disbursement folder for use in making updated entries, the folder to be available to clerical/accounting staff for entry updating. Copies of basic documents (e.g., pre-requisition showing initial disbursement for a new loan, a rehab disbursement, cover notice to the servicer, etc.) have all necessary information and would be generally be sufficient to provide the entry information.
- 4) After a loan has reached final confirmation as to reconciliation with the servicer's report, that loan can be removed from the tickler report. (Continuing to keep all confirmed loans on the ticker report could result in the tickler list becoming unwieldy over time as the number of loans grow.) However, when removing a loan from the tickler list, copy that loan information to an Archived computer list or print the page and save a paper file of the record.
- 5) The Assistant Director and the Housing Programs Manager are to review the tickler list monthly to confirm ongoing and timely maintenance of the list, and to take appropriate action to have the list brought current if necessary.

Revision (02/13/03)

- 1) Add a column to the end of the tickler list, the column entitled "Review". This column is for Loan Officer/supervisory use. The entry in this column is to be initials of the person who reviewed the entry after it has been confirmed for reconciliation with the servicer's report. Prior to removal of a loan entry from the tickler list, each is to be reviewed to confirm accuracy and completeness.
- 2) For subsequent updates to the tickler lists, us day/mo in the "To ACS" and "Confirm" columns rather than "yes". It is not necessary to change prior entries that show as a "yes".

DELINQUENT LOAN PAYMENTS
Procedures

Page 1 of 3

Office of Community Development
City of Baton Rouge-Parish of East Baton Rouge

A. General Background and Comments:

The 2001 single-audit contained a finding that the Office of Community Development lacked a formalized process for pursuing collections on delinquent housing loan payments and recommended that the process and procedures for pursuing collection be established in writing, including documentation of actions under those written procedures.

Collection actions have previously been generally informal as to contacts with delinquent buyers. This has involved telephone calls, letters, in some cases work-out agreements with the borrowers, and various other actions. However, such actions have not always been well-documented to a consolidated loan delinquency file nor have collection pursuits been applied on a regular schedule of monitoring and follow-up on actions taken. These written procedures are intended to address this matter.

The following comments as to OCD policy and procedures are to serve as general guidelines to OCD staff in the implementation of collection actions for delinquent loans.

- Remember a primary purpose of our Homebuyer Assistance Program – to enable lower income families to realize the "American Dream" of home ownership at an affordable cost.
- Nonpayment of mortgage obligations to the City-Parish can result in collection actions that worsen the financial situation of a home buyer, including bankruptcy and the loss of the home through foreclosure.
- Provided that a borrower is taking appropriate and reasonable action to remedy a delinquency, our first goal in working with that delinquent borrower must remain related to assisting the borrower in maintaining the home ownership opportunity that has been afforded and so as to not unduly further jeopardize the financial stability of the household.
- Participants under our Homebuyer Assistance Program are lower income households. Such households generally have less options when faced with a financial crisis, and may be unfamiliar and fearful of how to go about resolving a problem with a lender.
- Our standard Loan Agreement includes provisions for undertaking a forbearance option (workout plan). Experience has shown that there is no "standard" reason for a loan falling into arrears. (Excess debt, job loss, death of a spouse are only examples of the diversity of causes.) And, thus there is no standard set of forbearance terms and conditions. Each must be tailored to the individual circumstances and with the goal of enabling the borrower to maintain home ownership within his/her financial capacities.

B. Collection Actions Process:

- 1) The loan servicer sends 15, 30 and 45-day late notices. We will not duplicate those notifications.
- 2) Loan portfolio reports are received monthly from the servicer. Borrowers showing as newly delinquent on a monthly report are to be telephoned shortly after the monthly servicer report is received. The call is to let the borrower know that our office has observed that the borrower has fallen behind, to see what steps the borrower has taken (or is taking) to bring the payments current. If it is learned that the borrower is experiencing a situation whereby s/he may be falling further behind in payments, begin discussions/negotiations to resolve the matter.
- 3) The borrower is to be listed on the summary status report for delinquent loans, and an individual loan tracking log is to be started.
- 4) If after two (2) attempts to reach the borrower, the person has not been able to be reached, a letter is to be sent to the Borrower, requesting that s/he contact our office.
- 5) Newly delinquent borrowers who fall further behind after the first month, and for which no

forbearance or other satisfactory resolution has been agreed to by our office, are to be telephoned and the matter discussed. The person is to also be sent a written notice confirming the conversation and the steps being taken to resolve the matter (as discussed/confirmed with the borrower), and/or further describing the referral and other options available to the borrower toward resolving the matter.

- 6) If, the borrower falls further behind on payments without a satisfactory forbearance (work-out) resolved with our office, does not respond to contact attempts or is otherwise not taking reasonable steps to resolve the matter, the case is to be referred to the Parish Attorney's Office, with a request that that office send a collection notice to the borrower.
- 7) If no satisfactory response from the borrower within thirty days following the date of notice by the Parish Attorney's Office, refer the loan to the Parish Attorney for consideration and advise as to the next appropriate action, including that of filing formal suit to collect on the note and to consider the initiation of foreclosure actions.

C. Delinquent Loan Tracking:

- 1) A summary listing of delinquent loans is to be maintained and updated monthly, within one week following receipt of the monthly reports from the servicer. Separate listings are to be maintained for each portfolio group (HOME, CDBG).
- 2) A separate Activity Log is to be established for each new loan at the time that it becomes delinquent. The log is to be updated upon each contact/action taken with regard to the loan.
- 3) Both the summary listing and the individual Activity Logs are to be kept in an "Arrears" subfolder on the computer server (g: drive) for OCD, under Sections/Housing/Loans/PortfolioTracking. Updates are to be entered on the computer. The folder is to be accessible to admin/supervisory staff for periodic review.
- 4) When a loan is no longer in arrears, it is to be deleted from the summary listing. The individual Activity Log on the loan, including an entry showing final status, is to be printed and placed into the loan documents file of the loan. The closed out-activity log is to be archived in the delinquent loans subfolder.
- 5) Copies of all written correspondence, forbearance or other written agreements, etc., are to be filed in the borrower's loan documents file.

E. Forbearance/work-out Options:

- Both initial and subsequent actions may include referral of the borrower to the Home Ownership Center of MidCity for a review and consultation with the borrower. After review, Mid City may recommend a plan of action to the borrower and our office. The decision as to whether to accept, reject or revision a proposed workout plan, however, is with OCD after review of the plan and circumstances. While Mid City may utilize credit counseling services as a part of its review and any proposed work-out plan, proposed plans resulting from the borrower directly contacting a qualified credit counseling agency will also be considered.
- Any agreement reached with the borrower, other than the borrower promptly bringing the note current, is to be completed in writing. The form of the agreement may vary according to the circumstances and planned steps to resolve. It may be as simple as a letter agreement confirming the actions to be taken and any conditions pertaining thereto as discussed with a borrower. Or, it may be a more formal written agreement.
- Written forbearance agreements may be prepared by our office, or the borrower may work out a forbearance agreement directly with our loan servicer. In the latter case, the agreement is not effective unless and until it has been reviewed and signed by OCD administration as to agreeing with the terms and conditions of the forbearance.

F. Transition to these Procedures:

Actions in regards to borrowers who are already in arrears on payments will need to be taken on a case-by-case basis. While a loan may show as being in arrears on the servicer's reports, the reports are only in terms of arrearage under the promissory note payment schedule. The servicer reports do not reflect decisions/actions that may have been taken for a number of loans.

Written correspondence is to be sent to each borrower with payments in arrears. That correspondence will need to be tailored to the payment history and known circumstances of the borrower.

In some cases, that correspondence will simply confirm the status of previous agreement with the borrower. Where follow-up action is required, monthly updates on the status of such follow up action is to be recorded on the delinquent loan list.

If the borrower does not respond, or if a satisfactory work-out agreement is not reached, the matter is to be referred to the Parish Attorney for collection and such other action as is deemed necessary.

One of the more common types of arrearages involves borrowers who have gotten slightly behind on payments, who make regular payments, but who have been unable to catch up on prior arrears. Notices to borrowers in these cases are to suggest options for catching up, but are not to result in further collection action provided that the borrower does not go further into arrears.

G. Other Considerations:

If borrower bankruptcy is involved, the matter is to be referred to the Parish Attorney. Bankruptcy laws govern the process for filing claims and what actions can and can not be taken during the proceedings. The direction of the Parish Attorney's Office is to be followed in all such cases.

FORM SF-SAC (3-20-2001)

U.S. DEPT. OF COMM.— Econ. and Stat. Admin.— U.S. CENSUS BUREAU ACTING AS COLLECTING AGENT FOR OFFICE OF MANAGEMENT AND BUDGET

Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS for Fiscal Year Ending Dates On or After January 1, 2001

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

RETURNED Federal Audit Clearinghouse 1201 E. 10th Street Jeffersonville, IN 47132

PART I GENERAL INFORMATION (To be completed by auditee, except for item 7)

1. Fiscal period ending date for this submission Month 12 / Day 31 / Year 2002 Fiscal Period End Dates Must Be On or After January 1, 2001

2. Type of Circular A-133 audit 1 [X] Single audit 2 [] Program-specific audit

3. Audit period covered 1 [X] Annual 2 [] Biennial 3 [] Other - Months

4. Date received by Federal clearinghouse FEDERAL GOVERNMENT USE ONLY

5. Employer Identification Number (EIN)

b. Are multiple EINs covered in this report? 1 [] Yes 2 [X] No

a. Auditee EIN 7 2 6 0 0 0 1 3 7

If Part I, Item 5b = "Yes," complete Part I, Item 5c (Complete the continuation sheet on Page 4)

6. AUDITEE INFORMATION

7. AUDITOR INFORMATION (To be completed by auditor)

a. Auditee name CITY OF BATON ROUGE-PARISH OF EAST BATON ROUGE

a. Auditor name POSTLETHWAITE & NETTERVILLE AP-AC

b. Auditee address (Number and street) 222 ST. LOUIS STREET

b. Auditor address (Number and street) 8550 UNITED PLAZA BLVD

City BATON ROUGE

City BATON ROUGE

State LA ZIP + 4 Code 7 0 8 2 1 - 1 4 7 1

State LA ZIP + 4 Code 7 0 8 0 9 -

c. Auditee contact Name VICKI P. HARRIS

c. Auditor contact Name JOEY RICHARD

Title ACCOUNTING MANAGER

Title AUDIT DIRECTOR

d. Auditee contact telephone (225) 389 - 3316

d. Auditor contact telephone (800) 201 - 7332

e. Auditee contact FAX (Optional) (225) 389 - 7831

e. Auditor contact FAX (Optional) () -

f. Auditee contact E-mail (Optional) VHARRIS@BRGOV.COM

f. Auditor contact E-mail (Optional)

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

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 II and III of the form, except for Part III, Items 8, 9, and 10, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is not a substitute for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of certifying official Vicki P. Harris Date 5/23/03 Printed Name/Title of certifying official Vicki P. Harris, Accounting Manager

Signature of auditor Date 5/23/03

PART I GENERAL INFORMATION - Continued

8. Did the auditee expend more than \$25,000,000 in Federal awards during the fiscal year? (Mark (X) one box)
1 Yes - Identify Cognizant Agency in Part I, Item 9 2 No - SKIP to Part II, Item 1

9. Indicate which Federal awarding agency provided the predominant amount of direct funding in fiscal year 2000. (Mark (X) one box) However, if cognizance has been reassigned, see instructions.

- | | | | |
|--|---|---|---|
| 02 <input type="checkbox"/> Agency for International Development | 81 <input type="checkbox"/> Energy | 14 <input type="checkbox"/> Housing and Urban Development | 47 <input type="checkbox"/> National Science Foundation |
| 10 <input type="checkbox"/> Agriculture | 66 <input type="checkbox"/> Environmental Protection Agency | 15 <input type="checkbox"/> Interior | 20 <input checked="" type="checkbox"/> Transportation |
| 11 <input type="checkbox"/> Commerce | 83 <input type="checkbox"/> Federal Emergency Management Agency | 16 <input type="checkbox"/> Justice | <input type="checkbox"/> Other - Specify: |
| 12 <input type="checkbox"/> Defense | 93 <input type="checkbox"/> Health and Human Services | 17 <input type="checkbox"/> Labor | |
| 84 <input type="checkbox"/> Education | | | |

PART II FINANCIAL STATEMENTS (To be completed by auditor)

1. Type of audit report (Mark (X) one box)
1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 Yes 2 No

3. Is a reportable condition disclosed? 1 Yes 2 No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1 Yes 2 No

5. Is a material noncompliance disclosed? 1 Yes 2 No

PART III FEDERAL PROGRAMS (To be completed by auditor)

1. Type of audit report on major program compliance
1 Unqualified opinion 2 Qualified opinion 3 Adverse opinion 4 Disclaimer of opinion

2. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending greater than \$300,000 in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA SOP 98-3 chapter 10) 1 Yes 2 No

3. What is the dollar threshold to distinguish Type A and Type B programs? (§ .520(b)) \$ 1,603,266

4. Did the auditee qualify as a low-risk auditee? (§ .530) 1 Yes 2 No

5. Is a reportable condition disclosed for any major program? (§ .510(a)(1)) 1 Yes 2 No - SKIP to Item 7

6. Is any reportable condition reported as a material weakness? (§ .510(a)(1)) 1 Yes 2 No

7. Are any known questioned costs reported? (§ .510(a)(3) or (4)) 1 Yes 2 No

8. Was a Summary Schedule of Prior Audit Findings prepared? (§ .315(b)) 1 Yes 2 No

9. Indicate which Federal agency(ies) have current year audit findings related to direct funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to direct funding. (Mark (X) all that apply or None)

- | | | | |
|--|--|---|--|
| 02 <input type="checkbox"/> Agency for International Development | 83 <input type="checkbox"/> Federal Emergency Management Agency | 43 <input type="checkbox"/> National Aeronautics and Space Administration | 96 <input type="checkbox"/> Social Security Administration |
| 10 <input checked="" type="checkbox"/> Agriculture | 39 <input type="checkbox"/> General Services Administration | 89 <input type="checkbox"/> National Archives and Records Administration | 19 <input type="checkbox"/> State |
| 23 <input type="checkbox"/> Appalachian Regional Commission | 93 <input type="checkbox"/> Health and Human Services | 05 <input type="checkbox"/> National Endowment for the Arts | 20 <input checked="" type="checkbox"/> Transportation |
| 11 <input type="checkbox"/> Commerce | 14 <input checked="" type="checkbox"/> Housing and Urban Development | 06 <input type="checkbox"/> National Endowment for the Humanities | 21 <input type="checkbox"/> Treasury |
| 94 <input type="checkbox"/> Corporation for National and Community Service | 03 <input type="checkbox"/> Institute for Museum Services | 47 <input type="checkbox"/> National Science Foundation | 82 <input type="checkbox"/> United States Information Agency |
| 12 <input type="checkbox"/> Defense | 15 <input type="checkbox"/> Interior | 07 <input type="checkbox"/> Office of National Drug Control Policy | 64 <input type="checkbox"/> Veterans Affairs |
| 84 <input type="checkbox"/> Education | 16 <input type="checkbox"/> Justice | 59 <input type="checkbox"/> Small Business Administration | 00 <input type="checkbox"/> None |
| 81 <input type="checkbox"/> Energy | 17 <input checked="" type="checkbox"/> Labor | | <input type="checkbox"/> Other - Specify: |
| 66 <input type="checkbox"/> Environmental Protection Agency | 09 <input type="checkbox"/> Legal Services Corp | | |

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives
- and, if not marked above, the cognizant agency (if identified in Part I, Item 9)

Count total number of boxes marked above and submit this number of reporting packages

FEDERAL PROGRAMS - Continued (Page 3 - #1 of 6)

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		11. AUDIT FINDINGS					
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) ³ (a)	Audit finding reference number(s) ⁴ (b)
Federal Agency Prefix	Extension ²			1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		
1 4	.218	COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 6,602,337 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	N/A
1 4	.239	COMMUNITY DEVELOPMENT HOME GRANT	\$ 2,536,557 .00	1 <input checked="" type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	O	N/A
1 4	.235	CONTINUUM OF CARE SUPPORTIVE HOUSING PROGRAM	\$ 1,192,331 .00	1 <input checked="" type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4	.241	HOPWA GRANT	\$ 613,271 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4	.231	EMERGENCY SHELTER	\$ 348,112 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4	.156	MODERATE HOUSING ASSISTANCE	\$ 1,603,005 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1 4	.276	PARKING STRUCTURE FEASIBILITY STUDY	\$ 28,275 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3	.010051	METROPOLITAN MEDICAL RESPONSE SYSTEM	\$ 59,653 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3	.600	HEADSTART	\$ 8,312,148 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 3	.243	ECSTASY AND CLUB DRUG	\$ 29,131 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
TOTAL FEDERAL AWARDS EXPENDED			\$ 53,442,200 .00				

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

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
³ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.
A. Activities allowed or unallowed F. Equipment and real property management K. Real property acquisition and relocation assistance O. None
B. Allowable costs/cost principles G. Matching, level of effort, earmarking L. Reporting P. Other
C. Cash management H. Period of availability of Federal funds M. Subrecipient monitoring
D. Davis - Bacon Act I. Procurement and suspension and debarment N. Special tests and provisions
E. Eligibility J. Program income
⁴ N/A for NONE

CFDA Number (a)		Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	11. AUDIT FINDINGS	
Federal Agency Prefix 1	Extension 2						Type(s) of compliance requirement(s) 3 (a)	Audit finding reference number(s) 4 (b)
9	3 .959	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CITY COURT VOLUNTEER IN COURT	\$ 23,850 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
9	3 .568	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LIHEAP ENERGY ASSISTANCE	\$ 1,396,676 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
9	3 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TANG ENTERGY ASSISTANCE	\$ 116,051 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
9	3 .569	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	COMMUNITY SERVICES BLOCK GRANT	\$ 974,964 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8	3 .554	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ASSISTANCE TO FIRE FIGHTERS	\$ 37,218 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8	3 .516	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TROPICAL STORM ALLISON	\$ 54,909 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8	3 .516	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TROPICAL STORM ISIDORE	\$ 81,616 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8	3 .516	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HURRICANE LILJ	\$ 441,111 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8	3 .534	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EAST BATON ROUGE FLOOD PROPERTY ACQUISITION	\$ 648,089 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8	3 .534	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ACQUISITION/ELEVATION OF REPET. LOSS STRUCTURES	\$ 691,074 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 53,442,200 .00				

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

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
³ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.
A. Activities allowed or unallowed F. Equipment and real property management K. Real property acquisition and relocation assistance O. None
B. Allowable costs/cost principles G. Matching, level of effort, earmarking L. Reporting P. Other
C. Cash management H. Period of availability of Federal funds M. Subrecipient monitoring
D. Davis - Bacon Act I. Procurement and suspension and debarment N. Special tests and provisions
E. Eligibility J. Program income
⁴ N/A for NONE

FEDERAL PROGRAMS - Continued (Page 3 - #3 of 6)

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		11. AUDIT FINDINGS					
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) ³ (a)	Audit finding reference number(s) ⁴ (b)
8 3 .534	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ELEVATION OF FLOOD PROPERTY	\$ -3725 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8 3 .534	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TERRORISM CONSEQUENCE PREPAREDNESS	\$ 42,470 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8 3 .534	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY ENHANCED HAZMAT PROGRAM	\$ 7,640 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8 3 .523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EMERGENCY SHELTER	\$ 23,645 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
2 0 .205	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HIGHWAY PLANNING AND CONSTRUCTION GRANTS	\$ 4,910,776 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
2 0 .505	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TRANSPORTATION PLANNING	\$ 36,831 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
2 0 .703	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HMEP GRANT	\$ 5,566 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
8 1 .042	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WEATHERIZATION ASSISTANCE	\$ 54,409 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
1 0 .561	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOUISIANA JOB EMPLOYMENT TRAINING	\$ 209,460 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
1 0 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JUVENILE DETENTION FOOD SERVICE	\$ 52,612 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	0	N/A
TOTAL FEDERAL AWARDS EXPENDED			\$ 53,442,200 .00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS			

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)

³ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under 5 .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

⁴ N/A for NONE

FEDERAL PROGRAMS - Continued (Page 3 - #4 of 6)

CFDA Number (a)		Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)		Major program (f)		11. AUDIT FINDINGS	
Federal Agency Prefix 1	Extension 2				1	2	1	2	1	2
1	0 .558	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	HEADSTART FOOD (CHILDREN AND ADULT CARE FOOD PROGRAM)	\$ 803,809 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BI	2002-5,2002-6	
1	0 .559	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	SUMMER FOOD	\$ 879,966 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	
8	4 .034	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	STATE AID TO PUBLIC LIBRARIES	\$ 78,163 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	
1	7 .250	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JTPA-TITLE IIA 5% INCENTIVE	\$ 53,194 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	
1	7 .253	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WELFARE TO WORK	\$ 633,985 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A	
1	7 .258-260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADMINISTRATION	\$ 292,739 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BIG	2002-1-2002-4	
1	7 .258	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-ADULT PROGRAM	\$ 1,205,463 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BIG	2002-1-2002-4	
1	7 .259	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-YOUTH PROGRAM	\$ 1,279,547 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BIG	2002-1-2002-4	
1	7 .260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-DISLOCATED WORKERS	\$ 1,120,962 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BIG	2002-1-2002-4	
1	7 .260	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	WIA-TROPICAL STORM ALLISON	\$ 550,667 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	BIG	2002-1-2002-4	
TOTAL FEDERAL AWARDS EXPENDED				\$ 53,442,200 .00					IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS	

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³ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.
A. Activities allowed or unallowed F. Equipment and real property management K. Real property acquisition and relocation assistance O. None
B. Allowable costs/cost principles G. Matching, level of effort, earmarking L. Reporting P. Other
C. Cash management H. Period of availability of Federal funds M. Subrecipient monitoring
D. Davis - Bacon Act I. Procurement and suspension and debarment N. Special tests and provisions
E. Eligibility J. Program income
⁴ N/A for NONE

FEDERAL PROGRAMS - Continued (Page 3 - #5 of 6)

CFDA Number (a)		Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	11. AUDIT FINDINGS	
Federal Agency Prefix 1	Extension 2						Types(s) of compliance requirement(s) 3	Audit finding reference number(s) 4
1	6 .592	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	LOCAL LAW ENFORCEMENT BLOCK GRANT	\$ 450,515 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .729	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DRUG-FREE COMMUNITIES PROGRAM	\$ 85,107 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .609	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	PROJECT SAFE NEIGHBORHOOD	\$ 5,077 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	DRUG ABUSE RESISTANCE EDUCATION	\$ 67,868 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	POLICE ELECTRONIC EQUIPMENT ENHANCEMENT	\$ 971 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INTERGRATED CRIMINAL APPREHENSION (ICAP)	\$ 85,000 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .579	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	CITY CONSTABLE ELECTRONIC EQUIPMENT	\$ 970 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
1	6 .523	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	JUVENILE ACCOUNTABILITY BLOCK GRANT	\$ 334,146 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6	6 .461	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EPA WETLANDS	\$ -323 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6	6 .811	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	EPA BROWNSFIELD PILOT	\$ 51,783 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 53,442,200 .00			IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS	

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³ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis - Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

⁴ N/A for NONE

FEDERAL PROGRAMS - Continued (Page 3 - #6 of 6)

10. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR		11. AUDIT FINDINGS					
CFDA Number (a)	Research and development (b)	Name of Federal program (c)	Amount expended (d)	Direct award (e)	Major program (f)	Type(s) of compliance requirement(s) (g)	Audit finding reference number(s) (h)
Federal Agency Prefix 1	Extension 2			1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		
6 6	.606	WATERSHED PROTECTION ROUNDTABLE WORKSHOP	\$ 25,843 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 9	.999999	HIGH INTENSITY DRUG TRAFFICKING AREA	\$ 5,000 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
9 9	.999999	ATM/EOC BUILDING DEDICATION REIMBURSEMENT	\$ 6,078 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0	.507	FEDERAL TRANSIT CAPITAL AND ASSISTANCE	\$ 724,315 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
2 0	.106	AIRPORT IMPROVEMENT PROGRAM	\$ 12,344,933 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	DI	2002-7,2002-8
8 3	.503	CIVIL DEFENSE	\$ 69,959 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
6 6	.606	WASTE WATER SYSTEMS IMPROVEMENTS	\$ 1,156,401 .00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	O	N/A
			\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		
			\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		
			\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		
			\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		
TOTAL FEDERAL AWARDS EXPENDED			\$ 53,442,200 .00				

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

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² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)
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A. Activities allowed or unallowed F. Equipment and real property management K. Real property acquisition and relocation assistance O. None
B. Allowable costs/cost principles G. Matching, level of effort, earmarking L. Reporting M. Subrecipient monitoring P. Other
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Postlethwaite & Netterville

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
THE PASSENGER FACILITY CHARGE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE**

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

Compliance

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended December 31, 2002. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the City-Parish's management. Our responsibility is to express an opinion on the City-Parish's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are described in the accompanying schedule of passenger facility charge program findings and questioned costs.

Internal Control Over Compliance

The Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. 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 the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

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 and regulations that would be material in relation to the passenger facility charge 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 Passenger Facility Charges

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2002, and have issued our report thereon dated May 23, 2003, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, and the Federal Aviation Administration and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

B. R. Thwaites & Nettlesville

Baton Rouge, Louisiana
May 23, 2003

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)
COLLECTED AND EXPENDED
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>FIRST QUARTER 2002</u>	<u>SECOND QUARTER 2002</u>	<u>THIRD QUARTER 2002</u>	<u>FOURTH QUARTER 2002</u>	<u>YEAR ENDED 12-31-02</u>
PFC Revenues Received	\$ 94,917	\$ 303,540	\$ 268,353	\$ 367,746	\$ 1,034,556
Interest Earnings	<u>401</u>	<u>1,107</u>	<u>13,502</u>	<u>15,513</u>	<u>30,523</u>
Total Revenues	<u>\$ 95,318</u>	<u>\$ 304,647</u>	<u>\$ 281,855</u>	<u>\$ 383,259</u>	<u>\$ 1,065,079</u>
PFC Administrative Fee	\$ 2,531	\$ 8,094	\$ 7,156	\$ 9,807	\$ (27,588)
Bond Principal Payments	4,800	4,800	82,617	75,750	(167,967)
Bond Interest Payments	29,732	8,022	163,930	141,507	(343,191)
Expenditures on Approved PFC Projects	<u>--</u>	<u>25,917</u>	<u>(2,183,242)</u>	<u>738,230</u>	<u>1,419,095</u>
Total Expenditures	<u>\$ 37,063</u>	<u>\$ 46,833</u>	<u>\$ (1,929,539)</u>	<u>\$ 965,294</u>	<u>\$ 880,349</u>
Net Assets, Restricted for PFC 1/1/02					<u>49,928</u>
Net Assets, Restricted for PFC 12/31/02					<u>\$ 1,995,356</u>

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE
GREATER BATON ROUGE METROPOLITAN AIRPORT**

PFC Revenue Program

**Schedule of Finding and Questioned Costs
Year Ended December 31, 2002**

- Criteria:** Public agencies collecting PFC revenues must submit quarterly reports to the FAA indicating amounts of PFC revenue received and expended for the quarter and to-date for each eligible project. The reports must be supported by and should be reconciled to the Agency's accounting records.
- Conditions:**
1. The quarterly reports of revenue and expenditures, while prepared from the general ledger (accounting records) and containing cash transactions for the year, did not contain all accounting adjusting entries made for the quarterly periods during 2002. An example of such an adjustment is an entry made in the second quarter to transfer approximately 2.3 MM of previously incurred program costs to another fund/program.
 2. The quarterly reports submitted to the FAA indicate revenue and expenditures for the quarter as well as life-to-date. Expenditures are further detailed by eligible project. In our audit of the quarterly schedules, we observed that the cumulative amounts per the report did not agree to the general ledger (accounting records) when said general ledger was run to include all transactions since inception of the program.
- Effect:**
1. The transfer essentially freed-up approximately 2.3MM for project expenditures, yet such newly available money was not reported to the FAA.
 2. The historical practice of transferring funds (reclassifying expenditures to different funding sources in subsequent periods) in the general ledger may have caused the cumulative expenditures by project per the general ledger to be out of balance with the quarterly report. The project costs to-date reported on the quarterly reports may be overstated or understated (undeterminable).
- Recommendations:**
1. The Airport should amend its quarterly report for the second, third and fourth quarters of 2002 and in doing so, revise the amounts expended on all projects, if those amounts are affected by the aforementioned adjusting entry. Future reports should contain all accounting adjusting entries. The City Parish's finance department, accounting division, should review the reports prior to submission.
 2. The Airport\Finance Department staff should reconcile the life-to-date general ledger as of December 31, 2002 to the fourth quarter 2002 report. Amendments to the report should be made as necessary so that cumulative amounts expended to date reflect all transfers of costs.
- Management Response:** *The Airport amended the report for the last quarter of 2002 and submitted it to Betty Davis, Project Manager for the Federal Aviation Administration on April 16, 2003. We also amended the reports for the second (2nd), third (3rd), and fourth (4th) quarters.*



SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Vicki P. Harris

Accounting Manager

Kathleen Kreko

Elizabeth LeBlanc

Assistant Accounting Managers

Mark LeBlanc

Financial Projects Coordinator

Sharon Campbell

Myra Dialekwa

Jeannie Martin

Mary Ourso

Accounting Section Supervisors

Administrative Specialist II

Helen LaVergne

Clerical Specialist III

Jasylon Burns

Gregory Spears

Senior Fiscal Specialist

Rosemary Acosta

Linda Hickerson

Eva Kelley

Mary Ann Oliphant

Mona Parker

Accountant III

Cheryl Bourgeois

Kim Fair

Shannon Hargrave

Tammy Morgan

Jeanine Romero

Annie Wilson

Student Interns

Edward James

Glenda LeBlanc

Fiscal Specialist

Barbara Dotie

Christine Earls

Martha London

Kathy Mansur

Megan Stevenson

Kay Tolar

Accountant I

Lauren Carbo

Stacey Goynes

Thea Gauthier

Design and Production

The Image Source Inc

Stan Dark

Tara Dark

City of Baton Rouge-Parish of East Baton Rouge

Report to Management

December 31, 2002



Postlethwaite & Netterville

A Professional Accounting Corporation
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May 23, 2003

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

In planning and performing our audit of the financial statements of the City of Baton Rouge-Parish of East Baton Rouge (City-Parish) for the year ended December 31, 2002, we considered the City-Parish's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. We also considered its compliance with certain provisions of laws and regulations in order to properly perform the audit in accordance with *Government Auditing Standards* and not to provide an opinion on compliance with those provisions.

However, during our audit, we became aware of several matters that are opportunities for improving internal controls. Additionally, we found an instance of immaterial noncompliance that is required to be communicated under *Government Auditing Standards*. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated May 23, 2003 on the financial statements of the City-Parish.

2002-1

Area: Federal Grant Administration

Condition: The HOME program, a federally funded housing loan program, is administered by the City-Parish's Office of Community Development (OCD). The OCD also administers other federal programs such as CDBG. In charging payroll expenditures between the different grant programs which it administers, the OCD codes all expenditures to the CDBG program fund, then transfers the payroll costs to the appropriate program fund through a journal entry. In performing tests of payroll disbursements charged to the HOME program, we noted considerable lag time between the initial posting of the payroll to the CDBG program fund and the transfer of the appropriate cost to the HOME program fund.

**City of Baton Rouge, Parish of East Baton Rouge, LA
2002 Report to Management (Continued)**

Effect: There appears to have been no effect to the total drawn from the federal treasury (amounts were not drawn twice). However, such a lag in transferring costs to the appropriate fund can effect the reporting of each particular grant, as well as certain administrative aspects of the grant.

Recommendation: Cost should be charged to the appropriate fund on a timely basis. If any transfers of costs need to be performed, such transfers should be performed on a monthly basis and should include all costs for the preceding month.

Management Response: *The OCD recognizes the necessity of timely execution of cost transfers, however, we feel that the recommendation of monthly transfers that recapture the prior month's costs is not necessary or achievable. While the largest of the "other" funding sources for the OCD, HOME is not alone as a grant that incurs costs first against the CDBG program and later reimburses them. Currently the OCD has no less than seven such programs some of which have individual contracts that must be treated as separate entities. The effect of this is that the data collection process for computing the costs to be recaptured takes up to six weeks. To significantly improve this time frame under the current system would take a dedicated staff person. The OCD does not have the resources to dedicate staff to this process. It should also be noted that all of the costs that are transferred from the CDBG program to the HOME program are eligible CDBG costs, either as rehabilitation administration, general administration, or direct project and that it is not a requirement of either program that any of the costs be recaptured. Doing so, however, reduces the administration requirement to the CDBG program and is desired for that reason. The OCD is currently working on a proposal to HUD that will allow it to treat the costs of the other supported programs as indirect costs and have the costs allocated to the appropriate program based on the OMB approved "Modified Direct Costs" basis as provided for in OMB circular A-87. It is believed that the system, if approved by HUD will greatly reduce the accounting burden of more timely transfers to the different funding sources.*

2002-2

Area: Revenue Collection

Condition: The Greater Baton Rouge Airport District (the Airport) carries intergovernmental receivables on its statement of net assets of approximately \$7.9 million as of December 31, 2002. In performing our audit procedures toward amounts reported in the financial statements, we noted delays in the billing and collection of reimbursable costs under the state and federal grants.

**City of Baton Rouge, Parish of East Baton Rouge, LA
2002 Report to Management (Continued)**

Effect: Delays in billing for reimbursement of eligible grant program costs can increase the risk of costs being disallowed. Additionally, such delays present cash management issues.

Recommendation: Billing of eligible grant costs should occur, at a minimum, on a monthly basis. Collection of the billings should be monitored and actively pursued. The billings\draw-down of costs reimbursable under State grants should be coordinated with the central accounting department of City-Parish government. The City-Parish should consider shifting the billing\ draw-down duties to the centralized accounting department. Such a practice would be consistent with the process for federal draw-downs.

Management Response:

The Airport requests reimbursement from the Federal Aviation Administration (FAA) through a letter of credit. The Airport sends these requests to the Finance/Accounting Division every two weeks. This has been the Airport's policy throughout the 2002 fiscal year. There was a lapse in this during the month of October and sometimes through November when the FAA closes down between their fiscal years. This policy has continued through the 2003 year.

The Airport is also requesting reimbursement from the State on a monthly basis. These requests are remitted manually to the state on prescribed forms by the State Aviation Department.

In regards to the reimbursement of State Capital Outlay funds, the Airport has elected to ask for total reimbursement at the end of the project and at the time that the current legislature fully funds the cooperative agreement.

2002-3

Area: Federal Grant Administration

Criteria: As part of its monitoring responsibilities with regard to subrecipients, a pass through or awarding entity is responsible for, among other things, ensuring that required OMB A-133 audits are performed, reviewing the results of those audits, and requiring the subrecipient/contractor to take prompt corrective action for any findings of non-compliance.

Condition: The administrative personnel of the City-Parish's WIA Program (Workforce Investment Act) do require the submission of and do review the audit reports; however submission is only required upon annual application or re-application for funds by the subrecipient.

Effect: If subgrantees did not re-apply for funds for the next program year, then the Program's administration would potentially be unaware of any findings of non-compliance, fraud or other matters which may

**City of Baton Rouge, Parish of East Baton Rouge, LA
2002 Report to Management (Continued)**

need to be pursued as part of its responsibilities as a granting Agency.

Recommendation: The program administration should implement a tracking mechanism to ensure that all subrecipients which received more than \$300,000 in total federal funding (including but not exclusively WIA funds) submit audits performed under A-133 standards to the administration's office within six months after the end of their fiscal year. Additionally, the administration should ensure that all subrecipients' audit engagements have been approved by the Louisiana Legislative Auditor, in accordance with state law. If findings have been reported, then corrective action plans for remedying the findings should be monitored and pursued. If the subrecipient fails to respond to monitoring requests due to the fact that said subrecipient is no longer applying for funding, then said entity may need to be eliminated from consideration for future funding.

**Management
Response:**

The WIA Administrative Office will require that providers receiving federal funds exceeding \$300,000 during the course of an audit period will furnish a current Financial Statement along with Compliance Review before funding. We will also require a financial statement and compliance review for the year covering the contract period. This has been placed in our RFP and will go into effect immediately.

2002-4

Area: Airport Parking Revenue

Criteria: The Louisiana Constitution, article 7, section 14 indicates that the funds, credit, property or things of value of political subdivisions shall not be loaned, pledged, or donated, to or for any person, association, or corporation, public or private. An exception to this rule is allowed for a transaction between governments if the transaction is for a public purpose through the execution of cooperative endeavor agreements.

Condition: The Airport issues free parking passes (VIP passes) to high ranking and elected officials of Baton Rouge City-Parish government, high ranking and elected officials of other nearby local governments, state and federal legislators, local judges, university officials, and officers of local non-profit organizations. These passes are intended for business use only. Upon use of the pass, the official must endorse the parking ticket and state the business purpose of the trip.

Effect: The issuance of passes to non-Baton Rouge government officials and other organizations may be a violation of Louisiana law if the parking passes were not issued pursuant to a cooperative endeavor agreement.

**City of Baton Rouge, Parish of East Baton Rouge, LA
2002 Report to Management (Continued)**

While the officials may be conducting official business, that business is not necessarily the business of the Baton Rouge City-Parish government.

Recommendation: The Airport Commission should enter into cooperative endeavor agreements with other governments and organizations when issuing parking passes to officials of those governments\organizations.

**Management
Response:**

The Airport disagrees with this management comment finding and has been audited on numerous occasions in regard to this policy. It was the opinion of the City's internal auditors on two audits and also from other outside auditing firms that the current policy be instituted. The policy, which the Airport follows, was written by a former Chief Administrative Officer to the Mayor-President as recommended by the auditors.

We have already discussed these comments and suggestions with certain members of management, and we will be pleased to discuss them in further detail at your convenience or perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the City-Parish staff for their patience and cooperation with us during the performance of the audit.



Postlethwaite, Netterville APAC
Baton Rouge, Louisiana
May 23, 2003



David Medlin
Finance Director
City of Baton Rouge, Parish of East
Baton Rouge, Louisiana
May 23, 2003

DISPOSITION OF PRIOR YEARS' MANAGEMENT LETTER COMMENTS

2001 -1

Area: Payroll

Condition: In performing tests of payroll disbursements, we noted several instances in which time and attendance reports for the related payroll period lacked direct supervisory approval. Although the policies and procedures with regard to this practice could perhaps be construed as being ambiguous, such direct supervisory review and approval represents good internal control, as such a practice can provide additional safeguard against incorrect or fraudulent hours being entered into the payroll system, and thus preventing compensation for hours not actually worked.

Recommendation: All time and attendance reports should be approved by the direct supervisor of all employees and departments. The approval should be documented on the time and attendance report.

Response: *A memorandum restating City-Parish payroll policies and procedures was issued by Paul Thompson, Chief Administrative Officer on June 19, 2002 to all departments and agencies. It reemphasized the City-Parish's policy that each employee must personally sign an attendance record at the end of each pay period and supervisors must certify the accuracy of this record by signing or initialing it.*

Updated Response: *Current year payroll testing showed continued noncompliance with the City-Parish policy that supervisors must certify the accuracy of employees' attendance records. Most of the exceptions were noted in the Department of Public Works (DPW).*

In order to further educate City-Parish employees on proper payroll policies and procedures, the Internal Audit staff taught one fraud and four payroll workshops to review general internal controls and City-Parish policies and procedures. Approximately 150 City-Parish employees attended these workshops.

On August 8, 2002, DPW issued payroll policies and procedures that included their specific policies and procedures in addition to the overall City-Parish policies and procedures. The DPW Business Office staff has begun conducting surprise payroll audits of DPW divisions to ensure compliance with payroll policies.

2001-2

Area: Payroll

Condition: In performing our tests of payroll, we noted several instances where compensated absences (leave) that had been taken and paid were not recorded into the records which track available leave. These instances appear to have been entry errors as opposed to system errors. When leave records are not posted for the absences taken, the amount of leave available to the employee is inflated, which can result in added costs to the City-Parish government.

Recommendation: A concerted effort should be made by the personnel who are assigned the duties of payroll data entry to accurately enter the leave taken. Additional control procedures should be adopted to ensure that all the leave taken is posted, such as requiring the person who is responsible in each department for certifying the test register to also certify the number of hours of leave taken. Another such control procedure could be to display the number of hours available and taken on each payroll check or stub, and requesting that discrepancies be reported to Human Resources.

Response: *City-Parish payroll policies and procedures require that a second person verify attendance and leave information before the payroll is input. Additionally before paychecks are generated, management, or their designated representative, should review the final payroll report to attendance information and certify the payroll according to the Personnel Rules, Rule IV, Section 13. All department and agency heads were reminded of these policies and procedures in a June 19, 2002 memorandum.*

All leave usage improperly recorded by departments has been corrected by the payroll clerks in those departments.

The City-Parish payroll system does record on each paycheck stub the number of leave hours taken and remaining balance for verification by the employee.

Updated Response: *Current year payroll testing showed one instance in the Fire Department where leave was not properly posted. The Fire Department had a similar error in which overtime earned was also not posted to the payroll. The Fire Department has corrected both errors and will take steps to ensure the completeness of the payroll.*

2001-3

Area: Matching contributions of federal program - Headstart Program

Condition: In performing our single audit tests of compliance, we noted that several mathematical errors occurred in tabulating volunteer hours that the program counts

toward local matching contributions. Local matching contributions are required per the terms of the grant and are required at the rate of 20%. The required match was in fact met when taking into account any corrections necessary as a result of the mathematical errors, due to the matching sources well exceeding the required amount. However, amounts reported for volunteer hours should be accurate in order that management, as well as grantors, may appropriately analyze the amounts of contributions from each source.

Recommendation: Care should be taken by the staff person who is responsible for tabulating volunteer hours to accurately sum the number of volunteer hours per month. Additionally, this person's tabulation and calculations should be reviewed closely, and perhaps audited by the City-Parish Finance Department's accountant who is in charge of the program's funds and for preparing the program's federal reports.

Response: *In the future, DHDS will require that at least two staff members tabulate volunteer hours and these tabulations will be forwarded to the Department of Finance for review.*

Updated Response: *In keeping with its response to the 2001 Single Audit Finding on this subject, the DHDS requires the Head Start Parent Involvement Coordinator and the Head Start Accountant II to tabulate all volunteer hours before they are forwarded to the Finance Department for review and approval by its accountant.*

2001-4

Area: Violation of the Louisiana budget law

Condition: Louisiana Revised Statute 39:1311 requires amendment of the general fund or special revenue fund budgets when actual revenues plus projected revenue for the year fail to meet the budgeted revenues by five percent or more. The following fund's actual revenues failed to meet budgeted revenues by more than 5%, yet the budget was not amended.

	Amount	%
	<u>Under-budget</u>	<u>Under-budget</u>
a. City Constable Court Costs	\$ 39,609	6.6%
b. Gaming Enforcement Division Fund	\$ 5,344	5.1%
c. Federal Forfeited Property Fund	\$334,730	89.3%

Recommendation: We realize that these funds are immaterial to the finances of the City-Parish's operations as a whole. Nonetheless, management should monitor the variance between budgeted and actual expenditures and amend the budget, through proper procedures, when it appears that an unfavorable variance of five percent or more will occur.

Response:

In the future, the City-Parish will closely monitor all funds and make all budget modifications to correct projected variances of five percent or more. It should be noted that there are circumstances where budget variances of five percent or more can only be determined after the fiscal year is concluded and projected receipts do not materialize.

Updated Response:

The Budgeting Division prepared an analysis of all funds in November of 2002. Based on that analysis, estimated revenues were amended for all funds that were projected to have an unfavorable variance of 5% or more on the interdepartmental transfer. However, there are still circumstances where unfavorable variances can only be determined after the fiscal year is concluded and projected receipts do not materialize.

2001-5

Area:

Payroll Records - Alsen-St. Irma Lee Fire District (a component unit)

Condition:

The following observations were noted by the City of Baton Rouge's internal audit department. It must be noted that these observations are preliminary and need to be further substantiated or confirmed before any final conclusions can be drawn.

- a. Payroll records were generally in poor condition. Mathematical errors, incomplete documentation of hours worked, and mispostings were common occurrences.
- b. Lack of documentation regarding approval of certain employees' pay rates.
- c. Instances of duplication of hours worked when payroll records of the District were compared to the records for the same payroll periods for the City of Baton Rouge Fire Dept. (Several employees work for both the City of Baton Rouge Fire Dept. and the Alsen-St. Irma Lee Fire District).

Recommendation:

The internal audit department of the City of Baton Rouge is currently performing a review of the District's operations, and that review has not been completed. However, based on the observations made to date, the following recommendations will possibly be made, in some form, to the District from the City's internal audit department.

- a. Install a punch-card timekeeping clock and prepare payroll records based upon the hours indicated on the cards.
- b. Computerize leave records.
- c. Review and approval of the payroll records and pay rates by an officer.
- d. Board approval of the rates paid to the Chief and the Assistant and written documentation of that approval.

We recommend that the City-Parish internal audit department's final recommendations regarding these matters be implemented.

Response: *The fieldwork of this audit is ongoing. The Auditing Division will develop a management action plan with the Alsen-St. Irma Lee Fire District staff to address the audit issues.*

Updated Response: *The Alsen-St. Irma Lee Fire Protection District Audit was issued January 10, 2003. The audit contains a management action plan and the Fire Chief's detailed response to the audit. The Sheriff's Department arrested eleven firefighters on misdemeanor theft counts in regards to payroll.*

2001-6

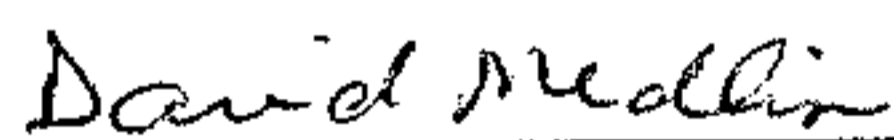
Area: Supporting documentation for reimbursed expenses - Greater Baton Rouge Airport

Condition: The Greater Baton Rouge Airport's contract with an advertising company provides for a fee for the performance of advertising and marketing services, as well as for reimbursement of certain expenses incurred in relation thereto. It was noted that in processing the expense reimbursements to be paid to the advertising company, the Airport did not obtain supporting documentation for the expenses submitted.

Recommendation: We recommend that the Airport staff obtain supporting documentation for all expenses reimbursed under the contract, and that such expenses be reviewed for compliance with the contract.

Response: *The Airport staff will require complete documentation from the advertising company before reimbursing expenses incurred under the contract.*

Updated Response: *Pursuant to the Management Letter audit findings, the Airport has met with and advised Mr. Bill Profita of AdComm Advertising that he must include the proper documentation on all invoices submitted to the Airport for payment. Attachment A is a copy of his request for payment with the proper documentation.*


David Medlin
Director of Finance

Attachment A

PARTIAL DELIVERY RECEIVING REPORT

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE

Purchasing Division

VENDOR: 4 0 2 9 (Alternate Addr. Code): PURCHASE ORDER NO. P O 0 2 0 2 3 9

DATE: July 30, 2002

PAY TO (NAME AND ADDRESS): PARTIAL NO. 1 0 FINAL (Y/N) N

ADCOMM INC VOUCHER NO.

DEPARTMENT BATON ROUGE METRO AIRPORT.

ITEM NO.	DESCRIPTION (limit to 35 characters per item)	P.O. ITEM NO. RECEIVED	AMOUNT
1.	AIRPORT MARKETING PLAN INVOICE #2222	1	11,153.01
2.			
3.			
4.			
SUBTOTAL			11,153.01
RETAINED PERCENTAGE: 0 %		RETAINAGE AMOUNT	0.00
TOTAL			11,153.01

ACCOUNT NUMBER				AMOUNT	DUE DATE
FUND	COST CENTER	OBJECT	PROJECT		
4 8 1	. 0 9 1 0 0 0 2	. 6 4 3 1 0 0	. 0 0 0 0 0 0 0	11,153.01	APPROVAL FOR PAYMENT I certify that the invoices or claims have been audited and payment is approved.
TOTAL				11,153.01	

RECEIVED: DATE July 30, 2002 SIGNATURE <i>Edward M Polyzos</i>	SPECIAL INSTRUCTIONS: PLEASE CALL AIRPORT WHEN CHECK IS READY. THANKS	NET \$ FINANCE DEPARTMENT APPROVAL
---	---	---

AdComm, Inc.
 4919 Jamestown Avenue
 Suite 202
 Baton Rouge, LA 70808
 (225) 928-5201 / fax 928-5237

INVOICE

Invoice No: 2222
 Date: 7/29/2002
 P.O. No: P.O. 020239

To: **Baton Rouge Metropolitan Airport**
 Suite 212 Terminal Building
 Baton Rouge, La 70807

Attn: Anthony Marino

DESCRIPTION OF SERVICES	AMOUNT
<u>Print Advertising</u>	
In Register: (Horn Media) 4 insertions	\$2,596.00
Country Roads: 5 insertions	\$2,980.00
BR Parents Magazine: 3 insertions	\$2,056.52
Southeast News: 3 insertions	\$2,094.00
South BR Journal: 1 insertion	\$850.00
Denham Springs ACT: 1 insertion	\$117.65
Louisiana Network: NCAA Track and Field program	\$458.84
TOTAL DUE	\$11,153.01

- ✓ ORIGINAL
- ✓ DUPLICATE
- ✓ TRIPLICATE

ADDITIONAL INFORMATION:

THANK YOU

Terms: Net 10 days

Horn Media Consultants, Inc.

Invoice

Publisher, InRegister
 545 South Foster Drive
 Baton Rouge, LA 70806

DATE	INVOICE #
3/29/2002	33150

BILL TO
Baton Rouge Metro Airport C/o Ad Com 4919 Jarnestown Baton Rouge, LA 70808

SHIP TO
Baton Rouge Airport C/o Ad Com 4919 Jarnestown Baton Rouge, LA 70808

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
	Net 30	SSS	3/29/2002			

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	1/29xNC AGDISC	1/2 Page InRegister Ad, 9-Time Non-Consecutive Rate 15% Agency Discount for Camera Ready Ads	649.00 -15.00%	649.00 -97.35
<p>Supporting document Invoice #: <u>2222</u></p>				

April InRegister Billing	Total	\$551.65
--------------------------	--------------	----------

Horn Media Consultants, Inc.

Invoice

Publisher, InRegister
 545 South Foster Drive
 Baton Rouge, LA 70806

DATE	INVOICE #
4/30/2002	33245

BILL TO
Baton Rouge Metro Airport C/o Ad Com 4919 Jamestown Baton Rouge, LA 70808

SHIP TO
Baton Rouge Airport C/o Ad Com 4919 Jamestown Baton Rouge, LA 70808

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
	Net 30	SSS	4/30/2002			

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	1/29xNC AGDISC	1/2 Page InRegister Ad, 9-Time Non-Consecutive Rate 15% Agency Discount for Camera Ready Ads	649.00 -15.00%	649.00 -97.35

ay InRegister Billing	Total	\$551.65
-----------------------	--------------	----------

Horn Media Consultants, Inc.

Invoice

Publisher, InRegister
 545 South Foster Drive
 Baton Rouge, LA 70806

DATE	INVOICE #
5/31/2002	33352

BILL TO
Baton Rouge Metro Airport C/o Ad Com 4919 Jamestown Baton Rouge, LA 70808

SHIP TO
Baton Rouge Airport C/o Ad Com 4919 Jamestown Baton Rouge, LA 70808

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
	Net 30	SSS	5/31/2002			

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	1/29xNC AGDISC	1/2 Page InRegister Ad, 9-Time Non-Consecutive Rate 15% Agency Discount for Camera Ready Ads	649.00 -15.00%	649.00 -97.35

me InRegister billing

Total \$551.65

Horn Media Consultants, Inc.

Invoice

Publisher, InRegister
 545 South Foster Drive
 Baton Rouge, LA 70806

DATE	INVOICE #
6/30/02	33465

BILL TO
Baton Rouge Metro Airport C/o Ad Com 4919 Jamestown Baton Rouge, LA 70808

SHIP TO
Baton Rouge Airport C/o Ad Com 4919 Jamestown Baton Rouge, LA 70808

P.O. NUMBER	TERMS	REP	SHIP	VIA	F.O.B.	PROJECT
	Net 30	SSS	6/30/02			

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
1	1/29xNC AGDISC	1/2 Page InRegister Ad, 9-Time Non-Consecutive Rate 15% Agency Discount for Camera Ready Ads	649.00 -15.00%	649.00 -97.35

ily InRegister Billing

Total

\$551.65



Country Roads Magazine
 11781 Ferdinand Street
 P.O. Box 797
 St. Francisville, LA 70775
 (225) 635-9118 • Fax 635-9133

INVOICE

DATE	INVOICE NO.
03/01/02	13639

Baton Rouge Metro Airport
 Bill Profita
 AdComm, Inc.
 4919 Jamestown Ave., Suite 202
 Baton Rouge, LA 70808

Supporting document

Invoice #: 2222

P.O. NO.	DUE DATE
	03/15/02

DESCRIPTION	CLASS	AMOUNT
Advertising Space for 1/2 Page, 12 X Rate	March	596.00
Less Agency Commission	March	-89.40

VISA & MasterCard Payment Available

Total Due \$506.60



Country Roads Magazine
 11781 Ferdinand Street
 P.O. Box 797
 St. Francisville, LA 70775
 (225) 635-9118 • Fax 635-9133

INVOICE

DATE	INVOICE NO.
04/01/02	13863

Baton Rouge Metro Airport Bill Profita AdComm, Inc. 4919 Jamestown Ave., Suite 202 Baton Rouge, LA 70808
--

P.O. NO.	DUE DATE
	04/15/02

DESCRIPTION	CLASS	AMOUNT
Advertising Space for 1/2 Page, 12 X Rate	April	596.00
Less Agency Commission	April	-89.40

VISA & MasterCard Payment Available	Total Due	\$506.60
-------------------------------------	------------------	----------



Country Roads Magazine
 11781 Ferdinand Street
 P.O. Box 797
 St. Francisville, LA 70775
 (225) 635-9118 • Fax 635-9133

INVOICE

DATE	INVOICE NO.
05/01/02	14053

Baton Rouge Metro Airport Bill Profita AdComm, Inc. 4919 Jamestown Ave., Suite 202 Baton Rouge, LA 70808
--

P.O. NO.	DUE DATE
	05/15/02

DESCRIPTION	CLASS	AMOUNT
Advertising Space for 1/2 Page, 12 X Rate	May	596.00
Less Agency Commission	May	-89.40

VISA & MasterCard Payment Available	Total Due	\$506.60
-------------------------------------	------------------	----------

Country Roads Magazine
11781 Ferdinand Street
P.O. Box 797
St. Francisville, LA 70775
(225) 635-9118 • Fax 635-9133

INVOICE

DATE	INVOICE NO.
06/01/02	14220

Baton Rouge Metro Airport Bill Profita AdComm, Inc. 4919 Jamestown Ave., Suite 202 Baton Rouge, LA 70808

P.O. NO.	DUE DATE
	06/15/02

DESCRIPTION	CLASS	AMOUNT
Advertising Space for 1/2 Page, 12 X Rate	June	596.00
Less Agency Commission	June	-89.40
Total Due		\$506.60

VISA & MasterCard Payment Available



Country Roads Magazine
 340 St. Joseph Street
 Baton Rouge LA 70802
 (225) 924-9916 • Fax 924-9727

INVOICE

DATE	INVOICE NO.
07/01/02	14462

Baton Rouge Metro Airport Bill Profita AdComm, Inc. 4919 Jamestown Ave., Suite 202 Baton Rouge, LA 70808
--

P.O. NO.	DUE DATE
	07/15/02

DESCRIPTION	CLASS	AMOUNT
Advertising Space for 1/2 Page, 12 X Rate	July	596.00
Less Agency Commission	July	-89.40

VISA & MasterCard Payment Available

Total Due \$506.60



INVOICE NUMBER: MAY200205204

11831 Wentling Ave., Suite A • Baton Rouge, LA 70816-6055
(225) 292-0032 • FAX (225) 292-0038

PAGE: 1

SOLD TO:

Adcomm Agency
4919 Jamestown Avenue
Suite 202
Baton Rouge, LA 70808

Supporting document

Invoice #: 2222

May 1, 2002

CUSTOMER ID	CUSTOMER PO	SALES REP ID
9285201	46	132-SR
PAYMENT TERMS	INVOICE DATE	DUE DATE
Net 10 Days	May 1, 2002	5/11/02
DESCRIPTION	AMOUNT	
1.00 1012HPH Half Page Ad - Horizontal	555.00	

We now accept Visa and Mastercard. A 5% handling fee will be added.

Total	555.00
Amount Paid	
Total Amount Due	555.00

INVOICE NUMBER: **JUNE200206133**

Duplicate

BATON ROUGE
Parents
M A G A Z I N E
Baton Rouge's Award-Winning Parenting Publication

baton rouge *baby*
A PREGNANCY & NEW PARENT RESOURCE GUIDE

PAGE: 1

11831 Wentling Ave., Suite A • Baton Rouge, LA 70816-6055
(225) 292-0032 • FAX (225) 292-0038

SOLD TO:

Adcomm Agency
4919 Jamestown Avenue
Suite 202
Baton Rouge, LA 70808

CUSTOMER ID	CUSTOMER PO	SALES REP ID
9285201	21	132-SR
PAYMENT TERMS	INVOICE DATE	DUE DATE
Net 10 Days	Jun 1, 2002	6/11/02
DESCRIPTION		AMOUNT

1012HPH

Half Page Ad - Horizontal

555.00

Check No:

Total Invoice Amount
Payment Received
TOTAL

555.00

\$555.00

We now accept Visa and Mastercard. A 5% handling fee will be added.

INVOICE NUMBER: **JULY200207146**



Baton Rouge's Award-Winning Parenting Publication



PAGE: **1**

11831 Wentling Ave., Suite A • Baton Rouge, LA 70816-6055
(225) 292-0032 • FAX (225) 292-0038

SOLD TO:

Adcomm Agency
4919 Jamestown Avenue
Suite 202
Baton Rouge, LA 70808

CUSTOMER ID	CUSTOMER PO	SALES REP ID
9285201	29	132-SR
PAYMENT TERMS	INVOICE DATE	DUE DATE
Net 10 Days	Jul 1, 2002	7/11/02

DESCRIPTION	AMOUNT
1012HPH Half Page Ad - Horizontal	638.25

Check No:

Total Invoice Amount
Payment Received
TOTAL

638.25
\$638.25

We now accept Visa and Mastercard. A 5% handling fee will be added.

Southeast News
P.O. Box 77082
Baton Rouge, LA 70879-7082

INVOICE

DATE
05/01/02

BILL TO
AdComm Advertising Bill Profita 4919 Jamestown Ave. Ste. 202 Baton Rouge, LA 70808

Supporting document
Invoice #: 2222

AMOUNT DUE
\$593.30

DATE	ITEM	DESCRIPTION	QTY	AMOUNT	BALANCE	
04/30/02		Balance forward			0.00	
05/01/02	1/2 Page	MAY	1	698.00	698.00	
05/01/02		AG COMM	1	-104.70	593.30	
CURRENT		1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
593.30		0.00	0.00	0.00	0.00	\$593.30

INVOICE

Southeast News
 P.O. Box 77082
 Baton Rouge, LA 70879-7082

DATE
06/01/02

BILL TO
AdComm Advertising Bill Profita 4919 Jamestown Ave. Ste. 202 Baton Rouge, LA 70808

AMOUNT DUE
\$1,186.60

DATE	ITEM	DESCRIPTION	QTY	AMOUNT	BALANCE	
05/31/02		Balance forward			593.30	
06/01/02	1/2 Page	JUNE	1	698.00	1,291.30	
06/01/02		AG COMM	1	-104.70	1,186.60	
CURRENT		1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
698.00		0.00	488.60	0.00	0.00	\$1,186.60

Southeast News
P.O. Box 77082
Baton Rouge, LA 70879-7082

INVOICE

DATE
07/01/02

BILL TO
AdComm Advertising Bill Profita 4919 Jamestown Ave. Ste. 202 Baton Rouge, LA 70808

AMOUNT DUE
\$1,779.90

DATE	ITEM	DESCRIPTION	QTY	AMOUNT	BALANCE
06/30/02		Balance forward			1,186.60
07/01/02	1/2 Page	JULY	1	698.00	1,884.60
07/01/02		AG COMM	1	-104.70	1,779.90
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
698.00	698.00	0.00	383.90	0.00	\$1,779.90

South Baton Rouge Journal
 707 S. Acadian Thwy.
 Baton Rouge, LA 70806

Invoice

DATE	INVOICE NO.
06/24/02	499

BILL TO
Bill Profita Baton Rouge Metro Airport 4919 Jamestown, Suite 202 Baton Rouge, LA 70808

TERMS	REP
Net 30	ED

DESCRIPTION	RATE	AMOUNT
Half page ad - July 2002	850.00	850.00
Less Discount	-400.00	-400.00
<p>Supporting document</p> <p>Invoice #: <u>2222</u></p>		

For billing questions, call 383-8852. Thanks for advertising in the Journal!	Total	\$450.00
--	--------------	----------

DENHAM SPRINGS



AREA COMMUNITY THEATRE
133 Hummell St.
Denham Springs, LA 70726
225-667-8355

INVOICE

January 24, 2002

AdComm
4919 Jamestown Avenue
Suite 202
Baton Rouge, LA 70808

Supporting document

Invoice #: 2222

Amount Due for Program Ad

\$100.00

Thank You

Mail payment to: DSACT
133 Hummell Street
Denham Springs, LA 70726

**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Special-Purpose Financial Statements

December 31, 2002

With Independent Auditors' Report Thereon



**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Table of Contents

	Page
Independent Auditor's Report	
Special-Purpose Financial Statements:	
Special-Purpose Statements of Assets and Liabilities	2
Special-Purpose Statements of Revenues and Expenses	3
Special-Purpose Statements of Cash Flows	4
Notes to Special-Purpose Financial Statements	5





Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

Independent Auditors' Report

To the City of Baton Rouge -
Parish of East Baton Rouge and
SMG:

We have audited the special-purpose statements of assets and liabilities for the Riverside Centroplex as of December 31, 2002 and 2001, and the related special-purpose statements of revenues and expenses and cash flows for the years then ended. These financial statements are the responsibility of the Riverside Centroplex's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

The accompanying special-purpose statements were prepared for the purpose of complying with the Management Agreement for the Riverside Centroplex as discussed in Note 2 and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Riverside Centroplex as of December 31, 2002 and 2001, and the related revenues, expenses and cash flows for the years then ended, on the basis of accounting described in Note 2.

This report is intended solely for the information and use of the City of Baton Rouge - Parish of East Baton Rouge, the management of the Riverside Centroplex and SMG and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville

Baton Rouge, Louisiana
May 30, 2003

**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Special-Purpose Statements of Assets and Liabilities

December 31, 2002 and 2001

Assets	<u>2002</u>	<u>2001</u>
Current assets:		
Cash and cash equivalents (note 4)	\$ 621,053	642,610
Accounts receivable, net of allowance for doubtful account of \$35,000 and \$15,000 in 2002 and 2001	609,233	542,982
Due from the City of Baton Rouge - Parish of East Baton Rouge - reimbursements	1,909,924	1,709,924
Prepaid expenses	<u>61,578</u>	<u>70,242</u>
Total assets	<u><u>\$ 3,201,788</u></u>	<u><u>2,965,758</u></u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 308,689	190,004
Accrued expenses	126,347	180,298
Deferred revenue	488,961	328,984
Due to City of Baton Rouge - Parish of East Baton Rouge (note 3)	<u>2,277,791</u>	<u>2,266,472</u>
Total liabilities	<u><u>\$ 3,201,788</u></u>	<u><u>2,965,758</u></u>

See accompanying notes to the special-purpose financial statements.



**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Special-Purpose Statements of Revenues and Expenses

Year ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Event income:		
Rental	\$ 866,054	1,088,265
Food and beverage	155,245	241,306
Novelty and event parking	59,091	57,093
Total event income	<u>1,080,390</u>	<u>1,386,664</u>
Non-event parking	7,523	64,260
Non-event food and beverage	31,827	41,016
Advertising	222,292	247,324
Other	70,073	51,468
Total operating revenues	<u>1,412,105</u>	<u>1,790,732</u>
Operating expenses:		
Management company salaries and wages, including employee benefits	1,020,617	935,076
Utilities	319,365	353,222
Repairs and maintenance	62,520	52,036
Supplies, equipment and postage	95,339	85,111
Insurance	102,046	83,534
Professional, computer and contract services	39,549	30,361
Advertising and public relations	91,296	87,795
Total operating expenses	<u>1,730,732</u>	<u>1,627,135</u>
Net income (loss) added to funds from the City of Baton Rouge - Parish of East Baton Rouge	<u>(318,627)</u>	<u>163,597</u>
Funds from the City of Baton Rouge - Parish of East Baton Rouge:		
Beginning of year	2,266,472	1,937,580
Additional funds received during the year	329,946	365,295
Distributions to the City of Baton Rouge - Parish of of East Baton Rouge	-	(200,000)
End of year	<u>\$ 2,277,791</u>	<u>2,266,472</u>

See accompanying notes to special-purpose financial statements.



**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Special-Purpose Statements of Cash Flows

Year ended December 31, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Net income (loss) added to funds from City of Baton Rouge - Parish of East Baton Rouge	\$ (318,627)	163,597
Adjustments to reconcile net income (loss) added to funds from City of Baton Rouge - Parish of East Baton Rouge to net cash used in operating activities:		
Bad debt provision (recovery)	20,000	(5,000)
Net change in operating assets and liabilities:		
Increase in accounts receivable	(86,251)	(89,288)
Increase in due from City of Baton Rouge - Parish of East Baton Rouge	(200,000)	(362,679)
Increase (decrease) in prepaid expenses	8,664	(16,589)
(Decrease) increase in accounts payable	118,685	(49,686)
Decrease in accrued expenses	(53,951)	56,332
(Decrease) increase in deferred revenue	159,977	(174,512)
	(351,503)	(477,825)
Cash flows from financing activities -		
Funding from the City of Baton Rouge - Parish of East Baton Rouge	329,946	365,295
Distributions to the City of Baton Rouge - Parish of East Baton Rouge	-	(200,000)
	329,946	165,295
Net cash provided by financing activities	329,946	165,295
Net decrease in cash	(21,557)	(312,530)
Cash and cash equivalents at beginning of year	642,610	955,140
Cash and cash equivalents at end of year	\$ 621,053	642,610

See accompanying notes to special-purpose financial statements.



**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Notes to Special-Purpose Financial Statements

(1) Organization and Reporting Entity

The Riverside Centroplex is a three-venue complex consisting of an arena, exhibition hall and a performing arts theater (collectively, the "Facility") located in Baton Rouge, Louisiana. The Facility is owned by the City of Baton Rouge - Parish of East Baton Rouge (the "City") and operates as a facility for conventions and assembly events. The City entered into and executed a management agreement (the "Agreement") with SMG, a Pennsylvania joint venture, to provide the City with management services. The management agreement commenced on April 1, 1996 and currently expires on December 31, 2006. Under the Agreement, SMG manages all of the activities and operations of the Facility including, but not limited to the rental of space, advertising, promotion, marketing and sales, event management, public relations, procurement, maintenance, security, custodial and support services including, but not limited to, food and beverage requirements for conferences, conventions, exhibitions, performance, special events and any and all events taking place at the Facility.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The special-purpose financial statements have been prepared to reflect the financial position and the results of operations of the Facility pursuant to the Agreement between SMG and the City. Accordingly, the Statement of Assets and Liabilities does not include all of the assets and liabilities relating to the Facility, but includes only those assets and liabilities of the Facility which are maintained by SMG pursuant to the Agreement. Assets and liabilities not reflected herein include, but are not limited to, property, building, furniture and equipment and amounts due to third parties prior to execution of Agreement. The Statements of Revenues and Expenses do not include charges for depreciation in connection with the assets and liabilities, not reflected herein. All of the assets of the Facility are owned by the City and all of the liabilities are the obligations of the City.

The special-purpose financial statements of the Facility maintained by SMG are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

Event rentals including advance deposits are recognized as revenue in the period in which the event is held. Annual box suite rentals are recognized in the period earned. Unearned receipts for event rentals and box suite rentals are included in deferred revenue.

(b) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

Cash and cash equivalents include demand deposit accounts and short-term, highly liquid investments with original maturities of three months or less.

**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Notes to Special-Purpose Financial Statements

(d) Vacation and Sick Pay

Employees earn vacation leave in varying amounts according to years of service. Unused vacation can be carried over from one calendar year to the next, but is limited to the number of days earned during the prior year. An employee who separates from the entity will be compensated for earned unused vacation days up to a maximum of 24 days. Sick leave is accrued for full-time hourly employees up to a yearly maximum of six days. There is no provision for payment of unused sick-time at termination. The accrued liability included in accrued expenses at December 31, 2002 and 2001 was \$44,031 and \$35,421, respectively.

(3) Transactions between the City and SMG

The continued operation of the Facility is dependent on funding from the City. The Agreement provides for the City to pay certain operational expenses.

Amounts provided by the City and charges against such amounts are reflected as follows:

	Amount provided by the City	Excess of operating expenses over operating revenues	Net amount owed to the City
January 1, 2001	\$ 1,827,252	110,328	1,937,580
Amount provided by the City to the Facility	365,295	-	365,295
Amount reimbursed to the City by the Facility	(200,000)	-	(200,000)
2001 activity	-	163,597	163,597
	165,295	163,597	328,892
December 31, 2001	1,992,547	273,925	2,266,472
Amount provided by the City to the Facility	329,946	-	329,946
2002 activity	-	(318,627)	(318,627)
	329,946	(318,627)	11,319
December 31, 2002	\$ 2,322,493	(44,702)	2,277,791



**RIVERSIDE CENTROPLEX
BATON ROUGE, LOUISIANA**

Notes to Special-Purpose Financial Statements

(4) Cash and Cash Equivalents

The Facility's checking accounts are maintained at a local financial institution and are collateralized by FDIC insurance and pledged securities held in the Facility's name by a third party. The actual bank balances of the cash and cash equivalents at December 31, 2002 and 2001 were \$652,798 and \$659,907, respectively. The amounts were completely collateralized and/or insured at December 31, 2002.

(5) SMG's Base and Incentive Fees

Pursuant to Amendment Number 2 and section 4.1 of the Agreement, SMG is entitled to an annual base fee of \$200,000 which shall be adjusted on the first day of each fiscal year, after January 1, 2003, during the term by the percentage change in the Consumer Price Index – All Urban Consumers – U.S. City Average – All Items as defined in the contract. The term of the contract expires at the end of 2006. In addition to the base fee, an annual incentive fee is calculated based on 25% of operating revenues from all events excluding hockey events which are in excess of \$1,000,000. No incentive fee is paid for any fiscal year that has a net operating loss. The management fee accrued for 2002 totaled \$200,000.

(6) Employee Benefit Plans

SMG is a plan sponsor and participates in a 401(k) Savings and Retirement Plan (the Plan) with other related entities. All eligible employees, as defined in the Plan Document, may participate after one year of service. The benefit of investment gain and the risk of investment loss belong to the participant's accounts on the basis of the balances in those accounts. The amount contributed each year by the Facility is based on a matching formula defined in the Plan. The amount contributed to the Plan and recorded as expense for the years ended December 31, 2002 and 2001 was \$21,437 and \$14,857, respectively.

