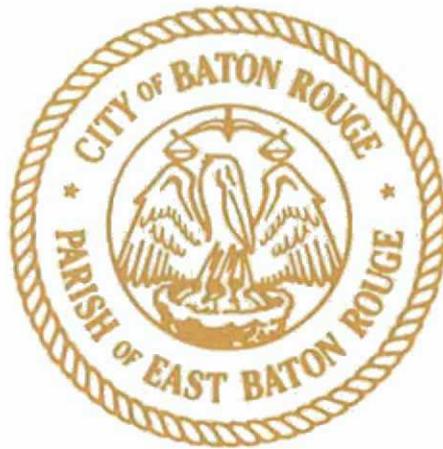


# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For The Year Ended  
December 31, 2013**

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

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

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

Release Date JUL 30 2014

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

**TABLE OF CONTENTS**

**Exhibit**      **Page  
Number**

**INTRODUCTORY SECTION**

Letter of Transmittal .....		v
Certificate of Achievement for Excellence in Financial Reporting.....		xiii
Principal Officials .....		xiv
Organizational Charts.....		xvi

**FINANCIAL SECTION**

Independent Auditors' Report.....		1
Management's Discussion and Analysis .....		5
<b>Basic Financial Statements:</b>		
<b>Government-wide Financial Statements:</b>		
Statement of Net Position.....	A-1	21
Statement of Activities .....	A-2	22
<b>Fund Financial Statements:</b>		
<b>Governmental Funds:</b>		
Balance Sheet .....	A-3	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..	A-4	26
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	A-5	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	A-6	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	A-7	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Library Board of Control Special Revenue Fund.....	A-8	38
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Grants Special Revenue Fund .....	A-9	39
<b>Proprietary Funds:</b>		
Statement of Net Position.....	A-10	44
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	A-11	48
Statement of Cash Flows.....	A-12	50
<b>Fiduciary Funds:</b>		
Statement of Fiduciary Net Position.....	A-13	54
Statement of Changes in Fiduciary Net Position.....	A-14	55
<b>Discretely Presented Component Units:</b>		
Combining Statement of Net Position.....	A-15	56
Combining Statement of Activities .....	A-16	58
Notes to the Financial Statements.....	A-17	61
<b>Required Supplementary Information:</b>		
Other Postemployment Benefits - Schedule of Funding Progress.....	A-18	141
Other Postemployment Benefits - Schedule of Employer Contributions .....	A-18	141

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

**TABLE OF CONTENTS**

**FINANCIAL SECTION (CONTINUED)**

	<u>Exhibit</u>	<u>Page Number</u>
<b>Combining and Individual Fund Statements and Schedules:</b>		
<b>Nonmajor Governmental Funds:</b>		
Combining Balance Sheet .....	B-1	146
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	B-2	152
<b>Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:</b>		
Capital Projects Fund - From Inception .....	B-3	158
Civil Juror Compensation Special Revenue Fund .....	B-4	159
Criminal Juror Compensation Special Revenue Fund .....	B-5	160
City Constable Court Costs Special Revenue Fund .....	B-6	161
Mosquito Abatement and Rodent Control Special Revenue Fund .....	B-7	162
Downtown Development District Special Revenue Fund .....	B-8	163
Gaming Enforcement Division Special Revenue Fund .....	B-9	164
City Court Judicial Building Special Revenue Fund .....	B-10	165
Federal Forfeited Property Special Revenue Fund .....	B-11	166
East Baton Rouge Parish Communications District Special Revenue Fund .....	B-12	167
Emergency Medical Services Special Revenue Fund .....	B-13	168
Baton Rouge Fire Department Pay Enhancement Fund .....	B-14	169
District No. 1 Fire Protection District .....	B-15	170
Brownsfield Fire Protection District .....	B-16	171
Chaneyville Fire Protection District .....	B-17	172
Pride Fire Protection District .....	B-18	173
Alsen - St. Irma Lee Fire Protection District .....	B-19	174
Consolidated Road Lighting District No. 1 Special Revenue Fund .....	B-20	175
Parish Transportation Special Revenue Fund .....	B-21	176
Parish Beautification Special Revenue Fund .....	B-22	177
Parish Street Maintenance Special Revenue Fund .....	B-23	178
Capitol House Economic Development District Special Revenue Fund .....	B-24	179
Lafayette-Main Economic Development District Special Revenue Fund .....	B-25	180
City Sales Tax Bonds Debt Service Fund .....	B-26	181
Parish Sales Tax Bonds Debt Service Fund .....	B-27	182
Taxable Refunding Bonds Debt Service Fund .....	B-28	183
Road and Street Improvement Debt Service Fund .....	B-29	184
LCDA Road and Street Improvement Project Debt Service Fund .....	B-30	185
Excess Revenue and Limited Tax Debt Service Fund .....	B-31	186
<b>Nonmajor Enterprise Funds:</b>		
Combining Statement of Net Position .....	C-1	188
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	C-2	190
Combining Statement of Cash Flows .....	C-3	191
<b>Internal Service Funds:</b>		
Combining Statement of Net Position .....	D-1	194
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	D-2	195
Combining Statement of Cash Flows .....	D-3	196

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

**TABLE OF CONTENTS**

	<u>Exhibit</u>	<u>Page Number</u>
<b><u>FINANCIAL SECTION (CONTINUED)</u></b>		
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules By Source .....	E-1	198
Schedule By Function and Activity .....	E-2	199
Schedule of Changes By Function and Activity .....	E-3	200
Schedules (Supplementary Financial Information):		
Combined Schedule of Cash, Cash Equivalents and Investments .....	F-1	202
Employees' Retirement System:		
Revenue by Source, Expenses by Type and Employer Contributions .....	F-2	205
<b><u>STATISTICAL SECTION (UNAUDITED)</u></b>		
Financial Trends Information:		
Net Position by Component, Last Ten Fiscal Years .....	G-1	208
Changes in Net Position, Last Ten Fiscal Years .....	G-2	210
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years .....	G-3	214
Fund Balances of Governmental Funds, Last Ten Fiscal Years .....	G-4	216
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years .....	G-5	218
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years .....	G-6	220
Revenue Capacity Information:		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years .....	G-7	222
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years .....	G-8	224
Principal Property Taxpayers, Current Year and Nine Years Ago .....	G-9	226
Property Tax Levies and Collections, Last Ten Years .....	G-10	227
Sales Tax Revenues, Last Ten Fiscal Years .....	G-11	228
Taxable Sales by Category, General Sales and Use Tax, Last Ten Fiscal Years .....	G-12	230
Debt Capacity Information:		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years .....	G-13	232
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years .....	G-14	234
Direct and Overlapping Governmental Activities Debt, as of December 31, 2013 .....	G-15	236
Legal Debt Margin Calculation, General Obligation Debt, Last Ten Years .....	G-16	237
Pledged Revenue Coverage, Last Ten Fiscal Years .....	G-17	238
Demographic and Economic Information:		
Demographic and Economic Statistics, Last Ten Calendar Years .....	G-18	240
Principal Employers, Current Year and Nine Years Ago .....	G-19	241
Operating Information:		
Full-Time Equivalent City-Parish Employees by Fund/Department, Last Ten Fiscal Years .....	G-20	242
Operating Indicators by Function/Program, Last Ten Fiscal Years .....	G-21	244
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years .....	G-22	246
Other Information:		
Schedule of Funding Progress - Employee's Retirement System .....	G-23	248

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

**TABLE OF CONTENTS**

Exhibit      Page  
Number

**SINGLE AUDIT SECTION**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....		251
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....		253
Summary Schedule of Expenditures of Federal Awards.....		257
Schedule of Expenditures of Federal Awards		
Governmental Activities.....	Schedule A	258
Business Type Activities .....	Schedule B	265
Notes to Schedule of Expenditures of Federal Awards.....		266
Schedule of Findings and Questioned Costs .....		269
Summary Schedule of Prior Year Findings and Questioned Costs .....		281
Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance .....		291
Schedule of Passenger Facility Charges Revenues and Disbursements.....		294



## Department of Finance

City of Baton Rouge  
Parish of East Baton Rouge

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

(225) 389-3061  
FAX (225) 389-5673

June 24, 2014

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

Dear Mayor-President and Council Members:

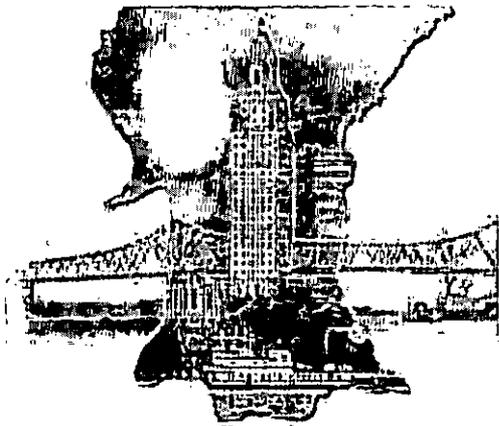
Pursuant to Louisiana State Statutes and The Plan of Government, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the consolidated government of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) for the fiscal year ended December 31, 2013. The Accounting Division of the City-Parish Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City-Parish as measured by the financial activities of its various funds and the entity-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City-Parish financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the local government.

The City-Parish financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, financial statements for the fiscal year ended December 31, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

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

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

## Profile of the Government



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

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



A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* (as revised by GASB Statement No. 61 – The Financial Reporting Entity: Omnibus). 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:

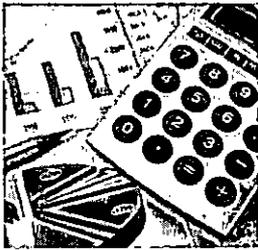
<u>Name of Organization</u>	<u>Type of Unit</u>
➤ The City-Parish	Primary Government
➤ City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System	Blended Component Unit
➤ District Attorney of the Nineteenth Judicial District	Discrete Component Unit
➤ Nineteenth Judicial District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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund. For the General Fund, Library Board of Control Special Revenue Fund, and Grants Special Revenue Fund, this comparison is presented in Exhibits A-7 through A-9. The Capital Projects Fund budget statement is presented on a project length basis as legally adopted by the Metropolitan Council on Exhibit B-3. For other governmental funds, the annual budget comparison is presented in the Combining and Individual Fund Statements and Schedules, Exhibits B-4 through B-31.

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

According to the 2010 Census, East Baton Rouge is the largest parish in Louisiana. Its population grew by 6.6 percent since 2000. The City of Baton Rouge, the state capital, is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City-Parish is the principal home of two major state universities: Louisiana State University and Southern University. The Baton Rouge MSA has the largest concentration of chemical industry employment in the state and is the home of the nation's fourth largest refinery.

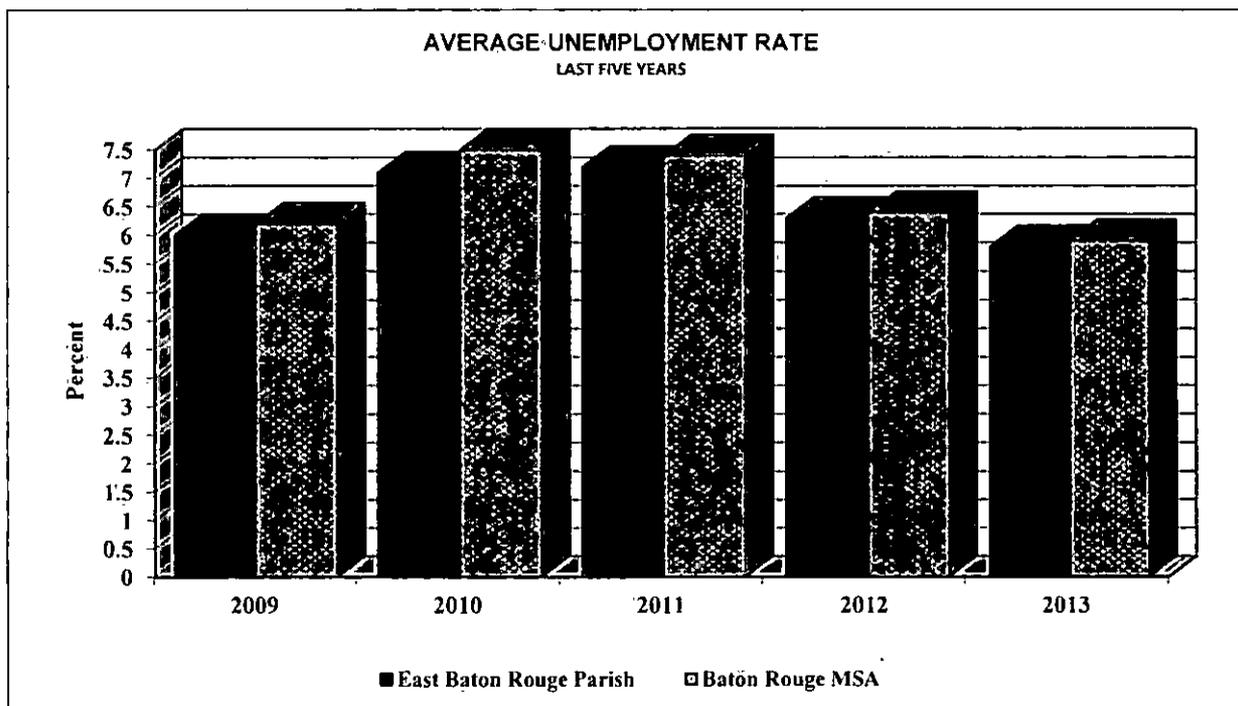


A number of significant companies engaged in oil refining, petrochemical processing, and wood products are found in the industrial corridor along the Mississippi River near Baton Rouge. These industries are major employers of Baton Rouge's labor force. Other important industries include government, construction,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

According to the United States Department of Labor, Bureau of Labor Statistics, the annual average rate of local unemployment decreased 0.5% in East Baton Rouge Parish and decreased 0.5% in the Baton Rouge MSA in 2013, as reflected in the following chart:

	East Baton Rouge Parish	Baton Rouge MSA <sup>(1)</sup>
2009	6.0	6.2
2010	7.1	7.5
2011	7.2	7.4
2012	6.3	6.4
2013	5.8	5.9

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



Local economists are predicting job growth in 2014 and 2015 for our region. In October 2013, Dr. James A. Richardson, John Rhea Alumni Professor of Economics at Louisiana State University, and Dr. Loren C. Scott, Professor Emeritus of Economics at Louisiana State University, issued *Louisiana Economic Outlook* (LEO) on Louisiana's major metropolitan statistical areas. Following are their predictions of economic growth in East Baton Rouge Parish and the Baton Rouge MSA for 2014-2015.

*"The 9-parish Baton Rouge MSA is heading into an industrial expansion like none other in its history.*

*The very strong projected performance for the Baton Rouge MSA can be heavily traced to the boom in the area's chemical industry...natural gas prices have fallen sharply in the U.S. but have actually risen in Europe. Chemical firms are prodigious users of natural gas. The price advantage in the U.S. has been translated into a price advantage for our chemicals over those produced in Europe. Consequently, U.S. firms are cutting into Europe's share of the world chemical market. This has led to both expansions of existing firms and announcements of brand new firms in the MSA.*

*These projects include the following:*

- *Honeywell recently announced it will invest \$78 million at its two Baton Rouge sites.*
- *Katoen Natie is building a \$150 million, two million square foot plastics storage and distribution facility in Baton Rouge.*
- *DMC Carter Chambers is making a \$10 million capital investment in Baton Rouge that will produce 80 new jobs.*

*In addition to these chemical-related projects there are sizeable investments being made in other manufacturing sectors in the MSA.*

*By the end of this year, Genesis Energy will have completed a \$125 million project that involves (1) an 18-mile pipeline from Port Hudson to the ExxonMobil Refinery and (2) 200,000 barrels of oil storage capacity (+50 jobs).*

*This region is enjoying economic development victories in areas other than those associated with low natural gas prices. One of those vibrant new niches for Baton Rouge is the high tech area. A major win for the city was in May when IBM announced it would bring a new 800-person Technology Center to downtown.*

*Ameritas---an information technology and software development company---has opened in Chase Tower South. By 2016, Ameritas will employ 300 people at an average salary of \$63,000 plus benefits."*

Revenue growth continued to improve in 2013, as Baton Rouge experienced signs of recovery from the national recession on the local economy. General sales and use tax (2 percent) collections for General Fund operations and debt service dedications of the City and Parish combined were \$176.5 million, net of Tax Increment Financing District adjustments, an increase of \$2.1 million over 2012 revenues, a 1.17 percent increase. Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax both increased by 2.02 percent during fiscal year 2013. The general sales and use tax plays a significant role in financing the operations of the General Fund.

### **Major Initiatives in 2013**

Construction on Repentance Park was completed in March 2013. Designed to provide a venue for large events, as well as passive recreation and a unique water feature, Repentance Park serves as a component of the southern anchor of the Arts and Entertainment District. The park connects the LASM, River Road, Old State Capitol, River Center, City Hall, Galvez Plaza and the Town Square.

The construction of a permanent canopy stage in Galvez Plaza "The Crest," was also completed in 2013. The stage features a performance truss system that can be hoisted to accommodate lighting and speaker systems. Downtown concerts and events, such as the popular "Live After Five" concert series, are held in this location.



During 2013, the Library Board of Control completed construction of the new Main Library. Based on its design, this new 127,000-square-foot facility qualifies for the Leadership in Energy and Environmental Design (LEED) Silver certification. The Fairwood Branch Library was substantially complete in December of 2012, and the opening ceremony was held on March 10, 2013. Planning will be completed and construction is anticipated to begin on the River Center branch library in 2014.

Planning and engineering will also begin in 2014 for the Downtown Greenway project, which will provide a functional pedestrian and bicycling corridor that utilizes the existing interstate infrastructure to link inner city residential neighborhoods and LSU to parks, businesses, and cultural attraction. It will also connect area attractions, museums, and existing trailhead links such as the South Boulevard trailhead at the levee. The greenway will feature lighting, landscaping, signage, recreational links and facilities, and public art as well. The project was selected by the EPA to participate in its "Greening America's Capitals" program.

## Long-Term Financial Planning

### Sewer Improvement Program

The City-Parish entered into a consent decree with the United States Environmental Protection Agency (EPA) and the Louisiana Department of Environmental Quality (DEQ) relative to wastewater improvements in East Baton Rouge Parish on March 14, 2002. The consent decree requires the City-Parish to make various wastewater treatment plant and sanitary sewer infrastructure improvements in order to reduce sanitary sewer overflows in the sewer collection system and meet wastewater discharge permit requirements under wet weather conditions. The consent decree deadline for completing the Sewer Capital Improvements Program is December 31, 2018.

On July 10, 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan.2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system-wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plant. This modified program will rely more on the rehabilitation of the sewer collection system, pump station and transmission improvements, the construction of a flow equalization basin at the South Wastewater Treatment Plant, and improvements to the South Wastewater Treatment Plant Facility.



With a customer base over 138,000, the Parish's sanitary sewer system serves a population of approximately 425,000. The system is extremely complex, consisting of more than 400 pump stations, 10.5 million feet of separate gravity and pressure sewer system pipes and three major treatment plants. Like many other cities, Baton Rouge has encountered many overflow problems with this aging system which has led to the inception of the Sanitary Sewer Overflow (SSO) Improvement Program. The SSO Improvement Plan is progressing at a steady pace. Forty-nine projects have been completed, twenty-nine are under construction and twenty-eight are under design. The approximate value of these projects, either completed, in the design phase, or under construction at the end of the first quarter of 2014 was \$1.5 billion.

A comprehensive financing model has been developed and is being utilized by the Finance Department and Public Works to manage the finances of the Sanitary Sewer Improvement Program. The first annual 4% sewer user fee increase was implemented on January 1, 2004. Annual 4% sewer user fee increases will continue to be levied throughout the life of this program. In order to mitigate additional increases in the sewer user fee, the City-Parish will continue to seek low interest loans, federal grants, and state grants. As of December 31, 2013, the City-Parish had appropriated over \$2 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding. This \$2 billion represents all capital appropriations since the inception of the Comprehensive Sewerage System Enterprise Fund in 1985.

### One-Half Percent Road and Street Improvement Program

On October 15, 2005, the citizens of East Baton Rouge Parish approved an extension of the current one-half percent (½%) sales and use tax for road and street improvements. The proposition offered to voters extended the so-called "pot-hole" tax for an additional 23 years until 2030, and allowed for 70% of the proceeds to be used for the construction of new roads, widening of existing roads, intersection and signalization improvements, as well as other transportation improvements. In this new road construction program, called the "Green Light Plan", the long-term issuance of debt was authorized, which over time will allow for an accelerated road construction schedule and alleviate the effects of inflation on project costs.

Through a referendum, voters dedicated 27% of the proceeds to the recurring road rehabilitation project, and 3% of the tax to the beautification and street enhancement projects. The road rehabilitation program functions with projects prioritized on a six-month basis. The beautification allocation includes projects such as new sidewalks, curb construction, repairs and improvements that meet the requirements of the Americans with Disabilities Act and landscaping.



As of December 31, 2013, twenty-one "Green Light" projects were in an "active" status ranging from corridor survey/design study through construction. The following projects were capitalized in 2013: Central Thruway (Sullivan to Greenwell Springs), O'Neal Lane (Segment 1), Staring Lane and Mount Pleasant Intersection Improvements.

It is anticipated that approximately 750 miles of additional City-Parish streets and roads will be rehabilitated over a period of 20 years. Special attention will be given to projects which provide safe pedestrian routes to and from area schools and other public facilities.

It is estimated that over the 25-year period from January 1, 2006, through December 31, 2030, the tax along with the issuance of bonds and interest earnings will fund \$707 million in road improvement projects. The remainder of the tax will provide \$303 million for the rehabilitation and beautification components of the program.

### AWARDS AND ACKNOWLEDGMENTS



The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baton Rouge and Parish of East Baton Rouge for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

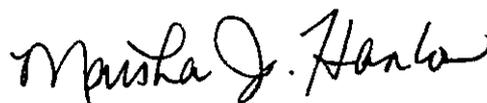
In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both Generally 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 25-year period ending December 31, 2012. I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

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

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, APAC. We thank the Mayor-President and the Metropolitan Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,



Marsha J. Hanlon  
Finance Director





Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2013



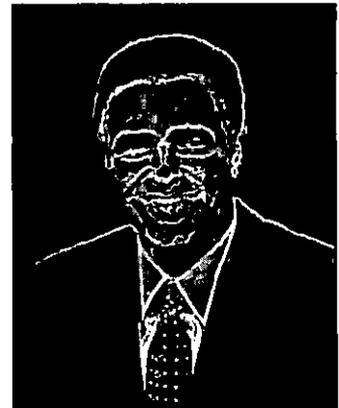
Mayor-President  
Melvin "Kip" Holden



District 1  
Trac Welch



District 2  
Chauna Banks-Daniel



District 4  
Scott Wilson



District 5  
Ronnie Edwards

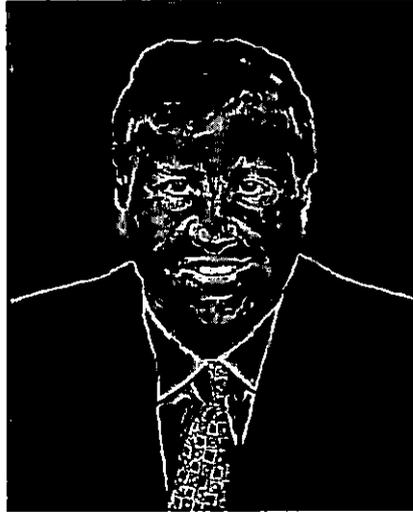


District 6  
Donna Collins-Lewis



District 7  
C. Denise Marcelle

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
PRINCIPAL OFFICIALS  
DECEMBER 31, 2013



President Pro-Tempore  
District 3  
Chandler Loupe



District 8  
Buddy Amoroso



District 9  
Joel Boe



District 10  
Tara Wicker

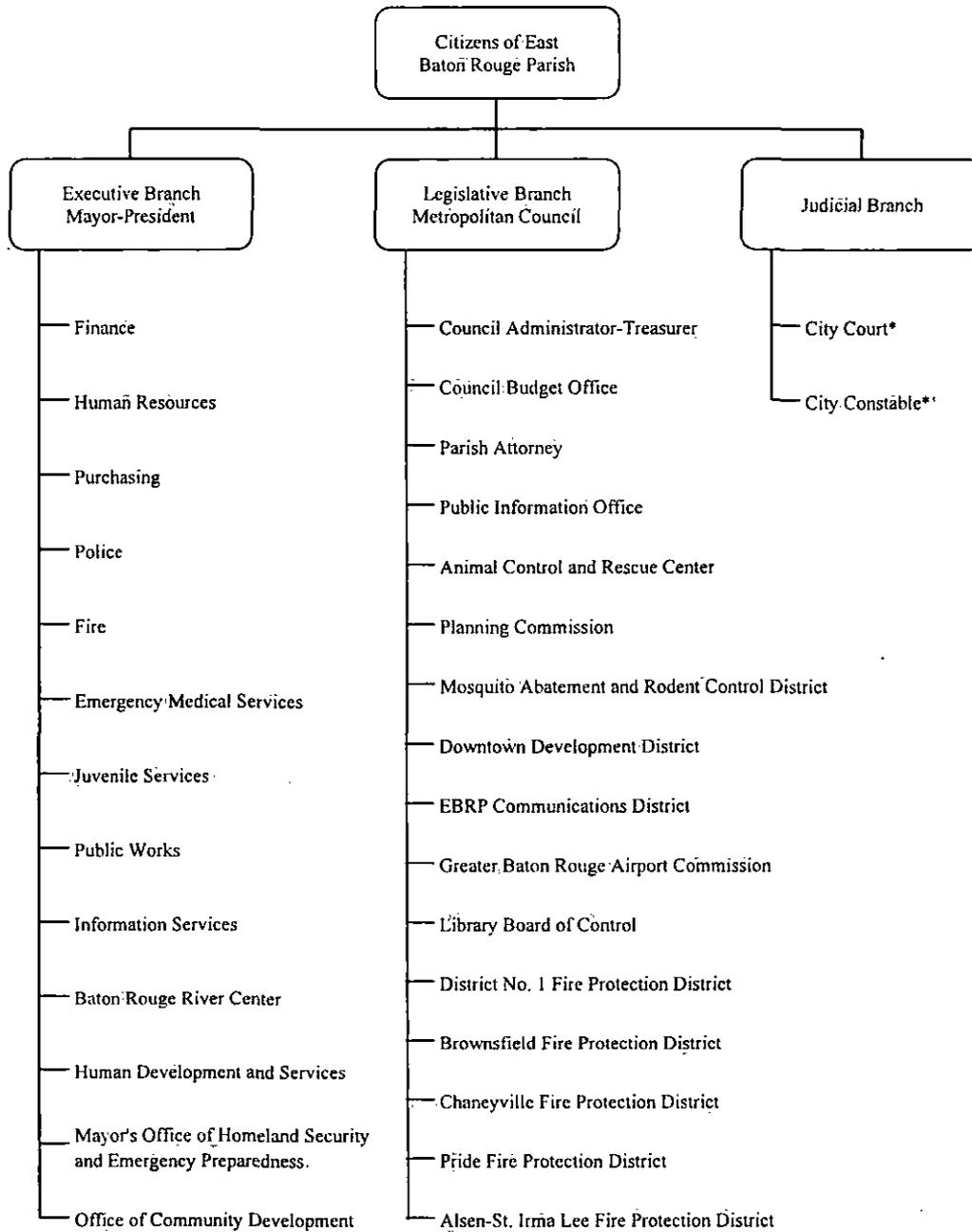


District 11  
Ryan Heck



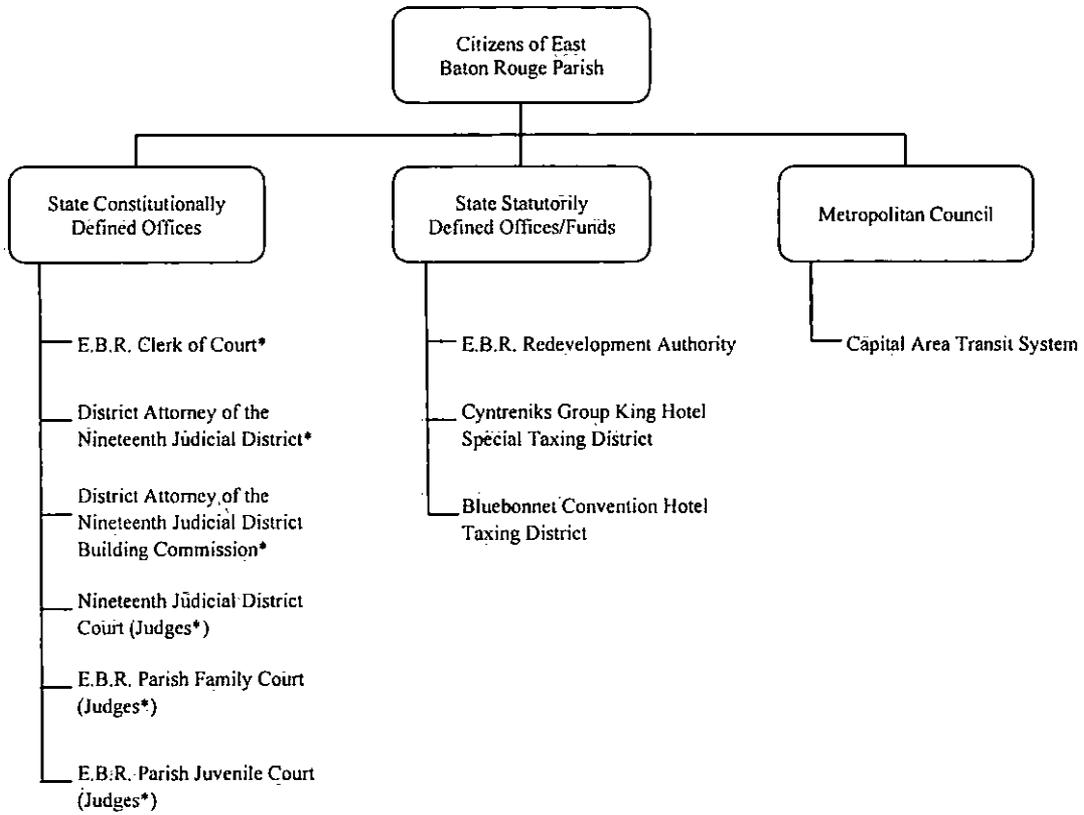
District 12  
John Delgado

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



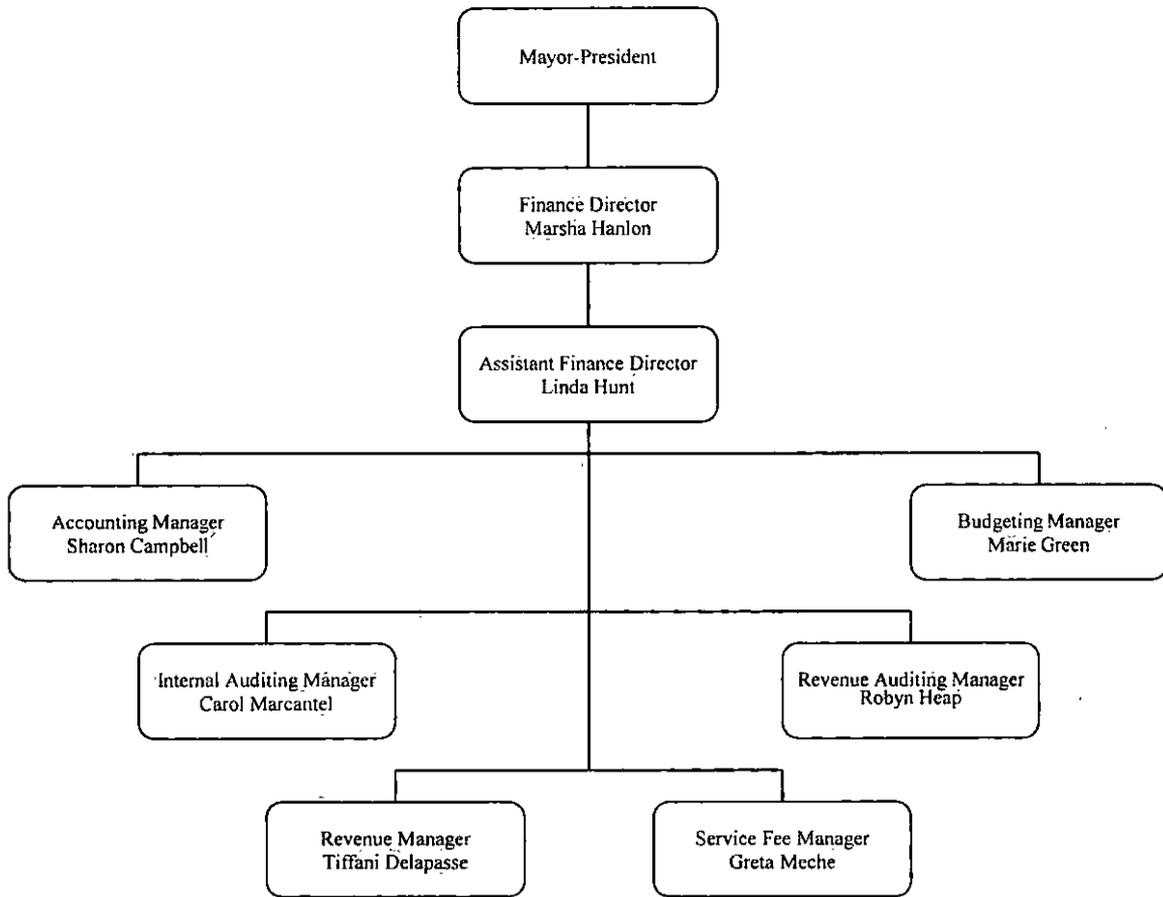
\* Designates Elected Officials

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



\* Designates Elected Officials

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



**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information for each major fund, the fiduciary fund, and the aggregate other (non-major) fund information of the City of Baton Rouge and Parish of East Baton Rouge, Louisiana (City-Parish) as of and for the year ended December 31, 2013, 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 as displayed in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2013 listed in the table of contents as exhibits B-1 through D-3.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain component units discretely presented as described in note 1(a) to the financial statements which represent 93%, 89% and 79%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports 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 from material misstatement.

*Auditors' Responsibility (continued)*

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

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

*Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparison information, the fiduciary fund, and the aggregate other (non-major) fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental, non-major enterprise and internal service fund of the City-Parish as of December 31, 2013, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Other Matters*

*Required Supplementary Information*

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

*Other Matters (continued)*

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City-Parish's basic financial statements. The accompanying financial information listed in the Table of Contents as Capital Assets used in the Operation of Government Funds and the Supplementary Financial Information, exhibits E-1 through E-3 and exhibits F-1 through F-2, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards presented on Schedules A and B in the Single Audit Section is also presented for purposes of additional analysis, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed in the Table of Contents as Capital Assets used in the Operation of Governmental Funds, the Supplementary Financial Information, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The introductory section on pages v – xvi and the Statistical Section, exhibits G-1 through G-23 are also presented for purposes of additional analysis and are not a required part of the basic financial statements. That information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on this information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2014 on our consideration of the City-Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City-Parish's internal control over financial reporting and compliance.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
June 24, 2014



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

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

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

### FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City-Parish primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,540.1 million (*net position*). Unrestricted net position for governmental activities is a deficit of \$210.5 million, while unrestricted net position for business-type activities is approximately \$150.0 million. The deficit in governmental unrestricted net position is the result of the recognition of \$286.3 million in other postemployment benefit liabilities for governmental activities.
- The primary government's total net position decreased by \$41.1 million during 2013.
- Governmental activities' net position decreased \$24.4 million during 2013 primarily as a result of other postemployment benefits in excess of contributions (\$42.8 million), increased claims and judgements (\$9.3 million) offset by decreased public safety expenses (\$1.3 million), increase in revenues from sales tax (\$3.1 million), property tax (\$1.8 million), gross receipts business tax (\$2.3 million), occupational taxes (\$0.7 million), and gaming admissions tax (\$1.9 million), a decrease in compensated absences (\$1.5 million), contributions for capital assets from capital grants and donated infrastructure (\$13.1 million), and other miscellaneous increases (\$2.0 million).
- Net Position of business type activities decreased \$16.7 million during 2013 primarily as a result of increased depreciation expense (\$11.9 million) and other postemployment benefits in excess of contributions (\$3.9 million), bond issuance cost in the sewerage fund (\$3.2 million), a decrease in River Center charges for services (\$1.0 million) and other miscellaneous decreases (\$0.6 million), offset by excess of sales tax revenues over debt service expenses on bonded debt in the sewerage fund (\$3.9 million).
- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of \$422.5 million, a decrease of \$10.3 million in comparison with the prior year. Approximately 3.7% of the fund balances, \$15.6 million, is *available for spending* at the City-Parish's discretion (*unassigned fund balance*). The remainder of the fund balances are not available for discretionary spending because they are either restricted, committed or assigned for specific purposes.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City-Parish financial statements focus on the government as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the City-Parish's accountability.

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

**Government-Wide Financial Statements**

The government-wide financial statements (see Exhibits A-1 and A-2) are designed to be similar to those of private sector businesses in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds and internal service funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units are separate legal governmental entities to which the City-Parish Metropolitan Council may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities within the basic financial statements.

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

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

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

**Fund Financial Statements**

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

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

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

While the total column on the business-type fund financial statements for enterprise funds (see Exhibit A-10) is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation to the government-wide financial statement because of the different measurement focus which is reflected on the page following each statement (see Exhibits A-4 and A-6). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources and will show capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

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

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

### **Capital Assets**

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

### **Notes to the Financial Statements**

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

### **Other Information**

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 other post-employment benefits to its employees. Required supplementary information can be found on Exhibit A-18.

The audited combining statements referred to earlier in connection with the nonmajor governmental and proprietary funds are presented in Exhibits B-1 through D-3.

Certain supplementary financial information can be found in Exhibits E-1 through F-2 of this report. These schedules and the statistical section (Exhibits G-1 through G-23) are included for additional information and analysis and do not constitute a part of the basic financial statements.

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

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

**Government-Wide Financial Analysis**

The following table reflects the condensed Statement of Net Position for 2013, with comparative figures from 2012:

City of Baton Rouge, Parish of East Baton Rouge  
Condensed Statement of Net Position  
December 31, 2013 & 2012  
(in millions)

	Governmental Activities		Business- Type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Assets:</b>						
Current and Other Assets	\$ 521.9	\$ 533.2	\$ 263.3	\$ 297.7	\$ 785.2	\$ 830.9
Restricted Assets	--	--	388.0	392.6	388.0	392.6
Capital Assets	<u>859.9</u>	<u>828.0</u>	<u>1,660.1</u>	<u>1,442.6</u>	<u>2,520.0</u>	<u>2,270.6</u>
Total Assets	<u>1,381.8</u>	<u>1,361.2</u>	<u>2,311.4</u>	<u>2,132.9</u>	<u>3,693.2</u>	<u>3,494.1</u>
Deferred Outflow of Resources	<u>16.9</u>	<u>26.8</u>	<u>44.8</u>	<u>92.0</u>	<u>61.7</u>	<u>118.8</u>
<b>Liabilities:</b>						
Current Liabilities	84.6	84.7	78.0	86.2	162.6	170.9
Non-current Liabilities	<u>699.0</u>	<u>663.3</u>	<u>1,352.7</u>	<u>1,196.5</u>	<u>2,051.7</u>	<u>1,859.8</u>
Total Liabilities	<u>783.6</u>	<u>748.0</u>	<u>1,430.7</u>	<u>1,282.7</u>	<u>2,214.3</u>	<u>2,030.7</u>
Deferred Inflow of Resources	<u>0.5</u>	<u>1.0</u>	--	--	<u>0.5</u>	<u>1.0</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	626.6	601.1	704.2	698.1	1,330.8	1,299.2
Restricted	198.5	218.0	71.3	106.3	269.8	324.3
Unrestricted	<u>(210.5)</u>	<u>(180.1)</u>	<u>150.0</u>	<u>137.8</u>	<u>(60.5)</u>	<u>(42.3)</u>
Total Net Position	<u>\$ 614.6</u>	<u>\$ 639.0</u>	<u>\$ 925.5</u>	<u>\$ 942.2</u>	<u>\$1,540.1</u>	<u>\$1,581.2</u>

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

Approximately 86.4% (\$1,330.8 million) of the City-Parish's net position as of December 31, 2013, reflect the government's investment in capital assets (land, buildings, noise mitigation costs, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The City-Parish government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position represents those assets subject to external restrictions on how those assets may be used such as a property tax approved by the electorate for a specific purpose. Restricted net position decreased by \$19.5 million from the previous year for governmental activities, because of the expenditure of dedicated funds as part of the continuation of the road improvement program and construction projects for library capital improvements. Restricted net position decreased by \$35.0 million for business-type activities, due to increases in amounts restricted for debt service and a decrease in collateral posted for swap agreements. Unrestricted net position decreased by \$30.4 million from the previous year for governmental activities. This decrease was primarily due to an increase in other postemployment benefits liability of \$42.8 million. Unrestricted net position increased by \$12.2 million for business-type activities. This increase was primarily due to funding of Sewer Capital improvement projects on a pay-as-you-go basis and a decrease in collateral posted for swap agreements.

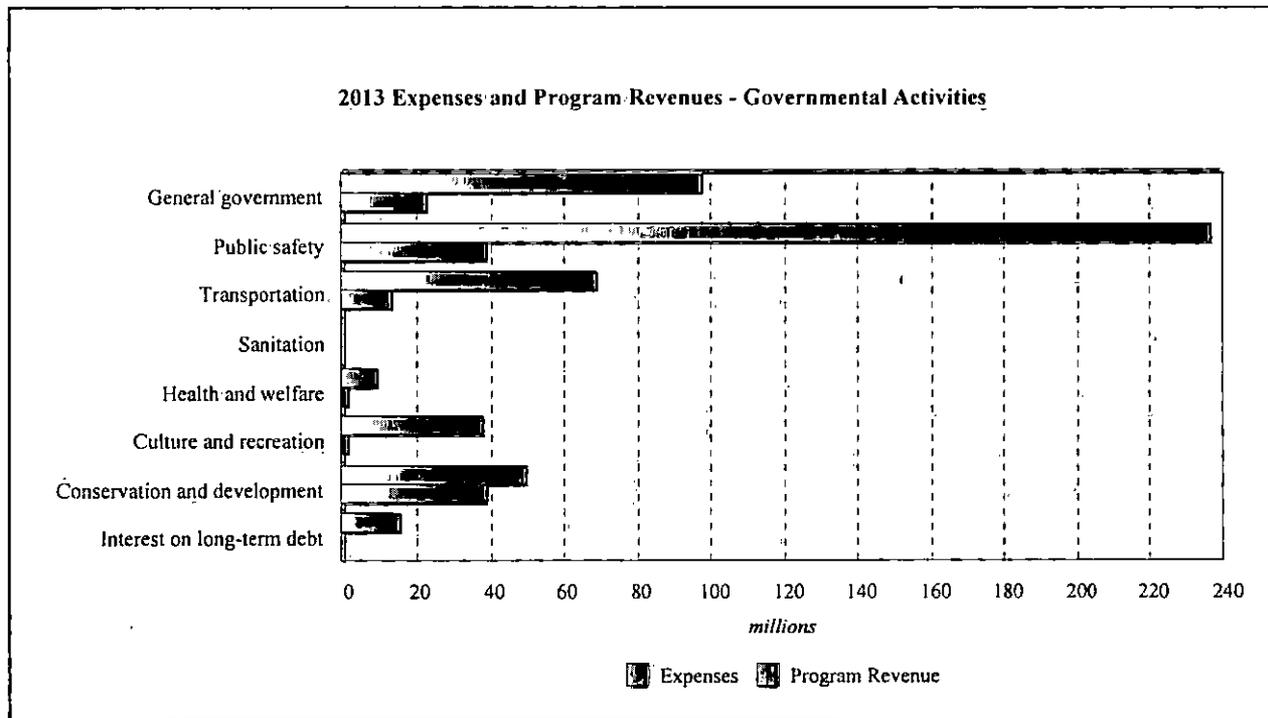
**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

The table below provides a summary of the changes in net position for the year ended December 31, 2013, with comparative figures from 2012:

City of Baton Rouge, Parish of East Baton Rouge  
Condensed Statement of Changes in Net Position  
For the Years Ended December 31, 2013 & 2012  
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 55.7	\$ 52.1	\$135.9	\$137.3	\$ 191.6	\$ 189.4
Operating Grants and Contributions	48.2	57.8	7.6	7.7	55.8	65.5
Capital Grants and Contributions	13.1	15.8	9.6	17.8	22.7	33.6
General Revenues:						
Sales Taxes	219.6	216.5	43.0	42.1	262.6	258.6
Other Taxes	145.7	138.0	--	--	145.7	138.0
Grants and Contributions Not Restricted to Specific Programs	7.7	5.3	--	--	7.7	5.3
Other	<u>1.2</u>	<u>1.4</u>	<u>0.5</u>	<u>2.3</u>	<u>1.7</u>	<u>3.7</u>
Total Revenues	<u>491.2</u>	<u>486.9</u>	<u>196.6</u>	<u>207.2</u>	<u>687.8</u>	<u>694.1</u>
Expenses:						
General Government	97.8	88.2	1.1	0.8	98.9	89.0
Public Safety	237.0	238.3	--	--	237.0	238.3
Transportation	68.8	69.2	28.6	26.6	97.4	95.8
Sanitation	--	--	169.0	138.3	169.0	138.3
Health and Welfare	9.5	9.3	--	--	9.5	9.3
Culture and Recreation	38.2	34.7	13.3	13.4	51.5	48.1
Conservation and Development	50.0	55.6	--	--	50.0	55.6
Interest on Long-Term Debt	<u>15.6</u>	<u>14.8</u>	<u>--</u>	<u>--</u>	<u>15.6</u>	<u>14.8</u>
Total Expenses	<u>516.9</u>	<u>510.1</u>	<u>212.0</u>	<u>179.1</u>	<u>728.9</u>	<u>689.2</u>
Increase in Net Position Before:						
Transfers	(25.7)	(23.2)	(15.4)	28.1	(41.1)	4.9
Transfers	<u>1.3</u>	<u>2.8</u>	<u>(1.3)</u>	<u>(2.8)</u>	<u>--</u>	<u>--</u>
Increase In Net Position	(24.4)	(20.4)	(16.7)	25.3	(41.1)	4.9
Net Position, January 1	<u>639.0</u>	<u>659.4</u>	<u>942.2</u>	<u>916.9</u>	<u>1,581.2</u>	<u>1,576.3</u>
Net Position, December 31	<u>\$614.6</u>	<u>\$639.0</u>	<u>\$925.5</u>	<u>\$942.2</u>	<u>\$1,540.1</u>	<u>\$1,581.2</u>

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



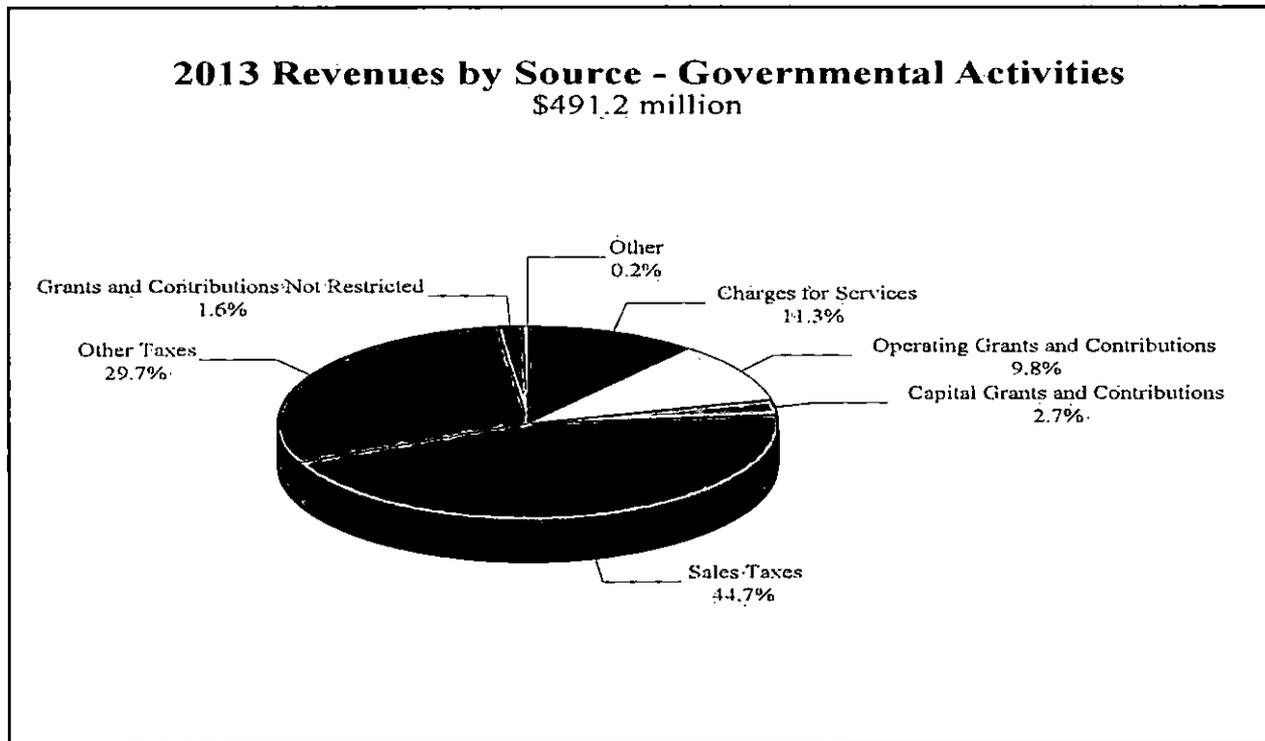
The government's net position decreased by \$41.1 million during the current fiscal year.

*Governmental Activities'* net position decreased \$24.4 million in 2013 primarily due to:

- (1) Continued reduction in net position resulting from other postemployment benefits costs in excess of contributions (\$42.8 million).
- (2) Increases in expenses for claims and judgements (\$9.3 million) resulting from potential settlements on lawsuits as estimated by the Parish Attorney's office.
- (3) The decrease in net position from the changes above were offset by:
  - Revenue increased for sales tax (\$3.1 million) and occupational tax (\$0.7 million), primarily due to an increase in audit collections and the improving economy.
  - Gaming admission tax increased \$1.9 million primarily due to the first full year of operations of the new L'Auberge Casino.
  - Decreased expenses (\$1.3 million) as a result of decreased costs for housing inmates in other parishes and other public safety related expenses.
  - An additional \$1.8 million in property tax revenues primarily due to an increase in assessed valuation from new growth.
  - Gross receipts business tax revenues increased \$2.3 million as a result of increases in sales of electricity and gas.
  - Capital grants and contributions of \$13.1 million capitalized during the year from the following external sources: Capital grants from the State of Louisiana for transportation purposes (\$12.4 million), donated infrastructure from developers and private sources (\$0.2 million), and miscellaneous capital grants for public safety, health and welfare, and conservation and development from the federal and state governments (\$0.5 million).

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

- Decreased expenses for compensated absences (\$1.5 million) due to a decrease in the average number of hours accumulated.
- Other miscellaneous increases in net position (\$2.0 million).

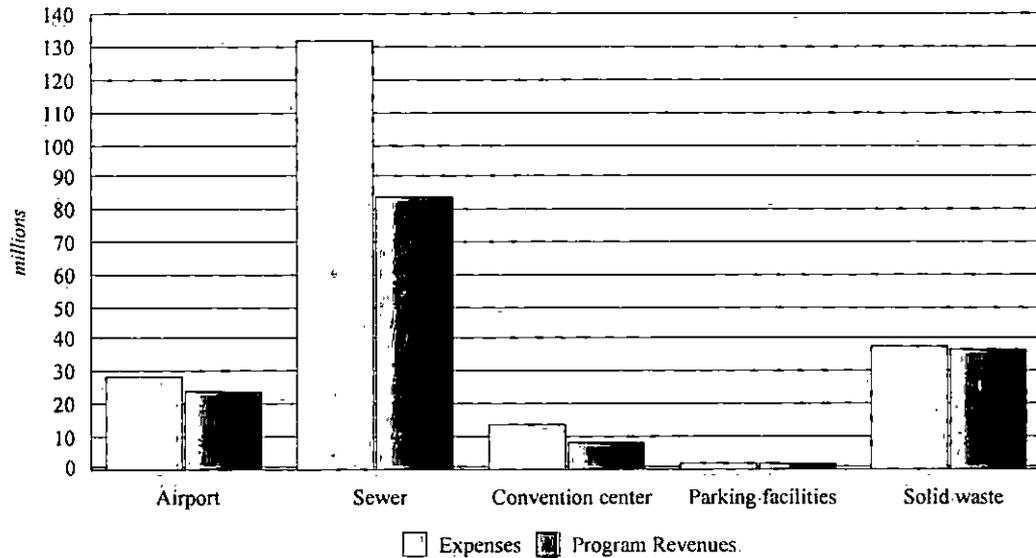


*Business-Type Activities'* net position decreased by \$16.7 million in 2013. The decrease in net position is a result of expenses exceeding revenues for the year. An analysis of major revenues and expenses is as follows:

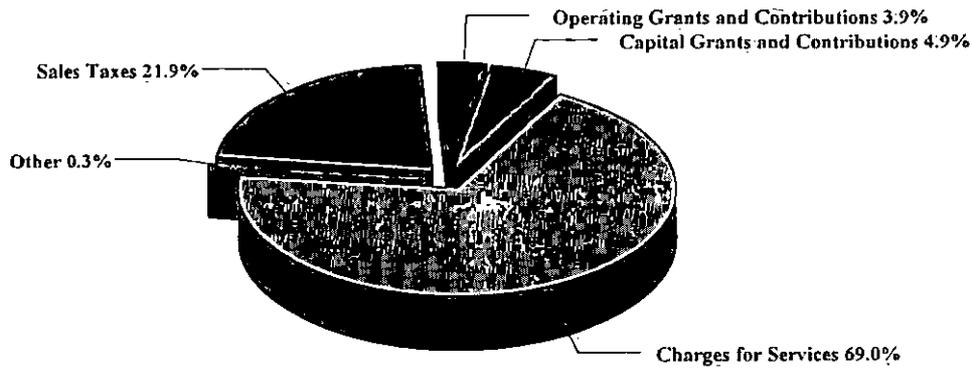
- (1) The Comprehensive Sewerage System Fund reported an excess of expenses over revenues causing a decrease in net position. The primary contributor to the decrease in net position was bond issuance cost in the amount of \$3.2 million and increased interest expense.
- (2) Food and beverage revenues decreased by \$1.0 million for the River Center Fund as a result of major events held at the facility in 2012.
- (3) Depreciation expense increased by \$11.9 million primarily as the result of major capital assets for the Comprehensive Sewerage System Fund being placed into service and depreciated.
- (4) Other postemployment benefit costs in excess of contributions (\$3.9 million).
- (5) Other miscellaneous decreases in net position (\$0.6 million).
- (6) These decreases were offset by the sales tax (non-operating) revenues collected in excess of debt service interest on bonded debt in the sewerage capital improvements program in the amount of \$3.9 million.

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

**2013 Expenses and Program Revenues - Business-Type Activities**



**2013 Revenues by Source - Business Type Activities**  
\$196.6 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, *unassigned 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 \$422.5 million, a decrease of \$10.3 million in comparison with the prior year. Approximately 3.7% of total governmental funds fund balance (\$15.6 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Of the remaining fund balance, \$0.6 million is *nonspendable* and is not in spendable form, \$283.2 million is *restricted* and has limitations imposed on its use by external parties, \$93.1 million is *committed* for specific purposes imposed by the Metropolitan Council, and \$30.0 million has been assigned for various purposes by the Finance Director. Additional information on governmental fund balance can be found in Note 14 of the Notes to the Financial Statements including information on the specific purpose for amounts restricted, committed and assigned.

The General Fund is the chief operating fund of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately \$15.6 million, while total fund balance was \$111.3 million. Compared with total fund balance of \$102.9 million at the end of 2012, fund balance had an increase of approximately \$8.4 million during 2013. This increase in fund balance was primarily due to increased collections from sales tax, property tax, gaming revenues and gross receipts business tax.

The Library Board of Control Fund collected revenues that exceeded expenditures by \$8.8 million in 2013. The primary source of revenue for this fund is an 10.78 mill property tax, which provides funding for all operating expenses of the library system and a pay-as-you-go capital improvement program. All revenues remaining after operational expenditures are funded are applied to the capital improvement program.

Grants Fund expenditures and other financing uses exceeded revenues and other financing sources by less than \$0.1 million during 2013.

Fund balance in the Capital Projects Fund decreased \$35.8 million in 2013. This was primarily due to outlays for the acquisition of right-of-way and construction of major street and intersection improvements (\$9.4 million) funded by Road and Street Improvement Bonds and construction of the new main library (\$19.8 million). Fund balance in the Capital Projects Fund will fluctuate year-to-year based on the status of projects and the progression of financing to fund those projects.

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

Unrestricted net position of the Greater Baton Rouge Airport District was \$3.2 million at December 31, 2013. Most of this major fund's assets are capital assets with a net investment in capital assets of almost \$222.6 million. The fund reported a net loss of \$10.2 million before capital contributions and transfers for the year ended December 31, 2013.

Unrestricted net position of the Comprehensive Sewerage System Fund was almost \$130.9 million at December 31, 2013. This fund encompasses all assets associated with sewerage operations, maintenance, and capital improvements held by the City, the Parish, the Consolidated Sewerage District, and the East Baton Rouge Parish Sewerage Commission. The net investment in capital assets portion of net position totaled approximately \$415.7 million, reflecting a heavy investment in capital assets. The fund realized a net loss of approximately \$7.2 million before government contributions and transfers for the year ended December 31, 2013. During 2013, sales tax (non-operating) revenues were collected

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

in excess of debt service interest on bonded debt in the amount of \$3.9 million. These revenues have been pledged as security on outstanding sewer sales tax revenue bonds and East Baton Rouge Sewerage Commission revenue bonds. In addition, the government recognized revenue for a federal subsidy from the U.S. Department of the Treasury on its Series 2010B "Build America Bonds" in the amount of almost \$6.8 million.

Unrestricted net position of the Solid Waste Collection and Disposal Fund was \$10.9 million at December 31, 2013. Most of this major fund's assets are capital assets with a net investment in capital assets of \$16.2 million. The fund reported a net loss before transfers out to other funds of \$0.8 million for the year ended December 31, 2013.

**General Fund Budgetary Highlights**

The 2013 general fund original budget of \$309.9 million (inclusive of transfers out) was increased by a net \$5.6 million during 2013 to reflect a final amended budget of approximately \$315.5 million. The additional appropriations were funded by increases in sales taxes and excess funds in fund balance - unassigned and assigned. Committed fund balances were generally used as a source for the risk management appropriations and assigned fund balances for the community center allocations.

Additional appropriations were made in the following areas:

	<u>(in millions)</u>
Medical treatment and housing of inmates	\$2.0
Other public safety costs	0.2
Risk management claims settlements from fund balance committed to self-insurance purposes	0.6
Community center expenses funded from center revenue and fund balance assigned to culture and recreation	0.1
Other general fund operational costs	0.8
Economic development initiatives	3.1
Constitutional offices operational costs	<u>0.2</u>
Total additional general fund appropriations	<u>\$7.0</u>

These increases were offset by a net decrease of \$1.4 million in other miscellaneous departmental operating costs.

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

- Sales and use tax collections were collected in excess of budget by almost \$2.2 million primarily due to an increase in audit collections.
- The risk management budget was underspent by approximately \$3.4 million when actual claims for the workers compensation self-insured program, general liability, and compromised claims were lower than projected in the operating budget. Excess appropriations were credited to fund balance committed to self-insurance purposes to offset increases in future years.

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

- Approximately \$24.1 million of the appropriations for departmental budgets were not spent during 2013. 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 \$17.6 million, are listed on the General Fund balance sheet as "assigned to approved continuing projects." The majority of these funds are appropriated for needed police vehicles and other public safety equipment, to upgrade information services network systems and computers, provide for replacement of departmental office equipment, fund needed economic development and urban restoration programs, and provide funds for public works projects such as drainage, street improvements, and repairs and renovations to City-Parish buildings.

**Capital Asset and Debt Administration**

**Capital Assets:** The City of Baton Rouge, Parish of East Baton Rouge Consolidated Government's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounts to \$2,520.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, airport facilities, parking facilities, a convention center, a landfill, wastewater treatment facilities, roads, highways, bridges, and drainage systems. The total increase in the City-Parish's investment in capital assets for the current fiscal year was \$249.4 million, a 3.9% increase for governmental activities and a 15.1% increase for business-type activities.

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

- Planning, design, right-of-way acquisition, and construction on approximately twenty-one major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements (\$9.9 million).
- Completion of facility improvements and purchase of facilities for public agencies:
  - New Main Library (\$35.3 million)
  - Public Safety Complex (\$10.1 million)
- Completion and capitalization of several infrastructure projects:
  - Central Thruway (Sullivan to Greenwell Springs) (\$13.6 million)
  - O'Neal Lane (Segment 1) (\$12.9 million)
  - Staring Lane (\$21.4 million)
  - Mount Pleasant Intersection Improvements (\$2.3 million)
- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines (\$276.3 million).

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

- Renovations and improvements to Airport buildings, runways, and other Airport improvements (\$6.9 million).
- Depreciation expense of \$42.7 million for governmental activities and \$64.9 million for business-type activities offset the above increases.

City of Baton Rouge, Parish of East Baton Rouge  
Capital Assets  
(Net of Depreciation)  
December 31, 2013 & 2012  
(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and right-of-way	\$156.9	\$148.2	\$ 80.8	\$ 77.6	\$ 237.7	\$ 225.8
Buildings	137.5	102.5	126.3	120.4	263.8	222.9
Noise Mitigation Costs	--	--	58.1	57.9	58.1	57.9
Improvements (Other Than Buildings) and Infrastructure	506.7	477.8	1,277.9	974.1	1,784.6	1,451.9
Machinery and Equipment	22.3	23.2	0.9	1.0	23.2	24.2
Construction Work-In-Progress	<u>36.5</u>	<u>76.3</u>	<u>116.1</u>	<u>211.6</u>	<u>152.6</u>	<u>287.9</u>
Total	<u>\$859.9</u>	<u>\$828.0</u>	<u>\$1,660.1</u>	<u>\$1,442.6</u>	<u>\$2,520.0</u>	<u>\$2,270.6</u>

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

**Long-Term Debt:** At the end of the current fiscal year, the City-Parish had total bonded debt outstanding of \$1,536.0 million. Of this amount, \$95.9 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

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

City of Baton Rouge, Parish of East Baton Rouge  
Summary of Excess Revenue and Revenue Bonds  
December 31, 2013 & 2012

(in millions)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Excess Revenue Contracts, Loans and Notes	\$ 89.3	\$ 93.7	\$ 225.4	\$ 12.1	\$ 314.7	\$ 105.8
Sales Tax Revenue Bonds	<u>231.4</u>	<u>231.5</u>	<u>989.9</u>	<u>1,006.8</u>	<u>1,221.3</u>	<u>1,238.3</u>
Total All Bonds, Contracts, Loans and Notes	<u>\$320.7</u>	<u>\$325.2</u>	<u>\$1,215.3</u>	<u>\$1,018.9</u>	<u>\$1,536.0</u>	<u>\$1,344.1</u>

On March 6, 2013, the East Baton Rouge Sewerage Commission authorized the issuance of \$45,000,000 Taxable Revenue Bonds, Series 2013A. The bonds were issued through a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of upgrading, rehabilitating, extending and improving the sewerage disposal system. Outstanding principal will carry a 0.45% interest rate and an administrative fee of 0.5% for a total of 0.95%. Funds will be drawn on a reimbursement basis from DEQ. Interest shall be payable only on the amount drawn from the date reimbursed. The bonds will mature on February 1 of each year beginning 2015 through 2034.

On May 2, 2013, the East Baton Rouge Sewerage Commission issued \$25,390,000 Taxable Revenue Refunding Bonds, Series 2013B, for the purpose of (1) providing sufficient funds to advance refund and defease the \$33,255,000 Parish Public Improvement Sales Tax Revenue Bonds, Series ST-2005A, of which \$26,605,000 was outstanding; and (2) paying the costs of issuance thereof. The 2013B Bonds will mature serially on February 1 of each year through 2024 with interest from 0.627 to 3.003 percent.

On May 9, 2013, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), a political subdivision of the State of Louisiana, issued \$126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013A and \$92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013B (LIBOR Index). The proceeds of the bonds will be loaned by the Authority to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement dated as of May 1, 2013, to be used for the purpose of (1) financing the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system; (2) funding a deposit to a debt service reserve fund; (3) funding capitalized interest on the Series 2013A Bonds; and (4) paying the costs of issuance of the Bonds. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. The 2013A Bonds will mature on February 1 of each year beginning 2033 through 2048 with interest from 4.00 to 5.00 percent. The 2013B Bonds mature February 1, 2049 and are subject to mandatory tender and purchase on August 1, 2018. The 2013B LIBOR Index Bonds will bear interest at a weekly rate based upon an index of 70% of one-month USD-LIBOR-BBA plus 0.70%. The Commission's \$92.5M interest rate swap, effective August 1, 2013, will hedge the exposure to variable interest rates associated with the 2013B Bonds. The swap agreement will provide for the payment of a synthetic fixed

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

rate with respect to the Series 2013B Bonds. Under the terms of the swap agreement, the Commission will pay a fixed rate of 4.525% and the swap counterparty will pay a variable rate of 70% of one-month USD-LIBOR-BBA.

On June 13, 2013, the Parish of East Baton Rouge issued \$11,000,000 Public Improvement Sales Tax Revenue Bonds, Series 2013A for the purpose of providing funds to purchase land and buildings and to prepare a portion of such land and buildings for use as a public safety complex, and paying the costs of issuance. The 2013A Bonds mature February 1, 2028, and will be payable annually on February 1 of each year beginning 2014 through 2028 with interest of 2.09 percent.

As of December 31, 2013, City-Parish bonds were rated by three major rating services as follows:

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

In November 2013, Standard and Poor's upgraded the underlying rating for the City of Baton Rouge (2%) Sales Tax Revenue Bonds from "AA+" to "AAA", the highest possible rating. This is extremely good news for the taxpayers of Baton Rouge because it will likely translate into direct savings through lower interest rates on future bonds.

Additional information on debt administration can be found in Note 10 of the Notes to the Financial Statements including information concerning the computation of legal debt margins for different types of bonds.

**Economic Factors and Next Year's Budget and Rates**

The City-Parish's General Fund receives over 55 percent of its revenues from the 2 percent general sales and use tax levied by the City of Baton Rouge or the Parish of East Baton Rouge; therefore, economic indicators are very important in forming the General Fund budget estimates. Dr. James A. Richardson and Dr. Loren C. Scott, expert economists, prepare an econometric model for Louisiana and its major metropolitan areas each year. Statistics on personal income growth and employment growth are generated. From these numbers, a range of potential sales and use tax growth is estimated. Based upon the advice of these experts, the 2014 operating budget assumes a 1.5 percent growth rate for sales and use tax revenues in 2014 over the 2013 anticipated collections.

The proposed budget for the year 2014 for all funds, exclusive of operating transfers between funds, totals \$804.8 million. This is an increase of approximately \$23.6 million or 3.03% over the 2013 budget. The General Fund budget increased by approximately \$7.4 million mainly as a result of new appropriations for public safety equipment, prison-related expenses, and economic development initiatives. There were increases of \$7.0 million in the Special Revenue Funds budgets. These increases were largely the result of increases in appropriations for the Medicaid Supplemental Payment Program in the Emergency Medical Services budget, appropriations to replace the Computer Aided Dispatch System in

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

the East Baton Rouge Parish Communications District budget, and the budget for operation of the East Baton Rouge Parish Library System. There were decreases of \$4.0 million in the Capital Project Funds as a result of the appropriation of one-time funding in 2013 for capital improvements funded through traffic impact fees. Enterprise Fund Budgets increased \$9.5 million due to depreciation of assets in the sewerage system. Debt Service Fund Budgets increased almost \$0.7 million as a result of debt incurred to purchase the Public Safety Complex.

**Requests For Information**

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



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

EXHIBIT A - 1

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents (Note 3)	\$ 201,411,313	\$ 117,820,392	\$ 319,231,705	\$ 25,523,322
Investments (Note 3)	180,338,007	121,601,048	301,939,055	--
Receivables - net (Note 13)	51,943,230	16,302,378	68,245,608	15,586,464
Due from other governments (Note 11)	83,097,626	5,285,858	88,383,484	1,552,267
Prepaid items	767,695	209,424	977,119	531,507
Loans receivable	3,530,623	--	3,530,623	1,243,278
Inventory	846,296	51,347	897,643	3,020,853
Net pension asset	--	--	--	1,590,755
Other assets	--	--	--	599,504
Restricted assets:				
Cash and cash equivalents (Note 3)	--	171,497,464	171,497,464	12,012,409
Investments (Note 3)	--	215,767,910	215,767,910	--
Receivables - net (Note 13)	--	328,901	328,901	--
Prepaid items	--	434,949	434,949	--
Investment in joint venture (Note 19)	--	1,973,958	1,973,958	--
Capital assets (Note 6):				
Non-depreciable	193,385,057	254,999,935	448,384,992	--
Depreciable, net	666,566,380	1,405,099,819	2,071,666,199	110,619,580
Total assets	<u>1,381,886,227</u>	<u>2,311,373,383</u>	<u>3,693,259,610</u>	<u>172,279,939</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	6,298,894	3,831,563	10,130,457	--
Deferred outflows on derivative instruments	10,609,916	41,015,560	51,625,476	--
Total deferred outflows of resources	<u>16,908,810</u>	<u>44,847,123</u>	<u>61,755,933</u>	<u>--</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	37,439,384	50,703,777	88,143,161	1,930,897
Due to other governments	7,390,530	--	7,390,530	375,598
Accrued payables	15,541,911	26,034,074	41,575,985	1,345,157
Unearned revenue	1,709,094	1,224,069	2,933,163	--
Deposits and escrow accounts	22,503,554	--	22,503,554	--
Other liabilities	--	--	--	420,865
Non-current liabilities (Note 10):				
Due within one year	33,495,310	18,764,052	52,259,362	3,270,518
Due in more than one year	665,555,682	1,333,967,445	1,999,523,127	117,232,768
Total liabilities	<u>783,635,465</u>	<u>1,430,693,417</u>	<u>2,214,328,882</u>	<u>124,575,803</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Resources received before time requirements	<u>526,276</u>	<u>--</u>	<u>526,276</u>	<u>--</u>
<b>NET POSITION</b>				
Net investment in capital assets	626,659,126	704,171,906	1,330,831,032	14,980,551
Restricted for (Note 14):				
Capital projects	87,023,236	9,649,394	96,672,630	--
Debt service	8,693,142	51,268,170	59,961,312	12,282,495
Passenger facility charges	--	391,611	391,611	--
External legal constraints	102,785,974	10,000,000	112,785,974	8,946,251
Unrestricted	(210,528,182)	150,046,008	(60,482,174)	11,494,839
Total net position	<u>\$ 614,633,296</u>	<u>\$ 925,527,089</u>	<u>\$ 1,540,160,385</u>	<u>\$ 47,704,136</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, 2013**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Function/Programs</b>				
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 97,833,150	\$ 22,638,870	\$ 294,653	\$ --
Public safety	237,028,010	28,032,000	10,591,272	301,660
Transportation	68,812,076	269,248	610,377	12,571,646
Sanitation	5,791	54,389	--	--
Health and welfare	9,499,922	798,229	604,950	--
Culture and recreation	38,171,468	320,831	966,897	--
Conservation and development	50,034,044	3,555,210	35,143,291	254,986
Interest and fiscal charges on long-term debt	15,625,052	--	--	--
Total governmental activities	<u>517,009,513</u>	<u>55,668,777</u>	<u>48,211,440</u>	<u>13,128,292</u>
Business-type activities:				
Airport	28,608,472	17,581,662	705,204	5,293,273
Sewer	131,780,088	74,404,748	6,847,548	2,862,431
Solid waste collection and disposal	37,196,266	36,332,687	--	--
Convention center	13,305,252	6,459,913	59,498	1,470,739
Parking facilities	1,110,612	1,091,019	--	--
Total business-type activities	<u>212,000,690</u>	<u>135,870,029</u>	<u>7,612,250</u>	<u>9,626,443</u>
Total primary government	<u>\$ 729,010,203</u>	<u>\$ 191,538,806</u>	<u>\$ 55,823,690</u>	<u>\$ 22,754,735</u>
<b>Component units:</b>				
Judicial court services	\$ 56,432,777	\$ 25,651,979	\$ 23,396,868	\$ --
Economic development districts	4,029,211	211,925	2,840,925	--
Mass transit	19,426,686	2,186,502	--	2,830,311
Total component units	<u>\$ 79,888,674</u>	<u>\$ 28,050,406</u>	<u>\$ 26,237,793</u>	<u>\$ 2,830,311</u>

General revenues:

Taxes:

Property

Gross receipts business

Sales

Occupancy

Occupational

Insurance premium

Gaming admissions

Interest and penalties - delinquent taxes

Miscellaneous

Grants and contributions not restricted to specific programs

Investment earnings

Gain on sale of capital assets

Transfers (to) from other funds

Total general revenues and transfers

Change in net position

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

Net position - end of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (74,899,627)	\$ --	\$ (74,899,627)	\$ --
(198,103,078)	--	(198,103,078)	--
(55,360,805)	--	(55,360,805)	--
48,598	--	48,598	--
(8,096,743)	--	(8,096,743)	--
(36,883,740)	--	(36,883,740)	--
(11,080,557)	--	(11,080,557)	--
(15,625,052)	--	(15,625,052)	--
<u>(400,001,004)</u>	<u>--</u>	<u>(400,001,004)</u>	<u>--</u>
--	(5,028,333)	(5,028,333)	--
--	(47,665,361)	(47,665,361)	--
--	(863,579)	(863,579)	--
--	(5,315,102)	(5,315,102)	--
--	(19,593)	(19,593)	--
--	(58,891,968)	(58,891,968)	--
<u>(400,001,004)</u>	<u>(58,891,968)</u>	<u>(458,892,972)</u>	<u>--</u>
--	--	--	(7,383,930)
--	--	--	(976,361)
--	--	--	(14,409,873)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(22,770,164)</u>
94,352,140	--	94,352,140	14,612,939
23,093,005	--	23,093,005	--
219,609,518	42,996,932	262,606,450	--
2,200,681	--	2,200,681	2,085,006
10,382,634	--	10,382,634	--
3,774,099	--	3,774,099	--
9,438,267	--	9,438,267	--
2,524,919	--	2,524,919	--
11,040	75,000	86,040	274,166
7,675,158	--	7,675,158	5,915,612
659,477	1,348,565	2,008,042	200,832
595,694	(910,915)	(315,221)	12,103
1,330,318	(1,330,318)	--	--
<u>375,646,950</u>	<u>42,179,264</u>	<u>417,826,214</u>	<u>23,100,658</u>
(24,354,054)	(16,712,704)	(41,066,758)	330,494
<u>638,987,350</u>	<u>942,239,793</u>	<u>1,581,227,143</u>	<u>47,373,642</u>
<u>\$ 614,633,296</u>	<u>\$ 925,527,089</u>	<u>\$ 1,540,160,385</u>	<u>\$ 47,704,136</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2013**

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>
<b>ASSETS</b>			
Cash and cash equivalents (Note 3)	\$ 52,185,904	\$ 34,081,246	\$ 2,949,710
Investments (Note 3)	54,315,942	35,472,317	3,070,106
Property taxes receivable - net (Note 4)	6,004,073	8,670,001	--
Gross receipts business taxes receivable	4,393,186	--	--
Sales taxes receivable	17,089,481	--	--
Interest and penalties receivable on taxes	78,595	--	--
Accounts receivable - net (Note 13)	1,977,504	20,578	--
Accrued interest receivable	47,675	36,246	3,105
Due from other funds (Note 11)	7,976,168	--	--
Due from other governments (Note 11)	20,133,213	29,501,049	7,535,120
Loans receivable	596,224	--	2,934,399
Inventory	615,439	--	--
<b>Total assets</b>	<b><u>\$ 165,413,404</u></b>	<b><u>\$ 107,781,437</u></b>	<b><u>\$ 16,492,440</u></b>
<b>LIABILITIES</b>			
Accounts and contracts payable	\$ 16,075,632	\$ 1,875,231	\$ 3,337,321
Due to other funds (Note 11)	--	35,678,938	--
Due to other governments	7,095,596	--	--
Accrued payables	7,064,989	797,116	650,639
Unearned revenue	13,000	--	707,137
Deposits and escrow accounts	22,364,573	--	138,981
<b>Total liabilities</b>	<b><u>52,613,790</u></b>	<b><u>38,351,285</u></b>	<b><u>4,834,078</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	793,073	1,074,827	--
Unavailable revenue - revenue sharing	659,910	--	--
Resources received before time requirements	--	--	526,276
<b>Total deferred inflows of resources</b>	<b><u>1,452,983</u></b>	<b><u>1,074,827</u></b>	<b><u>526,276</u></b>
<b>FUND BALANCES (Note 14):</b>			
Nonspendable	615,439	--	--
Restricted	705,538	68,355,325	11,132,086
Committed	64,390,991	--	--
Assigned	29,980,644	--	--
Unassigned	15,654,019	--	--
<b>Total fund balances</b>	<b><u>111,346,631</u></b>	<b><u>68,355,325</u></b>	<b><u>11,132,086</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 165,413,404</u></b>	<b><u>\$ 107,781,437</u></b>	<b><u>\$ 16,492,440</u></b>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 57,614,513	\$ 38,610,250	\$ 185,441,623
57,738,466	29,741,176	180,338,007
--	6,877,280	21,551,354
--	--	4,393,186
2,665,986	1,502,072	21,257,539
--	--	78,595
365,864	2,096,353	4,460,299
51,473	24,400	162,899
36,255,347	--	44,231,515
2,973,657	22,237,571	82,380,610
--	--	3,530,623
--	--	615,439
<u>\$ 157,665,306</u>	<u>\$ 101,089,102</u>	<u>\$ 548,441,689</u>
\$ 11,702,869	\$ 3,275,049	\$ 36,266,102
--	8,552,577	44,231,515
--	294,934	7,390,530
11,927	1,299,271	9,823,942
988,957	--	1,709,094
--	--	22,503,554
<u>12,703,753</u>	<u>13,421,831</u>	<u>121,924,737</u>
--	897,168	2,765,068
--	78,110	738,020
--	--	526,276
<u>--</u>	<u>975,278</u>	<u>4,029,364</u>
--	--	615,439
124,171,658	78,810,662	283,175,269
20,789,895	7,881,331	93,062,217
--	--	29,980,644
--	--	15,654,019
<u>144,961,553</u>	<u>86,691,993</u>	<u>422,487,588</u>
<u>\$ 157,665,306</u>	<u>\$ 101,089,102</u>	<u>\$ 548,441,689</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS  
 BALANCE SHEET TO THE STATEMENT OF POSITION  
 DECEMBER 31, 2013

EXHIBIT A - 4

Fund balances - total governmental funds \$ 422,487,588

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

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

Governmental capital assets	1,462,876,580	
Less accumulated depreciation	<u>(609,863,538)</u>	853,013,042

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

Prepaid items		767,695
---------------	--	---------

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	2,765,068	
Louisiana revenue sharing	738,020	
Emergency Medical Services transport charges	33,146	
U.S. Health and Human Services	<u>717,016</u>	4,253,250

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

Accrued interest payable	(5,643,144)	
Bonds payable	(320,714,734)	
Deferred premium and discount	(6,311,221)	
Deferred amount on refunding	6,298,894	
Obligation payable	(6,443,672)	
Compensated absences payable	(24,369,326)	
Claims and judgments payable	(39,527,739)	
Employee benefits payable	(4,635,640)	
Net other post employment benefit obligation	<u>(286,319,245)</u>	(687,665,827)

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

21,777,548

Net position of governmental activities

\$ 614,633,296



**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, 2013**

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 25,321,538	\$ 39,520,285	\$ --
Gross receipts-business taxes	23,093,005	--	--
Sales	171,698,697	--	--
Occupancy	1,327,740	--	--
Occupational	10,382,634	--	--
Insurance premiums	3,774,099	--	--
Gaming admissions	9,438,267	--	--
Interest and penalties - delinquent	2,524,919	--	--
Licenses and permits	4,345,465	--	--
Intergovernmental revenues	14,803,948	--	38,496,902
Charges for services	23,527,772	86,243	--
Fines and forfeits	2,146,185	208,483	--
Investment earnings	178,786	151,764	4,115
Miscellaneous revenues	1,807,294	12,231	3,454,945
Total revenues	<u>294,370,349</u>	<u>39,979,006</u>	<u>41,955,962</u>
<b>EXPENDITURES</b>			
Current:			
General government	65,975,844	--	226,408
Public safety	161,113,055	--	2,039,753
Transportation	26,248,601	--	73,048
Health and welfare	4,522,653	--	124,573
Culture and recreation	1,523,176	31,025,367	307,805
Conservation and development	6,012,621	--	39,000,738
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	147,785	372,046
Intergovernmental	15,108,363	--	--
Total expenditures	<u>280,504,313</u>	<u>31,173,152</u>	<u>42,144,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,866,036</u>	<u>8,805,854</u>	<u>(188,409)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (Note 12)	3,780,452	--	368,854
Transfers out (Note 12)	(9,452,425)	(2,741,569)	(229,919)
Issuance of long-term debt	--	--	--
Proceeds of capital asset disposition	294,975	5,687	7,980
Total other financing sources and uses	<u>(5,376,998)</u>	<u>(2,735,882)</u>	<u>146,915</u>
Net change in fund balances	8,489,038	6,069,972	(41,494)
Fund balances, January 1	<u>102,857,593</u>	<u>62,285,353</u>	<u>11,173,580</u>
Fund balances, December 31	<u>\$ 111,346,631</u>	<u>\$ 68,355,325</u>	<u>\$ 11,132,086</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ --	\$ 29,674,451	\$ 94,516,274
--	--	23,093,005
7,456,517	40,471,211	219,626,425
--	872,941	2,200,681
--	--	10,382,634
--	--	3,774,099
--	--	9,438,267
--	--	2,524,919
--	--	4,345,465
8,031,586	4,988,960	66,321,396
--	21,725,160	45,339,175
--	243,419	2,598,087
191,105	112,063	637,833
1,595,152	299,840	7,169,462
<u>17,274,360</u>	<u>98,388,045</u>	<u>491,967,722</u>
--	1,785,705	67,987,957
--	39,002,254	202,155,062
--	12,123,677	38,445,326
--	3,993,276	8,640,502
--	--	32,856,348
--	1,638,647	46,652,006
--	15,753,786	15,753,786
--	14,589,034	14,589,034
94,133	--	94,133
68,810,019	2,815,837	72,145,687
--	550,000	15,658,363
<u>68,904,152</u>	<u>92,252,216</u>	<u>514,978,204</u>
<u>(51,629,792)</u>	<u>6,135,829</u>	<u>(23,010,482)</u>
4,826,801	6,032,709	15,008,816
(62,905)	(1,191,680)	(13,678,498)
11,000,000	--	11,000,000
50,000	7,346	365,988
<u>15,813,896</u>	<u>4,848,375</u>	<u>12,696,306</u>
(35,815,896)	10,984,204	(10,314,176)
<u>180,777,449</u>	<u>75,707,789</u>	<u>432,801,764</u>
<u>\$ 144,961,553</u>	<u>\$ 86,691,993</u>	<u>\$ 422,487,588</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 6

Net change in fund balances - total governmental funds \$ (10,314,176)

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	72,145,687	
Depreciation expense	<u>(39,986,777)</u>	32,158,910

The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net position.		170,308
--	--	---------

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	(164,134)	
Motor vehicle sales tax audit	(16,907)	
Louisiana revenue sharing	(1,673)	
Emergency Medical Services transport charges	(1,566,854)	
U.S. Health and Human Services	<u>690,417</u>	(1,059,151)

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

Long-term debt issued	(11,000,000)	
Amortization of bond insurance costs	(81,821)	
Amortization of premium and discount	728,600	
Amortization of amount on refunding	(920,810)	
Principal payments	15,753,786	
Adjustment for debt recorded in business type activities	<u>(306,250)</u>	4,173,505

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

Net other post employment benefit obligation	(42,819,874)	
Accrued interest payable	(775,504)	
Compensated absences payable	1,543,224	
Claims and judgments payable	(9,310,421)	
Employee benefits payable	<u>75,731</u>	(51,286,844)

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.

1,803,394

Change in net position of governmental activities \$ (24,354,054)

**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, 2013**

EXHIBIT A - 7

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 24,548,660	\$ 24,911,600	\$ 25,321,538	\$ 409,938
Gross receipts business taxes	22,665,300	22,715,300	23,093,005	377,705
General sales and use taxes	167,933,390	169,470,081	171,698,697	2,228,616
Occupancy taxes	1,000,000	1,000,000	1,327,740	327,740
Occupational taxes	10,100,000	10,100,000	10,382,634	282,634
Insurance premiums taxes	3,675,000	3,675,000	3,774,099	99,099
Gaming admissions taxes	7,500,000	7,500,000	9,438,267	1,938,267
Interest and penalties - delinquent taxes	1,534,500	1,534,500	2,524,919	990,419
Total taxes	<u>238,956,850</u>	<u>240,906,481</u>	<u>247,560,899</u>	<u>6,654,418</u>
Licenses and permits:				
Use of streets:				
Public conveyances	17,000	17,000	20,174	3,174
Bicycle registration fees	30,000	30,000	37,220	7,220
Occupational and professional:				
Air conditioning and heating	38,000	38,000	35,725	(2,275)
Electrical contractors	45,000	45,000	46,495	1,495
Plumbers	40,000	40,000	36,196	(3,804)
House moving	500	500	175	(325)
Garbage collectors	40,000	40,000	38,600	(1,400)
Classified employees	130,000	130,000	210,830	80,830
Retail clerks	67,000	67,000	115,820	48,820
Entertainers	5,500	5,500	5,880	380
Liquor and beer	540,000	540,000	580,150	40,150
Restaurant	28,800	28,800	33,645	4,845
Gaming	6,000	6,000	6,235	235
Chauffeurs	2,700	2,700	3,760	1,060
Second hand dealers	2,500	2,500	2,105	(395)
Construction permits:				
Air conditioning and heating	260,000	260,000	253,855	(6,145)
Electrical	300,000	300,000	368,763	68,763
Building	1,350,000	1,350,000	1,550,486	200,486
Plumbing and gas	290,000	290,000	362,875	72,875
House moving	2,000	2,000	865	(1,135)
Fence	1,000	1,000	600	(400)
Special events	30,500	30,500	39,120	8,620
Alarm user	125,000	125,000	51,475	(73,525)
Animal control center licenses	507,000	507,000	504,400	(2,600)
Other permits	37,600	37,600	40,016	2,416
Total licenses and permits	<u>3,896,100</u>	<u>3,896,100</u>	<u>4,345,465</u>	<u>449,365</u>
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	644,160	644,160	647,820	3,660
Department of Military Affairs	90,000	90,000	189,679	99,679
Juvenile meal reimbursement	55,000	55,000	54,876	(124)
Transportation:				
Street maintenance	551,160	551,160	536,325	(14,835)

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, 2013**

EXHIBIT A - 7  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES (continued)</b>				
Intergovernmental revenues (continued):				
State grants (continued):				
Culture and recreation:				
Hotel/motel sales tax	\$ 576,500	\$ 576,500	\$ 246,742	\$ (329,758)
State shared revenues:				
Beer taxes	435,000	435,000	405,258	(29,742)
Insurance company taxes	826,000	826,000	960,264	134,264
Louisiana revenue sharing	1,121,270	1,121,270	1,112,923	(8,347)
Mineral royalties	92,000	92,000	66,977	(25,023)
Severance taxes	850,000	850,000	1,004,284	154,284
On-behalf payments for salaries and benefits	9,007,460	8,757,370	8,743,978	(13,392)
Retiree drug subsidy	--	--	833,291	833,291
Payments in lieu of taxes - Federal government	1,540	1,540	1,531	(9)
Total intergovernmental revenues	<u>14,250,090</u>	<u>14,000,000</u>	<u>14,803,948</u>	<u>803,948</u>
Charges for services:				
General government:				
City court civil fees	1,350,000	1,350,000	1,306,131	(43,869)
Judiciary court costs	1,000,000	1,000,000	900,536	(99,464)
City court school fees	200,000	200,000	165,033	(34,967)
City court bench warrant fees	1,150,000	1,150,000	1,061,232	(88,768)
City court miscellaneous fees	452,000	452,000	400,700	(51,300)
City court credit card payment fees	100,000	100,000	47,770	(52,230)
City court expungement	25,000	25,000	35,820	10,820
City court home incarceration monitoring	6,000	6,000	5,181	(819)
City court mortgage recordation fees	10,000	10,000	12,310	2,310
City court pre-trial administrative fee	100,000	100,000	63,876	(36,124)
City constable civil fees	850,000	850,000	944,945	94,945
City prosecutor bond posting fee	15,000	15,000	31,533	16,533
Fiscal management fees	7,700,000	7,700,000	8,878,940	1,178,940
Fiscal management fees - inventory	32,800	32,800	70,865	38,065
Fiscal management fees - auction facility	80,030	80,030	39,037	(40,993)
Sales tax collection charges	2,700,000	2,700,000	2,829,290	129,290
Occupancy tax collection charges	24,000	24,000	27,500	3,500
NSF check fees	3,000	3,000	1,401	(1,599)
Credit card processing fees	42,000	42,000	63,431	21,431
Board of adjustment fees	5,000	5,000	5,710	710
Sale of construction codes and plans	30,000	30,000	8,117	(21,883)
Adult DWI pretrial fees	150,000	150,000	105,036	(44,964)
Pre-trial diversion fees	450,000	450,000	404,019	(45,981)
Notice of intent	45,000	45,000	55,505	10,505
Adjudicated property	40,000	40,000	39,725	(275)
Zoning fees	90,000	90,000	108,688	18,688
Planning assistance	71,000	71,000	102,309	31,309
Planning advertising fees	42,000	42,000	33,590	(8,410)
Miscellaneous	85,000	87,100	70,516	(16,584)

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, 2013

EXHIBIT A - 7  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES (continued)</b>				
Charges for services (continued):				
Public safety:				
Subdivision inspection, testing and plan review	\$ 20,000	\$ 20,000	\$ 23,325	\$ 3,325
Flood determination fees	19,000	19,000	18,432	(568)
Commercial and residential plan review	370,000	370,000	393,609	23,609
Sale of reports and photos	250,000	250,000	252,526	2,526
Sobriety test	35,000	35,000	38,618	3,618
False alarm fees	52,000	52,000	255,727	203,727
Reimbursements for overtime	400,000	400,000	598,995	198,995
Traffic safety fees	2,600,000	2,900,000	3,168,862	268,862
Prison medical charges	60,000	60,000	44,829	(15,171)
Coroners fees	212,000	339,900	361,133	21,233
Juvenile services fees	1,100	1,100	160	(940)
Miscellaneous	19,500	19,500	12,446	(7,054)
Transportation:				
Parking meters	275,000	275,000	269,248	(5,752)
Sanitation:				
Weed cutting charges	40,000	40,000	54,389	14,389
Health and welfare:				
Animal control center enforcement income	40,000	40,000	50,437	10,437
Animal control credit card payment fees	4,000	4,000	4,202	202
Culture and recreation:				
Summer programs:				
Jewel J. Newman Community Center	12,000	13,874	13,874	--
Riverfront docking fees	750	750	--	(750)
Conservation and development:				
Rent/utilities/donations:				
Leo S. Butler Community Center	15,000	15,000	50,132	35,132
Jewel J. Newman Community Center	--	7,533	38,806	31,273
Dr. Martin Luther King, Jr. Community Center	8,500	25,000	39,210	14,210
Chaneyville Community Center	--	--	569	569
Delmont Community Center	13,360	13,360	19,497	6,137
Total charges for services	<u>21,295,040</u>	<u>21,750,947</u>	<u>23,527,772</u>	<u>1,776,825</u>
Fines and forfeits:				
City court criminal fines and forfeitures	350,000	350,000	332,501	(17,499)
City court forfeitures	50,000	50,000	111,745	61,745
City court traffic fines	1,750,000	1,750,000	1,634,051	(115,949)
Alcoholic Beverage Control Board fines	45,000	45,000	67,888	22,888
Total fines and forfeits	<u>2,195,000</u>	<u>2,195,000</u>	<u>2,146,185</u>	<u>(48,815)</u>
Investment earnings	<u>115,500</u>	<u>115,500</u>	<u>178,786</u>	<u>63,286</u>
Miscellaneous revenues:				
Rentals:				
Land	19,000	19,000	19,575	575
Buildings	240,500	240,500	264,177	23,677
Oil, gas and mineral royalties	115,000	115,000	279,631	164,631

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, 2013**

EXHIBIT A - 7  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES (continued)</b>				
Miscellaneous revenues (continued):				
Airport note	\$ 413,900	\$ 413,900	\$ 413,900	\$ --
Condemnations	90,000	90,000	82,330	(7,670)
Juvenile detention meals	4,000	4,000	2,745	(1,255)
Confiscated funds - police	120,000	120,000	171,621	51,621
Police - miscellaneous revenues	350,000	350,000	60,850	(289,150)
Juvenile detention reimbursement	150,000	150,000	101,625	(48,375)
Donations and contributions	22,000	25,368	16,868	(8,500)
Animal control center donations and contributions	237,360	237,360	239,190	1,830
Other	29,500	36,851	154,782	117,931
Total miscellaneous revenues	<u>1,791,260</u>	<u>1,801,979</u>	<u>1,807,294</u>	<u>5,315</u>
Total revenues	<u>282,499,840</u>	<u>284,666,007</u>	<u>294,370,349</u>	<u>9,704,342</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Metropolitan council	1,278,718	1,298,818	1,205,982	92,836
Council administrator	1,942,340	1,860,689	1,752,767	107,922
Council budget office	206,913	206,913	189,207	17,706
Parish attorney	7,361,019	7,355,019	7,194,312	160,707
Public information office	493,127	591,221	398,573	192,648
Planning commission	1,587,076	1,601,876	1,570,520	31,356
City court - administration	9,520,288	9,522,198	9,227,983	294,215
City constable	2,678,380	2,682,380	2,682,275	105
Justice of peace and ward constables	66,510	66,510	61,877	4,633
Sheriff - costs of court	192,500	192,500	148,345	44,155
Registrar of voters	837,623	828,673	797,129	31,544
Mayor - President	1,971,293	1,948,993	1,891,153	57,840
Finance	9,618,552	9,277,939	8,577,603	700,336
Collection of funds	3,002,770	3,266,136	3,265,772	364
Information services	4,678,849	3,996,099	3,936,035	60,064
Computerized systems	1,465,796	2,067,190	240,532	1,826,658
Purchasing	1,014,331	983,416	923,238	60,178
Human resources	2,980,684	2,980,684	2,782,635	198,049
Risk management	4,530,590	3,748,284	368,852	3,379,432
Municipal fire and police civil service board	76,030	76,030	73,767	2,263
Public works - administration, engineering, warehouse, citizen service center, and building maintenance	17,785,467	17,751,083	17,583,738	167,345
Priority building improvements	520,861	1,182,498	749,837	432,661
Miscellaneous public works projects	7,064,835	7,164,835	645,716	6,519,119
Municipal associations	119,910	119,910	117,879	2,031
Total general government	<u>80,994,462</u>	<u>80,769,894</u>	<u>66,385,727</u>	<u>14,384,167</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, 2013**

EXHIBIT A - 7  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Current (continued):				
Public safety:				
Fire protection districts	\$ 142,750	\$ 142,805	\$ 142,805	\$ --
Sheriff - correctional institution	9,171,245	10,770,038	10,633,259	136,779
E.B.R. Parish Coroner	1,849,450	2,009,450	2,004,131	5,319
Police	86,921,894	86,735,063	82,726,806	4,008,257
Fire	47,077,055	46,758,386	46,317,094	441,292
Emergency medical services	4,211,210	4,411,210	4,177,256	233,954
Juvenile services	5,411,996	5,235,205	4,606,332	628,873
Emergency preparedness	693,386	815,644	703,685	111,959
Public works - inspection and traffic engineering	11,573,974	10,602,636	10,178,492	424,144
Demolition program	326,796	326,796	262,913	63,883
Capital Region Planning Commission	55,950	57,146	57,146	--
Crimestoppers	14,000	14,000	14,000	--
Total public safety	<u>167,449,706</u>	<u>167,878,379</u>	<u>161,823,919</u>	<u>6,054,460</u>
Transportation:				
Public works - highway division	22,160,814	21,721,254	21,712,145	9,109
Street lighting	4,645,000	4,632,455	4,336,820	295,635
Federal urban system	150,000	150,000	--	150,000
Street maintenance	208,672	193,210	193,210	--
Road lighting district no. 2	--	15,462	12,981	2,481
Total transportation	<u>27,164,486</u>	<u>26,712,381</u>	<u>26,255,156</u>	<u>457,225</u>
Health and welfare:				
Health unit	513,363	513,363	495,950	17,413
Council on Aging projects	876,300	1,077,159	1,077,159	--
Crisis Care Center	252,900	253,097	253,097	--
Baton Rouge Area Alcohol and Drug Center	319,000	315,000	312,952	2,048
Animal control center	2,370,112	2,429,112	2,367,168	61,944
O'Brien House	17,100	17,100	17,100	--
Total health and welfare	<u>4,348,775</u>	<u>4,604,831</u>	<u>4,523,426</u>	<u>81,405</u>
Culture and recreation:				
Community Centers Summer Programs	12,000	21,407	21,407	--
Louisiana Arts and Science Museum	843,000	843,040	843,040	--
Arts Council of Greater Baton Rouge	334,200	334,215	334,215	--
Baton Rouge Symphony Association	95,000	95,000	95,000	--
U.S.S. Kidd	229,500	229,514	229,514	--
United States Bowling Congress	--	100,000	--	100,000
Total culture and recreation	<u>1,513,700</u>	<u>1,623,176</u>	<u>1,523,176</u>	<u>100,000</u>
Conservation and development:				
Economic Development Program	696,936	2,842,813	2,269,647	573,166
Urban Restoration Projects	432,300	432,300	--	432,300
Baton Rouge Film Commission	175,075	149,305	140,757	8,548
Summer Youth Employment Program	--	179,940	163,923	16,017
Community centers	1,324,368	1,415,261	1,310,386	104,875

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, 2013**

EXHIBIT A - 7  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Current (continued):				
Conservation and development (continued):				
Human Development and Services	\$ 775,454	\$ 758,941	\$ 724,471	\$ 34,470
Baton Rouge Area Chamber	450,000	450,000	450,000	--
Score Chapter 141 - Baton Rouge	19,000	19,000	19,000	--
Earth Day	21,850	21,850	21,850	--
East Baton Rouge Redevelopment Authority	--	433,303	433,303	--
Cooperative Extension Service	60,693	60,693	55,757	4,936
Veterans Service Office	75,900	75,900	71,050	4,850
Big Buddy Program	256,050	256,050	256,050	--
Greater Baton Rouge Food Bank	23,000	23,000	23,000	--
CAFC/Children's Coalition	25,000	25,000	25,000	--
Downtown Merchants Association	38,000	38,000	38,000	--
City Year Louisiana	25,000	25,000	25,000	--
Baton Rouge Community College	131,850	131,850	131,839	11
Total conservation and development	<u>4,530,476</u>	<u>7,338,206</u>	<u>6,159,033</u>	<u>1,179,173</u>
Capital outlay	<u>1,687,400</u>	<u>1,617,317</u>	<u>--</u>	<u>1,617,317</u>
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	139,820	158,182	158,182	--
District Attorney of the Nineteenth Judicial District	5,345,238	5,388,437	5,290,158	98,279
Nineteenth Judicial District Court	6,984,270	6,984,270	6,822,953	161,317
E.B.R. Parish Family Court	978,340	978,340	978,340	--
E.B.R. Parish Juvenile Court	1,215,430	1,219,441	1,219,441	--
E.B.R. Parish Clerk of Court	548,890	671,583	666,847	4,736
Total intergovernmental expenditures	<u>15,211,988</u>	<u>15,400,253</u>	<u>15,135,921</u>	<u>264,332</u>
Total expenditures	<u>302,900,993</u>	<u>305,944,437</u>	<u>281,806,358</u>	<u>24,138,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,401,153)</u>	<u>(21,278,430)</u>	<u>12,563,991</u>	<u>33,842,421</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Library Board of Control Fund	--	241,569	241,569	--
Grants Fund	--	229,919	229,919	--
City Constable Court Costs Fund	--	3,421	3,421	--
Mosquito Abatement and Rodent Control Fund	--	30,483	30,483	--
Downtown Development District	--	5,464	5,464	--
Gaming Enforcement Division Fund	--	1,359	1,359	--
East Baton Rouge Parish Communications District	--	49,079	49,079	--
Emergency Medical Services Fund	90,000	287,856	287,856	--
Brownsfield Fire Protection District	--	5,862	5,862	--
Alsen-St. Irma Lee Fire Protection District	--	903	903	--
Parish Street Maintenance Fund	--	903	903	--
Greater Baton Rouge Airport District	--	78,290	78,290	--

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, 2013**

EXHIBIT A - 7  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES) (continued)</b>				
Transfers in (continued):				
Comprehensive Sewerage System Fund	\$ --	\$ 262,127	\$ 262,127	\$ --
Solid Waste Collection and Disposal Fund	2,554,690	2,575,549	2,575,549	--
Greater Baton Rouge Parking Authority	--	7,668	7,668	--
Total transfers in	<u>2,644,690</u>	<u>3,780,452</u>	<u>3,780,452</u>	<u>--</u>
Transfers out:				
Grants Fund	(182,650)	(363,609)	(356,904)	6,705
Capital Projects Fund	(50,800)	(2,326,801)	(2,326,801)	--
Downtown Development District	(142,500)	(142,500)	(142,500)	--
Emergency Medical Services Fund	--	(33,349)	(33,349)	--
Brownsfield Fire Protection District	(16,250)	(136,250)	(136,250)	--
Chaneyville Fire Protection District	(35,860)	(35,860)	(35,860)	--
Pride Fire Protection District	(19,000)	(19,000)	(19,000)	--
Alsen-St. Irma Lee Fire Protection District	(24,510)	(24,510)	(24,510)	--
Taxable Refunding Bonds Fund	(4,785,260)	(4,785,260)	(4,784,256)	1,004
Excess Revenue and Limited Tax Fund	(102,770)	(65,490)	(62,584)	2,906
Solid Waste Collection and Disposal Fund	(76,290)	(76,290)	(64,444)	11,846
Baton Rouge River Center	(1,525,000)	(1,525,000)	(1,465,967)	59,033
Total transfers out	<u>(6,960,890)</u>	<u>(9,533,919)</u>	<u>(9,452,425)</u>	<u>81,494</u>
Proceeds of capital asset disposition	<u>365,000</u>	<u>375,694</u>	<u>294,975</u>	<u>(80,719)</u>
Total other financing sources and uses	<u>(3,951,200)</u>	<u>(5,377,773)</u>	<u>(5,376,998)</u>	<u>775</u>
Net change in fund balances	(24,352,353)	(26,656,203)	7,186,993	33,843,196
Fund balances, January 1	<u>102,857,593</u>	<u>102,857,593</u>	<u>102,857,593</u>	<u>--</u>
Fund balances, December 31	<u>\$ 78,505,240</u>	<u>\$ 76,201,390</u>	<u>\$ 110,044,586</u>	<u>\$ 33,843,196</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
LIBRARY BOARD OF CONTROL SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 37,902,340	\$ 37,902,340	\$ 39,520,285	\$ 1,617,945
Charges for services:				
Library - copy machine	41,000	41,000	86,243	45,243
Fines and forfeits:				
Fines	250,000	250,000	208,483	(41,517)
Investment earnings	87,000	87,000	151,764	64,764
Miscellaneous revenues:				
Donations	5,000	5,000	2,377	(2,623)
Other income	10,000	10,000	9,854	(146)
Total miscellaneous revenues	15,000	15,000	12,231	(2,769)
Total revenues	38,295,340	38,295,340	39,979,006	1,683,666
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Operations	40,394,223	40,556,654	32,016,190	8,540,464
Capital outlay	1,738,046	1,334,046	919,997	414,049
Total expenditures	42,132,269	41,890,700	32,936,187	8,954,513
Excess (deficiency) of revenues over (under) expenditures	(3,836,929)	(3,595,360)	7,042,819	10,638,179
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
General Fund	--	(241,569)	(241,569)	--
Capital Projects Fund	(2,500,000)	(2,500,000)	(2,500,000)	--
Total transfers out	(2,500,000)	(2,741,569)	(2,741,569)	--
Proceeds of capital asset disposition	--	--	5,687	5,687
Total other financing sources and uses	(2,500,000)	(2,741,569)	(2,735,882)	5,687
Net change in fund balances	(6,336,929)	(6,336,929)	4,306,937	10,643,866
Fund balances, January 1	62,285,353	62,285,353	62,285,353	--
Fund balances, December 31	\$ 55,948,424	\$ 55,948,424	\$ 66,592,290	\$ 10,643,866

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
GRANTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 9

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues:				
Federal grants:				
American Recovery and Reinvestment Act:				
Department of Energy	\$ 61,845	\$ 61,845	\$ 53,869	\$ (7,976)
Federal Emergency Management Agency	86,496	85,814	85,814	--
Department of Justice	2,820,862	2,820,862	387,884	(2,432,978)
Department of Health and Human Services	13,597,552	15,531,440	14,561,392	(970,048)
Department of Housing and Urban Development	30,445,949	29,609,379	12,191,453	(17,417,926)
Environmental Protection Agency	158,920	158,920	141,447	(17,473)
Small Business Administration	144,114	144,114	124,369	(19,745)
State grants:				
American Recovery and Reinvestment Act:				
Highway Safety Commission	36,000	34,920	34,920	--
Department of Transportation and Development	201,062	69,803	69,803	--
Department of Social Services	864	864	(5)	(869)
Department of Health and Hospitals	21,366	21,366	--	(21,366)
Highway Safety Commission	1,591,893	1,586,499	827,897	(758,602)
Commission on Law Enforcement	213,443	198,433	187,170	(11,263)
Governor's Office of Homeland Security and Emergency Preparedness				
	6,162,745	4,951,728	526,627	(4,425,101)
Department of Public Safety and Corrections	15,826	217,648	183,457	(34,191)
Louisiana State Supreme Court	95,477	95,477	64,217	(31,260)
Department of Transportation and Development	426,604	426,604	(275,691)	(702,295)
Louisiana State Capital Outlay	1,390,000	1,390,000	296,300	(1,093,700)
Louisiana Housing Finance Agency	1,295,662	1,272,097	300,387	(971,710)
Louisiana Recovery Authority	26,759,614	26,759,614	1,981,430	(24,778,184)
Louisiana Department of Culture, Recreation & Tourism				
	11,505	11,505	11,505	--
Louisiana Department of Treasury	59,568	59,568	16,861	(42,707)
Department of Social Services	108,403	108,403	5,277	(103,126)
Louisiana Workforce Commission	9,253,662	8,520,732	4,585,407	(3,935,325)
Department of Agriculture	3,414	3,414	3,414	--
Department of Education	1,543,198	1,769,055	1,040,259	(728,796)
Department of Economic Development	12,101	17,713	17,713	--
Louisiana Division of Administration Office of Community Development Disaster Recovery Unit				
	505,751	505,751	263,061	(242,690)
Other grants:				
Capital Region Planning Commission	150,000	141,980	75,979	(66,001)
Entergy	88,155	88,155	79,686	(8,469)
Louisiana Association of Community Action Partnership				
	672,742	589,762	589,762	--
Cities of Service	51,472	51,472	16,927	(34,545)
St. John the Baptist Parish	--	--	(1,948)	(1,948)
Capital Area United Way	29,580	27,798	27,798	--

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
GRANTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 9  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES (continued)</b>				
Intergovernmental revenues (continued):				
Other grants (continued):				
American Association of Health, PE, Recreation & Dance	\$ 6	\$ 6	\$ 6	\$ --
Section 8 Portability Reimbursements	22,455	22,455	22,455	--
Total intergovernmental revenues	<u>98,038,306</u>	<u>97,355,196</u>	<u>38,496,902</u>	<u>(58,858,294)</u>
Investment earnings	<u>71,102</u>	<u>69,807</u>	<u>4,115</u>	<u>(65,692)</u>
Miscellaneous revenues:				
Sobriety Court fees	20,349	58,889	47,949	(10,940)
Program income (Housing and Urban Development)	1,588,488	1,550,235	842,022	(708,213)
Insurance reimbursement - Hurricane Gustav	773,914	773,914	--	(773,914)
Headstart - in kind contributions	2,561,163	2,556,530	2,556,530	--
Other	(368,213)	(363,759)	8,444	372,203
Total miscellaneous revenues	<u>4,575,701</u>	<u>4,575,809</u>	<u>3,454,945</u>	<u>(1,120,864)</u>
Total revenues	<u>102,685,109</u>	<u>102,000,812</u>	<u>41,955,962</u>	<u>(60,044,850)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City Constable - Drug Abuse Resistance Education	246,432	253,296	209,481	43,815
Cities of Service - Leadership Grant	51,472	51,472	42,949	8,523
Total general government	<u>297,904</u>	<u>304,768</u>	<u>252,430</u>	<u>52,338</u>
Public safety:				
American Recovery and Reinvestment Act:				
Police Department Year-Round Overtime Flex Funding Grant	36,000	34,920	34,920	--
FEMA - Hurricane Gustav	9,282,406	9,282,406	91,396	9,191,010
FEMA - Hurricane Isaac	1,511,039	1,511,039	10,750	1,500,289
Edward Byrne Memorial Justice Assistance Grant	254,061	254,061	136,241	117,820
Project Safe Neighborhoods - Anti-Gang Act	74,043	74,043	55,819	18,224
Baton Rouge Area Violence Elimination	1,499,993	1,499,617	1,307,779	191,838
Byrne Criminal Justice Innovation	999,998	999,998	--	999,998
State and Local Domestic Preparedness Equipment Program	208,671	(920)	(126,963)	126,043
National Institute of Justice - Solving Cold Cases with DNA	103,691	103,691	71,343	32,348
State Homeland Security Program Regional Funds	(2,880)	(2,880)	(2,880)	--
Title IV-E Reimbursements	13,776	214,500	139,843	74,657
Citizen Corps Council	6,652	--	--	--
Urban Areas Security Initiative Grant	416,316	69,259	69,259	--
Metropolitan Medical Response System Grant	276,571	--	--	--
Hazard Mitigation Planning Grant	36,024	38,955	36,024	2,931
Families in Need of Services	187,859	175,443	113,157	62,286
Families in Need of Services - Technical Assistance	2,521	2,521	2,246	275

The accompanying notes are an integral part of this statement.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
GRANTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT A - 9  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Current (continued):				
Public safety (continued):				
Local Government Assistance Program:				
Chaneyville Fire Protection District	\$ 27,200	\$ 27,200	\$ 18,988	\$ 8,212
Brownsfield Fire Protection District	5,000	7,610	7,610	--
Alsen-St. Irma Lee Fire Protection District	28,000	28,000	14,170	13,830
Central Volunteer Fire Department	20,000	20,000	--	20,000
Comprehensive Resiliency Pilot Program	281,491	279,921	88,943	190,978
Drug Abuse Resistance Education	12,717	12,447	12,447	--
Juvenile Accountability Incentive Block Grant	150,105	147,601	115,447	32,154
Targeted Violent Offender Program	55,010	50,934	50,896	38
Juvenile Detention Alternatives Initiative	10,000	9,990	9,990	--
Juvenile Detention Alternative Initiatives - Disproportionate				
Minority Contact Reform Research Program	15,000	--	--	--
Reduce Underage Drinking	337,827	337,827	110,002	227,825
Police Department Year-Round Overtime Grant	766,859	763,175	514,920	248,255
Baton Rouge City Court DWI Court	242,348	279,177	248,984	30,193
Police Department Year-Round Overtime				
Flex Funding Grant	36,000	36,000	13,318	22,682
Police Department Year-Round Overtime				
Open Container/DWI Grant	300,000	300,000	70,619	229,381
Transportation Planning Study	120,000	109,974	49,974	60,000
Non-grant funds:				
Multi-Jurisdictional Investigative Narcotics				
Task Force Program Income	11,048	2,732	212	2,520
Metropolitan Medical Response System	267,595	267,595	--	267,595
Total public safety	<u>17,592,941</u>	<u>16,936,836</u>	<u>3,265,454</u>	<u>13,671,382</u>
Transportation:				
Flood Property Acquisition	182,150	187,815	37,048	150,767
Land Use and Socio-Economic Study	54,000	54,000	36,000	18,000
Mass transit local assistance	180,000	180,000	--	180,000
Total transportation	<u>416,150</u>	<u>421,815</u>	<u>73,048</u>	<u>348,767</u>
Health and welfare:				
Low Income Housing Energy Assistance Program	888,134	310,037	69,657	240,380
Energy Special Needs Program	7,500	--	--	--
Federal Emergency Management Agency				
Emergency Shelter	14,580	12,798	12,798	--
Low Income Housing Energy Assistance Program				
Client Education Grant	25,000	25,000	25,000	--
Non-grant funds:				
Weatherization Assistance Program	640	640	--	640
Low Income Housing Energy Assistance Program	320,066	211,529	17,118	194,411
Summer Food Program	1,066	1,066	--	1,066
Temporary Assistance to Needy Families	107,832	107,832	--	107,832
Total health and welfare	<u>1,364,818</u>	<u>668,902</u>	<u>124,573</u>	<u>544,329</u>

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
GRANTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 9  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Current (continued):				
Culture and recreation:				
State Aid to Public Libraries	\$ 11,505	\$ 11,505	\$ 11,505	\$ --
Baseball Stadium Improvements	1,390,000	1,390,000	1,252,592	137,408
Total culture and recreation	<u>1,401,505</u>	<u>1,401,505</u>	<u>1,264,097</u>	<u>137,408</u>
Conservation and development:				
American Recovery and Reinvestment Act:				
Energy Efficiency and Conservation Block Grant	242,671	242,671	55,459	187,212
Louisiana - Homelessness Prevention and Rapid Re-housing Program	864	864	(5)	869
Environmental Protection Agency Brownsfield Pilot Program	158,920	158,920	155,082	3,838
Sharlo Terrace II	103,486	102,566	102,566	--
Section 8 Operating Reserve	348,494	347,975	41,077	306,898
Section 8 Voucher Program	1,470,180	1,741,777	1,550,895	190,882
Neighborhood Stabilization Program Grant	356,708	355,196	355,196	--
Headstart	9,816,688	9,671,424	9,648,596	22,828
Ryan White HIV/AIDS Treatment Grant	2,399,285	4,701,659	4,512,362	189,297
Ryan White Minority AIDS Initiative	350,021	581,009	511,777	69,232
Early Headstart	1,031,559	940,653	925,089	15,564
Small Business Investment Initiative Grant	144,114	142,615	122,870	19,745
Headstart Food Program	1,543,198	1,761,948	1,002,687	759,261
Community Services Block Grant	1,866,034	1,757,655	1,273,566	484,089
Community Development Emergency Shelter Grants	71,697	71,691	15,188	56,503
Community Wide Programs	59,568	59,568	59,564	4
Workforce Investment Act:				
Adult Program	2,217,328	2,207,353	938,856	1,268,497
Youth Program	2,372,358	2,361,438	1,698,644	662,794
Dislocated Workers Program	1,934,249	2,124,369	685,776	1,438,593
Disability Employment Initiative Program	30,000	30,000	1,481	28,519
Louisiana Employment Assistance Program	839,766	--	--	--
Weatherization Assistance Program	619,441	600,410	73,444	526,966
Emergency Solutions Grant	428,329	428,269	249,594	178,675
Small and Emerging Business Development Program	12,100	--	--	--
Emergency Preparedness Entergy Grant	88,155	86,863	78,394	8,469
Capital Area United Way - VITA Grant	15,000	15,000	15,000	--
Keep Louisiana Beautiful, Inc.	2,480	2,480	--	2,480
Non-grant funds:				
Headstart programs	10,522	15,471	2,889	12,582
Rental rehabilitation local funds	455,703	455,703	(184,928)	640,631
Headstart - in kind services	2,561,163	2,556,530	2,556,530	--
Small and Emerging Business Development Program	51,711	69,424	--	69,424
Louisiana Job Employment Training	35,661	35,661	--	35,661
Community Development Block Grant:				
Public improvements, facilities	196,318	383,989	101,989	282,000
Demolition and clearance	140,000	140,000	34,755	105,245
Public services	3,838,479	3,910,658	2,601,547	1,309,111

The accompanying notes are an integral part of this statement.

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
GRANTS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 9  
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (continued)</b>				
Current (continued):				
Conservation and development (continued):				
Community Development Block Grant (continued):				
Relocation assistance	\$ 5,000	\$ 5,000	\$ --	\$ 5,000
Housing rehabilitation	5,921,021	5,665,141	2,133,671	3,531,470
Economic development	720	--	--	--
Program administration	2,139,499	1,999,017	966,267	1,032,750
Community Development Home Program:				
Construction of housing	56,488	56,488	56,488	--
Direct home ownership assistance	4,760,638	4,954,482	3,390,883	1,563,599
Housing rehabilitation	540,271	540,271	505,998	34,273
Program administration	1,433,846	1,512,945	925,756	587,189
Community Housing Development Organization	3,142,270	1,994,619	372,444	1,622,175
Continuum of Care - Supportive Housing Program:				
Public services	1,685,296	1,523,328	1,371,572	151,756
Program administration	35,184	35,184	10,265	24,919
Housing Opportunities for Persons with AIDS Program:				
Public services	4,409,227	4,409,227	2,450,288	1,958,939
Program administration	1,796,944	1,795,445	626,443	1,169,002
Louisiana Recovery Act	13,112,715	26,746,886	8,823,379	17,923,507
Total conservation and development	<u>74,851,369</u>	<u>89,299,842</u>	<u>50,819,394</u>	<u>38,480,448</u>
Capital outlay	<u>14,640,428</u>	<u>619,339</u>	<u>389,716</u>	<u>229,623</u>
Total expenditures	<u>110,565,115</u>	<u>109,653,007</u>	<u>56,188,712</u>	<u>53,464,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,880,006)</u>	<u>(7,652,195)</u>	<u>(14,232,750)</u>	<u>(6,580,555)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	373,891	356,904	356,904	--
City Constable Court Costs Fund	11,950	11,950	11,950	--
Total transfers in	<u>385,841</u>	<u>368,854</u>	<u>368,854</u>	<u>--</u>
Transfers out:				
General Fund	--	(229,919)	(229,919)	--
Proceeds of capital asset disposition	--	7,980	7,980	--
Total other financing sources and uses	<u>385,841</u>	<u>146,915</u>	<u>146,915</u>	<u>--</u>
Net change in fund balances	<u>(7,494,165)</u>	<u>(7,505,280)</u>	<u>(14,085,835)</u>	<u>(6,580,555)</u>
Fund balances, January 1	<u>11,173,580</u>	<u>11,173,580</u>	<u>11,173,580</u>	<u>--</u>
Fund balances, December 31	<u>\$ 3,679,415</u>	<u>\$ 3,668,300</u>	<u>\$ (2,912,255)</u>	<u>\$ (6,580,555)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Greater Baton Rouge Airport District</b>	<b>Comprehensive Sewerage System</b>	<b>Solid Waste Collection and Disposal</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 5,308,933	\$ 97,627,303	\$ 11,667,610
Investments	5,525,624	101,612,090	12,143,838
Sales taxes receivable	--	4,107,060	--
Accounts receivable - net	201,359	7,146,124	3,872,190
Accrued interest receivable	5,060	227,013	9,980
Due from other governments (Note 11)	1,732,858	2,890,401	16,995
Prepaid items	--	--	--
Inventory	--	--	--
Total current assets	<u>12,773,834</u>	<u>213,609,991</u>	<u>27,710,613</u>
<b>Noncurrent assets:</b>			
<b>Restricted assets:</b>			
Cash and cash equivalents	2,057,434	165,353,225	--
Investments	2,141,410	209,380,913	--
Accounts receivable - net	161,518	--	--
Accrued interest receivable	133	163,382	--
Prepaid items	7,427	427,522	--
Total restricted assets	<u>4,367,922</u>	<u>375,325,042</u>	<u>--</u>
Investment in joint venture (Note 19)	<u>--</u>	<u>--</u>	<u>--</u>
<b>Capital assets (Note 6):</b>			
Land	34,159,432	34,966,152	9,041,482
Buildings	133,042,903	--	141,449
Noise mitigation costs	58,104,718	--	--
Improvements (other than buildings)	166,344,813	1,678,761,283	28,347,174
Equipment	3,867,714	5,486,402	42,000
Construction work in progress	6,454,289	109,482,965	--
Total capital assets	<u>401,973,869</u>	<u>1,828,696,802</u>	<u>37,572,105</u>
Accumulated depreciation	<u>(116,876,808)</u>	<u>(525,145,581)</u>	<u>(21,349,546)</u>
Net capital assets	<u>285,097,061</u>	<u>1,303,551,221</u>	<u>16,222,559</u>
Total noncurrent assets	<u>289,464,983</u>	<u>1,678,876,263</u>	<u>16,222,559</u>
Total assets	<u>302,238,817</u>	<u>1,892,486,254</u>	<u>43,933,172</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	--	3,831,563	--
Deferred outflows on derivative instruments	--	41,015,560	--
Total deferred outflows of resources	<u>--</u>	<u>44,847,123</u>	<u>--</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 3,216,546	\$ 117,820,392	\$ 15,969,690
2,319,496	121,601,048	--
--	4,107,060	--
731,651	11,951,324	--
1,941	243,994	6,212
645,604	5,285,858	--
209,424	209,424	--
51,347	51,347	230,857
<u>7,176,009</u>	<u>261,270,447</u>	<u>16,206,759</u>
4,086,805	171,497,464	--
4,245,587	215,767,910	--
--	161,518	--
3,868	167,383	--
--	434,949	--
<u>8,336,260</u>	<u>388,029,224</u>	<u>--</u>
<u>1,973,958</u>	<u>1,973,958</u>	<u>--</u>
2,654,217	80,821,283	47,568
101,639,307	234,823,659	2,213,798
--	58,104,718	--
13,976,626	1,887,429,896	7,190
1,180,201	10,576,317	34,650,167
136,680	116,073,934	--
119,587,031	2,387,829,807	36,918,723
(64,358,118)	(727,730,053)	(29,980,328)
<u>55,228,913</u>	<u>1,660,099,754</u>	<u>6,938,395</u>
<u>65,539,131</u>	<u>2,050,102,936</u>	<u>6,938,395</u>
<u>72,715,140</u>	<u>2,311,373,383</u>	<u>23,145,154</u>
--	3,831,563	--
--	41,015,560	--
--	44,847,123	--

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Greater Baton Rouge Airport District</u>	<u>Comprehensive Sewerage System</u>	<u>Solid Waste Collection and Disposal</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts and contracts payable	\$ 2,711,866	\$ 44,108,190	\$ 3,302,751
Accrued salaries payable	220,384	654,317	54,302
Accrued interest payable	1,151,696	23,786,776	--
Unearned revenue	--	--	--
Obligations payable (Note 10)	321,250	--	--
Bonds payable (Note 10)	1,445,000	13,610,000	--
Compensated absences payable	397,049	1,434,731	81,544
Total current liabilities	<u>6,247,245</u>	<u>83,594,014</u>	<u>3,438,597</u>
<b>Noncurrent liabilities:</b>			
Obligations payable (Note 10)	2,507,500	48,358,556	--
Loans payable	596,224	--	--
Bonds payable (net of premiums and discounts) (Note 10)	58,938,968	1,137,932,691	--
Derivative instrument liability (Note 10)	--	41,015,560	--
Compensated absences payable	--	--	--
Landfill closure and postclosure care liability (Note 17)	--	--	11,441,624
Net other postemployment benefit obligation	5,559,094	19,930,744	1,928,735
Total noncurrent liabilities	<u>67,601,786</u>	<u>1,247,237,551</u>	<u>13,370,359</u>
Total liabilities	<u>73,849,031</u>	<u>1,330,831,565</u>	<u>16,808,956</u>
<b>NET POSITION</b>			
Net investment in capital assets	222,610,496	415,703,098	16,222,559
Restricted for capital projects	810,065	--	--
Restricted for debt service	1,329,495	49,938,675	--
Restricted Passenger Facility Charges	391,611	--	--
Restricted for external legal constraints	--	10,000,000	--
Unrestricted	3,248,119	130,860,039	10,901,657
Total net position	<u>\$ 228,389,786</u>	<u>\$ 606,501,812</u>	<u>\$ 27,124,216</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 580,970	\$ 50,703,777	\$ 1,173,282
166,599	1,095,602	74,825
--	24,938,472	--
1,224,069	1,224,069	--
--	321,250	--
1,377,000	16,432,000	--
97,478	2,010,802	119,499
<u>3,446,116</u>	<u>96,725,972</u>	<u>1,367,606</u>
--	50,866,056	--
--	596,224	--
5,243,160	1,202,114,819	--
--	41,015,560	--
25,466	25,466	--
--	11,441,624	--
489,123	27,907,696	--
<u>5,757,749</u>	<u>1,333,967,445</u>	<u>--</u>
<u>9,203,865</u>	<u>1,430,693,417</u>	<u>1,367,606</u>
49,635,753	704,171,906	6,938,395
8,839,329	9,649,394	--
--	51,268,170	--
--	391,611	--
--	10,000,000	--
<u>5,036,193</u>	<u>150,046,008</u>	<u>14,839,153</u>
<u>\$ 63,511,275</u>	<u>\$ 925,527,089</u>	<u>\$ 21,777,548</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Greater Baton Rouge Airport District</b>	<b>Comprehensive Sewerage System</b>	<b>Solid Waste Collection and Disposal</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 13,803,747	\$ 74,340,700	\$ 36,249,855
Miscellaneous revenues	314,225	64,048	82,832
Total operating revenues	<u>14,117,972</u>	<u>74,404,748</u>	<u>36,332,687</u>
<b>OPERATING EXPENSES</b>			
Personal services	13,352,087	11,069,091	973,791
Employee benefits	2,503,927	7,945,830	700,448
Supplies	573,766	2,749,538	520,480
Contractual services	7,872,734	19,817,703	33,286,474
Landfill closure and postclosure care expense	--	--	492,716
Cost of materials	--	--	--
Depreciation	11,094,916	47,861,835	1,222,357
Management fee	--	--	--
Total operating expenses	<u>25,397,430</u>	<u>89,443,997</u>	<u>37,196,266</u>
Operating income (loss)	<u>(11,279,458)</u>	<u>(15,039,249)</u>	<u>(863,579)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes pledged as securities for revenue bonds	--	42,996,932	--
Operating grants	705,204	35,694	--
Net income (loss) from joint venture	--	--	--
Passenger facility charges (Note 16)	1,657,182	--	--
Customer facility charges	1,806,508	--	--
Claims settlement	75,000	--	--
Federal subsidy on debt	--	6,811,854	--
Investment earnings	26,720	1,262,016	35,478
Interest expense	(2,941,663)	(39,123,724)	--
Bond issuance costs	39,086	(3,212,367)	--
Gain (loss) on disposition of capital assets	(308,465)	(911,591)	676
Total nonoperating revenues (expenses)	<u>1,059,572</u>	<u>7,858,814</u>	<u>36,154</u>
Income (loss) before contributions and transfers	<u>(10,219,886)</u>	<u>(7,180,435)</u>	<u>(827,425)</u>
Capital contributions	5,293,273	2,862,431	--
Transfers in	--	--	64,444
Transfers out	<u>(78,290)</u>	<u>(262,127)</u>	<u>(2,575,549)</u>
Change in net position	<u>(5,004,903)</u>	<u>(4,580,131)</u>	<u>(3,338,530)</u>
Total net position - January 1, restated (Note 1)	<u>233,394,689</u>	<u>611,081,943</u>	<u>30,462,746</u>
Total net position - December 31	<u>\$ 228,389,786</u>	<u>\$ 606,501,812</u>	<u>\$ 27,124,216</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental</u>
<u>Other</u>		<u>Activities</u>
<u>Enterprise</u>		<u>Internal</u>
<u>Total</u>	<u>Total</u>	<u>Service</u>
		<u>Funds</u>
\$ 6,550,050	\$ 130,944,352	\$ 21,270,655
809,506	1,270,611	--
<u>7,359,556</u>	<u>132,214,963</u>	<u>21,270,655</u>
2,851,067	18,246,036	1,272,855
573,525	11,723,730	980,911
1,294,795	5,138,579	149,016
4,563,832	65,540,743	3,725,533
--	492,716	--
--	--	10,953,634
4,679,001	64,858,109	2,679,486
372,480	372,480	--
<u>14,334,700</u>	<u>166,372,393</u>	<u>19,761,435</u>
(6,975,144)	(34,157,430)	1,509,220
--	42,996,932	--
59,498	800,396	--
191,376	191,376	--
--	1,657,182	--
--	1,806,508	--
--	75,000	--
--	6,811,854	--
24,351	1,348,565	21,644
(81,164)	(42,146,551)	--
--	(3,173,281)	--
--	(1,219,380)	272,530
<u>194,061</u>	<u>9,148,601</u>	<u>294,174</u>
(6,781,083)	(25,008,829)	1,803,394
1,470,739	9,626,443	--
1,528,872	1,593,316	--
<u>(7,668)</u>	<u>(2,923,634)</u>	<u>--</u>
(3,789,140)	(16,712,704)	1,803,394
<u>67,300,415</u>	<u>942,239,793</u>	<u>19,974,154</u>
<u>\$ 63,511,275</u>	<u>\$ 925,527,089</u>	<u>\$ 21,777,548</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Greater Baton Rouge Airport District</b>	<b>Comprehensive Sewerage System</b>	<b>Solid Waste Collection and Disposal</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ 14,009,091	\$ 72,958,134	\$ 35,815,058
Payments to suppliers for goods and services	(8,425,047)	(22,269,284)	(33,456,075)
Payments to employees for services and benefits	(5,002,439)	(16,228,337)	(1,410,012)
Other operating receipts	--	32,640	--
Net cash provided by (used for) operating activities	<u>581,605</u>	<u>34,493,153</u>	<u>948,971</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Receipts from general property taxes	--	13	--
Receipts from general sales and use taxes	--	42,870,524	--
Operating grants received	705,204	35,694	--
Transfers in from other funds	--	--	64,444
Transfers out to other funds	(78,290)	(262,127)	(2,575,549)
Net cash provided by (used for) noncapital financing activities	<u>626,914</u>	<u>42,644,104</u>	<u>(2,511,105)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of debt	--	251,232,620	--
Proceeds from capital grants	4,726,266	277,330	--
Proceeds from sale of capital assets	108,576	120,439	133,552
Passenger facility charges	1,677,040	--	--
Customer facility charges	1,815,022	--	--
Acquisition and construction of capital assets	(6,987,994)	(272,826,600)	--
Principal paid on bonds, obligations and capital leases	(5,844,742)	(14,245,000)	--
Interest paid on bonds, obligations and capital leases	(2,967,642)	(51,421,422)	--
Payments made for bond issuance costs	--	(2,701,825)	--
Payment made to refunding bonds escrow agent	--	(29,068,625)	--
Federal subsidy on debt	--	7,032,421	--
Repayment of loans from other funds	(369,900)	--	--
Litigation settlements	75,000	--	--
Capital contributed from impact fees	--	2,321,806	--
Net cash provided by (used for) capital and related financing activities	<u>(7,768,374)</u>	<u>(109,278,856)</u>	<u>133,552</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments	(7,667,034)	(310,993,003)	(12,143,838)
Proceeds from sales and maturities of investments	7,103,989	200,965,565	8,318,750
Cash received from joint venture activity	--	--	--
Cash paid for expenses of joint venture	--	--	--
Interest received on investments	24,001	1,174,239	31,696
Net cash provided by (used for) investing activities	<u>(539,044)</u>	<u>(108,853,199)</u>	<u>(3,793,392)</u>
Net increase (decrease) in cash and cash equivalents	(7,098,899)	(140,994,798)	(5,221,974)
Cash and cash equivalents, January 1	<u>14,465,266</u>	<u>403,975,326</u>	<u>16,889,584</u>
Cash and cash equivalents, December 31	<u>\$ 7,366,367</u>	<u>\$ 262,980,528</u>	<u>\$ 11,667,610</u>

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
<u>Other Enterprise Total</u>	<u>Total</u>	
\$ 7,498,979	\$ 130,281,262	\$ 21,270,655
(6,302,779)	(70,453,185)	(14,099,995)
(3,351,960)	(25,992,748)	(2,307,019)
--	32,640	--
<u>(2,155,760)</u>	<u>33,867,969</u>	<u>4,863,641</u>
--	13	--
--	42,870,524	--
59,498	800,396	--
1,465,967	1,530,411	--
<u>(7,668)</u>	<u>(2,923,634)</u>	<u>--</u>
<u>1,517,797</u>	<u>42,277,710</u>	<u>--</u>
--	251,232,620	--
--	5,003,596	--
(1,767,793)	(1,405,226)	283,419
--	1,677,040	--
--	1,815,022	--
(1,309,000)	(281,123,594)	(2,190,693)
(81,164)	(20,170,906)	--
1,517,835	(52,871,229)	--
--	(2,701,825)	--
--	(29,068,625)	--
--	7,032,421	--
--	(369,900)	--
--	75,000	--
--	2,321,806	--
<u>(1,640,122)</u>	<u>(118,553,800)</u>	<u>(1,907,274)</u>
(6,565,083)	(337,368,958)	--
5,247,593	221,635,897	--
299,912	299,912	--
(77,349)	(77,349)	--
22,156	1,252,092	18,779
<u>(1,072,771)</u>	<u>(114,258,406)</u>	<u>18,779</u>
(3,350,856)	(156,666,527)	2,975,146
<u>10,654,207</u>	<u>445,984,383</u>	<u>12,994,544</u>
<u>\$ 7,303,351</u>	<u>\$ 289,317,856</u>	<u>\$ 15,969,690</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Greater Baton Rouge Airport District</b>	<b>Comprehensive Sewerage System</b>	<b>Solid Waste Collection and Disposal</b>
Classified as:			
Current assets	\$ 5,308,933	\$ 97,627,303	\$ 11,667,610
Restricted assets	2,057,434	165,353,225	--
Totals	<u>\$ 7,366,367</u>	<u>\$ 262,980,528</u>	<u>\$ 11,667,610</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ (11,279,458)</u>	<u>\$ (15,039,249)</u>	<u>\$ (863,579)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	11,094,916	47,861,835	1,222,357
Landfill closure and postclosure care expense	--	--	492,716
Increase (decrease) in compensated absences payable	(46,378)	(34,513)	(8,316)
Increase (decrease) in net other post employment benefit obligation	781,880	2,800,795	271,303
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(27,041)	(922,137)	(517,629)
Decrease (increase) in prepaid items	--	--	--
Decrease (increase) in inventory	--	--	--
Increase (decrease) in accounts and contracts payable	21,453	(193,880)	350,879
Increase (decrease) in accrued salaries payable	36,233	20,302	1,240
Increase (decrease) in unearned revenue	--	--	--
Total adjustments	<u>11,861,063</u>	<u>49,532,402</u>	<u>1,812,550</u>
Net cash provided by (used for) operating activities	<u>\$ 581,605</u>	<u>\$ 34,493,153</u>	<u>\$ 948,971</u>
<b>Non cash investing, capital, and financing activities:</b>			
Gain in fair value of investments	\$ 5,193	\$ 390,395	\$ 9,980
Loss on disposal of capital assets	(417,041)	(1,032,030)	(132,876)
Contributions/accruals of capital assets	567,007	263,295	--
Amortization of joint venture	--	--	--
Interest expense on swap obligations	--	1,708,021	--

The accompanying notes are an integral part of this statement.

<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities</u>
<u>Other Enterprise Total</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 3,216,546	\$ 117,820,392	\$ 15,969,690
4,086,805	171,497,464	--
<u>\$ 7,303,351</u>	<u>\$ 289,317,856</u>	<u>\$ 15,969,690</u>
<u>\$ (6,975,144)</u>	<u>\$ (34,157,430)</u>	<u>\$ 1,509,220</u>
4,679,001	64,858,109	2,679,486
--	492,716	--
6,635	(82,572)	(55,463)
71,496	3,925,474	--
(141,557)	(1,608,364)	--
(68,532)	(68,532)	--
74,208	74,208	87,874
(77,348)	101,104	640,314
(5,499)	52,276	2,210
280,980	280,980	--
<u>4,819,384</u>	<u>68,025,399</u>	<u>3,354,421</u>
<u>\$ (2,155,760)</u>	<u>\$ 33,867,969</u>	<u>\$ 4,863,641</u>
\$ 5,809	\$ 411,377	\$ 6,212
--	(1,581,947)	(10,889)
--	830,302	--
(62,500)	(62,500)	--
--	1,708,021	--

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2013**

EXHIBIT A - 13

	<u>Pension Trust Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 16,360,337
Receivables:	
Employee contributions	883,314
Employer contributions	3,195,123
Interest and dividends	17,835
Pending trades	2,480,006
Other contributions	211,953
Total receivables	<u>6,788,231</u>
Investments, at fair value	
Fixed income - domestic	252,335,431
Fixed income - international	12,351,607
Equity securities - domestic	383,997,257
Equity securities - international	310,056,472
Real estate investments	53,921,564
Alternative investments	47,340,499
Total investments	<u>1,060,002,830</u>
Capital assets:	
Land	550,628
Buildings	706,345
Equipment	46,231
Accumulated depreciation	(725,193)
Total capital assets	<u>578,011</u>
Total assets	<u>1,083,729,409</u>
<b>LIABILITIES</b>	
Accrued expenses and benefits payable	1,354,907
Pending trades payable	512,444
Total liabilities	<u>1,867,351</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u>\$ 1,081,862,058</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT A - 14

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employee	\$ 13,233,128
Employer	39,089,413
Severance contributions from employee	1,741,065
Total contributions	54,063,606
Investment income:	
<i>From investment activities</i>	
Net appreciation in fair value of investments	147,163,414
Interest	1,732,323
Dividends	206,276
Total investment income	149,102,013
Less: investment expense	6,381,784
Net income from investing activities	142,720,229
Total additions	196,783,835
<b>DEDUCTIONS</b>	
Benefit payments	92,765,348
Refunds and withdrawals	2,940,900
Administrative expenses	1,544,716
Total deductions	97,250,964
Change in net position	99,532,871
Net position - beginning of year	982,329,187
Net position - end of year	\$ 1,081,862,058

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
COMBINING STATEMENT OF NET POSITION  
ALL DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2013**

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	Nineteenth Judicial District Court Building Commission (1)	E.B.R. Parish Family Court
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,576,727	\$ 2,734,656	\$ 4,133,183	\$ 158,012
Property taxes receivable	--	--	--	--
Sales taxes receivable	--	--	--	--
Accounts receivable	233,705	64,457	--	--
Accrued interest receivable	--	--	22,408	--
Loans receivable	--	--	--	--
Due from other governments	--	326,484	375,598	--
Prepaid items	--	--	270,833	--
Inventory	--	--	--	--
Net pension asset	--	--	--	--
Other assets	--	31,271	55,006	--
Restricted assets:				
Cash and cash equivalents	--	--	11,889,504	--
Capital assets: (Note 6)				
Buildings	--	--	107,628,256	--
Equipment	1,975,698	359,174	4,995,146	130,217
Accumulated depreciation	(1,363,201)	(297,088)	(12,204,636)	(75,632)
<b>Total assets</b>	<b>\$ 3,422,929</b>	<b>\$ 3,218,954</b>	<b>\$ 117,165,298</b>	<b>\$ 212,597</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 72,099	\$ 272,126	\$ 2,507	\$ 14,656
Due to other governments	--	--	--	--
Accrued payables	215,139	--	417,530	--
Other liabilities	415,625	--	--	5,240
Non-current liabilities: (Note 10)				
Due within one year	--	65,184	1,622,595	10,000
Due in more than one year:				
Bonds and notes payable	--	--	91,800,000	--
Deferred premium on bonds	--	--	2,223,185	--
Compensated absences payable	--	651,125	--	119,387
Net other postemployment benefit obligation	5,918,938	6,422,003	--	908,088
Obligation under capital leases	--	--	--	--
Claims and judgments payable	--	--	--	--
<b>Total liabilities</b>	<b>6,621,801</b>	<b>7,410,438</b>	<b>96,065,817</b>	<b>1,057,371</b>
<b>NET POSITION</b>				
Net investment in capital assets	612,497	62,086	7,078,766	54,585
Restricted for:				
Debt service	--	--	12,282,495	--
External legal constraints	--	782,273	1,119,558	--
Unrestricted	(3,811,369)	(5,035,843)	618,662	(899,359)
<b>Total net position</b>	<b>\$ (3,198,872)</b>	<b>\$ (4,191,484)</b>	<b>\$ 21,099,481</b>	<b>\$ (844,774)</b>

(1) As of June 30, 2013

The accompanying notes are an integral part of this statement.

E.B.R. Parish Juvenile Court	E.B.R. Parish Clerk of Court (1)	East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	Capital Area Transit System	Totals
\$ 434,107	\$ 7,908,671	\$ 4,205,497	\$ 12,294	\$ 51,350	\$ 3,308,825	\$ 25,523,322
--	--	--	--	--	14,988,751	14,988,751
--	--	--	9,777	44,004	--	53,781
110	155,744	--	--	--	67,508	521,524
--	--	--	--	--	--	22,408
--	--	1,243,278	--	--	--	1,243,278
67,083	--	39,178	--	--	743,924	1,552,267
3,000	--	7,017	--	--	250,657	531,507
--	--	2,393,158	--	--	627,695	3,020,853
--	--	--	--	--	1,590,755	1,590,755
--	--	513,227	--	--	--	599,504
--	--	--	--	--	122,905	12,012,409
--	--	--	--	--	--	107,628,256
387,390	8,934,968	192,024	--	--	23,953,561	40,928,178
(371,832)	(8,184,547)	(110,912)	--	--	(15,329,006)	(37,936,854)
<u>\$ 519,858</u>	<u>\$ 8,814,836</u>	<u>\$ 8,482,467</u>	<u>\$ 22,071</u>	<u>\$ 95,354</u>	<u>\$ 30,325,575</u>	<u>\$ 172,279,939</u>
\$ 4,387	\$ 282,907	\$ 50,167	\$ 22,071	\$ 95,354	\$ 1,114,623	\$ 1,930,897
--	375,598	--	--	--	--	375,598
8,866	703,622	--	--	--	--	1,345,157
--	--	--	--	--	--	420,865
--	--	--	--	--	1,572,739	3,270,518
--	--	--	--	--	300,000	92,100,000
--	--	--	--	--	--	2,223,185
178,295	698,973	--	--	--	380,715	2,028,495
1,743,752	3,123,319	--	--	--	--	18,116,100
--	--	--	--	--	1,569,641	1,569,641
--	--	--	--	--	1,195,347	1,195,347
<u>1,935,300</u>	<u>5,184,419</u>	<u>50,167</u>	<u>22,071</u>	<u>95,354</u>	<u>6,133,065</u>	<u>124,575,803</u>
15,558	750,421	81,112	--	--	6,325,526	14,980,551
--	--	--	--	--	--	12,282,495
74,113	--	6,847,402	--	--	122,905	8,946,251
(1,505,113)	2,879,996	1,503,786	--	--	17,744,079	11,494,839
<u>\$ (1,415,442)</u>	<u>\$ 3,630,417</u>	<u>\$ 8,432,300</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 24,192,510</u>	<u>\$ 47,704,136</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, 2013

	Judicial Court Services				
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	Nineteenth Judicial District Court Building Commission (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
<b>EXPENSES</b>	\$ 13,829,366	\$ 14,158,555	\$ 9,844,882	\$ 2,054,224	\$ 1,973,829
<b>PROGRAM REVENUES:</b>					
Charges for services	2,911,865	2,592,580	6,566,702	134,955	46,351
Operating grants and contributions	9,293,506	10,931,830	--	1,740,206	445,424
Capital grants and contributions	--	--	--	--	--
Net program (expenses) revenue	<u>(1,623,995)</u>	<u>(634,145)</u>	<u>(3,278,180)</u>	<u>(179,063)</u>	<u>(1,482,054)</u>
<b>GENERAL REVENUES:</b>					
Taxes:					
Property	--	--	--	--	--
Occupancy	--	--	--	--	--
Grants and contributions not restricted to specific programs	--	--	--	--	1,226,791
Investment earnings	7,737	6,283	27,841	764	1,481
Miscellaneous	92,527	484	12,791	--	1,834
Gain (loss) on sale of capital assets	--	--	--	--	--
Total general revenues	<u>100,264</u>	<u>6,767</u>	<u>40,632</u>	<u>764</u>	<u>1,230,106</u>
Change in net position	(1,523,731)	(627,378)	(3,237,548)	(178,299)	(251,948)
Net position, beginning of year, restated (Note 1)	<u>(1,675,141)</u>	<u>(3,564,106)</u>	<u>24,337,029</u>	<u>(666,475)</u>	<u>(1,163,494)</u>
Net position, ending	<u>\$ (3,198,872)</u>	<u>\$ (4,191,484)</u>	<u>\$ 21,099,481</u>	<u>\$ (844,774)</u>	<u>\$ (1,415,442)</u>

(1) As of June 30, 2013

The accompanying notes are an integral part of this statement.

E.B.R. Parish Clerk of Court (1)	Total Judicial Court Services	Economic Development			Total Economic Development	Mass Transit	
		East Baton Rouge Redevelop- ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District		Capital Area Transit System	Total All Component Units
\$ 14,571,921	\$ 56,432,777	\$ 3,280,374	\$ 134,490	\$ 614,347	\$ 4,029,211	\$ 19,426,686	\$ 79,888,674
13,399,526	25,651,979	211,925	--	--	211,925	2,186,502	28,050,406
985,902	23,396,868	2,840,925	--	--	2,840,925	--	26,237,793
--	--	--	--	--	--	2,830,311	2,830,311
(186,493)	(7,383,930)	(227,524)	(134,490)	(614,347)	(976,361)	(14,409,873)	(22,770,164)
--	--	--	--	--	--	14,612,939	14,612,939
--	--	--	134,490	614,347	748,837	1,336,169	2,085,006
--	1,226,791	--	--	--	--	4,688,821	5,915,612
91,265	135,371	61,227	--	--	61,227	4,234	200,832
--	107,636	105,353	--	--	105,353	61,177	274,166
--	--	--	--	--	--	12,103	12,103
91,265	1,469,798	166,580	134,490	614,347	915,417	20,715,443	23,100,658
(95,228)	(5,914,132)	(60,944)	--	--	(60,944)	6,305,570	330,494
3,725,645	20,993,458	8,493,244	--	--	8,493,244	17,886,940	47,373,642
\$ 3,630,417	\$ 15,079,326	\$ 8,432,300	\$ --	\$ --	\$ 8,432,300	\$ 24,192,510	\$ 47,704,136



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

<u>INDEX</u>	<u>Page Number</u>
Note 1 - Summary of Significant Accounting Policies .....	62
Note 2 - Stewardship, Compliance, and Accountability .....	76
Note 3 - Cash, Cash Equivalents, and Investments .....	77
Note 4 - Property Taxes .....	84
Note 5 - Federal and State Financial Assistance .....	85
Note 6 - Capital Assets .....	87
Note 7 - Employees' Retirement Systems .....	92
Note 8 - Other Postemployment Benefits (OPEB) .....	97
Note 9 - Risk Management .....	100
Note 10 - Long-Term Debt .....	102
Note 11 - Interfund and Intergovernmental Receivables and Payables .....	129
Note 12 - Interfund Transfers .....	130
Note 13 - Other Receivables .....	131
Note 14 - Detailed Restricted Net Position and Fund Balances .....	132
Note 15 - Restricted Assets .....	135
Note 16 - Passenger Facility Charges - Greater Baton Rouge Airport District .....	135
Note 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability .....	136
Note 18 - State Required Disclosures .....	137
Note 19 - Joint Venture .....	138
Note 20 - Subsequent Events .....	138

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17

**NOTE 1 - Summary of Significant Accounting Policies**

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

**a. Financial Reporting Entity**

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

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of the Consolidated Government of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criteria are as follows:

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

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

**Blended Component Units**

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

**Discrete Component Units**

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**a. Financial Reporting Entity (Continued)**

**Discrete Component Units (Continued)**

budget process. These judicial elected officials are fiscally dependent on the parish or state government for the issuance of debt and are included in this report as part of the financial benefit/burden relationship with the Parish. These officials have additional self-statutorily defined sources of funds that are used for operating and/or capital purposes. These agencies have been discretely presented in the City-Parish Comprehensive Annual Financial Report (CAFR):

District Attorney of the Nineteenth Judicial District (for the period ended December 31, 2013)  
Nineteenth Judicial District Court (for the period ended June 30, 2013)  
E.B.R. Parish Clerk of Court (for the period ended June 30, 2013)  
E.B.R. Parish Family Court (for the period ended December 31, 2013)  
E.B.R. Parish Juvenile Court (for the period ended December 31, 2013)

The East Baton Rouge Redevelopment Authority was created by the 2007 Louisiana Legislature. It is governed by a five member board. A level of control is maintained by the City-Parish through appointment of a majority of the Authority's Board and through fiscal benefit/burden and imposition of will by the Metropolitan Council. The financial statements of the Authority for December 31, 2013, are included in the discrete component unit columns of the basic financial statements.

Capital Area Transit System (CATS) - CATS was originally created by the City-Parish Metropolitan Council as a corporation to provide bus transportation services within the parish. In 2004, the Louisiana State Legislature enacted House Bill 1682 Act 581 to recognize CATS as a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. All CATS board members are appointed directly by the Metropolitan Council. Metropolitan Council approval is required for all transportation fare changes. CATS's financial statements for the period ended December 31, 2013, are discretely presented in the basic financial statements.

Cyntreniks Group/King Hotel Special Taxing District and Bluebonnet Convention Hotel Taxing District were created pursuant to Louisiana Revised Statute 33:9038, which allowed the Metropolitan Council to establish a tax incremental financing (TIF) districts and appoint a three-member board for each district. The Cyntreniks Group/King Hotel Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a three percent additional "district" tax within a small section of downtown Baton Rouge for the improvement of the King Hotel. The Bluebonnet Convention Hotel Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two to three percent additional "district" tax within a small section located in the southeastern part of East Baton Rouge Parish. Both of these district's are presented as discrete component units in the basic financial statements.

Separately issued financial statements of all City-Parish discretely presented component units can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397 (website <http://app1.la.us/state.la.us/PublicReports.nsf>) or at the following administrative offices:

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

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**a. Financial Reporting Entity (Continued)**

**Discrete Component Units (Continued)**

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

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

Capital Area Transit System  
Conner Burns, Chief Financial Officer  
2250 Florida Boulevard  
Baton Rouge, LA 70802-3125

Cyntreniks Group/King Hotel Special Taxing District  
John D. Schneider, Chairman  
447 Third Street, Suite C  
Baton Rouge, LA 70802.

Bluebonnet Convention Hotel Taxing District; (MWII Hospitality LLC)  
Milford Wampold III, Manager  
4171 Essen Lane, Suite 450  
Baton Rouge, LA 70809

**Related Organizations**

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

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

Baton Rouge Recreation and Park Commission  
Corey Wilson, Interim Finance Director  
6201 Florida Boulevard  
Baton Rouge, LA 70806

East Baton Rouge Housing Authority  
Richard Murray, Executive Director  
4731 North Boulevard  
Baton Rouge, LA 70806

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

Hospital Service District No. 1  
Michael Zimmerman, Chief Financial Officer  
Lane Memorial Hospital  
6300 Main Street  
Zachary, LA 70791

East Baton Rouge Mortgage Finance Authority  
Astrid Clements, Chairman  
601 St. Ferdinand Street  
Baton Rouge, LA 70802

Industrial Development Board  
(No Financial Transactions)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**b. Basis of Presentation**

The City-Parish's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Both the entity-wide financial statements and the proprietary fund financial statements follow the guidance included in GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained In Pre-November 30, 1989 FASB and AICPA Pronouncements*.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from 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 externally dedicated resources such as a restricted property tax.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**FUND FINANCIAL STATEMENTS:**

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**b. Basis of Presentation (Continued)**

**FUND FINANCIAL STATEMENTS (Continued):**

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

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

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

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

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

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

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

**Proprietary Funds:**

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

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

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

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

**Internal Service Funds --** Two internal service funds are used by the government to account for: (1) financing the replacement of motorized equipment, and (2) to maintain and supply fuel for motorized vehicles and heavy equipment to various departments or agencies of the City-Parish, or to other governments, on a cost-reimbursement basis. The internal service fund totals are presented as part of the proprietary fund financial statements. Since the principal users

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**b. Basis of Presentation (Continued)**

FUND FINANCIAL STATEMENTS (Continued):

Proprietary Funds (Continued):

Internal Service Funds (Continued):

of the internal service funds are the City-Parish governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the cost of these services are reflected in the appropriate functional activity.

Fiduciary Fund:

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

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

**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 for all revenues except grants or entitlements on federal or state assistance programs. The availability period for these grant programs is twelve months.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**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 recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

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

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

**d. Budgetary Data**

**BUDGET POLICIES AND BUDGETARY ACCOUNTING:**

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

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**d. Budgetary Data (Continued)**

BUDGET POLICIES AND BUDGETARY ACCOUNTING: (Continued):

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 restriction 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 sufficient funds are available to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects in the General Fund. Such appropriations for continuing projects carried forward from 2012 to 2013 totaled \$15,434,399 for the general fund, and \$3,206,737 (shown as part of restricted fund balance) in the Grants Fund. These amounts are included in the original budget column for 2013. The level of budget control is at the fund, department or project level, and expenditures/encumbrances may not exceed appropriations. Should additional appropriations be required, interdivisional transfers may be authorized by the Mayor-President. Interdepartmental transfers may be made at the request of the Mayor-President with approval of the Council. Additional appropriations from fund balance or increases in estimated revenues must be approved by the Council. In accordance with The Plan of Government, if the Mayor-President shall at any time ascertain that there will not be for the parish, the city, or the districts, sufficient funds to meet total appropriations, it shall be his duty to revise appropriations.

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

ENCUMBRANCES:

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

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

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

CASH, CASH EQUIVALENTS, AND INVESTMENTS:

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

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

**CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued):**

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

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

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

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

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

**RESTRICTED ASSETS:**

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

**INVENTORIES AND PREPAID ITEMS:**

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

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

**INTERFUND RECEIVABLES AND PAYABLES:**

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

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

**ACCOUNTS RECEIVABLE:**

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Major accounts receivable are recorded for: (1) sewer user fees in the Comprehensive Sewerage System Enterprise Fund; (2) airline landing fees, rentals, and miscellaneous charges for services in the Greater Baton Rouge Airport Authority Enterprise Fund; and (3) waste disposal fees at the landfill recorded in the Solid Waste Collection and Disposal Enterprise Fund. Uncollectible revenues are estimated at approximately 1/2 percent for the sewer user and solid waste collection fees with uncollectibles written off

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1.- Summary of Significant Accounting Policies (Continued)**

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

ACCOUNTS RECEIVABLE (Continued):

on a monthly basis. At December 31, 2013, an uncollectible allowance of 3.4 percent has been recorded for the Greater Baton Rouge Airport District. Uncollectible amounts for solid waste disposal fees are historically immaterial and no allowance is recorded.

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

CAPITAL ASSETS:

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

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

All assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 substantial completion of construction projects. Transfer of capital assets between governmental and business-type activities are recorded at the carrying value at the time of transfer. For capitalization purposes, projects are considered substantially complete when 80% of the project has been constructed. At this point the project costs are moved out of construction work in progress and capitalized.

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. All donated infrastructure accepted into the City-Parish's maintenance program since 1980 has been capitalized and depreciated in accordance with the above capitalization policy.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1.- Summary of Significant Accounting Policies (Continued)**

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

**CAPITAL ASSETS (Continued):**

The City-Parish capitalizes interest cost during the construction phase of major capital projects of proprietary funds in accordance with *GASB 62 -Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements, paragraphs 5-22*. The objectives of capitalizing interest are: (a) to obtain a measure of acquisition cost that more closely reflects the enterprise's total investment in the asset, and (b) to charge a cost that relates to the acquisition of a resource that will benefit future periods against the revenues of the period benefitted. The amount of interest cost capitalized on major capital projects acquired/constructed with proceeds of restricted tax-exempt debt includes all interest cost of the borrowing less any interest earned on related interest-bearing investments acquired with proceeds of the related tax-exempt borrowing from the date of the borrowing until the assets are ready for their intended use. Interest cost capitalized for the period ending December 31, 2013, is disclosed by project in Note 6, Changes in Capital Assets.

**LONG-TERM DEBT:**

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

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

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

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

Derivative guidelines were adopted by the Metropolitan Council in 2006, that allows the government to enter into interest rate swap agreements to manage interest rate risk and reduce debt service costs on debt. The derivative guidelines policy defines the parameters under which the program operates. The City-Parish records derivative instruments at fair value on the entity-wide financial statements and on the fund level for business-type activities to provide the reader disclosure concerning the government's exposure to risk and how these risks are managed.

**COMPENSATED ABSENCES:**

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

Payments for accrued sick and vacation leave are limited to a combined 120 days under all circumstances except death. Upon death, the maximum accrued leave payable is 120 days sick leave and the equivalent of two years of accrued vacation. Vacation and sick leave may also be converted into time worked for retirement purposes. Per Metropolitan Council Ordinance 85011 effective January 1, 1988, the Employees' Retirement System assumed partial liability for separation

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

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

COMPENSATED ABSENCES (Continued):

benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2013, the City-Parish retains approximately 20.4% of the total liability for accumulated sick and vacation leave per calculations performed by an outside actuary consultant.

City-Parish employees of certain job classifications may accrue compensatory time in lieu of overtime payment up to 30 days for regular employees and 60 days for public safety employees. Compensatory leave is paid by the City-Parish upon termination, resignation, retirement or death, up to the maximum accrual amounts. City-Parish retains 100% of the compensatory leave liability as of December 31, 2013.

GASB Statement No. 16, *Accounting for Compensated Absences*, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through paid time off or cash payments conditioned on the employees' termination or retirement. The City-Parish has recorded the following liabilities as of December 31, 2013, 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, 2013, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable as defined in Section C60.105 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards* is immaterial.
3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.
4. Applicable percentages of retirement contribution, social security, Medicare and other postemployment benefits have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB 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, 2013, in the governmental fund financial statements.

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

MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

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

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

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

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES:

The City-Parish reports governmental fund equity in accordance with Metropolitan Council 2013 Budget Ordinance 15424, adopted December 11, 2012 and 2014 Budget Ordinance 15627 adopted December 10, 2013, which set the following fund balance policy for all governmental fund types of the consolidated government:

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

A Budget Stabilization Account was originally authorized in the General Fund operating budget of 1999. The Metropolitan Council officially committed to maintain the budget stabilization account in an amount equal to at least five percent and not greater than ten percent of the following year's general fund appropriation in the 2013 Annual Operating Budget adopted by Ordinance 15424 dated December 11, 2012. Per ordinance, *the budget stabilization account shall be calculated annually by the Finance Department and included in the Comprehensive Annual Financial Report as committed fund balance.*

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

The Insurance Reserve Account was established as a general fund reservation (or designation) by the City-Parish in 1972. Since that date the managerial fund has been used to pay for risk management activities of the general government. Metropolitan Council Ordinance 15424 of December 11, 2012, confirmed the policy and use of the insurance reserve account as follows: *The City-Parish will maintain a managerial fund entitled "Insurance Reserve" as part of committed General Fund-Fund Balance for the purpose of minimizing the financial impact of potential costs that cannot be covered by the City-Parish's risk management program annual budget. The managerial fund will be increased by any balance remaining in the General Fund Risk Management operating budget at each year-end. The City-Parish shall seek restitution from companies and individuals when negligence results in the unexpected use of funding in accordance with applicable laws.*

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

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

FUND BALANCE POLICY FOR GOVERNMENTAL FUND TYPES (Continued):

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

NET POSITION:

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

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

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:

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

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

Changes in fair values of hedging derivative assets and liabilities are reported as deferred inflows or deferred outflows. Note 10(a)12 presents detailed information concerning the City-Parish primary government's derivative instruments.

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

ACCOUNTING ESTIMATES:

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**f. Restatement of Prior Year Net Position - Component Units**

The Nineteenth Judicial District Court Building Commission statements have been restated to correct an error (capitalized interest) made in prior years. The cumulative effect of the restatement decreased capital assets, net of accumulated depreciation by \$9,300,606.

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

<u>Component Units</u>	
Total net position, December 31, 2012, as previously reported	\$56,674,248
Adjust capital assets for interest capitalized in error	<u>(9,300,606)</u>
 Total net position, December 31, 2012, restated	 <u>\$47,373,642</u>

The net effect to the Nineteenth Judicial District Court component unit for the prior period from this restatement is as follows:

Total net position, December 31, 2012, as previously reported	\$30,073,529
Adjust capital assets for interest capitalized in error	<u>(9,300,606)</u>
 Total net position, December 31, 2012, restated	 <u>\$20,772,923</u>

The Nineteenth Judicial District Court Building Commission was combined with the Nineteenth Judicial District Court in the prior year statements. The two entities are shown separate in the current financial statements. Restated beginning net position in the current financial statements for the Nineteenth Judicial District Court \$(3,564,106) and the Nineteenth Judicial District Court Building Commission \$24,337,029 equal the total combined restated net position of \$20,772,923.

**NOTE 2 - Stewardship, Compliance, and Accountability**

**Budgetary - GAAP Reporting Reconciliation**

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

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

	General Fund	Library Board of Control	Grants Fund	Nonmajor Governmental Funds
Net change in fund balances (Budget Basis)	\$7,186,993	\$4,306,937	\$(14,085,835)	\$7,163,932
Adjustments:				
To adjust for encumbrances	1,302,045	1,763,035	14,212,477	3,820,272
To adjust for U.S. Housing and Urban Development loans receivable	--	--	(168,136)	--
Net change in fund balances (GAAP Basis)	<u>\$8,489,038</u>	<u>\$6,069,972</u>	<u>\$ (41,494)</u>	<u>\$10,984,204</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

**Budgetary - GAAP Reporting Reconciliation (Continued)**

The budgetary basis accounts for encumbrances as expenditures in the year in which the funds are encumbered. However, on the GAAP basis, expenditures for encumbered funds are recognized when the obligation is incurred. Therefore, a timing difference exists between budgetary practices and GAAP.

**NOTE 3 - Cash, Cash Equivalents, and Investments**

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

**a. Deposits - Primary Government**

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2013, 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>
\$264,245,841	\$270,869,892

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Position as "Investments" (\$45,772,278). The remaining carrying amount of \$218,473,563 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2013, is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the City-Parish's deposits may not be returned.

The carrying amount of deposits does not include a cash on hand balance of \$4,723,941 which is not on deposit with a financial institution. Cash on hand includes petty cash and cash received but not yet deposited at year-end.

2. Employees' Retirement System Pension Trust Fund:

At December 31, 2013, the carrying amount of the Retirement System's deposits was \$4,195,056 and the bank balance was \$4,492,053. The Retirement System's deposits at December 31, 2013, are not exposed to any custodial credit risk.

**b. Cash Equivalents and Investments - Primary Government**

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

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

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

Proceeds from the issuance of sales tax revenue bonds for the City of Baton Rouge and Parish of East Baton Rouge are invested according to guidelines set forth in the bond resolutions. Authorized investments from the proceeds of the issuance of the City's 2005B (Taxable), 2007A, 2008A-2, 2008B (Taxable), 2010A (GO Zone) and 2010B Public Improvement Sales Tax Revenue Bonds are government securities, certificates of deposit collateralized by government securities, and bonds issued by any state or political subdivision, provided that the bonds are rated in one of Moody's Investors Service or Standard and Poor's Corporation's two-highest rating categories. All of the qualified investments must have maturities of five years or less at the time of investment.

Proceeds from the issuance of the Parish's 2005A Public Improvement Sales Tax Revenue Bonds, the East Baton Rouge Sewerage Commission's 2006A, 2006B, 2009A, 2010A, 2010B (BABs), 2011A (LIBOR Index) and 2013A (Taxable) Revenue Bonds and the Road and Street Improvement 2006A, 2008A and 2009A Sales Tax Revenue Bonds are authorized to be invested in direct obligations of the United States of America, time certificates of deposit secured by direct obligations of the United States of America, and obligations issued or guaranteed by the federal government.

City-Parish investments for the primary government at December 31, 2013, are itemized as follows:

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

<u>Investment Type</u>	<u>Amortized Cost/ Fair Value</u>
U.S. Government Obligations	\$118,106,705
U.S. Agency Obligations	354,249,345
Louisiana Asset Management Pool (LAMP)	<u>267,531,665</u>
Total	<u>\$739,887,715</u>

Investments with a maturity of less than 90 days (\$267,531,665) are classified on the Statement of Net Position as "Cash and cash equivalents," \$471,934,687 is classified on the Statement of Net Position as "Investments." The remaining amount of \$421,363 is included in "Receivables - net" on the Statement of Net Position. In accordance with Section 150, paragraphs 110 and 111 of the GASB *Codification of Governmental Accounting and Financial Reporting* Standards, investments in U.S. Treasury or Agency obligations that have a remaining maturity at time of purchase of one year or less, 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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
U.S. Government Obligations	\$118,106,705	\$118,106,705	\$ --
U.S. Agency Obligations	<u>354,249,345</u>	<u>354,249,345</u>	<u>--</u>
Total	<u>\$472,356,050</u>	<u>\$472,356,050</u>	<u>\$ --</u>

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

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

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

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

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish has a written policy for custodial credit risk. The City-Parish's investment policy requires the application of the prudent-person rule. The policy states, *all investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested.* The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U.S. Agency Obligations were rated AAA by Fitch Ratings, Aaa/Negative by Moody's Investors Service and AA+/Negative by Standard & Poor's. The City-Parish's investment policy requires that investments be diversified by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City-Parish total investment portfolio will be invested in a single security type or with a single financial institution. U.S. Agency Obligations are invested in the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Agricultural Mortgage Corporation which are 20.19%, 22.67%, 4.27% and 1.72% of the City-Parish total investment, respectively. LAMP has a Standard & Poor's Rating of AAAM.

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

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The \$267,531,665 invested in LAMP is held by the Parish's Consolidated Cash pool (\$232,707,215), the East Baton Rouge Sewerage Commission (\$29,917,775), the City Sales Tax Bonds Debt Service Fund (\$3,257,798) and the Airport Construction Funds (\$1,648,877).

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

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

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

2. Employees' Retirement System Pension Trust Fund:

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

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

Additionally, the Retirement System may authorize an agent to participate in securities lending transactions on its behalf. Investment in derivatives, reverse repurchase agreements and other non-traditional types of investments are not specifically authorized under the Board's investment policy. However, in the case of commingled or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust takes precedence over the investment policy. At December 31, 2013, the Retirement Board had committed, but only partially funded, a 5 percent allocation to a Private Equity Secondaries fund, which falls in the category of Private Markets.

All investments of the Retirement System are registered in the System's name, or held by the custodian bank, Bank of New York/Mellon, Everett, MA, or its intermediaries in the System's name. The System hired BNY/Mellon as custodian bank effective August 1, 2012, to replace JPMorgan. The System utilizes a Short-Term Investment Fund (STIF) administered by the custodian bank, BNY/Mellon, in which all uninvested cash balances of CPERS and its full discretionary investment managers are automatically swept by the custodian into the BNY/Mellon Collective Trust Government Short Term Investment Fund, which is an unrated fund that invests in high-quality, short-term securities issued or guaranteed by the US government or by US government agencies and instrumentalities. Deposits in this fund are not insured by the FDIC.

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

No investments in any one organization shall represent 5 percent or more of the assets held in trust for pension benefits and no single company's securities shall represent more than 5 percent of the cost basis or 7 percent of the market value of any manager's portfolio. There are no investments in loans to, or leases with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2013, final oversight of investments and investment performance for both the original CPERS trust and PGT remains with the Board.

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

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

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

The fair value of the Retirement System's investments as of December 31, 2013, is:

	<u>Fair Value</u>
U.S. Treasury Inflation-Protected Securities	\$ 42,251,270
Mortgaged Backed Securities	2,143
Corporate Bonds	5,460
Asset Backed Securities	67
International Equities	236,531,124
Short-Term Investment Fund/Cash Equivalents	12,165,281
Domestic Equities and Fixed Income	594,073,748
Emerging Markets Equity	85,876,955
Equity Real Estate Fund	53,921,564
Hedge Fund of Funds	46,292,778
Private Equity	<u>1,047,721</u>
Total	<u>\$1,072,168,111</u>

The fair value of \$1,060,002,830 is classified on the Statement of Fiduciary Net Position as "Investments." \$12,165,281 is classified on the Statement of Fiduciary Net Position as "Cash and Cash Equivalents."

Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rate. One indicator of the measure of interest rate risk is the dispersion of maturity dates of debt instruments. The following table shows the Retirement System's domestic fixed-income investments and maturities in actively managed accounts at December 31, 2013:

	<u>Fair Value</u>	<u>Investments Maturities (in Years)</u>			
		<u>Less Than One</u>	<u>1-5</u>	<u>5-10</u>	<u>&gt;10</u>
Mortgage Backed Securities	\$2,143	\$ --	\$ --	\$ --	\$2,143
Corporate Bonds	5,460	4,410	1,050	--	--
Asset Backed Securities	<u>67</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>67</u>
<b>Total</b>	<u><b>\$7,670</b></u>	<u><b>\$4,410</b></u>	<u><b>\$1,050</b></u>	<u><b>\$ --</b></u>	<u><b>\$2,210</b></u>

*Note: The above schedule does not include the System's 2013 Core Bond Domestic, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2013, fair market value of \$69,222,591 with an average duration of 5.07 years, while the Absolute Return fund had a fair market value of \$68,042,206 with an average duration of 2.61 years and Core-Bond Domestic fund had a fair market value of \$85,163,301 with an average duration of 5.44 years. The fair value of the TIPS account was \$42,251,270 and carried an average duration of 7.28 years.*

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The Retirement System requires that debt obligations be investment grade at time of purchase (BBB/Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities. At December 31, 2013, the System's fixed income securities were managed only in commingled or pooled accounts, with the exception of a U.S. Government Agency security held in trust by the custodian bank.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

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

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

The following table is provided for use in determining the Retirement System's level of exposure to credit risk as of December 31, 2013. The "not rated" designation is applicable to medium term notes in default.

<u>S&amp;P/Moody Rating</u>	<u>Fair Value at 12/31/13</u>
NR (not rated)	<u>\$7,670</u>

*Note: The above schedule does not include Core Bond Domestic, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2013, fair market value of \$69,222,591 and carried an average quality rating of A, while the Absolute Return fund had a fair market value of \$68,042,206 and carried an average quality rating of A and the Core Bond Domestic fund had a fair market value of \$85,163,301 and carried an average quality rating of AA-. The TIPS account had a fair market value of \$42,251,270 and carried a "Government" rating, which equates to AA+.*

The Retirement System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issue to 7 percent of fair value. At December 31, 2013, the System had exposure of less than 5 percent in any single investment issue.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. CPERS' investment policy restricts equity investments to securities that are US dollar denominated and are registered with the SEC. Although foreign exchange futures, forward, and swaps are permissible for those managers with non-US or global mandates, at December 31, 2013, CPERS had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

**c. Deposits - Discretely Presented Component Units**

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

	<u>Carrying Amount</u>	<u>Bank Balance</u>
District Attorney of the Nineteenth Judicial District	\$ 976,727	\$ 962,765
Nineteenth Judicial District Court	2,734,656	2,827,573
Nineteenth Judicial District Court Building Commission	16,022,687	16,022,687
E.B.R. Parish Family Court	158,012	158,012
E.B.R. Parish Juvenile Court	434,107	545,202
E.B.R. Parish Clerk of Court	7,908,671	7,908,671
E.B.R. Redevelopment Authority	4,205,497	4,205,497
Cyntreniks Group King Hotel Special Taxing District	12,294	12,294
Bluebonnet Convention Hotel Taxing District	51,350	51,350
Capital Area Transit System	<u>3,431,730</u>	<u>3,431,730</u>
Total Component Units	<u>\$35,935,731</u>	<u>\$36,125,781</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

**c. Deposits - Discretely Presented Component Units (Continued)**

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

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

Nineteenth Judicial District Court	\$ 2,577,573
E.B.R. Parish Juvenile Court	167,137
E.B.R. Parish Clerk of Court	7,655,341
Capital Area Transit System	<u>3,181,730</u>
Total	<u>\$13,581,781</u>

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the component unit agency that the fiscal agent has failed to pay deposited funds upon demand.

At December 31, 2013, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Position as "Investments." The carrying amount of \$35,935,731 is classified as "Cash and cash equivalents."

**d. Cash Equivalents and Investments - Discretely Presented Component Units**

Cash equivalents for component units include investments in Louisiana Asset Management Pool with a carrying value of \$1,600,000 for the District Attorney of the Nineteenth Judicial District.

**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 Position.

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

Cash and cash equivalents:	
Deposits	\$ 218,473,563
Cash on hand	4,723,941
Louisiana Asset Management Pool	<u>267,531,665</u>
Sub-total cash and cash equivalents	<u>490,729,169</u>
Investments:	
Deposits	45,772,278
Investments	<u>471,934,687</u>
Sub-total investments	<u>517,706,965</u>
Cash, cash equivalents and investments, December 31, 2013	<u>\$1,008,436,134</u>

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

Cash and cash equivalents	\$ 319,231,705
Restricted Assets - Cash and cash equivalents	<u>171,497,464</u>
Total cash and cash equivalents	<u>490,729,169</u>
Investments	301,939,055
Restricted Assets - Investments	<u>215,767,910</u>
Total investments	<u>517,706,965</u>
Total cash and cash equivalents and investments	<u>\$1,008,436,134</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

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

**1. Reconciliation of the carrying amount of deposits and investments on the Statement of Net Position. (Continued)**

**B. Component units:**

Cash and cash equivalents:	
Deposits	\$35,935,731
Investments	<u>1,600,000</u>
Cash, cash equivalents and investments, December 31, 2013	<u>\$37,535,731</u>

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

Cash and cash equivalents	\$25,523,322
Restricted Assets - Cash and cash equivalents	<u>12,012,409</u>
Total cash and cash equivalents	<u>\$37,535,731</u>

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

Cash and cash equivalents:	
Deposits	\$ 4,195,056
Investments	<u>12,165,281</u>
Sub-total cash and cash equivalents	16,360,337
Investments	<u>1,060,002,830</u>
Cash, cash equivalents and investments, December 31, 2013	<u>\$1,076,363,167</u>

**NOTE 4 - Property Taxes**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. Year 2012 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 2013 property tax calendar is as follows:

Levy date	November 28, 2013
Millage rates adopted	November 28, 2013
Tax bills mailed	November 27, 2013
Due date	December 31, 2013
Lien date	January 1, 2014

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 4 - Property Taxes (Continued)**

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

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

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

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

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

	<u>Property Taxes Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net. Property Taxes Receivable</u>
General Fund	\$ 6,358,793	\$ 354,720	\$ 6,004,073
Library Board of Control Fund	9,280,882	610,881	8,670,001
Nonmajor Governmental Funds	<u>7,317,272</u>	<u>439,992</u>	<u>6,877,280</u>
<b>Total</b>	<b><u>\$22,956,947</u></b>	<b><u>\$1,405,593</u></b>	<b><u>\$21,551,354</u></b>

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

On April 16, 2012, a 10.6 mill ad valorem tax for the Capital Area Transit System, was passed by the citizens of the City of Baton Rouge and the City of Baker. This tax expires in 2021. Ad valorem taxes are levied each November 1, on the assessed value listed as of the prior January 1, for all real estate, merchandise, and moveable property located in the Parish. Assessed values are established by the East Baton Rouge Parish Assessor's office and the State Tax Commission at percentages of actual value as specified by Louisiana law. The Capital Area Transit System had property taxes receivable of \$14,988,751 at December 31, 2013.

**NOTE 5 - Federal and State Financial Assistance**

**a. Grants From Other Governments and Private Developers**

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are beneficial to the City and the Parish. These funds are recorded in the Special Revenue, Capital Projects, and Enterprise Funds. A grant appropriation is recorded when an approved contract is authorized with the funding agency through the "Grants Review Process." Receivables are established when eligible expenditures are incurred. The grants normally specify the purpose for which funds may be used and federal grants are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept." The grant programs are also subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any material contingent liability for reimbursement which may arise as the result of these audits is

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 5 - Federal and State Financial Assistance (Continued)**

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

recorded in accordance with generally accepted accounting principles. During 2013, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

	<u>Federal and State Operating Grants and Capital Contributions</u>	<u>Private Capital Contributions</u>
<b>Primary Government:</b>		
<b>Governmental activities:</b>		
Grants Fund	\$38,496,902	\$ --
Capital Projects Fund	9,626,738	--
Nonmajor governmental funds	3,328,726	--
<b>Business-type activities:</b>		
Greater Baton Rouge Airport District	5,998,477	--
Comprehensive Sewerage System Fund	313,024	2,585,101
Nonmajor business-type funds	<u>1,530,237</u>	<u>--</u>
<b>Total primary government</b>	<b><u>\$59,294,104</u></b>	<b><u>\$2,585,101</u></b>
<b>Component Units:</b>		
District Attorney of the Nineteenth Judicial District	\$1,342,970	\$ --
Nineteenth Judicial District Court	539,956	--
E.B.R. Parish Juvenile Court	64,492	--
E.B.R. Redevelopment Authority	890,622	--
Capital Area Transit System	<u>6,969,132</u>	<u>--</u>
<b>Total component units</b>	<b><u>\$9,807,172</u></b>	<b><u>\$ --</u></b>

**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 2013, 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, and judges' salaries and benefits for the three court systems.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 5 - Federal and State Financial Assistance (Continued)**

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

LRS 33:7392 provides for a percentage of property taxes collected in East Baton Rouge Parish to be remitted to the State Municipal Employees' Retirement System (MERS). The statute further provides for MERS to distribute a pro-rata share of these funds back to the City-Parish Employees' Retirement System. On-behalf payments recorded as revenues and expenditures (expenses) in the 2013 financial statements are as follows:

	State Supplemental Salaries	MERS Contribution	Total 2013 On-Behalf Payments
<b>Primary Government:</b>			
Governmental activities	\$ 7,802,326	\$973,406	\$ 8,775,732
Business-type activities	<u>162,800</u>	<u>--</u>	<u>162,800</u>
Total primary government	<u>7,965,126</u>	<u>973,406</u>	<u>8,938,532</u>
<b>Component Units:</b>			
District Attorney of the Nineteenth Judicial District	2,484,500	--	2,484,500
Nineteenth Judicial District Court	3,138,818	--	3,138,818
E.B.R. Parish Family Court	761,866	--	761,866
E.B.R. Parish Juvenile Court	<u>380,933</u>	<u>--</u>	<u>380,933</u>
Total component units	<u>6,766,117</u>	<u>--</u>	<u>6,766,117</u>
Total on-behalf payments	<u>\$14,731,243</u>	<u>\$973,406</u>	<u>\$15,704,649</u>

**NOTE 6 - Capital Assets**

**a. Primary government capital asset activity for the year ended December 31, 2013, was as follows:**

	Balance 1/1/2013	Increases	Decreases	Adjustments	Balance 12/31/2013
<b>Governmental Activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land and right-of-way	\$ 148,200,993	\$ 8,684,721	\$ --	\$ --	\$ 156,885,714
Construction work in progress	<u>76,380,319</u>	<u>14,198,554</u>	<u>--</u>	<u>(54,079,530)</u>	<u>36,499,343</u>
Total capital assets not being depreciated	<u>224,581,312</u>	<u>22,883,275</u>	<u>--</u>	<u>(54,079,530)</u>	<u>193,385,057</u>
<b>Capital assets being depreciated:</b>					
Buildings	251,615,373	25,015,144	--	16,994,293	293,624,810
Improvements (other than buildings) and infrastructure	837,178,833	18,871,385	--	37,158,737	893,208,955
Equipment and equipment under lease	<u>117,440,898</u>	<u>7,658,043</u>	<u>(5,662,092)</u>	<u>139,632</u>	<u>119,576,481</u>
Total capital assets being depreciated	<u>1,206,235,104</u>	<u>51,544,572</u>	<u>(5,662,092)</u>	<u>54,292,662</u>	<u>1,306,410,246</u>
<b>Less accumulated depreciation for:</b>					
Building	(149,150,220)	(6,905,047)	--	--	(156,055,267)
Improvements (other than buildings) and infrastructure	(359,416,489)	(27,093,843)	--	--	(386,510,332)
Equipment and equipment under lease	<u>(94,219,273)</u>	<u>(8,667,373)</u>	<u>5,608,379</u>	<u>--</u>	<u>(97,278,267)</u>
Total accumulated depreciation	<u>(602,785,982)</u>	<u>(42,666,263)</u>	<u>5,608,379</u>	<u>--</u>	<u>(639,843,866)</u>
Total capital assets being depreciated, net	<u>603,449,122</u>	<u>8,878,309</u>	<u>(53,713)</u>	<u>54,292,662</u>	<u>666,566,380</u>
Total governmental activities capital assets, net	<u>\$ 828,030,434</u>	<u>\$ 31,761,584</u>	<u>\$ (53,713)</u>	<u>\$ 213,132</u>	<u>\$ 859,951,437</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 6 - Capital Assets (Continued)**

**a. Primary government capital asset activity (Continued):**

	<u>Balance</u>		<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u>
	<u>1/1/2013</u>					<u>12/31/2013</u>
<b>Business-Type Activities:</b>						
Capital assets not being depreciated:						
Land and right-of-way	\$ 77,556,445	\$ 4,035,196	\$ (549,917)	\$ (220,441)		\$ 80,821,283
Noise mitigation	57,876,615	--	--	228,103		58,104,718
Construction work in progress	<u>211,622,261</u>	<u>55,345,105</u>	<u>(371,895)</u>	<u>(150,521,537)</u>		<u>116,073,934</u>
Total capital assets not being depreciated	<u>347,055,321</u>	<u>59,380,301</u>	<u>(921,812)</u>	<u>(150,513,875)</u>		<u>254,999,935</u>
Capital assets being depreciated:						
Buildings	220,610,624	4,659,163	--	9,553,872		234,823,659
Improvements (other than buildings) and infrastructure	1,536,676,864	219,826,258	(10,280,399)	141,207,173		1,887,429,896
Equipment	<u>11,467,460</u>	<u>164,403</u>	<u>(1,055,546)</u>	<u>--</u>		<u>10,576,317</u>
Total capital assets being depreciated	<u>1,768,754,948</u>	<u>224,649,824</u>	<u>(11,335,945)</u>	<u>150,761,045</u>		<u>2,132,829,872</u>
Less accumulated depreciation for:						
Buildings	(100,195,132)	(8,368,419)	--	--		(108,563,551)
Improvements (other than buildings) and infrastructure	(562,556,664)	(56,150,837)	9,252,036	--		(609,455,465)
Equipment	<u>(10,424,064)</u>	<u>(338,853)</u>	<u>1,051,880</u>	<u>--</u>		<u>(9,711,037)</u>
Total accumulated depreciation	<u>(673,175,860)</u>	<u>(64,858,109)</u>	<u>10,303,916</u>	<u>--</u>		<u>(727,730,053)</u>
Total capital assets being depreciated, net	<u>1,095,579,088</u>	<u>159,791,715</u>	<u>(1,032,029)</u>	<u>150,761,045</u>		<u>1,405,099,819</u>
Total business-type activities capital assets, net	<u>\$1,442,634,409</u>	<u>\$219,172,016</u>	<u>\$ (1,953,841)</u>	<u>\$ 247,170</u>		<u>\$1,660,099,754</u>

The adjustments column includes the capitalization of \$213,132 in governmental activities and \$247,170 in business-type activities of donated assets from private sources. The adjustments column also includes \$54,079,530 in governmental activities and \$150,521,537 in business-type activities of prior year construction work in progress that was capitalized as assets during 2013.

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

**Governmental Activities:**

Governmental fund-types:	
General government	\$ 1,463,567
Public safety	8,127,407
Transportation	27,255,279
Sanitation	5,791
Health and welfare	324,039
Culture and recreation	2,117,229
Conservation and development	693,465
Internal service fund capital assets are charged to the various functions based on their usage of the assets	<u>2,679,486</u>
Total depreciation expense - governmental activities	<u>\$42,666,263</u>

**Business-Type Activities:**

Airport	\$11,094,916
Sewer	47,861,835
Solid Waste Collection and Disposal	1,222,357
Nonmajor business-type activities	<u>4,679,001</u>
Total depreciation expense - business-type activities	<u>\$64,858,109</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 6 - Capital Assets (Continued)**

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

	Project Authorization	Capitalized to Date	Balance in Construction Work In Progress 12/31/2013	Encumbered Capital Projects	Estimated Required Future Financing
<b>Capital Projects Fund:</b>					
<b>Miscellaneous Capital</b>					
Improvements	\$ 95,956,662	\$ 59,308,424	\$ 207,114	\$ 7,299,378	None
<b>Capital Improvement</b>					
Roads, Streets, Drainage, Other	33,592,978	14,040,574	5,191,204	1,903,027	None
<b>Road and Street Improvement</b>					
Pay-As-You-Go Dedicated Tax	160,533,587	113,287,279	10,614,844	14,094,008	None
Bonded Dedicated Sales Tax	304,444,792	249,990,753	9,903,717	14,027,838	None
LA DOTD Grants Capital Projects	86,131,277	64,270,003	8,448,809	8,743,010	None
Downtown Signage/Visitors Amenities	2,954,316	--	8,480	1,097,269	None
General Capital Expenditures	46,450,615	43,594,200	892,903	54,820	None
<b>Other Governmental Funds:</b>					
Parish Transportation	16,070,819	1,998,392	1,220,772	547,793	None
Generator Programs	2,085,274	2,070,842	11,500	--	None
<b>Total</b>	<b><u>\$748,220,320</u></b>	<b><u>\$548,560,467</u></b>	<b><u>\$36,499,343</u></b>	<b><u>\$47,767,143</u></b>	

d. Construction work in progress at December 31, 2013, for primary government enterprise funds is composed of the following:

	Project Authorization	Expended to Date	Capitalized	Balance in Construction Work in Progress 12/31/13
<b>Greater Baton Rouge Airport District:</b>				
Runways and apron improvements	\$ 5,037,078	\$ 2,521,850	\$ --	\$ 2,521,850
Land Acquisition	1,254,919	1,152,682	1,146,932	5,750
Rotunda and terminal renovations	788,638	346,188	--	346,188
North end development	2,103,269	1,924,815	--	1,924,815
Miscellaneous project costs	2,823,241	1,655,686	--	1,655,686
<b>Total</b>	<b><u>12,007,145</u></b>	<b><u>7,601,221</u></b>	<b><u>1,146,932</u></b>	<b><u>6,454,289</u></b>
<b>Comprehensive Sewerage System Fund:</b>				
South wastewater treatment plant				
wet weather improvements	225,355,147	261,717,372	261,717,372	--
Rehabilitation construction	180,905,122	119,066,518	117,804,265	1,262,253
Sanitary sewer overflow corrective				
action plan	730,128,193	561,027,094	468,103,262	92,923,832
Rehabilitation of pump stations	26,440,819	25,675,965	10,379,085	15,296,880
<b>Total</b>	<b><u>1,162,829,281</u></b>	<b><u>967,486,949</u></b>	<b><u>858,003,984</u></b>	<b><u>109,482,965</u></b>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 6 - Capital Assets (Continued)**

**d. Construction work in progress at December 31, 2013, 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 12/31/13</u>
<b><u>Nonmajor business -type activities:</u></b>				
<b>Baton Rouge River Center Fund:</b>				
Miscellaneous building improvements	\$ 71,000	\$ 71,000	\$ --	\$ 71,000
Riverfront Plaza improvements	<u>600,000</u>	<u>22,180</u>	<u>--</u>	<u>22,180</u>
Total	<u>671,000</u>	<u>93,180</u>	<u>--</u>	<u>93,180</u>
<b>Greater Baton Rouge Parking Authority:</b>				
Other downtown garages	<u>43,500</u>	<u>43,500</u>	<u>--</u>	<u>43,500</u>
<b>Total-all enterprise funds</b>	<b><u>\$1,175,550,926</u></b>	<b><u>\$975,224,850</u></b>	<b><u>\$859,150,916</u></b>	<b><u>\$116,073,934</u></b>

Total construction period interest costs of \$26,909,298 for the Comprehensive Sewerage System Fund and \$1,880,155 for the Greater Baton Rouge Airport District were capitalized in 2013. Construction period interest costs of \$14,082,193 for the Comprehensive Sewerage System Fund and \$243,965 for the Greater Baton Rouge Airport District from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2013. These costs cannot be depreciated because they have been allocated to projects that are not substantially complete.

**EPA Consent Decree**

During 2001, the City-Parish entered into a Consent Decree with U.S. Environmental Protection Agency (EPA) to remedy violations of the Clean Water Act and National Pollution Discharge Elimination System (NPDES) permits issued to the City-Parish for its sewerage treatment plants. The Consent Decree requires the City-Parish to achieve and maintain compliance with its NPDES permits and the Clean Water Act. The Consent Decree requires the City-Parish to complete a construction program to reduce sanitary sewer overflows by December 31, 2014. The consent decree has been modified by the City-Parish and EPA and the construction deadline has been extended to December 31, 2018.

In July 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment Plant. The concept and cost for this modification has been analyzed by the sewer system's program manager, CH2M HILL, Inc. Their program delivery plan (PDP) was delivered to the City-Parish in November 2007, and updated in November 2013. CH2M HILL's estimated cost for completing the revised RMAP2 is \$1.5 billion.

The PDP also recommends the closure of the Central Wastewater Treatment Plant, and routing its flows to the South Wastewater Treatment. This recommendation has many positive aspects including eliminating a discharge point into the Mississippi River; removing a treatment plant from the downtown area, providing additional dry weather flows to the South Wastewater Treatment Plant which will assist in the biological treatment process; and providing long-term savings in operations and maintenance costs.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 6 - Capital Assets (Continued)**

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>District Attorney of the Nineteenth Judicial District</u>				
Equipment	\$ 1,963,831	\$ 186,955	\$ (175,088)	\$ 1,975,698
Less: accumulated depreciation	<u>(1,386,383)</u>			<u>(1,363,201)</u>
Total District Attorney of the Nineteenth Judicial District	<u>\$ 577,448</u>			<u>\$ 612,497</u>
<u>Nineteenth Judicial District Court</u>				
Equipment	\$ 340,332	\$ 18,842	\$ --	\$ 359,174
Less: accumulated depreciation	<u>(280,653)</u>			<u>(297,088)</u>
Total Nineteenth Judicial District Court	<u>\$ 59,679</u>			<u>\$ 62,086</u>
<u>Nineteenth Judicial District Court Building Commission</u>				
Buildings	\$108,617,065	\$ --	\$ (988,809)	\$107,628,256
Equipment	<u>4,825,984</u>	<u>169,162</u>	<u>--</u>	<u>4,995,146</u>
Total	113,443,049	169,162	(988,809)	112,623,402
Less: accumulated depreciation	<u>(8,580,228)</u>			<u>(12,204,636)</u>
Total Nineteenth Judicial District Court Building Commission	<u>\$104,862,821</u>			<u>\$100,418,766</u>
<u>E.B.R. Parish Family Court</u>				
Equipment	\$ 103,979	\$ 26,238	\$ --	\$ 130,217
Less: accumulated depreciation	<u>(56,710)</u>			<u>(75,632)</u>
Total E.B.R. Parish Family Court	<u>\$ 47,269</u>			<u>\$ 54,585</u>
<u>E.B.R. Parish Juvenile Court</u>				
Equipment	\$ 388,195	\$ 9,062	\$ (9,867)	\$ 387,390
Less: accumulated depreciation	<u>(374,898)</u>			<u>(371,832)</u>
Total E.B.R. Parish Juvenile Court	<u>\$ 13,297</u>			<u>\$ 15,558</u>
<u>E.B.R. Parish Clerk of Court</u>				
Equipment	\$ 8,929,482	\$ 82,974	\$ (77,488)	\$ 8,934,968
Less: accumulated depreciation	<u>(7,698,593)</u>			<u>(8,184,547)</u>
Total E.B.R. Parish Clerk of Court	<u>\$ 1,230,889</u>			<u>\$ 750,421</u>
<u>EBR Parish Redevelopment Authority</u>				
Equipment	\$ 189,091	\$ 2,933	\$ --	\$ 192,024
Less: accumulated depreciation	<u>(75,594)</u>			<u>(110,912)</u>
Total EBR Redevelopment Authority	<u>\$ 113,497</u>			<u>\$ 81,112</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 6 - Capital Assets (Continued)**

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Adjustments and Deletions</u>	<u>Balance End of Year</u>
<u>Capital Area Transit System</u>				
Equipment	\$ 23,075,523	\$2,213,438	\$(1,335,400)	\$ 23,953,561
Less: accumulated depreciation	<u>(14,440,386)</u>			<u>(15,329,006)</u>
Total Capital Area Transit System	<u>\$ 8,635,137</u>			<u>\$ 8,624,555</u>
Total component units capital assets	\$148,433,482	<u>\$2,709,604</u>	<u>\$(2,586,652)</u>	\$148,556,434
Less: total accumulated depreciation	<u>(32,893,445)</u>			<u>(37,936,854)</u>
Total component units capital assets, net	<u>\$115,540,037</u>			<u>\$110,619,580</u>

**NOTE 7 - Employees' Retirement Systems**

**a. Primary Government**

**1. Plan Description and Provisions**

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

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

\*Not City-Parish component units

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 7 - Employees' Retirement Systems (Continued)**

**a. Primary Government (Continued)**

**1. Plan Description and Provisions (Continued)**

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

The Retirement System reports its financial activities under the provisions of Section Pe5 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. All required disclosures are included in their separately issued report. The primary government (City-Parish), as stated previously, reports the Retirement System as a Pension Trust Fund and has adopted the reporting requirements for an employer under Section P20 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*.

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

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

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

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

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

**Method Used to Value Investments**

The investments of the Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value, as determined by the custodian bank and verified by the Retirement System's investment consultant. The fair value of real estate investments is based on quarterly independent appraisals.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 7 - Employees' Retirement Systems (Continued)**

**a. Primary Government (Continued)**

**3. Concentrations of Investments**

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

**4. Funding Policy**

The Plan of Government requires that the Retirement System be funded on an actuarially sound basis. Under the current plan, both employee and employer contributions are set by the CPERS board on an annual basis to properly fund the system. In 2013, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 26.89% of active payroll. The total employer contributions to CPERS for the year ended December 31, 2013, 2012 and 2011 were \$29,935,486; \$31,722,074 and \$27,939,544, respectively, and were equal to the CPERS Board required contributions for each year. The City-Parish has no net pension obligation with respect to CPERS under Section P20 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* at December 31, 2013.

**5. Police Guarantee Trust Account**

The police guarantee trust account was established as part of CPERS on February 26, 2000, by the City-Parish and the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS). As a part of the transfer agreement, each officer signed a "Police Guarantee Agreement" with CPERS whereby each officer receives the same benefit he/she would have received if they had remained with CPERS. The CPERS Board of Trustees established a Police Guarantee Account to administer benefits to the transferred officers. The benefits paid from the trust will equal the difference between the benefit the employee would have received from CPERS if the transfer had not taken place, and the benefit actually paid by MPERS.

**6. Municipal Police Employees' Retirement System (MPERS)**

*Plan Description:* The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan administered by the MPERS Board of Trustees. MPERS covers any full-time public safety officer employed by a participating municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing said officer does not have to pay social security. Section 5 of this note describes the transfer of 637 public safety officers from CPERS to MPERS, effective February 26, 2000. All new public safety officers hired by the City-Parish after February 26, 2000, are required to join MPERS as a condition of employment. MPERS benefits are established by state statutes and may be amended at the discretion of the State Legislature. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Municipal Police Employees' Retirement System, 7722 Office Park Blvd., Suite 200, Baton Rouge, Louisiana 70809-7601.

*Funding Policy:* Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation for the year ended December 31, 2013. For the same members, employer contributions were 31.0% from January through June, and remained the same for July through December 2013. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 33.0%. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contributions to MPERS for the years ended December 31, 2013, 2012 and 2011, were \$11,909,905, \$10,768,015 and \$9,915,922, respectively, and were equal to the statutorily required contributions for each year. The City-Parish had no net pension obligation with respect to MPERS at December 31, 2013.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 7 - Employees' Retirement Systems (Continued)**

**a. Primary Government (Continued)**

**7. Louisiana State Employees' Retirement System (LASERS)**

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

*Funding Policy:* Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2013, Judges' Plan members contributed 11.50% of earned compensation while employers contributed 34.8% from January through June and 36.3% from July through December. The City-Parish's contributions to LASERS for the year ended December 31, 2013, 2012 and 2011 were \$ 136,547, \$126,307 and \$125,466, respectively, and were equal to the statutorily required contributions for each year. The City-Parish had no net pension obligation with respect to LASERS at December 31, 2013.

**b. Component Units**

**1. Capital Area Transit System Pension Plan**

*Plan Description:* Employees of Capital Area Transit System (CATS) are members of the Capital Area Transit System Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. The Plan is administered by a local actuarial consulting company under the direction of a Board of Trustees. CATS issues a Comprehensive Annual Financial Report (CAFR) which includes the financial statements and required supplementary information for CATS's Pension Trust Fund. CATS has adopted the reporting provisions under Sections Pe and P20 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. CATS's financial reports may be obtained by writing to: Capital Area Transit System, Conner Burns, Chief Financial Officer, 2250 Florida Boulevard, Baton Rouge, LA 70802-3125. Because CATS issues its own CAFR with detailed disclosures on the operations of its Pension Trust Fund and because said fund is immaterial to the Primary Government, the City-Parish has chosen to provide limited disclosure in accordance with the reporting provisions of the applicable section of the GASB code. CATS pension trust fund is not reported in the fiduciary fund statements included as a basic financial statement of the primary government.

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

The System's annual pension cost and net pension asset for the year ended December 31, 2013, was as follows:

Annual required contribution	\$ 340,835
Interest on net pension asset	(104,597)
Adjustment to annual required contribution	<u>172,061</u>
Annual pension cost	408,299
Contributions made (including interest)	<u>(389,871)</u>
Increase (decrease) in net pension asset	(18,428)
Net pension asset beginning of year	<u>1,609,183</u>
Net pension asset end of year	<u><u>\$1,590,755</u></u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 7 - Employees' Retirement Systems (Continued)**

**b. Component Units (Continued)**

**1. Capital Area Transit System Pension Plan (Continued)**

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

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Asset</u>
12/31/13	\$408,299	95.0%	\$1,590,755
12/31/12	426,166	77.0	1,609,183
12/31/11	315,871	111.0	1,705,120

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

**Louisiana District Attorneys' Retirement System (LDARS)**

*Plan Description:* The district attorney and assistant attorneys, whose salaries are paid by the State of Louisiana and the Office of the District Attorney, are members of the Louisiana District Attorneys' Retirement System. This retirement system is a multiple employer cost sharing, defined-benefit, statewide public employee retirement system administered and controlled by a separate board of trustees. The Louisiana District Attorneys' Retirement System (LDARS) provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. The LDARS issues a publicly available financial report that includes financial statements and required supplementary information for the LDARS. That report may be obtained by writing to the Louisiana District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 267-4824.

*Funding Policy:* Plan members are required to contribute 8.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate which was 9.75% beginning July 2013. Member contributions and employer contributions for the LDARS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. Employer contributions for 2013, 2012 and 2011 totaled \$216,224, \$207,666 and \$187,145, respectively, and were equal to the required contribution for each year.

**3. Nineteenth Judicial District Court Pension Plans**

**Louisiana State Employees' Retirement System (LASERS)**

*Plan Description:* The employees of the Commissioners' offices, whose salaries are paid from appropriations from the State of Louisiana, court reporters hired after June 30, 2003, and all other District Court employees hired after January 1, 2009, are members of the Louisiana State Employees' Retirement System ("System"), a cost-sharing, multiple-employer defined-benefit public employee retirement system (PERS). The System is a statewide public retirement system for the benefit of state employees which is administered and controlled by a separate board of trustees. The system provides retirement and disability benefits, an annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. The system was established and provided for within Louisiana Revised Statute Title 11 Chapter 401. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling 1(800) 256-3000.

*Funding Policy:* Plan members are required by state statute to contribute 7.5%, 8% for employees hired after July 1, 2006, of gross salary to which District Court added a 29.1%, 25.6% and 22.0% contribution as an employer's match for the years ended June 30, 2013, 2012 and 2011, respectively. The contribution requirements of plan members and the District Court are established and may be amended by the System's Board of Trustees. The District Court and Commissioners' offices statutory and actual contributions for the years ending June 30, 2013, 2012 and 2011 were \$632,066, \$475,181 and \$343,679, respectively, which were equal to the required contributions for each year.

**NOTE 7 - Employees' Retirement Systems (Continued)**

**b. Component Units (Continued)**

**3. Nineteenth Judicial District Court Pension Plans (Continued)**

**Louisiana Clerk of Court Retirement and Relief Fund**

*Plan Description:* Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerk of Court Retirement and Relief Fund, a multiple-employer, cost sharing public employee retirement system, controlled and administered by a separate Board of Trustees. See section b(4) of this note for further disclosure on this multiple-employer cost-sharing PERS.

*Funding Policy:* Plan members are required by state statute to contribute 8.25% of their annual covered salary. The Nineteenth Judicial District Court contributed a rate of 17.25% of annual covered payroll for the years ended June 30, 2013, 2012 and 2011. The amount of employer contributions to the system for the years ended June 30, 2013, 2012 and 2011, were \$477,043, \$521,268 and \$577,581, respectively, which were equal to the required contributions for each year.

**4. East Baton Rouge Parish Clerk of Court Pension Plan**

**Louisiana Clerk of Court Retirement and Relief Fund**

*Plan Description:* Substantially all Clerk of Court employees participate in the Louisiana Clerk of Courts Retirement and Relief Fund ("System"), a multiple-employer (cost-sharing), defined-benefit public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final average salary for each year of credited service prior to July 1, 1999, and 3.33% for each year of credited service after June 30, 1999, not to exceed 100% of their final average salary. Effective January 1, 2011, the retirement age increased to 65 and the amount paid monthly for life will be equal to 3 percent of their final average salary for each year of credited service, not to exceed 100 percent of their final average salary. The system also provides death and disability benefits. Benefits are established and amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, LA 70816.

*Funding Policy:* Plan members are required by state statute to contribute 8.25% of their annual covered salary and the E.B.R. Clerk of Court is required to contribute at an actuarially determined rate. The employer contribution rate was 17.25% of annual covered payroll for the period ended June 30, 2013, 2012 and 2011. Contributions to the system also include one-fourth of 1% of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk's Contributions to the System for the years ended June 30, 2013, 2012 and 2011, were \$1,116,533, \$1,049,627 and \$1,108,224, respectively, and were equal to the required contributions for each year.

Effective July 1, 1999, the East Baton Rouge Parish Clerk of Court could elect to pay all or a portion of the 8.25% employee retirement contribution which would otherwise be deducted from the employees' salaries. This election can be changed annually by the Clerk. The Clerk elected to implement this policy for the years ended June 30, 2013, 2012 and 2011. The Clerk's contributions to the System under this election were \$451,834, \$425,076 and \$456,379, respectively for the years ended in 2013, 2012 and 2011.

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

**Plan description:**

The City-Parish OPEB Plan is a single-employer defined benefit "substantive plan" as understood by past practices of the employer and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communications to plan members. The OPEB plan does not issue a stand-alone financial report.

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

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

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

**Current Funding policy:**

The contribution requirements of the employees/retirees and the participating City-Parish employers are established in the annual operating budget and may be amended in subsequent years. During 2013, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The government's health plan is a self-insured program with a third party administrator. During 2013, employees and retirees contributed 12% - 42% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 58% - 88% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

The employer contribution to the OPEB plan for 2013 totaled \$19,141,420; or approximately 12% of gross payroll as approved by the Metropolitan Council in the 2013 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled \$6,702,924 for 2013. Approximately 3,800 active employees and 2,300 retirees along with applicable dependents, were covered by the plan in 2013.

**Annual OPEB Cost and Net OPEB Obligation:**

The City-Parish's annual OPEB cost (expense) was calculated based on the *annual required contribution* of the employer (ARC), an amount actuarially determined in accordance with the parameters of Section P50 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actuarial amortization period. The ARC was calculated as part of the January 1, 2013, biannual actuarial valuation performed by an outside actuary consultant. The following table shows the components of the government's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total Primary</u>	<u>City-Parish Plan</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	<u>Government</u>	<u>Component</u>	<u>OPEB Plan</u>
				<u>Units</u>	
Annual required contribution (ARC)	\$ 59,483,647	\$ 5,453,109	\$ 64,936,756	\$ 3,132,045	\$ 68,068,801
Interest on net OPEB obligation	9,795,084	897,956	10,693,040	515,750	11,208,790
Adjustment to ARC	<u>(9,731,642)</u>	<u>(892,139)</u>	<u>(10,623,781)</u>	<u>(512,409)</u>	<u>(11,136,190)</u>
Annual OPEB cost (expense)	59,547,089	5,458,926	65,006,015	3,135,386	68,141,401
Less: Contributions made	<u>(16,727,215)</u>	<u>(1,533,452)</u>	<u>(18,260,667)</u>	<u>(880,753)</u>	<u>(19,141,420)</u>
Increase in net OPEB obligation	42,819,874	3,925,474	46,745,348	2,254,633	48,999,981
Net OPEB obligation-beginning of year	<u>243,499,371</u>	<u>23,982,222</u>	<u>267,481,593</u>	<u>12,738,148</u>	<u>280,219,741</u>
Net OPEB obligation-end of year	<u>\$286,319,245</u>	<u>\$27,907,696</u>	<u>\$314,226,941</u>	<u>\$14,992,781</u>	<u>\$329,219,722</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

The Primary Government's portion of the Plan's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding two years were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase (Decrease) to net OPEB Obligation	Net OPEB Obligation
12/31/13	\$65,006,015	28.1%	\$46,745,348	\$314,226,941
12/31/12	65,826,057	27.8	47,543,757	267,481,593
12/31/11	65,745,423	29.1	46,635,625	219,937,836

Disclosure for those discretely presented component units listed at the beginning of this note and belonging to the City-Parish OPEB Plan were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase (Decrease) to net OPEB Obligation	Net OPEB Obligation
12/31/13	\$3,135,386	28.1%	\$2,254,633	\$14,992,781
12/31/12	3,060,224	27.8	2,210,287	12,738,148
12/31/11	3,128,201	29.1	2,218,947	10,527,861

**Funding status and funding progress:**

As of January 1, 2013, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$948.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$948.5 million. The ratio of UAAL to the covered payroll amount of \$165.7 million was 572.5 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions:**

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that date. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The projected unit credit actuarial cost method was used for the January 1, 2013, actuarial valuation. Because the government currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the historical (and expected investments that are expected to be used in financing the payment of benefits). The actuarial assumptions included a four percent investment rate of return, compounded annually. Life expectancies were based on the Sex Distinct 2000 Combined Healthy Mortality Table projected to 2014 using Scale AA. Turnover rates were based on the government's historical data and modified based on years of employment. Probabilities of disability, retirement rates, and withdrawal rates are based on the government's historical data using probabilities from the government's retirement systems.

Both historical retiree claim costs and year 2013 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. In addition to a general inflation rate of 2.5 percent, the plan assumes a medical inflation rate of 5.6 percent beginning in 2013, decreasing to a rate of 4.5 percent in 2088. The actuarial valuation also assumes that (1) seventy-five to eighty-five percent of members are assumed to elect retiree medical coverage upon retirement; (2) female spouses are assumed to be three years younger than males; (3)

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

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

fifty-five percent of employees are assumed to be married at retirement and elect spouse's coverage; (4) zero percent of employees will have dependent children at retirement; (5) one hundred percent of members will elect medicare coverage when they are first eligible; and (6) ten percent of participants hired prior to April 1, 1986, are assumed to be ineligible for medicare upon reaching age sixty-five. However, all spouses of retirees are assumed to be medicare eligible upon reaching age sixty-five.

The amortization method for the plan is a level percentage of payroll with a thirty-year open amortization. The expected long-term payroll growth rate was estimated at 3.0 percent, compounded annually. The remaining amortization period at January 1, 2013, was thirty years.

**NOTE 9 - Risk Management**

**a. Types of Risk**

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

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

**b. Accounting for Risk**

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

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

There were no major changes in outside insurance coverage for the year ended December 31, 2013.

**c. Contingent Liabilities - Claims and Judgments**

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

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



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 9 - Risk Management (Continued)**

**f. Fund Balance Committed to Self-insurance purposes**

The City-Parish Metropolitan Council maintains a practice of committing a portion of General Fund fund balance for self-insurance purposes. The amount committed for insurance at December 31, 2013, was determined as follows:

Fund balance committed to self insurance, January 1, 2013	\$43,111,117
Less: Appropriations from self insurance commitment for risk management purposes	(1,133,234)
Plus: Additional amount committed for insurance by authority of the Budget Ordinance	5,930,735
Plus: Federal government subsidies for employee/retiree insurance purposes	833,291
Interest earned on designated funds during 2013	<u>76,858</u>
Insurance Commitment, December 31, 2013	<u><u>\$48,818,767</u></u>

**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 2013:

	Balance <u>1/1/13</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/13</u>	Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Excess revenue contracts, loans and notes	\$ 93,712,270	\$ --	\$ 4,448,786	\$ 89,263,484	\$ 4,551,286
Deferred premium on bonds	7,039,821	--	728,600	6,311,221	--
Revenue bonds payable, gross	234,585,000	11,000,000	11,305,000	234,280,000	12,280,000
Less: Intragovernment payable	(3,135,000)	--	(306,250)	(2,828,750)	(321,250)
Obligation payable (off-market swaps)	6,957,796	--	514,124	6,443,672	--
Derivative Instrument Liability	19,619,906	--	9,009,990	10,609,916	--
Compensated absences payable	26,087,512	6,340,726	7,939,413	24,488,825	11,573,098
Claims and judgments payable (Note 9)	30,217,318	13,239,841	3,929,420	39,527,739	776,536
Employee benefits payable (Note 9)	4,711,371	57,003,271	57,079,002	4,635,640	4,635,640
Net other postemployment benefit obligation	<u>243,499,371</u>	<u>59,547,089</u>	<u>16,727,215</u>	<u>286,319,245</u>	<u>--</u>
Total governmental activities	<u>\$ 663,295,365</u>	<u>\$147,130,927</u>	<u>\$111,375,300</u>	<u>\$ 699,050,992</u>	<u>\$33,495,310</u>
<b>Business-Type Activities:</b>					
Excess revenue contracts, loans and notes	\$ 12,082,652	\$218,760,000	\$ 5,462,492	\$ 225,380,160	\$ 1,377,000
Revenue bonds payable	1,003,709,523	25,580,892	42,235,000	987,055,415	15,055,000
Deferred premiums and discounts	245,436	6,891,727	1,025,919	6,111,244	--
Revenue bonds payable from City issues	3,135,000	--	306,250	2,828,750	321,250
Obligation payable (off-market swaps)	50,066,577	560,323	2,268,344	48,358,556	--
Derivative instrument liability	89,283,927	--	48,268,367	41,015,560	--
Loans payable	966,124	--	369,900	596,224	--
Landfill closure and postclosure care liability (Note 17)	10,948,908	492,716	--	11,441,624	--
Compensated absences payable	2,118,840	419,892	502,464	2,036,268	2,010,802
Net other postemployment benefit obligation	<u>23,982,222</u>	<u>5,458,926</u>	<u>1,533,452</u>	<u>27,907,696</u>	<u>--</u>
Total business-type activities	<u>\$1,196,539,209</u>	<u>\$258,164,476</u>	<u>\$101,972,188</u>	<u>\$1,352,731,497</u>	<u>\$18,764,052</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(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, \$119,499 of compensated absences for internal service funds is included in the above amount. The compensated absences liability attributable to governmental activities has been liquidated primarily by the General Fund in prior years with any remainder liquidated in the governmental and internal service funds in which the liability occurred. Claims and judgments payable, employee benefits payable, and net other post-employment benefits obligation 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, 2013:

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
<b>Governmental Activities:</b>					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
2002A Fixed Rate Taxable Refunding	01/15-07/15	05/17/2002	01/01/2029	\$ 25,900,000	\$ --
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/2002	01/15/2029	47,550,000	--
2012 Taxable Refunding	01/15-7/15	04/04/2012	01/15/2029	58,075,000	56,730,000
LA Community Development 2000A Program Visit Baton Rouge	Monthly	09/01/2007	11/30/2029	750,000	628,800
Parish of East Baton Rouge:					
LA Community Development Authority 1999	Monthly	08/11/1999	05/31/2018	1,764,713	1,179,684
2012 LCDA Road Improvements Project	02/01-08/01	03/01/2012	08/01/2030	<u>33,585,000</u>	<u>30,725,000</u>
<b>Total excess revenue contracts, loans and notes</b>				<u>167,624,713</u>	<u>89,263,484</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	8,805,000
2010B Public Improvement Sales Tax	02/01-08/01	09/28/2010	08/01/2026	19,045,000	16,745,000
Less: debt recorded in business- type activities				(3,840,000)	(2,828,750)
Parish of East Baton Rouge:					
Road and Street Improvement:					
2006A Sales Tax Bonds	02/01-08/01	05/03/2006	08/01/2015	32,760,000	8,450,000
2008A Sales Tax Bonds (Variable)	02/01-08/01	04/17/2008	08/01/2030	93,440,000	93,440,000
2009A Sales Tax Bonds	02/01-08/01	02/12/2009	08/01/2030	110,000,000	95,840,000
2013A Public Improvement Sales Tax	02/01-08/01	06/13/2013	02/01/2028	<u>11,000,000</u>	<u>11,000,000</u>
<b>Total revenue bonds</b>				<u>292,800,000</u>	<u>231,451,250</u>
<b>Total governmental activities</b>				<u>460,424,713</u>	<u>320,714,734</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**2. Schedule of Bonds Payable (Continued)**

	<u>Interest Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Authorized and Issued</u>	<u>Outstanding</u>
<b>Business-Type Activities:</b>					
<u>Excess revenue contracts, loans and notes</u>					
City of Baton Rouge:					
LCDA loan 1999 Program	Monthly	08/11/1999	05/31/2018	\$ 4,653,492	\$ --
Parish of East Baton Rouge:					
LCDA loan 1999 Program	Monthly	08/11/1999	05/31/2018	9,701,660	6,620,160
Sewerage Commission:					
2013A LCDA Sewerage Commission Projects	02/01-08/01	05/09/2013	02/01/2048	126,260,000	126,260,000
2013B (LIBOR Index) LCDA Sewerage Commission Projects	Monthly	05/10/2013	02/01/2049	<u>92,500,000</u>	<u>92,500,000</u>
Total excess revenue contracts, loans and notes				<u>233,115,152</u>	<u>225,380,160</u>
<u>Revenue bonds</u>					
City of Baton Rouge:					
Airport:					
2005B Public Improvement Sales Tax (Taxable)	02/01-08/01	04/19/2005	08/01/2029	2,100,000	1,625,000
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	46,035,000
2008B Public Improvement Sales Tax (Taxable)	02/01-08/01	01/24/2008	08/01/2022	9,505,000	6,560,000
2010A Public Improvement Sales Tax (GO Zone)	02/01-08/01	01/28/2010	08/01/2039	6,000,000	5,745,000
Revenue bonds payable from City issues				3,840,000	2,828,750
Parish of East Baton Rouge:					
Sewer sales tax revenue bonds:					
2005A Public Improvement Sales Tax	02/01-08/01	05/05/2005	02/01/2024	33,255,000	--
Sewerage Commission:					
2006 A/B Revenue Refunding bonds	02/01-08/01	08/17/2006	02/01/2036	196,930,000	170,895,000
2009A Revenue bonds	02/01-08/01	05/14/2009	02/01/2039	164,965,000	164,965,000
2010 Revenue Bonds (DEQ)	02/01-08/01	04/29/2010	02/01/2031	7,889,523	7,509,523
2010A Revenue Bonds	02/01-08/01	05/27/2010	02/01/2014	17,140,000	4,540,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	02/01-08/01	05/27/2010	02/01/2045	357,840,000	357,840,000
2011A Revenue Bonds (LIBOR Index)	Monthly	07/28/2011	02/01/2046	202,500,000	195,760,000
2013A Taxable Revenue Bonds	02/01-08/01	03/06/2013	02/01/2034	190,892	190,892
2013B Taxable Revenue Refunding Bonds	02/01-08/01	05/02/2013	02/01/2024	<u>25,390,000</u>	<u>25,390,000</u>
Total revenue bonds				<u>1,074,750,415</u>	<u>989,884,165</u>
Total business-type activities				<u>1,307,865,567</u>	<u>1,215,264,325</u>
Total all bonds, contracts, loans and notes				<u>\$1,768,290,280</u>	<u>\$1,535,979,059</u>

The City-Parish is in compliance with all legal debt covenants at December 31, 2013.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**3. Changes in Bonds Payable**

	Outstanding January 1, 2013	Issued	Retired	Outstanding December 31, 2013
<b>Governmental Activities:</b>				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
2002A Fixed Rate Taxable Refunding	\$ 785,000	\$ --	\$ 785,000	\$ --
2002B Fixed Rate Taxable Refunding	1,330,000	--	1,330,000	--
2012 Taxable Refunding	57,560,000	--	830,000	56,730,000
LA Community Development 2000A Program Visit Baton Rouge	653,700	--	24,900	628,800
Parish of East Baton Rouge:				
LA Community Development Authority 1999	1,403,570	--	223,886	1,179,684
2012 LCDA Road Improvement Project	31,980,000	--	1,255,000	30,725,000
Total excess revenue contracts, loans and notes	93,712,270	--	4,448,786	89,263,484
<u>Revenue bonds</u>				
City of Baton Rouge:				
2007A Public Improvement Sales Tax	11,410,000	--	2,605,000	8,805,000
2010B Public Improvement Sales Tax	17,815,000	--	1,070,000	16,745,000
Less: debt recorded in business- type activities	(3,135,000)	--	(306,250)	(2,828,750)
Parish of East Baton Rouge:				
Road and Street Improvement:				
2006A Sales Tax Bonds	12,375,000	--	3,925,000	8,450,000
2008A Sales Tax Bonds (Variable)	93,440,000	--	--	93,440,000
2009A Sales Tax Bonds	99,545,000	--	3,705,000	95,840,000
2013A Public Improvement Sales Tax	--	11,000,000	--	11,000,000
Total revenue bonds	231,450,000	11,000,000	10,998,750	231,451,250
Total governmental activities	325,162,270	11,000,000	15,447,536	320,714,734
<b>Business-Type Activities:</b>				
<u>Excess revenue contracts, loans and notes</u>				
City of Baton Rouge:				
LCDA loan 1999 Program	4,153,492	--	4,153,492	--
Parish of East Baton Rouge:				
LCDA loan 1999 Program	7,929,160	--	1,309,000	6,620,160
Sewerage Commission:				
2013A LCDA Sewerage Commission Projects	--	126,260,000	--	126,260,000
2013B (LIBOR Index) LCDA Sewerage Commission Projects	--	92,500,000	--	92,500,000
Total excess revenue contracts, loans and notes	12,082,652	218,760,000	5,462,492	225,380,160

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**3. Changes in Bonds Payable (Continued)**

	Outstanding January 1, 2013	Issued	Retired	Outstanding December 31, 2013
<b>Business-Type Activities: (Continued)</b>				
<u>Revenue bonds</u>				
City of Baton Rouge:				
2005B Public Improvement Sales Tax (Airport -Taxable)	\$ 1,690,000	\$ --	\$ 65,000	\$ 1,625,000
2008A-2 Public Improvement Sales Tax	46,640,000	--	605,000	46,035,000
2008B Public Improvement Sales Tax (Taxable)	7,145,000	--	585,000	6,560,000
2010A Public Improvement Sales Tax (GO Zone)	5,875,000	--	130,000	5,745,000
Revenue bonds payable from City issues	3,135,000	--	306,250	2,828,750
Parish of East Baton Rouge:				
Sewer sales tax revenue bonds:				
2005A Public Improvement Sales Tax	28,205,000	--	28,205,000	--
Sewerage Commission:				
2006 A/B Revenue Refunding Bonds	175,380,000	--	4,485,000	170,895,000
2009A Revenue Bonds	164,965,000	--	--	164,965,000
2010 Revenue Bonds (DEQ)	7,889,523	--	380,000	7,509,523
2010A Revenue Bonds	8,880,000	--	4,340,000	4,540,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	357,840,000	--	--	357,840,000
2011A Revenue Bonds (LIBOR Index)	199,200,000	--	3,440,000	195,760,000
2013A Taxable Revenue Bonds	--	190,892	--	190,892
2013B Taxable Revenue Refunding Bonds	--	25,390,000	--	25,390,000
Total revenue bonds	<u>1,006,844,523</u>	<u>25,580,892</u>	<u>42,541,250</u>	<u>989,884,165</u>
Total business-type activities	<u>1,018,927,175</u>	<u>244,340,892</u>	<u>48,003,742</u>	<u>1,215,264,325</u>
Total all bonds, contracts, loans and notes	<u>\$1,344,089,445</u>	<u>\$255,340,892</u>	<u>\$63,451,278</u>	<u>\$1,535,979,059</u>

**4. Interest Requirements to Maturity**

The following is a summary of bonded debt at December 31, 2013, and interest requirements to maturity:

	Debt Payable 12/31/2013	Interest Requirements to Maturity	Total
<b>Governmental Activities:</b>			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2012 Taxable Refunding	\$ 56,730,000	\$ 18,315,694	\$ 75,045,694
LA Community Development 2000A Program Visit Baton Rouge	628,800	100,587	729,387
Parish of East Baton Rouge:			
LA Community Development 1999 Program	1,179,684	67,610	1,247,294
2012 LCDA Road Improvement Project	<u>30,725,000</u>	<u>13,889,350</u>	<u>44,614,350</u>
Total excess revenue contracts, loans and notes	<u>89,263,484</u>	<u>32,373,241</u>	<u>121,636,725</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**4. Interest Requirements to Maturity (Continued)**

	<u>Debt Payable</u> <u>12/31/2013</u>	<u>Interest</u> <u>Requirements</u> <u>to Maturity</u>	<u>Total</u>
<b>Governmental Activities: (Continued)</b>			
<u>Revenue bonds</u>			
City of Baton Rouge:			
2007A City Sales Tax (3.82%)*	\$ 8,805,000	\$ 817,950	\$ 9,622,950
2010B City Sales Tax (3.02%)*	16,745,000	4,072,237	20,817,237
Less: Debt recorded in business-type activities	(2,828,750)	(456,583)	(3,285,333)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds (4.09%)*	8,450,000	616,830	9,066,830
2008A Sales Tax Bonds (Variable)	93,440,000	38,747,176	132,187,176
2009A Sales Tax Bonds (4.83%)*	95,840,000	50,216,018	146,056,018
2013A Parish Sales Tax	<u>11,000,000</u>	<u>1,900,297</u>	<u>12,900,297</u>
Total revenue bonds	<u>231,451,250</u>	<u>95,913,925</u>	<u>327,365,175</u>
Total governmental activities	<u>320,714,734</u>	<u>128,287,166</u>	<u>449,001,900</u>
 <b>Business-Type Activities:</b>			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	6,620,160	240,777	6,860,937
East Baton Rouge Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	126,260,000	169,531,450	295,791,450
2013B (LIBOR Index) Sewerage Commission Projects	<u>92,500,000</u>	<u>142,535,238</u>	<u>235,035,238</u>
Total excess revenue contracts, loans and notes	<u>225,380,160</u>	<u>312,307,465</u>	<u>537,687,625</u>
 <u>Revenue bonds</u>			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Airport -Taxable) (5.65%)*	1,625,000	904,056	2,529,056
2008A-2 Public Improvement Sales Tax (4.59%)*	46,035,000	33,923,960	79,958,960
2008B Public Improvement Sales Tax (Taxable) (4.59%)*	6,560,000	1,841,419	8,401,419
2010A Public Improvement Sales Tax (GO Zone) (4.36%)	5,745,000	3,887,614	9,632,614
Revenue bonds payable from City issues	2,828,750	456,583	3,285,333
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds (4.65%)*	170,895,000	101,159,875	272,054,875
2009A Revenue Bonds (5.33%)*	164,965,000	162,916,755	327,881,755
2010 Revenue Bonds (DEQ)	7,509,523	314,668	7,824,191
2010A Revenue Bonds (1.69%)*	4,540,000	113,500	4,653,500
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) (3.94%)*	357,840,000	520,180,200	878,020,200
2011A Revenue Bonds (LIBOR Index) (Variable)	195,760,000	163,150,970	358,910,970
2013A Taxable Revenue Bonds (DEQ)	190,892	28,701	219,593
2013B Taxable Revenue Refunding Bonds (2.54%)*	<u>25,390,000</u>	<u>4,286,061</u>	<u>29,676,061</u>
Total revenue bonds	<u>989,884,165</u>	<u>993,164,362</u>	<u>1,983,048,527</u>
Total business-type activities	<u>1,215,264,325</u>	<u>1,305,471,827</u>	<u>2,520,736,152</u>
Total all bonds, contracts, loans and notes	<u>\$1,535,979,059</u>	<u>\$1,433,758,993</u>	<u>\$2,969,738,052</u>

\* True interest cost (TIC)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 -- Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**5. Debt Service Requirements to Maturity**

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

**Governmental Activities:**

Year	Excess Revenue Contracts, Loans and Notes			Revenue Bonds			Total Governmental Activities
	Principal	Interest	Total	Principal	Interest	Total	
2014	\$ 4,551,286	\$ 3,133,462	\$ 7,684,748	\$ 11,958,750	\$ 10,055,123	\$ 22,013,873	\$ 29,698,621
2015	4,616,486	3,072,330	7,688,816	12,625,833	9,475,929	22,101,762	29,790,578
2016	4,694,285	2,987,025	7,681,310	12,731,667	8,878,800	21,610,467	29,291,777
2017	4,786,885	2,892,402	7,679,287	11,193,750	8,362,735	19,556,485	27,235,772
2018	4,880,742	2,805,122	7,685,864	11,266,667	7,947,689	19,214,356	26,900,220
2019-2023	25,557,800	11,432,930	36,990,730	63,634,583	32,026,883	95,661,466	132,652,196
2024-2028	31,410,300	5,704,345	37,114,645	76,170,000	17,141,037	93,311,037	130,425,682
2029-2030	8,765,700	345,625	9,111,325	31,870,000	2,025,729	33,895,729	43,007,054
Total	<u>\$89,263,484</u>	<u>\$32,373,241</u>	<u>\$121,636,725</u>	<u>\$ 231,451,250</u>	<u>\$ 95,913,925</u>	<u>\$ 327,365,175</u>	<u>\$ 449,001,900</u>

**Business-Type Activities:**

Year	Excess Revenue Contracts, Loans and Notes			Revenue Bonds			Total Business-Type Activities
	Principal	Interest	Total	Principal	Interest	Total	
2014	\$ 1,377,000	\$ 10,013,232	\$ 11,390,232	\$ 15,376,250	\$ 50,764,112	\$ 66,140,362	\$ 77,530,594
2015	1,442,500	9,991,286	11,433,786	16,594,191	49,059,778	65,653,969	77,087,755
2016	1,514,000	9,968,290	11,482,290	17,196,862	48,409,552	65,606,414	77,088,704
2017	1,591,000	9,944,126	11,535,126	19,498,303	47,689,429	67,187,732	78,722,858
2018	695,660	9,922,468	10,618,128	20,473,924	46,876,755	67,350,679	77,968,807
2019-2023	--	49,598,625	49,598,625	116,617,423	220,021,047	336,638,470	386,237,095
2024-2028	--	49,598,625	49,598,625	129,875,533	191,168,664	321,044,197	370,642,822
2029-2033	5,300,000	49,466,125	54,766,125	151,050,779	156,773,335	307,824,114	362,590,239
2034-2038	20,240,000	45,090,125	65,330,125	183,420,900	115,319,550	298,740,450	364,070,575
2039-2043	26,830,000	40,316,875	67,146,875	213,175,000	60,473,074	273,648,074	340,794,949
2044-2048	141,760,000	27,840,434	169,600,434	106,605,000	6,609,066	113,214,066	282,814,500
2049	24,630,000	557,254	25,187,254	--	--	--	25,187,254
Total	<u>\$225,380,160</u>	<u>\$312,307,465</u>	<u>\$537,687,625</u>	<u>\$989,884,165</u>	<u>\$993,164,362</u>	<u>\$1,983,048,527</u>	<u>\$2,520,736,152</u>

**6. Future Year Obligations**

Principal and interest requirements of various bond issues for the year 2014 are as follows:

	Principal	Interest	Total Requirements
<b>Governmental Activities:</b>			
<u>Excess revenue contracts, loans and notes</u>			
City of Baton Rouge:			
2012 Taxable Refunding	\$ 3,010,000	\$1,771,805	\$ 4,781,805
LA Community Development 2000A Program			
Visit-Baton Rouge	26,400	10,854	37,254
Parish of East Baton Rouge:			
LA Community Development 1999 Program	224,886	16,797	241,683
2012 LCDA Road Improvements Project	1,290,000	1,334,006	2,624,006
Total excess revenue contracts, loans and notes	<u>4,551,286</u>	<u>3,133,462</u>	<u>7,684,748</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**6. Future Year Obligations (Continued)**

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
<b>Governmental Activities (Continued):</b>			
<u>Revenue bonds</u>			
City of Baton Rouge:			
2007A City Sales Tax	\$ 2,710,000	\$ 393,525	\$ 3,103,525
2010B City Sales Tax	1,120,000	569,763	1,689,763
Less: Debt recorded in business-type activities	(321,250)	(98,462)	(419,712)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds	4,110,000	406,790	4,516,790
2008A Sales Tax Bonds (Variable)	--	3,741,908	3,741,908
2009A Sales Tax Bonds	3,815,000	4,778,868	8,593,868
2013A Parish Sales Tax	<u>525,000</u>	<u>262,731</u>	<u>787,731</u>
Total revenue bonds	<u>11,958,750</u>	<u>10,055,123</u>	<u>22,013,873</u>
Total governmental activities	<u>16,510,036</u>	<u>13,188,585</u>	<u>29,698,621</u>
 <b>Business-Type Activities:</b>			
<u>Excess revenue contracts, loans and notes</u>			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	1,377,000	93,507	1,470,507
Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	--	5,734,100	5,734,100
2013B (LIBOR Index) LCDA Sewerage Commission Projects	--	<u>4,185,625</u>	<u>4,185,625</u>
Total excess revenue contracts, loans and notes	<u>1,377,000</u>	<u>10,013,232</u>	<u>11,390,232</u>
 <u>Revenue bonds</u>			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Taxable-Airport)	65,000	91,952	156,952
2008A-2 Public Improvement Sales Tax	630,000	2,083,350	2,713,350
2008B Public Improvement Sales Tax (Taxable)	615,000	350,825	965,825
2010A Public Improvement Sales Tax (GO Zone)	135,000	237,644	372,644
Plus: Revenue bonds payable from City issues	321,250	98,462	419,712
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds	4,675,000	7,896,575	12,571,575
2009A Revenue Bonds	--	8,405,219	8,405,219
2010 Revenue Bonds (DEQ)	380,000	32,937	412,937
2010A Revenue Bonds	4,540,000	113,500	4,653,500
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	--	21,006,412	21,006,412
2011A Revenue Bonds (LIBOR Index)	3,590,000	9,897,006	13,487,006
2013A Taxable Revenue Bonds (DEQ)	--	2,291	2,291
2013B Taxable Revenue Refunding Bonds	<u>425,000</u>	<u>547,939</u>	<u>972,939</u>
Total revenue bonds	<u>15,376,250</u>	<u>50,764,112</u>	<u>66,140,362</u>
Total business-type activities	<u>16,753,250</u>	<u>60,777,344</u>	<u>77,530,594</u>
Total all bonds, contracts, loans and notes	<u>\$33,263,286</u>	<u>\$73,965,929</u>	<u>\$107,229,215</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**7. Legal Debt Margin - General Obligation Bonds**

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

**Governing Authority: City of Baton Rouge**

Ad valorem taxes:

Assessed valuation, 2013 tax rolls	<u>\$1,795,307,604</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 179,530,760
Debt limit: 15% of assessed valuation (for sewerage purposes)	269,296,141
Debt limit: 35% of assessed valuation (aggregate, all purposes)	628,357,661

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, 2013 tax rolls	<u>\$4,380,432,166</u>
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 430,043,217
Debt limit: 15% of assessed valuation (for sewerage purposes)	657,064,825

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, 2013 tax rolls	<u>\$4,380,432,166</u>
Debt limit: 15% of assessed valuation (for sewerage purposes)	\$ 657,064,825

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

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

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

**8. 2% Sales Tax Revenue Bonds**

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**8. 2% Sales Tax Revenue Bonds (Continued)**

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2013, is as follows:

	City	Parish
Actual 2013 Revenues	<u>\$ 93,487,389</u>	<u>\$ 82,987,383</u>
Debt Capacity Before Outstanding Bonds (40%)	37,394,956	33,194,953
Less: Highest Annual Debt Service on Outstanding Bonds	<u>(9,018,843)</u>	<u>(918,810)</u>
Debt Capacity	\$ 28,376,113	\$ 32,276,143
Interest factor for \$1. of debt, 5.0%, 25 years	0.070952457	0.070952457
Additional Bond Capacity (25 Years at 5.5%)	<u>\$399,931,365</u>	<u>\$454,898,172</u>

These bonds are paid through the City Sales Tax Revenue Bonds Debt Service Fund and the Parish Sales Tax Revenue Bonds Debt Service Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2013, the following issues are outstanding:

<u>Bond Issue</u>	<u>Outstanding 12/31/2013</u>	<u>Primary Purpose of Issue</u>
<b>City of Baton Rouge:</b>		
<u>Governmental type activities:</u>		
\$30,395,000; Series 2007A	\$ 8,805,000	Current and advance refunding parity bond issues
\$19,045,000; Series 2010B	16,745,000	Advance refunding parity bond issue
<u>Business type activities:</u>		
\$ 2,100,000; Series 2005B	1,625,000	Provide capital improvement funds for airport projects
\$47,205,000; Series 2008A-2	46,035,000	Provide and restructure prior District Indebtedness
\$ 9,505,000; Series 2008B	6,560,000	Provide and restructure prior District Indebtedness
\$ 6,000,000; Series 2010A (GO Zone)	<u>5,745,000</u>	Provide capital improvement funds for airport projects
Total	<u>\$85,515,000</u>	
<b>Parish of East Baton Rouge:</b>		
<u>Governmental type activities:</u>		
\$11,000,000; Series 2013A	\$11,000,000	Provide funds for a Public Safety Complex

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

**9. ½% Sewer Sales Tax Revenue Bonds**

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**9. ½% Sewer Sales Tax Revenue Bonds (Continued)**

Louisiana Revised Statute 39:698.5 requires that the maturities of the bonds shall be so arranged that the total amount of principal and interest falling due in any year, together with principal and interest falling due in any year on all parity bonds theretofore issued, and then outstanding, shall never exceed 75% of the amount of sales tax revenues estimated by the governing authority to be received by it in the calendar year in which bonds are issued. Provided however, in the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage district, the Parish pledged the Sales Tax Revenues (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement. As of December 31, 2013, there are no ½% Sewer Sales Tax Bonds outstanding and the Parish is no longer authorized to issue additional ½% Sewer Sales Tax bonds.

Anticipated revenues based on 2014 annual operating budget	<u>\$43,069,960</u>
Debt Capacity Before Outstanding Bonds (75%)	32,302,470
Less: Sales Tax Collection Costs (based on 2014 budget)	<u>(600,000)</u>
Debt Capacity Pledged for E.B.R. Sewerage Commission Revenue Bonds	<u>\$31,702,470</u>

**10. ½% Road and Street Sales Tax Revenue Bonds**

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

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

Anticipated revenues based on 2014 annual operating budget	<u>\$28,037,740</u>
Debt Capacity Before Outstanding Bonds (75%)	21,028,305
Highest Annual Debt Service on Outstanding Bonds	<u>17,133,815</u>
Debt Capacity	\$ 3,894,490
Interest factor for \$1 of debt, 5.00%, 17 years	0.088699142
Additional Bond Capacity (17 Years at 5.00%)	<u>\$43,906,738</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2013</u>	<u>Primary Purpose of Issue</u>
Parish of East Baton Rouge:		
Road and Street Sales Tax Revenue Bonds:		
\$ 32,760,000; Series 2006A	\$ 8,450,000	Road and Street Capital Improvements Program
\$ 93,440,000; Series 2008A	93,440,000	Road and Street Capital Improvements Program
\$110,000,000; Series 2009A	<u>95,840,000</u>	Road and Street Capital Improvements Program
Total	<u>\$197,730,000</u>	

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**11. East Baton Rouge Sewerage Commission Bonds**

In the Fifth Amendatory Intergovernmental Agreement between the City of Baton Rouge, the Parish of East Baton Rouge, and the Greater Baton Rouge Consolidated Sewerage district, the Parish pledged the Sales Tax Revenues (after payment of Debt Service on the Outstanding Sales Tax Revenue Bonds) as security for and for the payment of debt service on the revenue bonds to be issued by the East Baton Rouge Sewerage Commission under the Agreement.

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

Debt Capacity Provided by ½% Sewer Sales Tax Revenue Before Outstanding Bonds	\$ 31,702,470
Budgeted 2014 Sewer User Fees and Other Revenues	77,484,000
Less: Operating and Maintenance Expense	<u>(48,079,250)</u>
Debt Capacity Before Outstanding Bonds	61,107,220
Highest Annual Debt Service on Outstanding Bonds (Net of Build America Bonds Direct Subsidy Payment)	<u>59,053,159</u>
Debt Capacity	\$ 2,054,061
Interest factor for \$1 of debt, 4.5%, 40 year	0.054343147
Additional Bond Capacity (40 Years at 4.5%)	<u>\$ 37,797,977</u>

<u>Bond Issue</u>	<u>Outstanding 12/31/2013</u>	<u>Primary Purpose of Issue</u>
East Baton Rouge Sewerage Commission:		
\$154,915,000; Series 2006A	\$128,880,000	Sewerage Capital Improvements Program
\$ 42,015,000; Series 2006B	42,015,000	Sewerage Capital Improvements Program
\$164,965,000; Series 2009A	164,965,000	Sewerage Capital Improvements Program
\$ 8,300,000; Series 2010 DEQ	7,509,523	Sewerage Capital Improvements Program
\$ 17,140,000; Series 2010A	4,540,000	Sewerage Capital Improvements Program
\$357,840,000; Series 2010B BABs	357,840,000	Sewerage Capital Improvements Program
\$202,500,000; Series 2011A (LIBOR Index)	195,760,000	Sewerage Capital Improvements Program
\$ 45,000,000; Series 2013A	190,892	Sewerage Capital Improvements Program
\$ 25,390,000; Series 2013B	<u>25,390,000</u>	Sewerage Capital Improvements Program
 Total	 <u>\$927,090,415</u>	

**12. Derivative Instruments**

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

As of December 31, 2013, the swap agreements can be summarized as follows:

	<u>Changes in Fair Value</u>		<u>Fair Value at December 31, 2013</u>		<u>Notional</u>
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
<u>Governmental Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	\$ (9,009,990)	Non-current liability	\$ (17,053,588)	\$ 92,240,000
	Amortization of off-market swap	(514,124)			
<u>Business-Type Activities:</u>					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	(48,268,367)	Derivative instrument liability	(41,015,560)	288,260,000
	Amortization of off-market swap	(1,708,021)	Obligation Payable	(48,358,556)	

**Terms and Objectives of Hedging Derivative Instruments**

<u>Type</u>	<u>Notional</u>	<u>Objective</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating*</u>
<u>Governmental Activities:</u>						
Cash Flow Hedges:						
Pay-fixed; receive variable interest rate swap	\$46,120,000	to lower borrowing costs on the Rd & Sir Series 2006 Bonds	5/3/2006	8/1/2030	Pay 3.325% (imputed at-the market rate); Receive 70% of 1 month USD-LIBOR	A2 / A / A
Pay-fixed; receive variable interest rate swap	46,120,000	to lower borrowing costs on the Rd & Sir Series 2006 Bonds	5/3/2006	8/1/2030	Pay 3.253% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	Baa2 / A- / A
<u>Business-Type Activities:</u>						
Cash Flow Hedge:						
Pay-fixed; receive variable interest rate swap	92,500,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2046	Pay 4.149%; Receive 70% of 1-month USD-LIBOR	Baa2 / A- / A
Pay-fixed; receive variable interest rate swap	92,500,000	to protect against the potential of higher future interest rates in connection with anticipated issuance of bonds	8/1/2013	2/1/2049	Pay 2.993% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	A2 / A / A+
Pay-fixed; receive variable interest rate swap	103,260,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2032	Pay 2.332% (imputed at-the market rate); Receive 70% of 1-month USD-LIBOR	A2 / A / A+

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

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**a. Governmental Activities**

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

As a means to lower the Parish's borrowing costs, when compared against fixed-rate bonds at the time of issuance in May 2006, the Parish entered into two separate but substantially identical interest rate swaps with Citibank, N.A., New York (\$46,120,000 notional amount) and Merrill Lynch Capital Services, Inc. (\$46,120,000 notional amount) (collectively, the "Counterparties") in connection with its \$92,240,000 Variable Rate Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The intention of the swap agreements was to effectively change the Parish's interest rate on the 2006B Bonds to a synthetic fixed rate of 4.072%, excluding liquidity, remarketing, and other fees associated with the Bonds. Under the terms of the swap agreements effective May 3, 2006, the Parish pays a fixed rate of 4.072% and the Swap Counterparties will pay a variable rate based upon an index of 70% of one-month USD-LIBOR-BBA. Financial Guaranty Insurance Company (FGIC) provided a municipal bond insurance policy for the Series 2006B Bonds. FGIC was downgraded by the rating agencies and, as a result, the variable interest rate on the Series 2006B Bonds increased significantly and was at a rate that was unacceptable to the Parish. To remedy the situation, the Parish decided to replace FGIC with a letter of credit. The only way to affect the change in the municipal bond insurer was to issue refunding bonds. On April 17, 2008, the Parish of East Baton Rouge issued \$93,440,000 Variable Rate Road and Street Improvement Sales Tax Revenue Refunding Bonds, Series 2008A to current refund the Parish's Road and Street Improvement Sales Tax Revenue Bonds, Series 2006B. The Swap Agreements entered into to hedge exposure to variable interest rates on the Series 2006B Bonds, remained in place and were amended to relate to the Series 2008A Bonds. GASB 53 guidance requires that this transaction be treated and reported as a termination of the original swaps and the execution of new swaps. The new swaps are considered off-market swaps because the fixed rate of each swap is higher than the at-the-market rate for a similar swap on the date of the deemed termination. The off-market swaps consist of an imputed at-the-market swap with Citibank at a fixed rate of 3.325%, an imputed at-the-market swap with Merrill Lynch at a fixed rate of 3.253% and above-market swaps with each counterparty. The above-market swaps are treated as imputed borrowings and accrue interest over the life of the swaps. The imputed borrowing amount for each swap is equal to the fair value of the swap on the date of the deemed termination of the original swap. The remaining balance of the Series 2008A Bonds, specifically \$1,200,000 will not be hedged by the Swap Agreements. The bonds and the related swap agreements mature on August 1, 2030. Settlement payments on these swaps are made semiannually corresponding with the interest payment dates of the related bonds. As of December 31, 2013, the swaps had a combined negative fair value of \$17,053,588. This mark-to-market valuation was established by market quotations obtained by the Counterparties and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2013, the Parish determined that these swaps successfully meet the criteria for effectiveness. Accordingly, the fair value of the swaps are recorded as non-current liability and the change in fair value is recorded as deferred outflows on derivative instruments and a reduction in the off-market swap recorded as a non-current liability, both on the entity-wide Statement of Net Position.

As of December 31, 2013, the Parish was not exposed to credit risk on the swaps because the swaps had negative fair value. However, should interest rates change and the fair values of the swaps become positive, the Parish would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. No collateral has been required to date.

The Parish will receive from the counterparties 70% of one-month USD-LIBOR-BBA and will pay the bond rate to its bondholders set by the remarketing agent. The Parish is exposed to basis risk when its Series 2008A Bonds trade at a yield which exceeds 70% of one-month USD-LIBOR-BBA. At December 31, 2013, the variable rate on the bonds was 0.05% and 70% of one-month USD-LIBOR-BBA was 0.12%. When the Series 2008A Bonds trade higher than 70% of one-month USD-LIBOR-BBA, the Parish will experience an increase in debt service above the fixed rate on the swap agreements.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**a. Governmental Activities (Continued)**

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

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

Using interest rates as of December 31, 2013, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Citibank Interest Rate Swap, Net**	Merrill Lynch Interest Rate Swap, Net***	Total
	Principal	Interest*			
2014	\$ --	\$ 46,720	\$ 1,478,827	\$ 1,445,621	\$ 2,971,168
2015	--	46,720	1,478,827	1,445,621	2,971,168
2016	4,565,000	45,891	1,448,723	1,416,190	7,475,804
2017	4,790,000	43,434	1,375,465	1,344,580	7,553,479
2018	4,990,000	40,997	1,298,617	1,269,457	7,599,071
2019 - 2023	28,285,000	164,765	5,219,525	5,102,322	38,771,612
2024 - 2028	34,765,000	86,501	2,742,291	2,680,712	40,274,504
2029 - 2031	16,045,000	8,755	278,606	272,351	16,604,712
Total	<u>\$93,440,000</u>	<u>\$483,783</u>	<u>\$15,320,881</u>	<u>\$14,976,854</u>	<u>\$124,221,518</u>

\* Computed using 12/31/13 variable rate (0.05%)

\*\* Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/13 LIBOR (0.12%)) x (\$46,120,000 - annual reduction)

\*\*\* Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/13 LIBOR (0.12%)) x (\$46,120,000 - annual reduction)

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

Fiscal Year Ending December 31	Imputed borrowing Citibank		Imputed borrowing Merrill Lynch		Total
	Principal	Interest	Principal	Interest	
2014	\$ 273,490	\$ 71,027	\$ 256,271	\$121,451	\$ 722,239
2015	279,677	64,840	266,232	111,491	722,240
2016	286,004	58,512	276,579	101,144	722,239
2017	275,629	52,136	268,786	90,572	687,123
2018	264,173	46,000	259,758	80,310	650,241
2019 - 2023	1,111,378	148,010	1,118,878	261,896	2,640,162
2024 - 2028	647,414	44,944	677,649	81,441	1,451,448
2029 - 2030	87,468	2,148	94,286	3,974	187,876
	<u>\$3,225,233</u>	<u>\$487,617</u>	<u>\$3,218,439</u>	<u>\$852,279</u>	<u>\$7,783,568</u>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**b. Business-Type Activities**

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

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

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

As of December 31, 2013, the swap had a negative fair value of \$27,165,468. This mark-to-market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2013, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System.

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**b. Business-Type Activities (Continued)**

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

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

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

As of December 31, 2013, this swap had a negative fair value of \$26,043,546. This mark to market valuation was established by market quotations obtained by the counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2013, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. Accordingly, the Comprehensive Sewerage System Fund reports the change in fair value as deferred outflows on derivative instruments on the Statement of Net Position. The fair value of the swap is reported as derivative instrument liability on the Statement of Net Position for the Comprehensive Sewerage System.

As of December 31, 2013, the Sewerage Commission was not exposed to credit risk on these swaps because the swaps each had negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Sewerage Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements require collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2013, collateral of \$10,000,000 was posted with Bank of America Merrill Lynch.

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**b. Business-Type Activities (Continued)**

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

Using interest rates as of December 31, 2013, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Deutsche Interest Rate Swap, Net**	Bank of America Interest Rate Swap, Net***	Total
	Principal	Interest*			
2014	\$ 3,590,000	\$ 1,762,007	\$ 2,206,172	\$ 3,728,191	\$ 11,286,370
2015	3,750,000	1,727,623	2,123,167	3,728,191	11,328,981
2016	3,915,000	1,699,410	2,089,073	3,727,890	11,431,373
2017	4,085,000	1,657,452	2,001,247	3,728,191	11,471,890
2018	4,265,000	1,618,487	1,909,273	3,728,191	11,520,951
2019 - 2023	24,290,000	7,449,910	8,019,347	18,640,653	58,399,910
2024 - 2028	30,130,000	6,187,456	5,033,395	18,640,353	59,991,204
2029 - 2033	29,235,000	4,682,209	1,489,621	21,199,203	56,606,033
2034 - 2038	21,305,000	3,873,987	--	20,367,645	45,546,632
2039 - 2043	41,770,000	2,179,743	--	12,057,927	56,007,670
2044 - 2046	29,425,000	300,504	--	2,135,995	31,861,499
Total	<u>\$195,760,000</u>	<u>\$33,138,788</u>	<u>\$24,871,295</u>	<u>\$111,682,430</u>	<u>\$365,452,513</u>

\* Computed using (70% of 12/31/13 LIBOR (0.12%) + fixed spread of 0.65% or 0.80% based on year of maturity)

\*\* Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/13 LIBOR (0.12%)) x (\$110,000,000 - annual reduction)

\*\*\* Computed using (fixed swap rate (4.149%) - 70% of 12/31/13 LIBOR (0.12%)) x (\$92,500,000 - annual reduction)

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

Fiscal Year Ending December 31	Imputed borrowing Deutsche Bank		
	Principal	Interest	Total
2014	\$ 2,090,721	\$ 560,559	\$ 2,651,280
2015	2,042,615	512,768	2,555,383
2016	1,989,127	466,113	2,455,240
2017	1,930,001	420,719	2,350,720
2018	1,864,909	376,717	2,241,626
2019 - 2023	8,114,780	1,282,482	9,397,262
2024 - 2028	5,374,342	481,260	5,855,602
2029 - 2032	1,513,456	55,324	1,568,780
	<u>\$24,919,951</u>	<u>\$4,155,942</u>	<u>\$29,075,893</u>

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**b. Business-Type Activities (Continued)**

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

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

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

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

As of December 31, 2013, the swap had a negative fair value of \$36,165,102. This mark-to-market valuation was established by market quotations obtained by the Counterparty and separately verified by an independent third party. The valuation represents estimates of the amounts that would be paid or received for replacement transactions. As of December 31, 2013, the Sewerage Commission determined that this swap successfully met the criteria for effectiveness. The change in fair value is recorded as deferred outflows on derivative instruments on the Statement of Net Position for the Comprehensive Sewerage System Fund. The fair value of the swap is reported as derivative instrument liability and obligation payable on the Statement of Net Position for the Comprehensive Sewerage System Fund.

As of December 31, 2013, the Commission was not exposed to credit risk on the swap because the swap had negative fair value. However, should interest rates change and the fair value of the swap become positive, the Commission would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreement requires collateral to be posted in varying amounts depending on the counterparties credit rating. At December 31, 2013, no collateral was required.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**b. Business-Type Activities (Continued)**

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

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

Using interest rates as of December 31, 2013, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds		Deutsche Interest Rate Swap, Net**	Total
	Principal	Interest*		
2014	\$ --	\$ 755,633	\$ 2,658,891	\$ 3,414,524
2015	--	755,633	2,658,891	3,414,524
2016	--	755,633	2,658,590	3,414,223
2017	--	755,633	2,658,891	3,414,524
2018	--	755,633	2,658,891	3,414,524
2019 - 2023	--	3,780,233	13,294,153	17,074,386
2024 - 2028	--	3,782,303	13,293,853	17,076,156
2029 - 2033	--	3,780,233	13,294,153	17,074,386
2034 - 2038	--	3,780,233	15,601,257	19,381,490
2039 - 2043	--	3,780,233	15,601,257	19,381,490
2044 - 2048	67,870,000	2,734,860	12,265,810	82,870,670
2049	<u>24,630,000</u>	<u>17,088</u>	<u>427,540</u>	<u>25,074,628</u>
Total	<u>\$92,500,000</u>	<u>\$25,433,348</u>	<u>\$97,072,177</u>	<u>\$215,005,525</u>

\* Computed using (70% of 12/31/13 LIBOR (0.12%) + fixed spread of 0.70%)

\*\* Computed using (imputed fixed swap rate (2.993%) - 70% of 12/31/13 LIBOR (0.12%)) x (\$92,500,000 - annual reduction)

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**12. Derivative Instruments (Continued)**

**b. Business-Type Activities (Continued)**

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

Fiscal Year Ending <u>December 31</u>	Imputed borrowing Deutsche Bank		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 279,079	\$ 1,138,021	\$ 1,417,100
2015	292,834	1,124,266	1,417,100
2016	307,268	1,109,832	1,417,100
2017	322,412	1,094,688	1,417,100
2018	338,305	1,078,795	1,417,100
2019 - 2023	1,958,701	5,126,799	7,085,500
2024 - 2028	2,491,407	4,594,093	7,085,500
2029 - 2033	3,168,989	3,916,511	7,085,500
2034 - 2038	4,030,853	3,054,647	7,085,500
2039 - 2043	5,127,120	1,958,380	7,085,500
2044 - 2048	4,937,456	618,112	5,555,568
2049	184,181	4,484	188,665
	<u>\$23,438,605</u>	<u>\$24,818,628</u>	<u>\$48,257,233</u>

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

**13. Obligations of Intragovernmental Agencies**

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

**Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation**

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the restated Passenger Facility Charge (PFC) Note of \$3,840,000 to make semi-annual payments to the City General Fund through August 2021. Total principal paid on the restated note, prior to 2013 was \$705,000. In 2013, a principal payment of \$306,250 reduced the obligation payable to \$2,828,750. Scheduled maturities and interest are as follows:

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**13. Obligations of Intragovernmental Agencies (Continued)**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 321,250	\$ 98,462	\$ 419,712
2015	334,167	88,825	422,992
2016	348,333	78,800	427,133
2017	366,250	67,600	433,850
2018	383,333	54,000	437,333
2019 and after	<u>1,075,417</u>	<u>68,896</u>	<u>1,144,313</u>
Total	<u>\$2,828,750</u>	<u>\$456,583</u>	<u>\$3,285,333</u>

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

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

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

**a. 1999 Program:**

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

In 2004, the Parish borrowed funds on the 1999 LCDA program to aid in the construction of a new downtown parking facility. A total of \$2,500,000 has been loaned to the Parish at December 31, 2013. Total principal repaid is \$1,473,000, leaving an outstanding debt balance of \$1,027,000 at year-end. This loan is serviced and recorded in the Greater Baton Rouge Parking Authority Nonmajor Enterprise Fund. Future debt service is budgeted over a 5 year period at 1.56%.

In 2006, the Parish borrowed additional funds on the 1999 LCDA program to purchase garbage carts for residents to transition to automated garbage collection for East Baton Rouge Parish. A total of \$2,629,375 had been loaned to the Parish and repaid as of December 31, 2013. This loan was serviced and recorded in the Solid Waste Collection Fund.

In 2008, the Parish borrowed additional funds on the 1999 LCDA program for the Greater Baton Rouge Airport District to provide funds for airport improvements. A total of \$4,653,492 has been loaned to the Parish and repaid as of December 31, 2013. This loan was serviced and recorded by the Airport District.

In 2011, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Lighthouse for the Blind, in order to purchase property for a paper cup manufacturing and training facility. A total of \$1,500,000 has been loaned to the Parish at December 31, 2013. A total of \$571,429 has been repaid, leaving an outstanding debt balance of \$928,571. Future debt service is budgeted over a 5 year period, at 1.56%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. The Lighthouse for the Blind is reimbursing the City for a portion of these debt payments.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

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

**1. City and the Parish LCDA loans (Continued)**

**a. 1999 Program (Continued):**

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the construction of the River Center Expansion Project. A total of \$6,279,481 has been loaned to the Parish at December 31, 2013. A total of \$1,426,000 has been repaid, leaving an outstanding debt balance of \$4,853,481. Future debt service is budgeted over a 5 year period at 1.56%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the Riverfront Master Plan Project. A total of \$922,179 has been loaned to the Parish at December 31, 2013. A total of \$182,500 has been repaid, leaving an outstanding debt balance of \$739,679. Future debt service is budgeted over a 5 year period at 1.56%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Pride Fire Protection District, in order to purchase a fire truck and related equipment. A total of \$264,713 has been loaned to the Parish at December 31, 2013. A total of \$13,600 has been repaid, leaving an outstanding debt balance of \$251,113. Future debt service is budgeted over a 5 year period at 1.56%. This loan is serviced by the Pride Fire Protection District Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position.

**b. 2000A Program:**

In 2008, the City borrowed additional funds on the 2000A LCDA program to provide funds to Visit Baton Rouge, in order to finance the costs of renovating, equipping and improving the new headquarters building. A total of \$750,000 has been loaned to the City at December 31, 2013. A total of \$121,200 has been repaid, leaving an outstanding debt balance of \$628,800. Future debt service is budgeted over a 16 year period at 1.76%. This loan is serviced by the Excess Revenue and Limited Tax Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. Visit Baton Rouge is reimbursing the City for these debt payments.

2. In 2012, LCDA issued \$33,585,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project). The proceeds of the bonds were loaned by LCDA to the Parish of East Baton Rouge pursuant to a Loan Agreement, to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of seventy percent (70%) of the net proceeds of the 1/2% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2013, \$2,860,000 has been repaid, leaving an outstanding debt balance of \$30,725,000.

3. In 2013, LCDA issued \$126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund capitalized interest on the bonds and a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

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

**3. LCDA Series 2013A (Continued)**

basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2013, the outstanding debt balance is \$126,000,000.

- 4.** In 2013, LCDA issued \$92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013B (LIBOR Index). The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2013, the outstanding debt balance is \$92,500,000.

**15. Build America Bonds**

On May 27, 2010, the East Baton Rouge Sewerage Commission issued Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of \$357,840,000 as a combination of serial and term bonds that mature on February 1 of each year beginning 2015, through 2045, with interest from 2.973 - 6.087 percent. The Commission has elected to treat the Series 2010B Bonds as "Build America Bonds" and has further elected to receive cash subsidy payments from the United States Department of the Treasury. The Commission expects to receive cash subsidy payments directly from the U.S. Department of the Treasury in an amount equal to thirty-five percent (35%) of the interest paid on the Series 2010B Bonds. Federal Subsidy on debt of \$6,811,854 is recognized in 2013, on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Sewerage Commission.

Due to Federal Government sequestration in March 2013, the Office of Management and Budget reduced the federal subsidy on certain qualified bonds including Build America Bonds. Refund payments processed after March 1, 2013, were reduced by 8.7%, and refund payments after October 1, 2013, were reduced by 7.2%. The sequestration reduction rate is subject to change. The current sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester.

**16. Governmental Funds Taxable Bonds**

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

On May 17, 2002, the City of Baton Rouge issued variable rate taxable bonds in the amount of \$25,900,000, to refund one-third of the MPERS Note and to retire \$1,840,463 of an outstanding legal judgment attributable to the City-Parish Employees Retirement System (CPERS). These variable-rate bonds were converted to a fixed rate in accordance with provisions provided in the original issue on March 6, 2003. The fixed-rate bonds are payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service is funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**16. Governmental Funds Taxable Bonds (Continued)**

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

**Prior-Year Refunding-Governmental Activities:**

On April 4, 2012, the City of Baton Rouge issued \$58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of advance refunding the Series 2002A and Series 2002B Taxable Bonds maturing January 15, 2018 through 2029 and paying the costs of issuance. The Bonds were issued as a combination of serial and term bonds that mature on July 15, 2012, and January 15 of each year beginning 2013 through 2029 with interest from 0.42 - 4.57 percent. As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$4,711,175 on the entity-wide financial statements. As of December 31, 2013, \$700,399 of the Deferred amount on refunding was amortized (\$400,615 in 2013 and \$299,784 in prior years), resulting in a deferred amount on refunding of \$4,010,776 on the entity-wide statement of net position for governmental activities as of December 31, 2013.

**17. Prior Year Refundings - Advance Refundings**

On April 9, 2003, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2003 in the amount of \$112,720,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds and pay the costs of acquiring and constructing sewers and sewerage disposal works. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2020, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2013, \$55,650,000 of Parish Series ST-2003 Bonds Outstanding are considered defeased.

On October 28, 2004, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue and Refunding Bonds Series ST-2004 in the amount of \$24,865,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds. During 2006, the Parish defeased the maturities from February 1, 2007, through February 1, 2021, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2013, \$24,660,000 of Parish Series ST-2004 Bonds Outstanding are considered defeased.

On November 3, 2005, the Parish of East Baton Rouge issued Public Improvement Sales Tax Revenue Refunding Bonds Series ST-2005B in the amount of \$25,855,000 to provide sufficient funds to refund a portion of certain Outstanding Parity Bonds. During 2011, the Parish defeased the maturities from February 1, 2012, through February 1, 2014, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2013, \$3,690,000 of Parish Series ST-2005B Bonds Outstanding are considered defeased.

On May 5, 2005, the Parish of East Baton Rouge issued \$33,255,000 of Public Improvement (Sewer) Sales Tax Revenue Bonds Series ST-2005A to provide sufficient funds to advance refund a portion of certain Outstanding Parity Bonds. During 2013, the Parish defeased the maturities from February 1, 2014, through February 1, 2015, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2013, \$3,405,000 of Parish Series ST-2005A Bonds Outstanding are considered defeased.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**18. 2012 Refunding of Series 2002A and 2002B Taxable Bonds**

On May 2, 2013, the East Baton Rouge Sewerage Commission issued \$25,390,000 Taxable Revenue Refunding Bonds, Series 2013B to advance refund the Parish's \$33.25 million Series ST-2005A Public Improvement Sewer Sales Tax Revenue and Refunding Bonds (original true interest cost 4.45%; principal refunded - \$26,605,000). The Bonds mature on February 1, of each year beginning 2014 through 2024 with interest from 0.627 - 3.003 percent.

Sources and uses of the refunding issue are summarized as follows:

<u>Sources:</u>		
Principal proceeds		\$25,390,000
Sinking and Reserve fund contribution		<u>4,071,453</u>
		<u>\$29,461,453</u>
<u>Uses:</u>		
Deposit with escrow agent		\$29,068,625
Issuance costs		<u>392,828</u>
		<u>\$29,461,453</u>

<u>Cash Flow Difference:</u>		
Old debt service cash flows		\$35,766,469
New debt service cash flows	29,811,854	
Plus:		
Contribution from sinking and reserve funds	<u>4,071,453</u>	<u>33,883,307</u>
Cash Flow Difference		<u>\$ 1,883,162</u>

<u>Economic Gain on Refunding:</u>		
Present value of old debt service cash flows		\$29,917,315
Present value of new debt service cash flows	25,001,742	
Plus:		
Contribution from sinking funds	<u>4,071,453</u>	<u>29,073,195</u>
Economic gain		<u>\$ 844,120</u>

As a result of the refunding, the City-Parish recognized a deferred loss on refunding of \$2,935,604. As of December 31, 2013, \$230,171 of the Deferred amount on refunding was amortized, resulting in a deferred amount on refunding of \$2,705,433 in the Comprehensive Sewerage System Fund.

**19. Bonds of Other Governmental Units**

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**a. Primary Government (Continued)**

**20. Arbitrage Liability**

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City-Parish issues at December 31, 2013.

**21. 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, 2013, there were 5 conduit bond obligations outstanding, with an aggregate principal amount payable of approximately \$600,000,000.

**22. Lease Commitments**

City-Parish current operating leases are primarily rental agreements for land or office space. The City-Parish does not have any operating leases with scheduled rent increases. Operating lease payments during 2013 totaled \$416,916. The future minimum rental payments at December 31, 2013, are detailed as follows:

	Governmental Activities
Total future minimum lease payments 2014	<u>\$66,360</u>

**b. Component Units Long-Term Debt**

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<u>District Attorney of the Nineteenth Judicial District</u>				
Net other postemployment benefit obligation	\$ 5,006,143	\$1,269,370	\$ 356,575	\$ 5,918,938
<u>Nineteenth Judicial District Court</u>				
Compensated absences payable	720,828	--	4,519	716,309
Net other postemployment benefit obligation	5,451,669	1,349,387	379,053	6,422,003
Total	6,172,497	1,349,387	383,572	7,138,312
<u>Nineteenth Judicial District Court</u>				
Bonds and notes payable	94,805,000	--	1,465,000	93,340,000
Deferred premium on bonds	2,388,375	--	82,595	2,305,780
Total	97,193,375	--	1,547,595	95,645,780
<u>E.B.R. Parish Family Court</u>				
Compensated absences payable	119,720	51,006	41,339	129,387
Net other postemployment benefit obligation	761,440	203,934	57,286	908,088
Total	881,160	254,940	98,625	1,037,475

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 10 - Long-Term Debt (Continued)**

**b. Component Units Long-Term Debt (Continued)**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
<u>E.B.R. Parish Juvenile Court</u>				
Compensated absences payable	\$ 171,054	\$ 7,241	\$ --	\$ 178,295
Net other postemployment benefit obligation	<u>1,518,895</u>	<u>312,695</u>	<u>87,838</u>	<u>1,743,752</u>
Total	<u>1,689,949</u>	<u>319,936</u>	<u>87,838</u>	<u>1,922,047</u>
<u>E.B.R. Parish Clerk of Court</u>				
Compensated absences payable	678,527	20,446	--	698,973
Net other postemployment benefit obligation	<u>3,048,755</u>	<u>829,699</u>	<u>755,135</u>	<u>3,123,319</u>
Total	<u>3,727,282</u>	<u>850,145</u>	<u>755,135</u>	<u>3,822,292</u>
<u>Capital Area Transit System</u>				
Bonds and notes payable	3,500,000	--	3,100,000	400,000
Compensated absences payable	478,460	156,065	--	634,525
Obligation under capital leases	2,993,792	--	694,763	2,299,029
Claims and judgements payable	<u>1,446,480</u>	<u>1,034,053</u>	<u>795,645</u>	<u>1,684,888</u>
Total	<u>8,418,732</u>	<u>1,190,118</u>	<u>4,590,408</u>	<u>5,018,442</u>
Total component units long-term debt	<u>\$123,089,138</u>	<u>\$5,233,896</u>	<u>\$7,819,748</u>	<u>\$120,503,286</u>

**NOTE 11 - Interfund and Intergovernmental Receivables and Payables**

**a. Balances due to/from other funds at December 31, 2013, consist of the following:**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Temporary cash advances at December 31, 2013:</u>		
General Fund	\$ 7,976,168	\$ --
Grants Fund	--	--
Nonmajor governmental funds	<u>--</u>	<u>7,976,168</u>
Total temporary cash advances	<u>7,976,168</u>	<u>7,976,168</u>
<u>Other funds funding long term improvements in the Capital Projects Fund:</u>		
Library board of control major fund	--	35,678,938
Capital Projects Fund	36,255,347	--
Nonmajor governmental funds	<u>--</u>	<u>576,409</u>
Total receivable/payables to capital projects fund	<u>36,255,347</u>	<u>36,255,347</u>
Total Balance Sheet - Governmental Funds	<u>\$44,231,515</u>	<u>\$44,231,515</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>School Board</u>	<u>Sheriff</u>	<u>Other</u>	<u>Total</u>
<b><u>Governmental Activities:</u></b>						
General Fund	\$ --	\$ 768,358	\$159,416	\$19,161,898	\$ 43,541	\$20,133,213
Library Board of Control	--	--	--	29,501,049	--	29,501,049
Grants Fund	4,568,188	2,896,495	--	--	70,437	7,535,120
Capital Projects Fund	--	2,973,657	--	--	--	2,973,657
Nonmajor governmental funds	--	509,906	--	21,727,665	--	22,237,571
Adjustments to full accrual basis of accounting	717,016	--	--	--	--	717,016
<b><u>Business-type Activities:</u></b>						
Greater Baton Rouge Airport District	1,147,636	585,222	--	--	--	1,732,858
Comprehensive Sewerage System Fund	2,890,401	--	--	--	--	2,890,401
Solid Waste Collection and Disposal	--	--	--	16,995	--	16,995
Nonmajor enterprise funds	--	645,604	--	--	--	645,604
<b>Totals</b>	<b><u>\$9,323,241</u></b>	<b><u>\$8,379,242</u></b>	<b><u>\$159,416</u></b>	<b><u>\$70,407,607</u></b>	<b><u>\$113,978</u></b>	<b><u>\$88,383,484</u></b>

**NOTE 12 - Interfund Transfers**

**a. Interfund transfers for the year ended December 31, 2013 were as follows:**

	<u>Transfers Out</u>									
	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Greater Baton Rouge Airport District</u>	<u>Comprehensive Sewerage System Fund</u>	<u>Solid Waste Collection and Disposal</u>	<u>Nonmajor Enterprise Funds</u>	
<b><u>Transfers In:</u></b>										
<b><u>Governmental Activities:</u></b>										
General Fund	\$ --	\$ 241,569	\$229,919	\$ --	\$ 385,330	\$78,290	\$262,127	\$2,575,549	\$7,668	\$ 3,780,452
Grants Fund	356,904	--	--	--	11,950	--	--	--	--	368,854
Capital Projects Fund	2,326,801	2,500,000	--	--	--	--	--	--	--	4,826,801
Nonmajor governmental funds	5,238,309	--	--	--	794,400	--	--	--	--	6,032,709
<b><u>Business-type Activities:</u></b>										
Solid Waste Collection and Disposal	64,444	--	--	--	--	--	--	--	--	64,444
Nonmajor enterprise funds	1,465,967	--	--	62,905	--	--	--	--	--	1,528,872
<b>Totals</b>	<b><u>\$9,452,425</u></b>	<b><u>\$2,741,569</u></b>	<b><u>\$229,919</u></b>	<b><u>\$62,905</u></b>	<b><u>\$1,191,680</u></b>	<b><u>\$78,290</u></b>	<b><u>\$262,127</u></b>	<b><u>\$2,575,549</u></b>	<b><u>\$7,668</u></b>	<b><u>\$16,602,132</u></b>

- The capital projects major fund was subsidized \$4,826,801 during 2013 toward non-recurring capital improvements from the General Fund and Library Board of Control.
- The general fund subsidized the normal operations of non-major governmental funds in the amount of \$358,120 in 2013.
- The general fund subsidized the Baton Rouge River Center (non-major enterprise convention center) \$1,465,967 in 2013.
- The general fund also transferred \$4,846,840 to service debt to non-major governmental funds in 2013. An amount of \$2,554,690 was transferred back to the general fund by the Solid Waste Collection and Disposal Enterprise Fund in 2013 for general government issued debt for the landfill.
- During 2013, \$368,854 was transferred in to the Grants major Fund from various other funds for local match for grant programs.
- As a result of excess premiums over risk-related expenditures during 2013, \$1,135,762 in premiums were treated as interfund transfers from the various funds to the General Fund.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 12 - Interfund Transfers (Continued)**

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2013 are classified as external transactions on the Government-wide Statement of Activities:

	Operating Exchanges (To)/From Primary Government	Operating Exchanges (To)/From Component Units
<u>Primary Government:</u>		
General Fund (operating subsidies)	\$ --	\$(14,977,739)
<u>Nonmajor Special Revenue Fund:</u>		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	--	(550,000)
<u>Component Units:</u>		
District Attorney of the Nineteenth Judicial District	5,290,158	--
Nineteenth Judicial District Court	6,822,953	--
E.B.R. Parish Family Court	978,340	--
E.B.R. Parish Juvenile Court	1,219,441	--
E.B.R. Parish Clerk of Court	666,847	--
Capital Area Transit System	<u>550,000</u>	<u>--</u>
Total	<u>\$15,527,739</u>	<u>\$(15,527,739)</u>

**NOTE 13 - Other Receivables**

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

	General Fund	Library Board of Control Fund	Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
<b>Governmental Activities:</b>							
<b>Receivables:</b>							
Property taxes	\$ 6,358,793	\$9,280,882	\$ --	\$ --	\$ 7,317,272	\$ --	\$22,956,947
Gross receipts business taxes	4,393,186	--	--	--	--	--	4,393,186
Sales taxes	17,089,481	--	--	2,665,986	1,502,072	--	21,257,539
Interest and penalties on taxes	78,595	--	--	--	--	--	78,595
Accounts	1,977,504	20,578	--	365,864	2,096,353	--	4,460,299
Accrued interest	<u>47,675</u>	<u>36,246</u>	<u>3,105</u>	<u>51,473</u>	<u>24,400</u>	<u>6,212</u>	<u>169,111</u>
Gross receivables	29,945,234	9,337,706	3,105	3,083,323	10,940,097	6,212	53,315,677
Less: allowance for uncollectibles	<u>(354,720)</u>	<u>(610,881)</u>	<u>--</u>	<u>--</u>	<u>(439,992)</u>	<u>--</u>	<u>(1,405,593)</u>
Net receivables-governmental funds	29,590,514	8,726,825	3,105	3,083,323	10,500,105	6,212	51,910,084
Adjustment to full accrual basis	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>33,146</u>	<u>--</u>	<u>33,146</u>
Net total receivables	<u>\$29,590,514</u>	<u>\$8,726,825</u>	<u>\$3,105</u>	<u>\$3,083,323</u>	<u>\$10,533,251</u>	<u>\$6,212</u>	<u>\$51,943,230</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 13 - Other Receivables (Continued)**

Receivables as of year-end for the government's individual major funds, and nonmajor and internal service funds (Continued)

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal Fund	Nonmajor Enterprise Funds	Total
<b>Business-type Activities:</b>					
<b><u>Receivables:</u></b>					
Sales taxes	\$ --	\$ 4,107,060	\$ --	\$ --	\$ 4,107,060
Accounts	375,568	7,146,124	3,872,190	751,651	12,145,533
Accrued interest	<u>5,193</u>	<u>390,395</u>	<u>9,980</u>	<u>5,809</u>	<u>411,377</u>
Gross receivables	380,761	11,643,579	3,882,170	757,460	16,663,970
Less: allowance for uncollectibles	<u>(12,691)</u>	<u>--</u>	<u>--</u>	<u>(20,000)</u>	<u>(32,691)</u>
Net total receivables	<u>\$ 368,070</u>	<u>\$11,643,579</u>	<u>\$3,882,170</u>	<u>\$737,460</u>	<u>\$16,631,279</u>

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

Current assets - receivables	\$16,302,378
Restricted assets - receivables	<u>328,901</u>
Totals	<u>\$16,631,279</u>

**NOTE 14 - Detailed Restricted Net Position and Fund Balances**

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

	Governmental Activities	Business Type Activities	Total
Net Position Restricted For:			
Capital projects:			
Federal and state capital grant funds	\$ 5,301,536	\$ --	\$ 5,301,536
Federal forfeited property	416,434	--	416,434
Bond funds from dedicated road sales tax	3,832,586	--	3,832,586
Dedicated sales tax for street construction	41,381,771	--	41,381,771
Dedicated property taxes authorized by the electorate for specific special revenue funds	35,377,944	--	35,377,944
Claim settlement for capital improvements	--	810,065	810,065
Dedicated hotel-motel taxes for Riverfront improvements	<u>712,965</u>	<u>8,839,329</u>	<u>9,552,294</u>
Total Net Position restricted for capital projects	<u>87,023,236</u>	<u>9,649,394</u>	<u>96,672,630</u>
Debt service:			
2% City sales tax revenue bonds	4,853,558	--	4,853,558
½% Road sales tax revenue bonds	3,302,084	--	3,302,084
LCDA road and street improvement projects	537,500	--	537,500
½% Parish sewer sales tax revenue bonds	--	49,938,675	49,938,675
Greater Baton Rouge Airport District debt service	<u>--</u>	<u>1,329,495</u>	<u>1,329,495</u>
Total Net Position restricted for debt service	<u>8,693,142</u>	<u>51,268,170</u>	<u>59,961,312</u>
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	<u>--</u>	<u>391,611</u>	<u>391,611</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)**

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position (Continued):

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Net Position Restricted For (Continued):			
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	\$ 64,360,252	\$ --	\$ 64,360,252
Dedicated sales tax for street maintenance and beautification	15,598,043	--	15,598,043
Court fees for juror compensation and judicial buildings	895,848	--	895,848
State road funds dedicated for transportation	13,373,692	--	13,373,692
Telephone surcharge dedicated to communications district	6,833,652	--	6,833,652
Public, Educational and Governmental programming fees	705,538	--	705,538
Volunteer fire districts service charges authorized by the electorate	306,350	--	306,350
Federal forfeited property	712,599	--	712,599
Collateral posted with swap agreement	<u>--</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total Net Position restricted for external legal constraints	<u>102,785,974</u>	<u>10,000,000</u>	<u>112,785,974</u>
Total Restricted Net Position	<u>\$198,502,352</u>	<u>\$71,309,175</u>	<u>\$269,811,527</u>

b. Details of restricted, committed, and assigned fund balances at year-end are as follows:

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 615,439	\$ --	\$ --	\$ --	\$ --	\$ 615,439
Restricted for:						
Dedicated property taxes:						
Library services and construction	--	68,355,325	--	35,144,181	--	103,499,506
Mosquito abatement and rodent control	--	--	--	--	10,453,443	10,453,443
Downtown development	--	--	--	--	419,868	419,868
Emergency medical services	--	--	--	233,763	5,680,449	5,914,212
Fire department pay enhancement	--	--	--	--	1,436,656	1,436,656
Volunteer fire districts	--	--	--	--	1,259,535	1,259,535
Road lighting	--	--	--	--	4,304,787	4,304,787
Dedicated sales taxes:						
Street improvement/beautification	--	--	--	41,381,771	4,363,965	45,745,736
Street maintenance	--	--	--	--	11,568,539	11,568,539
Dedicated hotel-motel taxes for Riverfront	--	--	--	712,965	--	712,965
Bond funds for capital improvements	--	--	--	40,981,008	--	40,981,008
Debt Service	--	--	--	--	13,402,134	13,402,134
Court fees for juror compensation	--	--	--	--	385,405	385,405
Court fees for judicial buildings	--	--	--	--	510,443	510,443
State Road funds for transportation	--	--	--	--	13,373,692	13,373,692
Telephone surcharges for public safety	--	--	--	--	10,536,084	10,536,084
Public, educational and governmental programs	705,538	--	--	--	--	705,538

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A.- 17  
(Continued)

**NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)**

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	<u>General Fund</u>	<u>Library Board of Control</u>	<u>Grants</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances (Continued):						
Restricted for (Continued):						
Volunteer fire districts service charges	\$ --	\$ --	\$ --	\$ --	\$ 403,063	\$ 403,063
Federal and state grant programs	--	--	11,132,086	5,301,536	--	16,433,622
Federal forfeited property	--	--	--	416,434	712,599	1,129,033
Total Restricted	<u>705,538</u>	<u>68,355,325</u>	<u>11,132,086</u>	<u>124,171,658</u>	<u>78,810,662</u>	<u>283,175,269</u>
Committed to:						
Loans receivable	596,224	--	--	--	--	596,224
Self-insurance purposes	48,818,767	--	--	--	--	48,818,767
Budget stabilization	14,976,000	--	--	--	--	14,976,000
General capital improvements	--	--	--	20,789,895	--	20,789,895
City constable court costs	--	--	--	--	74,590	74,590
Gaming enforcement	--	--	--	--	172,161	172,161
Emergency medical services	--	--	--	--	7,634,580	7,634,580
Total Committed	<u>64,390,991</u>	<u>--</u>	<u>--</u>	<u>20,789,895</u>	<u>7,881,331</u>	<u>93,062,217</u>
Assigned to:						
Next year's adopted budget	7,571,140	--	--	--	--	7,571,140
Approved continuing projects	17,565,265	--	--	--	--	17,565,265
Public safety	623,815	--	--	--	--	623,815
Culture and recreation	212,117	--	--	--	--	212,117
Sales tax refunds	2,554,912	--	--	--	--	2,554,912
Animal control	152,123	--	--	--	--	152,123
Other purposes	1,301,272	--	--	--	--	1,301,272
Total Assigned	<u>29,980,644</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>29,980,644</u>
Unassigned	<u>15,654,019</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,654,019</u>
Total fund balances	<u>\$111,346,631</u>	<u>\$68,355,325</u>	<u>\$11,132,086</u>	<u>\$144,961,553</u>	<u>\$86,691,993</u>	<u>\$422,487,588</u>

c. Governmental Fund Encumbrances included in restricted, committed, or assigned fund balances at December 31, 2013 were as follows:

General fund	\$ 1,302,045
Library board of control	1,763,035
Grants fund	14,212,477
Nonmajor governmental funds	3,820,272
Capital projects fund	<u>47,437,634</u>
Total governmental fund encumbrances	<u>\$68,535,463</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 15 - Restricted Assets**

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

	Greater Baton Rouge <u>Airport District</u>	Comprehensive Sewerage <u>System</u>	Other Enterprise <u>Total</u>	<u>Total</u>
Sales tax revenue bonds construction accounts	\$2,541,314	\$340,165,985	\$ --	\$342,707,299
Hotel-motel tax construction accounts	--	--	8,332,392	8,332,392
Passenger Facility Charges (PFC) account	328,035	--	--	328,035
Sales tax revenue bonds debt service accounts	1,329,495	34,568,153	--	35,897,648
Accounts receivable - PFC	161,518	--	--	161,518
Accrued interest receivable - sales tax revenue bonds	133	163,382	--	163,515
Accrued interest receivable - hotel-motel tax	--	--	3,868	3,868
Prepaid items - bond issuance costs	<u>7,427</u>	<u>427,522</u>	--	<u>434,949</u>
Total restricted assets	<u>\$4,367,922</u>	<u>\$375,325,042</u>	<u>\$8,336,260</u>	<u>\$388,029,224</u>

**NOTE 16 - Passenger Facility Charges - Greater Baton Rouge Airport District**

On September 28, 1992, the Greater Baton Rouge Airport District (Airport) received approval from the Federal Aviation Administration (FAA) to impose a \$3.00 passenger facility charge (PFC) in accordance with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations, Part 158). On May 19, 2005, the FAA approved the imposition of a \$4.50 passenger facility charge by the Airport District for the financing of additional improvements.

PFC revenue received, but not yet spent, along with interest income, is classified as restricted Net Position on the Statement of Net Position. On the Statement of Revenues, Expenses, and Changes in Fund Net Position, PFC revenue is classified as non-operating revenue, while on the Statement of Cash Flows, PFC collections are classified as capital in nature.

The Airport began assessing the fee on December 1, 1992. As of December 31, 2013 the FAA has approved the following applications for disbursement of the proceeds of the PFC as follows:

<u>Application Number and Description</u>	<u>Approved PFC Level</u>	<u>Total FAA Authorization</u>	<u>Total Disbursed through 12/31/2013</u>	
2 Noise mitigation	\$3.00	\$ 1,315,124	\$ 1,315,124	closed
3 Terminal building and plan specifications	3.00	1,290,899	1,290,899	closed
4 Terminal development with financing	3.00	34,863,776	18,728,869	
5 Airport access road	3.00	3,089,499	1,505,228	
5 Acquire A/C loading bridges	3.00	2,324,075	675,027	
6 Runway 4L/22R extension project	4.50	11,815,660	3,301,854	
6 Professional Fees-administration of PFC	4.50	434,000	--	
6 General Aviation Apron Facility Expansion	4.50	598,529	268,481	
7 Terminal Atrium Expansion	4.50	20,298,565	3,176,857	
7 Acquisition of Property for Development	4.50	2,802,951	430,436	
7 Taxiway Fillet Construction	4.50	1,429,025	218,977	
7 Ticket Lobby Expansion	4.50	<u>1,097,133</u>	<u>288,349</u>	
Total Approved Applications		<u>\$81,359,236</u>	<u>\$31,500,101</u>	

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

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

Since the inception of the PFC, the Airport has recorded the following revenues and expenses through the 2013 fiscal year resulting in a restriction of Net Position from passenger facility charges as follows:

	<u>Accrual Basis</u>	<u>Cash Basis</u>
Cumulative PFC receipts (1992 - 2013), net of administrative fee	\$ 29,175,565	\$ 29,014,046
Interest earnings	1,442,929	1,443,055
Claim settlement	<u>1,371,035</u>	<u>1,371,035</u>
Total revenues	<u>31,989,529</u>	<u>31,828,136</u>
Cumulative disbursements for PFC projects (1992 - 2013)	(9,791,890)	(9,732,387)
Cumulative bond principal payments	(9,592,284)	(9,592,284)
Cumulative bond interest payments	<u>(12,213,744)</u>	<u>(12,175,430)</u>
Total disbursements	<u>(31,597,918)</u>	<u>(31,500,101)</u>
Net PFC cash, December 31, 2013		<u>\$ 328,035</u>
Net Position restricted for PFC, December 31, 2013	<u>\$ 391,611</u>	

**NOTE 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability**

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

Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs are accounted for in accordance with guidelines in Section L10 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. Section L20 of the code states that a portion of the estimated total current cost of MSWLF closure and postclosure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. The estimated total current cost of closure and postclosure care includes the cost of equipment expected to be installed and facilities expected to be constructed near or after the date that the Solid Waste Disposal Facility stops accepting solid waste and any equipment installed during the 30 year postclosure period. Included in the total current cost is the cost of final cover expected to be applied near or after the date the facility stops accepting solid waste, and the cost of monitoring and maintaining the expected usable landfill area during the postclosure period.

The estimated cost of the closure and postclosure care costs is \$25,613,577. Total estimated capacity is 28,420,000 cubic yards and the projected life is 42 years. The estimated cost will be adjusted on an annual basis as deemed necessary by the management of the Department of Public Works to reflect the effect of inflation, changes in technology or changes in applicable laws or regulations.

The Solid Waste Collection and Disposal Enterprise Fund recognizes a portion of the current estimated cost of MSWLF closure and postclosure care as an expense and as a liability in each period that it accepts solid waste. The expense and liability are based on the number of cubic yards of waste received at the landfill during the period rather than on the passage of time. The projections assume that the current solid waste generation trends will continue and that no waste will be diverted to alternative disposal facilities.

The liability for closure and postclosure care at December 31, 2013, totals \$11,441,624. The liability is based on the landfill capacity used to date of 12,695,257 cubic yards or 44.7% of the landfill capacity. The liability will be financed by the Solid Waste Collection and Disposal Enterprise Fund. The remaining estimated cost of closure and postclosure care of \$14,171,953 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2013, is 22 years.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 18 -- State Required Disclosures**

**a. Council Members Compensation**

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently \$1,000 a month for council members. In addition, members of the Metropolitan Council receive \$800 per month combined travel and auto allowance. (LRS 33:1233(B)) Following is a list of Council Members with gross wages, including auto allowance that was reported as paid in year 2013:

District 1	Trae Welch	\$21,600
District 2	Chauna Banks-Daniel	21,600
District 3	Chandler Loupe	
	Council	21,600
	Mayor ProTem	18,000
District 4	Scott Wilson	21,600
District 5	Ronnie Edwards	21,600
District 6	Donna Collins-Lewis	21,600
District 7	C. Denise Marcelle	21,600
District 8	Buddy Amoroso	21,600
District 9	Joel Boe'	21,600
District 10	Tara Wicker	21,600
District 11	Ryan Heck	21,600
District 12	John M. Delgado	21,600

**b. Communications District Wireless E911 Service**

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

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of \$0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. In 2006 the fee was increased to \$0.85 per month by the Communications District Board. Since the enactment of the fee, the Communications District Special Revenue Fund has collected \$32.7 million in wireless fees. Approximately \$3,448,576 has been directly contributed to enhancement of wireless technology. The wireless 911 system is fully implemented and operational. Revenues from the wireless fee are now budgeted in the Communication District Special Revenue Fund Annual Budget and approved by the City-Parish Metropolitan Council. Technological upgrades are included in the operations budget as needed. For budget statement detail on the Communications District Fund, see Exhibit B-12.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 18 - State Required Disclosures (Continued)**

**c. Summary of City-Parish Sales Tax Collections remitted to Other Taxing Authorities**

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during calendar year 2013.

	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distribution</u>
City of Baker	\$ 3,406,209	\$ 36,781	\$ 3,369,428
Baker School District	2,630,931	28,409	2,602,522
City of Zachary	6,869,295	74,176	6,795,119
Zachary School District	8,505,676	91,841	8,413,835
City of Central	4,454,004	48,095	4,405,909
Central School District	5,811,363	62,753	5,748,610
EBRP School District	152,680,908	1,648,687	151,032,221
Street Improvements Tax for other municipalities	3,102,755	27,067	3,075,688
Visit Baton Rouge	<u>3,989,263</u>	<u>6,000</u>	<u>3,983,263</u>
<b>Total</b>	<b><u>\$191,450,404</u></b>	<b><u>\$2,023,809</u></b>	<b><u>\$189,426,595</u></b>

**NOTE 19 - Joint Venture**

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

A management committee composed of four persons shall have the responsibility and authority for overall management of the parking garage. The Management Committee shall be composed of the Director of Facility and Planning Control of the Division of Administration of the State, the Director of Public Works of the City-Parish, one person appointed by the Commissioner of Administration of the State, and one person appointed by the Mayor of the City-Parish. The City's equity interest of \$1,973,958 is recorded as Investment in Joint Venture in the Greater Baton Rouge Parking Authority Enterprise Fund. The City's Parking Fund has reflected net income from joint venture of \$191,376 for 2013 and paid principal of \$204,500 and interest of \$12,609 in 2013 on the LCDA loan used to finance the City-Parish's contribution. The Third Street Parking Garage is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefits to or burden on the City.

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

**NOTE 20 - Subsequent Events**

**a. Louisiana Local Governmental Environmental Facilities and Community Development Authority (East Baton Rouge Sewerage Commission Projects), Series 2014A**

On April 10, 2014, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), a political subdivision of the State of Louisiana, issued \$209,785,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2014A. The proceeds of the bonds will be loaned by the Authority

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

EXHIBIT A - 17  
(Continued)

**NOTE 20 - Subsequent Events (Continued)**

**a. Louisiana Local Governmental Environmental Facilities and Community Development Authority (East Baton Rouge Sewerage Commission Projects), Series 2014A (Continued)**

to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement dated as of April 1, 2014, to be used for the purpose of (1) financing the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system; (2) funding a deposit to a debt service reserve fund; (3) funding capitalized interest on the Series 2014A Bonds; and (4) paying the costs of issuance of the Bonds. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. The 2014A Bonds will mature on February 1 of each year beginning 2025 through 2044 with interest from 4.23 - 5.00 percent.

**b. Parish Series 2014A Bonds**

The Parish of East Baton Rouge will issue \$4,600,000 Public Improvement Sales Tax Revenue Bonds, Series 2014A, on June 27, 2014, for the purpose of providing funds to renovate and improve buildings for use as a public safety complex, and paying the costs of issuance. The 2014A Bonds mature February 1, 2026, and will be payable annually on February 1 of each year beginning 2015 through 2026 with interest of 2.23 percent.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POST EMPLOYMENT BENEFITS PLAN  
 RETIREE HEALTH, DENTAL, AND LIFE INSURANCE PROGRAMS  
 (UNAUDITED)**

EXHIBIT A - 18

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/13	0.00	\$ 948,510,515	\$ 948,510,515	0.00 %	\$ 165,676,792	572.5 %
01/01/12 *	0.00	1,048,339,169	1,048,339,169	0.00	163,306,305	641.9
01/01/11	0.00	1,048,339,169	1,048,339,169	0.00	163,306,305	641.9
01/01/10 **	0.00	869,098,994	869,098,994	0.00	160,233,765	542.4
01/01/09	0.00	869,098,994	869,098,994	0.00	160,233,765	542.4

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

\* Based on 01/01/11 actuary study

\*\* Based on 01/01/09 actuary study

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ending	Annual Required Contribution	Amount Contributed	Percentage Contributed
01/01/13	\$ 68,068,801	\$ 19,141,420	28.1 %
01/01/12	68,826,572	19,132,237	27.8
01/01/11	68,826,572	20,019,053	29.1
01/01/10	60,314,941	19,827,688	32.9
01/01/09	60,314,941	13,762,722	22.8



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

**Civil Juror Compensation Fund** accounts for District Court Cost fees collected from certain civil defendants restricted for payments to jurors.

**Criminal Juror Compensation Fund** accounts for District Court Cost fees collected from certain criminal defendants restricted for payments to jurors.

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

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

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

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

**City Court Judicial Building Fund** accounts for the City Court filing fee imposed on all civil matters and dedicated to the acquisition, leasing, construction, equipping, and maintenance of new and existing City Courts.

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

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

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

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

**District No. 1 Fire Protection District** is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district and a fire service fee.

**Brownsfield Fire Protection District** is located in the northwestern part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

Continued

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds (Continued)

**Chaneyville Fire Protection District** is located in the northern part of East Baton Rouge Parish. Services are financed by a property tax, a fire service fee, and state insurance company taxes.

**Pride Fire Protection District** is located in the northeastern part of East Baton Rouge Parish. Services are financed through a fire service fee and state insurance company taxes.

**Alsen-St. Irma Lee Fire Protection District** is located in the western part of East Baton Rouge Parish. Services are financed by a property tax in the district, a fire service fee, and state insurance company taxes.

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

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

**Parish Beautification Fund** accounts for the portion (3%) of the one-half of one percent sales tax levied for the sole purpose of public road and street beautification within East Baton Rouge Parish.

**Parish Street Maintenance Fund** accounts for the portion (27%) of the one-half of one percent sales tax levied for the sole purpose of public road and street repair within East Baton Rouge Parish.

**Capitol House Economic Development District** accounts for the sales tax increments from the Capitol House Economic Development District dedicated by the State, the City and the Baton Rouge Convention and Visitors Bureau for the purpose of rehabilitating the historic Capitol House Hotel.

**Lafayette-Main Economic Development District** accounts for the sales tax increments from the Lafayette-Main Economic Development District dedicated by the City for the purpose of rehabilitating the Hampton Inn and Suites.

### Debt Service Funds

Debt Service Funds account for and report financial resources that are restricted or committed for the payment of general long-term debt principal, interest, and paying agent fees.

**City Sales Tax Bonds Debt Service Fund** accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 1993, 1997, 1998A, 2001A and 2007A Public Improvement Sales Tax Bonds of the City of Baton Rouge. Also accounts for the portion of the bonds issued for the purpose of advance refunding certain outstanding obligations of the City-Parish.

**Taxable Refunding Bonds Debt Service Fund** accounts for the payment of principal, interest, and related charges for the 2002A Fixed Rate Taxable Refunding Bonds the 2002B Fixed Rate Taxable Refunding Bonds and the 2012 Taxable Refunding Bonds.

Continued

## NONMAJOR GOVERNMENTAL FUNDS

### Debt Service Funds (Continued)

**Road and Street Improvement Sales Tax Bonds Debt Service Fund** accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2006A, 2008A and 2009A Road and Street Improvement Sales Tax Bonds of the Parish of East Baton Rouge.

**LCDA Road and Street Improvement Project Debt Service Fund** accounts for sales tax revenues dedicated for the payment of principal and interest requirements of the 2012 LCDA loan (Road and Street Improvement project) of the Parish of East Baton Rouge.

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2013**

	<u>Special Revenue</u>			
	<u>Civil Juror Compensation</u>	<u>Criminal Juror Compensation</u>	<u>City Constable Court Costs</u>	<u>Mosquito Abatement and Rodent Control</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 92,095	\$ 250,520	\$ 102,215	\$ 2,809,679
Investments	--	--	--	2,924,360
Property taxes receivable - net	--	--	--	1,134,016
Sales taxes receivable	--	--	--	--
Accounts receivable	8,706	33,934	--	--
Accrued interest receivable	38	112	18	2,982
Due from other governments	--	--	--	3,858,633
<b>Total assets</b>	<u>\$ 100,839</u>	<u>\$ 284,566</u>	<u>\$ 102,233</u>	<u>\$ 10,729,670</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ --	\$ --	\$ 14,885	\$ 67,820
Due to other funds	--	--	--	--
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	12,758	67,824
<b>Total liabilities</b>	<u>--</u>	<u>--</u>	<u>27,643</u>	<u>135,644</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	--	--	--	140,583
Unavailable revenue - revenue sharing	--	--	--	--
<b>Total deferred inflows of resources</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>140,583</u>
<b>FUND BALANCES (Note 14):</b>				
Restricted	100,839	284,566	--	10,453,443
Committed	--	--	74,590	--
<b>Total fund balances</b>	<u>100,839</u>	<u>284,566</u>	<u>74,590</u>	<u>10,453,443</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 100,839</u>	<u>\$ 284,566</u>	<u>\$ 102,233</u>	<u>\$ 10,729,670</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

<u>Downtown Development District</u>	<u>Gaming Enforcement Division</u>	<u>City Court Judicial Building</u>	<u>Federal Forfeited Property</u>	<u>E.B.R. Parish Communications District</u>	<u>Emergency Medical Services</u>	<u>B. R. Fire Department Pay Enhancement</u>
\$ --	\$ 176,450	\$ 608,892	\$ 532,208	\$ 5,280,426	\$ 1,324,754	\$ --
--	--	--	553,930	5,495,953	1,378,826	--
78,607	--	--	--	--	2,517,355	2,726,499
--	--	--	--	--	--	--
--	--	--	--	584,227	1,469,486	--
54	74	256	495	4,349	2,004	--
386,763	--	--	--	--	8,565,905	7,437,014
<u>\$ 465,424</u>	<u>\$ 176,524</u>	<u>\$ 609,148</u>	<u>\$ 1,086,633</u>	<u>\$ 11,364,955</u>	<u>\$ 15,258,330</u>	<u>\$ 10,163,513</u>
\$ 6,303	\$ 745	\$ 98,705	\$ 27,000	\$ 687,960	\$ 839,737	\$ 2,090
4,439	--	--	338,850	--	237,559	7,858,431
--	--	--	--	--	--	--
15,793	3,618	--	8,184	140,911	553,931	487,818
<u>26,535</u>	<u>4,363</u>	<u>98,705</u>	<u>374,034</u>	<u>828,871</u>	<u>1,631,227</u>	<u>8,348,339</u>
19,021	--	--	--	--	312,074	378,518
--	--	--	--	--	--	--
<u>19,021</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>312,074</u>	<u>378,518</u>
419,868	--	510,443	712,599	10,536,084	5,680,449	1,436,656
--	172,161	--	--	--	7,634,580	--
<u>419,868</u>	<u>172,161</u>	<u>510,443</u>	<u>712,599</u>	<u>10,536,084</u>	<u>13,315,029</u>	<u>1,436,656</u>
<u>\$ 465,424</u>	<u>\$ 176,524</u>	<u>\$ 609,148</u>	<u>\$ 1,086,633</u>	<u>\$ 11,364,955</u>	<u>\$ 15,258,330</u>	<u>\$ 10,163,513</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2013**

	Special Revenue			
	District No.1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District
<b>ASSETS</b>				
Cash and cash equivalents	\$ 59,692	\$ --	\$ --	\$ 240,293
Investments	--	--	--	--
Property taxes receivable - net	46,259	82,459	34,076	28,272
Sales taxes receivable	--	--	--	--
Accounts receivable	--	--	--	--
Accrued interest receivable	45	--	19	122
Due from other governments	300,729	332,656	127,310	112,150
Total assets	<u>\$ 406,725</u>	<u>\$ 415,115</u>	<u>\$ 161,405</u>	<u>\$ 380,837</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 1,925	\$ 37,112	\$ 1,222	\$ 5,834
Due to other funds	--	101,540	11,758	--
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	--	--
Total liabilities	<u>1,925</u>	<u>138,652</u>	<u>12,980</u>	<u>5,834</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	5,157	12,955	6,579	5,444
Unavailable revenue - revenue sharing	--	47,989	--	--
Total deferred inflows of resources	<u>5,157</u>	<u>60,944</u>	<u>6,579</u>	<u>5,444</u>
<b>FUND BALANCES (Note 14):</b>				
Restricted	399,643	215,519	141,846	369,559
Committed	--	--	--	--
Total fund balances	<u>399,643</u>	<u>215,519</u>	<u>141,846</u>	<u>369,559</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 406,725</u>	<u>\$ 415,115</u>	<u>\$ 161,405</u>	<u>\$ 380,837</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

<u>Alsen- St. Irma Lee Fire Protection District</u>	<u>Consolidated Road Lighting District No. 1</u>	<u>Parish Transpor- tation</u>	<u>Parish Beautification</u>	<u>Parish Street Maintenance</u>	<u>Capital House Economic Development District</u>
\$ 300,313	\$ 1,859,832	\$ 6,531,908	\$ 2,127,078	\$ 5,395,321	\$ 86,858
--	1,935,743	6,798,517	2,213,897	5,615,539	--
79,565	150,172	--	--	--	--
--	--	--	114,257	1,325,878	57,207
--	--	--	--	--	--
160	1,658	5,521	1,679	4,682	--
159,834	446,671	509,906	--	--	--
<u>\$ 539,872</u>	<u>\$ 4,394,076</u>	<u>\$ 13,845,852</u>	<u>\$ 4,456,911</u>	<u>\$ 12,341,420</u>	<u>\$ 144,065</u>
\$ 3,841	\$ 42,331	\$ 472,160	\$ 92,946	\$ 469,513	\$ 144,065
--	--	--	--	--	--
--	--	--	--	294,934	--
--	--	--	--	8,434	--
<u>3,841</u>	<u>42,331</u>	<u>472,160</u>	<u>92,946</u>	<u>772,881</u>	<u>144,065</u>
--	16,837	--	--	--	--
--	30,121	--	--	--	--
--	46,958	--	--	--	--
536,031	4,304,787	13,373,692	4,363,965	11,568,539	--
--	--	--	--	--	--
<u>536,031</u>	<u>4,304,787</u>	<u>13,373,692</u>	<u>4,363,965</u>	<u>11,568,539</u>	<u>--</u>
<u>\$ 539,872</u>	<u>\$ 4,394,076</u>	<u>\$ 13,845,852</u>	<u>\$ 4,456,911</u>	<u>\$ 12,341,420</u>	<u>\$ 144,065</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2013**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Lafayette- Main Economic Development District</u>	<u>Total</u>	<u>City Sales Tax Bonds</u>	<u>Parish Sales Tax Bonds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,338	\$ 27,784,872	\$ 5,254,927	\$ 11,040
Investments	--	26,916,765	--	--
Property taxes receivable - net	--	6,877,280	--	--
Sales taxes receivable	4,730	1,502,072	--	--
Accounts receivable	--	2,096,353	--	--
Accrued interest receivable	--	24,268	--	--
Due from other governments	--	22,237,571	--	--
<b>Total assets</b>	<b>\$ 11,068</b>	<b>\$ 87,439,181</b>	<b>\$ 5,254,927</b>	<b>\$ 11,040</b>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 11,068	\$ 3,027,262	\$ --	\$ --
Due to other funds	--	8,552,577	--	--
Due to other governments	--	294,934	--	--
Accrued salaries payable	--	1,299,271	--	--
<b>Total liabilities</b>	<b>11,068</b>	<b>13,174,044</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	--	897,168	--	--
Unavailable revenue - revenue sharing	--	78,110	--	--
<b>Total deferred inflows of resources</b>	<b>--</b>	<b>975,278</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES (Note 14):</b>				
Restricted	--	65,408,528	5,254,927	11,040
Committed	--	7,881,331	--	--
<b>Total fund balances</b>	<b>--</b>	<b>73,289,859</b>	<b>5,254,927</b>	<b>11,040</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,068</b>	<b>\$ 87,439,181</b>	<b>\$ 5,254,927</b>	<b>\$ 11,040</b>

The accompanying notes are an integral part of this statement.

Debt Service

<u>Taxable Refunding Bonds</u>	<u>Road and Street Improvement</u>	<u>LCDA Road and Street Improvement Project</u>	<u>Excess Revenue and Limited Tax</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
\$ --	\$ 4,466,075	\$ 1,093,336	\$ --	\$ 10,825,378	\$ 38,610,250
--	2,824,411	--	--	2,824,411	29,741,176
--	--	--	--	--	6,877,280
--	--	--	--	--	1,502,072
--	--	--	--	--	2,096,353
--	132	--	--	132	24,400
--	--	--	--	--	22,237,571
<u>\$ --</u>	<u>\$ 7,290,618</u>	<u>\$ 1,093,336</u>	<u>\$ --</u>	<u>\$ 13,649,921</u>	<u>\$ 101,089,102</u>
\$ --	\$ 247,787	\$ --	\$ --	\$ 247,787	\$ 3,275,049
--	--	--	--	--	8,552,577
--	--	--	--	--	294,934
--	--	--	--	--	1,299,271
<u>--</u>	<u>247,787</u>	<u>--</u>	<u>--</u>	<u>247,787</u>	<u>13,421,831</u>
--	--	--	--	--	897,168
--	--	--	--	--	78,110
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>975,278</u>
--	7,042,831	1,093,336	--	13,402,134	78,810,662
--	--	--	--	--	7,881,331
<u>--</u>	<u>7,042,831</u>	<u>1,093,336</u>	<u>--</u>	<u>13,402,134</u>	<u>86,691,993</u>
<u>\$ --</u>	<u>\$ 7,290,618</u>	<u>\$ 1,093,336</u>	<u>\$ --</u>	<u>\$ 13,649,921</u>	<u>\$ 101,089,102</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Special Revenue</u>			
	<u>Civil Juror Compensation</u>	<u>Criminal Juror Compensation</u>	<u>City Constable Court Costs</u>	<u>Mosquito Abatement and Rodent Control</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ --	\$ --	\$ --	\$ 5,169,237
Sales	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	7,154	--
Charges for services	94,371	287,302	867,629	--
Fines and forfeits	--	--	55,835	--
Investment earnings	149	399	61	12,886
Miscellaneous revenues	--	--	--	--
Total revenues	<u>94,520</u>	<u>287,701</u>	<u>930,679</u>	<u>5,182,123</u>
<b>EXPENDITURES</b>				
Current:				
General government	112,467	289,555	842,163	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	--	3,993,276
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	--	--	--	220,902
Intergovernmental	--	--	--	--
Total expenditures	<u>112,467</u>	<u>289,555</u>	<u>842,163</u>	<u>4,214,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,947)</u>	<u>(1,854)</u>	<u>88,516</u>	<u>967,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	--	--	--	--
Transfers out	--	--	(15,371)	(30,483)
Proceeds of capital asset disposition	--	--	--	3,780
Total other financing sources and uses	<u>--</u>	<u>--</u>	<u>(15,371)</u>	<u>(26,703)</u>
Net change in fund balances	(17,947)	(1,854)	73,145	941,242
Fund balances, January 1	<u>118,786</u>	<u>286,420</u>	<u>1,445</u>	<u>9,512,201</u>
Fund balances, December 31	<u>\$ 100,839</u>	<u>\$ 284,566</u>	<u>\$ 74,590</u>	<u>\$ 10,453,443</u>

The accompanying notes are an integral part of this statement.

Continued

## Special Revenue

<u>Downtown Development District</u>	<u>Gaming Enforcement Division</u>	<u>City Court Judicial Building</u>	<u>Federal Forfeited Property</u>	<u>E.B.R. Parish Communications District</u>	<u>Emergency Medical Services</u>	<u>B. R. Fire Department Pay Enhancement</u>
\$ 496,897	\$ --	\$ --	\$ --	\$ --	\$ 11,475,035	\$ 10,764,006
--	--	--	--	--	--	--
--	600	--	--	--	1,421,210	--
--	155,977	477,792	--	5,643,778	13,930,177	--
--	--	--	187,584	--	--	--
412	265	876	1,831	15,457	11,347	(2,872)
--	--	--	--	5,348	59,825	--
<u>497,309</u>	<u>156,842</u>	<u>478,668</u>	<u>189,415</u>	<u>5,664,583</u>	<u>26,897,594</u>	<u>10,761,134</u>
--	151,157	390,363	--	--	--	--
--	--	--	273,323	5,385,564	20,889,645	10,721,747
--	--	--	--	--	--	--
610,870	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	49,488	122,877	607,272	747,904	--
--	--	--	--	--	--	--
<u>610,870</u>	<u>151,157</u>	<u>439,851</u>	<u>396,200</u>	<u>5,992,836</u>	<u>21,637,549</u>	<u>10,721,747</u>
(113,561)	5,685	38,817	(206,785)	(328,253)	5,260,045	39,387
142,500	--	--	--	794,400	33,349	--
(5,464)	(1,359)	--	--	(49,079)	(1,082,256)	--
--	--	--	--	--	3,566	--
<u>137,036</u>	<u>(1,359)</u>	<u>--</u>	<u>--</u>	<u>745,321</u>	<u>(1,045,341)</u>	<u>--</u>
23,475	4,326	38,817	(206,785)	417,068	4,214,704	39,387
<u>396,393</u>	<u>167,835</u>	<u>471,626</u>	<u>919,384</u>	<u>10,119,016</u>	<u>9,100,325</u>	<u>1,397,269</u>
<u>\$ 419,868</u>	<u>\$ 172,161</u>	<u>\$ 510,443</u>	<u>\$ 712,599</u>	<u>\$ 10,536,084</u>	<u>\$ 13,315,029</u>	<u>\$ 1,436,656</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Special Revenue</u>			
	<u>District No. 1 Fire Protection District</u>	<u>Brownsfield Fire Protection District</u>	<u>Chaneyville Fire Protection District</u>	<u>Pride Fire Protection District</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 328,185	\$ 327,324	\$ 138,395	\$ 109,613
Sales	--	--	--	--
Occupancy	--	--	--	--
Intergovernmental revenues	--	137,205	17,004	17,046
Charges for services	61,037	101,111	44,261	49,499
Fines and forfeits	--	--	--	--
Investment earnings	354	179	136	496
Miscellaneous revenues	--	10,517	5,231	4,812
Total revenues	<u>389,576</u>	<u>576,336</u>	<u>205,027</u>	<u>181,466</u>
<b>EXPENDITURES</b>				
Current:				
General government:	--	--	--	--
Public safety	330,890	744,779	231,028	158,250
Transportation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	--	--	--	9,600
Interest and fiscal charges	--	--	--	2,841
Capital outlay	--	--	30,000	1,800
Intergovernmental	--	--	--	--
Total expenditures	<u>330,890</u>	<u>744,779</u>	<u>261,028</u>	<u>172,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,686</u>	<u>(168,443)</u>	<u>(56,001)</u>	<u>8,975</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	--	136,250	35,860	19,000
Transfers out	--	(5,862)	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	<u>--</u>	<u>130,388</u>	<u>35,860</u>	<u>19,000</u>
Net change in fund balances	58,686	(38,055)	(20,141)	27,975
Fund balances, January 1	<u>340,957</u>	<u>253,574</u>	<u>161,987</u>	<u>341,584</u>
Fund balances, December 31	<u>\$ 399,643</u>	<u>\$ 215,519</u>	<u>\$ 141,846</u>	<u>\$ 369,559</u>

The accompanying notes are an integral part of this statement.

Continued

Special Revenue

<u>Alsen- St. Irma Lee Fire Protection District</u>	<u>Consolidated Road Lighting District No. 1</u>	<u>Parish Transpor- tation</u>	<u>Parish Beautification</u>	<u>Parish Street Maintenance</u>	<u>Capital House Economic Development District</u>
\$ 249,775	\$ 615,984	\$ --	\$ --	\$ --	\$ --
--	--	--	1,196,822	13,874,151	108,644
--	--	--	--	--	872,941
8,798	51,217	3,328,726	--	--	--
12,226	--	--	--	--	--
--	--	--	--	--	--
668	6,191	19,453	5,768	16,220	--
6,601	--	--	--	--	--
<u>278,068</u>	<u>673,392</u>	<u>3,348,179</u>	<u>1,202,590</u>	<u>13,890,371</u>	<u>981,585</u>
--	--	--	--	--	--
267,028	--	--	--	--	--
--	540,977	475,935	266,108	10,840,657	--
--	--	--	--	--	--
--	--	--	--	--	981,585
--	--	--	--	--	--
--	--	--	--	--	--
--	--	1,035,443	151	--	--
--	--	550,000	--	--	--
<u>267,028</u>	<u>540,977</u>	<u>2,061,378</u>	<u>266,259</u>	<u>10,840,657</u>	<u>981,585</u>
<u>11,040</u>	<u>132,415</u>	<u>1,286,801</u>	<u>936,331</u>	<u>3,049,714</u>	<u>--</u>
24,510	--	--	--	--	--
(903)	--	--	--	(903)	--
--	--	--	--	--	--
<u>23,607</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(903)</u>	<u>--</u>
34,647	132,415	1,286,801	936,331	3,048,811	--
<u>501,384</u>	<u>4,172,372</u>	<u>12,086,891</u>	<u>3,427,634</u>	<u>8,519,728</u>	<u>--</u>
<u>\$ 536,031</u>	<u>\$ 4,304,787</u>	<u>\$ 13,373,692</u>	<u>\$ 4,363,965</u>	<u>\$ 11,568,539</u>	<u>\$ --</u>

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Lafayette- Main Economic Development District</u>	<u>Total</u>	<u>City Sales Tax Bonds</u>	<u>Parish Sales Tax Bonds</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ --	\$ 29,674,451	\$ --	\$ --
Sales	46,192	15,225,809	4,776,075	--
Occupancy	--	872,941	--	--
Intergovernmental revenues	--	4,988,960	--	--
Charges for services	--	21,725,160	--	--
Fines and forfeits	--	243,419	--	--
Investment earnings	--	90,276	6,529	--
Miscellaneous revenues	--	92,334	--	11,040
Total revenues	<u>46,192</u>	<u>72,913,350</u>	<u>4,782,604</u>	<u>11,040</u>
<b>EXPENDITURES</b>				
Current:				
General government	--	1,785,705	--	--
Public safety	--	39,002,254	--	--
Transportation	--	12,123,677	--	--
Health and welfare	--	3,993,276	--	--
Conservation and development	46,192	1,638,647	--	--
Debt service:				
Principal retirement	--	9,600	3,675,000	--
Interest and fiscal charges	--	2,841	1,099,812	--
Capital outlay	--	2,815,837	--	--
Intergovernmental	--	550,000	--	--
Total expenditures	<u>46,192</u>	<u>61,921,837</u>	<u>4,774,812</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>10,991,513</u>	<u>7,792</u>	<u>11,040</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	--	1,185,869	--	--
Transfers out	--	(1,191,680)	--	--
Proceeds of capital asset disposition	--	7,346	--	--
Total other financing sources and uses	<u>--</u>	<u>1,535</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>--</u>	<u>10,993,048</u>	<u>7,792</u>	<u>11,040</u>
Fund balances, January 1	<u>--</u>	<u>62,296,811</u>	<u>5,247,135</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 73,289,859</u>	<u>\$ 5,254,927</u>	<u>\$ 11,040</u>

The accompanying notes are an integral part of this statement.

Debt Service					
<u>Taxable Refunding Bonds</u>	<u>Road and Street Improvement</u>	<u>LCDA Road and Street Improvement Project</u>	<u>Excess Revenue and Limited Tax</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 29,674,451
--	17,843,623	2,625,704	--	25,245,402	40,471,211
--	--	--	--	--	872,941
--	--	--	--	--	4,988,960
--	--	--	--	--	21,725,160
--	--	--	--	--	243,419
--	12,910	2,348	--	21,787	112,063
--	--	--	196,466	207,506	299,840
<u>--</u>	<u>17,856,533</u>	<u>2,628,052</u>	<u>196,466</u>	<u>25,474,695</u>	<u>98,388,045</u>
--	--	--	--	--	1,785,705
--	--	--	--	--	39,002,254
--	--	--	--	--	12,123,677
--	--	--	--	--	3,993,276
--	--	--	--	--	1,638,647
2,945,000	7,630,000	1,255,000	239,186	15,744,186	15,753,786
1,839,256	10,253,105	1,374,156	19,864	14,586,193	14,589,034
--	--	--	--	--	2,815,837
--	--	--	--	--	550,000
<u>4,784,256</u>	<u>17,883,105</u>	<u>2,629,156</u>	<u>259,050</u>	<u>30,330,379</u>	<u>92,252,216</u>
<u>(4,784,256)</u>	<u>(26,572)</u>	<u>(1,104)</u>	<u>(62,584)</u>	<u>(4,855,684)</u>	<u>6,135,829</u>
4,784,256	--	--	62,584	4,846,840	6,032,709
--	--	--	--	--	(1,191,680)
--	--	--	--	--	7,346
<u>4,784,256</u>	<u>--</u>	<u>--</u>	<u>62,584</u>	<u>4,846,840</u>	<u>4,848,375</u>
--	(26,572)	(1,104)	--	(8,844)	10,984,204
--	7,069,403	1,094,440	--	13,410,978	75,707,789
<u>\$ --</u>	<u>\$ 7,042,831</u>	<u>\$ 1,093,336</u>	<u>\$ --</u>	<u>\$ 13,402,134</u>	<u>\$ 86,691,993</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, 2013**

EXHIBIT B - 3

	Prior Years	Current Year	Total to Date	Project Authorization
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 3,835	\$ --	\$ 3,835	\$ 3,835
General sales and use taxes	235,551,162	7,456,517	243,007,679	239,379,864
Total taxes	<u>235,554,997</u>	<u>7,456,517</u>	<u>243,011,514</u>	<u>239,383,699</u>
Intergovernmental revenues:				
Federal grants:				
U.S. Federal Transit Authority	770,149	--	770,149	770,149
U. S. Department of HUD	223,538	--	223,538	223,538
State grants:				
Department of Public Safety and Corrections	151,351	--	151,351	151,351
Department of Transportation and Development	80,171,863	6,544,849	86,716,712	99,988,875
Louisiana State Capital Outlay Bill	14,468,941	726,356	15,195,297	16,563,742
Department of Culture, Recreation and Tourism	--	1,872	1,872	91,790
Department of Treasury	1,461,000	412,350	1,873,350	1,873,350
Department of Economic Development	1,400,000	--	1,400,000	1,400,000
Capital Area Transit System	706,105	--	706,105	706,105
E.B.R. Parish Sheriff	500,000	--	500,000	500,000
E.B.R. Redevelopment Authority	--	1,872	1,872	89,300
E.B.R. Mortgage Finance Authority	--	250,000	250,000	250,000
Other governmental agencies	312,543	94,287	406,830	541,340
Total intergovernmental revenues	<u>100,165,490</u>	<u>8,031,586</u>	<u>108,197,076</u>	<u>123,149,540</u>
Investment earnings	<u>48,213,263</u>	<u>191,105</u>	<u>48,404,368</u>	<u>46,843,949</u>
Miscellaneous revenues:				
Private developer impact fees	3,643,864	1,595,152	5,239,016	3,285,431
Contributions from private business	4,084,239	--	4,084,239	2,881,087
Other miscellaneous revenues	1,188,207	--	1,188,207	1,181,120
Total miscellaneous revenues	<u>8,916,310</u>	<u>1,595,152</u>	<u>10,511,462</u>	<u>7,347,638</u>
Total revenues	<u>392,850,060</u>	<u>17,274,360</u>	<u>410,124,420</u>	<u>416,724,826</u>
<b>EXPENDITURES</b>				
Land	83,077,690	9,284,155	92,361,845	105,920,260
Buildings	117,301,226	24,184,660	141,485,886	172,251,640
Improvements other than buildings	547,993,335	31,833,341	579,826,676	682,270,492
Equipment	51,438,772	3,507,863	54,946,635	59,197,044
Other	9,472,799	94,133	9,566,932	9,685,030
Total expenditures	<u>809,283,822</u>	<u>68,904,152</u>	<u>878,187,974</u>	<u>1,029,324,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(416,433,762)</u>	<u>(51,629,792)</u>	<u>(468,063,554)</u>	<u>(612,599,640)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	317,892,647	4,826,801	322,719,448	322,719,448
Transfers out	(4,397,476)	(62,905)	(4,460,381)	(4,606,955)
Issuance of long term debt	270,835,000	11,000,000	281,835,000	281,835,000
Premium on long term debt	7,888,563	--	7,888,563	7,888,563
Increase in long term lease	4,763,584	--	4,763,584	4,763,584
Proceeds of capital asset disposition	228,893	50,000	278,893	--
Total other financing sources and uses	<u>597,211,211</u>	<u>15,813,896</u>	<u>613,025,107</u>	<u>612,599,640</u>
Net change in fund balances	<u>\$ 180,777,449</u>	<u>(35,815,896)</u>	<u>\$ 144,961,553</u>	<u>\$ --</u>
Fund Balances, January 1		<u>180,777,449</u>		
Fund Balances, December 31		<u>\$ 144,961,553</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)  
 CIVIL JUROR COMPENSATION SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 4

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services:				
Civil juror fees	\$ 60,000	\$ 75,000	\$ 94,371	\$ 19,371
Investment earnings	--	--	149	149
Total revenues	60,000	75,000	94,520	19,520
<b>EXPENDITURES</b>				
Current:				
General government:				
Juror compensation	90,000	130,000	112,467	17,533
Excess (deficiency) of revenues over (under) expenditures	(30,000)	(55,000)	(17,947)	37,053
Fund balances, January 1	118,786	118,786	118,786	--
Fund balances, December 31	<u>\$ 88,786</u>	<u>\$ 63,786</u>	<u>\$ 100,839</u>	<u>\$ 37,053</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)  
 CRIMINAL JUROR COMPENSATION SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services:				
Criminal juror fees	\$ 250,000	\$ 290,000	\$ 287,302	\$ (2,698)
Investment earnings	--	--	399	399
Total revenues	250,000	290,000	287,701	(2,299)
<b>EXPENDITURES</b>				
Current:				
General government:				
Juror compensation	250,000	330,000	289,555	40,445
Excess (deficiency) of revenues over (under) expenditures	--	(40,000)	(1,854)	38,146
Fund balances, January 1	286,420	286,420	286,420	--
Fund balances, December 31	<u>\$ 286,420</u>	<u>\$ 246,420</u>	<u>\$ 284,566</u>	<u>\$ 38,146</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, 2013**

EXHIBIT B - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 12,000	\$ 12,000	\$ 7,154	\$ (4,846)
Charges for services:				
Judiciary court costs	620,000	620,000	691,078	71,078
Criminal bond posting fees	--	45,000	59,170	14,170
School security fees	20,000	20,000	17,105	(2,895)
Constable bench warrant fees	37,000	37,000	25,251	(11,749)
Evidence testing	110,000	110,000	75,025	(34,975)
Total charges for services	<u>787,000</u>	<u>832,000</u>	<u>867,629</u>	<u>35,629</u>
Fines and forfeits:				
City court forfeitures	25,000	25,000	55,835	30,835
Investment earnings:	--	--	61	61
Total revenues	<u>824,000</u>	<u>869,000</u>	<u>930,679</u>	<u>61,679</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Judicial	825,445	855,074	847,037	8,037
Excess (deficiency) of revenues over (under) expenditures	<u>(1,445)</u>	<u>13,926</u>	<u>83,642</u>	<u>69,716</u>
<b>OTHER FINANCING USES</b>				
Transfers out:				
General Fund	--	(3,421)	(3,421)	--
Grants Fund	--	(11,950)	(11,950)	--
Total transfers out	<u>--</u>	<u>(15,371)</u>	<u>(15,371)</u>	<u>--</u>
Total other financing uses	<u>--</u>	<u>(15,371)</u>	<u>(15,371)</u>	<u>--</u>
Net change in fund balances	<u>(1,445)</u>	<u>(1,445)</u>	<u>68,271</u>	<u>69,716</u>
Fund balances, January 1	<u>1,445</u>	<u>1,445</u>	<u>1,445</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 69,716</u>	<u>\$ 69,716</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, 2013**

EXHIBIT B - 7

	<u>Budgeted Amounts</u>		<u>Actual Amounts: (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 4,955,160	\$ 4,955,160	\$ 5,169,237	\$ 214,077
Investment earnings	<u>10,000</u>	<u>10,000</u>	<u>12,886</u>	<u>2,886</u>
Total revenues	<u>4,965,160</u>	<u>4,965,160</u>	<u>5,182,123</u>	<u>216,963</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare:				
Operations	4,793,550	4,763,067	3,997,627	765,440
Capital outlay	<u>475,875</u>	<u>475,875</u>	<u>220,902</u>	<u>254,973</u>
Total expenditures	<u>5,269,425</u>	<u>5,238,942</u>	<u>4,218,529</u>	<u>1,020,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304,265)</u>	<u>(273,782)</u>	<u>963,594</u>	<u>1,237,376</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
General Fund	--	(30,483)	(30,483)	--
Proceeds of capital asset disposition	<u>1,000</u>	<u>1,000</u>	<u>3,780</u>	<u>2,780</u>
Total other financing sources and uses	<u>1,000</u>	<u>(29,483)</u>	<u>(26,703)</u>	<u>2,780</u>
Net change in fund balances	(303,265)	(303,265)	936,891	1,240,156
Fund balances, January 1	<u>9,512,201</u>	<u>9,512,201</u>	<u>9,512,201</u>	<u>--</u>
Fund balances, December 31	<u>\$ 9,208,936</u>	<u>\$ 9,208,936</u>	<u>\$ 10,449,092</u>	<u>\$ 1,240,156</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DOWNTOWN DEVELOPMENT DISTRICT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 8

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 478,070	\$ 478,070	\$ 496,897	\$ 18,827
Investment earnings	(1,500)	(1,500)	412	1,912
Miscellaneous revenues:				
Donations	1,000	1,000	--	(1,000)
Total revenues	<u>477,570</u>	<u>477,570</u>	<u>497,309</u>	<u>19,739</u>
<b>EXPENDITURES</b>				
Current:				
Conservation and development Operations	<u>741,542</u>	<u>736,078</u>	<u>614,737</u>	<u>121,341</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,972)</u>	<u>(258,508)</u>	<u>(117,428)</u>	<u>141,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General fund	142,500	142,500	142,500	--
Transfers out:				
General Fund	--	(5,464)	(5,464)	--
Total other financing sources and uses	<u>142,500</u>	<u>137,036</u>	<u>137,036</u>	<u>--</u>
Net change in fund balances	(121,472)	(121,472)	19,608	141,080
Fund balances, January 1	<u>396,393</u>	<u>396,393</u>	<u>396,393</u>	<u>--</u>
Fund balances, December 31	<u>\$ 274,921</u>	<u>\$ 274,921</u>	<u>\$ 416,001</u>	<u>\$ 141,080</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, 2013**

EXHIBIT B - 9

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	\$ 600	\$ 600	\$ 600	\$ --
Charges for services:				
Gaming fees	175,430	142,430	155,977	13,547
Investment earnings	260	260	265	5
Total revenues	<u>176,290</u>	<u>143,290</u>	<u>156,842</u>	<u>13,552</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Operations	<u>194,630</u>	<u>193,271</u>	<u>151,157</u>	<u>42,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,340)</u>	<u>(49,981)</u>	<u>5,685</u>	<u>55,666</u>
<b>OTHER FINANCING USES</b>				
Transfers out:				
General Fund	<u>--</u>	<u>(1,359)</u>	<u>(1,359)</u>	<u>--</u>
Net change in fund balances	<u>(18,340)</u>	<u>(51,340)</u>	<u>4,326</u>	<u>55,666</u>
Fund balances, January 1	<u>167,835</u>	<u>167,835</u>	<u>167,835</u>	<u>--</u>
Fund balances, December 31	<u>\$ 149,495</u>	<u>\$ 116,495</u>	<u>\$ 172,161</u>	<u>\$ 55,666</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CITY COURT JUDICIAL BUILDING SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 10

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services:				
Civil and traffic fees	\$ 490,000	\$ 467,000	\$ 477,792	\$ 10,792
Investment earnings	--	--	876	876
Total revenues	<u>490,000</u>	<u>467,000</u>	<u>478,668</u>	<u>11,668</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Judicial	571,367	646,367	408,233	238,134
Capital outlay	<u>200,190</u>	<u>125,190</u>	<u>49,488</u>	<u>75,702</u>
Total expenditures	<u>771,557</u>	<u>771,557</u>	<u>457,721</u>	<u>313,836</u>
Excess (deficiency) of revenues over (under) expenditures	(281,557)	(304,557)	20,947	325,504
Fund balances, January 1	<u>471,626</u>	<u>471,626</u>	<u>471,626</u>	--
Fund balances, December 31	<u>\$ 190,069</u>	<u>\$ 167,069</u>	<u>\$ 492,573</u>	<u>\$ 325,504</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FEDERAL FORFEITED PROPERTY SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeits:				
Forfeited property	\$ 750,000	\$ 189,415	\$ 187,584	\$ (1,831)
Investment earnings	--	--	1,831	1,831
Total revenues	<u>750,000</u>	<u>189,415</u>	<u>189,415</u>	<u>--</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Dedicated funds	564,000	373,096	273,323	99,773
Capital outlay	<u>622,729</u>	<u>503,048</u>	<u>179,377</u>	<u>323,671</u>
Total expenditures	<u>1,186,729</u>	<u>876,144</u>	<u>452,700</u>	<u>423,444</u>
Excess (deficiency) of revenues over (under) expenditures	(436,729)	(686,729)	(263,285)	423,444
Fund balances, January 1	<u>919,384</u>	<u>919,384</u>	<u>919,384</u>	<u>--</u>
Fund balances, December 31	<u>\$ 482,655</u>	<u>\$ 232,655</u>	<u>\$ 656,099</u>	<u>\$ 423,444</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, 2013**

EXHIBIT B - 12

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services:				
Enhanced 911	\$ 5,579,140	\$ 5,579,140	\$ 5,643,778	\$ 64,638
Investment earnings	15,000	15,000	15,457	457
Miscellaneous revenues:				
Other income	--	--	5,348	5,348
Total revenues	<u>5,594,140</u>	<u>5,594,140</u>	<u>5,664,583</u>	<u>70,443</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Communications	6,586,929	6,437,850	5,498,628	939,222
Capital outlay	<u>799,622</u>	<u>899,622</u>	<u>747,060</u>	<u>152,562</u>
Total expenditures	<u>7,386,551</u>	<u>7,337,472</u>	<u>6,245,688</u>	<u>1,091,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,792,411)</u>	<u>(1,743,332)</u>	<u>(581,105)</u>	<u>1,162,227</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Emergency Medical Services Fund	<u>794,400</u>	<u>794,400</u>	<u>794,400</u>	--
Transfers out:				
General Fund	--	<u>(49,079)</u>	<u>(49,079)</u>	--
Total other financing sources and uses	<u>794,400</u>	<u>745,321</u>	<u>745,321</u>	--
Net change in fund balances	(998,011)	(998,011)	164,216	1,162,227
Fund balances, January 1	<u>10,119,016</u>	<u>10,119,016</u>	<u>10,119,016</u>	--
Fund balances, December 31	<u>\$ 9,121,005</u>	<u>\$ 9,121,005</u>	<u>\$ 10,283,232</u>	<u>\$ 1,162,227</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, 2013**

EXHIBIT B - 13

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 11,013,700	\$ 11,013,700	\$ 11,475,035	\$ 461,335
Intergovernmental revenues:				
Medicaid supplemental payment program	--	--	1,421,210	1,421,210
Charges for services:				
Emergency transport charges	9,605,840	9,605,840	12,121,245	2,515,405
Medicaid supplemental payments for ambulances	--	280,000	1,808,812	1,528,812
Medical record fees	--	--	120	120
Total charges for services	<u>9,605,840</u>	<u>9,885,840</u>	<u>13,930,177</u>	<u>4,044,337</u>
Investment earnings	15,000	15,000	11,347	(3,653)
Miscellaneous revenues:				
Other income	55,000	55,000	59,825	4,825
Total revenues	<u>20,689,540</u>	<u>20,969,540</u>	<u>26,897,594</u>	<u>5,928,054</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Operations	20,373,252	21,064,396	21,004,788	59,608
Capital outlay	248,833	1,239,833	747,904	491,929
Total expenditures	<u>20,622,085</u>	<u>22,304,229</u>	<u>21,752,692</u>	<u>551,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,455</u>	<u>(1,334,689)</u>	<u>5,144,902</u>	<u>6,479,591</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	--	33,349	33,349	--
Transfers out:				
General Fund	(90,000)	(287,856)	(287,856)	--
East Baton Rouge Parish Communications District	(794,400)	(794,400)	(794,400)	--
Total transfers out	<u>(884,400)</u>	<u>(1,082,256)</u>	<u>(1,082,256)</u>	<u>--</u>
Proceeds of capital asset disposition	--	--	3,566	3,566
Total other financing sources and uses	<u>(884,400)</u>	<u>(1,048,907)</u>	<u>(1,045,341)</u>	<u>3,566</u>
Net change in fund balances	(816,945)	(2,383,596)	4,099,561	6,483,157
Fund balances, January 1	9,100,325	9,100,325	9,100,325	--
Fund balances, December 31	<u>\$ 8,283,380</u>	<u>\$ 6,716,729</u>	<u>\$ 13,199,886</u>	<u>\$ 6,483,157</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, 2013

EXHIBIT B - 14

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 10,399,550	\$ 10,399,550	\$ 10,764,006	\$ 364,456
Investment earnings	(10,000)	(10,000)	(2,872)	7,128
Total revenues	10,389,550	10,389,550	10,761,134	371,584
<b>EXPENDITURES</b>				
Current:				
Public safety: Operations	10,957,760	10,957,760	10,721,747	236,013
Excess (deficiency) of revenues over (under) expenditures	(568,210)	(568,210)	39,387	607,597
Fund balances, January 1	1,397,269	1,397,269	1,397,269	-
Fund balances, December 31	<u>\$ 829,059</u>	<u>\$ 829,059</u>	<u>\$ 1,436,656</u>	<u>\$ 607,597</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)  
 DISTRICT NO. 1 FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 15

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 273,250	\$ 273,250	\$ 328,185	\$ 54,935
Charges for services:				
Fire protection service charges	59,670	59,670	61,037	1,367
Investment earnings	330	330	354	24
Total revenues	333,250	333,250	389,576	56,326
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Operations	319,820	342,084	330,890	11,194
Excess (deficiency) of revenues over (under) expenditures	13,430	(8,834)	58,686	67,520
Fund balances, January 1	340,957	340,957	340,957	--
Fund balances, December 31	<u>\$ 354,387</u>	<u>\$ 332,123</u>	<u>\$ 399,643</u>	<u>\$ 67,520</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)**  
**BROWNSFIELD FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 16

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 505,040	\$ 325,040	\$ 327,324	\$ 2,284
Intergovernmental revenues:				
Insurance company taxes	27,730	27,730	31,929	4,199
Louisiana revenue sharing	80,320	80,320	81,276	956
On-behalf payments for salaries and benefits	24,000	24,000	24,000	--
Total intergovernmental revenues	<u>132,050</u>	<u>132,050</u>	<u>137,205</u>	<u>5,155</u>
Charges for services:				
Fire protection service charges	97,460	97,460	101,111	3,651
Investment earnings	70	70	179	109
Miscellaneous revenues:				
Other income	--	--	10,517	10,517
Total revenues	<u>734,620</u>	<u>554,620</u>	<u>576,336</u>	<u>21,716</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Operations	750,870	751,008	744,779	6,229
Excess (deficiency) of revenues over (under) expenditures	<u>(16,250)</u>	<u>(196,388)</u>	<u>(168,443)</u>	<u>27,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	16,250	136,250	136,250	--
Transfers out:				
General Fund	--	(5,862)	(5,862)	--
Total other financing sources and uses	<u>16,250</u>	<u>130,388</u>	<u>130,388</u>	<u>--</u>
Net change in fund balances	--	(66,000)	(38,055)	27,945
Fund balances, January 1	253,574	253,574	253,574	--
Fund balances, December 31	<u>\$ 253,574</u>	<u>\$ 187,574</u>	<u>\$ 215,519</u>	<u>\$ 27,945</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)  
CHANEYVILLE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 17

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 134,650	\$ 134,650	\$ 138,395	\$ 3,745
Intergovernmental revenues:				
Insurance company taxes	14,820	14,820	17,004	2,184
Charges for services:				
Fire protection service charges	44,490	44,490	44,261	(229)
Investment earnings	90	90	136	46
Miscellaneous revenues:				
Other income	--	--	5,231	5,231
Total revenues	<u>194,050</u>	<u>194,050</u>	<u>205,027</u>	<u>10,977</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Operations	229,910	236,410	231,028	5,382
Capital outlay	--	30,000	30,000	--
Total expenditures	<u>229,910</u>	<u>266,410</u>	<u>261,028</u>	<u>5,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,860)</u>	<u>(72,360)</u>	<u>(56,001)</u>	<u>16,359</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	35,860	35,860	35,860	--
Net change in fund balances	--	(36,500)	(20,141)	16,359
Fund balances, January 1	<u>161,987</u>	<u>161,987</u>	<u>161,987</u>	<u>--</u>
Fund balances, December 31	<u>\$ 161,987</u>	<u>\$ 125,487</u>	<u>\$ 141,846</u>	<u>\$ 16,359</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)  
PRIDE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 18

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 97,820	\$ 97,820	\$ 109,613	\$ 11,793
Intergovernmental revenues:				
Insurance company taxes	14,850	14,850	17,046	2,196
Charges for services:				
Fire protection service charges	49,180	49,180	49,499	319
Investment earnings	400	400	496	96
Miscellaneous revenues:				
Other income	--	--	4,812	4,812
Total revenues	<u>162,250</u>	<u>162,250</u>	<u>181,466</u>	<u>19,216</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Operations	<u>163,960</u>	<u>171,260</u>	<u>158,250</u>	<u>13,010</u>
Debt service:				
Principal retirement	9,600	9,600	9,600	--
Interest and fiscal charges	<u>7,690</u>	<u>7,690</u>	<u>2,841</u>	<u>4,849</u>
Total debt service	<u>17,290</u>	<u>17,290</u>	<u>12,441</u>	<u>4,849</u>
Capital outlay	<u>37,087</u>	<u>37,087</u>	<u>1,800</u>	<u>35,287</u>
Total expenditures	<u>218,337</u>	<u>225,637</u>	<u>172,491</u>	<u>53,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,087)</u>	<u>(63,387)</u>	<u>8,975</u>	<u>72,362</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	19,000	19,000	19,000	--
Issuance of long-term debt	<u>35,287</u>	<u>35,287</u>	<u>--</u>	<u>(35,287)</u>
Total other financing sources	<u>54,287</u>	<u>54,287</u>	<u>19,000</u>	<u>(35,287)</u>
Net change in fund balances	(1,800)	(9,100)	27,975	37,075
Fund balances, January 1	<u>341,584</u>	<u>341,584</u>	<u>341,584</u>	<u>--</u>
Fund balances, December 31	<u>\$ 339,784</u>	<u>\$ 332,484</u>	<u>\$ 369,559</u>	<u>\$ 37,075</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)**  
**ALSEN-ST. IRMA LEE FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 19

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 198,770	\$ 212,670	\$ 249,775	\$ 37,105
Intergovernmental revenues:				
Insurance company taxes	7,700	7,700	8,798	1,098
Charges for services:				
Fire protection service charges	11,820	11,820	12,226	406
Investment earnings	700	700	668	(32)
Miscellaneous revenues:				
Other income	--	--	6,601	6,601
Total revenues	<u>218,990</u>	<u>232,890</u>	<u>278,068</u>	<u>45,178</u>
<b>EXPENDITURES</b>				
Current:				
Public safety:				
Operations	<u>254,180</u>	<u>267,177</u>	<u>267,028</u>	<u>149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,190)</u>	<u>(34,287)</u>	<u>11,040</u>	<u>45,327</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	24,510	24,510	24,510	--
Transfers out:				
General Fund	<u>--</u>	<u>(903)</u>	<u>(903)</u>	<u>--</u>
Total other financing sources and uses	<u>24,510</u>	<u>23,607</u>	<u>23,607</u>	<u>--</u>
Net change in fund balances	(10,680)	(10,680)	34,647	45,327
Fund balances, January 1	<u>501,384</u>	<u>501,384</u>	<u>501,384</u>	<u>--</u>
Fund balances, December 31	<u>\$ 490,704</u>	<u>\$ 490,704</u>	<u>\$ 536,031</u>	<u>\$ 45,327</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, 2013**

EXHIBIT B - 20

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General property taxes	\$ 563,190	\$ 563,190	\$ 615,984	\$ 52,794
Intergovernmental revenues:				
State shared revenues				
Louisiana revenue sharing	51,400	51,400	51,217	(183)
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>6,191</u>	<u>1,191</u>
Total revenues	619,590	619,590	673,392	53,802
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Operations	<u>619,590</u>	<u>619,590</u>	<u>540,977</u>	<u>78,613</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	132,415	132,415
Fund balances, January 1	<u>4,172,372</u>	<u>4,172,372</u>	<u>4,172,372</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,172,372</u>	<u>\$ 4,172,372</u>	<u>\$ 4,304,787</u>	<u>\$ 132,415</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, 2013**

EXHIBIT B - 21

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues:				
State shared revenues				
State road fund	\$ 2,650,000	\$ 2,650,000	\$ 3,328,726	\$ 678,726
Investment earnings	17,200	17,200	19,453	2,253
Total revenues	<u>2,667,200</u>	<u>2,667,200</u>	<u>3,348,179</u>	<u>680,979</u>
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Operations	1,645,180	665,935	475,935	190,000
Capital outlay	11,611,181	12,590,426	1,503,633	11,086,793
Intergovernmental	550,000	550,000	550,000	--
Total expenditures	<u>13,806,361</u>	<u>13,806,361</u>	<u>2,529,568</u>	<u>11,276,793</u>
Excess (deficiency) of revenues over (under) expenditures	(11,139,161)	(11,139,161)	818,611	11,957,772
Fund balances, January 1	12,086,891	12,086,891	12,086,891	--
Fund balances, December 31	<u>\$ 947,730</u>	<u>\$ 947,730</u>	<u>\$ 12,905,502</u>	<u>\$ 11,957,772</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PARISH BEAUTIFICATION SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ 1,133,370	\$ 1,133,370	\$ 1,196,822	\$ 63,452
Investment earnings	7,500	7,500	5,768	(1,732)
Total revenues	<u>1,140,870</u>	<u>1,140,870</u>	<u>1,202,590</u>	<u>61,720</u>
<b>EXPENDITURES</b>				
Current:				
Transportation: Operations	4,233,781	2,404,740	418,042	1,986,698
Capital outlay	6,399	1,835,440	175,595	1,659,845
Total expenditures	<u>4,240,180</u>	<u>4,240,180</u>	<u>593,637</u>	<u>3,646,543</u>
Excess (deficiency) of revenues over (under) expenditures	(3,099,310)	(3,099,310)	608,953	3,708,263
Fund balances, January 1	<u>3,427,634</u>	<u>3,427,634</u>	<u>3,427,634</u>	<u>--</u>
Fund balances, December 31	<u>\$ 328,324</u>	<u>\$ 328,324</u>	<u>\$ 4,036,587</u>	<u>\$ 3,708,263</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, 2013**

EXHIBIT B - 23

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ 13,195,080	\$ 13,298,080	\$ 13,874,151	\$ 576,071
Investment earnings	<u>10,000</u>	<u>10,000</u>	<u>16,220</u>	<u>6,220</u>
Total revenues	13,205,080	13,308,080	13,890,371	582,291
<b>EXPENDITURES</b>				
Current:				
Transportation:				
Street maintenance	<u>21,277,178</u>	<u>21,440,715</u>	<u>13,409,904</u>	<u>8,030,811</u>
Excess (deficiency) of revenues over (under) expenditures	(8,072,098)	(8,132,635)	480,467	8,613,102
<b>OTHER FINANCING USES</b>				
Transfers out:				
General Fund	<u>--</u>	<u>(903)</u>	<u>(903)</u>	<u>--</u>
Net change in fund balances	(8,072,098)	(8,133,538)	479,564	8,613,102
Fund balances, January 1	<u>8,519,728</u>	<u>8,519,728</u>	<u>8,519,728</u>	<u>--</u>
Fund balances, December 31	<u>\$ 447,630</u>	<u>\$ 386,190</u>	<u>\$ 8,999,292</u>	<u>\$ 8,613,102</u>

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CAPITOL HOUSE ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 24

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ 118,650	\$ 102,540	\$ 108,644	\$ 6,104
Occupancy taxes	979,840	899,840	872,941	(26,899)
Total taxes	1,098,490	1,002,380	981,585	(20,795)
<b>EXPENDITURES</b>				
Current:				
Conservation and development:				
Operations	1,098,490	1,002,380	981,585	20,795
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 LAFAYETTE-MAIN ECONOMIC DEVELOPMENT DISTRICT SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED DECEMBER-31, 2013

EXHIBIT B - 25

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ --	\$ 43,500	\$ 46,192	\$ 2,692
<b>EXPENDITURES</b>				
Current:				
Conservation and development:				
Operations	--	43,500	46,192	(2,692)
Excess (deficiency) of revenues over (under) expenditures	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ --	\$ --

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CITY SALES TAX BONDS DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 26

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ 4,766,610	\$ 4,766,610	\$ 4,776,075	\$ 9,465
Investment earnings	<u>18,020</u>	<u>18,020</u>	<u>6,529</u>	<u>(11,491)</u>
Total revenues	<u>4,784,630</u>	<u>4,784,630</u>	<u>4,782,604</u>	<u>(2,026)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal:				
Bond principal	<u>3,675,000</u>	<u>3,675,000</u>	<u>3,675,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	1,099,600	1,099,600	1,099,587	13
Paying agent fees	<u>2,230</u>	<u>2,230</u>	<u>225</u>	<u>2,005</u>
Total interest and fiscal charges	<u>1,101,830</u>	<u>1,101,830</u>	<u>1,099,812</u>	<u>2,018</u>
Total expenditures	<u>4,776,830</u>	<u>4,776,830</u>	<u>4,774,812</u>	<u>2,018</u>
Excess (deficiency) of revenues over (under) expenditures	7,800	7,800	7,792	(8)
Fund balances, January 1	<u>5,247,135</u>	<u>5,247,135</u>	<u>5,247,135</u>	<u>--</u>
Fund balances, December 31	<u>\$ 5,254,935</u>	<u>\$ 5,254,935</u>	<u>\$ 5,254,927</u>	<u>\$ (8)</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, 2013

EXHIBIT B - 27

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous revenues:				
Other income	\$ --	\$ --	\$ 11,040	\$ 11,040
Net change in fund balances	--	--	11,040	11,040
Fund balances, January 1	--	--	--	--
Fund balances, December 31	\$ --	\$ --	\$ 11,040	\$ 11,040

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, 2013**

EXHIBIT B - 28

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Debt service:				
Principal:				
Bond principal	\$ 2,945,000	\$ 2,945,000	\$ 2,945,000	\$ --
Interest and fiscal charges:				
Bond interest	1,839,160	1,839,160	1,839,156	4
Paying agent fees	1,100	1,100	100	1,000
Total interest and fiscal charges	<u>1,840,260</u>	<u>1,840,260</u>	<u>1,839,256</u>	<u>1,004</u>
Total expenditures	<u>4,785,260</u>	<u>4,785,260</u>	<u>4,784,256</u>	<u>1,004</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General Fund	4,785,260	4,785,260	4,784,256	1,004
Total other financing sources and uses	<u>4,785,260</u>	<u>4,785,260</u>	<u>4,784,256</u>	<u>1,004</u>
Net change in fund balances	--	--	--	2,008
Fund balances, January 1	--	--	--	--
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,008</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ROAD AND STREET IMPROVEMENT DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 29

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ 18,166,360	\$ 17,837,395	\$ 17,843,623	\$ 6,228
Investment earnings	26,500	23,500	12,910	(10,590)
Swap earnings	<u>159,570</u>	<u>135,875</u>	<u>135,872</u>	<u>(3)</u>
Total revenues	<u>18,352,430</u>	<u>17,996,770</u>	<u>17,992,405</u>	<u>(4,365)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal:				
Bond principal	<u>7,630,000</u>	<u>7,630,000</u>	<u>7,630,000</u>	<u>--</u>
Interest and fiscal charges:				
Bond interest	5,853,070	5,621,500	5,621,495	5
Paying agent fees	<u>1,016,570</u>	<u>1,011,570</u>	<u>1,011,469</u>	<u>101</u>
Total interest and fiscal charges	<u>6,869,640</u>	<u>6,633,070</u>	<u>6,632,964</u>	<u>106</u>
Swap expenses	<u>3,756,010</u>	<u>3,756,010</u>	<u>3,756,013</u>	<u>(3)</u>
Total expenditures	<u>18,255,650</u>	<u>18,019,080</u>	<u>18,018,977</u>	<u>103</u>
Excess (deficiency) of revenues over (under) expenditures	96,780	(22,310)	(26,572)	(4,262)
Fund balances, January 1	<u>7,069,403</u>	<u>7,069,403</u>	<u>7,069,403</u>	<u>--</u>
Fund balances, December 31	<u>\$ 7,166,183</u>	<u>\$ 7,047,093</u>	<u>\$ 7,042,831</u>	<u>\$ (4,262)</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)  
 LCDA ROAD AND STREET IMPROVEMENT PROJECT DEBT SERVICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013

EXHIBIT B - 30

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
General sales and use taxes	\$ 2,616,560	\$ 2,626,010	\$ 2,625,704	\$ (306)
Investment earnings	9,000	2,050	2,348	298
Total revenues	<u>2,625,560</u>	<u>2,628,060</u>	<u>2,628,052</u>	<u>(8)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal:				
Bond principal	1,255,000	1,255,000	1,255,000	--
Interest and fiscal charges:				
Bond interest	1,371,660	1,371,660	1,371,656	4
Paying agent fees	--	2,500	2,500	--
Total interest and fiscal charges	<u>1,371,660</u>	<u>1,374,160</u>	<u>1,374,156</u>	<u>4</u>
Total expenditures	<u>2,626,660</u>	<u>2,629,160</u>	<u>2,629,156</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	(1,100)	(1,100)	(1,104)	(4)
Fund balances, January 1	<u>1,094,440</u>	<u>1,094,440</u>	<u>1,094,440</u>	<u>--</u>
Fund balances, December 31	<u>\$ 1,093,340</u>	<u>\$ 1,093,340</u>	<u>\$ 1,093,336</u>	<u>\$ (4)</u>

The accompanying notes are an integral part of this statement.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 EXCESS REVENUE AND LIMITED TAX DEBT SERVICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT B - 31

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous revenues:				
Contributions from government agencies	\$ 187,040	\$ 198,240	\$ 196,466	\$ (1,774)
<b>EXPENDITURES</b>				
Debt service:				
Principal:				
Bond principal	239,190	239,190	239,186	4
Interest and fiscal charges:				
Bond interest	50,620	24,540	19,864	4,676
Total expenditures	<u>289,810</u>	<u>263,730</u>	<u>259,050</u>	<u>4,680</u>
Excess (deficiency) of revenues over (under) expenditures	(102,770)	(65,490)	(62,584)	2,906
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	102,770	65,490	62,584	(2,906)
Net change in fund balances	--	--	--	--
Fund balances, January 1	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

## NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Baton Rouge River Center** accounts for the operation of a cultural and entertainment center composed of an arena, exhibition hall and theater of performing arts. Principal revenues of the fund are rents, commissions and governmental subsidies.

**Greater Baton Rouge Parking Authority** accounts for the operation of an off-street parking facility. Principal revenues of the fund are governmental subsidies and automobile parking fees.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2013**

EXHIBIT C - 1

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 988,010	\$ 2,228,536	\$ 3,216,546
Investments	--	2,319,496	2,319,496
Accounts receivable - net	687,721	43,930	731,651
Accrued interest receivable	--	1,941	1,941
Due from other governments (Note 11)	645,604	--	645,604
Prepaid items	209,424	--	209,424
Inventory	51,347	--	51,347
Total current assets	<u>2,582,106</u>	<u>4,593,903</u>	<u>7,176,009</u>
<b>Noncurrent assets:</b>			
<b>Restricted assets:</b>			
Cash and cash equivalents	4,086,805	--	4,086,805
Investments	4,245,587	--	4,245,587
Accrued interest receivable	3,868	--	3,868
Total restricted assets	<u>8,336,260</u>	<u>--</u>	<u>8,336,260</u>
Investment in joint venture (Note 19)	<u>--</u>	<u>1,973,958</u>	<u>1,973,958</u>
<b>Capital assets:</b>			
Land	1,024,914	1,629,303	2,654,217
Buildings	91,213,046	10,426,261	101,639,307
Improvements (other than buildings)	13,953,941	22,685	13,976,626
Equipment	1,168,505	11,696	1,180,201
Construction work in progress	93,180	43,500	136,680
Total capital assets	<u>107,453,586</u>	<u>12,133,445</u>	<u>119,587,031</u>
Accumulated depreciation	<u>(54,096,763)</u>	<u>(10,261,355)</u>	<u>(64,358,118)</u>
Net capital assets	<u>53,356,823</u>	<u>1,872,090</u>	<u>55,228,913</u>
Total noncurrent assets	<u>61,693,083</u>	<u>3,846,048</u>	<u>65,539,131</u>
<b>Total assets</b>	<u>64,275,189</u>	<u>8,439,951</u>	<u>72,715,140</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 POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 DECEMBER 31, 2013

EXHIBIT C - 1  
 (Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	\$ 521,578	\$ 59,392	\$ 580,970
Accrued salaries payable	152,167	14,432	166,599
Unearned revenue	1,220,469	3,600	1,224,069
Bonds payable (Note 10)	1,161,500	215,500	1,377,000
Compensated absences payable	50,000	47,478	97,478
Total current liabilities	<u>3,105,714</u>	<u>340,402</u>	<u>3,446,116</u>
Noncurrent liabilities:			
Bonds payable (Note 10)	4,431,660	811,500	5,243,160
Compensated absences payable	--	25,466	25,466
Net other post employment benefit obligation	--	489,123	489,123
Total noncurrent liabilities	<u>4,431,660</u>	<u>1,326,089</u>	<u>5,757,749</u>
Total liabilities	<u>7,537,374</u>	<u>1,666,491</u>	<u>9,203,865</u>
<b>NET POSITION</b>			
Net investment in capital assets	47,763,663	1,872,090	49,635,753
Restricted for capital projects	8,839,329	--	8,839,329
Unrestricted	134,823	4,901,370	5,036,193
Total net position	<u>\$ 56,737,815</u>	<u>\$ 6,773,460</u>	<u>\$ 63,511,275</u>

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 POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT C - 2

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,651,191	\$ 898,859	\$ 6,550,050
Miscellaneous revenues	808,722	784	809,506
Total operating revenues	<u>6,459,913</u>	<u>899,643</u>	<u>7,359,556</u>
<b>OPERATING EXPENSES</b>			
Personal services	2,578,226	272,841	2,851,067
Employee benefits	392,030	181,495	573,525
Supplies	1,289,098	5,697	1,294,795
Contractual services	3,952,434	611,398	4,563,832
Depreciation	4,652,429	26,572	4,679,001
Management fee	372,480	--	372,480
Total operating expenses	<u>13,236,697</u>	<u>1,098,003</u>	<u>14,334,700</u>
Operating income (loss)	<u>(6,776,784)</u>	<u>(198,360)</u>	<u>(6,975,144)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating grants	59,498	--	59,498
Net income (loss) from joint venture	--	191,376	191,376
Investment earnings	17,327	7,024	24,351
Interest expense	(68,555)	(12,609)	(81,164)
Total non-operating revenues (expenses)	<u>8,270</u>	<u>185,791</u>	<u>194,061</u>
Income (loss) before contributions and transfers	<u>(6,768,514)</u>	<u>(12,569)</u>	<u>(6,781,083)</u>
Capital contributions	1,470,739	--	1,470,739
Transfers in	1,528,872	--	1,528,872
Transfers out	--	(7,668)	(7,668)
Change in net position	<u>(3,768,903)</u>	<u>(20,237)</u>	<u>(3,789,140)</u>
Total net position - January 1	<u>60,506,718</u>	<u>6,793,697</u>	<u>67,300,415</u>
Total net position - December 31	<u>\$ 56,737,815</u>	<u>\$ 6,773,460</u>	<u>\$ 63,511,275</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, 2013**

EXHIBIT C - 3

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 6,599,336	\$ 899,643	\$ 7,498,979
Cash payments to suppliers for goods and services	(5,726,417)	(576,362)	(6,302,779)
Cash payments to employees for services and benefits	(2,973,084)	(378,876)	(3,351,960)
Net cash provided by (used for) operating activities	(2,100,165)	(55,595)	(2,155,760)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating grants received	59,498	--	59,498
Transfers in from other funds	1,465,967	--	1,465,967
Transfers out to other funds	--	(7,668)	(7,668)
Net cash provided by (used for) noncapital financing activities	1,525,465	(7,668)	1,517,797
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(1,767,793)	--	(1,767,793)
Principal paid on bonds, obligations and capital leases	(1,104,500)	(204,500)	(1,309,000)
Interest paid on bonds, obligations and capital leases	(68,555)	(12,609)	(81,164)
Capital contributed by other governments	1,517,835	--	1,517,835
Net cash provided by (used for) capital and related financing activities	(1,423,013)	(217,109)	(1,640,122)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments	(4,245,587)	(2,319,496)	(6,565,083)
Proceeds from sales and maturities of investments	3,729,702	1,517,891	5,247,593
Cash received from joint venture activity	--	299,912	299,912
Cash paid for expenses of joint venture	--	(77,349)	(77,349)
Interest received on investments	15,986	6,170	22,156
Net cash provided by (used for) investing activities	(499,899)	(572,872)	(1,072,771)
Net increase (decrease) in cash and cash equivalents	(2,497,612)	(853,244)	(3,350,856)
Cash and cash equivalents, January 1	7,572,427	3,081,780	10,654,207
Cash and cash equivalents, December 31	\$ 5,074,815	\$ 2,228,536	\$ 7,303,351
<b>Classified as:</b>			
Current assets	\$ 988,010	\$ 2,228,536	\$ 3,216,546
Restricted assets	4,086,805	--	4,086,805
Totals	\$ 5,074,815	\$ 2,228,536	\$ 7,303,351

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, 2013**

EXHIBIT C - 3  
(Continued)

	<u>Baton Rouge River Center</u>	<u>Greater Baton Rouge Parking Authority</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ (6,776,784)</u>	<u>\$ (198,360)</u>	<u>\$ (6,975,144)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	4,652,429	26,572	4,679,001
Increase (decrease) in compensated absences payable	2,694	3,941	6,635
Increase (decrease) in net other post employment benefit obligation	--	71,496	71,496
<b>Change in assets and liabilities:</b>			
Decrease (increase) in accounts receivable	(141,557)	--	(141,557)
Decrease (increase) in prepaid items	(68,532)	--	(68,532)
Decrease (increase) in inventory	74,208	--	74,208
Increase (decrease) in accounts and contracts payable	(118,081)	40,733	(77,348)
Increase (decrease) in accrued salaries payable	(5,522)	23	(5,499)
Increase (decrease) in unearned revenue	280,980	--	280,980
Total adjustments	<u>4,676,619</u>	<u>142,765</u>	<u>4,819,384</u>
Net cash provided by (used for) operating activities	<u>\$ (2,100,165)</u>	<u>\$ (55,595)</u>	<u>\$ (2,155,760)</u>
<b>Non cash investing, capital, and financing activities:</b>			
Gain in fair value of investments	\$ 3,868	\$ 1,941	\$ 5,809
Amortization of joint venture	--	(62,500)	(62,500)

The accompanying notes are an integral part of this statement.

## INTERNAL SERVICE FUNDS

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

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

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

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2013**

EXHIBIT D - 1

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 12,999,566	\$ 2,970,124	\$ 15,969,690
Accrued interest receivable	5,185	1,027	6,212
Inventory	--	230,857	230,857
Total current assets	<u>13,004,751</u>	<u>3,202,008</u>	<u>16,206,759</u>
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	34,476,917	173,250	34,650,167
Total capital assets	<u>34,476,917</u>	<u>2,441,806</u>	<u>36,918,723</u>
Accumulated depreciation	<u>(27,774,224)</u>	<u>(2,206,104)</u>	<u>(29,980,328)</u>
Net capital assets	<u>6,702,693</u>	<u>235,702</u>	<u>6,938,395</u>
Total assets	<u>19,707,444</u>	<u>3,437,710</u>	<u>23,145,154</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	173,632	999,650	1,173,282
Accrued salaries payable	--	74,825	74,825
Compensated absences payable	--	119,499	119,499
Total liabilities	<u>173,632</u>	<u>1,193,974</u>	<u>1,367,606</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,702,693	235,702	6,938,395
Unrestricted	<u>12,831,119</u>	<u>2,008,034</u>	<u>14,839,153</u>
Total net position	<u>\$ 19,533,812</u>	<u>\$ 2,243,736</u>	<u>\$ 21,777,548</u>

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 POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT D - 2

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Billings to departments	<u>\$ 7,542,491</u>	<u>\$ 13,728,164</u>	<u>\$ 21,270,655</u>
<b>OPERATING EXPENSES</b>			
Personal services	--	1,272,855	1,272,855
Employee benefits	--	980,911	980,911
Supplies	21,285	127,731	149,016
Contractual services	2,709,793	1,015,740	3,725,533
Cost of materials	--	10,953,634	10,953,634
Depreciation	2,609,988	69,498	2,679,486
Total operating expenses	<u>5,341,066</u>	<u>14,420,369</u>	<u>19,761,435</u>
Operating income (loss)	<u>2,201,425</u>	<u>(692,205)</u>	<u>1,509,220</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	17,895	3,749	21,644
Gain (loss) on disposition of capital assets	258,489	14,041	272,530
Total non-operating revenues (expenses)	<u>276,384</u>	<u>17,790</u>	<u>294,174</u>
Income (loss) before contributions and transfers	2,477,809	(674,415)	1,803,394
Total net position - January 1	<u>17,056,003</u>	<u>2,918,151</u>	<u>19,974,154</u>
Total net position - December 31	<u>\$ 19,533,812</u>	<u>\$ 2,243,736</u>	<u>\$ 21,777,548</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  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT D - 3

	<u>Fleet Rental and Replace- ment Fund</u>	<u>Central Garage</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 7,542,491	\$ 13,728,164	\$ 21,270,655
Cash payments to suppliers for goods and services	(2,691,509)	(11,408,486)	(14,099,995)
Cash payments to employees for services and benefits	--	(2,307,019)	(2,307,019)
Net cash provided by (used for) operating activities	<u>4,850,982</u>	<u>12,659</u>	<u>4,863,641</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	269,378	14,041	283,419
Acquisition and construction of capital assets	(2,190,693)	--	(2,190,693)
Net cash provided by (used for) capital and related financing activities	<u>(1,921,315)</u>	<u>14,041</u>	<u>(1,907,274)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received on investments	15,304	3,475	18,779
Net increase (decrease) in cash and cash equivalents	2,944,971	30,175	2,975,146
Cash and cash equivalents, January 1	<u>10,054,595</u>	<u>2,939,949</u>	<u>12,994,544</u>
Cash and cash equivalents, December 31	<u>\$ 12,999,566</u>	<u>\$ 2,970,124</u>	<u>\$ 15,969,690</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ 2,201,425</u>	<u>\$ (692,205)</u>	<u>\$ 1,509,220</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,609,988	69,498	2,679,486
Increase (decrease) in compensated absences payable	--	(55,463)	(55,463)
Change in assets and liabilities:			
Decrease (increase) in inventory	--	87,874	87,874
Increase (decrease) in accounts and contracts payable	39,569	600,745	640,314
Increase (decrease) in accrued salaries payable	--	2,210	2,210
Total adjustments	<u>2,649,557</u>	<u>704,864</u>	<u>3,354,421</u>
Net cash provided by (used for) operating activities	<u>\$ 4,850,982</u>	<u>\$ 12,659</u>	<u>\$ 4,863,641</u>
<b>Non-cash investing, capital, and financing activities:</b>			
Gain in fair value of investments	\$ 5,185	\$ 1,027	\$ 6,212
Gain (loss) on disposal of capital assets	(10,889)	--	(10,889)

The accompanying notes are an integral part of this statement.

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

(Excludes Internal Service Funds)

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE (1)**  
**DECEMBER 31, 2013 AND 2012**

EXHIBIT E - 1

	2013	2012
Governmental funds capital assets:		
Land	\$ 156,838,146	\$ 148,153,425
Buildings	291,411,012	249,401,575
Improvements (other than buildings) and infrastructure	893,201,765	837,171,643
Equipment	84,926,314	83,261,437
Construction work in progress	36,499,343	76,380,319
Total governmental funds capital assets	\$ 1,462,876,580	\$ 1,394,368,399
Investments in governmental funds capital assets by source:		
Investment in property acquired prior to 1960	\$ 3,601,707	\$ 3,601,707
Investment in property acquired after 1960:		
General Obligation Bonds	55,683,037	55,683,037
Excess Revenue Certificates of Indebtedness	47,777,561	47,777,561
Revenue Bonds	277,855,005	258,318,687
Limited Tax Certificates of Indebtedness	6,150,000	6,150,000
Special Assessment Certificates of Indebtedness	17,217,911	17,217,911
Federal and State grants	133,475,141	123,480,546
Property taxes	16,342,881	16,342,881
Library Board of Control Special Revenue Fund	84,767,122	63,854,091
Dedicated sales tax	217,454,732	204,215,337
General Fund revenues	206,355,410	204,523,620
Special Revenue Funds revenues	203,699,402	200,919,482
Gifts	2,164,582	2,024,950
Donated infrastructure	149,646,423	149,572,923
Other sources	40,589,618	40,589,618
Eminent domain	96,048	96,048
Total governmental funds capital assets	\$ 1,462,876,580	\$ 1,394,368,399

(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 position. The above amounts are presented at cost.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY (1)  
FOR THE YEAR ENDED DECEMBER 31, 2013**

EXHIBIT E - 2

<u>Function and Activity</u>	<u>Land and Right-of-way</u>	<u>Buildings</u>	<u>Improvements (Other Than Buildings) and Infrastructure</u>	<u>Equipment</u>	<u>Totals</u>	
					<u>December 31, 2013</u>	<u>December 31, 2012</u>
<b>General government:</b>						
Legislative	\$ -	\$ -	\$ -	\$ 431,790	\$ 431,790	\$ 353,164
Executive	-	167,938	2,207	237,039	407,184	329,784
Judicial	16,680	17,585,301	2,704	3,091,503	20,681,188	20,542,267
Elections	-	-	-	97,143	97,143	88,193
Finance	-	-	-	722,319	722,319	734,561
Personnel	-	739,000	-	52,658	791,658	786,395
Law	115,670	186,858	-	295,493	598,021	598,021
Administration office and boards	511,406	1,240,517	174,982	3,282,983	5,209,888	5,212,584
General government buildings	8,754,763	33,691,352	57,635	-	42,503,750	42,422,126
Total general government	<u>9,383,519</u>	<u>53,610,966</u>	<u>237,528</u>	<u>8,210,928</u>	<u>71,442,941</u>	<u>71,067,095</u>
<b>Public safety:</b>						
Police	8,180,321	14,905,518	347,167	29,624,779	53,057,785	42,734,040
Fire	1,847,425	28,760,663	378,635	16,568,853	47,555,576	47,056,698
Emergency Medical Services	75,307	12,069,091	43,144	4,895,195	17,082,737	15,290,348
Correctional institution	-	36,006,677	738,903	923,094	37,668,674	36,035,143
Other	625,149	16,605,743	998,278	13,164,794	31,393,964	31,400,289
Total public safety	<u>10,728,202</u>	<u>108,347,692</u>	<u>2,506,127</u>	<u>65,176,715</u>	<u>186,758,736</u>	<u>172,516,518</u>
Transportation	130,216,431	10,418,903	877,470,060	315,137	1,018,420,531	961,045,991
Sanitation	-	-	144,761	9,900	154,661	154,661
Health and welfare	2,400	6,305,866	53,231	3,134,476	9,495,973	9,318,707
Culture and recreation	4,274,151	95,503,424	3,694,444	5,861,424	109,333,443	72,856,806
Conservation and development	1,988,007	17,224,161	6,209,851	2,217,734	27,639,753	27,897,103
Miscellaneous	245,436	-	2,885,763	-	3,131,199	3,131,199
Total governmental funds capital assets allocated to functions	<u>\$ 156,838,146</u>	<u>\$ 291,411,012</u>	<u>\$ 893,201,765</u>	<u>\$ 84,926,314</u>	<u>\$ 1,426,377,237</u>	<u>\$ 1,317,988,080</u>
Construction work in progress					<u>36,499,343</u>	<u>76,380,319</u>
Total governmental funds capital assets					<u>\$ 1,462,876,580</u>	<u>\$ 1,394,368,399</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 position. The above amounts are presented at cost.

**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, 2013**

EXHIBIT E - 3

<u>Function and Activity</u>	Governmental Funds Capital Assets				Governmental Funds Capital Assets
	January 1, 2013	Additions	Deletions	Adjustments	December 31, 2013
<b>General government:</b>					
Legislative	\$ 353,164	\$ 78,626	\$ -	\$ -	\$ 431,790
Executive	329,784	77,400	-	-	407,184
Judicial	20,542,267	194,407	55,486	-	20,681,188
Elections	88,193	8,950	-	-	97,143
Finance	734,561	5,942	18,184	-	722,319
Personnel	786,395	5,263	-	-	791,658
Law	598,021	-	-	-	598,021
Administration office and boards	5,212,584	149,316	152,012	-	5,209,888
General government buildings	42,422,126	81,624	-	-	42,503,750
<b>Total general government</b>	<b>71,067,095</b>	<b>601,528</b>	<b>225,682</b>	<b>-</b>	<b>71,442,941</b>
<b>Public safety:</b>					
Police	42,734,040	11,922,586	1,734,685	135,844	53,057,785
Fire	47,056,698	710,707	252,386	40,557	47,555,576
Emergency Medical Services	15,290,348	2,007,898	215,509	-	17,082,737
Correctional institution	36,035,143	621,782	36,981	1,048,730	37,668,674
Other	31,400,289	992,612	998,937	-	31,393,964
<b>Total public safety</b>	<b>172,516,518</b>	<b>16,255,585</b>	<b>3,238,498</b>	<b>1,225,131</b>	<b>186,758,736</b>
Transportation	961,045,991	20,229,068	13,265	37,158,737	1,018,420,531
Sanitation	154,661	-	-	-	154,661
Health and welfare:	9,318,707	220,901	43,635	-	9,495,973
Culture and recreation	72,856,806	20,583,740	15,897	15,908,794	109,333,443
Conservation and development	27,897,103	56,311	313,661	-	27,639,753
Miscellaneous	3,131,199	-	-	-	3,131,199
Construction work in progress	76,380,319	14,198,554	-	(54,079,530)	36,499,343
<b>Total governmental funds capital assets</b>	<b>\$ 1,394,368,399</b>	<b>\$ 72,145,687</b>	<b>\$ 3,850,638</b>	<b>\$ 213,132</b>	<b>\$ 1,462,876,580</b>

(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 position. The above amounts are presented at cost.

## **SCHEDULES**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS  
 AND INVESTMENTS  
 DECEMBER 31, 2013**

EXHIBIT F - 1

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<b><u>PRIMARY GOVERNMENT</u></b>		
<b><u>Consolidated Cash Account</u></b>		
Louisiana Asset Management Pool	0.01-0.11	\$ 232,707,215
Certificates of Deposit - JP Morgan Chase Bank	0.05	20,000,000
U.S. Government Obligations	0.10-0.95	117,905,825
U.S. Agency Obligations	0.12-0.18	354,028,862
Cash in Bank - JP Morgan Chase Bank		14,725,218
Cash in Bank - Capital One		175,465,803
Total Cash and Investments - Consolidated Cash Account		914,832,923
 <b><u>Other Cash Items</u></b>		
Petty Cash		13,430
Cash on Hand		4,710,511
Total Other Cash Items		4,723,941
 <b><u>Baton Rouge River Center</u></b>		
Cash in Bank - JP Morgan Chase Bank		75,931
Cash in Bank - Investar Bank		759,576
Total Baton Rouge River Center		835,507
 <b><u>East Baton Rouge Sewerage Commission</u></b>		
Louisiana Asset Management Pool	0.01-0.11	10,967,057
JP Morgan Chase Bank:		
Cash in Bank		17,985,532
Certificates of Deposit - JP Morgan Chase Bank	0.02	22,947,867
Total East Baton Rouge Sewerage Commission		51,900,456
 <b><u>2005B Public Improvement Sales Tax Revenue Bonds (Taxable)</u></b>		
JP Morgan Chase Bank:		
Cash in Bank		65,414
 <b><u>2007A Public Improvement Sales Tax Revenue Bonds</u></b>		
Louisiana Asset Management Pool	0.01-0.11	3,257,798
JP Morgan Chase Bank:		
Cash in Bank		1,293,459
Total 2007A Public Improvement Sales Tax Revenue Bonds		4,551,257
 <b><u>2006A Road and Street Improvement Sales Tax Revenue Bonds</u></b>		
JP Morgan Chase Bank:		
Cash in Bank		1,132,667
Certificates of Deposit - JP Morgan Chase Bank	0.02	752,921
Total 2006A Road and Street Improvement Sales Tax Revenue Bonds		1,885,588
 <b><u>2008A Road and Street Improvement Sales Tax Revenue Bonds</u></b>		
JP Morgan Chase Bank:		
Cash in Bank		951,684
Certificates of Deposit - JP Morgan Chase Bank	0.02	639,036
Total 2008A Road and Street Improvement Sales Tax Revenue Bonds		1,590,720

Continued

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS  
 AND INVESTMENTS  
 DECEMBER 31, 2013**

EXHIBIT F- 1  
 (Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<b><u>PRIMARY GOVERNMENT (Continued)</u></b>		
<u>2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds</u>		
Louisiana Asset Management Pool	0.01-0.11	\$ 1,648,877
JP Morgan Chase Bank:		
Cash in Bank		1,533,395
Total 2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		3,182,272
<u>2009A Road and Street Improvement Sales Tax Revenue Bonds</u>		
JP Morgan Chase Bank:		
Cash in Bank		2,158,059
Certificates of Deposit - JP Morgan Chase Bank	0.02	1,432,454
Total 2009A Road and Street Improvement Sales Tax Revenue Bonds		3,590,513
<u>2010A Public Improvement Sales Tax Revenue Bonds</u>		
JP Morgan Chase Bank:		
Cash in Bank		528,702
<u>2010B Public Improvement Sales Tax Revenue Bonds</u>		
JP Morgan Chase Bank:		
Cash in Bank		704,256
<u>2012 LCDA Road Improvement Bonds</u>		
JP Morgan Chase Bank:		
Cash in Bank		1,093,867
<u>2012 LCDA Road Improvement Bonds</u>		
Louisiana Asset Management Pool	0.01-0.11	18,950,718
Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		\$ 1,008,436,134
<u>Employees' Retirement System Pension Trust Fund</u>		
Cash in Bank		\$ 4,195,056
U.S. Treasury Inflation - Protected Securities		42,251,270
Mortgage Backed Securities		2,143
Corporate Bonds		5,460
Asset Backed Securities		67
International Equities and Fixed Income		236,531,124
Emerging Markets Equities		85,876,955
Domestic Equities and Fixed Income		594,073,748
Short-Term Investment Fund/Cash Equivalents		12,165,281
Equity Real Estate Fund		53,921,564
Hedge Fund of Funds		46,292,778
Private Equity		1,047,721
Total Employees' Retirement System Pension Trust Fund		\$ 1,076,363,167

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS  
 AND INVESTMENTS  
 DECEMBER 31, 2013

EXHIBIT F - 1  
 (Continued)

<u>Description</u>	<u>Interest Rate (%)</u>	<u>Carrying Amount</u>
<b><u>COMPONENT UNITS</u></b>		
District Attorney of the Nineteenth Judicial District		\$ 2,576,727
Nineteenth Judicial District Court		2,734,656
Nineteenth Judicial District Court Building Commission		16,022,687
E.B.R. Parish Family Court		158,012
E.B.R. Parish Juvenile Court		434,107
E.B.R. Parish Clerk of Court		7,908,671
E.B.R. Redevelopment Authority		4,205,497
Cyntreniks Group King Hotel Special Taxing District		12,294
Bluebonnet Convention Hotel Taxing District		51,350
Capital Area Transit System		3,431,730
Grand Total Cash, Cash Equivalents and Investments - Component Units		\$ 37,535,731

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

EXHIBIT F - 2

**Revenue By Source**

Fiscal Year	Employee Contributions	Employer Contributions	Total Net Investment Income	Total
2013	\$ 14,888,376	\$ 38,392,495	\$ 140,442,726	\$ 193,723,597
2012	15,205,761	37,321,809	115,047,419	167,574,989
2011	14,742,541	35,793,135	(19,531,013)	31,004,663
2010	15,288,316	32,304,628	125,408,049	173,000,993
2009	14,716,581	27,150,202	169,456,489	211,323,272
2008	13,841,465	26,117,571	(294,455,535)	(254,496,499)
2007	13,724,573	25,221,447	42,508,100	81,454,120
2006	12,828,206	23,833,249	133,028,303	169,689,758
2005	12,597,356	20,637,086	75,536,830	108,771,272
2004	11,148,409	17,739,809	90,816,134	119,704,352

**Expenses By Type**

Fiscal Year	Benefits	Administrative Expenses	Refunds and Withdrawals	Total
2013	\$ 89,437,857	\$ 1,188,598	\$ 2,940,900	\$ 93,567,355
2012	90,611,422	1,137,201	2,721,886	94,470,509
2011	81,852,650	1,065,344	3,304,186	86,222,180
2010	76,395,588	1,390,779	2,297,390	80,083,757
2009	71,721,911	1,216,718	2,016,840	74,955,469
2008	65,990,013	1,095,697	2,092,148	69,177,858
2007	64,567,396	1,073,946	10,507,501	76,148,843
2006	61,255,177	1,042,144	1,858,661	64,155,982
2005	57,592,125	878,515	1,462,779	59,933,419
2004	53,426,342	836,043	1,432,612	55,694,997

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year <u>Ending</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
12/31/13	\$ 37,417,818	107.3 %
12/31/12	36,777,168	106.4
12/31/11	35,001,688	106.6
12/31/10	33,890,884	101.0
12/31/09	29,050,693	98.3
12/31/08	22,931,211	118.4
12/31/07	22,431,367	119.5
12/31/06	22,129,069	113.1
12/31/05	20,785,669	105.6
12/31/04	19,623,023	94.9

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
STATISTICAL SECTION  
DECEMBER 31, 2013**

This section which is composed of accounting and non-accounting data is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

<u>INDEX</u>	<u>Exhibit</u>	<u>Page Number</u>
<b><i><u>FINANCIAL TRENDS INFORMATION</u></i> - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</b>		
Net Position by Component, Last Ten Fiscal Years .....	G-1	208
Changes in Net Position, Last Ten Fiscal Years .....	G-2	210
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years .....	G-3	214
Fund Balances of Governmental Funds, Last Ten Fiscal Years .....	G-4	216
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years .....	G-5	218
Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years .....	G-6	220
<b><i><u>REVENUE CAPACITY INFORMATION</u></i> - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax:</b>		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years .....	G-7	222
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years .....	G-8	224
Principal Property Taxpayers, Current Year and Nine Years Ago .....	G-9	226
Property Tax Levies and Collections, Last Ten Years .....	G-10	227
Sales Tax Revenues, Last Ten Years .....	G-11	228
Taxable Sales by North American Industry Classification, Last Ten Years .....	G-12	230
<b><i><u>DEBT CAPACITY INFORMATION</u></i> - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</b>		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years .....	G-13	232
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years .....	G-14	234
Direct and Overlapping Governmental Activities Debt, December 31, 2013 .....	G-15	236
Legal Debt Margin Calculation, Last Ten Fiscal Years .....	G-16	237
Pledged Revenue Coverage, Last Ten Fiscal Years .....	G-17	238
<b><i><u>DEMOGRAPHIC AND ECONOMIC INFORMATION</u></i> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</b>		
Demographic and Economic Statistics, Last Ten Calendar Years .....	G-18	240
Principal Employers, Current Year and Nine Years Ago .....	G-19	241
<b><i><u>OPERATING INFORMATION</u></i> - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</b>		
Full-time Equivalent City-Parish Government Employees by Function/Department, Last Ten Fiscal Years .....	G-20	242
Operating Indicators by Function/Program, Last Ten Fiscal Years .....	G-21	244
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years .....	G-22	246
<b><i><u>OTHER INFORMATION</u></i></b>		
Employee's Retirement System Schedule of Funding Progress .....	G-23	248

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

	FISCAL YEAR			
	2013	2012	2011	2010
<b>Governmental activities</b>				
Net investment in capital assets	\$ 626,659	\$ 601,094	\$ 533,154	\$ 496,724
Restricted	198,502	217,949	256,925	216,364
Unrestricted	(210,528)	(180,056)	(128,550)	(24,683)
<b>Total governmental activities net position</b>	<u>614,633</u>	<u>638,987</u>	<u>661,529</u>	<u>688,405</u>
<b>Business-type activities</b>				
Net investment in capital assets	704,172	698,119	645,336	541,065
Restricted	71,309	106,355	80,202	41,844
Unrestricted	150,046	137,766	201,564	315,079
<b>Total business-type activities net position</b>	<u>925,527</u>	<u>942,240</u>	<u>927,102</u>	<u>897,988</u>
<b>Primary government</b>				
Net investment in capital assets	1,330,831	1,299,213	1,178,490	1,037,789
Restricted	269,811	324,304	337,127	258,208
Unrestricted	(60,482)	(42,290)	73,014	290,396
<b>Total primary government net position</b>	<u>\$ 1,540,160</u>	<u>\$ 1,581,227</u>	<u>\$ 1,588,631</u>	<u>\$ 1,586,393</u>

Source: Audited Comprehensive Annual Financial Reports

		FISCAL YEAR									
		2009	2008	2007	2006	2005	2004				
\$	463,006	\$	450,561	\$	439,020	\$	402,159	\$	388,589	\$	365,576
	225,949		232,424		211,570		187,174		137,843		145,436
	25,292		45,834		75,909		78,292		50,683		13,838
	<u>714,247</u>		<u>728,819</u>		<u>726,499</u>		<u>667,625</u>		<u>577,115</u>		<u>524,850</u>
	487,352		415,957		411,324		402,395		394,066		386,187
	33,605		89,985		37,116		39,753		33,418		31,856
	371,621		331,435		333,552		272,361		229,399		168,876
	<u>892,578</u>		<u>837,377</u>		<u>781,992</u>		<u>714,509</u>		<u>656,883</u>		<u>586,919</u>
	950,358		866,518		850,344		804,554		782,655		751,763
	259,554		322,409		248,686		226,927		171,261		177,292
	396,913		377,269		409,461		350,653		280,082		182,714
\$	<u>1,606,825</u>	\$	<u>1,566,196</u>	\$	<u>1,508,491</u>	\$	<u>1,382,134</u>	\$	<u>1,233,998</u>	\$	<u>1,111,769</u>

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

	FISCAL YEAR			
	2013	2012	2011	2010
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 97,833	\$ 88,157	\$ 98,488	\$ 94,444
Public safety	237,028	238,291	219,904	211,382
Transportation	68,812	69,225	66,118	66,622
Sanitation	6	6	6	244
Health and welfare	9,500	9,333	9,251	9,436
Culture and recreation	38,171	34,725	34,556	33,379
Conservation and development	50,034	55,607	48,284	58,013
Intergovernmental	--	--	--	--
Interest and fiscal charges on long-term debt	15,625	14,821	15,594	15,515
<b>Total governmental activities expenses</b>	<b>517,009</b>	<b>510,165</b>	<b>492,201</b>	<b>489,035</b>
<b>Business-type activities:</b>				
Airport	28,609	26,609	25,778	23,144
Sewer	131,780	101,595	89,582	84,555
Convention center	13,305	13,352	10,908	10,484
Parking facilities	1,111	782	816	677
Solid waste collection and disposal	37,196	36,692	36,368	34,861
<b>Total business-type activities</b>	<b>212,001</b>	<b>179,030</b>	<b>163,452</b>	<b>153,721</b>
<b>Total primary government expenses</b>	<b>729,010</b>	<b>689,195</b>	<b>655,653</b>	<b>642,756</b>
<b>Program Revenues</b>				
<b>Governmental activities</b>				
<b>Charges for services:</b>				
General government	22,639	21,608	22,939	22,485
Public safety	28,032	24,576	23,778	25,010
Transportation	269	267	269	310
Sanitation	55	61	41	35
Health and welfare	798	788	807	892
Culture and recreation	321	289	335	342
Conservation and development	3,555	4,469	3,213	3,371
Operating grants and contributions	48,211	57,785	48,551	62,410
Capital grants and contributions	13,128	15,751	14,931	24,863
<b>Total governmental activities program revenues</b>	<b>117,008</b>	<b>125,594</b>	<b>114,864</b>	<b>139,718</b>
<b>Business-type activities</b>				
<b>Charges for Services:</b>				
Airport	17,581	16,866	14,868	13,580
Sewer	74,405	73,315	72,056	69,787
Convention center	6,460	7,418	5,804	5,879
Parking facilities	1,091	1,237	1,088	1,137
Solid waste collection and disposal	36,333	38,440	37,982	38,019
Operating grants and contributions	7,612	7,729	7,634	4,385
Capital grants and contributions	9,627	17,766	18,596	23,050
<b>Total business-type activities program revenues</b>	<b>153,109</b>	<b>162,771</b>	<b>158,028</b>	<b>155,837</b>
<b>Total primary government total revenues</b>	<b>270,117</b>	<b>288,365</b>	<b>272,892</b>	<b>295,555</b>

FISCAL YEAR						
2009	2008	2007	2006	2005	2004	
\$ 98,469	\$ 100,464	\$ 87,775	\$ 72,831	\$ 56,327	\$ 56,264	
211,132	247,587	189,131	146,539	159,310	136,280	
67,349	62,308	65,181	55,272	49,689	51,039	
1,576	485	559	180	30,171	25,370	
9,495	9,261	8,091	7,742	8,190	7,049	
28,513	27,928	27,504	23,531	21,926	19,960	
45,638	44,041	45,495	36,807	34,604	35,735	
--	--	--	--	14,253	13,601	
14,785	11,429	10,517	9,092	6,046	6,064	
<u>476,957</u>	<u>503,503</u>	<u>434,253</u>	<u>351,994</u>	<u>380,516</u>	<u>351,362</u>	
19,984	23,063	20,531	19,269	16,418	13,561	
77,872	79,325	77,924	72,993	71,696	74,934	
10,699	15,843	15,743	15,767	7,422	3,483	
660	686	698	627	909	937	
40,255	40,361	38,954	48,683	2,328	11,203	
<u>149,470</u>	<u>159,278</u>	<u>153,850</u>	<u>157,339</u>	<u>98,773</u>	<u>104,118</u>	
626,427	662,781	588,103	509,333	479,289	455,480	
21,172	20,448	24,346	26,462	19,134	16,511	
26,390	19,554	19,607	18,816	15,814	13,786	
287	315	807	639	470	543	
35	48	21	36	13,288	13,087	
822	741	682	627	586	579	
380	508	446	436	464	463	
6,793	2,715	4,395	3,528	3,881	3,715	
50,313	87,917	52,129	45,595	62,059	42,304	
16,307	9,100	38,606	15,829	15,185	13,521	
<u>122,499</u>	<u>141,346</u>	<u>141,039</u>	<u>111,968</u>	<u>130,881</u>	<u>104,509</u>	
12,541	15,381	15,804	17,942	16,690	10,773	
68,306	64,720	64,069	61,085	55,865	52,811	
5,853	11,023	11,998	10,823	3,321	1,204	
1,089	973	963	888	843	675	
42,396	43,461	36,688	30,857	8,238	8,588	
615	306	548	2,189	415	79	
28,322	23,427	23,743	24,285	28,722	52,059	
<u>159,122</u>	<u>159,291</u>	<u>153,813</u>	<u>148,069</u>	<u>114,094</u>	<u>126,189</u>	
281,621	300,637	294,852	260,037	244,975	230,698	

Continued

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

	FISCAL YEAR			
	2013	2012	2011	2010
Net (expense)/revenue:				
Governmental activities	\$ (400,001)	\$ (384,571)	\$ (377,337)	\$ (349,317)
Business-type activities	(58,892)	(16,259)	(5,424)	2,116
Total primary government net expense	<u>(458,893)</u>	<u>(400,830)</u>	<u>(382,761)</u>	<u>(347,201)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes:				
Property	94,352	92,526	89,006	86,395
Gross receipts business	23,093	20,817	23,334	24,510
Sales	219,610	216,521	201,831	192,910
Occupancy	2,201	2,393	2,064	1,956
Occupational	10,383	9,687	9,945	9,870
Insurance premium	3,774	3,589	3,580	3,590
Gaming admissions	9,438	7,575	5,845	5,741
Interest and penalties - delinquent taxes	2,525	1,421	1,344	1,294
Miscellaneous	11	539		
Unrestricted grants and contributions	7,675	5,330	9,420	4,918
Investment earnings	659	901	889	1,672
Gain (loss) on sale of capital assets	596	--	--	801
Transfers	1,330	2,843	1,062	(1,456)
Total governmental activities general revenues	<u>375,647</u>	<u>364,142</u>	<u>348,320</u>	<u>332,201</u>
Business-type activities				
Taxes:				
Sales	42,997	42,145	39,431	37,441
Miscellaneous	75	--	--	425
Investment earnings	1,348	2,284	(3,912) *	(12,934) *
Gain (loss) on sale of capital assets	(911)	18	80	101
Special item-change in engineering method	--	--	--	--
Transfers	(1,330)	(2,843)	(1,062)	1,456
Total business-type activities general revenues	<u>42,179</u>	<u>41,604</u>	<u>34,537</u>	<u>26,489</u>
Total primary government general revenues	<u>417,826</u>	<u>405,746</u>	<u>382,857</u>	<u>358,690</u>
<b>Change in Net Position</b>				
Governmental activities	(24,354)	(20,429)	(29,017)	(17,116)
Business-type activities	(16,713)	25,345	29,113	28,605
Total primary government change in net position	<u>\$ (41,067)</u>	<u>\$ 4,916</u>	<u>\$ 96</u>	<u>\$ 11,489</u>

\* Due to the implementation of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, investment losses of \$14,975 and \$6,653 were recognized in 2010 and 2011, respectively.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
\$ (354,458)	\$ (362,157)	\$ (293,214)	\$ (240,026)	\$ (249,635)	\$ (246,853)
9,652	13	(37)	(9,270)	15,321	22,071
<u>(344,806)</u>	<u>(362,144)</u>	<u>(293,251)</u>	<u>(249,296)</u>	<u>(234,314)</u>	<u>(224,782)</u>
85,244	83,990	78,081	72,125	66,922	62,895
22,181	28,057	26,635	27,442	24,254	22,203
199,909	206,744	204,231	205,856	185,636	164,821
1,952	2,442	2,336	1,390	1,026	764
10,082	9,750	9,950	8,916	8,687	8,124
3,522	3,458	3,475	3,180	3,358	3,194
7,542	5,740	6,362	7,006	7,654	6,504
2,392	2,291	1,623	1,982	1,613	1,614
4,906	5,313	4,741	4,688	4,404	4,219
4,311	15,829	23,338	18,146	8,252	4,022
772	1,044	1,116	611	895	1,061
<u>(2,926)</u>	<u>(181)</u>	<u>(9,800)</u>	<u>(20,806)</u>	<u>(10,801)</u>	<u>(15,770)</u>
<u>339,887</u>	<u>364,477</u>	<u>352,088</u>	<u>330,536</u>	<u>301,900</u>	<u>263,651</u>
39,425	42,367	39,922	40,036	35,973	31,161
--	--	--	2,651	--	--
3,877	12,720	17,834	13,666	7,767	3,630
(680)	104	(36)	78	102	129
--	--	--	(10,341)	--	--
<u>2,926</u>	<u>181</u>	<u>9,800</u>	<u>20,806</u>	<u>10,801</u>	<u>15,770</u>
<u>45,548</u>	<u>55,372</u>	<u>67,520</u>	<u>66,896</u>	<u>54,643</u>	<u>50,690</u>
<u>385,435</u>	<u>419,849</u>	<u>419,608</u>	<u>397,432</u>	<u>356,543</u>	<u>314,341</u>
(14,571)	2,320	58,874	90,510	52,265	16,798
55,200	55,385	67,483	57,626	69,964	72,761
<u>\$ 40,629</u>	<u>\$ 57,705</u>	<u>\$ 126,357</u>	<u>\$ 148,136</u>	<u>\$ 122,229</u>	<u>\$ 89,559</u>

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

EXHIBIT G - 3

	General Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupancy Taxes	Occu- pational Taxes	Insurance Premiums Taxes	Gaming- Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
2013	\$94,352	\$23,093	\$219,610	\$2,201	\$10,383	\$3,774	\$9,438	\$2,525	\$365,376
2012	92,526	20,817	216,521	2,393	9,687	3,589	7,575	1,421	354,529
2011	89,006	23,334	201,831	2,064	9,945	3,580	5,845	1,344	336,949
2010	86,395	24,510	192,910	1,956	9,870	3,590	5,741	1,294	326,266
2009	85,243	22,181	199,909	1,952	10,082	3,522	7,542	2,392	332,823
2008	83,990	28,057	206,744	2,442	9,750	3,458	5,740	2,291	342,472
2007	78,081	26,635	204,231	2,336	9,950	3,475	6,362	1,623	332,693
2006	72,125	27,442	205,856	1,390	8,916	3,180	7,006	1,982	327,897
2005	66,921	24,254	185,636	1,026	8,687	3,358	7,654	1,613	299,149
2004	62,895	22,203	164,821	764	8,124	3,194	6,504	1,614	270,119

Source: Audited Comprehensive Annual Financial Reports



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	FISCAL YEAR			
	2013	2012	2011	2010
General Fund (per GASB 54)*				
Nonspendable	\$ 615	\$ 640	\$ 584	\$ --
Restricted	706	271	55	--
Committed	64,391	58,677	53,161	--
Assigned	29,981	27,786	32,409	--
Unassigned	15,654	15,483	16,559	--
General Fund (prior GASB 54)**				
Reserved	--	--	--	30,018
Unreserved	--	--	--	66,684
Total General Fund	<u>\$ 111,347</u>	<u>\$ 102,857</u>	<u>\$ 102,768</u>	<u>\$ 96,702</u>
All other governmental funds (per GASB 54)*				
Nonspendable	\$ --	\$ --	\$ --	\$ --
Restricted	282,470	305,133	322,519	--
Committed	28,671	24,812	32,135	--
All other governmental funds (prior GASB 54)**				
Reserved	--	--	--	314,160
Unreserved, reported in:				
Special revenue funds	--	--	--	85,333
Capital projects fund	--	--	--	1,299
Total all other governmental funds	<u>\$ 311,141</u>	<u>\$ 329,945</u>	<u>\$ 354,654</u>	<u>\$ 400,792</u>

\* With the implementation of GASB 54 in FY 2011, fund balances are reclassified as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

\*\* Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
38,098	42,757	37,103	21,731	15,372	10,786
65,349	74,994	89,328	96,492	74,494	56,741
<u>\$ 103,447</u>	<u>\$ 117,751</u>	<u>\$ 126,431</u>	<u>\$ 118,223</u>	<u>\$ 89,866</u>	<u>\$ 67,527</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
373,860	318,745	319,967	310,956	155,492	156,643
89,389	69,794	81,132	64,132	49,317	47,122
1,524	1,208	2,223	1,076	--	--
<u>\$ 464,773</u>	<u>\$ 389,747</u>	<u>\$ 403,322</u>	<u>\$ 376,164</u>	<u>\$ 204,809</u>	<u>\$ 203,765</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(in thousands)**

	FISCAL YEAR			
	2013	2012	2011	2010
<b>REVENUES</b>				
Taxes	\$ 365,556	\$ 353,706	\$ 338,742	\$ 328,816
Licenses and permits	4,346	3,912	4,163	4,212
Intergovernmental	66,321	76,536	69,058	98,203
Charges for services	45,339	37,235	39,842	42,963
Fines and forfeits	2,598	3,360	3,518	3,288
Investment earnings	638	876	869	1,656
Miscellaneous revenues	7,170	8,066	10,041	13,753
Total revenues	<u>491,968</u>	<u>483,691</u>	<u>466,233</u>	<u>492,891</u>
<b>EXPENDITURES</b>				
Current:				
General government	67,988	66,547	66,356	72,665
Public safety	202,155	203,370	185,844	178,572
Transportation	38,445	39,464	41,551	43,990
Sanitation	--	--	--	--
Health and welfare	8,641	8,502	8,597	8,864
Culture and recreation	32,856	29,635	29,547	29,100
Conservation and development	46,652	51,670	44,527	54,749
Debt service:				
Principal retirement	15,754	21,921	18,245	17,847
Interest and fiscal charges	14,589	14,877	16,143	16,949
Other charges	94	1,195	972	327
Capital outlay	72,146	94,254	79,726	122,128
Intergovernmental	15,658	18,416	19,323	17,808
Total expenditures	<u>514,978</u>	<u>549,851</u>	<u>510,831</u>	<u>562,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,010)</u>	<u>(66,160)</u>	<u>(44,598)</u>	<u>(70,108)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,009	18,846	35,760	26,830
Transfers out	(13,679)	(16,002)	(34,698)	(28,253)
Long-term debt proceeds	11,000	33,850	1,500	19,045
Refunding bonds issued	--	58,075	--	--
Premium on debt issuance	--	4,385	--	716
Capital leases	--	--	--	--
Sale of capital assets	366	231	599	606
Payments to refunded bond escrow agent	--	(57,845)	--	(19,562)
Total other financing sources and uses	<u>12,696</u>	<u>41,540</u>	<u>3,161</u>	<u>(618)</u>
Net change in fund balances	<u>\$ (10,314)</u>	<u>\$ (24,620)</u>	<u>\$ (41,437)</u>	<u>\$ (70,726)</u>
Debt service as a percentage of noncapital expenditures	6.9%	8.1%	8.0%	7.9%

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR						
2009	2008	2007	2006	2005	2004	
\$ 332,052	\$ 341,413	\$ 331,355	\$ 327,673	\$ 298,664	\$ 270,185	
3,265	4,255	5,210	4,908	3,838	3,597	
77,611	86,180	72,604	65,869	68,473	55,982	
36,732	31,640	35,639	36,477	41,627	37,696	
2,955	3,069	3,520	3,211	2,300	2,006	
4,268	15,648	22,921	17,727	7,995	3,921	
18,253	13,158	13,878	12,850	14,771	14,944	
<u>475,136</u>	<u>495,363</u>	<u>485,127</u>	<u>468,715</u>	<u>437,668</u>	<u>388,331</u>	
73,995	71,952	60,618	59,280	54,824	52,944	
180,712	211,713	160,421	141,697	150,016	127,225	
41,728	42,400	42,959	35,694	38,438	37,261	
531	696	812	598	26,600	24,721	
8,870	8,533	7,420	7,484	7,887	6,738	
24,590	23,492	23,099	21,507	19,988	18,135	
42,593	40,444	42,038	36,138	33,917	34,959	
14,128	15,542	15,672	12,195	12,827	12,258	
16,442	12,378	13,007	9,992	9,235	9,720	
2,590	531	427	1,787	--	--	
101,567	75,054	54,369	33,388	36,178	44,992	
16,751	16,244	19,854	14,838	14,253	13,601	
<u>524,497</u>	<u>518,979</u>	<u>440,696</u>	<u>374,598</u>	<u>404,163</u>	<u>382,554</u>	
(49,361)	(23,616)	44,431	94,117	33,505	5,777	
41,950	40,629	64,245	23,216	30,804	31,467	
(44,869)	(40,805)	(74,044)	(44,021)	(41,605)	(47,237)	
110,000	94,190	30,395	125,000	--	--	
--	--	--	--	--	--	
2,591	--	1,478	912	--	--	
--	--	--	--	--	27	
411	762	684	488	679	820	
--	(93,415)	(31,823)	--	--	--	
<u>110,083</u>	<u>1,361</u>	<u>(9,065)</u>	<u>105,595</u>	<u>(10,122)</u>	<u>(14,923)</u>	
\$ <u>60,722</u>	\$ <u>(22,255)</u>	\$ <u>35,366</u>	\$ <u>199,712</u>	\$ <u>23,383</u>	\$ <u>(9,146)</u>	
7.2%	6.3%	7.4%	6.5%	6.0%	6.5%	

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

EXHIBIT G - 6

	Property Taxes	Gross Receipts Business Taxes	General Sales and Use Taxes	Occupancy Taxes	Occu- pational Taxes	Insurance Premiums Taxes	Gaming Admissions Taxes	Interest and Penalties- Delinquent Taxes	Total
2013	\$94,516	\$23,093	\$219,626	\$2,201	\$10,383	\$3,774	\$9,438	\$2,525	\$365,556
2012	91,535	20,817	216,689	2,393	9,687	3,589	7,575	1,421	353,706
2011	90,578	23,334	202,051	2,064	9,945	3,580	5,845	1,345	338,742
2010	88,831	24,510	193,025	1,956	9,869	3,590	5,741	1,294	328,816
2009	84,305	22,181	200,077	1,952	10,082	3,521	7,542	2,392	332,052
2008	82,763	28,057	206,911	2,443	9,750	3,458	5,740	2,291	341,413
2007	77,598	26,635	203,376	2,336	9,950	3,475	6,362	1,623	331,355
2006	71,901	27,442	205,856	1,390	8,916	3,180	7,006	1,982	327,673
2005	66,436	24,254	185,636	1,026	8,687	3,358	7,654	1,613	298,664
2004	62,961	22,203	164,821	764	8,124	3,194	6,504	1,614	270,185

Source: Audited Comprehensive Annual Financial Reports.



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS**

Exhibit G-7

(amounts expressed in thousands)

<u>Year</u>	<u>Assessed Value</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value*</u>
<u>City of Baton Rouge</u>						
2013	\$ 1,795,308	\$ --	\$ 1,795,308	7.12	\$ 16,320,982	11.00 %
2012	1,768,041	--	1,768,041	7.12	16,073,100	11.00
2011	1,675,472	--	1,675,472	7.42	15,231,564	11.00
2010	1,674,904	--	1,674,904	7.42	15,226,400	11.00
2009	1,649,392	--	1,649,392	7.42	14,994,473	11.00
2008	1,607,759	--	1,607,759	7.42	14,615,991	11.00
2007	1,501,386	--	1,501,386	7.84	13,648,964	11.00
2006	1,409,803	--	1,409,803	7.84	12,816,391	11.00
2005	1,324,385	--	1,324,385	7.84	12,039,864	11.00
2004	1,284,098	--	1,284,098	7.84	11,673,618	11.00
<u>Parish of East Baton Rouge</u>						
2013	\$ 4,380,432	\$ 599,929	\$ 3,780,503	3.44	\$ 39,822,109	11.00
2012	4,256,056	612,898	3,643,158	3.44	38,691,418	11.00
2011	4,067,423	626,501	3,440,922	3.54	36,976,573	11.00
2010	4,005,089	588,830	3,416,259	3.54	36,409,900	11.00
2009	3,964,820	548,201	3,416,619	3.54	36,043,818	11.00
2008	3,810,976	527,907	3,283,069	3.54	34,645,236	11.00
2007	3,466,561	522,534	2,944,027	3.78	31,514,191	11.00
2006	3,233,132	548,660	2,684,472	3.78	29,392,109	11.00
2005	3,012,032	584,685	2,427,347	3.78	27,382,109	11.00
2004	2,885,036	616,185	2,268,851	3.78	26,227,600	11.00

\*Actual Valuation (Market Value) as compared to Assessed Valuation

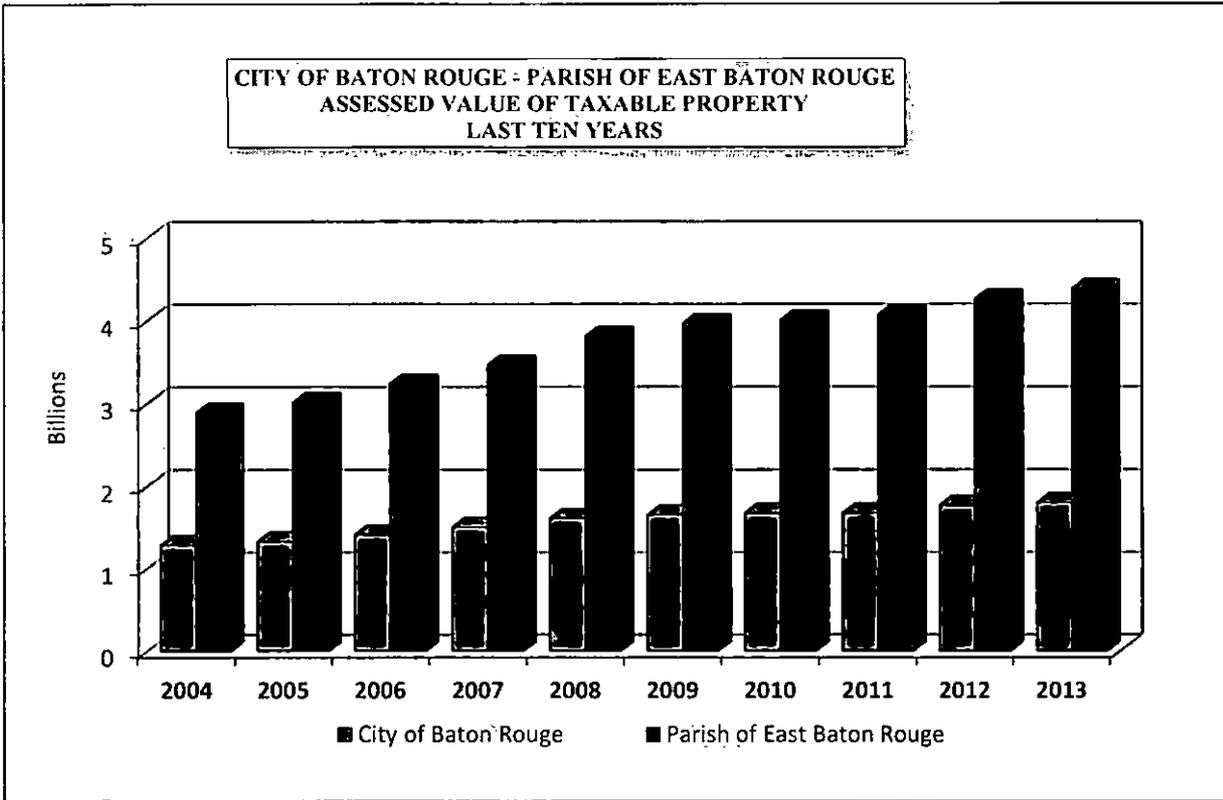
Residential Properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be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

Source: East Baton Rouge Parish Assessor's Grand Recapulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Exhibit G-7  
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
PROPERTY TAX RATES AND TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS (1)  
LAST TEN YEARS**

Year	City		Parish			
	Operating	Municipal Fire Salaries and Benefits	Operating	Debt Service (2)	Mosquito and Rodent Tax	Emergency Medical Services
<u>TAX RATES (mills per dollar)</u>						
2013	7.12	6.00	3.44	--	1.41	3.13
2012	7.12	6.00	3.44	--	1.41	3.13
2011	7.42	6.00	3.54	--	1.45	3.13
2010	7.42	6.00	3.54	--	1.45	3.13
2009	7.42	6.00	3.54	--	1.45	3.13
2008	7.42	6.00	3.54	--	2.09	3.13
2007	7.84	6.00	3.78	--	2.23	3.13
2006	7.84	6.00	3.78	--	1.23	3.13
2005	7.84	6.00	3.78	--	1.23	3.13
2004	7.84	6.00	3.78	--	1.23	2.70

TAX LEVIES

2013	\$12,782,590	\$10,769,906	\$15,068,687	\$	--	\$6,176,409	\$13,710,753
2012	12,588,453	10,608,247	14,640,832		--	6,001,039	13,321,455
2011	12,432,005	10,052,834	14,398,676		--	5,897,763	12,731,033
2010	12,427,786	10,049,472	14,178,016		--	5,806,700	12,535,916
2009	12,238,488	9,896,402	14,035,463		--	5,748,304	12,409,879
2008	11,929,569	9,646,603	13,490,853		--	7,964,581	11,928,356
2007	11,770,864	9,008,314	13,103,600		--	7,730,431	10,850,336
2006	11,052,854	8,458,817	12,221,238		--	3,976,752	10,119,702
2005	10,383,178	7,946,310	11,385,480		--	3,704,799	9,427,659
2004	10,067,328	7,704,587	10,905,435		--	3,548,594	7,789,596

The tax levies represent the original levy of the Assessor and include the homestead exemption amount.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 15% per annum. No discounts are allowed for taxes, and there is no provision for partial payments.

Taxpayers who have not paid their taxes by January 2 of each year are notified by the Sheriff through registered mail that all taxes must be paid within 20 days from the date of notice. After expiration of the 20th day, the Sheriff shall sell the least quantity of property of any debtor which any bidder will buy for the amount of taxes, interest and costs due.

By agreement, the East Baton Rouge Parish Sheriff is the tax collector for City property taxes and receives a commission of 4.5% of total taxes collected for the City. The Sheriff, as provided by State Law, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts.

Library Board of Control	School District	Recreation and Park	Law Enforcement District	Assessor's Salary and Expense Fund	Total
<u>TAX RATES (mills per dollar)</u>					
10.78	43.45	14.04	14.99	1.34	105.70
10.78	43.45	14.04	14.99	1.34	105.70
11.10	43.45	14.46	14.99	1.38	106.92
11.10	43.45	14.46	14.99	1.38	106.92
11.10	43.45	14.46	14.99	1.38	106.92
11.10	43.45	14.46	14.99	1.38	107.56
11.10	43.45	14.46	14.99	1.38	108.36
11.10	43.45	14.46	14.99	1.38	107.36
9.97	43.45	14.46	14.99	1.38	106.23
9.97	43.45	10.95	14.99	1.38	102.29

<u>TAX LEVIES</u>					
\$47,221,059	\$168,092,732	\$61,492,507	\$65,662,678	\$5,869,779	\$406,847,100
45,880,282	163,119,091	59,746,512	63,798,277	5,703,115	395,407,303
45,148,390	156,255,861	58,827,132	60,970,664	5,613,043	382,327,401
44,456,394	154,151,395	57,924,991	60,036,218	5,527,001	377,093,889
44,009,402	152,687,297	57,342,564	59,432,583	5,471,431	373,271,813
42,301,728	147,001,498	55,117,514	57,126,469	5,259,125	361,766,296
38,478,826	134,360,824	50,136,871	51,963,748	4,783,854	332,187,668
35,887,762	131,404,174	46,760,784	48,464,645	4,461,722	312,808,450
30,029,957	122,414,442	43,563,016	45,150,356	4,156,604	288,161,801
28,763,806	117,833,099	31,591,140	43,246,685	3,981,349	265,431,619

- (1) Not included are the following: Consolidated Road Lighting District No. 1, St. George Fire Protection District, Chaneyville Fire Protection District, Alsen Fire Protection District, Brownsfield Fire Protection District No. 3, Central Fire Protection District No. 4, Eastside Fire Protection District No. 5, East Baton Rouge Parish Fire Protection District No. 6, Pride Fire District No. 8, Zachary Fire District No. 1, Downtown Development District, Pontchartrain Levee District, Comite Diversion Canal, City of Baker, City of Central, City of Zachary and BR Capital Area Transit System. These represent isolated areas that affect less than a majority of City-Parish residents.
- (2) Parishwide debt.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge

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

EXHIBIT G - 9

Taxpayer	Type of Business	2013			2004		
		Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
ExxonMobil Corporation	Petroleum Products	\$332,208,580	1	7.58 %	\$199,833,040	1	6.93 %
Entergy, Inc.	Electric and Gas Utility	98,090,370	2	2.24	60,678,230	2	2.10
Georgia-Pacific Corporation	Pulp and Paper Products	74,909,940	3	1.71	45,242,020	4	1.57
J P Morgan/Chase	Bank	47,079,000	4	1.07	40,603,250	5	1.41
Bellsouth Communications	Telephone Utility	35,100,100	5	0.80	55,205,350	3	1.91
State Farm Insurance	Insurance	21,595,450	6	0.50	--	--	--
Capital One/Hibernia	Bank	21,207,450	7	0.48	28,809,650	6	1.00
Wal-Mart	Retail Store	20,869,800	8	0.48	13,753,750	9	0.48
Formosa Plastics	Plastics Manufacturer	20,078,500	9	0.46	14,254,300	8	0.49
Higman Barge Lines, Inc.	Public Utility (Watercraft)	17,982,050	10	0.41	--	--	--
Baton Rouge Water Company	Water Utility	--	--	--	15,217,620	7	0.53
Paxon Polymer	Plastic Manufacturer	--	--	--	13,055,750	10	0.45
		<u>\$689,121,240</u>		<u>15.73 %</u>	<u>\$486,652,960</u>		<u>16.87 %</u>

(1) Source: East Baton Rouge Parish Assessor's Office

**CITY OF BATON ROUGE- PARISH OF EAST BATON ROUGE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

EXHIBIT G- 10

<u>Year</u>	<u>Total Tax Levy</u>	<u>Collections</u>	<u>Percent of Levy Collected</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Collections to Tax Levy</u>
<u>City of Baton Rouge Sub Fund</u>						
2013	\$12,782,590					
2012	12,588,453	\$12,354,225	98.14 %	\$89,328	\$12,443,553	98.85 %
2011	12,432,005	12,372,584	99.52	88,846	12,461,430	100.24
2010	12,427,786	12,253,689	98.60	68,041	12,321,730	99.15
2009	12,238,488	12,045,618	98.42	114,192	12,159,810	99.36
2008	11,929,569	11,654,039	97.69	75,959	11,729,998	98.33
2007	11,770,864	11,626,807	98.78	22,693	11,649,500	98.97
2006	11,052,854	10,925,292	98.85	59,938	10,985,230	99.39
2005	10,383,178	10,191,515	98.15	76,080	10,267,595	98.89
2004	10,067,328	9,882,582	98.16	60,411	9,942,993	98.76
<u>Parish of East Baton Rouge Sub Fund</u>						
2013	\$12,741,045					
2012	12,310,364	\$12,107,642	98.35 %	\$50,208	\$12,157,850	98.76 %
2011	12,033,121	11,872,313	98.66	24,454	11,896,767	98.87
2010	11,819,400	11,628,549	98.39	36,387	11,664,936	98.69
2009	11,703,631	11,435,255	97.71	41,457	11,476,712	98.06
2008	11,165,622	10,903,757	97.65	30,995	10,934,752	97.93
2007	10,710,031	10,499,432	98.03	11,334	10,510,766	98.14
2006	9,874,532	9,648,655	97.71	19,531	9,668,186	97.91
2005	9,071,271	8,823,462	97.27	54,887	8,878,349	97.87
2004	8,626,282	8,423,541	97.65	47,887	8,471,428	98.20

"Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

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

EXHIBIT G - 11

	<u>2%</u> <u>City-Parish</u> <u>General</u>	<u>1/2 %</u> <u>Roads</u> <u>Improvement</u> <u>and</u> <u>Maintenance</u>	<u>1/2 %</u> <u>Sewerage</u> <u>Improvement</u> <u>and</u> <u>Maintenance</u>	<u>Total</u>
2013	\$176,475	\$42,997	\$42,997	\$262,469
2012	174,430	42,145	42,145	258,720
2011	162,488	39,431	39,431	241,350
2010	155,467	37,439	37,439	230,345
2009	160,712	39,424	39,425	239,561
2008	164,418	42,372	42,367	249,157
2007	163,368	39,920	39,922	243,210
2006	165,765	40,030	40,035	245,830
2005	149,668	35,968	35,972	221,608
2004	133,662	31,158	31,160	195,980

The following is a summary by area of sales and use taxes being levied within the Parish of East Baton Rouge as of December 31, 2013.

<u>Entity/Area</u>	<u>Parish</u>	<u>School</u> <u>Board</u> <u>Operating</u>	<u>School</u> <u>Board</u> <u>Capital</u> <u>Improvement</u>	<u>Municipal</u>	<u>State</u>	<u>Total</u>
East Baton Rouge	3.00%	1.00%	1.00%	--	4.00%	9.00%
Baton Rouge	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%
Baker	1.00%	2.00%	--	2.50%	4.00%	9.50%
Zachary	1.00%	1.00%	1.00%	2.00%	4.00%	9.00%
Central	1.00%	1.00%	1.50%	2.00%	4.00%	9.50%



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**  
**(in thousands)**

North American Industry Classification	FISCAL YEAR			
	2013	2012	2011	2010
Agriculture, Forestry, and Fishing	\$ 1,750	\$ 1,729	\$ 1,627	\$ 1,565
Mining	875	--	814	3,129
Construction	156,627	154,729	155,418	133,783
Manufacturing	866,260	934,427	805,568	724,461
Transportation and Public Utilities	38,500	42,356	52,077	43,030
Wholesale Trade	389,379	366,510	351,521	332,501
Other Retail Trade	4,003,171	3,969,371	3,876,491	3,599,615
Vehicle	500,506	482,341	444,283	836,337
Food Stores	725,383	644,850	580,985	483,495
Finance, Insurance, and Real Estate	252,003	267,967	225,396	218,277
Services	1,815,646	1,779,820	1,642,870	1,447,357
Public Administration	--	--	--	--
<b>Total</b>	<b>\$ 8,750,100</b>	<b>\$ 8,644,100</b>	<b>\$ 8,137,050</b>	<b>\$ 7,823,550</b>

Source: City-Parish Finance Revenue Division  
Collector of EBR Parish-wide Sales & Use Taxes  
Based on 2% general sales and use tax with no exemptions for food and drugs.

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
\$ 2,182	\$ 2,466	\$ 5,473	\$ 8,786	\$ 8,307	\$ 7,418
818	822	653	912	1,946	1,738
133,890	151,265	136,984	142,226	138,667	123,838
941,631	876,348	807,773	727,543	601,441	537,121
51,560	64,945	78,988	112,803	114,346	102,118
348,700	411,867	196,940	408,776	387,041	345,650
3,865,624	4,102,229	4,608,939	4,750,824	4,187,261	3,739,462
533,427	374,051	877,204	748,015	698,725	624,001
514,500	420,088	397,556	382,171	443,616	396,174
254,056	282,799	30,713	30,335	37,941	33,883
1,450,666	1,534,020	1,026,769	975,610	863,884	771,497
--	--	408	249	225	200
<u>\$ 8,097,054</u>	<u>\$ 8,220,900</u>	<u>\$ 8,168,400</u>	<u>\$ 8,288,250</u>	<u>\$ 7,483,400</u>	<u>\$ 6,683,100</u>

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(full accrual basis of accounting)**  
**(in thousands, except per capita amount)**

Year	Governmental Activities			Business - Type Activities	
	Excess Revenue Contracts Loans and Notes	Revenue Bonds	Capital Leases	Excess Revenue Contracts Loans and Notes	Revenue Bonds
2013	\$ 89,263	\$ 237,762	\$ --	\$ 225,380	\$ 995,995
2012	93,712	238,490	--	12,083	1,007,089
2011	59,929	249,604	--	2,291	1,018,218
2010	60,514	261,990	--	2,679	837,562
2009	62,371	271,490	--	3,551	471,359
2008	64,463	165,091	--	3,677	323,569
2007	65,815	174,384	--	26,221	277,749
2006	67,826	183,213	1	24,685	289,756
2005	69,760	63,047	28	18,170	270,291
2004	72,520	67,996	82	11,737	277,113

Source:

- (1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.
- (2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) Total Primary Government	(2) Percentage of Personal Income	(2) <i>(in dollars)</i> Debt Per Capita
\$ 1,548,400	8.31%	\$ 3,478
1,351,374	7.12%	3,042
1,330,042	7.35%	3,232
1,162,745	6.57%	2,642
808,771	4.63%	1,861
556,800	3.19%	1,292
544,169	3.31%	1,263
565,481	3.66%	1,312
421,296	2.95%	1,023
429,448	3.29%	1,040

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(full accrual basis of accounting)*  
*(in thousands, except per capita amount)*

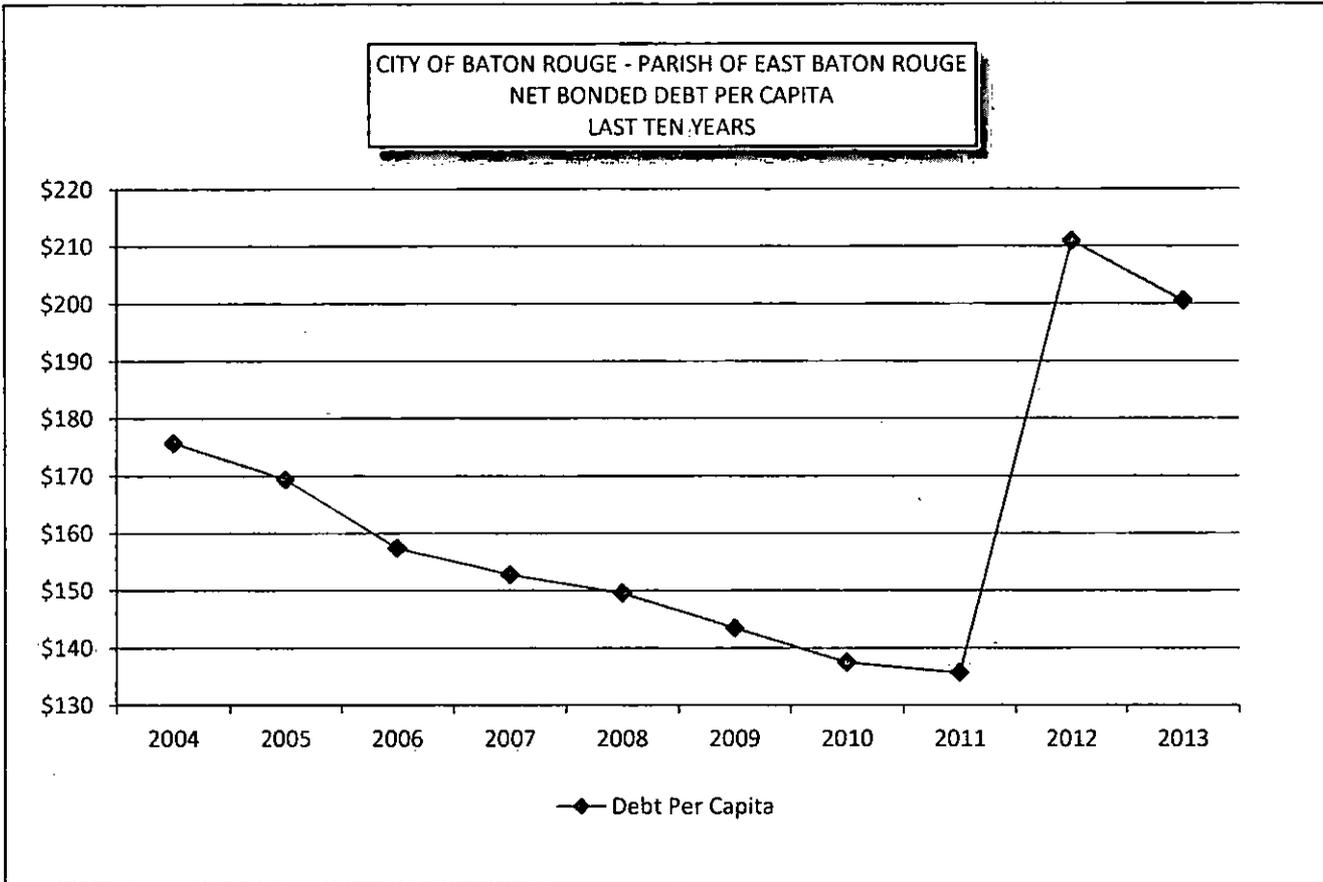
EXHIBIT G - 14

Year	Excess Revenue Contracts Loans and Notes (1)	Less: Amount Available In Debt Service Fund (4)	Total	Percentage of Estimated Actual Value of Property (2)	<i>(in dollars)</i> Debt Per Capita (3)
2013	\$89,263	\$ --	\$89,263	0.55%	\$200
2012	93,712	--	93,712	0.58%	211
2011	59,929	--	59,929	0.39%	136
2010	60,514	--	60,514	0.40%	137
2009	62,371	--	62,371	0.42%	144
2008	64,463	--	64,463	0.44%	150
2007	65,815	--	65,815	0.48%	153
2006	67,826	--	67,826	0.53%	157
2005	69,760	--	69,760	0.58%	169
2004	72,520	--	72,520	0.62%	176

- (1) Long-term debt note disclosures: Audited Comprehensive Annual Financial Reports.  
See Note 10 - Long-term debt.
- (2) See the Schedule of Assessed and Estimated Actual Value of Taxable Property.
- (3) Population data can be found in the Schedule of Demographic and Economic Statistics.
- (4) There is no general reserve fund requirement for excess revenue bonds in the State of Louisiana.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(full accrual basis of accounting)  
(in thousands, except per capita amount)

EXHIBIT G - 14  
(Continued)



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2013**

EXHIBIT G - 15

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Primary Government</u>
<u>Overlapping Debt:</u>			
Baton Rouge Recreation and and Park Commission	\$ 23,096,615	100.00%	\$ 23,096,615
Central Community School System	27,370,047	4.00%	1,094,802
City of Baker	1,984,000	2.00%	39,680
City of Zachary	6,316,197	3.00%	189,486
East Baton Rouge Parish School System	36,608,405	88.00%	32,215,396
Eastside Fire Protection District	648,750	3.00%	19,463
Greater Baton Rouge Port Commission	3,760,000	100.00%	3,760,000
Hospital Service District No. 1 (Lane Memorial Hospital)	22,200,000	100.00%	22,200,000
Nineteenth Judicial District Court	93,340,000	100.00%	93,340,000
Zachary Community School Board	104,480,000	6.00%	6,268,800
			182,224,242
Total overlapping debt			182,224,242
City of Baton Rouge/Parish of EBR direct debt			327,025,955
Total direct and overlapping debt			\$ 509,250,197

Sources: Assessed value data used to estimate applicable percentages provided by the East Baton Rouge Parish Assessor.  
Debt outstanding provided by staff of the separate governmental organizations and their audited financial statements.

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting governments' geographic jurisdiction and the total debt that their property taxes will be expected to repay.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Municipalities taxable assessed value that is within the Parish's boundaries and dividing it by the Parish's total taxable assessed value.

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
LEGAL DEBT MARGIN CALCULATION  
GENERAL OBLIGATION DEBT  
LAST TEN YEARS**

EXHIBIT G - 16

CITY OF BATON ROUGE

Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2013	\$179,530,760	\$269,296,141	\$628,357,661	\$ --	\$628,357,661
2012	176,804,116	265,206,174	618,814,406	--	618,814,406
2011	167,547,232	251,320,848	586,415,312	--	586,415,312
2010	167,490,381	251,235,572	586,216,334	--	586,216,334
2009	164,939,185	247,408,777	577,287,147	--	577,287,147
2008	160,775,869	241,163,803	562,715,541	--	562,715,541
2007	150,138,571	225,207,857	525,484,999	--	525,484,999
2006	140,980,285	211,470,428	493,430,999	--	493,430,999
2005	132,438,497	198,657,746	463,534,740	--	463,534,740
2004	128,409,791	192,614,686	449,434,268	--	449,434,268

PARISH OF EAST BATON ROUGE

Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
2013	\$438,043,217	\$657,064,825	no limit	\$ --	\$657,064,825
2012	425,605,585	638,408,377	no limit	--	638,408,377
2011	406,742,254	610,113,381	no limit	--	610,113,381
2010	400,508,930	600,763,395	no limit	--	600,763,395
2009	396,481,999	594,722,999	no limit	--	594,722,999
2008	381,097,556	571,646,334	no limit	--	571,646,334
2007	346,656,093	519,984,140	no limit	--	519,984,140
2006	323,313,174	484,969,761	no limit	--	484,969,761
2005	301,203,178	451,804,767	no limit	--	451,804,767
2004	288,503,566	432,755,349	no limit	--	432,755,349

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

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

EXHIBIT G - 17

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

Year	Gross Revenue (2)	Expenses (3)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2013	\$ 2,717,605	\$ 419,555	\$ 2,298,050	\$ 1,600,000	\$ 698,050	\$ 2,298,050	1.00
2012	3,358,372	377,229	2,981,143	1,555,000	1,426,143	2,981,143	1.00
2011	7,300,269	416,751	6,883,518	4,775,000	2,108,518	6,883,518	1.00
2010	7,286,377	394,134	6,892,243	4,565,000	2,327,243	6,892,243	1.00
2009	7,250,405	413,500	6,836,905	4,295,000	2,541,905	6,836,905	1.00
2008	7,199,247	371,848	6,827,399	4,080,000	2,747,399	6,827,399	1.00
2007	7,101,974	295,556	6,806,418	3,870,000	2,936,418	6,806,418	1.00
2006	21,322,093 (6)	332,401	20,989,692	10,565,000	10,424,692	20,989,692	1.00
2005	37,031,493	358,351	36,673,142	9,380,000	10,821,825	20,201,825	1.82
2004	32,095,064	324,153	31,770,911	8,740,000	10,902,942	19,642,942	1.62

**SCHEDULE B - CITY SALES TAX (2%)**

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2013	\$ 93,493,918	\$ --	\$ 93,493,918	\$ 5,060,000	\$ 3,922,851	\$ 8,982,851	10.41
2012	90,799,213	--	90,799,213	11,530,000	4,463,711	15,993,711	5.68
2011	87,494,793	--	87,494,793	10,270,000	4,861,233	15,131,233	5.78
2010	85,137,892	--	85,137,892	10,260,000	5,605,661	15,865,661	5.37
2009	87,038,718	--	87,038,718	9,740,000	5,951,439	15,691,439	5.55
2008	97,069,860	--	97,069,860	10,185,000	5,153,870	15,338,870	6.33
2007	99,525,928	--	99,525,928	10,536,325	3,633,384	14,169,709	7.02
2006	98,807,202	--	98,807,202	9,715,000	4,944,657	14,659,657	6.74
2005	88,998,396	--	88,998,396	10,395,000	5,405,585	15,800,585	5.63
2004	77,644,392	--	77,644,392	9,850,000	5,813,785	15,663,785	4.96

**SCHEDULE C - PARISH SALES TAX (2%)**

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest (1)	Total	
2013	\$ 82,987,383	\$ --	\$ 82,987,383	\$ --	\$ --	\$ --	--
2012	83,663,827	--	83,663,827	--	--	--	-- (12)
2011	75,032,120	--	75,032,120	--	--	--	-- (12)
2010	70,524,675	--	70,524,675	--	--	--	-- (12)
2009	73,640,958	--	73,640,958	--	--	--	--
2008	67,839,512	--	67,839,512	620,000	26,040	646,040	105.01
2007	64,728,994	--	64,728,994	595,000	50,435	645,435	100.29
2006	67,819,184	--	67,819,184	575,000	73,723	648,723	104.54
2005	61,485,795	--	61,485,795	545,000	95,522	640,522	95.99
2004	56,756,746	--	56,756,746	525,000	116,522	641,522	88.47

Continued.

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

EXHIBIT G - 17  
(Continued)

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

<u>Year</u>	<u>Gross Revenue (7)</u>	<u>Expenses (3)</u>	<u>Available for Debt Service</u>	<u>Total Senior Lien Debt Service (8)</u>	<u>Senior Lien Coverage</u>	<u>Total Sub Lien Debt Service</u>	<u>Sub-lien Coverage</u>
2013	\$ 28,149,513	\$ 274,249	\$ 27,875,264	\$ 18,018,977	1.55	\$ 2,629,156	1.35
2012	27,680,742	245,166	27,435,576	17,991,217	1.52	2,189,898	1.36
2011	25,902,059	274,698	25,627,361	18,070,793	1.42	--	--
2010	24,662,586	231,255	24,431,331	17,792,521	1.37	--	--
2009	27,045,372	--	27,045,372	13,947,352	1.94	--	--
2008	32,575,454	--	32,575,454	10,846,689	3.00	--	--
2007	29,589,550	--	29,589,550	8,355,458	3.54	--	--
2006	29,072,421	--	29,072,421	1,363,451	21.32	--	--

**SCHEDULE E - EAST BATON ROUGE SEWERAGE COMMISSION**

<u>Year</u>	<u>Gross Revenue (9)</u>	<u>Expenses (10)</u>	<u>Available for Debt Service</u>	<u>Total Senior Lien Debt Service (13)</u>	<u>Senior Lien Coverage</u>	<u>Total Sub Lien Debt Service</u>	<u>Sub-lien Coverage</u>
2013	\$ 115,113,327	\$ 38,233,744	\$ 76,879,583	\$ 54,483,549	1.41	\$ 575,720	1.40
2012	112,655,153	36,840,298	75,814,855	53,731,684	1.41	--	--
2011	104,462,337	38,414,107	66,048,230	40,157,122	1.64	--	--
2010	100,325,918	35,992,997	64,332,921	23,542,882	2.73	--	--
2009	100,957,375	36,691,655	64,265,720	14,398,273	4.46	--	--
2008	102,154,884	38,223,916	63,930,968	12,605,190	5.07	--	--
2007	103,142,595	36,855,981	66,286,614	10,278,040	6.45	--	--
2006	84,485,242	34,431,919	50,053,323	--	--	--	-- (11)

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

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

EXHIBIT G - 18

<u>Year</u>	<u>Popu- lation (1)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (1)</u>	<u>Public School Enrollment (4)</u>	<u>EBR Parish Unemploy- ment Rate (5)</u>	<u>Labor Market Area Unemploy- ment Rate (6)</u>
2013	445,227	18,629,188,134 (7)	41,842 (7)	32.6 (7)	53,881	5.8	5.9
2012	444,275	18,968,278,000	42,671	32.7	54,439	6.3	6.4
2011	441,523	18,099,742,000	40,987	32.5	53,981	7.2	7.4
2010	440,171 (2)	17,691,813,000	40,132	32.6 (2)	53,790	7.1	7.4
2009	434,633	17,454,857,000	39,886	32.8	52,671	6.0	6.2
2008	431,024	17,463,380,000	40,264	32.8	53,849	4.2	4.3
2007	430,700	16,448,007,000	37,956	33.2	52,033	3.6	3.7
2006	430,886	15,429,679,000	35,595	33.5	55,033	3.9	3.9
2005	411,859	14,285,918,000	34,523	31.9	52,952	6.5	6.5
2004	412,772	13,057,759,000	31,528	31.5	46,675	4.8	5.8

Source: All information is parish-wide.

- (1) Estimates - Louisiana Tech University for the U.S. Bureau of Census (mid-year estimate)
- (2) Official U.S. Census
- (3) Estimates - Bureau of Economic Analysis, Regional Economic Accounts
- (4) Louisiana Department of Education
- (5) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2013) average annual unemployment rate, not seasonally adjusted. Figures for East Baton Rouge Parish only.
- (6) U.S. Department of Labor, Bureau of Labor Statistics (Estimated figures 2013) average annual unemployment rate, not seasonally adjusted. Figures for Baton Rouge Metropolitan Statistical Area (MSA).  
Year 2004 and prior the MSA included East Baton Rouge, Livingston, Ascension, and West Baton Rouge Parishes.  
In 2005 the MSA was expanded to include East Feliciana, Iberville, Pointe Coupee, St. Helena, and West Feliciana Parishes.  
Baton Rouge serves as the focus of employment for many of the parishes that border it.
- (7) Finance Department Estimate

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

EXHIBIT G - 19

<u>2013 (2)</u>				<u>2004 (1)</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Parish Employment</u>	<u>Employer</u>	<u>Rank</u>
Louisiana State Government	22,120	1	9.00 %	Our Lady of the Lake Medical Center	1
Turner Industries	9,671	2	3.94	West Telemarketing, SVC	2
East Baton Rouge Parish School System	6,250	3	2.54	Exxon Mobil Refining & Supply	3
Louisiana State University	5,600	4	2.28	Southern University	4
City-Parish Government	4,612	5	1.88	Exxon Mobile Chemical, Co	5
Exxon Mobil Chemical, Co.	4,243	6	1.73	Baton Rouge General Medical Center	6
CB&I Inc	4,009	7	1.63	Recreation & Park Commission	7
Our Lady of the Lake Medical Center	3,500	8	1.42	Performance Contractors	8
Performance Contractors	3,000	9	1.22	LA University School of Medicine	9
Baton Rouge General Medical Center	2,000	10	0.81	US Veterans Medical Center	10
	<u>65,005</u>		<u>26.45 %</u>		

(1) Number of employees not available for 2004. Information was previously provided by Louisiana Department of Labor.

(2) Source 2013: Baton Rouge Area Chamber estimates  
Louisiana Department of State Civil Service  
East Baton Rouge Parish School System  
Estimates - U.S. Bureau of Census (mid-year estimate)

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

	<b>Full-time Equivalent Employees Allotted in Annual Budget</b>			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>GENERAL FUND:</b>				
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	156.63	156.63	157.63	157.63
Community Centers	20.55	20.55	20.55	20.55
Discontinued Departments (1)	--	--	--	--
Metropolitan Council and Administration	41.00	41.00	41.00	41.00
Emergency Preparedness	6.00	6.00	5.00	5.00
EMS - Prison Medical Services	36.00	36.00	36.00	36.00
Finance	121.00	125.00	125.00	125.00
Fire - (City Fire Department Only)	610.00	610.00	610.00	610.00
Human Development & Services	8.62	8.62	8.75	8.75
Human Resources	38.00	38.00	38.00	38.00
Information Services	45.00	45.00	45.00	45.00
Juvenile Services	84.00	84.00	84.00	84.00
Mayor-President	15.00	15.00	15.00	15.00
Municipal Fire & Police Civil Service	1.00	1.00	1.00	1.00
Parish Attorney	96.50	95.50	95.50	95.00
Planning Commission	27.00	27.00	27.00	27.00
Police (City Police Only)	886.00	886.00	886.00	886.00
Public Information Office	3.00	3.00	3.00	3.00
Public Works	691.00	691.00	692.00	692.00
Purchasing	13.00	13.00	13.00	13.00
<b>TOTAL GENERAL FUND</b>	<u>2,939.30</u>	<u>2,942.30</u>	<u>2,943.43</u>	<u>2,942.93</u>
<b>SPECIAL FUNDS:</b>				
<b>Major Funds:</b>				
Library Board of Control Fund	388.00	379.75	335.00	335.00
Grants Fund	377.57	382.82	401.77	407.23
Comprehensive Sewerage System Fund	326.40	326.40	326.40	326.40
G. B. R. Airport District Fund	80.00	82.00	84.00	84.00
Solid Waste Collection Fund	6.00	6.00	6.00	6.00
Solid Waste Disposal Facility	22.60	22.60	22.60	22.60
<b>Non-Major Funds:</b>				
Animal Control and Rescue Center	22.00	22.00	22.00	32.00
Central Garage	45.00	45.00	45.00	45.00
City Constable Court Costs Fund	5.00	5.00	5.00	5.00
Downtown Development District	4.00	4.00	4.00	4.00
Emergency Medical Services	170.00	166.00	166.00	166.00
Employees' Retirement System	12.00	12.00	12.00	12.00
E.B.R. Parish Communications District	51.00	47.00	47.00	47.00
Gaming Enforcement Division	2.50	2.50	2.50	2.00
G. B. R. Parking Authority	9.00	9.00	9.00	9.00
Mosquito Abatement and Rodent Control	33.00	33.00	33.00	33.00
Parish Street Maintenance	3.00	3.00	3.00	3.00
<b>TOTAL SPECIAL FUNDS</b>	<u>1,557.07</u>	<u>1,548.07</u>	<u>1,524.27</u>	<u>1,539.23</u>
<b>TOTAL ALL FUNDS</b>	<u>4,496.37</u>	<u>4,490.37</u>	<u>4,467.70</u>	<u>4,482.16</u>

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

## Full-time Equivalent Employees Allotted in Annual Budget

2009	2008	2007	2006	2005	2004
40.00	40.00	40.00	40.00	40.00	40.00
157.63	152.63	145.50	144.50	144.50	144.50
20.55	20.55	20.55	20.55	20.55	20.55
--	--	--	--	12.50	13.50
41.00	41.00	41.00	41.00	41.00	41.00
5.00	5.00	5.00	5.00	5.00	5.00
35.00	35.00	33.00	33.00	33.00	33.00
125.00	119.00	112.00	111.00	111.00	111.00
610.00	610.00	588.00	582.00	581.00	581.00
8.75	8.75	8.75	9.50	8.92	8.50
39.00	39.00	39.00	36.00	37.75	41.75
44.00	44.00	42.00	36.00	34.00	34.00
84.00	84.00	83.00	82.00	82.00	85.00
16.00	16.00	15.00	15.00	11.00	10.00
1.00	1.00	1.00	1.00	1.00	1.00
94.50	100.00	99.00	92.50	99.00	95.00
27.00	27.00	26.00	22.00	22.00	22.00
886.00	885.00	840.00	837.00	836.00	836.00
3.00	3.00	3.00	3.00	3.00	3.00
697.40	699.10	679.10	647.00	667.00	667.00
13.00	13.00	13.00	13.00	13.00	13.00
<u>2,947.83</u>	<u>2,943.03</u>	<u>2,833.90</u>	<u>2,771.05</u>	<u>2,803.22</u>	<u>2,805.80</u>
319.25	318.25	313.25	306.75	303.75	268.00
375.48	428.94	417.98	416.19	332.43	322.09
328.20	329.40	331.90	336.00	341.00	342.00
93.00	91.00	91.00	89.00	88.73	88.73
6.00	21.10	21.00	21.00	--	--
15.40	13.40	10.00	10.00	10.00	9.00
31.00	31.00	21.00	20.00	19.00	19.00
45.00	45.00	45.00	45.00	45.00	45.00
5.00	5.00	4.00	4.00	4.00	9.00
4.00	4.00	4.00	4.00	4.00	4.00
165.00	164.00	162.00	150.00	137.00	137.00
12.00	12.00	12.00	12.00	12.00	13.00
47.00	47.00	47.00	47.00	37.50	37.50
2.00	1.00	1.00	1.00	1.00	1.00
9.00	9.00	9.00	9.00	9.00	9.00
31.00	31.00	31.00	31.00	31.00	31.00
3.00	3.00	3.00	3.00	3.00	3.00
<u>1,491.33</u>	<u>1,554.09</u>	<u>1,524.13</u>	<u>1,504.94</u>	<u>1,378.41</u>	<u>1,338.32</u>
<u>4,439.16</u>	<u>4,497.12</u>	<u>4,358.03</u>	<u>4,275.99</u>	<u>4,181.63</u>	<u>4,144.12</u>

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

Function:	FISCAL YEAR			
	2013	2012	2011	2010
<b>Public Safety:</b>				
<b>Police</b>				
Physical arrests	16,458	20,913	25,829	28,114 (7)
Parking violations	7,662	14,442	20,424	19,554
Traffic violations (3)	72,562	65,200	87,643	75,677
<b>Fire</b>				
Number of responses	29,434	30,097	29,869	29,939
Inspections	20,558	16,254	18,885	15,174
<b>Emergency Medical Services</b>				
Number of emergency responses	51,875	52,689	51,467	49,184
Number of patient transports	31,095	31,170	30,720	29,712
<b>Communications district</b>				
Number of 911 calls (in thousands)	416,231	387,583	385,970	340,000
<b>Transportation:</b>				
<b>Parish street maintenance program</b>				
Number of miles of new	1	1	3	0
Rehab streets and roads	22	25	19	25
Number of potholes repaired	1,337	1,457	1,666	1,731
<b>Airport</b>				
Number of enplanements	407,235	413,873	404,735	390,847
<b>Sanitation:</b>				
<b>Wastewater</b>				
Average daily sewerage treatment (millions of gallons)	25,158	23,696	22,819	23,211
<b>Solid Waste Disposal</b>				
Average daily tonnage accepted at Landfill (5)	1,243	1,457	1,491	1,526
<b>Administration Office and Boards</b>				
<b>Construction Permits</b>				
Total Number of Permits issued	22,569	21,698	21,759	22,565
Total Valuation	679,202,454	603,507,068	729,876,485	710,536,043
<b>Culture-Recreation</b>				
<b>Libraries</b>				
Total registered borrowers	325,303	304,431	425,540	410,109
Total items circulated	2,434,723	2,338,802	2,340,208	2,392,827
Total reference questions answered	885,764	868,222	971,205	879,514
New branch libraries opened	1	0	0	0

**Notes:**

- (1) Including arrest or summons, 2,734 Juveniles, 24,048 adults.
- (2) Through November 2005
- (3) Moving violations only
- (4) Increase in calls due to Hurricanes Katrina and Rita in 2005.
- (5) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
- (6) Road rehab reflects a reduction to 27% of the road sales tax money.
- (7) Projected from data thru Nov 2010. 25,614 adults, 2,500 juveniles

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
27,158	26,158	26,782. (1)	15,034	12,182 (2)	11,035
19,759	22,649	25,036	24,365	19,481 (2)	14,613
87,509	84,882	89,131	107,089	65,071 (2)	38,543
28,723	28,280	26,564	26,886	26,498	22,955
15,689	19,199	16,818	13,932	12,810	20,736
48,490	50,453	48,419	48,264	49,583	43,592
28,081	26,431	26,432	24,393	26,306	23,935
353,169	365,850	347,536	368,486	353,000 (4)	311,000
2	4	11	4	10	2
17	24	29 (6)	24 (6)	40	45
2,707	2,791	3,448	1,247	165	242
356,140	433,135	491,836	534,709	523,417	375,412
23,603	21,610	22,559	21,534	22,251	26,169
1,562	1,562	1,490	1,438	1,379	1,434
21,649	24,835	27,312	26,910	26,845	3,552
375,597,425	666,743,993	1,068,749,146	911,708,204	592,858,669	520,072,323
393,812	386,181	366,065	341,179	316,977	289,681
2,284,918	2,231,974	2,307,630	2,396,323	2,440,000	2,573,393
811,166	731,213	695,867	645,320	615,534	574,936
0	0	1	0	3	1

## Sources:

## City only:

Baton Rouge Police Department - Crime Stat &amp; Traffic Records

Baton Rouge Fire Department

## Parish-wide:

EBR Parish Emergency Medical Services

EBR Parish Communications District

City-Parish Department of Public Works

GBR Airport District

EBR Parish Library

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Major Programs	FISCAL YEAR			
	2013	2012	2011	2010
General Government				
Number of general government buildings	10	10	10	10
Public Safety				
Number of police stations	5	5	5	5
Police patrol units	536	509	513	511
Number of fire stations	19	19	19	19
Fire trucks	41	41	41	41
Number of EMS stations	12	13	13	13
Ambulances	23	21	21	21
Correction facilities	2	2	2	2
Transportation				
Miles of streets-	1,779	1,775	1,774	1,772
Number of streetlights	35,155	35,136	35,134	35,006
Number of traffic signals	495	489	489	482
Sanitation				
Miles of sanitary sewers	1,783	1,783	1,781	1,780
Miles of storm sewers	103	103	102	100
Culture and Recreation				
Number of library branches	14	14	13	13
Number of community centers	6	6	6	6
Conservation and Development				
Number of Headstart centers	7	7	7	7
Health and Welfare				
Number of Health and Welfare buildings	7	7	7	7

Sources:

City only:

    Baton Rouge Fire Department

Parish-wide:

    EBR Parish Emergency Medical Services

    EBR Parish Communications District

    City-Parish Department of Public Works

    EBR Parish Library

City/Parish Fixed Asset Records

FISCAL YEAR					
2009	2008	2007	2006	2005	2004
10	10	10	10	10	10
5	5	5	5	5	5
467	467	455	398	789	774
19	19	19	19	19	19
41	41	40	39	38	38
12	12	12	12	11	11
21	21	21	21	20	20
2	2	2	2	2	2
1,771	1,771	1,766	1,757	1,753	1,743
34,725	34,725	34,725	34,725	34,725	34,725
472	472	465	468	463	458
1,778	1,778	1,773	1,764	1,759	1,748
98	98	93	82	78	64
13	13	13	13	13	13
6	6	6	6	6	6
7	7	7	7	7	7
7	7	7	7	7	7

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

EXHIBIT G - 23

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/13	\$ 1,074,038,336	\$ 1,471,977,274	\$ 397,938,938	73.0 %	\$ 137,789,518	288.8 %
12/31/12	1,041,229,857	1,446,809,462	405,579,605	72.0	137,426,654	295.1
12/31/11	1,027,953,907	1,423,218,176	395,264,269	72.2	136,781,288	289.0
12/31/10	1,023,450,890	1,385,722,119	362,271,229	73.9	136,123,660	266.1
12/31/09	1,002,378,598	1,350,074,067	347,695,469	74.2	136,119,407	255.4
12/31/08	997,853,412	1,270,104,552	272,251,140	78.6	131,041,421	207.8
12/31/07	1,020,575,797	1,206,648,213	186,072,416	84.6	123,524,590	150.6
12/31/06	979,597,562	1,163,175,147	183,577,585	84.2	120,067,013	152.9
12/31/05	924,904,837	1,111,081,729	186,176,892	83.2	115,559,703	161.1
12/31/04	883,663,240	1,057,269,629	173,606,389	83.6	109,887,349	158.0

**CPERS TRUST  
SIGNIFICANT ACTUARIAL ASSUMPTIONS**

Valuation date	December 31, 2013
Valuation method	Individual Entry Age Normal Actuarial Cost Method with unfunded Actuarial Accrued Liability (4)
Amortization method	Level percentage of payroll, 30 year open amortization method using payroll growth of 2.5% per annum.
Remaining amortization period	30 years
Asset valuation method	Market value as of January 1, 1996. Beginning January 1, 1997, adjusted Market Value with 20% unrealized gains (losses) recognized each year. Beginning January 1, 2002, Expected Value Method, with 20% of investment gains or (losses) recognized each year.
Actuarial assumptions:	
Investment rate of return	7.50%* (1)
Projected salary increases	3.50%* plus longevity/merit (2)
Aggregate payroll growth	2.50%* (3)

\* compounded annually and including inflation of 3.50%

- (1) revised from 2008 assumption of 7.75%
- (2) revised from 2008 assumption of 3.75%
- (3) revised from 2003 assumption of 5.0%
- (4) revised from the Aggregate Entry Age Method

---

**CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE**

**REPORTS ON COMPLIANCE AND INTERNAL CONTROL**

**DECEMBER 31, 2013**

---



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Baton Rouge and Parish of East Baton Rouge (the City-Parish) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City-Parish's basic financial statements and have issued our report thereon dated June 24, 2014. Our report includes a reference to other auditors who audited the financial statements of certain discretely presented component units, as described in our report on City-Parish's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City-Parish's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See items 2013-001 and 2013-002.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether City-Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## City-Parish's Response to Findings

The City-Parish's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City-Parish's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
June 24, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the 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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The City-Parish's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City-Parish's basic financial statements include the operations of the District Attorney of the Nineteenth Judicial District (the District Attorney), the Capital Area Transit System (the Transit System), and the East Baton Rouge Redevelopment Authority (the Authority), which received \$1,342,970, \$6,969,132, and \$3,147,622, respectively, of federal awards during their most recent respective fiscal years ending during 2013, which is not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2013. Our audit, described below, does not include the federal award activity of the District Attorney, the Transit System, or the Authority because the component units of the City-Parish separately engaged those audits in accordance with OMB Circular A-133.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City-Parish's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City-Parish's compliance.

***Basis for Adverse Opinion on CFDA No. 14.241- Housing Opportunities for People with Aids (HOPWA); CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG); and CFDA No. 14.239 – Home Investment Partnership Program (HOME)***

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA 14.241 HOPWA as described in finding numbers 2013-003 for Sub-recipient Monitoring, 2013-006 for Reporting and 2013-008 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA 14.218 CDBG as described in finding numbers 2013-003 for Sub-recipient Monitoring, 2013-004 for Allowable Costs, 2013-005 for Davis-Bacon Act, and 2013-006 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

As described in the accompanying schedule of findings and questioned costs, the City-Parish did not comply with requirements regarding CFDA 14.239 HOME as described in finding numbers 2013-003 for Sub-recipient Monitoring, 2013-006 for Reporting, and 2013-007 for Earmarking. Compliance with such requirements is necessary, in our opinion, for the City-Parish to comply with the requirements applicable to that program.

***Adverse Opinion on CFDA No. 14.241- Housing Opportunities for People with Aids (HOPWA); CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG); and CFDA No. 14.239 – Home Investment Partnership Program (HOME)***

In our opinion, because of the significance of the effects of the noncompliance described in the Basis for Adverse Opinion paragraphs, the City-Parish did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA No. 14.241- Housing Opportunities for People with Aids (HOPWA); CFDA No. 14.218 – Community Development Block Grant/Entitlement Grants (CDBG); and CFDA No. 14.239 – Home Investment Partnership Program (HOME) for the year ended December 31, 2013.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City-Parish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2013.

***Other Matters***

The City-Parish's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City-Parish's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-003 and 2013-004 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-005 and 2013-006 to be significant deficiencies.

The City-Parish's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Postlethwaite + Nettenville*

Baton Rouge, Louisiana  
June 24, 2014





**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>FEDERAL EXPENDITURES</u>	<u>LOCAL EXPENDITURES</u>	<u>TOTAL</u>
<b><u>FEDERAL AGENCY - SCHEDULE A</u></b>			
U.S. Department of Housing and Urban Development	\$ 15,683,809	\$ --	\$ 15,683,809
U.S. Department of Health and Human Services	16,091,792	474,061	16,565,853
U.S. Department of Homeland Security	613,209	--	613,209
Federal Emergency Management Agency	201,939	32,935	234,874
U.S. Department of Transportation	8,331,486	1,586,241	9,917,727
U.S. Department of Agriculture	1,042,487	--	1,042,487
U.S. Department of Labor	3,296,642	--	3,296,642
U.S. Department of Justice	553,355	97,123	650,478
U.S. Environmental Protection Agency	141,447	--	141,447
U.S. Small Business Association	124,369	--	124,369
U.S. Department of Energy	74,031	--	74,031
<b>TOTAL FEDERAL AGENCY - SCHEDULE A</b>	<b><u>\$ 46,154,566</u></b>	<b><u>\$ 2,190,360</u></b>	<b><u>\$ 48,344,926</u></b>
<b><u>FEDERAL AGENCY ARRA - SCHEDULE A</u></b>			
U.S. Department of Energy	53,870	--	53,870
U.S. Department of Transportation	104,063	--	104,063
<b>TOTAL FEDERAL AGENCY - ARRA-SCHEDULE A</b>	<b><u>\$ 157,933</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 157,933</u></b>
<b>TOTAL FEDERAL AGENCY &amp; ARRA - SCHEDULE A</b>	<b><u>\$ 46,312,499</u></b>	<b><u>\$ 2,190,360</u></b>	<b><u>\$ 48,502,859</u></b>
<b><u>FEDERAL AGENCY - SCHEDULE B</u></b>			
U.S. Department of Transportation	\$ 2,746,473	\$ --	\$ 2,746,473
U.S. Department of Environmental Protection Agency	599,014	--	599,014
U.S. Department of Commerce	87,445	--	87,445
<b>TOTAL FEDERAL AGENCY - SCHEDULE B</b>	<b><u>\$ 3,432,932</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 3,432,932</u></b>
<b><u>FEDERAL AGENCY ARRA - SCHEDULE B</u></b>			
U.S. Department of Environmental Protection Agency	\$ 190,893	\$ --	\$ 190,893
<b>TOTAL FEDERAL AGENCY - ARRA-SCHEDULE B</b>	<b><u>\$ 190,893</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 190,893</u></b>
<b>TOTAL FEDERAL AGENCY &amp; ARRA-SCHEDULE B</b>	<b><u>\$ 3,623,825</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 3,623,825</u></b>
<b>TOTAL FEDERAL AGENCY &amp; ARRA - SCHEDULE A AND B</b>	<b><u>\$ 49,936,324</u></b>	<b><u>\$ 2,190,360</u></b>	<b><u>\$ 52,126,684</u></b>

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 GOVERNMENTAL ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE A

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
<b><u>FEDERAL GRANTS</u></b>						
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>						
<u>Direct Programs:</u>	121004					
Community Development:						
Block Grant - 1990	182.431602	14.218	B-90-MC-22-0002	\$ 40,715	\$ --	\$ 40,715
Block Grant - 1994	182.431602	14.218	B-94-MC-22-0002	10,720	--	10,720
Block Grant - 1996	182.431602	14.218	B-96-MC-22-0002	1,053	--	1,053
Block Grant - 1997	182.431602	14.218	B-97-MC-22-0002	2,026	--	2,026
Block Grant - 1998	182.431602	14.218	B-98-MC-22-0002	2,428	--	2,428
Block Grant - 1999	182.431602	14.218	B-99-MC-22-0002	43,218	--	43,218
Block Grant - 2000	182.431602	14.218	B-00-MC-22-0002	12,300	--	12,300
Block Grant - 2001	182.431602	14.218	B-01-MC-22-0002	9,249	--	9,249
Block Grant - 2002	182.431602	14.218	B-02-MC-22-0002	5,879	--	5,879
Block Grant - 2003	182.431602	14.218	B-03-MC-22-0002	289,343	--	289,343
Block Grant - 2004	182.431602	14.218	B-04-MC-22-0002	49,896	--	49,896
Block Grant - 2005	182.431602	14.218	B-05-MC-22-0002	48,135	--	48,135
Block Grant - 2006	182.431602	14.218	B-06-MC-22-0002	17,953	--	17,953
Block Grant - 2007	182.431602	14.218	B-07-MC-22-0002	26,980	--	26,980
Block Grant - 2008	182.431602	14.218	B-08-MC-22-0002	232,896	--	232,896
Block Grant - 2009	182.431602	14.218	B-09-MC-22-0002	360,192	--	360,192
Block Grant - 2010	182.431602	14.218	B-10-MC-22-0002	311,418	--	311,418
Block Grant - 2011	182.431602	14.218	B-11-MC-22-0002	768,743	--	768,743
Block Grant - 2012	182.431602	14.218	B-12-MC-22-0002	2,183,572	--	2,183,572
Block Grant - 2013	182.431602	14.218	B-13-MC-22-0002	163,865	--	163,865
Neighborhood Stabilization Program	170.431602	14.218	B-08-MN-22-0001	356,708	--	356,708
SUBTOTAL CFDA NUMBER 14.218 (1)				4,937,289	--	4,937,289
Home Grant - 1992	183.431602	14.239	M-92-MC-22-0204	321,140	--	321,140
Home Grant - 1993	183.431602	14.239	M-93-MC-22-0204	56,488	--	56,488
Home Grant - 1994	183.431602	14.239	M-94-MC-22-0204	354	--	354
Home Grant - 2002	183.431602	14.239	M-02-MC-22-0204	50,000	--	50,000
Home Grant - 2003	183.431602	14.239	M-03-MC-22-0204	187,981	--	187,981
Home Grant - 2004	183.431602	14.239	M-04-MC-22-0204	125,731	--	125,731
Home Grant - 2005	183.431602	14.239	M-05-MC-22-0204	174,545	--	174,545
Home Grant - 2006	183.431602	14.239	M-06-MC-22-0204	122,163	--	122,163
Home Grant - 2007	183.431602	14.239	M-07-MC-22-0204	557,969	--	557,969
Home Grant - 2008	183.431602	14.239	M-08-MC-22-0204	199,968	--	199,968
Home Grant - 2009	183.431602	14.239	M-09-MC-22-0204	249,369	--	249,369
Home Grant - 2010	183.431602	14.239	M-10-MC-22-0204	3,931	--	3,931
Home Grant - 2011	183.431602	14.239	M-11-MC-22-0204	2,975	--	2,975
Home Grant - 2012	183.431602	14.239	M-12-MC-22-0204	502,563	--	502,563
Home Grant - 2013	183.431602	14.239	M-13-MC-22-0204	132,434	--	132,434
SUBTOTAL CFDA NUMBER 14.239				2,687,611	--	2,687,611
Continuum of Care Supportive Housing	184.431602	14.235	LA-48-B100-40	2,224	--	2,224
Continuum of Care Supportive Housing	184.431602	14.235	LA-48-B110-40	386,673	--	386,673
Continuum of Care Supportive Housing	184.431602	14.235	LA-48-B120-40	500,952	--	500,952
SUBTOTAL CFDA NUMBER 14.235				889,849	--	889,849

(1) CDBG-Entitlement Grant Cluster

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE A  
(Continued)

<u>Names of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>						
<b><u>Direct Programs:</u></b>						
	121004					
HOPWA Grant - 2009	185.431602	14.241	LAH09F002	\$ 6,791	\$ --	\$ 6,791
HOPWA Grant - 2010	185.431602	14.241	LAH10F002	184,703	--	184,703
HOPWA Grant - 2011	185.431602	14.241	LAH11F002	755,379	--	755,379
HOPWA Grant - 2012	185.431602	14.241	LAH12F002	1,797,808	--	1,797,808
SUBTOTAL CFDA NUMBER 14.241				<u>2,744,681</u>	<u>--</u>	<u>2,744,681</u>
Emergency Shelter 2011	182.431602	14.231	S-11-MC-22-0002	175,572	--	175,572
Emergency Shelter 2012	182.431602	14.231	S-12-MC-22-0002	242,648	--	242,648
<b><u>Passed through Louisiana Department of Social Services</u></b>						
	121109					
Emergency Shelter 2011-13	170.432602	14.231	11/13	15,216	--	15,216
Emergency Solutions Grant (ESG)	170.432401	14.231	12/14	223,966	--	223,966
SUBTOTAL CFDA NUMBER 14.231				<u>657,402</u>	<u>--</u>	<u>657,402</u>
<b><u>Passed through Louisiana Office of Community Development Disaster Recovery Unit</u></b>						
	121120					
State of Louisiana Recovery Act	152.432495	14.228	17-PARA-7002	1,981,429	--	1,981,429
Comprehensive Resiliency Pilot Program	152.432609	14.228	B-08-DI-22-001	90,513	--	90,513
SUBTOTAL CFDA NUMBER 14.228 (2)				<u>2,071,942</u>	<u>--</u>	<u>2,071,942</u>
<b><u>Direct Programs:</u></b>						
	121004					
Sharlo Terrace II 1994	170.431602	14.871	LA-48-0046-009	51,498	--	51,498
Sharlo Terrace II 1998	170.431602	14.871	LA-48-0046-009	5,020	--	5,020
Sharlo Terrace II, 1999	170.431602	14.871	LA-48-0046-009	2,355	--	2,355
Sharlo Terrace II 2000	170.431602	14.871	LA-48-0046-009	1,029	--	1,029
Sharlo Terrace II 2001	170.431602	14.871	LA-48-0046-009	8,133	--	8,133
Sharlo Terrace II 2002	170.431602	14.871	LA-48-0046-009	6,821	--	6,821
Sharlo Terrace II 2003	170.431602	14.871	LA-48-0046-009	5,108	--	5,108
Sharlo Terrace II 2004	170.431602	14.871	LA-48-0046-009	9,399	--	9,399
Sharlo Terrace II 2005	170.431602	14.871	LA-48-0046-009	8,556	--	8,556
Sharlo Terrace II 2006	170.431602	14.871	LA-48-0046-009	3,417	--	3,417
Section 8 Operating Reserve	170.431602	14.871	LA-48-E0003-001/004	41,597	--	41,597
Section 8 Voucher Program 2012	170.431602	14.871	LA-219-CEO-001-012	160,629	--	160,629
Section 8 Voucher Program 2013	170.431602	14.871	LA-219-CEO-001-013	1,391,473	--	1,391,473
SUBTOTAL CFDA NUMBER 14.871 (3)				<u>1,695,035</u>	<u>--</u>	<u>1,695,035</u>
Total U.S. Department of Housing and Urban Development				<u>15,683,809</u>	<u>--</u>	<u>15,683,809</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
<b><u>Direct Programs:</u></b>						
	121006					
Headstart 2012	160.431601	93.600	06CH0065/35	7,848	--	7,848
Headstart 2013	160.431601	93.600	06CH0065/36	9,273,666	471,039	9,744,705
Early Headstart 2011	160.431601	93.600	06CH0065/34	36	--	36
Early Headstart 2013	160.431601	93.600	06CH0065/35	920,674	--	920,674
SUBTOTAL CFDA NUMBER 93.600				<u>10,202,224</u>	<u>471,039</u>	<u>10,673,263</u>

(2) CDBG - State Administered CDBG Cluster  
(3) Housing Voucher Cluster

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE A  
(Continued)

<u>Names of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED):</u></b>						
<b><u>Direct Programs:</u></b>						
HRSA Ryan White	160.431601	93.914	H89HA11432-04	\$ 1,073,014	\$ --	\$ 1,073,014
HRSA Ryan White	160.431601	93.914	H89HA11432-05	2,862,647	--	2,862,647
HRSA Ryan White-MAI	160.431601	93.914	H89HA11432-04	174,790	--	174,790
HRSA Ryan White-MAI	160.431601	93.914	H89HA11432-05	248,718	--	248,718
SUBTOTAL CFDA NUMBER 93.914				<u>4,359,169</u>	<u>--</u>	<u>4,359,169</u>
<b><u>Passed through LA Association of Community Action Partnership, Inc.</u></b>						
LIHEAP Low Inc Housing Energy Assist LACAF	160.434118	93.568	2012/2013	70,152	--	70,152
LIHEAP Client Education Grant	160.434118	93.568	11/12	25,000	--	25,000
<b><u>Passed through LA Housing &amp; Finance Authority</u></b>						
LIHEAP Low Inc Housing Energy Assist LACAF	160.432401	93.568	2013/2015	12	--	12
SUBTOTAL CFDA NUMBER 93.568				<u>95,164</u>	<u>--</u>	<u>95,164</u>
<b><u>Passed through Louisiana Workforce Commission</u></b>						
Community Services Block Grant (CSBG)	160.43264	93.569	CSBG-FY-12P0019	74,112	3,022	77,134
Community Services Block Grant (CSBG)	160.43264	93.569	CSBG-FY-13P0019	1,199,026	--	1,199,026
Community Services Block Grant (CSBG)	160.43264	93.569	CSBG-FY-14P0019	12,605	--	12,605
SUBTOTAL CFDA NUMBER 93.569				<u>1,285,743</u>	<u>3,022</u>	<u>1,288,765</u>
<b><u>Passed through Louisiana Office of Youth Development</u></b>						
Juvenile Services - Title IV-E Reimbursements	171.432104	93.658	N/A	149,492	--	149,492
Total U. S. Department of Health and Human Services				<u>16,091,792</u>	<u>474,061</u>	<u>16,565,853</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>						
<b><u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness</u></b>						
Hazard Mitigation Planning -Water Proofing I	170.432103	97.039	1603N-033-0002	2,975	--	2,975
Urban Areas Security Initiative Grant	170.432103	97.067	2010-SS-T0-0043	420,555	--	420,555
Civil Defense P & A	001.432103	97.042	N/A	189,679	--	189,679
Total U. S. Department of Homeland Security				<u>613,209</u>	<u>--</u>	<u>613,209</u>

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE A  
(Continued)

<u>Names of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>						
<b><u>Direct Programs:</u></b>						
Assistance to Firefighters-BR Fire Dept	121008 170.431102	97.044	EMW-2010-FP-00698	\$ 85,814	\$ 21,454	\$ 107,268
<b><u>Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness</u></b>						
Hurricane Gustav	121126 173.432103	97.036	N/A	103,327	11,481	114,808
<b><u>Passed through United Way of America</u></b>						
Emergency Food & Shelter	121432 160.434602	97.024	LRO ID:361400-001	12,798	--	12,798
Total Federal Emergency Management Agency				<u>201,939</u>	<u>32,935</u>	<u>234,874</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>						
<b><u>Passed through Louisiana Department of Transportation and Development-Office of Highways</u></b>						
Millerville Rd - I-12 To Harrell's Ferry	121101 341.432200	20.205	700-17-71 H.007064-6	--	282,322	282,322
Signal Synchronization System-Phase IV & V	341.432200	20.205	700-17-0172 742-17-0125	2,301,332	527,277	2,828,609
Aster - Chimes Drainage Improvements	341.432200	20.205	013-05-0043 576-17-008	--	575,149	575,149
Jones Creek Rd (Tiger Bend to Coursey)	341.432200	20.205	700-26-0078 742-17-0131 742-17-0130	41,365	8,032	49,397
Nicholson Dr & Brightside/W. Lee Intersection Improvements	341.432200	20.205	414-01-0036 742-17-0130	--	312	312
North Sherwood Forest Improvements	341.432200	20.205	700-26-0078	--	134,387	134,387
Choctaw to Greenwell Springs	341.432200	20.205	700-30-0246	--	--	--
Safe Routes to School-Westdale Middle School	341.432200	20.205	737-17-0024	333	--	333
Sacred Heart-Multiple Streets Near CATS	341.432200	20.205	H.00451.6	219,338	--	219,338
Central Thruway-South Choctaw to Greenwell Springs	341.432200	20.205	742-17-0144	4,831,869	--	4,831,869
LGP-Pecue Lane	341.432200	20.205	700-17-0221	33,372	--	33,372
<b><u>Passed through Louisiana Highway Safety Commission (LHSC)</u></b>						
Year Round Overtime-HSIP	121105 170.432101	20.205	2014-30-14	13,318	--	13,318
SUBTOTAL CFDA NUMBER 20.205 (4)				<u>7,440,927</u>	<u>1,527,479</u>	<u>8,968,406</u>
<b><u>Passed through Capital Region Planning Commission</u></b>						
CRPC Transportation Planning 2012-2013	121425 170.434101	20.505	PL-H.971845.1	39,980	9,995	49,975
CRPC Land Use & Socio-Economic Study	170.434101	20.505	PL-0011(035)	18,000	--	18,000
CRPC Land Use & Socio-Economic Study	170.434101	20.505	H.972035	18,000	--	18,000
SUBTOTAL CFDA NUMBER 20.505				<u>75,980</u>	<u>9,995</u>	<u>85,975</u>
<b><u>Passed through the Louisiana Highway Safety Commission (LHSC)</u></b>						
Year Round Occupant & Speeding	121105 170.432101	20.600	2012-30-17	220,894	--	220,894
Year Round Occupant & Speeding	170.432101	20.600	2014-30-14	50,906	--	50,906
SUBTOTAL CFDA NUMBER 20.600 (5)				<u>271,800</u>	<u>--</u>	<u>271,800</u>

(4) Highway Planning and Construction Cluster  
(5) Highway Safety Cluster

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**GOVERNMENTAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE A  
(Continued)

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
<b><u>U.S. DEPARTMENT OF TRANSPORTATION (Continued):</u></b>						
<b><u>Passed through the Louisiana Highway Safety Commission (LHSC)</u></b>						
	121105					
ABC Board-Reduced Underage Drinking	170..432101	20.601	2012-10-240	\$ 77,674	\$ 9,557	\$ 87,231
ABC Board-Reduced Underage Drinking	170..432101	20.601	2014-10-04	20,208	2,563	22,771
Year Round Overtime-DWI & JUDE	170..432101	20.601	2012-30-17	216,681	--	216,681
Year Round Overtime-DWI & JUDE	170..432101	20.601	2014-30-14	26,439	--	26,439
DWI Sobriety Court	170..432101	20.601	2012-10-26	109,048	23,340	132,388
DWI Sobriety Court	170..432101	20.601	2014-10-26	22,110	13,307	35,417
SUBTOTAL CFDA NUMBER-20.601 (5)				<u>472,160</u>	<u>48,767</u>	<u>520,927</u>
Year Round Overtime-Open Container	170..432101	20.607	2014-30-14	70,619	--	70,619
Total U. S. Department of Transportation				<u>8,331,486</u>	<u>1,586,241</u>	<u>9,917,727</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<b><u>Passed through Louisiana Department of Education</u></b>						
	121110					
Headstart Food Program	160..432607	10.558	12/13	816,182	--	816,182
Headstart Food Program	160..432607	10.558	12/13	176,212	--	176,212
SUBTOTAL CFDA NUMBER 10.558				<u>992,394</u>	<u>--</u>	<u>992,394</u>
School Breakfast Program	001..432106	10.553 (6)	N/A	19,536	--	19,536
National School Lunch Program	001..432106	10.555 (6)	N/A	30,557	--	30,557
Total U. S. Department of Agriculture				<u>1,042,487</u>	<u>--</u>	<u>1,042,487</u>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>						
<b><u>Passed through Louisiana Workforce Commission</u></b>						
	121118					
WIA - Adult PY2012	161..432604	17.258	PY2012	67,909	--	67,909
WIA - Adult FY12	161..432604	17.258	FY2012	415,820	--	415,820
WIA - Adult FY13	161..432604	17.258	FY2013	454,208	--	454,208
SUBTOTAL CFDA NUMBER 17.258 (7)				<u>937,937</u>	<u>--</u>	<u>937,937</u>
WIA - Youth PY2011	161..432604	17.259	PY2011	260,787	--	260,787
WIA - Youth PY2012	161..432604	17.259	PY2012	993,667	--	993,667
WIA - Youth PY2013	161..432604	17.259	PY2013	435,354	--	435,354
SUBTOTAL CFDA NUMBER 17.259 (7)				<u>1,689,808</u>	<u>--</u>	<u>1,689,808</u>
WIA - Dislocated Workers PY2012	161..432604	17.278	PY2012	119,475	--	119,475
WIA - Dislocated Workers FY2012	161..432604	17.278	FY2012	373,637	--	373,637
WIA - Dislocated Workers FY2013	161..432604	17.278	FY2013	174,304	--	174,304
SUBTOTAL CFDA NUMBER 17.278 (7)				<u>667,416</u>	<u>--</u>	<u>667,416</u>
WIA - Disability Employment Initiative (DEI)	161..432604	17.207	2013/2015	1,481	--	1,481
Total U. S. Department of Labor				<u>3,296,642</u>	<u>--</u>	<u>3,296,642</u>

- (5) Highway Safety Cluster
- (6) Child Nutrition Cluster
- (7) WIA Cluster

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

SCHEDULE A  
(Continued)

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>						
<b><u>Direct Programs:</u></b>						
Project Safe Neighborhoods	170.431103	16.609	2010-GP-BX-0070	\$ 16,024	\$ 4,061	\$ 20,085
Project Safe Neighborhoods	170.431103	16.609	2011-GP-CX-0052	27,381	8,353	35,734
SUBTOTAL CFDA NUMBER 16.609				<u>43,405</u>	<u>12,414</u>	<u>55,819</u>
BRAVE	170.431103	16.123	2012-PB-FX-K001	220,327	--	220,327
<b><u>Passed through East Baton Rouge Parish Sheriff's Office Co-Op</u></b>						
Edward Byrne Memorial Justice Assistance (JAG)	170.431103	16.738	2010-DJ-BX-1636	323	--	323
Edward Byrne Memorial Justice Assistance (JAG)	170.431103	16.738	2011-DJ-BX-3127	2,576	--	2,576
Edward Byrne Memorial Justice Assistance (JAG)	170.431103	16.738	2012-DJ-BX-0938	121,253	--	121,253
<b><u>Passed through Louisiana Commission on Law Enforcement</u></b>						
Targeted Violent Offender Program	170.432102	16.738	B11-5-008	42,962	7,934	50,896
SUBTOTAL CFDA NUMBER 16.738 (8)				<u>167,114</u>	<u>7,934</u>	<u>175,048</u>
Juvenile Accountability Block Grant	170.432102	16.523	A09-8-013	14,320	6,470	20,790
Juvenile Accountability Block Grant	170.432102	16.523	2011-JB-01-1095	33,675	63,486	97,161
SUBTOTAL CFDA NUMBER 16.523				<u>47,995</u>	<u>69,956</u>	<u>117,951</u>
JDAI-Detention Diversion	170.432102	16.540	2011-JF-02-1049	9,990	--	9,990
<b><u>Passed through Louisiana Department of Public Safety</u></b>						
NIJ-Solving Cold Cases with DNA	170.432104	16.560	2010-DN-BX-K019	64,524	6,819	71,343
Total U. S. Department of Justice				<u>553,355</u>	<u>97,123</u>	<u>650,478</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
<b><u>Direct Programs:</u></b>						
EPA Hazardous Assessment Grant	170.431605	66.818	BF-00F18701-0	101,238	--	101,238
EPA Hazardous Assessment Grant	170.431605	66.818	BF-00F18601-0	40,209	--	40,209
SUBTOTAL CFDA NUMBER 66.818				<u>141,447</u>	<u>--</u>	<u>141,447</u>
Total U. S. Environmental Protection Agency				<u>141,447</u>	<u>--</u>	<u>141,447</u>
<b><u>U.S. SMALL BUSINESS ASSOCIATION</u></b>						
<b><u>Direct Programs:</u></b>						
Small Business Investment Initiative	170.431610	59.007	SBAHQ-10-I-0030	124,369	--	124,369
Total U. S. Small Business Association				<u>124,369</u>	<u>--</u>	<u>124,369</u>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>						
<b><u>Passed through Louisiana Housing Corporation</u></b>						
Weatherization Assistance Program	170.432401	81.042	2013-2014	74,031	--	74,031
Total U. S. Department of Energy				<u>74,031</u>	<u>--</u>	<u>74,031</u>
<b>TOTAL FEDERAL GRANTS - SCHEDULE A</b>				<u>\$ 46,154,566</u>	<u>\$ 2,190,360</u>	<u>\$ 48,344,926</u>

(8) JAG Program Cluster

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 GOVERNMENTAL ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE A  
 (Continued)

Names of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
<b><u>AMERICAN RECOVERY AND REINVESTMENT ACT</u></b>						
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>						
<u>Direct Programs:</u>						
Energy Efficiency & Conservation Block Grant	121014 151..431606	81.128	EE-0000-731	\$ 53,870	\$ --	\$ 53,870
Total U. S. Department of Energy ARRA				<u>53,870</u>	<u>--</u>	<u>53,870</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>						
<u>Passed through Louisiana Department of Transportation and Development-Office of Highway</u>						
<u>Safety Commission</u>						
Year Round Overtime Flex Funding	121105 151..432101	20.205	2012-30-17	34,919	--	34,919
<u>Passed through Louisiana Department of Transportation and Development-Office of Highway:</u>						
Central thruway-South Choctaw to Greenwell Springs	121101 151..432200	20.205	742-17-0143 742-17-0148	69,144	--	69,144
SUBTOTAL CFDA NUMBER 20.205 (4)				<u>104,063</u>	<u>--</u>	<u>104,063</u>
Total U. S. Department of Transportation ARRA				<u>104,063</u>	<u>--</u>	<u>104,063</u>
<b>TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)</b>				<u>157,933</u>	<u>--</u>	<u>157,933</u>
<b>TOTAL FEDERAL AGENCY &amp; AMERICAN RECOVERY AND REINVESTMENT ACT.SCHEDULE A</b>				<u>\$ 46,312,499</u>	<u>\$ 2,190,360</u>	<u>\$ 48,502,859</u>

(4) Highway Planning and Construction Cluster

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013.**

SCHEDULE B

<u>Names of Grants &amp; Sources</u>	<u>Code Numbers</u>	<u>Federal CFDA Numbers</u>	<u>Grant Numbers</u>	<u>Federal Expenditures</u>	<u>Local Expenditures</u>	<u>Total</u>
<b><u>FEDERAL GRANTS</u></b>						
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>						
<u>Direct Programs:</u>						
<u>Federal Aviation Administration:</u> 121007						
R/W 4L/22R Safety Area- Plank Road	482..431219	20.106	3-22-0006-90	\$ 124,632	\$ --	\$ 124,632
R/W 4L/22R Safety Area- Plank & Lighting Rehat	482..431219	20.106	3-22-0006-90	138,030	--	138,030
Conduct Wildlife Assessment	482..431219	20.106	3-22-0006-90	1,618	--	1,618
Land Acquisition-Liberty Farms, Pryce Pl, LotZ	482..504001	20.106	3-22-0006-92	765,388	--	765,388
Taxiway "L" Extension and Obstruction Removal	482..504001	20.106	3-22-0006-95	67,863	--	67,863
Wildlife Haz Assessmts PH II-Mod ARFF Bldg	482..504001	20.106	3-22-0006-95	566,384	--	566,384
Improve Runway Safety Area-RW4L/22R Threshold	482..504001	20.106	3-22-0006-95	210,158	--	210,158
AIP 96-LOI ASW-08-01 Phase V	494..504001	20.106	3-22-0006-95	872,400	--	872,400
SUBTOTAL CFDA NUMBER 20.106				2,746,473	--	2,746,473
Total U. S. Department of Transportation- FAA				2,746,473	--	2,746,473
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
<u>Direct Programs:</u> 121011						
SCADA System Integration	449..431605	66.606	XP976765-01-0	64,899	--	64,899
EPA Grant '98	449..XXXXXX	66.606	XP986109-01-0	534,115	--	534,115
SUBTOTAL CFDA NUMBER 66.606				599,014	--	599,014
Total U. S. Environmental Protection Agency				599,014	--	599,014
<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>						
<u>Office of Economic Development Administration</u> 121010						
N.E.D. EDA Grant Air Industrial Park Access Rd	482..504002	11.300	8-79-04425	87,445	--	87,445
SUBTOTAL CFDA NUMBER 11.300 (9)				87,445	--	87,445
Total U. S. Department of Commerce				87,445	--	87,445
<b>TOTAL FEDERAL GRANTS - SCHEDULE B</b>				<b>\$ 3,432,932</b>	<b>\$ --</b>	<b>\$ 3,432,932</b>
<b><u>AMERICAN RECOVERY AND REINVESTMENT ACT</u></b>						
<b><u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY (EPA)</u></b>						
<u>Passed through Louisiana Department of Environmental Quality</u>						
Capitalization Grants for Clean Water State Revolving Funds ARRA	440	66.458		190,893	--	190,893
Total U. S. Department of Environmental Protection Agency (EPA) ARRA				190,893	--	190,893
<b>TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT ARRA</b>				<b>190,893</b>	<b>--</b>	<b>190,893</b>
<b>TOTAL FEDERAL GRANTS AND ARRA SCHEDULE B</b>				<b>\$ 3,623,825</b>	<b>\$ --</b>	<b>\$ 3,623,825</b>

(9) Economic Development Cluster

See Notes to Schedule of Expenditures of Federal Awards

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For The Year Ended December 31, 2013**

**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, (City-Parish). All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

**Note B – Basis of Accounting**

The City-Parish Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City-Parish's financial statements for the year ended December 31, 2013. Schedule A details federal awards recorded in governmental fund types wherein revenues are recognized to the extent of expenditures. Schedule B details federal awards for proprietary fund types where government subsidies or contributions are recorded.

**Note C – Relationship to Financial Statements**

The Schedule of Expenditures of Federal Awards (SEFA) was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statements may exist due to different accounting bases used for financial reporting.

**Note D – Sub-recipients**

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

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amounts Provided to Sub-recipients</u>
HIV Emergency Relief Project Grant	93.914	\$ 3,743,988
Workforce Investment Act Adult Program	17.258	387,440
Workforce Investment Act Youth Program	17.259	496,883
Workforce Investment Act Dislocated Workers	17.260	28,272
Baton Rouge Area Violence Elimination (BRAVE)	16.123	178,391
Supportive Housing Program	14.235	879,584
Community Development Block Grant (CDBG)	14.218	1,939,556
Housing Opportunities for People with AIDS	14.241	2,116,739
Energy Efficiency and Conservation Block Grant	81.128	38,617
Hurricane Gustav/Ike Louisiana Recovery Authority	14.228	1,541,741
Total		<u>\$11,351,211</u>

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

**CITY OF BATON ROUGE – PARISH OF EAST BATON ROUGE**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For The Year Ended December 31, 2013**

**Note E – Loan Assistance**

The City-Parish had outstanding loans with continuing compliance requirements at December 31, 2013 in the following programs:

<u>Program: Title</u>	<u>CFDA Number</u>	<u>Loan Balance</u>
HOME Partnership Investment Program	14.239	\$ 9,080,399
Community Development Block Grant (CDBG)	14.218	<u>3,069,823</u>
Total gross loans		12,150,222
Allowance for loan losses		<u>(9,720,178)</u>
Total net loans with continuing compliance requirements		<u>\$ 2,430,044</u>

In addition to the net loans with continuing compliance requirements shown above, the City-Parish had loans funded under the Home Partnership Investment Program (CFDA#14.239) that are outside of the period of affordability and no longer require monitoring under the terms of the grant award. Outstanding loans of \$2,521,769 with a corresponding allowance for loan losses of \$2,017,415 are included in the loans receivable recorded in the City-Parish's financial statements at a net amount of \$504,354.



CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2013

**A. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?   x   yes    \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      x   no

*Federal Awards*

Internal controls over major programs:

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

Type of auditors' report issued on compliance for major programs: Adverse – CFDA No. 14.241; CFDA No. 14.218 and CFDA No. 14.239; Unmodified – CFDA No. 14.228 and CFDA No. 93.569

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?   x   yes    \_\_\_\_\_ no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grants/Entitlement Grants (CDBG)
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (State CDBG)
14.239	Home Investment Partnerships Program (HOME)
14.241	Housing Opportunities for Persons with AIDS (HOPWA)
93.569	Community Services Block Grant (CSBG)

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$1,811,155.
- The City of Baton Rouge and Parish of East Baton Rouge did qualify as a low-risk auditee.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**B. Findings – Financial Reporting**

**2013-001) Fire Protection Districts Payroll Procedures and Policies**

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.

Condition: The following fire protection districts are reported as blended component units of the City-Parish in their annual financial statements: Alsen St. Irma Lee Fire Protection District, Chaneyville Fire Protection District, and Pride Fire Protection District. The following deficiencies were noted with respect to these entities' internal controls over payroll:

*A majority of these items are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2012-1.*

Personnel Records

- Employment contracts were not obtained for all employees (Alsen St. Irma Lee Fire Protection District – 1 employee out of a sample of 15);

Employee Time Records

- Not all employees signed their attendance record for the pay period selected for testing (Alsen St. Irma Lee Fire Protection District – 7 employees out of a sample of 15);
- Employees' time records could not be located for the pay period selected for testing (Alsen St. Irma Lee Fire Protection District – 1 employee out of a sample of 15 and Chaneyville Fire Protection District – 2 employees out of a sample of 10);
- The hours paid did not agree to the hours reported on the time record for the pay period selected for testing (Pride Fire Protection District – 1 employee out of a sample of 5);

Payroll Processing

- There is no documented evidence that reconciliations of payroll reports received from the payroll processing service to the work schedules are being performed (Alsen St. Irma Fire Protection District);

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**B. Findings – Financial Reporting (Continued)**

**2013-001) Fire Protection Districts Payroll Procedures and Policies (Continued)**

Bank Statement Reconciliation

- Bank account reconciliations are being performed by accounting personnel but not reviewed (*Alsen St. Irma Fire Protection District*);
- The employee that prepares the checks also reconciles the checkbook to the bank statement. There is no second review performed (*Chaneyville Fire Protection District*).

Cause: The above deficiencies are a result of the lack of segregation of duties due to a small staff environment, lack of training, and lack of supervisory review, and the lack of standardized policies and procedures.

Effect: Without proper internal controls over payroll and segregation of duties for cash procedures there is a potential for misappropriation of public funds.

Recommendation: Each district should establish written policies and procedures to address each of the internal control deficiencies identified above and ensure adherence to these policies in the future.

*View of Responsible Official and Planned Corrective Action:*

*The Pride Fire Protection District's Chief acknowledges that an addition error was made on an employee's time sheet. The employee is no longer employed with the Pride Fire Protection District; therefore, the Pride Fire Protection District is unable to recoup the \$111 error. In the future, Pride will closely review time sheets to ensure addition errors do not occur again.*

*The Chaneyville Fire Protection District's Chief will make every effort to ensure all time sheets are copied and placed in a secure file. Due to the lack of full-time employees, Chaneyville does not have the ability to completely segregate their accounting duties. Chaneyville will ensure that the Board signs off on the second review to document that the review was performed. The checks are prepared by the same employee that also reconciles the checkbook; however the checks are signed by a board member.*

*The Alsen St Irma Lee Fire Protection District currently has all personnel contracts reviewed and signed. Alsen's policy has been updated to include that all contracts be reviewed annually. Alsen St*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**B. Findings – Financial Reporting (Continued)**

**2013-001) Fire Protection Districts Payroll Procedures and Policies (Continued)**

*View of Responsible Official and Planned Corrective Action: (Continued)*

*Irma Lee Fire Protection District's Chief will make certain to ensure all employee time records are signed and placed in a secure file. Additionally, effective immediately, Alsen Fire Protection District will perform a second review of the bank statement reconciliation. The reviews will be done by the Fire Chief and the Administrative Assistant.*

**2013-002) Internal Controls over Parking Garage Fees**

<u>Criteria:</u>	A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.
<u>Condition:</u>	The Greater Baton Rouge Parking Garage Authority lacks a procedure for ensuring that cash collected from each customer is entered into the cash register of the teller collecting the funds. In addition, parking facility equipment which includes the car counters in and out of the parking garage is not functioning to its full capacity resulting in a lack of reports available to management for analysis and review.
<u>Effect:</u>	Without proper internal controls over collections there is a potential for misappropriation of public funds.
<u>Cause:</u>	The above deficiencies are a result of the lack of standardized policies and procedures, as well as, equipment which is not operating properly.
<u>Recommendation:</u>	Management should establish written policies and procedures to address internal control deficiency identified above and ensure adherence to these policies in the future. In addition, management should consider cost benefit of repairing the parking facility equipment that is not currently operative.

*View of Responsible Official and Planned Corrective Action:*

*Department of Public Works (DPW) management will discuss potential replacement of the existing equipment if deemed beyond operational repair. DPW management will establish standardized policies and procedures to address internal control deficiencies over collections that have been identified. Once policies and procedures have been established, training will be conducted with staff to ensure understanding and compliance expectancy.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs**

**2013-003) Sub-recipient Monitoring Questioned Costs: None**

**14.218 Community Development Block Grants/Entitlement Grant (CDBG)**

Grant No(s): B- (90) (94) -MC-22-0002; B- (96-99) -MC-22-0002;  
B- (00-13) -MC-22-0002, B-08-MN-22-0001

**14.239 Home Investment Partnerships Program (HOME)**

Grant No(s): M-(92-94) -MC-22-0204; M- (02-13) –MC-22-0204

**14.241 Housing Opportunities for Persons with AIDS (HOPWA)**

Grant No(s): LA (H09-H12) F002

Criteria: OMB Circular A-133 and the A-102 Common Rule indicate that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Additionally, when assistance is provided to developers of multi-family properties, whether or not they are considered to be sub-recipients, HOME regulations require monitoring of the property during the period of affordability.

The pass-through agency is also responsible for assuring that sub-recipients expending \$500,000 or more in Federal awards during the sub-recipient's fiscal year as required under OMB Circular A-133 have met the audit requirements. The pass-through agency is also responsible for ensuring the required audits are completed within 9 months of the end of the sub-recipient's audit period; issuing a management decision on audit findings within 6 months of receipt of the sub-recipient's audit report; and ensuring that the sub-recipient takes timely and appropriate corrective action on all audit findings.

Condition: The City-Parish's Office of Community Development (OCD) administers the CDBG, HOME and HOPWA programs. In considering the OCD's compliance with its monitoring requirements, we noted that none of the sub-recipients of the HOME and HOPWA programs were monitored during 2013. A risk assessment was performed by OCD on its sub-recipients of the CDBG program. The risk assessment identified 19 sub-recipients that required monitoring during 2013. Out of 19 that were required, only 8 monitoring visits were performed by OCD staff.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs (Continued)**

**2013-003) Sub-recipient Monitoring (Continued)**

Condition:(Continued) Additionally, in considering the OCD's compliance with its monitoring requirements, we noted the lists of CDBG sub-recipients were not complete, since certain recent recipients of sub-award funds were not included.

Cause: The monitoring of sub-recipients and borrowers (developers) of CDBG, HOME and HOPWA funds became more difficult for the OCD due to resource constraints and personnel turnover. The OCD also lacks a process to ensure all sub-recipients are tracked.

A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports. OCD personnel were not provided with sufficient training in identifying omissions in single audit reporting.

Effect: The City-Parish is non-compliant with sub-recipient monitoring requirements for the CDBG, HOME, and HOPWA programs.

Recommendation: The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports. OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. Staff should be trained in analyzing single audit reports for omissions and evaluating its impact to OCD to ensure its ability to comply with applicable federal regulations. The OCD should also develop a process to ensure all of its sub-recipients are tracked, risk assessed, and monitored.

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD) is in the process of re-organizing its entire department by function instead of by programs. Establishing processes by function will allow for a team of employees to handle the monitoring for the entire department. This monitoring team will establish a centralized process for tracking and obtaining on an annual basis, sub-recipient audit reports. OCD will also establish procedures for ensuring appropriate sub-recipient audit reports. OCD will also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. Staff will be trained in analyzing single audit reports for omissions and evaluating its impact to OCD to ensure its ability to comply with applicable federal regulations. The OCD will also develop a process to ensure all of its sub-recipients are tracked, risk assessed, and monitored.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs (Continued)**

**2013-004) Allowable Costs**

**Questioned Costs: \$282,001**

**14.218 Community Development Block Grant (CDBG)**

Grant No(s): B- (90) (94) -MC-22-0002; B- (96-99) -MC-22-0002;  
B- (00-13) -MC-22-0002, B-08-MN-22-0001

Criteria: Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program should only bear its fair share of costs in proportion to the benefits received.

Condition: CDBG funds were used to pay administrative costs in support of activities of other federal programs administered by the City-Parish's Office of Community Development (OCD), including the HOME program, Emergency Shelter Grant, Homeless Prevention and Rapid Rehousing Grant, HOPWA, Section 8 Voucher Program and the Supportive Housing Program. Under current guidance, CDBG funds may only be used to pay costs for program administration of the HOME program.

*This is a repeat finding from the prior year. See the Summary Schedule of Prior Year Findings Item 2012-4.*

Effect: CDBG funds were used to support administrative costs of other federal award programs and therefore may be considered unallowable to the program. Despite these additional costs, CDBG did not exceed its allowed administrative percentage per the programs regulations.

Cause: The current grant awards of the federal programs listed above do not provide enough administrative support to cover the actual costs of administering those federal programs.

Recommendation: The OCD must find alternate sources of funds to cover these administrative costs or the OCD should seek approval from the Department of Housing and Urban Development to utilize the excess capacity for administrative funds of the CDBG program to cover these costs of administering other HUD programs.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs (Continued)**

**2013-004) Allowable Costs (Continued)**

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD), through assistance from HUD, received new templates for the ESG and HOPWA programs. These new templates will simplify the processing of draw requests. Additionally, HUD provided technical assistance to not only OCD staff, but also to the sub-recipients of the ESG and HOPWA programs. The combination of the templates and technical assistance allows for one staff member to handle the ESG, HOPWA, and SHP programs. One staff member's salary could be covered by the administration funds of the three programs, thereby eliminating the need to draw from the CDBG administration account.*

**2013-005) Davis-Bacon Wage Rates**

**Questioned Costs: None**

**14.218 Community Development Block Grant (CDBG)**

Grant No(s): B- (90) (94) -MC-22-0002; B- (96-99) -MC-22-0002;  
B- (00-13) -MC-22-0002, B-08-MN-22-0001

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 Department of Labor. To ensure contractors and subcontractors are in compliance with the Davis-Bacon Act, grantee personnel must monitor the payrolls of all contractors and subcontractors of applicable projects.

Condition: Grantee personnel did not maintain all weekly payrolls for one project selected for testing which was funded by the Community Development Block Grant Program. In addition, payrolls selected for testing lacked evidence of grantee personnel review.

Cause: The OCD lacks a centralized process to ensure that weekly payrolls of all laborers and mechanics are maintained and evidence of grantee personnel's review is documented in accordance with compliance requirements under the Davis-Bacon Act.

Effect: The contractor could be paying rates below the required wage rates without the grantee's (City's) knowledge.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

C. Findings – Federal Award Programs (Continued)

2013-005) Davis-Bacon Wage Rates (Continued)

Recommendation: The OCD must ensure policies and procedures are established to ensure compliance with the Davis Bacon Act. The grantee should request contractors to submit weekly payrolls of all laborers and mechanics to them and maintain this documentation for its records. Grantee personnel should monitor compliance with applicable wage rates and that review should be documented through a signature of the reviewer.

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD) uses the HUD Making Davis Bacon Work manual in its pre-construction conference. OCD does require weekly payrolls to be submitted by its sub-recipients. OCD reviews the payroll records for any discrepancies. OCD was unable to present the auditor with the requested files. OCD will ensure that copies of sub-recipient payrolls will be received, reviewed by applicable personnel, and kept in a secure file.*

2013-006) Reporting

Questioned Costs: N/A

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B- (90) (94) -MC-22-0002; B- (96-99) -MC-22-0002;  
B- (00-13) -MC-22-0002, B-08-MN-22-0001

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-(92-94) -MC-22-0204; M- (02-13) -MC-22-0204

14.241 Housing Opportunities for Persons with AIDS (HOPWA)

Grant No(s): LA.(H09-H12) F002

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs (Continued)**

**2013-006) Reporting (Continued)**

Criteria: The Federal Funding Accountability and Transparency Act (FFATA) requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. As defined in the act, prime awardees awarded a federal grant are required to file a FFATA sub-award report by the end of the month following the month in which the prime awardee awards any sub-grant equal to or greater than \$25,000.

HOWPA requires the annual submission of a consolidated annual performance and evaluation report (CAPER) which is required to be submitted within 90 days after the close of its program year.

Condition: Sub-grant awards granted by the OCD during the calendar were not reported in accordance with Federal Funding Accountability and Transparency Act.

Financial data reported in Part 3 of the CAPER was not supported by accounting records for the HOPWA program.

Effect: The OCD is non-compliant with federal award terms.

Cause: The non-compliance is a result of staff turnover and the lack of written policies and procedures to ensure compliance with federal reporting requirements.

Recommendation: The OCD must establish written policies and procedures to ensure that all reporting requirements are met and documentation maintained in accordance with grant terms.

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development is in the process of re-organizing its entire department by function instead of by program. Establishing processes by function will allow for a team of employees to handle the reporting and monitoring for the department. The reporting and monitoring team will establish a centralized process for gathering data to submit for reports. Additionally, this team will also be responsible for record retention and data management.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs (Continued)**

**2013-007) Earmarking**

**Questioned Costs: None**

**14.239 Home Investment Partnerships Program (HOME)**

Grant No(s): M-92-MC-22-0204; M-01-MC-22-0204; M- (03-11) –MC-22-0204

- Criteria:** Each participating jurisdiction must invest at least 15 percent of each year's HOME allocation in projects which are owned, developed, or sponsored by special non-profit organizations called CHDOs.
- Condition:** The Office of Community Development (OCD) administers the HOME program. The OCD did not invest the required 15% of the HOME allocation in projects owned, developed, or sponsored by CHDOs.
- Cause:** There are no written policies and procedures in place to ensure projects are identified which met the requirements for allocation.
- Effect:** The OCD is not in compliance with federal regulations and may result in loss of funding.
- Recommendation:** We recommend OCD develop policies and procedures to ensure compliance with the 15% allocation in CHDO projects. If OCD is unable to meet the requirement in a given grant period they should request a waiver from the Department of Housing and Urban Development with respect to the 15% requirement.

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD) did not allocate HOME funds for 2013, because the OCD was receiving HUD technical assistance for HOME along with instruction on new regulations. HUD's new HOME rules for CHDO qualifications are more stringent than in past years. OCD attempted to secure qualified applicants, but none of the applicants qualified. OCD will make every effort to locate qualified applicants in order to meet the required 15% investment of HOME allocation and request a waiver from HUD if we are unable to find qualified applicants.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2013

**C. Findings – Federal Award Programs (Continued)**

**2013-008) Allowable Costs**

**Questioned Costs: \$88,269**

**14.241 Housing Opportunities for Persons with AIDS (HOPWA)**

Grant No(s): LA (H09-H12) F002

Criteria: Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program should only bear its fair share of costs in proportion to the benefits received.

Condition: HOPWA funds were used to pay the full amount of two employees for salary and benefits. However, review of timesheets indicated time and effort spent on other programs such as Emergency Shelter Grant, Supportive Housing Program, and CDBG, in addition to HOPWA.

Effect: HOPWA funds were used to pay the salary and benefits of two employees; however actual time and effort was spent on non-HOPWA activities. This resulted in HOPWA bearing more than its fair share of the costs which may be considered unallowable to the program.

Cause: This is the first year for these two employees to be charged to the HOPWA program and the current spreadsheet utilized by the OCD to transfer costs for actual time and effort on a quarterly basis did contain these two employees.

Recommendation: The OCD should charge only allocable payroll costs to the HOPWA program as supported by timekeeping records prescribed by OMB Circular A-87.

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD) is attempting to support its staff with a limited amount of administration funding. In the future, OCD will ensure that timesheets accurately reflect the programs that the employees administered.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

**A. Summary of Auditors' Results (Continued)**

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$2,554,389.
- The City of Baton Rouge and Parish of East Baton Rouge did not qualify as a low-risk auditee.

**B. Findings – Financial Reporting**

**2012-1) Fire Protection Districts Payroll Procedures and Policies**

Criteria: A system of internal controls should be in place to provide reasonable assurance as to the safeguarding of assets against loss from unauthorized use or disposition and for maintaining accountability for assets.

Condition: The following fire protection districts are reported as blended component units of the City-Parish in their annual financial statements: Brownsfield Fire Protection District, Alsen St. Irma Lee Fire Protection District, Chaneyville Fire Protection District, and Pride Fire Protection District. The following deficiencies were noted with respect to these entities' internal controls over payroll:

*A majority of these items are repeated from the prior year. See the Summary Schedule of Prior Year Findings Item 2011-3.*

Personnel Records

- The Chief's employment contract was never approved by the Board (*Alsen St. Irma Lee Fire Protection District and Brownsfield Fire Protection District*);
- Employment contracts are not being obtained for all employees (*Brownsfield Fire Protection District*);
- Employment contracts, if utilized by districts, do not include the number of hours for which an employee will be paid (*Brownsfield Fire Protection District*);

Employee Time Records

- Not all employees prepare and sign an attendance record (*Brownsfield Fire Protection District and Pride Fire Protection District*);
- Attendance records lack evidence of a review by a supervisor or other responsible party (*Brownsfield Fire Protection District*);

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE

EIN 726000137

Summary Schedule of Prior year Findings and Questioned Cost

Year Ended December 31, 2013

**B. Findings – Financial Reporting (Continued)**

**2012-1) Fire Protection Districts Payroll Procedures and Policies (Continued)**

Payroll Processing

- Reconciliations of payroll documentation received from the payroll processing service to the work schedules are not being performed (*Alsen St. Irma Fire Protection District*);

Bank Statement Reconciliation

- Bank account reconciliations are not being performed during the fiscal year (*Alsen St. Irma Fire Protection District, Pride Fire Protection District, and Chaneyville Fire Protection District*);
- The employee that prepares the checks also reconciles the checkbook to the bank statement. There is no second review performed (*Brownsfield Fire Protection District*);

Policy and Procedures

- No written policies or procedures addressing payroll processing or timekeeping exists (*Brownsfield Fire Protection District and Pride Fire Protection District*).

Cause: The above deficiencies are a result of the lack of segregation of duties due to a small staff environment, lack of training, lack of supervisory review, and the lack of written policies and procedures.

Effect: Without proper internal controls over payroll there is a potential for misappropriation of public funds.

Recommendation: Each district must establish written policies and procedures to address each of the internal control deficiencies identified above and ensure adherence to these policies in the future.

*View of Responsible Official and Planned Corrective Action:*

*The four Fire Protection Districts are separate entities from the City-Parish government. Each district has its own federal tax ID number and they are responsible for processing their own payroll and preparing the required tax reports for governmental agencies. The Chiefs of the four Fire Protection Districts were provided with a memo of remaining issues and recommendation for employment and payroll purposes. Due to their small staff size and lack of full-time employees, most districts do not have the ability to completely segregate their payroll and accounting duties.*

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

**B. Findings – Financial Reporting (Continued)**

**2012-1) Fire Protection Districts Payroll Procedures and Policies (Continued)**

*View of Responsible Official and Planned Corrective Action: (Continued)*

*Each of the four Fire Protection Districts made some improvements in their controls over the payroll processing. More changes are necessary to achieve adequate controls. The City-Parish will encourage each Fire Protection Districts' staff and boards to fully implement recommendations.*

**Updated Response:** *Each of the four Fire Protection Districts is making headway in resolving the stated issues. The Chaneyville, Pride and Brownsfield Fire Protection Districts have each corrected all issues stated in the prior year findings.*

*The Chief at Alsen St Irma Lee Fire Protection District is working under a signed contract dated February 14, 2013. Alsen Fire Protection District is working with the payroll processing service to reconcile their documentation to the work schedules. Reconciliation of the Bank Statement will be done by the board. Alsen Fire Protection District has a new board as of January 17, 2014.*

**C. Findings – Federal Award Programs**

**2012-2) Allowable Costs**

**Questioned Costs: \$5,984**

**Federal Emergency Management Agency**

**97.036 Public Assistance Grants (FEMA)**

Grant No(s): N/A

**Criteria:** OMB Circular A-87 requires salaries and wages charged to multiple activities to be supported by personnel activity reports or its equivalent which reflect an after-the-fact distribution of the actual activity of each employee. The report is to be prepared monthly, and signed by the employee.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

2012-2) Allowable Costs (Continued)

Questioned Costs: \$5,984

Federal Emergency Management Agency (Continued)

97.036 Public Assistance Grants (FEMA) (Continued)

- Condition: Out of a sample of 25 employees whose overtime hours were charged to the FEMA grant projects resulting from Hurricane Isaac, 2 employees overtime hours were not supported by activity reports. Both employees were fire department personnel. It was noted that the overtime hours of these individual employees were supported by the roll-call system currently employed by the City-Parish as support for payroll documentation.
- Effect: FEMA may require that funds received by the City-Parish related to overtime charges that were not supported by the documentation requirements of OMB Circular A-87 to be refunded or potentially reduce future reimbursement requests of federal assistance.
- Cause: Fire department personnel use a roll-call system for tracking payroll related costs and are unfamiliar with the documentation requirements of OMB Circular A-87.
- Recommendation: The City-Parish should ensure that all fire department employees are trained on the proper documentation requirements of OMB Circular A-87 and that they are aware that those documentation procedures will be required during future disasters where overtime is expected to be reimbursed with federal awards.

*View of Responsible Official and Planned Corrective Action:*

*The Baton Rouge Fire Department trained employees on June 6, 2012 at the monthly staff meeting on the proper documentation for disaster overtime reporting and will provide more timely and more comprehensive documentation in the future.*

**Updated Response:** **The Baton Rouge Fire Department conducted additional training on proper form preparation for disaster overtime reporting. This additional training will alleviate reporting for disasters in the future.**

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137

Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

2012-3) Sub-recipient Monitoring

Questioned Costs: None

Department of Housing and Urban Development

14.218 Community Development Block Grants/Entitlement Grant (CDBG)

Grant No(s): B- (94-95) -MC-22-0002; B- (97-99) -MC-22-0002;  
B- (00-11) -MC-22-0002, B-08-MN-22-0001

14.239 Home Investment Partnerships Program (HOME)

Grant No(s): M-92-MC-22-0204; M-01-MC-22-0204; M- (03-11) -MC-22-0204

14.228 Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii (CDBG – State)

Grant No(s): N/A

Criteria: OMB Circular A-133 and the A-102 Common Rule indicate that a pass-through entity is responsible for monitoring the activities of its sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Additionally, when assistance is provided to developers of multi-family properties, whether or not they are considered to be sub-recipients, HOME regulations require monitoring of the property during the period of affordability.

The pass-through agency is also responsible for assuring that sub-recipients expending \$500,000 or more in Federal awards during the sub-recipient's fiscal year as required under OMB Circular A-133 have met the audit requirements. The pass-through agency is also responsible for ensuring the required audits are completed within 9 months of the end of the sub-recipient's audit period; issuing a management decision on audit findings within 6 months of receipt of the sub-recipient's audit report; and ensuring that the sub-recipient takes timely and appropriate corrective action on all audit findings.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

**2012-3) Sub-recipient Monitoring (Continued)**

**Department of Housing and Urban Development (Continued)**

**14.218 Community Development Block Grants/Entitlement Grant (CDBG) (Continued)**

**14.239 Home Investment Partnerships Program (HOME) (Continued)**

**14.228 Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii (CDBG – State) (Continued)**

**Condition:**

The City-Parish's Office of Community Development (OCD) administers the CDBG, HOME and CDBG-State programs. In considering the OCD's compliance with its monitoring requirements, we noted that only one of four sub-recipients of the CDBG-State funds was monitored and one of the two sub-recipients of the HOME sub-recipients were monitored.

Out of a sample of two sub-recipients for CDBG, two sub-recipients for HOME, and four sub-recipients for CDBG-State selected for testing of OMB Circular A-133 audit report monitoring, OCD was unable to provide a copy of the sub-recipient's audit reports for the two CDBG sub-recipients, one of the HOME sub-recipients, and one of the sub-recipients for CDBG-State that were selected for testing.

Additionally, in considering the OCD's compliance with its monitoring requirements, we noted the lists of CDBG and HOME sub-recipients were not complete, since certain recent recipients of sub-award funds were not included.

**Cause:**

The monitoring of sub-recipients and borrowers (developers) of CDBG, HOME and CDBG-State funds became more difficult for the OCD due to resource constraints and personnel turnover. The OCD also lacks a process to ensure all sub-recipients are tracked.

A centralized process for tracking and monitoring the receipt of sub-recipient audit reports does not exist. In addition, no documentation of whether sub-recipients have met the audit requirements is maintained or whether sub-recipients have taken appropriate corrective actions on all audit findings identified in the audit reports. OCD personnel were not provided with sufficient training in identifying omissions in single audit reporting.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

**2012-3) Sub-recipients Monitoring (Continued)**

**Department of Housing and Urban Development (Continued)**

**14.218 Community Development Block Grants/Entitlement Grant (CDBG) (Continued)**

**14.239 Home Investment Partnerships Program (HOME) (Continued)**

**14.228 Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii (CDBG – State) (Continued)**

**Effect:** The City-Parish is non-compliant with sub-recipient monitoring requirements for the CDBG, HOME, and CDBG-State programs.

**Recommendation:** The City-Parish should establish a centralized process for tracking and obtaining, on an annual basis, sub-recipient audit reports. OCD should also establish procedures for ensuring appropriate sub-recipient follow-up on corrective actions. Staff should be trained in analyzing single audit reports for omissions and evaluating its impact to OCD to ensure its ability to comply with applicable federal regulations. The OCD should also develop a process to ensure all of its sub-recipients are tracked, risk assessed, and monitored.

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD) has recently implemented the use of a risk assessment and monitoring system that was designed and implemented at the State of Louisiana's Office of Community Development-Disaster Recovery Unit. This system provides for centralized tracking of all cross-cutting federal regulations and programmatic monitoring. Additionally, OCD has begun the process to hire a full-time compliance and monitoring employee to be responsible for all cross-cutting federal regulations and also for programmatic monitoring, which would free up the current program managers from these responsibilities. The additional employee would be removed from daily program oversight, thus providing independent oversight, a form of internal control.*

**Updated Response:** The Office of Community Development (OCD) is writing an updated departmental policies and procedures manual, with technical assistance from two consulting teams sent by HUD. The manual will include the use of a risk assessment and monitoring system. This system provides for centralized tracking of all cross-cutting federal regulations including A-133 audits. The process will include reviewing the audits for pertinent findings or concerns.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

2012-4) Allowable Costs

Questioned Costs: \$18,885

Department of Housing and Urban Development

**14.218 Community Development Block Grant (CDBG)**

Grant No(s):                    B- (94-95) -MC-22-0002; B- (97-99) -MC-22-0002;  
   B- (00-11) -MC-22-0002, B-08-MN-22-0001

Criteria:                    Costs charged to federal grants must meet the allowability provisions of OMB Circular A-87. One provision of allowability is the concept of allocability, that is, the program should only bear its fair share of costs in proportion to the benefits received.

Condition:                CDBG funds were used to pay administrative costs in support of activities of other federal programs administered by the City-Parish's Office of Community Development (OCD), including the HOME program, Emergency Shelter Grant, Homeless Prevention and Rapid Rehousing Grant, HOPWA, Section 8 Voucher Program and the Supportive Housing Program. Under current guidance, CDBG funds may only be used to pay costs for program administration of the HOME program.

*This is a repeat finding from the prior year. See the Summary Schedule of Prior Year Findings Item 2011-4.*

Effect:                    CDBG funds were used to support administrative costs of other federal award programs and therefore may be considered unallowable to the program. Despite these additional costs, CDBG did not exceed its allowed administrative percentage per the programs regulations.

Cause:                    The current grant awards of the federal programs listed above do not provide enough administrative support to cover the actual costs of administering those federal programs.

Recommendation:      The OCD must find alternate sources of funds to cover these administrative costs or the OCD should seek approval from the Department of Housing and Urban Development to utilize the excess capacity for administrative funds of the CDBG program to cover these costs of administering other HUD programs.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE  
EIN 726000137  
Summary Schedule of Prior year Findings and Questioned Cost  
Year Ended December 31, 2013

2012-4) Allowable Costs (Continued)

Questioned Costs: \$18,885

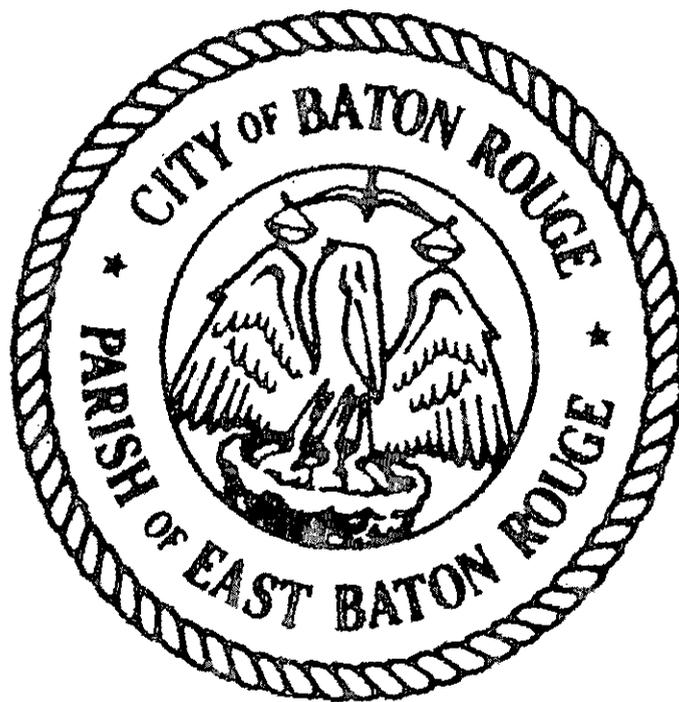
Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (CDBG) (Continued)

*View of Responsible Official and Planned Corrective Action:*

*The Office of Community Development (OCD) is working to eliminate the use of CDBG Administrative funds on non-CDBG programs. Consultants hired by HUD will be working with OCD providing technical assistance not only to eliminate this year's finding but to preempt future findings.*

**Updated Response:** The Office of Community Development (OCD) is working to eliminate the use of CDBG Administrative funds on non-CDBG programs. Corrective action has been taken to eliminate those particular ineligible costs. Consultants hired by HUD are working with OCD in providing technical assistance to address these findings.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE**

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

**Report on Compliance**

We have audited the compliance of the City of Baton Rouge and the Parish of East Baton Rouge (the City-Parish) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration in September 2000 (the Guide), for its Passenger Facility Charge Program for the year ended December 31, 2013.

***Management's Responsibility***

Management is responsible for compliance with the requirements of the laws and regulations of the Passenger Facility Charge Program (the Program).

***Auditors' Responsibility***

Our responsibility is to express an opinion on the City-Parish's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Program occurred. An audit includes examining, on a test basis, evidence about the City-Parish's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination of the City-Parish's compliance with those requirements.

***Opinion on the Passenger Facility Charge Program***

In our opinion, the City-Parish complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2013.

## Report on Internal Control Over Compliance

Management of the City-Parish is responsible for establishing and maintaining effective internal control over compliance. In planning and performing our audit, we considered the City-Parish's internal control over compliance with program regulations that could have a direct and material effect on compliance in order to determine the auditing procedures that are appropriate under the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City-Parish's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

### Schedule of Passenger Facility Charges Revenues and Disbursements

We have audited the basic financial statements of the City of Baton Rouge and the Parish of East Baton Rouge as of and for the year ended December 31, 2013, and have issued our report thereon dated June 24, 2014, which includes a reference to the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Passenger Facility Charge Revenues and Disbursements for the year ended December 31, 2013 as required by the Guide is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on compliance and internal control over compliance is solely to describe the scope of our testing of compliance and internal control and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

*Portelothman + Nattenille*

Baton Rouge, Louisiana  
June 24, 2014



**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**  
**SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)**  
**REVENUES AND DISBURSEMENTS**  
**BATON ROUGE METROPOLITAN AIRPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	FY 2012 <u>Program Total</u>	Quarter 1 <u>Jan - Mar</u>
<b>Revenue</b>		
Passenger Facility Charge Net Collections	\$ 27,380,362	\$ 288,946
Interest Earned on Investments	1,442,106	580
Claim settlement	<u>1,371,035</u>	<u>--</u>
<b>Total Revenue</b>	<b>30,193,503</b>	<b>289,526</b>
<b>Disbursements</b>		
93-02-U-00-BTR Noise mitigation	1,315,124	--
96-03-C-00-BTR Terminal building and plan specifications	1,290,899	--
97-04-C-00-BTR Terminal development with financing	17,855,809	187,256
00-05-C-00-BTR Airport access road	1,456,700	21,175
00-05-C-00-BTR Acquire A/C loading bridges	603,294	31,300
05-06-C-00-BTR Expand general aviation apron	258,351	4,420
05-06-C-00-BTR Extend runway 4L/22R	3,359,778	105,630
09-07-C-00-BTR Terminal atrium expansion	2,674,426	219,235
09-07-C-00-BTR Acquisition of property for development	362,361	29,704
09-07-C-00-BTR Taxiway fillet construction	184,346	15,111
09-07-C-00-BTR Ticket lobby expansion	<u>242,745</u>	<u>19,899</u>
<b>Total Disbursements</b>	<b>29,603,833.00</b>	<b>633,730</b>
<b>Net PFC Revenue</b>		<b>(344,204)</b>
<b>PFC Account Balance (cash basis)</b>	<b>\$ 589,670.00</b>	<b>\$ 245,466</b>

Quarter 2 Apr - Jun	Quarter 3 Jul - Sep	Quarter 4 Oct - Dec	FY 2013 Total	FY 2013 Program Total
\$ 493,034	\$ 437,046	\$ 414,656	\$ 1,633,682	\$ 29,014,044
164	123	84	951	1,443,057
--	--	--	--	1,371,035
<u>493,198</u>	<u>437,169</u>	<u>414,740</u>	<u>1,634,633</u>	<u>31,828,136</u>
--	--	--	--	1,315,124
--	--	--	--	1,290,899
--	604,851	80,953	873,060	18,728,869
--	42,459	(15,106)	48,528	1,505,228
--	62,763	(22,330)	71,733	675,027
--	8,864	(3,154)	10,130	268,481
--	211,804	(75,358)	242,076	3,601,854
--	439,601	(156,405)	502,431	3,176,857
--	59,562	(21,191)	68,075	430,436
--	30,301	(10,781)	34,631	218,977
--	39,901	(14,196)	45,604	288,349
<u>--</u>	<u>1,500,106</u>	<u>(237,568)</u>	<u>1,896,268</u>	<u>31,500,101</u>
493,198	(1,062,937)	652,308	(261,635)	328,035
\$ 738,664	\$ (324,273)	\$ 328,035	\$ 328,035	328,035
		Accrued PFC revenues		161,518
		Accrued interest payable		(38,439)
		Accrued project expenses		<u>(59,503)</u>
		Total Net Assets Restricted for PFC included in EXHIBIT A-10		<u>\$ 391,611</u>

# **SPECIAL ACKNOWLEDGMENTS**

## **Finance - Accounting**

**Sharon Campbell**  
Accounting Manager

**Jeannie Martin**  
**Tammy Morgan**  
**Mary Ourso**  
Assistant Accounting Managers

## **Chief Financial Analyst**

Shannon Hargrave  
Kathleen Kreko  
Shalanda Nalencz  
Jeanine Romero  
Nick Vidrine

## **Senior Fiscal Specialist**

Marlene Allen  
Charlene Brady  
Latisha Cannon  
Melody Evans  
Linda Hickerson  
Adrica Nelson-  
Druel  
Oma Ringe  
Gregory Spears

## **Senior Financial Analyst**

Jonathan Alford  
Kay Ellzey  
Lauren Foster  
Tiffany Jukkola

## **Financial Analyst**

Chelsea Faulk  
Aimee Ortis  
Theresa Rogers  
Ted Stephens

## **Accounting Associate I**

Liyou Dinku

## **Student Intern**

Daniel Hutton  
Alex Orso  
Michael Palmature  
Jazmin Pierce

## **Cover Design and Production**

The Image Source

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**

**REPORT TO MANAGEMENT**

**DECEMBER 31, 2013**

**CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE**

**REPORT TO MANAGEMENT**

**TABLE OF CONTENTS**

<b>Current Year Management Letter</b>	<b>1 - 5</b>
<b>Status of Prior Management Letter</b>	<b>6 - 9</b>

June 24, 2014

Members of the Metropolitan Council  
City of Baton Rouge, Parish of East Baton Rouge  
Baton Rouge, Louisiana

We have audited the financial statements of the City of Baton Rouge-Parish of East Baton Rouge (City-Parish), for the year ended December 31, 2013 and have issued our report thereon. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City-Parish's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated June 24, 2014, on the financial statements of the City-Parish and the City-Parish's internal control over financial reporting.

**2013-1)**

**Disaster Recovery Plan - Continuity of Operations (COOP)**

**Condition:**

The City has a formally documented Continuity of Operations (COOP) Plan (the Plan) that instructs and outlines the actions to be taken for all Information Services personnel in the event of a natural disaster or emergency. However, the plan has not been updated since 2011 and has not been tested to ensure it operates effectively in the event of a disaster.

**Recommendation:**

The City should take actions to update the Continuity of Operations Plan as needed and review the plan on an annual basis. Also, the City should perform periodic testing to ensure that the disaster recovery plan operates effectively and that all personnel are aware of their responsibilities in the event of an emergency situation.

***Management's Response and Corrective Action:***

*Information Service Department (IS) is currently in the process of updating the IS COOP plan. The update will be completed by July 2014. Pending available employee and technology resources IS plans to perform annual testing of the plan.*

**2013-2)**

**Municipal Solid Waste Landfill Closure and Post-closure Care Costs**

**Condition:**

Financial responsibility for closure and post-closure care is a requirement for landfill facilities under the Louisiana Department of Environmental Quality Solid Waste Regulations (LAC Title 33, Part VII (Solid Waste), Chapter 13, Section 1303). The regulations require that the closure and post-closure care cost estimates are revised whenever the current cost estimate changes. The most recent valuation of closure/post-closure cost estimates, related to the North Landfill, was completed in March 2008. These estimates are used by the City to record its closure and post-closure liability in accordance with Governmental Accounting Standards and to demonstrate its capability of meeting financial obligations relating to the North Landfill.

**Recommendation:**

The City should obtain a new valuation of closure/post-closure care costs for the North Landfill in the upcoming fiscal year to ensure that the estimated cost is properly reflected in the financial statements is current.

***Management's Response and Corrective Action:***

*The Department of Public Works contacted a consultant to obtain a new valuation of closure/post closure cost for the North Landfill. As recommended, the City of Baton Rouge will take the proper measures to obtain a new valuation which will ensure the estimated cost is properly reflected in the Comprehensive Annual Financial Report.*

Department of Public Works – Potential Theft of Public Assets

Condition:

Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. An intent to deprive the other permanently of whatever may be the subject of the misappropriation or taking is essential.

Two instances of misappropriation were noted:

- 1) An internal control process, based on a review of the GPS tracking system log, identified theft of a City-Parish owned Kubota excavator from the Department of Public Works' South Maintenance Lot. The excavator's cost to the City-Parish is \$42,414, and, since it was recovered and placed back into service, remains in the City-Parish's capital asset records at that amount. This matter is currently being investigated by the Baton Rouge Police Department and has thus far resulted in the arrest of an individual not employed by the City-Parish.
- 2) An internal investigation, based on an external tip to the Department of Public Works (DPW), detected the theft of a City-Parish owned tractor by one DPW employee at the South Maintenance Lot. The tractor's cost to the City-Parish is \$30,401, and, since it was recovered and placed back into service, remains in the City-Parish's capital asset records at that amount. The employee has been terminated and this matter is being investigated by the Baton Rouge Police Department.

Recommendation:

Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. We recommend the City-Parish continue their use of GPS devices to track locations of vehicles and monitoring those logs.

*Management's Response and Corrective Action:*

*The Department of Public Works (DPW) is currently in the process of installing GPS hardware on the entire fleet operated by DPW. Additionally, a full time employee has been hired to monitor the whereabouts of the equipment and staff at all times. The employee will also assist us to deploy additional software that will generate a work order and equipment/supply list directly linked to the equipment. Utilizing GPS technology the department recovered the stolen Kubota excavator. The Baton Rouge Police are still investigating the theft of the excavator. The employee found to be in possession of the tractor was terminated. Both these incidents were self reported by City Parish Officials.*

*All DPW employees are required to complete the State of Louisiana Code of Ethics Training on an annual basis.*

**2013-4)**

**Baton Rouge Police Department – Payroll Fraud**

**Condition:**

Louisiana Revised Statute 14:138 defines public payroll fraud as knowingly receiving compensation from the government for services not actually rendered by himself or for services grossly inadequate for the compensation received. A police lieutenant employed by the City was accused of clocking in and receiving pay with the department at the same time he was working unauthorized, off-duty security assignments at a local medical clinic. He allegedly “double-dipped” his time, meaning he received compensation from two sources for the same services. Evidence gathered by the Baton Rouge Police Department indicates approximately 12 hours where the lieutenant “double dipped”. The lieutenant retired during investigation process and avenues for restitution are being sought.

**Recommendation:**

Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants. The City should also ensure that proper controls are in place over payroll procedures. This includes the review and approval of time sheets for all employees, including those in positions of authority.

**Management’s Response and Corrective Action:**

*The Baton Rouge Police Department’s Chief reviewed and reminded Bureau Commanders of the proper procedures and the ethical responsibility of the officers that participate in extra-duty work assignments and secondary employment. Policies and Procedures are strictly enforced in regards to approval to work extra duty, time sheets turned in monthly to the extra-duty office and specific procedures to be allowed time off to work such assignments. Payroll rosters are approved by immediate supervisors and then again reviewed and approved by Bureau Commanders by signing each roster. The current system of checks and balances in the Baton Rouge Police Department ensure that even officers in positions of authority fall under levels of control within our payroll procedures. All employees in the Baton Rouge Police Department are legally required by Louisiana Revised Statute 42:1170 to complete one hour of Ethics Training annually.*

**2013-5)**

**Internally-Generated Software**

**Condition #1:**

A former employee of the Mayor’s Office of Homeland Security and Emergency Preparedness (MOHSEP) is under investigation for infringement of intellectual property and other potential charges for allegedly attempting to develop and sell project management software that was similar to project management software which was internally developed by the MOHSEP. This employee is also under investigation for payroll fraud for allegedly developing and marketing said project management software while also being paid for performing duties as a City-Parish employee. MOHSEP’s internal investigations and audit procedures revealed that the employee was paid for approximately 300 hours of time spent on activities involving the project management software, however, this quantification of hours could change as the investigation proceeds and P&N makes no representation regarding the accuracy of these hours. The employee resigned in May 2014 at which time the pay rate was 26.78. Payment of accumulated leave vested to this employee was withheld as potential restitution until this matter is resolved.

2013-5)

**Internally-Generated Software (continued)**

Condition #2: While investigating the allegation above, it was noted that the City-Parish does not currently have procedures in place to identify and capture the cost of internally generated software in order to properly record an asset in accordance with generally accepted accounting principles.

Recommendation: 1.) Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants; and 2.) the City should establish written procedures to ensure the cost of internally generated software is accumulated in order to properly control and account for the software as a capital asset.

*Management's Response and Corrective Action:*

*MOHSEP employees are legally required by Louisiana Revised Statute 42.1170 to complete one hour of Ethics Training annually. This process has and shall be continued with all certificates of completions submitted to Human Resources Department in a timely manner. Any new software program development time will be tracked under the employee work log for a cumulative cost of development.*

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management, and will be pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

We appreciate the cooperation received from the City-Parish's accounting, internal auditing, and federal grant program personnel during the audit process. This report is intended solely for the information and use of the audit committee, Metropolitan Council, management, accounting and federal grant program administrators and the Legislative Auditor, and is not intended to be, and should not be used by anyone other than these specified parties.

Sincerely,

*Postlethwaite & Nethermille*

## Status of Prior Year Management Letter Comments

### 2012-1)

#### Patient Protection and Affordable Care Act

**Condition:**

Many of the requirements of the Patient Protection and Affordable Care Act (the Act) will become effective in the latter part of 2013. The Act requires, generally, that large employers offer basic health insurance to employees and dependents that is affordable to the employee. The Act is comprehensive, technical in nature, and will require more than insignificant effort to ensure compliance with the Act's provisions. Penalties for noncompliance can be substantial. Additionally, the Act may provide an opportunity for the City-Parish to revisit its current benefit structure to ensure all benefits currently offered are appropriate given the array of alternatives available under the Act.

**Recommendation:**

The City should take actions to implement the provisions of the Act. Such actions might include providing training to key administrative employees, hiring of consultants, compliance self-review, and others. Additionally, the City should take this opportunity to revisit its current health benefits offerings to ensure not only compliance with the Act, but that cost reductions that might occur from a restructuring of benefit offerings are considered.

**Updated Status:**

*The City-Parish has hired a consulting firm to assist us in being fully compliant with all Patient Protection and Affordable Care Act (PPAC) requirements. The City Parish is fully compliant for 2013 and 2014 with the PPAC. We are in the planning stage for all 2015 compliance issues.*

### 2012-2)

#### L'Avantage Purchasing Card Program

**Condition:**

The City issues purchasing cards to certain individuals to be used for City business and has established policies and procedures over these cards known as the "L'Avantage" program (the Program). In the performance of our audit procedures, certain observations were noted regarding the Program:

- One hundred active cards exist with limits from \$1,000 to \$25,000.
- The Program requires that all purchases must be approved by a department liaison, coordinator, or reconciler as established by the department head. Out of 7 payment vouchers reviewed which related to the repayment of the card purchases, one of them lacked the appropriate approval from the supervisor or liaison as established by the policy. The cardholder self-approved the payment voucher used to approve the payment. This self-approved card purchase was made by a council member and included purchases from several retail stores with a stated purpose of "X-Mas Give Away".

**2012-2)**

**L'Avantage Purchasing Card Program (Continued)**

**Recommendation:**

The City should revisit the number of cards outstanding, their credit limits, and the persons authorized to hold the cards. All of these attributes of the Program should be kept to a minimum to limit the City's exposure to theft or misuse of the cards. Additionally, all purchases should be reviewed and approved in accordance with the policies and procedures of the Program. Payment vouchers for repayment of the cards should not be processed without the proper authorization.

**Updated Status:**

*Effective January 1, 2014, the City Parish set a \$5,000 available monthly funds limit for purchasing cards. The travel cards have a maximum available monthly funds limit of \$10,000. Some exceptions were granted for Library and DPW cardholders who demonstrated the need for larger limits. Additionally, if a card had a monthly funds limit below \$5,000 prior to January 1, 2014, it remained at the lower limit. The single transaction limit of \$499.99 remains unchanged.*

*In August 2013, the purchasing card was cancelled for the Council member who self-approved a payment. Additionally, other cards have been recommended for cancellation for the following reasons:*

- 1. The card was never used or was used infrequently; and*
- 2. The department has multiple cards within the same work group.*

*In a December 31, 2013 memorandum, the Purchasing Director reminded all departments and agencies that the group purchasing card program does not exempt them from compliance with Louisiana Statutes, City Ordinances, and Purchasing policies. On a monthly basis, Purchasing staff reviews reports for split and declined transactions. Finance Department staff reviews all payment vouchers for proper signatures and documentation as well as compliance with the City-Parish Expenditures policy.*

**2012-3**

**Department of Public Works – Potential Theft of Public Assets**

**Condition:**

State of Louisiana ethics regulations establish that no public servant shall receive anything of economic value, other than compensation and benefits from the governmental entity to which he/she is duly entitled, for the performance of the duties and responsibilities of his/her office or position. An internal investigation, based on video surveillance and GPS tracking systems were used in making allegations of theft of public assets totaling approximately \$12,000 against five Department of Public Works (DPW) employees. Four out of the five employees are accused of filling five-gallon gas containers with fuel for personal use. Two of the five individuals are accused of conducting personal non-work related activities during work hours and also filling five-gallon gas containers with fuel for personal use.

All employees have been terminated and these matters are being investigated by the Baton Rouge Police Department.

**2012-3**

**Department of Public Works – Potential Theft of Public Assets (Continued)**

**Recommendation:** Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants.

**Updated Status:** *The Department of Public Works (DPW) holds bi-monthly superintendent meetings with management staff to gain insight to staffing and equipment needs and concerns. The City Parish District Attorney's Office has collected full restitution of \$1,215.45 which was ordered by the court against the former employees involved in the theft of gasoline. DPW employees are required to receive Code of Ethics training annually.*

**2012-4**

**Leo S. Butler Community Center (the Center) – Potential Theft of Public Assets**

**Condition:** The Center allows the rental of their facilities for various events to residents and other organizations. The term of the rental agreement requires a \$75 deposit fee. If the facility is maintained in good condition the \$75 fee is refunded to the customer. During 2013, as a result of a customer complaint to the Center's Executive Director for not receiving a refund from a deposit, an internal investigation revealed that the clerical specialist was accepting cash or money orders for deposits on the rental of the community center and not making the deposit of these funds into its bank account. The acceptance of cash is against current established policies. The Internal Auditing Division estimates a total of \$3,600 was collected from customers and not subsequently deposited from February 2011 through April 2013.

The clerical specialist resigned and this matter is being investigated by the Baton Rouge police Department.

**Recommendation** Employees are to be reminded of the proper procedures and their ethical responsibilities as public servants:

**Updated Status:** *The Leo S. Butler Community Center staff segregated the duties of acceptance of payments, preparing receipts and leases, completing the check log, and preparing bank deposits. Each duty is performed by a different employee. The center implemented a new lease agreement on pre-numbered forms which are bound, printed in triplicate and have an area for the receipt number and deposit slip number associated with the revenue received for the rental. There is also a statement on the form to let the public know that cash is not accepted. The bound books of the rental leases remain under lock and key when not in use. In an effort to maintain a strong ethical environment, the center will ensure that all employees complete Ethics Training. In addition, the center will create a written policy to assure that employees are aware that utilizing the Community Center resources for personal purposes is strictly prohibited.*