COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For The Year Ended
December 31, 2012

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

Prepared by
Finance Department
Marsha J. Hanlon, Director

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	19
Statement of Activities	A-2	20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	A-3	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-4	24
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-5	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-6	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	A-7	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Library Board of Control Special Revenue Fund	A-8	35
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Grants Special Revenue Fund	A-9	36
Proprietary Funds:		
Statement of Net Position	A-10	42
Statement of Revenues, Expenses, and Changes in Fund Net Position	A-11	46
Statement of Cash Flows	A-12	48
Fiduciary Funds:		
Statement of Fiduciary Net Position	A-13	52
Statement of Changes in Fiduciary Net Position	A-14	53
Discretely Presented Component Units:		
Combining Statement of Net Position	A-15	54
Combining Statement of Activities	A-16	56
Notes to the Financial Statements	A-17	59
Required Supplementary Information:		
Other Postemployment Benefits - Schedule of Funding Progress	A-18	137
Other Postemployment Benefits - Schedule of Employer Contributions	A-18	137

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED)

	Exhibit	Page Number
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	B-1	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	148
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
Capital Projects Fund - From Inception	B-3	154
Civil Juror Compensation Special Revenue Fund	B-4	155
Criminal Juror Compensation Special Revenue Fund	B-5	156
City Constable Court Costs Special Revenue Fund	B-6	157
Mosquito Abatement and Rodent Control Special Revenue Fund	B-7	158
Downtown Development District Special Revenue Fund	B-8	159
Gaming Enforcement Division Special Revenue Fund	B-9	160
City Court Judicial Building Special Revenue Fund	B-10	161
Federal Forfeited Property Special Revenue Fund	B-11	162
East Baton Rouge Parish Communications District Special Revenue Fund	B-12	163
Emergency Medical Services Special Revenue Fund	B-13	164
Baton Rouge Fire Department Pay Enhancement Fund	B-14	165
District No. 1 Fire Protection District	B-15	166
Brownsfield Fire Protection District	B-16	167
Chaneyville Fire Protection District	B-17	168
Pride Fire Protection District	B-18	169
Alsen - St. Irma Lee Fire Protection District	B-19	170
Consolidated Road Lighting District No. 1 Special Revenue Fund	B-20	171
Parish Transportation Special Revenue Fund	B-21	172
Parish Beautification Special Revenue Fund	B-22	173
Parish Street Maintenance Special Revenue Fund	B-23	174
Capitol House Economic Development District Special Revenue Fund	B-24	175
City Sales Tax Bonds Debt Service Fund	B-25	176
Taxable Refunding Bonds Debt Service Fund	B-26	177
Road and Street Improvement Debt Service Fund	B-27	178
LCDA Road and Street Improvement Project Debt Service Fund	B-28	179
Excess Revenue and Limited Tax Debt Service Fund	B-29	180
Nonmajor Enterprise Funds:		
Combining Statement of Net Position	C-1	182
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	C-2	184
Combining Statement of Cash Flows	C-3	185
Internal Service Funds:		
Combining Statement of Net Position	D-1	188
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	D-2	189
Combining Statement of Cash Flows	D-3	190

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

	Exhibit	Page Number
FINANCIAL SECTION (CONTINUED)		
Capital Assets Used in the Operation of Governmental Funds:		
Comparative Schedules By Source	E-1	192
Schedule By Function and Activity	E-2	193
Schedule of Changes By Function and Activity	E-3	194
Schedules (Supplementary Financial Information):		
Combined Schedule of Cash, Cash Equivalents and Investments	F-1	196
Employees' Retirement System:		
Revenue by Source, Expenses by Type and Employer Contributions	F-2	199
STATISTICAL SECTION (UNAUDITED)		
Financial Trends Information:		
Net Position by Component, Last Ten Fiscal Years	G-1	202
Changes in Net Position, Last Ten Fiscal Years	G-2	204
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years	G-3	208
Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-4	210
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-5	212
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	G-6	214
Revenue Capacity Information:		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	G-7	216
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years	G-8	218
Principal Property Taxpayers, Current Year and Nine Years Ago	G-9	220
Property Tax Levies and Collections, Last Ten Years	G-10	221
Sales Tax Revenues, Last Ten Fiscal Years	G-11	222
Taxable Sales by Category, General Sales and Use Tax, Last Ten Fiscal Years	G-12	224
Debt Capacity Information:		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	G-13	226
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	G-14	228
Direct and Overlapping Governmental Activities Debt, as of December 31, 2012	G-15	230
Legal Debt Margin Calculation, General Obligation Debt, Last Ten Years	G-16	231
Pledged Revenue Coverage, Last Ten Fiscal Years	G-17	232
Demographic and Economic Information:		
Demographic and Economic Statistics, Last Ten Calendar Years	G-18	234
Principal Employers, Current Year and Nine Years Ago	G-19	235
Operating Information:		
Full-Time Equivalent City-Parish Employees by Fund/Department, Last Ten Fiscal Years	G-20	236
Operating Indicators by Function/Program, Last Ten Fiscal Years	G-21	238
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	G-22	240
Other Information:		
Schedule of Funding Progress - Employee's Retirement System	G-23	242

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

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		245
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		247
Summary Schedule of Expenditures of Federal Awards		251
Schedule of Expenditures of Federal Awards		
Governmental Activities	Schedule A	252
Business Type Activities	Schedule B	262
Notes to Schedule of Expenditures of Federal Awards		264
Schedule of Findings and Questioned Costs		267
Summary Schedule of Prior Year Findings and Questioned Costs		275
Data Collection Form (Standard Form SF-SAC) - Supplementary Information		290
Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control Over Compliance		301
Schedule of Passenger Facility Charges Revenues and Disbursements		304

Department of Finance

City of Baton Rouge
Parish of East Baton Rouge

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June 21, 2013

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, 2012. 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, 2012, 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:

Name of Organization	Type of Unit
The City-Parish	Primary Government
City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System	Blended Component Unit
District Attorney of the Nineteenth Judicial District	Discrete Component Unit
Nineteenth Judicial District Court	Discrete Component Unit
East Baton Rouge Parish Family Court	Discrete Component Unit
East Baton Rouge Parish Juvenile Court	Discrete Component Unit
East Baton Rouge Parish Clerk of Court	Discrete Component Unit
East Baton 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-29.

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

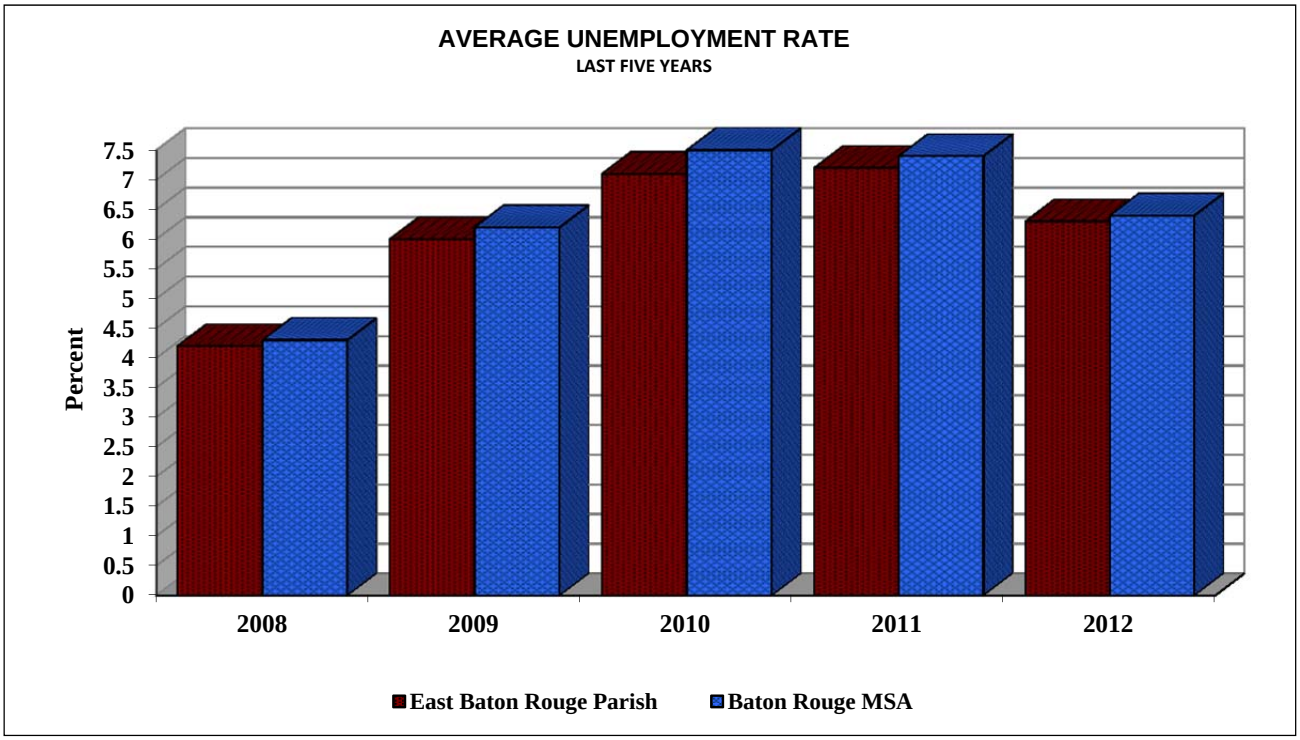
According to the 2010 Census, East Baton Rouge is the largest parish in Louisiana. Its population grew by 6.6 percent since 2000. The City of Baton Rouge, the state capital, is located on the Mississippi River in the southeast region of the state and is a major center for commerce, industry, tourism, and many diverse cultural activities. The City 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 second largest refinery. It is also the home of the corporate headquarters for the Albemarle Corporation, a Fortune 1000 company.

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 0.9% in East Baton Rouge Parish and decreased 1.0% in the Baton Rouge MSA in 2012, as reflected in the following chart:

	East Baton Rouge Parish	Baton Rouge MSA [1]
2008	4.2	4.3
2009	6.0	6.2
2010	7.1	7.5
2011	7.2	7.4
2012	6.3	6.4

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



Local economists are predicting job growth in 2013 and 2014 for our region. In October 2012, 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 2013-2014.

"Driven by low natural gas prices, a burgeoning chemical industry will fuel nice growth in the Baton Rouge MSA. According to one survey, the chemical boom will generate nearly 6,500 industrial construction jobs in this MSA alone. A new casino has opened in the region, adding 1,000+ jobs, and a number of new tech firms have come to the area. Possible layoffs in state government in the capital city tempered out projections for this MSA…

We estimate that in 2013, the Baton Rouge region will add 5,000 jobs (+1.4 percent) and will follow that with an additional 4,000 jobs in 2014 (+1.1 percent). In percentage terms, this would place the Baton Rouge MSA in about

the middle of the pack compared to growth rates in the other 8 MSAs in the state. In absolute terms, its growth is projected to be the second fastest in the state. Sometime in 2013 we expect the Baton Rouge MSA to shatter its previous employment record set in 2008.

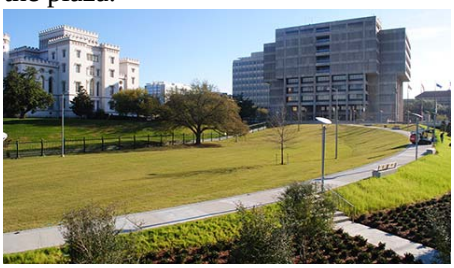
The excitement behind Baton Rouge's outlook is strongly keyed to the construction outlook in the metro area. We have tabulated at least $4.1 billion in announced or in-progress projects in this 9-paish region. A significant component of this total can be traced back to the chemical industry."

Revenue growth continued to improve in 2012, 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 $174.4 million, net of Tax Increment Financing District adjustments, an increase of $11.9 million over 2011 revenues, a 7.35 percent increase. Sales tax collections for the ½ percent sewerage tax and the ½ percent road and street improvement tax both increased by 6.88 percent during fiscal year 2012. The general sales and use tax plays a significant role in financing the operations of the General Fund.

Major Initiatives in 2012

The expansion of the River Center was completed in early 2012, enabling Baton Rouge to host the 2012 United States Bowling Congress in February. The addition of the 20,000-square foot enclosure between the Arena and the Exhibition Hall provides a covered and climate-controlled gathering space, making the River Center one of the largest meeting spaces in Baton Rouge.

The first phase of the North Boulevard Town Square was completed in the spring of 2012. The square functions as the hub for social, recreational, and cultural events. The redesign and construction of Galvez Plaza was also completed in 2012. Downtown concerts and events, such as the popular "Live After Five" concert series, are held in the plaza.



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

Planning has also begun 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. The greenway will feature lighting, landscaping, signage, recreational links and facilities and public art.

During 2012, the Library Board of Control continued Phase III of their long-term planning and goals. This phase includes construction of the Main Library at Goodwood, a new downtown library, the Fairwood Branch Library, and a branch in the South Baton Rouge Community. The Fairwood Branch Library was substantially complete in December of 2012, and the opening ceremony was held on March 10, 2013. Construction of the Main Library at Goodwood is anticipated to be complete in the fall of 2013. Based on its design, this new 127,000-square-foot facility will qualify for the Leadership in Energy and Environmental Design (LEED) Silver certification. Planning continues on both the South Baton Rouge and River Center branch libraries.

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.

The Parish's sanitary sewer system serves more than 450,000 customers. 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. Thirty-five projects have been completed, forty are under construction and thirty-four 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 2013 was $1.2 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, 2012, the City-Parish had appropriated $1.8 billion for sewer capital improvements, including funding from long-term bonds, impact fees, EPA grants, and pay-as-you-go funding. This $1.8 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, 2012, twenty-five "Green Light" projects were in an "active" status ranging from corridor survey/design study through construction. During 2012, four projects included in the program were completed:

Stumberg Lane Extension (Phase I), South Harrell's Ferry at Sherwood Forest, South Harrell's Ferry Road (Segment 1) and Central Thruway Phase II Paving – Frenchtown Road to Greenwell Springs. In 2012, construction bids were accepted on three projects and construction began on four projects.

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, 2011. 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 24-year period ending December 31, 2011. 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 nineteenth 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

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, 2011

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

President

Executive Director

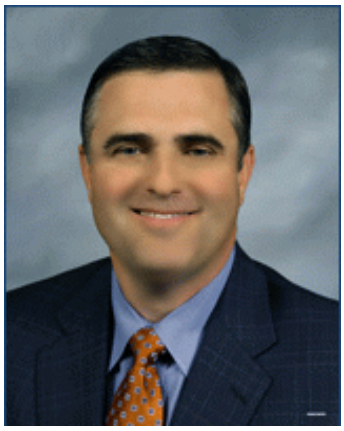
CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2012

Mayor-President
Melvin “Kip” Holden

District 1
Trae Welch

District 2
Ulysses Z. Addison, Jr.

District 3
Chandler Loupe



District 4
Scott Wilson

District 5
Ronnie Edwards

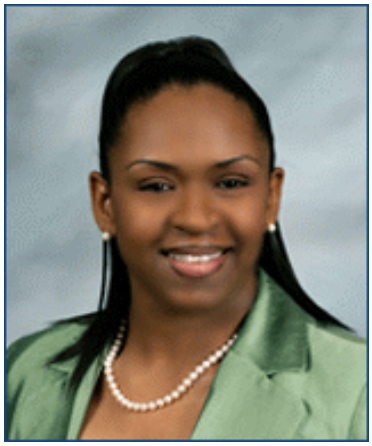
District 6
Donna Collins-Lewis

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
PRINCIPAL OFFICIALS
DECEMBER 31, 2012

President Pro-Tempore
District 8
J. Michael "Mike" Walker

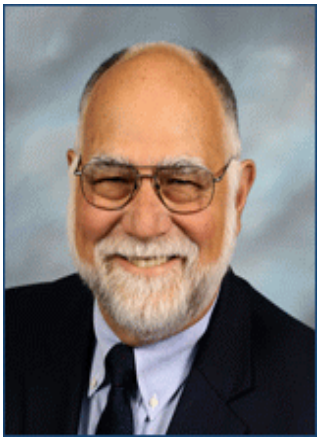
District 7
C. Denise Marcelle

District 9
Joel Boe'



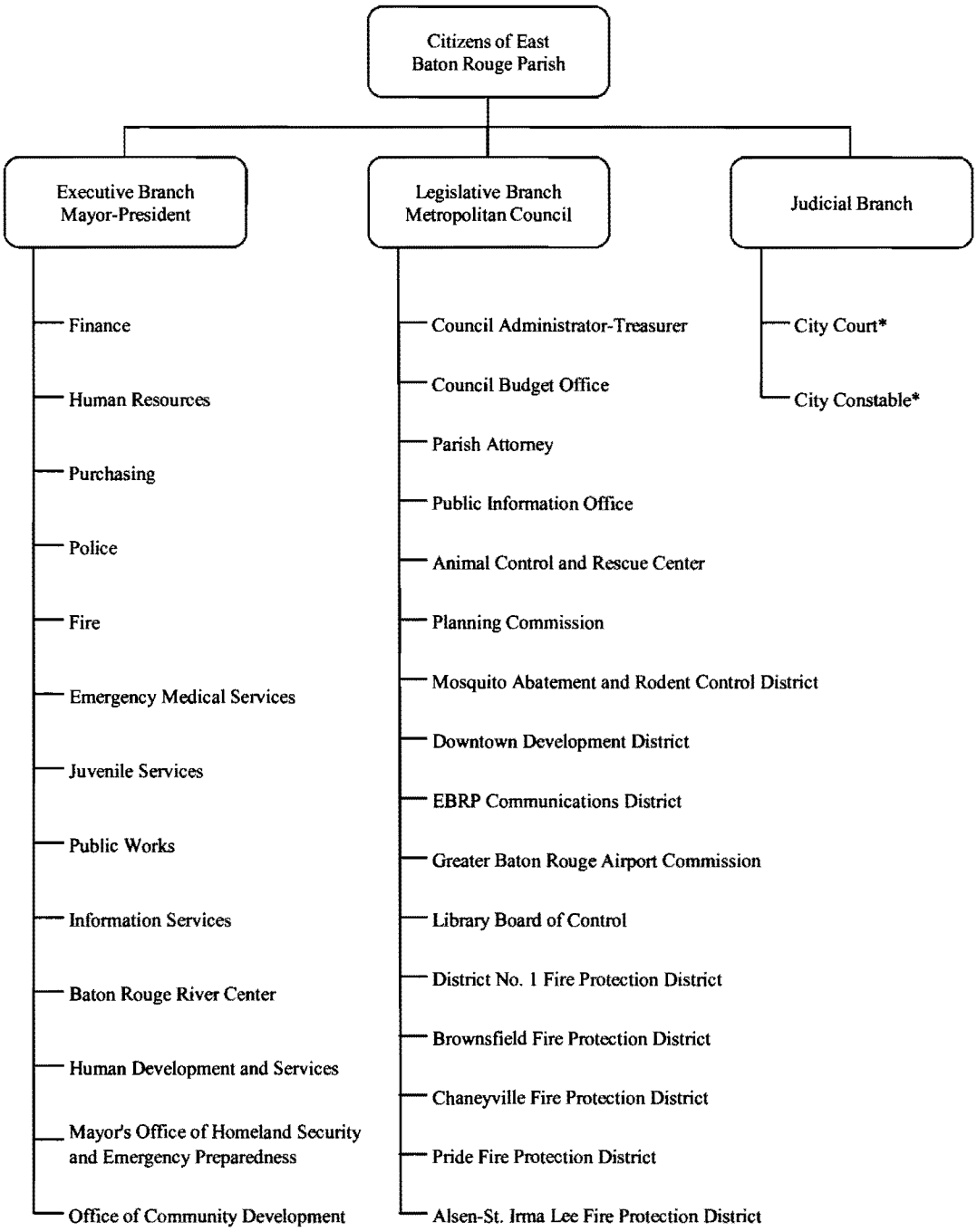
District 10
Tara Wicker

District 11
Alison Gary



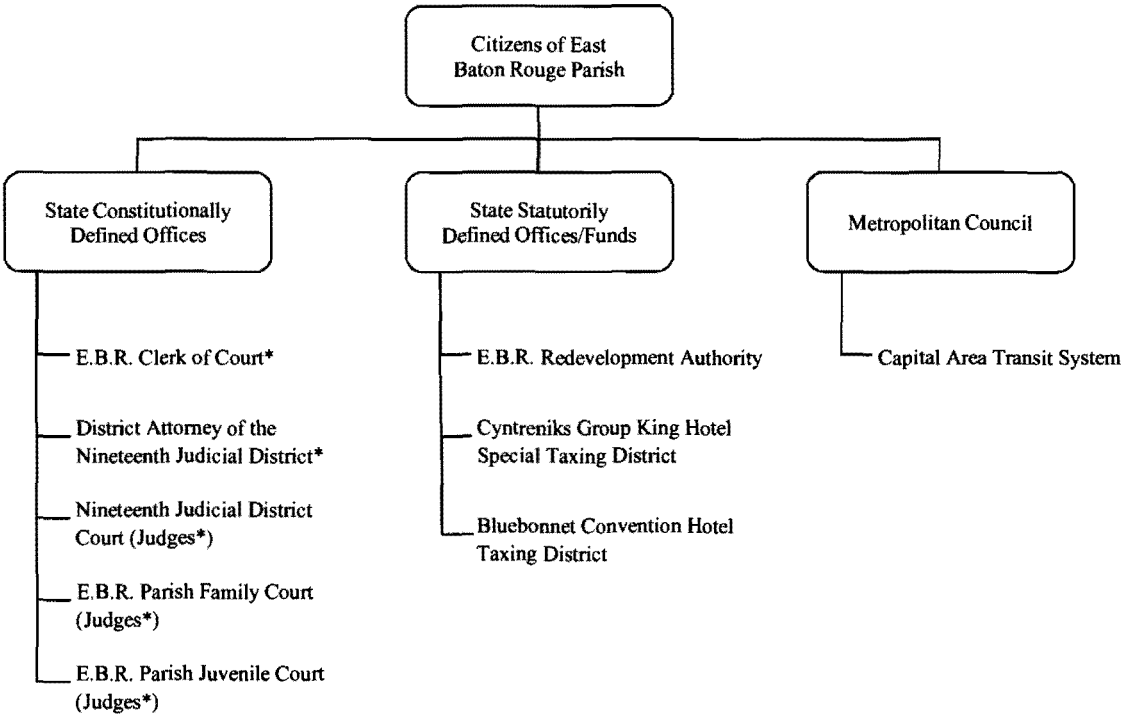
District 12
Rodney "Smokie" Bourgeois

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



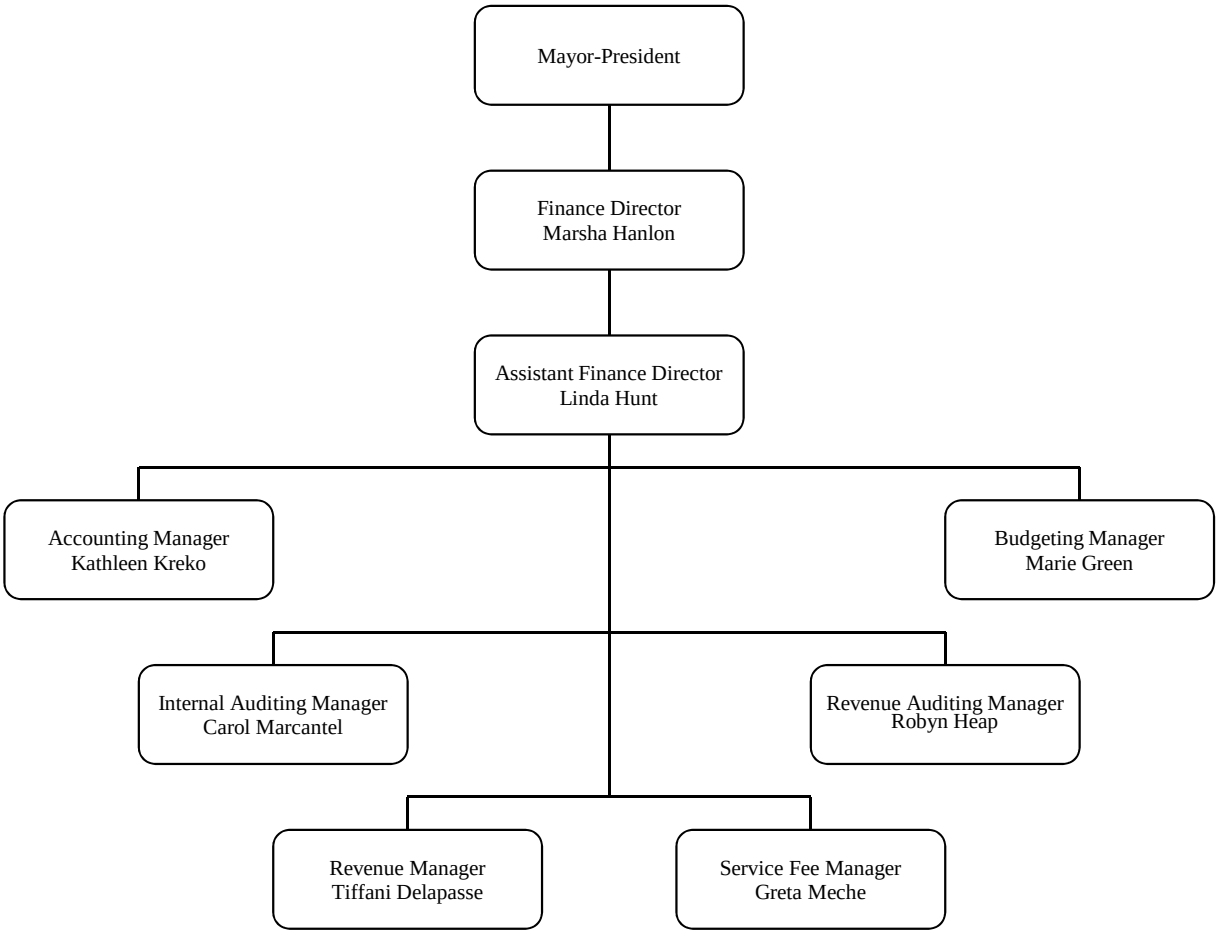
* Designates Elected Officials

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



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INDEPENDENT AUDITORS' REPORT

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

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 fiduciary fund, the budgetary comparison information for each major 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, 2012, 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, 2012 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%, 88% and 73%, 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. Certain of the component units' financial statements were prepared under a different financial reporting framework and adjustments of $7,469,456, ($6,970,564), and $9,858,596 to assets, net position, and revenues, respectively, were necessary for presentation in accordance with accounting principles generally accepted in the United States of America. We have audited those adjustments. 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.

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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 opinion.

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 fiduciary fund, the budgetary comparison information, and the aggregate other (non-major) fund information of the City of Baton Rouge-Parish of East Baton Rouge as of December 31, 2012, 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, 2012, 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 4 through 17, 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 financial statements as a whole. The accompanying financial information listed in the Table of Contents as Supplementary Schedules, exhibits E-1 through F-2, and the Schedule of Expenditures of Federal Awards presented on Schedules A and B in the Single Audit Section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 Supplementary Schedules, exhibits E-1 through F-2, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying other information presented in the introductory section on pages v – xvi and the Statistical Section, exhibits G-1 through G-23 is 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 21, 2013 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 21, 2013

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 $1,581.2 million (*net position*). Unrestricted net position for governmental activities is a deficit of $180.1 million, while unrestricted net position for business-type activities is approximately $137.8 million. The deficit in governmental unrestricted net position is the result of the recognition of $243.5 million in other postemployment benefit liabilities for governmental activities.

- The primary government's total net position increased by $4.9 million during 2012.

- Governmental activities' net position decreased $20.4 million during 2012 primarily as a result of increased police and fire expenses ($5.9 million), other postemployment benefits in excess of contributions ($43.4 million), expenses related to Hurricane Isaac ($7.5 million) offset by an increase in sales tax revenue ($14.7 million), increase in property tax revenue ($3.5 million) contributions for capital assets from capital grants and donated infrastructure ($15.8 million), and other miscellaneous increases ($2.4 million).

- Net Position of business type activities increased $25.3 million during 2012 primarily as a result of excess of sales tax revenues over debt service expenses on bonded debt in the sewerage fund ($18.3 million), contributions from the federal and state governments, subdivision developers, and impact fees ($17.8 million) and other miscellaneous increases ($1.3 million), offset by increased depreciation expense ($7.9 million) and other postemployment benefits in excess of contributions ($4.2 million) resulted in a net increase in net position in business-type activities.

- As of the close of the current fiscal year, the City-Parish's governmental funds reported combined ending fund balances of $432.8 million, a decrease of $24.6 million in comparison with the prior year. Approximately 3.6% of the fund balances, $15.5 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.

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 between the two 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 subsidy 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), sanitation (street-sweeping), 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.

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.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2012, with comparative figures from 2011:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Net Position
December 31, 2012 & 2011
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and Other Assets	$ 533.2	$ 557.7	$ 297.7	$ 358.2	$ 830.9	$ 915.9
Restricted Assets	--	--	392.6	586.5	392.6	586.5
Capital Assets	828.0	766.4	1,442.6	1,167.6	2,270.6	1,934.0
Total Assets	1,361.2	1,324.1	2,132.9	2,112.3	3,494.1	3,436.4
Deferred Outflow of Resources	26.8	21.5	92.0	96.3	118.8	117.8
Liabilities:						
Current Liabilities	84.7	83.8	86.2	80.1	170.9	163.9
Non-current Liabilities	663.3	601.0	1,196.5	1,211.6	1,859.8	1,812.6
Total Liabilities	748.0	684.8	1,282.7	1,291.7	2,030.7	1,976.5
Deferred Inflow of Resources	1.0	1.4	--	--	1.0	1.4
Net Position:						
Net Investment in Capital Assets	601.1	531.1	698.1	635.1	1,299.2	1,166.2
Restricted	218.0	256.9	106.3	80.2	324.3	337.1
Unrestricted	(180.1)	(128.6)	137.8	201.6	(42.3)	73.0
Total Net Position	$ 639.0	$ 659.4	$ 942.2	$ 916.9	$1,581.2	$1,576.3

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

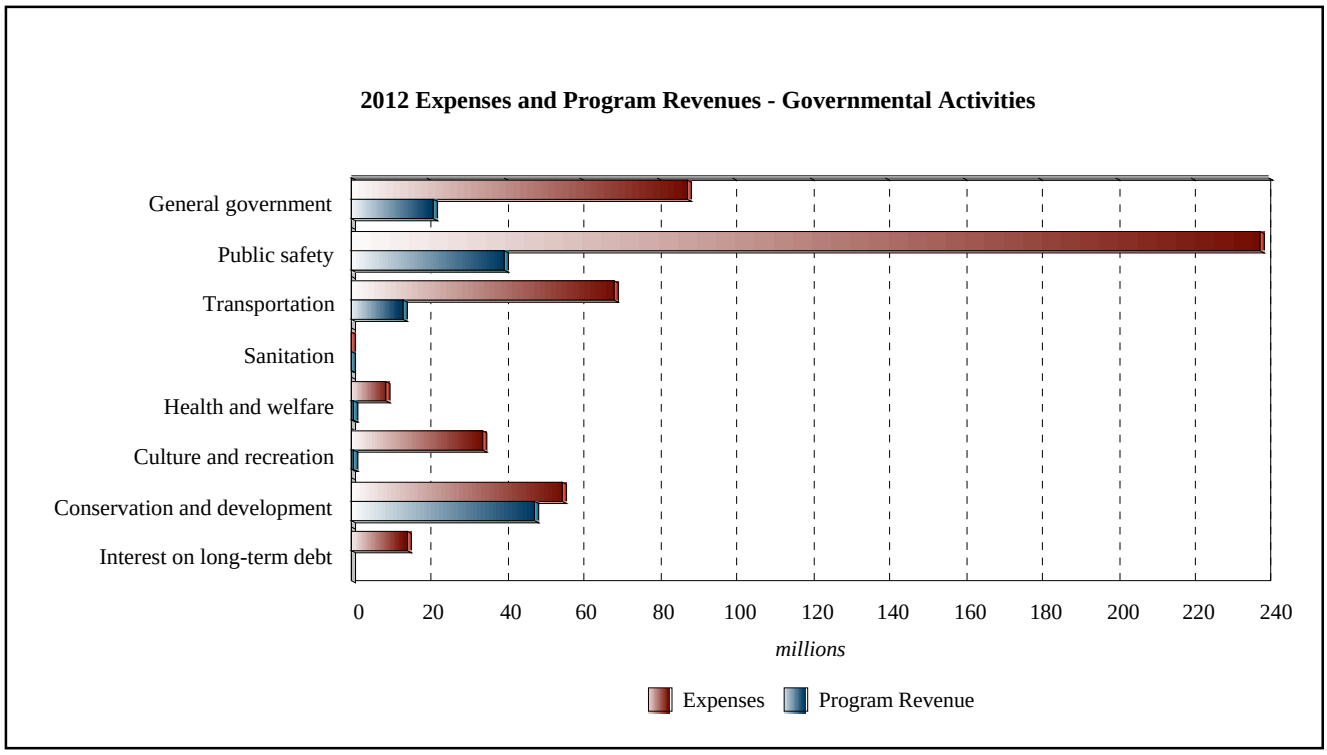
Approximately 82.2% ($1,299.2 million) of the City-Parish's net position as of December 31, 2012, reflect the government's investment in capital assets (land, buildings, noise mitigation costs, infrastructure, machinery and equipment) less any related outstanding debt used to acquire those assets. The 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 $38.9 million from the previous year for governmental activities, because of the expenditure of dedicated funds as part of the continuation of the road rehabilitation program, ongoing construction projects for library capital improvements and the new EMS headquarters building. Restricted net position increased by $26.1 million for business-type activities, due to increases in amounts restricted for debt service and an increase in collateral posted for swap agreements. Unrestricted net position decreased by $51.5 million from the previous year for governmental activities. This decrease was primarily due to an increase in Other Postemployment Benefits liability of $43.4 million. Unrestricted net position decreased by $63.8 million for business-type activities. This decrease was primarily due to funding of Sewer Capital improvement projects on a pay-as-you-go basis and an increase in collateral posted for swap agreements.

The table below provides a summary of the changes in net position for the year ended December 31, 2012, with comparative figures from 2011:

City of Baton Rouge, Parish of East Baton Rouge
Condensed Statement of Changes in Net Position
For the Years Ended December 31, 2012 & 2011
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	$ 52.1	$ 51.4	$137.3	$131.8	$ 189.4	$ 183.2
Operating Grants and Contributions	57.8	48.6	7.7	7.6	65.6	56.2
Capital Grants and Contributions	15.8	14.9	17.8	18.6	33.6	33.5
General Revenues:						
Sales Taxes	216.5	201.8	42.1	39.4	258.6	241.2
Other Taxes	138.0	135.1	--	--	138.0	135.1
Grants and Contributions Not Restricted to Specific Programs	5.3	9.4	--	--	5.3	9.4
Other	1.4	0.9	2.3	(3.7)	3.7	(2.8)
Total Revenues	486.9	462.1	207.2	193.7	694.1	655.8
Expenses:						
General Government	88.2	98.5	0.8	0.8	89.0	99.3
Public Safety	238.3	219.9	--	--	238.3	219.9
Transportation	69.2	66.1	26.6	25.8	95.8	91.9
Sanitation	--	--	138.3	136.2	138.3	136.2
Health and Welfare	9.3	9.2	--	--	9.3	9.2
Culture and Recreation	34.7	34.6	13.4	10.9	48.1	45.5
Conservation and Development	55.6	48.3	--	--	55.6	48.3
Interest on Long-Term Debt	14.8	17.7	--	--	14.8	17.7
Total Expenses	510.1	494.3	179.1	173.7	689.2	668.0
Increase in Net Position Before Transfers and Special Item	(23.2)	(32.2)	28.1	20.0	4.9	(12.2)
Transfers	2.8	1.1	(2.8)	(1.1)	--	--
Increase In Net Position	(20.4)	(31.1)	25.3	18.9	4.9	(12.2)
Net Position, January 1 restated	659.4	690.5	916.9	898.0	1,576.3	1,588.5
Net Position, December 31	$639.0	$659.4	$942.2	$916.9	$1,581.2	$1,576.3

Amounts in the 2011 columns in the above schedules have been restated due to implementation of Governmental Accounting Standards Board Statement Number 65, *Items Previously Reported as Assets and Liabilities*.



The government's net position increased by $4.9 million during the current fiscal year.

Governmental Activities' net position decreased $20.4 million in 2012 primarily due to:

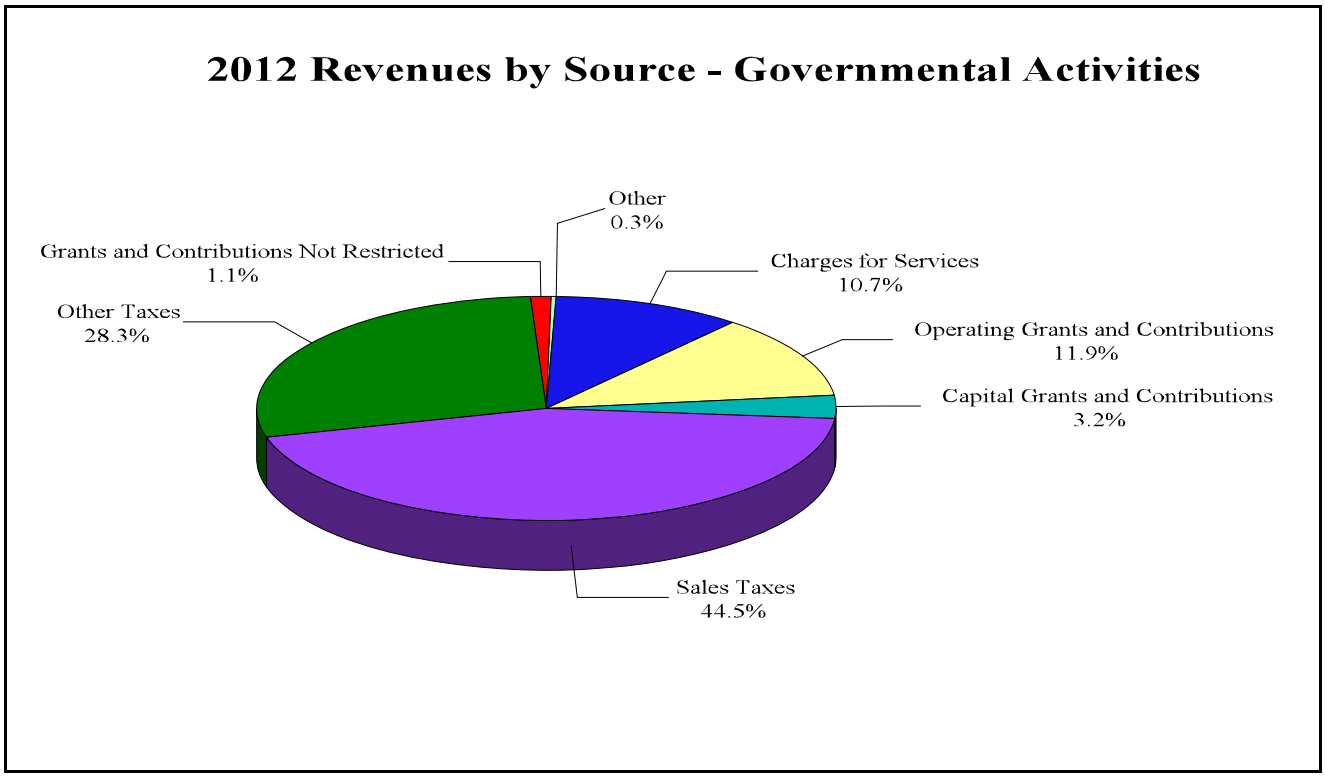
(1) Increased expenses ($5.9 million) as a result of increased costs for housing inmates in other parishes, staffing enhancements for police and fire and increased contribution requirements for Municipal Police Employees' Retirement System.

(2) Continued reduction in net position resulting from Other Post Employment Benefits costs in excess of contributions ($43.4 million).

(3) Increases in expenses ($7.5 million) as a result of Hurricane Isaac response and recovery.

(4) The decrease in net position from the changes above were offset by:

- Sales tax revenue increased ($14.7 million) primarily due to the improving economy.
- An additional $3.5 million in property tax revenues primarily due to a reassessment of property values in 2012 and the rolling forward of millages for the Emergency Medical Services Fund and Fire Districts.
- Capital grants and contributions of $15.8 million capitalized during the year from the following external sources: Capital grants from the State of Louisiana for transportation purposes ($10.8 million), donated infrastructure from developers and private sources ($2.2 million), and miscellaneous capital grants for public safety, health and welfare, and conservation and development from the federal and state governments ($2.8 million).
- Other miscellaneous increases in net position ($2.4 million).



Business-Type Activities' net position increased by $25.3 million in 2012. The increase in net position is a result of revenues exceeding expenses for the year. An analysis of major revenues and expenses is as follows:

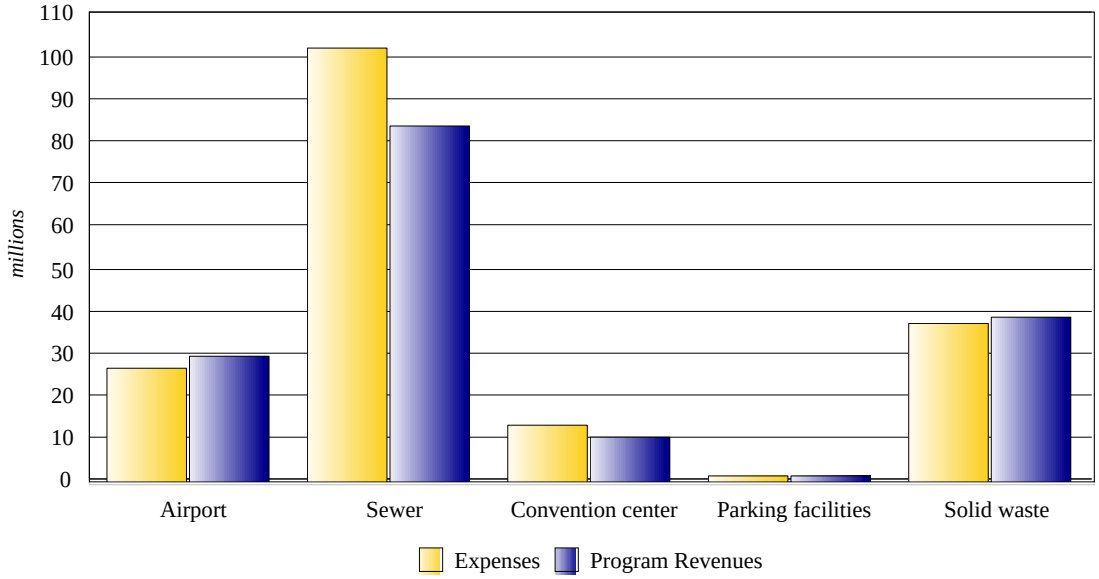
(1) The Comprehensive Sewerage System Fund reported an excess of revenues over expenses causing an increase in net position. The primary contributor to the positive increase in net position was the sales tax (non-operating) revenues collected in excess of debt service interest on bonded debt in the sewerage capital improvements program in the amount of $18.3 million.

(2) Enterprise fund contributions from external parties of $17.8 million from the following sources: airport grants from federal and state agencies ($12.6 million), capital grants from the State of Louisiana for the Baton Rouge River Center ($2.5 million), contributions of infrastructure from private developers to the sewerage system ($0.8 million), and sewer impact fees ($1.9 million).

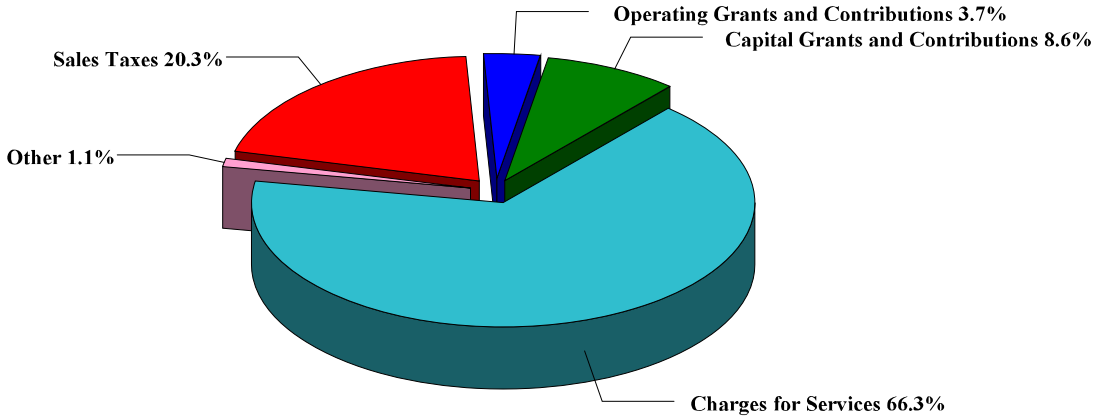
(3) Other miscellaneous increases in net position ($1.3 million).

(4) These increases were offset by:
- Depreciation expense increased by $7.9 million primarily as the result of major capital improvement programs for the Comprehensive Sewerage System Fund.
- Other postemployment benefit costs in excess of contributions ($4.2 million).

2012 Expenses and Program Revenues - Business-Type Activities



2012 Revenues by Source - Business Type Activities



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 $432.8 million, a decrease of $24.6 million in comparison with the prior year. Approximately 3.6% of total governmental funds fund balance ($15.5 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, $305.4 million is *restricted* and has limitations imposed on its use by external parties, $83.5 million is *committed* for specific purposes imposed by the Metropolitan Council, and $27.8 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 $15.5 million, while total fund balance was $102.9 million. Compared with total fund balance of $102.8 million at the end of 2011, fund balance had a very slight increase of approximately $0.1 million during 2012.

The Library Board of Control Fund collected revenues that exceeded expenditures by $10.3 million in 2012. 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. Property tax millages for the Library Board of Control were not rolled forward when property was reassessed in 2012. As a result, property tax revenue within the fund increased by less than 1%.

Grants Fund expenditures and other financing uses exceeded revenues and other financing sources by $1.3 million primarily due to Community Development programs spending more program income than was collected during 2012, and capital asset repairs and replacement attributable to Hurricane Gustav.

Fund balance in the Capital Projects Fund decreased $29.9 million in 2012. This was primarily due to outlays for the acquisition of right-of-way and construction of major street and intersection improvements ($22.1 million) funded by Road and Street Improvement Bonds. 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 $1.4 million at December 31, 2012. Most of this major fund's assets are capital assets with a net investment in capital assets of almost $226.3 million. The fund reported a net loss of $9.6 million before capital contributions and transfers for the year ended December 31, 2012.

Unrestricted net position of the Comprehensive Sewerage System Fund was almost $117.9 million at December 31, 2012. 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 $401.9 million, reflecting a heavy investment in capital assets. The fund realized a net income of approximately $23.4 million before government contributions and transfers for the year ended December 31, 2012. During 2012, sales tax (non-operating) revenues were collected in excess of debt service interest on bonded debt in the amount of $18.3 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 $7.4 million.

Unrestricted net position of the Solid Waste Collection and Disposal Fund was $12.9 million at December 31, 2012. Most of this major fund's assets are capital assets with a net investment in capital assets of $17.6 million. The fund reported a net loss of $2.1 million for the year ended December 31, 2012 primarily caused by a transfer to the Grants Fund of local match for Hurricane Isaac.

General Fund Budgetary Highlights

The 2012 general fund original budget of $301.9 million (inclusive of transfers out) was increased by a net $10.5 million during 2012 to reflect a final amended budget of approximately $312.4 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:

	(in millions)
Medical treatment, housing and transportation of inmates	$ 3.3
Other public safety operational costs	4.1
Risk compromised judgments and claims settlements from fund balance committed to self-insurance purposes	1.4
Community center expenses from fund balance assigned to culture and recreation	0.1
Other general fund operational costs	0.2
Economic development projects	1.4
Cooperative agreements with other governments	0.2
Local match for Hurricane Isaac	1.0
Total additional general fund appropriations	$11.7

These increases were offset by a net decrease of $1.2 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 $7.5 million. The original General Fund budget used a two percent growth rate over 2011 anticipated collections and actual sales tax revenues for the General Fund grew by 7.4 percent during 2012.

- The risk management budget was underspent by approximately $3.0 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.

- Approximately $23.1 million of the appropriations for departmental budgets were not spent during 2012. 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 $15.4 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, 2012, amounts to $2,270.6 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 $336.6 million, an 8.0% increase for governmental activities and a 23.6% 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-five major street or intersection improvements funded by the one-half percent sales and use tax dedicated for street and road improvements ($25.3 million).

- Completion of facility improvements for public agencies:
  EMS Headquarters Building ($8.7 million)
  Osage Street Fire Station #2 ($2.2 million)
  Sharp Road Fire Station #13 ($2.7 million)
  Lobdell Avenue Fire Station #8 ($2.2 million)
  Fairwood Branch Library ($4.8 million)
  Baton Rouge Junior High Renovations for DPW ($3.8 million)
  Progress Road Headstart ($2.1 million)

- Completion and capitalization of several infrastructure projects:
  South Harrell's Ferry Road (Segment 2) ($23.4 million)
  Stumberg Lane Extension ($6.9 million)
  South Harrell's Ferry Road (South Sherwood to Millerville) ($17.5 million)
  Central Thruway ($61.6 million)
  Millerville Road (I-12 to Harrell's Ferry) ($2.0 million)

- Capital improvements to the sewerage system, including upgrades to treatment plants and rehabilitation of major sewer lines ($303.3 million).

- Renovations and improvements to Airport buildings, runways, and other Airport improvements ($19.7 million).

- Depreciation expense of $38.1 million for governmental activities and $52.9 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, 2012 & 2011
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and right-of-way	$148.2	$146.8	$ 77.6	$ 71.3	$ 225.8	$ 218.1
Buildings	102.5	80.6	120.4	125.9	222.9	206.5
Noise Mitigation Costs	--	--	57.9	57.1	57.9	57.1
Improvements (Other Than Buildings) and Infrastructure	477.8	384.9	974.1	694.4	1,451.9	1,079.3
Machinery and Equipment	23.2	20.5	1.0	1.0	24.2	21.5
Construction Work-In-Progress	76.3	133.6	211.6	217.9	287.9	351.5
Total	$828.0	$766.4	$1,442.6	$1,167.6	$2,270.6	$1,934.0

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 $1,344.1 million. Of this amount, $105.8 million comprises debt backed by the full faith and credit of the government. The remainder of the debt represents bonds secured solely by specified revenue sources such as sales tax and user fees. There were no general obligation bonds outstanding for the City of Baton Rouge or the Parish of East Baton Rouge at the end of the fiscal year.

City of Baton Rouge, Parish of East Baton Rouge
Summary of Excess Revenue and Revenue Bonds
December 31, 2012 & 2011
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Excess Revenue Contracts, Loans and Notes	$ 93.7	$ 59.9	$ 12.1	$ 2.3	$ 105.8	$ 62.2
Sales Tax Revenue Bonds	231.5	248.7	1,006.8	1,021.0	1,238.3	1,269.7
Total All Bonds, Contracts, Loans and Notes	$325.2	$308.6	$1,018.9	$1,023.3	$1,344.1	$1,331.9

On March 1, 2012, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), a political subdivision of the State of Louisiana, issued $33,585,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2012. The proceeds of the bonds were loaned by the Authority to the Parish of East Baton Rouge pursuant to a Loan Agreement dated as of March 1, 2012, to be used for the purpose of (1) providing funds to finance the construction of new public roads and streets and/or the widening of existing public roads and streets within the Parish and (2) 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 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. The Bonds will mature on August 1 of each year beginning 2012 through 2030 with interest from 2.00 - 5.00 percent.

On April 4, 2012, the City of Baton Rouge issued $58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of (1) advance refunding $18,475,000 of the outstanding principal amount of its $25,035,000 Taxable Refunding Bonds, Series 2002A, maturing January 15, 2018, January 15, 2023 and January 15, 2029, and $35,290,000 of the $47,550,000 Taxable Refunding Bonds, Series 2002B, maturing January 15, 2018, January 15, 2023 and January 15, 2029, and (2) 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 of December 31, 2012, City-Parish bonds were rated by three major rating services as follows:

	Underlying Ratings		
	Moody's Investors Service	Standard and Poor's	Fitch Investors
City of Baton Rouge (2%) Sales Tax Revenue Bonds	Aa2	AA+	AA+
Parish of East Baton Rouge Sewer Improvement (½%) Sales Tax Revenue Bonds	Aa2	AA	No rating
Parish of East Baton Rouge Road and Street Improvements (½%) Sales Tax Revenue Bonds	A2	A+	AA-
East Baton Rouge Sewerage Commission Revenue Bonds	Aa3	AA-	AA

Additional information on debt administration can be found in 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 2013 operating budget assumes a 2.0 percent growth rate for sales and use tax revenues in 2013 over the 2012 anticipated collections adjusted for extraordinary events in the tourism and manufacturing sectors.

The proposed budget for the year 2013 for all funds, exclusive of operating transfers between funds, totals $780.5 million. This is an increase of almost $31.6 million or 4.23% over the 2012 budget. The General Fund budget increased by approximately $10.9 million mainly as a result of police and fire academies and increases in employee benefits. There were increases of $19.7 million in the Special Revenue and Capital Project Funds budgets. These increases were largely the result of increases in operations for Emergency Medical Services, the East Baton Rouge Parish Communications District and the East Baton Rouge Parish Library and one-time funding for capital improvements. Enterprise Fund Budgets increased $4.7 million due to an increase in appropriations for the Sanitary Sewer Overflow Capital Improvement Program. Debt Service Fund Budgets decreased almost $7.0 million as a result of maturing debt related to sewer improvements.

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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
DECEMBER 31, 2012

EXHIBIT A - 1

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents (Note 3)	$ 266,518,413	$ 184,835,432	$ 451,353,845	$ 34,397,412
Investments (Note 3)	121,949,044	91,038,346	212,987,390	--
Receivables - net (Note 13)	59,053,803	14,547,828	73,601,631	15,574,635
Due from other governments (Note 11)	79,820,416	4,931,987	84,752,403	3,647,803
Prepaid items	849,516	205,659	1,055,175	353,362
Loans receivable	4,068,659	--	4,068,659	1,289,837
Inventory	958,606	125,555	1,084,161	3,340,697
Net pension asset	--	--	--	1,609,183
Other assets	--	--	--	71,346
Restricted assets:				
Cash and cash equivalents (Note 3)	--	261,135,086	261,135,086	171,514
Investments (Note 3)	--	130,611,416	130,611,416	--
Receivables - net (Note 13)	--	301,059	301,059	--
Prepaid items	--	564,048	564,048	--
Investment in joint venture (Note 19)	--	2,036,458	2,036,458	--
Capital assets (Note 6):				
Non-depreciable	224,581,312	347,055,321	571,636,633	--
Depreciable, net	603,448,758	1,095,579,088	1,699,027,846	124,840,643
Total assets	1,361,248,527	2,132,967,283	3,494,215,810	185,296,432
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	7,219,704	2,736,215	9,955,919	--
Deferred outflows on derivative instruments	19,619,906	89,283,927	108,903,833	--
Total deferred outflows of resources	26,839,610	92,020,142	118,859,752	--
LIABILITIES				
Accounts payable and other current liabilities	40,104,858	62,813,907	102,918,765	3,723,697
Due to other governments	7,844,475	--	7,844,475	201,690
Accrued payables	13,765,115	22,448,127	36,213,242	1,413,707
Unearned revenue	1,666,617	946,389	2,613,006	--
Deposits and escrow accounts	21,374,350	--	21,374,350	--
Other liabilities	--	--	--	193,952
Non-current liabilities (Note 10):				
Due within one year	32,712,250	19,302,072	52,014,322	6,480,361
Due in more than one year	630,583,115	1,177,237,137	1,807,820,252	116,608,777
Total liabilities	748,050,780	1,282,747,632	2,030,798,412	128,622,184
DEFERRED INFLOWS OF RESOURCES				
Resources received before time requirements	1,050,371	--	1,050,371	--
NET POSITION				
Net investment in capital assets	601,094,052	698,119,164	1,299,213,216	27,041,851
Restricted for (Note 14):				
Capital projects	114,682,670	13,522,746	128,205,416	--
Debt service	9,925,566	32,640,876	42,566,442	12,573,380
Passenger facility charges	--	191,241	191,241	--
External legal constraints	93,340,791	60,000,000	153,340,791	4,620,292
Unrestricted	(180,056,093)	137,765,766	(42,290,327)	12,438,725
Total net position	$ 638,986,986	$ 942,239,793	$ 1,581,226,779	$ 56,674,248

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, 2012

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs				
Primary government:				
Governmental activities:				
General government	$ 88,157,523	$ 21,608,206	$ 353,420	$ --
Public safety	238,291,131	24,576,187	14,974,091	566,743
Transportation	69,224,549	267,119	497,997	13,045,924
Sanitation	5,790	60,616	--	--
Health and welfare	9,333,237	788,125	35,470	--
Culture and recreation	34,725,137	288,518	347,937	--
Conservation and development	55,606,583	4,469,458	41,576,488	2,137,796
Interest and fiscal charges on long-term debt	14,821,221	--	--	--
Total governmental activities	510,165,171	52,058,229	57,785,403	15,750,463
Business-type activities:				
Airport	26,608,842	16,865,899	48,960	12,600,863
Sewer	101,595,188	73,314,684	7,352,245	2,707,434
Convention center	13,351,529	7,417,576	328,147	2,457,704
Parking facilities	782,189	1,236,883	--	--
Solid waste collection and disposal	36,691,776	38,439,751	--	--
Total business-type activities	179,029,524	137,274,793	7,729,352	17,766,001
Total primary government	$ 689,194,695	$ 189,333,022	$ 65,514,755	$ 33,516,464
Component units:				
Judicial court services	$ 55,185,308	$ 25,498,961	$ 22,106,509	$ --
Economic development districts	7,413,145	6,144,997	6,177,011	--
Mass transit	15,775,797	2,160,787	150,549	2,436,666
Total component units	$ 78,374,250	$ 33,804,745	$ 28,434,069	$ 2,436,666

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
$ (66,195,897)	$ --	$ (66,195,897)	$ --
(198,174,110)	--	(198,174,110)	--
(55,413,509)	--	(55,413,509)	--
54,826	--	54,826	--
(8,509,642)	--	(8,509,642)	--
(34,088,682)	--	(34,088,682)	--
(7,422,841)	--	(7,422,841)	--
(14,821,221)	--	(14,821,221)	--
(384,571,076)	--	(384,571,076)	--
--	2,906,880	2,906,880	--
--	(18,220,825)	(18,220,825)	--
--	(3,148,102)	(3,148,102)	--
--	454,694	454,694	--
--	1,747,975	1,747,975	--
--	(16,259,378)	(16,259,378)	--
(384,571,076)	(16,259,378)	(400,830,454)	--
--	--	--	(7,579,838)
--	--	--	4,908,863
--	--	--	(11,027,795)
--	--	--	(13,698,770)
92,525,883	--	92,525,883	14,801,385
20,817,113	--	20,817,113	--
216,521,211	42,144,822	258,666,033	--
2,393,341	--	2,393,341	2,031,388
9,687,374	--	9,687,374	--
3,588,791	--	3,588,791	--
7,575,112	--	7,575,112	--
1,420,491	--	1,420,491	--
538,970	--	538,970	--
5,330,072	--	5,330,072	10,427,053
900,423	2,284,067	3,184,490	312,693
--	18,354	18,354	--
2,842,774	(2,842,774)	--	--
364,141,555	41,604,469	405,746,024	27,572,519
(20,429,521)	25,345,091	4,915,570	13,873,749
659,416,507	916,894,702	1,576,311,209	42,800,499
$ 638,986,986	$ 942,239,793	$ 1,581,226,779	$ 56,674,248

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	Library Board of Control	Grants
ASSETS			
Cash and cash equivalents (Note 3)	$ 65,329,581	$ 55,371,183	$ 702
Investments (Note 3)	32,177,255	27,272,375	--
Property taxes receivable - net (Note 4)	7,835,268	11,287,578	--
Gross receipts business taxes receivable	4,023,773	--	--
Sales taxes receivable	16,343,485	--	--
Interest and penalties receivable on taxes	190,249	--	--
Accounts receivable - net (Note 13)	2,152,995	15,069	--
Accrued interest receivable	26,140	24,476	1,656
Due from other funds (Note 11)	8,880,353	--	--
Due from other governments (Note 11)	17,746,099	25,534,414	15,629,130
Loans receivable	966,124	--	3,102,535
Inventory	639,875	--	--
Total assets	$ 156,311,197	$ 119,505,095	$ 18,734,023
LIABILITIES			
Accounts and contracts payable	$ 16,133,058	$ 1,033,020	$ 4,056,618
Due to other funds (Note 11)	--	54,501,624	1,007,985
Due to other governments	7,584,298	--	--
Accrued payables	6,832,416	660,736	587,775
Unearned revenue	13,000	--	830,038
Deposits and escrow accounts	21,346,694	--	27,656
Total liabilities	51,909,466	56,195,380	6,510,072
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	883,338	1,024,362	--
Unavailable revenue - revenue sharing	660,800	--	--
Resources received before time requirements	--	--	1,050,371
Total deferred inflows of resources	1,544,138	1,024,362	1,050,371
FUND BALANCES (Note 14):			
Nonspendable	639,875	--	--
Restricted	270,831	62,285,353	11,173,580
Committed	58,677,241	--	--
Assigned	27,786,341	--	--
Unassigned	15,483,305	--	--
Total fund balances	102,857,593	62,285,353	11,173,580
Total liabilities, deferred inflows of resources and fund balances	$ 156,311,197	$ 119,505,095	$ 18,734,023

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ 87,776,588	$ 45,045,815	$ 253,523,869
47,877,462	14,621,952	121,949,044
--	9,140,580	28,263,426
--	--	4,023,773
2,602,621	1,447,390	20,393,496
--	--	190,249
55,084	2,253,897	4,477,045
36,424	13,771	102,467
56,963,980	--	65,844,333
1,781,722	19,085,545	79,776,910
--	--	4,068,659
--	--	639,875
$ 197,093,881	$ 91,608,950	$ 583,253,146
$ 15,482,087	$ 2,958,574	$ 39,663,357
--	10,334,724	65,844,333
--	260,177	7,844,475
10,766	1,247,291	9,338,984
823,579	--	1,666,617
--	--	21,374,350
16,316,432	14,800,766	145,732,116
--	1,021,502	2,929,202
--	78,893	739,693
--	--	1,050,371
--	1,100,395	4,719,266
--	--	639,875
160,011,835	71,661,696	305,403,295
20,765,614	4,046,093	83,488,948
--	--	27,786,341
--	--	15,483,305
180,777,449	75,707,789	432,801,764
$ 197,093,881	$ 91,608,950	$ 583,253,146

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

EXHIBIT A - 4

Fund balances - total governmental funds		$ 432,801,764
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	1,394,368,399	
Less accumulated depreciation	(573,684,939)	820,683,460
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.		
Prepaid items		849,516
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	2,929,202	
Louisiana revenue sharing	739,693	
Emergency Medical Services transport charges	1,600,000	
U.S. Health and Human Services	26,599	
Cities of Baker and Zachary	16,907	5,312,401
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	(4,353,516)	
Bonds payable	(325,162,270)	
Deferred premium and discount	(7,039,821)	
Deferred amount on refunding	7,219,704	
Obligation payable	(6,957,796)	
Compensated absences payable	(25,912,550)	
Claims and judgments payable	(30,217,318)	
Employee benefits payable	(4,711,371)	
Net other post employment benefit obligation	(243,499,371)	(640,634,309)
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.		19,974,154
Net position of governmental activities		$ 638,986,986

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, 2012

	General Fund	Library Board of Control	Grants
REVENUES			
Taxes:			
Property	$ 24,569,617	$ 38,156,911	$ --
Gross receipts business taxes	20,817,113	--	--
Sales	169,660,777	--	--
Occupancy	1,431,289	--	--
Occupational	9,687,374	--	--
Insurance premiums	3,588,791	--	--
Gaming admissions	7,575,112	--	--
Interest and penalties - delinquent	1,420,491	--	--
Licenses and permits	3,912,124	--	--
Intergovernmental revenues	15,023,173	--	51,905,320
Charges for services	21,655,596	27,413	--
Fines and forfeits	2,268,173	229,687	--
Investment earnings	208,094	207,424	2,843
Miscellaneous revenues	2,047,839	20,162	4,369,256
Total revenues	283,865,563	38,641,597	56,277,419
EXPENDITURES			
Current:			
General government	64,430,796	--	296,699
Public safety	157,400,961	--	10,314,577
Transportation	25,590,225	--	261,672
Health and welfare	4,127,432	--	90,614
Culture and recreation	1,534,608	28,082,849	17,032
Conservation and development	4,188,385	--	45,887,033
Debt service:			
Principal retirement	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	248,009	3,370,221
Intergovernmental	17,168,593	--	--
Total expenditures	274,441,000	28,330,858	60,237,848
Excess (deficiency) of revenues over (under) expenditures	9,424,563	10,310,739	(3,960,429)
OTHER FINANCING SOURCES (USES)			
Transfers in (Note 12)	3,622,288	--	2,857,800
Transfers out (Note 12)	(13,176,252)	(485,664)	(213,629)
Issuance of long-term debt	--	--	--
Premium on debt issuance	--	--	--
Refunding bonds issued	--	--	--
Payment to refunded bond escrow agent	--	--	--
Proceeds of capital asset disposition	218,522	3,847	6,046
Total other financing sources and uses	(9,335,442)	(481,817)	2,650,217
Net change in fund balances	89,121	9,828,922	(1,310,212)
Fund balances, January 1	102,768,472	52,456,431	12,483,792
Fund balances, December 31	$ 102,857,593	$ 62,285,353	$ 11,173,580

The accompanying notes are an integral part of this statement.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ --	$ 28,808,164	$ 91,534,692
--	--	20,817,113
6,270,949	40,757,015	216,688,741
--	962,052	2,393,341
--	--	9,687,374
--	--	3,588,791
--	--	7,575,112
--	--	1,420,491
--	--	3,912,124
6,655,231	2,952,623	76,536,347
--	15,552,194	37,235,203
--	862,401	3,360,261
283,970	173,220	875,551
1,332,868	295,805	8,065,930
14,543,018	90,363,474	483,691,071
--	1,819,396	66,546,891
--	35,654,096	203,369,634
--	13,612,265	39,464,162
--	4,284,301	8,502,347
--	--	29,634,489
--	1,594,478	51,669,896
--	21,921,086	21,921,086
--	14,877,365	14,877,365
466,887	728,484	1,195,371
87,975,870	2,659,511	94,253,611
--	1,247,200	18,415,793
88,442,757	98,398,182	549,850,645
(73,899,739)	(8,034,708)	(66,159,574)
6,009,319	6,356,858	18,846,265
--	(2,126,738)	(16,002,283)
33,585,000	264,713	33,849,713
4,384,644	--	4,384,644
--	58,075,000	58,075,000
--	(57,845,376)	(57,845,376)
--	2,885	231,300
43,978,963	4,727,342	41,539,263
(29,920,776)	(3,307,366)	(24,620,311)
210,698,225	79,015,155	457,422,075
$ 180,777,449	$ 75,707,789	$ 432,801,764

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, 2012

EXHIBIT A - 6

Net change in fund balances - total governmental funds		$ (24,620,311)
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	94,253,611	
Depreciation expense	(35,078,295)	59,175,316
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, and donations, is to increase net position.		2,084,545
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	991,191	
Motor vehicle sales tax audit	(167,530)	
Louisiana revenue sharing	(13,839)	
Emergency Medical Services transport charges	1,401,303	
U.S. Health and Human Services	(848,401)	1,362,724
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	(91,924,713)	
Premium on debt issuance	(4,384,644)	
Payment to refunded bond escrow agent	57,845,376	
Amortization of bond issuance costs	(76,902)	
Amortization of premium and discount	554,857	
Amortization of amount on refunding	(433,778)	
Principal payments	21,921,086	
Adjustment for debt recorded in business type activities	(294,167)	(16,792,885)
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	(43,384,288)	
Accrued interest payable	1,092,555	
Compensated absences payable	(903,570)	
Claims and judgments payable	(606,254)	
Employee benefits payable	783,278	(43,018,279)
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.		1,379,369
Change in net position of governmental activities		$ (20,429,521)

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, 2012

EXHIBIT A - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 24,913,610	$ 24,913,610	$ 24,569,617	$ (343,993)
Gross receipts business taxes	23,174,800	23,232,908	20,817,113	(2,415,795)
General sales and use taxes	158,027,750	162,128,884	169,660,777	7,531,893
Occupancy taxes	1,150,000	1,150,000	1,431,289	281,289
Occupational taxes	9,825,000	9,825,000	9,687,374	(137,626)
Insurance premiums taxes	3,600,000	3,600,000	3,588,791	(11,209)
Gaming admissions taxes	6,200,000	6,200,000	7,575,112	1,375,112
Interest and penalties - delinquent taxes	1,683,500	1,683,500	1,420,491	(263,009)
Total taxes	228,574,660	232,733,902	238,750,564	6,016,662
Licenses and permits:				
Use of streets:				
Public conveyances	13,500	13,500	18,181	4,681
Bicycle registration fees	40,000	40,000	33,320	(6,680)
Occupational and professional:				
Air conditioning and heating	38,000	38,000	40,070	2,070
Electrical contractors	40,000	40,000	36,420	(3,580)
Plumbers	35,000	35,000	38,485	3,485
House moving	500	500	100	(400)
Garbage collectors	33,800	33,800	33,400	(400)
Classified employees	130,000	130,000	137,500	7,500
Retail clerks	67,000	67,000	63,715	(3,285)
Entertainers	6,000	6,000	4,300	(1,700)
Liquor and beer	540,000	540,000	542,678	2,678
Restaurant	23,900	23,900	23,730	(170)
Gaming	6,000	6,000	6,340	340
Chauffeurs	2,700	2,700	3,175	475
Second hand dealers	2,500	2,500	2,695	195
Construction permits:				
Air conditioning and heating	230,000	230,000	263,263	33,263
Electrical	290,000	290,000	336,537	46,537
Building	1,350,000	1,350,000	1,332,642	(17,358)
Plumbing and gas	280,000	280,000	330,580	50,580
House moving	2,000	2,000	300	(1,700)
Fence	1,000	1,000	850	(150)
Special events	30,500	30,500	38,300	7,800
Alarm user	115,000	115,000	82,150	(32,850)
Animal control center licenses	507,000	507,000	506,990	(10)
Other permits	39,500	39,500	36,403	(3,097)
Total licenses and permits	3,823,900	3,823,900	3,912,124	88,224
Intergovernmental revenues:				
State grants:				
Public safety:				
Traffic signal maintenance	644,160	644,160	644,160	--
Department of Military Affairs	100,000	100,000	189,264	89,264
Juvenile meal reimbursement	60,000	60,000	53,637	(6,363)
Transportation:				
Street maintenance	551,160	551,160	536,325	(14,835)
Culture and recreation:				
Hotel/motel sales tax	360,200	360,200	30,905	(329,295)

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, 2012

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Intergovernmental revenues (continued):				
State shared revenues:				
Beer taxes	$ 435,000	$ 435,000	$ 422,863	$ (12,137)
Insurance company taxes	780,000	780,000	821,000	41,000
Louisiana revenue sharing	1,138,690	1,138,690	1,125,530	(13,160)
Mineral royalties	100,000	100,000	89,745	(10,255)
Severance taxes	850,000	850,000	970,657	120,657
On-behalf payments for salaries and benefits	8,806,650	8,519,750	8,512,990	(6,760)
Retiree drug subsidy	--	--	1,624,528	1,624,528
Payments in lieu of taxes - Federal government	1,540	1,540	1,569	29
Total intergovernmental revenues	13,827,400	13,540,500	15,023,173	1,482,673
Charges for services:				
General government:				
City court civil fees	1,350,000	1,350,000	1,204,288	(145,712)
Judiciary court costs	1,050,000	1,050,000	909,756	(140,244)
City court school fees	200,000	200,000	169,741	(30,259)
City court bench warrant fees	1,180,000	1,180,000	1,135,239	(44,761)
City court miscellaneous fees	541,000	541,000	530,356	(10,644)
City court credit card payment fees	110,000	110,000	32,801	(77,199)
City court expungement	36,000	36,000	32,120	(3,880)
City court home incarceration monitoring	10,000	10,000	3,663	(6,337)
City court mortgage recordation fees	14,500	14,500	12,400	(2,100)
City court pre-trial administrative fee	100,000	100,000	64,710	(35,290)
City constable civil fees	750,000	750,000	1,030,672	280,672
City prosecutor bond posting fee	1,000	1,000	17,291	16,291
Fiscal management fees	7,500,000	7,500,000	8,325,131	825,131
Fiscal management fees - inventory	32,800	32,800	(35,639)	(68,439)
Fiscal management fees - auction facility	62,810	62,810	21,479	(41,331)
Sales tax collection charges	2,610,000	2,610,000	2,536,580	(73,420)
Occupancy tax collection charges	24,000	24,000	24,000	--
NSF check fees	3,000	3,000	1,180	(1,820)
Credit card processing fees	42,000	42,000	51,122	9,122
Board of adjustment fees	5,000	5,000	4,225	(775)
Sale of construction codes and plans	37,000	37,000	11,056	(25,944)
Adult DWI pretrial fees	150,000	150,000	163,789	13,789
Pre-trial diversion fees	400,000	400,000	331,929	(68,071)
Notice of intent	54,000	54,000	50,754	(3,246)
Adjudicated property	40,000	40,000	27,160	(12,840)
Zoning fees	105,000	105,000	74,200	(30,800)
Planning assistance	65,500	65,500	92,054	26,554
Planning advertising fees	30,000	30,000	30,105	105
Miscellaneous	48,000	48,000	64,272	16,272
Public safety:				
Subdivision inspection, testing and plan review	10,000	10,000	27,230	17,230
Flood determination fees	19,500	19,500	16,915	(2,585)
Commercial and residential plan review	370,000	370,000	340,497	(29,503)
Sale of reports and photos	250,000	250,000	243,033	(6,967)
Sobriety test	30,000	30,000	36,154	6,154
False alarm fees	52,000	52,000	74,396	22,396
Reimbursements for overtime	288,000	288,000	532,406	244,406
Traffic safety fees	3,000,000	3,000,000	2,693,530	(306,470)
Prison medical charges	60,000	60,000	46,868	(13,132)

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, 2012

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Charges for services (continued):				
Public safety (continued):				
Coroners fees	$ 205,000	$ 205,000	$ 218,225	$ 13,225
Juvenile services fees	1,100	1,100	230	(870)
Miscellaneous	28,000	28,000	5,749	(22,251)
Transportation:				
Parking meters	275,000	275,000	267,119	(7,881)
Sanitation:				
Weed cutting charges	35,000	35,000	60,616	25,616
Health and welfare:				
Animal control center enforcement income	36,000	36,000	48,902	12,902
Animal control credit card payment fees	2,800	2,800	3,655	855
Culture and recreation:				
Summer programs:				
Jewel J. Newman Community Center	12,000	11,256	11,256	--
Conservation and development:				
Rent/utilities/donations:				
Leo S. Butler Community Center	15,000	15,000	11,958	(3,042)
Jewel J. Newman Community Center	4,400	39,270	39,414	144
Dr. Martin Luther King, Jr. Community Center	--	20,000	31,875	11,875
Chaneyville Community Center	--	--	2,498	2,498
Delmont Community Center	8,360	8,360	26,636	18,276
Total charges for services	21,253,770	21,307,896	21,655,596	347,700
Fines and forfeits:				
City court criminal fines and forfeitures	350,000	350,000	349,515	(485)
City court forfeitures	30,000	30,000	131,588	101,588
City court traffic fines	1,725,000	1,725,000	1,745,002	20,002
Alcoholic Beverage Control Board fines	60,000	60,000	42,068	(17,932)
Total fines and forfeits	2,165,000	2,165,000	2,268,173	103,173
Investment earnings	160,500	160,500	208,094	47,594
Miscellaneous revenues:				
Rentals:				
Land	19,000	19,000	19,575	575
Buildings	314,460	314,460	298,389	(16,071)
Oil, gas and mineral royalties	90,000	90,000	172,026	82,026
Airport note	408,950	408,950	408,950	--
Condemnations	95,000	95,000	87,701	(7,299)
Juvenile detention meals	5,500	5,500	4,241	(1,259)
Confiscated funds - police	100,000	100,000	206,688	106,688
Police - miscellaneous revenues	350,000	350,000	323,106	(26,894)
Juvenile detention reimbursement	250,000	250,000	93,991	(156,009)
Donations and contributions	135,000	135,500	111,250	(24,250)
Animal control center donations and contributions	227,340	227,340	227,632	292
Other	11,500	11,500	94,290	82,790
Total miscellaneous revenues	2,006,750	2,007,250	2,047,839	40,589
Total revenues	271,811,980	275,738,948	283,865,563	8,126,615

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, 2012

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government:				
Metropolitan council	$ 1,294,268	$ 1,289,768	$ 1,165,842	$ 123,926
Council administrator	1,836,793	1,735,570	1,684,163	51,407
Council budget office	214,323	214,323	209,682	4,641
Parish attorney	7,171,124	7,158,813	6,950,094	208,719
Public information office	310,690	426,113	325,927	100,186
Planning commission	1,559,377	1,569,377	1,543,005	26,372
City court - administration	9,403,671	9,122,811	8,744,762	378,049
City constable	2,708,460	2,581,222	2,545,785	35,437
Justice of peace and ward constables	66,500	66,500	56,943	9,557
Sheriff - costs of court	191,000	191,000	156,183	34,817
Registrar of voters	800,434	800,434	775,733	24,701
Mayor - president	1,928,015	1,777,630	1,661,056	116,574
Finance	9,343,689	9,093,689	8,749,249	344,440
Collection of funds	3,170,040	3,233,040	3,078,701	154,339
Information services	4,711,853	4,291,553	4,092,886	198,667
Computerized systems	1,203,039	1,505,464	78,952	1,426,512
Purchasing	955,275	955,275	832,230	123,045
Human resources	2,932,745	2,927,464	2,769,705	157,759
Risk management	4,447,950	4,538,614	1,572,096	2,966,518
Municipal fire and police civil service board	72,030	72,030	67,108	4,922
Public works - administration, engineering, warehouse, citizen service center, and building maintenance	17,416,497	18,479,149	17,307,117	1,172,032
Priority building improvements	10,675	41,499	39,580	1,919
Miscellaneous public works projects	6,987,526	7,053,829	575,141	6,478,688
Municipal associations	119,000	119,000	118,879	121
Total general government	78,854,974	79,244,167	65,100,819	14,143,348
Public safety:				
Fire protection districts	142,750	142,757	142,757	--
Sheriff - correctional institution	8,435,775	11,667,844	11,505,877	161,967
E.B.R. Parish Coroner	1,504,250	1,755,912	1,755,912	--
Police	82,395,188	83,819,572	80,430,939	3,388,633
Fire	44,703,173	45,241,305	45,097,507	143,798
Emergency medical services	3,692,690	3,992,200	3,708,656	283,544
Juvenile services	5,079,783	4,958,946	4,393,520	565,426
Emergency preparedness	491,806	656,806	587,005	69,801
Public works - inspection and traffic engineering	11,223,443	11,040,525	10,329,203	711,322
Demolition program	332,896	332,896	171,118	161,778
Capital Region Planning Commission	55,950	56,956	56,956	--
Crimestoppers	14,000	14,000	14,000	--
Total public safety	158,071,704	163,679,719	158,193,450	5,486,269
Transportation:				
Public works - highway division	20,844,748	21,396,328	21,396,328	--
Street lighting	4,795,000	4,126,200	4,044,604	81,596
Federal urban system	150,000	150,000	--	150,000
Street maintenance	108,300	140,800	136,400	4,400
Road lighting district no. 2	--	17,500	14,037	3,463
Total transportation	25,898,048	25,830,828	25,591,369	239,459

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, 2012

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Health and welfare:				
Health unit	$ 514,501	$ 514,501	$ 510,725	$ 3,776
Council on Aging projects	876,300	876,300	875,973	327
Crisis Care Center	252,900	253,001	253,001	--
Baton Rouge Area Alcohol and Drug Center	319,000	319,000	313,008	5,992
Animal control center	2,234,542	2,234,542	2,159,173	75,369
O'Brien House	17,100	17,100	17,100	--
Total health and welfare	4,214,343	4,214,444	4,128,980	85,464
Culture and recreation:				
Community Centers Summer Programs	13,098	13,224	13,224	--
Louisiana Arts and Science Museum	843,000	843,008	843,008	--
Arts Council of Greater Baton Rouge	334,200	338,700	338,699	1
Baton Rouge Symphony Association	95,000	95,000	95,000	--
U.S.S. Kidd	229,500	229,500	229,499	1
Knock Knock Children's Museum	15,178	15,178	15,178	--
Total culture and recreation	1,529,976	1,534,610	1,534,608	2
Conservation and development:				
Economic Development Program	1,637,243	1,591,143	1,006,437	584,706
Urban Restoration Projects	432,300	432,300	--	432,300
Baton Rouge Film Commission	180,700	180,700	110,223	70,477
Community centers	1,299,592	1,436,952	1,320,045	116,907
Human Development and Services	743,239	743,239	693,131	50,108
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	--	200,000	200,000	--
Cooperative Extension Service	60,233	60,233	56,330	3,903
Veterans Service Office	68,020	68,020	64,670	3,350
Big Buddy Program	56,050	56,050	56,050	--
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	--
Louisiana Leadership Institute	115,000	115,000	115,000	--
Baton Rouge Community College	--	83,750	83,744	6
Total conservation and development	5,194,227	5,569,237	4,307,480	1,261,757
Capital outlay	3,360,676	1,687,400	11,675	1,675,725
Intergovernmental expenditures:				
Equivalent three mills on industrial area assessment	101,740	153,208	153,208	--
District Attorney of the Nineteenth Judicial District	4,944,190	5,094,190	4,998,762	95,428
Nineteenth Judicial District Court	6,850,190	6,450,190	6,449,811	379
E.B.R. Parish Family Court	928,670	928,670	928,670	--
E.B.R. Parish Juvenile Court	1,203,520	1,203,520	1,199,509	4,011
E.B.R. Parish Clerk of Court	528,890	615,277	553,407	61,870
Capital Area Transit System	2,949,330	2,949,330	2,949,326	4
Total intergovernmental expenditures	17,506,530	17,394,385	17,232,693	161,692

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, 2012

EXHIBIT A - 7
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Total expenditures	$ 294,630,478	$ 299,154,790	$ 276,101,074	$ 23,053,716
Excess (deficiency) of revenues over (under) expenditures	(22,818,498)	(23,415,842)	7,764,489	31,180,331
OTHER FINANCING SOURCES (USES)				
Transfers in:				
City Constable Court Costs Fund	--	4,135	4,135	--
Mosquito Abatement and Rodent Control Fund	--	24,771	24,771	--
Library Board of Control Fund	--	195,406	195,406	--
Downtown Development District	--	3,131	3,131	--
Gaming Enforcement Division Fund	--	1,424	1,424	--
East Baton Rouge Parish Communications District	--	42,802	42,802	--
Emergency Medical Services Fund	90,000	252,628	252,628	--
Brownsfield Fire Protection District	--	5,118	5,118	--
Alsen-St. Irma Lee Fire Protection District	--	788	788	--
Parish Street Maintenance Fund	--	788	788	--
Grants Fund	--	213,629	213,629	--
Greater Baton Rouge Parking Authority	--	6,735	6,735	--
Comprehensive Sewerage System Fund	--	236,170	236,170	--
Solid Waste Collection and Disposal Fund	2,547,400	2,566,010	2,566,010	--
Greater Baton Rouge Airport District	--	68,753	68,753	--
Total transfers in	2,637,400	3,622,288	3,622,288	--
Transfers out:				
City Constable Court Costs Fund	(8,680)	(60,316)	(60,316)	--
Downtown Development District	(142,500)	(142,500)	(142,500)	--
Brownsfield Fire Protection District	(16,250)	(16,250)	(16,250)	--
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)	--
Grants Fund	(165,037)	(1,306,101)	(1,303,153)	2,948
Taxable Refunding Bonds Fund	(5,242,270)	(5,242,270)	(5,222,514)	19,756
Excess Revenue and Limited Tax Fund	(109,200)	(88,040)	(86,308)	1,732
Capital Projects Fund	--	(4,770,059)	(4,770,059)	--
Baton Rouge River Center	(1,425,000)	(1,425,000)	(1,425,000)	--
Solid Waste Collection and Disposal Fund	(80,000)	(80,000)	(70,782)	9,218
Total transfers out	(7,268,307)	(13,209,906)	(13,176,252)	33,654
Proceeds of capital asset disposition	415,000	419,750	218,522	(201,228)
Total other financing sources and uses	(4,215,907)	(9,167,868)	(9,335,442)	(167,574)
Net change in fund balances	(27,034,405)	(32,583,710)	(1,570,953)	31,012,757
Fund balances, January 1	102,768,472	102,768,472	102,768,472	--
Fund balances, December 31	$ 75,734,067	$ 70,184,762	$ 101,197,519	$ 31,012,757

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, 2012

EXHIBIT A - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 37,900,090	$ 37,900,090	$ 38,156,911	$ 256,821
Charges for services:				
Library - copy machine	45,000	45,000	27,413	(17,587)
Fines and forfeits:				
Fines	250,000	250,000	229,687	(20,313)
Investment earnings	74,370	74,370	207,424	133,054
Miscellaneous revenues:				
Donations	5,000	5,000	4,000	(1,000)
Other income	5,000	5,000	16,162	11,162
Total miscellaneous revenues	10,000	10,000	20,162	10,162
Total revenues	38,279,460	38,279,460	38,641,597	362,137
EXPENDITURES				
Current:				
Culture and recreation:				
Operations	33,860,623	33,492,117	28,594,001	4,898,116
Capital outlay	335,963	509,063	280,155	228,908
Total expenditures	34,196,586	34,001,180	28,874,156	5,127,024
Excess (deficiency) of revenues over (under) expenditures	4,082,874	4,278,280	9,767,441	5,489,161
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	--	(195,406)	(195,406)	--
Grants Fund	--	(998)	(998)	--
Capital Projects Fund	(289,260)	(289,260)	(289,260)	--
Total transfers out	(289,260)	(485,664)	(485,664)	--
Proceeds of capital asset disposition	--	--	3,847	3,847
Total other financing sources and uses	(289,260)	(485,664)	(481,817)	3,847
Net change in fund balances	3,793,614	3,792,616	9,285,624	5,493,008
Fund balances, January 1	52,456,431	52,456,431	52,456,431	--
Fund balances, December 31	$ 56,250,045	$ 56,249,047	$ 61,742,055	$ 5,493,008

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, 2012

EXHIBIT A - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Federal grants:				
Federal Emergency Management Agency	$ 1,951	$ 1,612	$ 1,612	$ --
Department of Justice	2,006,931	2,006,931	311,430	(1,695,501)
Department of Health and Human Services	16,614,604	16,617,950	15,201,397	(1,416,553)
Department of Housing and Urban Development	37,294,461	37,119,228	16,455,961	(20,663,267)
Environmental Protection Agency	282,476	282,476	123,556	(158,920)
Small Business Administration	268,195	268,195	124,081	(144,114)
American Recovery and Reinvestment Act:				
Department of Health and Human Services	(120)	(120)	(120)	--
Department of Housing and Urban Development	332,581	332,440	332,440	--
Department of Energy	1,534,078	1,534,078	1,472,233	(61,845)
State grants:				
Department of Health and Hospitals	44,660	44,660	23,294	(21,366)
Highway Safety Commission	1,465,239	1,428,154	725,872	(702,282)
Commission on Law Enforcement	247,868	264,479	222,442	(42,037)
Governor's Office of Homeland Security and Emergency Preparedness	11,298,640	11,299,122	5,682,975	(5,616,147)
Department of Public Safety and Corrections	92,456	92,456	158,130	65,674
Louisiana State Supreme Court	92,957	92,957	61,971	(30,986)
Department of Transportation and Development	702,294	702,294	275,691	(426,603)
Louisiana State Capital Outlay	1,400,000	1,400,000	10,000	(1,390,000)
Louisiana Housing Finance Agency	7,500	7,500	--	(7,500)
Louisiana Recovery Authority	31,644,059	31,644,059	4,884,445	(26,759,614)
Louisiana Department of Treasury	60,272	60,272	704	(59,568)
Department of Social Services	759,109	760,851	400,991	(359,860)
Louisiana Workforce Commission	8,621,373	9,612,065	3,448,068	(6,163,997)
Department of Agriculture	7,384	7,101	3,687	(3,414)
Department of Education	1,486,952	1,541,735	898,537	(643,198)
Department of Economic Development	51,860	51,860	39,760	(12,100)
Louisiana Division of Administration Office of Community Development Disaster Recovery Unit	386,363	386,363	91,872	(294,491)
American Recovery and Reinvestment Act:				
Louisiana Highway Safety Commission	61,224	61,163	25,163	(36,000)
Department of Transportation and Development	341,044	341,044	139,982	(201,062)
Department of Social Services	178,206	178,206	177,342	(864)
Louisiana Workforce Commission	150,856	150,856	150,856	--
Department of Natural Resources	179,227	179,930	179,930	--
Other grants:				
Capital Region Planning Commission	109,748	99,631	81,631	(18,000)
Entergy	57,518	57,518	4,363	(53,155)
Pennington Foundation	12,500	12,500	12,500	--
Louisiana Association of Community Action Partnership	1,176,243	629,413	(18,328)	(647,741)
Southern University Baton Rouge	3,685	3,657	3,657	--
Cities of Service	93,149	93,149	91,677	(1,472)
Arts Council of Greater Baton Rouge	7,032	7,032	7,032	--
Capital Area United Way	29,580	29,899	15,319	(14,580)
St. John the Baptist Parish	3,155	3,155	3,155	--
American Recovery and Reinvestment Act:				
Louisiana Association of Community Action Partnership	155,822	80,012	80,012	--
Total intergovernmental revenues	119,263,132	119,485,883	51,905,320	(67,580,563)

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, 2012

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (continued)				
Investment earnings	$ 81,528	$ 77,270	$ 2,843	$ (74,427)
Miscellaneous revenues:				
Program income (Housing and Urban Development)	1,459,568	1,102,681	512,400	(590,281)
Insurance reimbursement - Hurricane Gustav	773,914	773,914	--	(773,914)
Headstart - in kind contributions	2,682,505	3,457,929	3,457,929	--
Sobriety Court fees	29,170	44,170	23,821	(20,349)
Other	4,655	4,656	375,106	370,450
Total miscellaneous revenues	4,949,812	5,383,350	4,369,256	(1,014,094)
Total revenues	124,294,472	124,946,503	56,277,419	(68,669,084)
EXPENDITURES				
Current:				
General government:				
City Constable - Drug Abuse Resistance Education	219,206	231,816	205,745	26,071
Cities of Service Leadership Grant	93,149	92,426	90,954	1,472
Total general government	312,355	324,242	296,699	27,543
Public safety:				
FEMA-Assistance to Firefighters	4,810	2,015	2,015	--
FEMA-Hurricane Gustav	10,109,349	10,109,349	834,868	9,274,481
FEMA-Hurricane Isaac	9,076,550	9,076,550	7,900,517	1,176,033
Edward Byrne Memorial Justice Assistance Grant	286,358	254,952	126,254	128,698
Project Safe Neighborhoods - Anti Gang Act	145,452	145,452	78,410	67,042
State and Local Domestic Preparedness Equipment Program	82,628	82,628	--	82,628
Baton Rouge Area Violence Elimination	1,499,993	1,499,993	--	1,499,993
Pride Fire Department	2,520	2,520	2,520	--
Chaneyville Fire Department	2,900	2,333	2,333	--
EMS Providers Emergency Preparedness Grant	367	367	367	--
National Institute of Justice - Solving Cold Cases with DNA	93,308	93,308	71,117	22,191
Title IV-E Reimbursements	153,159	151,851	129,925	21,926
Citizen Corps Council	6,653	6,653	--	6,653
Urban Areas Security Initiative Grant	305,440	305,440	--	305,440
Metropolitan Medical Response System Grant	276,571	276,571	--	276,571
Hazard Mitigation Planning Grant	149,790	154,722	154,722	--
Families In Need of Services	159,296	157,720	94,003	63,717
Local Government Assistance Program:				
Pride Fire Protection District	14,000	14,000	14,000	--
Brownsfield Fire Protection District	14,000	14,000	14,000	--
Alsen-St. Irma Lee Fire Protection District	13,000	13,000	--	13,000
Comprehensive Resiliency Pilot Program	332,363	331,218	49,727	281,491
Drug Abuse Resistence Education	12,717	12,717	--	12,717
Juvenile Accountability Incentive Block Grant	143,384	141,422	120,632	20,790
Targeted Violent Offender Program	59,941	77,146	73,070	4,076
Juvenile Detention Alternatives Initiative	10,000	9,990	9,990	--
Juvenile Detention Center Assistance	338	--	--	--
City Constable Targeted Violent Offender Program	7,599	7,599	7,599	--
Juvenile Detention Alternative Initiatives - Disproportionate Minority Contact Reform Research Program	22,000	22,000	7,000	15,000
Reduce Underage Drinking	324,889	324,889	141,253	183,636
Police Department Year-Round Overtime Grant	910,675	900,435	459,176	441,259
Baton Rouge City Court DWI Court	323,220	311,376	284,953	26,423

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, 2012

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Public safety (continued):				
Transportation Planning Study	$ 38,949	$ 39,831	$ 34,538	$ 5,293
Pennington Foundation Police K-9 Grant	12,500	12,500	12,500	--
American Recovery and Reinvestment Act:				
Police Department Year-Round Overtime Flex Funding Grant	61,224	61,163	25,163	36,000
Local Energy Assurance Planning	150,800	150,415	150,415	--
Non-grant funds:				
Multi-Jurisdictional Investigative Narcotics Task Force Program Income	10,981	11,048	--	11,048
Metropolitan Medical Response System	267,595	267,595	--	267,595
Total public safety	25,085,319	25,044,768	10,801,067	14,243,701
Transportation:				
Flood Property Acquisition	229,822	389,822	207,672	182,150
Land Use and Socio-Economic Study	72,000	72,000	54,000	18,000
Mass transit local assistance	180,000	180,000	--	180,000
Total transportation	481,822	641,822	261,672	380,150
Health and welfare:				
Energy Special Needs Program	7,500	7,500	--	7,500
Low Income Housing Energy Assistance Program	658,960	658,960	11,218	647,742
Low Income Housing Energy Assistance Program Client Education Grant	25,000	23,933	23,933	--
Federal Emergency Management Agency Emergency Shelter	14,580	14,899	319	14,580
Non-grant funds:				
Weatherization Assistance Program	640	640	--	640
Summer Food Program	1,066	1,066	--	1,066
Low Income Housing Energy Assistance Program	349,102	375,211	55,144	320,067
Temporary Assistance to Needy Families	107,832	107,832	--	107,832
Total health and welfare	1,164,680	1,190,041	90,614	1,099,427
Culture and recreation:				
Decentralized Arts Funding Grant	7,032	7,032	7,032	--
Baseball Stadium Improvements	1,400,000	1,400,000	10,000	1,390,000
Total culture and recreation	1,407,032	1,407,032	17,032	1,390,000
Conservation and development:				
Environmental Protection Agency Brownsfield Pilot Program	282,476	282,476	257,434	25,042
Section 8 Operating Reserve	349,922	349,922	1,428	348,494
Sharlo Terrace II	110,302	110,302	28,331	81,971
Section 8 Voucher Program	1,926,516	1,994,913	1,834,284	160,629
Neighborhood Stabilization Program Grant	1,297,334	1,296,851	1,191,551	105,300
Headstart	9,804,085	9,777,984	9,772,164	5,820
Early Headstart	827,572	1,075,207	847,672	227,535
Headstart Expansion	270,433	(521)	(521)	--
Ryan White HIV/AIDS Treatment Grant	5,146,437	5,064,915	4,894,941	169,974
Ryan White Minority AIDS Initiative	636,441	626,602	577,938	48,664
Small Business Investment Initiative Grant	268,195	266,887	122,773	144,114
Headstart Food Program	1,486,952	1,533,790	890,592	643,198

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, 2012

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
Community Services Block Grant	$ 1,873,788	$ 2,613,808	$ 1,142,840	$ 1,470,968
Louisiana Job Employment Training	94,092	(3,663)	(3,663)	--
Community Development Emergency Shelter Grants	553,660	653,592	400,160	253,432
Community Wide Programs	60,272	60,272	60,268	4
Workforce Investment Act:				
Adult Program	1,816,771	1,893,385	513,063	1,380,322
Youth Program	2,679,630	2,668,592	1,942,596	725,996
Dislocated Workers Program	1,428,108	1,577,681	378,496	1,199,185
Louisiana Employment Assistance Program	823,077	823,077	(16,690)	839,767
Small and Emerging Business Development Program	51,860	51,860	39,760	12,100
Emergency Preparedness Entergy Grant	57,518	57,518	4,363	53,155
Capital Area United Way - Vita Grant	15,000	15,000	15,000	--
Keep Louisiana Beautiful, Inc.	2,480	2,480	--	2,480
Weatherization Assistance Program	492,283	(53,480)	(53,480)	--
Southern University Weatherization Assistance	3,685	3,657	3,657	--
Non-grant funds:				
Headstart programs	6,867	11,022	500	10,522
Rental rehabilitation local funds	1,023,173	972,357	561,654	410,703
Headstart - in kind services	2,682,505	3,457,929	3,457,929	--
Louisiana Job Employment Training	41,095	40,593	4,932	35,661
Small and Emerging Business Development Program	54,151	54,151	2,440	51,711
Community Development Block Grant:				
Public improvements, facilities	262,636	221,921	27,592	194,329
Demolition and clearance	140,000	140,000	--	140,000
Public services	2,432,278	3,248,370	2,375,717	872,653
Relocation assistance	5,000	5,000	--	5,000
Housing rehabilitation	7,196,769	6,766,757	2,655,511	4,111,246
Economic development	720	720	--	720
Planning	10,000	--	--	--
Program administration	1,947,610	1,613,337	746,361	866,976
Contingencies	7,410	--	--	--
Community Development Home Program:				
Construction of housing	56,488	56,488	--	56,488
Direct home ownership assistance	6,767,002	6,737,591	5,546,854	1,190,737
Housing rehabilitation	858,453	858,453	833,553	24,900
Program administration	1,504,472	1,519,420	610,174	909,246
Community Housing Development Organization	3,408,605	3,406,296	802,966	2,603,330
Continuum of Care - Supportive Housing Program:				
Public services	2,198,489	1,951,522	1,849,872	101,650
Program administration	33,369	32,936	31,501	1,435
Housing Opportunities for Persons with AIDS Program:				
Public services	4,821,285	4,821,285	2,683,340	2,137,945
Program administration	1,310,942	1,309,771	279,734	1,030,037
American Recovery and Reinvestment Act:				
HUD - Homelessness Prevention and Rapid Re-housing Program	266,545	266,449	266,449	--
Louisiana - Homelessness Prevention and Rapid Re-housing Program	178,206	178,197	177,333	864

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, 2012

EXHIBIT A - 9
(Continued)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Current (continued):				
Conservation and development (continued):				
American Recovery and Reinvestment Act (continued):				
Community Development Block Grant Recovery Funds	$ 568,504	$ 65,849	$ 65,849	$ --
Early Headstart	(120)	(120)	(120)	--
Energy Efficiency and Conservation Block Grant	1,449,185	1,447,944	1,215,124	232,820
Workforce Investment Act - National Emergency Grant - On the Job Training	150,856	150,856	150,856	--
Renew Louisiana Energy Efficiency and Conservation Block Grant	32,288	63,169	63,169	--
Weatherization Assistance Program	140,929	80,106	80,106	--
Louisiana Recovery Act	17,351,159	17,996,136	11,906,079	6,090,057
Total conservation and development	89,265,760	90,217,612	61,240,432	28,977,180
Capital outlay	18,092,286	17,448,790	3,586,919	13,861,871
Total expenditures	135,809,254	136,274,307	76,294,435	59,979,872
Excess (deficiency) of revenues over (under) expenditures	(11,514,782)	(11,327,804)	(20,017,016)	(8,689,212)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	307,517	1,303,153	1,303,153	--
Library Board of Control Fund	998	998	998	--
City Constable Court Costs Fund	132	132	132	--
Mosquito Abatement and Rodent Control Fund	32,516	32,516	32,516	--
East Baton Rouge Parish Communications District	5,721	5,721	5,721	--
Emergency Medical Services Fund	2,329	48,604	48,604	--
Chaneyville Fire Protection District	1,450	1,166	1,166	--
Pride Fire Protection District	3,414	3,414	3,414	--
Greater Baton Rouge Airport District	15,405	15,405	15,405	--
Comprehensive Sewerage System Fund	62,076	62,076	62,076	--
Solid Waste Collection and Disposal Fund	1,383,407	1,383,407	1,383,407	--
Central Garage Fund	1,208	1,208	1,208	--
Total transfers in	1,816,173	2,857,800	2,857,800	--
Transfers out:				
General Fund	--	(213,629)	(213,629)	--
Proceeds of capital asset disposition	--	6,046	6,046	--
Total other financing sources and uses	1,816,173	2,650,217	2,650,217	--
Net change in fund balances	(9,698,609)	(8,677,587)	(17,366,799)	(8,689,212)
Fund balances, January 1	12,483,792	12,483,792	12,483,792	--
Fund balances, December 31	$ 2,785,183	$ 3,806,205	$ (4,883,007)	$ (8,689,212)

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, 2012

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
ASSETS			
Current assets:			
Cash and cash equivalents	$ 6,603,476	$ 156,451,545	$ 16,889,584
Investments	3,252,458	77,058,224	8,318,750
Sales taxes receivable	--	3,980,665	--
Accounts receivable - net	182,832	6,255,395	3,371,556
Accrued interest receivable	2,117	185,867	6,199
Due from other governments (Note 11)	1,175,852	3,063,435	--
Prepaid items	--	--	--
Inventory	--	--	--
Total current assets	11,216,735	246,995,131	28,586,089
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	7,847,925	247,523,781	--
Investments	3,865,396	123,907,341	--
Accounts receivable - net	181,376	--	--
Accrued interest receivable	462	116,751	--
Prepaid items	8,249	555,799	--
Total restricted assets	11,903,408	372,103,672	--
Investment in joint venture (Note 19)	--	--	--
Capital assets (Note 6):			
Land	34,802,450	30,925,420	9,174,358
Buildings	119,438,769	--	141,449
Noise mitigation costs	57,876,615	--	--
Improvements (other than buildings)	164,367,391	1,330,209,279	28,347,174
Equipment	3,962,965	6,241,881	59,359
Construction work in progress	15,568,598	195,916,983	--
Total capital assets	396,016,788	1,563,293,563	37,722,340
Accumulated depreciation	(105,940,237)	(487,388,904)	(20,144,548)
Net capital assets	290,076,551	1,075,904,659	17,577,792
Total noncurrent assets	301,979,959	1,448,008,331	17,577,792
Total assets	313,196,694	1,695,003,462	46,163,881
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	--	2,736,215	--
Deferred outflows on derivative instruments	--	89,283,927	--
Total deferred outflows of resources	--	92,020,142	--

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
$ 4,890,827	$ 184,835,432	$ 12,994,544
2,408,914	91,038,346	--
--	3,980,665	--
562,081	10,371,864	--
1,116	195,299	3,347
692,700	4,931,987	--
205,659	205,659	--
125,555	125,555	318,731
8,886,852	295,684,807	13,316,622
5,763,380	261,135,086	--
2,838,679	130,611,416	--
--	181,376	--
2,470	119,683	--
--	564,048	--
8,604,529	392,611,609	--
2,036,458	2,036,458	--
2,654,217	77,556,445	47,568
101,030,406	220,610,624	2,213,798
--	57,876,615	--
13,753,020	1,536,676,864	7,190
1,203,255	11,467,460	34,179,461
136,680	211,622,261	--
118,777,578	2,115,810,269	36,448,017
(59,702,171)	(673,175,860)	(29,101,407)
59,075,407	1,442,634,409	7,346,610
69,716,394	1,837,282,476	7,346,610
78,603,246	2,132,967,283	20,663,232
--	2,736,215	--
--	89,283,927	--
--	92,020,142	--

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	**Comprehensive Sewerage System**	**Solid Waste Collection and Disposal**
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	$ 3,156,047	$ 54,984,739	$ 2,951,873
Accrued salaries payable	184,151	633,395	53,062
Accrued interest payable	1,177,675	20,227,746	--
Unearned revenue	--	--	--
Obligations payable (Note 10)	306,250	--	--
Bonds payable (Note 10)	1,385,000	14,245,000	--
Compensated absences payable	402,622	1,469,244	89,860
Total current liabilities	6,611,745	91,560,124	3,094,795
Noncurrent liabilities:			
Obligations payable (Note 10)	2,828,750	50,066,577	--
Loans payable	966,124	--	--
Bonds payable (Net of premiums and discounts) (Note 10)	64,577,367	927,901,084	--
Derivative instrument liability (Note 10)	--	89,283,927	--
Compensated absences payable	40,805	--	--
Landfill closure and postclosure care liability (Note 17)	--	--	10,948,908
Net other postemployment benefit obligation	4,777,214	17,129,949	1,657,432
Total noncurrent liabilities	73,190,260	1,084,381,537	12,606,340
Total liabilities	79,802,005	1,175,941,661	15,701,135
NET POSITION			
Net investment in capital assets	226,262,533	401,901,092	17,577,792
Restricted for capital projects	4,225,517	--	--
Restricted for debt service	1,331,466	31,309,410	--
Restricted Passenger Facility Charges	191,241	--	--
Restricted for external legal constraints	--	60,000,000	--
Unrestricted	1,383,932	117,871,441	12,884,954
Total net position	$ 233,394,689	$ 611,081,943	$ 30,462,746

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
$ 1,721,248	$ 62,813,907	$ 441,501
172,098	1,042,706	72,615
--	21,405,421	--
946,389	946,389	--
--	306,250	--
1,309,000	16,939,000	--
95,096	2,056,822	174,962
4,243,831	105,510,495	689,078
--	52,895,327	--
--	966,124	--
6,620,160	999,098,611	--
--	89,283,927	--
21,213	62,018	--
--	10,948,908	--
417,627	23,982,222	--
7,059,000	1,177,237,137	--
11,302,831	1,282,747,632	689,078
52,377,747	698,119,164	7,346,610
9,297,229	13,522,746	--
--	32,640,876	--
--	191,241	--
--	60,000,000	--
5,625,439	137,765,766	12,627,544
$ 67,300,415	$ 942,239,793	$ 19,974,154

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, 2012

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
OPERATING REVENUES			
Charges for services	$ 13,036,584	$ 73,291,132	$ 37,357,709
Miscellaneous revenues	287,525	23,552	1,082,042
Total operating revenues	13,324,109	73,314,684	38,439,751
OPERATING EXPENSES			
Personal services	3,306,156	11,253,679	997,535
Employee benefits	2,477,579	8,125,786	697,064
Supplies	473,846	3,209,750	203,307
Contractual services	5,908,632	17,557,175	33,011,711
Landfill closure and postclosure care expense	--	--	559,135
Cost of materials	--	--	--
Depreciation	10,363,475	37,299,081	1,222,357
Management fee	--	--	--
Total operating expenses	22,529,688	77,445,471	36,691,109
Operating income (loss)	(9,205,579)	(4,130,787)	1,748,642
NONOPERATING REVENUES (EXPENSES)			
Taxes pledged as securities for revenue bonds	--	42,144,822	--
Operating grants	48,960	--	--
Net income (loss) from joint venture	--	--	--
Passenger facility charges (Note 16)	1,759,660	--	--
Customer facility charges	1,782,130	--	--
Federal subsidy on debt	--	7,352,245	--
Investment earnings	42,697	2,164,343	45,772
Interest expense	(3,016,953)	(23,822,384)	(667)
Bond issuance costs	15,919	(327,333)	--
Gain (loss) on disposition of capital assets	(1,078,120)	14,273	--
Total nonoperating revenues (expenses)	(445,707)	27,525,966	45,105
Income (loss) before contributions and transfers	(9,651,286)	23,395,179	1,793,747
Capital contributions	12,600,863	2,707,434	--
Transfers in	--	--	70,782
Transfers out	(84,158)	(298,246)	(3,949,417)
Change in net position	2,865,419	25,804,367	(2,084,888)
Total net position - January 1, restated (Note 1)	230,529,270	585,277,576	32,547,634
Total net position - December 31	$ 233,394,689	$ 611,081,943	$ 30,462,746

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
$ 7,641,067	$ 131,326,492	$ 20,628,386
796,228	2,189,347	--
8,437,295	133,515,839	20,628,386
3,348,281	18,905,651	1,329,416
564,687	11,865,116	868,863
1,540,058	5,426,961	126,148
4,158,014	60,635,532	3,334,707
--	559,135	--
--	--	10,797,549
4,049,100	52,934,013	3,057,521
412,957	412,957	--
14,073,097	150,739,365	19,514,204
(5,635,802)	(17,223,526)	1,114,182
--	42,144,822	--
328,147	377,107	--
217,164	217,164	--
--	1,759,660	--
--	1,782,130	--
--	7,352,245	--
31,255	2,284,067	24,872
(60,621)	(26,900,625)	--
--	(311,414)	--
4,081	(1,059,766)	241,523
520,026	27,645,390	266,395
(5,115,776)	10,421,864	1,380,577
2,457,704	17,766,001	--
1,425,000	1,495,782	--
(6,735)	(4,338,556)	(1,208)
(1,239,807)	25,345,091	1,379,369
68,540,222	916,894,702	18,594,785
$ 67,300,415	$ 942,239,793	$ 19,974,154

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 13,445,348	$ 72,672,505	$ 38,589,806
Payments to suppliers for goods and services	(6,397,590)	(20,449,118)	(33,324,746)
Payments to employees for services and benefits	(4,876,748)	(16,464,054)	(1,410,796)
Other operating receipts	--	23,552	--
Net cash provided by (used for) operating activities	2,171,010	35,782,885	3,854,264
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts from general sales and use taxes	--	42,148,133	--
Operating grants received	63,380	--	--
Transfers in from other funds	--	--	70,782
Transfers out to other funds	(84,158)	(298,246)	(3,949,417)
Net cash provided by (used for) noncapital financing activities	(20,778)	41,849,887	(3,878,635)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of debt	3,432,108	852,723	--
Proceeds from capital grants	12,337,577	31,842	--
Proceeds from sale of capital assets	234,388	15,123	--
Passenger facility charges	1,777,325	--	--
Customer facility charges	1,730,473	--	--
Acquisition and construction of capital assets	(19,405,053)	(270,166,197)	--
Principal paid on bonds, obligations and capital leases	(1,619,167)	(13,360,000)	(149,875)
Interest paid on bonds, obligations and capital leases	(3,039,216)	(50,773,068)	(667)
Federal subsidy on debt	--	7,352,245	--
Capital contributed by other governments	--	--	--
Capital contributed from impact fees	--	1,876,728	--
Net cash provided by (used for) capital and related financing activities	(4,551,565)	(324,170,604)	(150,542)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(7,117,854)	(200,965,565)	(8,318,750)
Proceeds from sales and maturities of investments	7,103,989	362,645,759	9,374,906
Cash received from joint venture activity	--	--	--
Cash paid for expenses of joint venture	--	--	--
Interest received on investments	43,523	3,028,639	45,663
Net cash provided by (used for) investing activities	29,658	164,708,833	1,101,819

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
$ 7,966,782	$ 132,674,441	$ 20,628,386
(6,218,618)	(66,390,072)	(14,598,456)
(3,785,585)	(26,537,183)	(2,205,488)
--	23,552	--
(2,037,421)	39,770,738	3,824,442
--	42,148,133	--
328,147	391,527	--
1,425,000	1,495,782	--
(6,735)	(4,338,556)	(1,208)
1,746,412	39,696,886	(1,208)
7,201,660	11,486,491	--
--	12,369,419	--
4,081	253,592	241,558
--	1,777,325	--
--	1,730,473	--
(6,323,632)	(295,894,882)	(3,566,502)
(692,500)	(15,821,542)	--
(60,621)	(53,873,572)	--
--	7,352,245	--
3,036,628	3,036,628	--
--	1,876,728	--
3,165,616	(325,707,095)	(3,324,944)
(5,247,593)	(221,649,762)	--
1,641,390	380,766,044	--
432,093	432,093	--
(67,458)	(67,458)	--
31,080	3,148,905	24,359
(3,210,488)	162,629,822	24,359

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities - Enterprise Funds		
	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal
Net increase (decrease) in cash and cash equivalents (Note 1)	$ (2,371,675)	$ (81,828,999)	$ 926,906
Cash and cash equivalents, January 1	16,823,076	485,804,325	15,962,678
Cash and cash equivalents, December 31	$ 14,451,401	$ 403,975,326	$ 16,889,584
Classified as:			
Current assets	$ 6,603,476	$ 156,451,545	$ 16,889,584
Restricted assets	7,847,925	247,523,781	--
Totals	$ 14,451,401	$ 403,975,326	$ 16,889,584
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (9,205,579)	$ (4,130,787)	$ 1,748,642
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	10,363,475	37,299,081	1,222,357
Landfill closure and postclosure care expense	--	--	559,135
Increase (decrease) in compensated absences payable	(62,974)	(98,307)	7,331
Increase (decrease) in net other post employment benefit obligation	884,994	2,943,579	269,852
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	254,294	(96,330)	150,055
Decrease (increase) in prepaid items	--	--	--
Decrease (increase) in inventory	--	--	--
Increase (decrease) in accounts and contracts payable	(15,112)	(204,490)	(109,728)
Increase (decrease) in accrued salaries payable	(48,088)	70,139	6,620
Increase (decrease) in unearned revenue	--	--	--
Total adjustments	11,376,589	39,913,672	2,105,622
Net cash provided by (used for) operating activities	$ 2,171,010	$ 35,782,885	$ 3,854,264
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	$ 2,579	$ 302,618	$ --
Loss on disposal of capital assets	(1,312,508)	(850)	--
Contributions/accruals of capital assets	263,286	798,864	--
Amortization of joint venture	--	--	--
Interest expense on swap obligations	--	1,103,423	--

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities Internal Service Funds
Other Enterprise Total	Total	
$ (335,881)	$ (83,609,649)	$ 522,649
10,990,088	529,580,167	12,471,895
$ 10,654,207	$ 445,970,518	$ 12,994,544
$ 4,890,827	$ 184,835,432	$ 12,994,544
5,763,380	261,135,086	--
$ 10,654,207	$ 445,970,518	$ 12,994,544
$ (5,635,802)	$ (17,223,526)	$ 1,114,182
4,049,100	52,934,013	3,057,521
--	559,135	--
2,402	(151,548)	(17,329)
75,760	4,174,185	--
(87,309)	220,710	--
9,588	9,588	--
(65,846)	(65,846)	65,830
(51,331)	(380,661)	(405,882)
49,221	77,892	10,120
(383,204)	(383,204)	--
3,598,381	56,994,264	2,710,260
$ (2,037,421)	$ 39,770,738	$ 3,824,442
$ 3,586	$ 308,783	$ 3,347
--	(1,313,358)	(35)
--	1,062,150	--
(62,500)	(62,500)	--
--	1,103,423	--

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

EXHIBIT A - 13

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	$ 21,123,960
Receivables:	
Employee contributions	3,797,895
Employer contributions	898,560
Interest and dividends	372,234
Pending trades	12,653,706
Other contributions	172,751
Total receivables	17,895,146
Investments, at fair value	
Fixed income - domestic	274,792,713
Fixed income - international	12,044,477
Equity securities - domestic	297,064,812
Equity securities - international	284,723,168
Real estate investments	49,812,847
Alternative investments	46,720,211
Total investments	965,158,228
Capital assets:	
Land	550,628
Buildings	706,345
Equipment	46,231
Accumulated depreciation	(718,907)
Total capital assets	584,297
Total assets	1,004,761,631
LIABILITIES	
Accrued expenses and benefits payable	1,332,009
Pending trade payables	21,100,435
Total liabilities	22,432,444
NET POSITION	
Held in trust for pension benefits	$ 982,329,187

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, 2012

EXHIBIT A - 14

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employee	$ 13,485,599
Employer	37,560,437
Severance contributions from employee	1,813,042
Total contributions	52,859,078
Investment income:	
From investment activities	
Net appreciation (depreciation) in fair value of investments	120,279,154
Interest	2,429,414
Dividends	186,715
Total investment income	122,895,283
Less: investment expense	5,420,076
Net income from investing activities	117,475,207
From securities lending activities	
Securities lending income (loss)	(69,523)
Less: Borrower rebate, fees, and expenses	3,791
Net income (loss) from securities lending activities	(73,314)
Total net investment income	117,401,893
Total additions	170,260,971
DEDUCTIONS	
Benefit payments	93,281,920
Refunds and withdrawals	2,721,886
Administrative expenses	1,466,310
Total deductions	97,470,116
Change in net assets	72,790,855
Net position - beginning of year	909,538,332
Net position - end of year	$ 982,329,187

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, 2012

	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court
ASSETS				
Cash and cash equivalents	$ 3,059,669	$ 18,787,226	$ 194,541	$ 516,275
Property taxes receivable	--	--	--	--
Sales taxes receivable	--	--	--	--
Accounts receivable	165,092	56,199	--	116
Accrued interest receivable	--	99	--	--
Loans receivable	--	--	--	--
Due from other governments	--	720,383	--	35,520
Prepaid items	--	280,534	--	3,000
Inventory	--	--	--	--
Net pension asset	--	--	--	--
Other assets	--	62,411	--	--
Restricted assets:				
Cash and cash equivalents	--	--	--	--
Capital assets: (Note 6)				
Buildings	--	117,917,671	--	--
Equipment	1,963,831	5,166,316	103,979	388,195
Accumulated depreciation	(1,386,383)	(8,860,881)	(56,710)	(374,898)
Total assets	$ 3,802,209	$ 134,129,958	$ 241,810	$ 568,208
LIABILITIES				
Accounts payable and other current liabilities	$ 144,709	$ 266,923	$ 5,120	$ 5,386
Due to other governments	--	--	--	--
Accrued payables	204,551	423,634	--	36,367
Other liabilities	121,947	--	22,005	--
Non-current liabilities: (Note 10)				
Due within one year	--	1,609,154	10,000	--
Due in more than one year:				
Bonds and notes payable	--	93,340,000	--	--
Deferred premium on bonds	--	2,305,780	--	--
Compensated absences payable	--	659,269	109,719	171,054
Net other postemployment benefit obligation	5,006,143	5,451,669	761,441	1,518,895
Obligation under capital leases	--	--	--	--
Claims and judgments payable	--	--	--	--
Total liabilities	5,477,350	104,056,429	908,285	1,731,702
NET POSITION				
Net investment in capital assets	577,448	19,418,106	47,269	13,297
Restricted for:				
Debt service	--	12,573,380	--	--
External legal constraints	--	1,491,262	--	74,639
Unrestricted	(2,252,589)	(3,409,219)	(713,744)	(1,251,430)
Total net position	$ (1,675,141)	$ 30,073,529	$ (666,475)	$ (1,163,494)

(1) As of June 30, 2012

The accompanying notes are an integral part of this statement.

E.B.R. Parish Clerk of Court (1)	East Baton Rouge Redevelop-ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	Capital Area Transit System	Totals
$ 7,255,384	$ 4,155,071	$ 13,330	$ 50,504	$ 365,412	$ 34,397,412
--	--	--	--	14,801,385	14,801,385
--	--	9,325	44,312	--	53,637
162,870	--	--	--	335,237	719,514
--	--	--	--	--	99
--	1,289,837	--	--	--	1,289,837
--	657,180	--	--	2,234,720	3,647,803
--	10,235	--	--	59,593	353,362
--	2,831,783	--	--	508,914	3,340,697
--	--	--	--	1,609,183	1,609,183
--	8,935	--	--	--	71,346
--	--	--	--	171,514	171,514
--	--	--	--	--	117,917,671
8,929,482	189,091	--	--	23,075,523	39,816,417
(7,698,593)	(75,594)	--	--	(14,440,386)	(32,893,445)
$ 8,649,143	$ 9,066,538	$ 22,655	$ 94,816	$ 28,721,095	$ 185,296,432
$ 245,371	$ 573,294	$ 22,655	$ 94,816	$ 2,365,423	$ 3,723,697
201,690	--	--	--	--	201,690
749,155	--	--	--	--	1,413,707
--	--	--	--	50,000	193,952
--	--	--	--	4,861,207	6,480,361
--	--	--	--	--	93,340,000
--	--	--	--	--	2,305,780
678,527	--	--	--	287,076	1,905,645
3,048,755	--	--	--	--	15,786,903
--	--	--	--	2,299,028	2,299,028
--	--	--	--	971,421	971,421
4,923,498	573,294	22,655	94,816	10,834,155	128,622,184
1,230,889	113,497	--	--	5,641,345	27,041,851
--	--	--	--	--	12,573,380
--	2,882,877	--	--	171,514	4,620,292
2,494,756	5,496,870	--	--	12,074,081	12,438,725
$ 3,725,645	$ 8,493,244	$ --	$ --	$ 17,886,940	$ 56,674,248

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING STATEMENT OF ACTIVITIES
ALL DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Judicial Court Services				
	District Attorney of the Nineteenth Judicial District	Nineteenth Judicial District Court (1)	E.B.R. Parish Family Court	E.B.R. Parish Juvenile Court	E.B.R. Parish Clerk of Court (1)
EXPENSES	$ 13,604,714	$ 23,976,239	$ 1,989,728	$ 1,943,397	$ 13,671,230
PROGRAM REVENUES:					
Charges for services	3,194,304	9,148,571	129,547	42,886	12,983,653
Operating grants and contributions	8,973,610	10,147,940	1,672,108	429,197	883,654
Capital grants and contributions	--	--	--	--	--
Net program (expenses) revenue	(1,436,800)	(4,679,728)	(188,073)	(1,471,314)	196,077
GENERAL REVENUES:					
Taxes:					
Property	--	--	--	--	--
Occupancy	--	--	--	--	--
Grants and contributions not restricted to specific programs	--	941,901	--	1,207,713	--
Investment earnings	11,225	167,698	43	1,545	89,504
Total general revenues	11,225	1,109,599	43	1,209,258	89,504
Change in net position	(1,425,575)	(3,570,129)	(188,030)	(262,056)	285,581
Net position, beginning	(249,566)	33,643,658	(478,445)	(901,438)	3,440,064
Net position, ending	$ (1,675,141)	$ 30,073,529	$ (666,475)	$ (1,163,494)	$ 3,725,645

(1) Period ending June 30, 2012

The accompanying notes are an integral part of this statement.

	Economic Development				Mass Transit	
Total Judicial Court Services	East Baton Rouge Redevelop-ment Authority	Cyntreniks Group King Hotel Special Taxing District	Bluebonnet Convention Hotel Taxing District	Total Economic Development	Capital Area Transit System	Total All Component Units
$ 55,185,308	$ 6,712,919	$ 142,131	$ 558,095	$ 7,413,145	$ 15,775,797	$ 78,374,250
25,498,961	6,144,997	--	--	6,144,997	2,160,787	33,804,745
22,106,509	6,177,011	--	--	6,177,011	150,549	28,434,069
--	--	--	--	--	2,436,666	2,436,666
(7,579,838)	5,609,089	(142,131)	(558,095)	4,908,863	(11,027,795)	(13,698,770)
--	--	--	--	--	14,801,385	14,801,385
--	--	142,131	507,871	650,002	1,381,386	2,031,388
2,149,614	--	--	--	--	8,277,439	10,427,053
270,015	42,326	--	--	42,326	352	312,693
2,419,629	42,326	142,131	507,871	692,328	24,460,562	27,572,519
(5,160,209)	5,651,415	--	(50,224)	5,601,191	13,432,767	13,873,749
35,454,273	2,841,829	--	50,224	2,892,053	4,454,173	42,800,499
$ 30,294,064	$ 8,493,244	$ --	$ --	$ 8,493,244	$ 17,886,940	$ 56,674,248

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

INDEX

	Page Number
Note 1 - Summary of Significant Accounting Policies	60
Note 2 - Stewardship, Compliance, and Accountability	74
Note 3 - Cash, Cash Equivalents, and Investments	75
Note 4 - Property Taxes	82
Note 5 - Federal and State Financial Assistance	83
Note 6 - Capital Assets	85
Note 7 - Employees' Retirement Systems	90
Note 8 - Other Postemployment Benefits (OPEB)	95
Note 9 - Risk Management	98
Note 10 - Long-Term Debt	100
Note 11 - Interfund and Intergovernmental Receivables and Payables	126
Note 12 - Interfund Transfers	127
Note 13 - Other Receivables	128
Note 14 - Detailed Restricted Net Position and Fund Balances	129
Note 15 - Restricted Assets	132
Note 16 - Passenger Facility Charges - Greater Baton Rouge Airport District	132
Note 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability	133
Note 18 - State Required Disclosures	134
Note 19 - Joint Venture	135
Note 20 - Subsequent Events	135

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

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, 2012)
Nineteenth Judicial District Court (for the period ended June 30, 2012)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2012)
E.B.R. Parish Family Court (for the period ended December 31, 2012)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2012)

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, 2012, 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 and operating subsidies. Operating subsidies are provided through a federal grant and by *significant* local matching funds appropriated by the Metropolitan Council. CATS's financial statements for the period ended December 31, 2012, 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 annual transactions are presented as a discrete component unit 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.lla.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 McCory, Judicial Administrator
300 North Boulevard
Baton Rouge, LA 70802

East Baton Rouge Parish Family Court
Ronnie Bullion, Judicial Administrator
300 North Boulevard
Baton Rouge, LA 70802

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
Gary D. Owens, 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
Arlene Norwood, Office Manager
10633 Zachary-Deerford Road
Zachary, LA 70791-9304

Baton Rouge Recreation and Park Commission
Sheila Blackwell-Savoy, Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

East Baton Rouge Housing Authority
Joseph F. Johnson, 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)

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:

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

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.

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

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 there is available an unappropriated cash surplus sufficient to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects in the General Fund. Such appropriations for continuing projects carried forward from 2011 to 2012 totaled $18,996,473 for the general fund, and $2,968,647 (shown as part of restricted fund balance) in the Grants Fund. These amounts are included in the original budget column for 2012. 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.

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 ½ percent for the sewer user and solid waste collection fees with uncollectibles written off

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, 2012, 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 an uncollectible of approximately 60 percent based upon past trends of collection.

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:

Type of Capital Assets	Number of Years
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.

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, 2012, 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, 2012, the City-Parish retains approximately 20.9% 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, 2012.

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, 2012, 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, 2012, 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, and Medicare have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2012, 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.

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 2012 Budget Ordinance 15236, adopted December 13, 2011and 2013 Budget Ordinance 15424 adopted December 11, 2012,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 2012 Annual Operating Budget adopted by Ordinance 15236 dated December 13, 2011. 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 15236 of December 13, 2011, 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.

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.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

f. Current Year Adoption of New Standards and Restatement of Net Position

The City-Parish adopted the following recently issued GASB Standards in the preparation of this Comprehensive Annual Financial Report.

GASB Statement No. 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
GASB Statement No. 65 - Items Previously Reported as Assets and Liabilities

The net effect to the entity-wide Statement of Net Position for the prior period from the adoption of GASB 65 is as follows:

Primary Government	Governmental Activities	Business-Type Activities
Total Net Position, December 31, 2011 as previously reported	$661,529,135	$927,101,527
Bond issuance costs not expensed as of 12/31/2011	(2,112,628)	(10,206,825)
Total Net Position, December 31, 2011, restated	$659,416,507	$916,894,702

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variance (Non-GAAP Budgetary Basis)

Judiciary court costs and fee collections of $702,597 for the City Constable (a non-major special revenue fund) were fifteen percent under the final budgeted Judiciary Court costs and fees estimated revenues of $830,000 for 2012. This exceeded the state budget requirement for amending the budget for under collections greater than five percent. However, a transfer from the General Fund and the City Constable Court Costs Fund's beginning fund balance covered the negative change to fund balance of $47,180.

Civil and Traffic fee collections of $473,090 for the City Court Judicial Building Fund (a non-major special revenue fund) were nine percent under the final budgeted civil and traffic fee estimated revenues of $500,500 for 2012. This exceeded the state budget requirement for amending the budget for under collections greater than five percent. However, the Building Fund had sufficient beginning fund balance to cover the negative change to fund balance of $38,184.

b. Budgetary - GAAP Reporting Reconciliation

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

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

	General Fund	Library Board of Control	Grants Fund	Nonmajor Governmental Funds
Net change in fund balances (Budget Basis)	$(1,570,953)	$9,285,624	$(17,366,799)	$(8,018,253)
Adjustments:				
To adjust for encumbrances	1,660,074	543,298	16,194,100	4,710,887
To adjust for U.S. Housing and Urban Development loans receivable	--	--	(137,513)	--
Net change in fund balances (GAAP Basis)	$ 89,121	$9,828,922	$ (1,310,212)	$(3,307,366)

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

b. Budgetary - GAAP Reporting Reconciliation (Continued)

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

NOTE 3 - Cash, Cash Equivalents, and Investments

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

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2012, for the City-Parish primary government are summarized as follows:

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

Carrying Amount	Bank Balance
$232,986,728	$240,284,036

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Position as "Investments" ($20,000,000). The remaining carrying amount of $212,986,728 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2012, 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 $4,053,290 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, 2012, the carrying amount of the Retirement System's deposits was $7,682,889 and the bank balance was $7,871,636. The Retirement System's deposits at December 31, 2012, 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.

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-1, 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) and 2011A (LIBOR Index) 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, 2012, are itemized as follows:

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

Investment Type	Amortized Cost/ Fair Value
U.S. Government Obligations	$117,967,343
U.S. Agency Obligations	205,912,835
Louisiana Asset Management Pool (LAMP)	495,448,913
Total	$819,329,091

Investments with a maturity of less than 90 days ($495,448,913) are classified on the Statement of Net Position as "Cash and cash equivalents," $323,598,806 is classified on the Statement of Net Position as "Investments." The remaining amount of $281,372 is included in "Receivables - net" on the Statement of Net Position. In accordance with Section I50, 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.

		Investment Maturities (in Years)	
	Fair Value	Less Than 1	1-5
Investment Type			
U.S. Government Obligations	$117,967,343	$117,967,343	$ --
U.S. Agency Obligations	205,912,835	205,912,835	--
Total	$323,880,178	$323,880,178	$ --

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 and the Federal Home Loan Mortgage Corporation which are 11.03%, 14.10% 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 $495,448,913 invested in LAMP is held by the Parish's Consolidated Cash pool ($472,707,215), the East Baton Rouge Sewerage Commission ($14,286,464), the City Sales Tax Bonds Debt Service Fund ($3,257,953), and the Airport Construction Funds ($5,197,281).

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.

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 Net Position available for pension benefits. 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 2012, 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.

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, 2012 is:

	Fair Value
U.S. Treasury Bonds	$ 27,794,520
U.S. Treasury Inflation-Protected Securities	48,591,842
U.S. Agency Notes	2,679,155
Mortgaged Backed Securities	37,931,441
Corporate Bonds	17,424,762
Asset Backed Securities	6,043,920
International Equities	205,269,819
Short-Term Investment Fund/Cash Equivalents	13,441,071
Domestic Equities	431,391,885
Emerging Markets Equity	91,497,826
Equity Real Estate Fund	49,812,847
Hedge Fund of Funds	46,720,211
Total	$978,599,299

The fair value of $965,158,228 is classified on the Statement of Fiduciary Net Position as "Investments." $13,441,071 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, 2012:

		Investments Maturities (in Years)			
	Fair Value	Less Than One	1-5	5-10	>10
U.S. Treasuries	$27,794,520	$ --	$17,712,493	$ 3,425,098	$ 6,656,929
U.S. Agencies	2,679,155	--	865,872	1,232,651	580,632
Mortgage Backed Securities	37,931,441	33,234	--	200,813	37,697,394
Corporate Bonds	17,424,762	--	8,579,467	5,608,464	3,236,831
Asset Backed Securities	6,043,920	--	3,132,208	2,066,074	845,638
Total	$91,873,798	$33,234	$30,290,040	$12,533,100	$49,017,424

Note: The above schedule does not include 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, 2012, fair market value of $74,720,511 with an average duration of 4.66 years, while the Absolute Return fund had a fair market value of $71,651,039 with an average duration of 2.09 years. The fair value of the TIPS account was $48,591,842 and carried an average duration of 7.95 years.

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.

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, 2012. The "not rated" designation is applicable to medium term notes in default.

S&P/Moody Rating	Fair Value at 12/31/12
Government	$33,146,887
Agency/AAA	25,538,871
AAA	4,928,801
AA	9,357,909
A	8,997,391
BBB	9,105,620
BB	746,937
B	50,791
NR (not rated)	591
	$91,873,798

Note: The above schedule does not include 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, 2012, fair market value of $74,720,511 and carried an average quality rating of A+, while the Absolute Return fund had a fair market value of $71,651,039 and carried an average quality rating of A+. The TIPS account had a fair market value of $48,591,842 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, 2012, 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, 2012, 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 table on the following page:

	Carrying Amount	Bank Balance
District Attorney of the Nineteenth Judicial District	$ 1,459,669	$ 1,607,942
Nineteenth Judicial District Court	18,787,226	18,750,906
E.B.R. Parish Family Court	194,541	194,541
E.B.R. Parish Juvenile Court	516,275	599,294
E.B.R. Parish Clerk of Court	7,255,384	7,255,384
E.B.R. Redevelopment Authority	4,155,071	4,155,071
Cyntreniks Group King Hotel Special Taxing District	13,330	13,330
Bluebonnet Convention Hotel Taxing District	50,504	50,504
Capital Area Transit System	536,926	536,926
Total Component Units	$32,968,926	$33,163,898

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	$2,110,979
E.B.R. Parish Juvenile Court	349,294
E.B.R. Parish Clerk of Court	7,002,154
Capital Area Transit System	286,926
Total	$9,749,353

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, 2012, there were no certificates of deposit with a maturity of 90 days or more classified on the Statement of Net Position as "Investments." The carrying amount of $32,968,926 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	$ 212,986,728
Cash on hand	4,053,290
Louisiana Asset Management Pool	495,448,913
Sub-total cash and cash equivalents	712,488,931
Investments:	
Deposits	20,000,000
Investments	323,598,806
Sub-total investments	343,598,806
Cash, cash equivalents and investments, December 31, 2012	$1,056,087,737

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

Cash and cash equivalents	$ 451,353,845
Restricted Assets - Cash and cash equivalents	261,135,086
Total cash and cash equivalents	712,488,931
Investments	212,987,390
Restricted Assets - Investments	130,611,416
Total investments	343,598,806
Total cash and cash equivalents and investments	$1,056,087,737

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	$32,968,926
Investments	1,600,000
Cash, cash equivalents and investments, December 31, 2012	$34,568,926

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

Cash and cash equivalents	$34,397,412
Restricted Assets - Cash and cash equivalents	171,514
Total cash and cash equivalents	$34,568,926

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	$ 7,682,889
Investments	13,441,071
Sub-total cash and cash equivalents	21,123,960
Investments	965,158,228
Cash, cash equivalents and investments, December 31, 2012	$986,282,188

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 a 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 2012 property tax calendar is as follows:

Levy date	July 25, 2012
Millage rates adopted	July 25, 2012
Tax bills mailed	November 29, 2012
Due date	December 31, 2012
Lien date	January 1, 2013

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:

	Property Taxes Receivable	Estimated Uncollectible Property Taxes	Net Property Taxes Receivable
General Fund	$ 8,195,466	$ 360,198	$ 7,835,268
Library Board of Control Fund	11,962,680	675,102	11,287,578
Nonmajor Governmental Funds	9,608,299	467,719	9,140,580
Total	$29,766,445	$1,503,019	$28,263,426

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 $14,801,385 at December 31, 2012.

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

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 2012, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying fund financial statements:

	Federal and State Operating Grants and Capital Contributions	Private Capital Contributions
Primary Government:		
Governmental activities:		
Grants Fund	$51,905,320	$ --
Capital Projects Fund	7,449,129	--
Nonmajor governmental funds	2,719,564	--
Business-type activities:		
Greater Baton Rouge Airport District	12,649,823	--
Comprehensive Sewerage System Fund	31,842	2,675,592
Nonmajor business-type funds	2,785,851	--
Total primary government	$77,541,529	$2,675,592
Component Units:		
District Attorney of the Nineteenth Judicial District	$ 1,454,060	$ --
Nineteenth Judicial District Court	522,195	--
E.B.R. Parish Juvenile Court	71,013	--
E.B.R. Redevelopment Authority	4,484,513	--
Capital Area Transit System	6,522,227	--
Total component units	$13,054,008	$ --

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 2012, 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.

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 2012 financial statements are as follows:

	State Supplemental Salaries	MERS Contribution	Total 2012 On-Behalf Payments
Primary Government:			
Governmental activities	$ 7,609,629	$939,361	$ 8,548,990
Business-type activities	159,924	--	159,924
Total primary government	7,769,553	939,361	8,708,914
Component Units:			
District Attorney of the Nineteenth Judicial District	2,454,422	--	2,454,422
Nineteenth Judicial District Court	3,050,602	--	3,050,602
E.B.R. Parish Family Court	734,451	--	734,451
E.B.R. Parish Juvenile Court	367,226	--	367,226
Total component units	6,606,701	--	6,606,701
Total on-behalf payments	$14,376,254	$939,361	$15,315,615

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Increases	Decreases	Adjustments	Balance 12/31/2012
Governmental Activities:					
Capital assets not being depreciated:					
Land and right-of-way	$ 146,755,408	$ 1,067,046	$ --	$ 378,539	$ 148,200,993
Construction work in progress	133,644,932	42,291,514	--	(99,556,127)	76,380,319
Total capital assets not being depreciated	280,400,340	43,358,560	--	(99,177,588)	224,581,312
Capital assets being depreciated:					
Buildings	223,777,245	19,557,227	(170,810)	8,451,711	251,615,373
Improvements (other than buildings) and infrastructure	721,446,764	23,037,806	(77,773)	92,772,036	837,178,833
Equipment and equipment under lease	109,550,983	11,746,694	(4,033,779)	177,000	117,440,898
Total capital assets being depreciated	1,054,774,992	54,341,727	(4,282,362)	101,400,747	1,206,235,104
Less accumulated depreciation for:					
Building	(143,172,390)	(6,122,584)	144,379	--	(149,150,595)
Improvements (other than buildings) and infrastructure	(336,502,018)	(22,949,219)	34,759	--	(359,416,478)
Equipment and equipment under lease	(89,119,834)	(9,064,013)	3,964,574	--	(94,219,273)
Total accumulated depreciation	(568,794,242)	(38,135,816)	4,143,712	--	(602,786,346)
Total capital assets being depreciated, net	485,980,750	16,205,911	(138,650)	101,400,747	603,448,758
Total governmental activities capital assets, net	$ 766,381,090	$ 59,564,471	$ (138,650)	$ 2,223,159	$ 828,030,070

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued):

	Balance 1/1/2012	Increases	Decreases	Adjustments	Balance 12/31/2012
Business-Type Activities:					
Capital assets not being depreciated:					
Land and right-of-way	$ 71,308,949	$ 7,923,767	$ (980,457)	$ (695,814)	$ 77,556,445
Noise mitigation	57,059,350	93,310	--	723,955	57,876,615
Construction work in progress	217,865,508	156,803,521	--	(163,046,768)	211,622,261
Total capital assets not being depreciated	346,233,807	164,820,598	(980,457)	(163,018,627)	347,055,321
Capital assets being depreciated:					
Buildings	218,298,054	2,789,828	(477,258)	--	220,610,624
Improvements (other than buildings) and infrastructure	1,213,807,560	160,535,097	(1,483,284)	163,817,491	1,536,676,864
Equipment	11,311,831	329,436	(173,807)	--	11,467,460
Total capital assets being depreciated	1,443,417,445	163,654,361	(2,134,349)	163,817,491	1,768,754,948
Less accumulated depreciation for:					
Buildings	(92,350,221)	(8,187,889)	342,978	--	(100,195,132)
Improvements (other than buildings) and infrastructure	(519,448,267)	(44,393,910)	1,285,513	--	(562,556,664)
Equipment	(10,244,806)	(352,214)	172,956	--	(10,424,064)
Total accumulated depreciation	(622,043,294)	(52,934,013)	1,801,447	--	(673,175,860)
Total capital assets being depreciated, net	821,374,151	110,720,348	(332,902)	163,817,491	1,095,579,088
Total business-type activities capital assets, net	$1,167,607,958	$275,540,946	$(1,313,359)	$ 798,864	$1,442,634,409

The adjustments column includes the capitalization of $2,223,159 in governmental activities and $798,864 in business-type activities of donated assets from private sources. The adjustments column also includes $99,556,127 in governmental activities and $163,046,768 in business-type activities of prior year construction work in progress that was capitalized as assets during 2012.

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

Governmental Activities:	
Governmental fund-types:	
General government	$ 1,398,335
Public safety	7,603,752
Transportation	23,137,554
Sanitation	5,790
Health and welfare	318,525
Culture and recreation	1,969,066
Conservation and development	645,273
Internal service fund capital assets are charged to the various functions based on their usage of the assets	3,057,521
Total depreciation expense - governmental activities	$38,135,816
Business-Type Activities:	
Airport	$10,363,475
Sewer	37,299,081
Solid Waste Collection and Disposal	1,222,357
Nonmajor business-type activities	4,049,100
Total depreciation expense - business-type activities	$52,934,013

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 12/31/2012	Encumbered Capital Projects	Estimated Required Future Financing
Capital Projects Fund:					
Miscellaneous Capital Improvements	$98,900,031	$26,878,363	$16,046,887	$26,532,435	None
Capital Improvement Roads, Streets, Drainage, Other	32,542,164	16,284,262	5,495,684	2,019,786	None
Road and Street Improvement					
Pay-As-You-Go Dedicated Tax	161,612,342	99,642,922	18,707,965	19,057,340	None
Bonded Dedicated Sales Tax	291,640,230	196,073,873	27,594,829	27,510,533	None
LA DOTD Grants Capital Projects	85,024,256	56,726,637	5,561,034	17,374,289	None
General Capital Expenditures	60,229,624	52,539,854	2,028,355	1,516,821	None
Other Governmental Funds:					
Parish Transportation	12,467,674	1,413,289	934,005	86,341	None
Generator Programs	2,085,274	2,070,842	11,500	--	None
Recovery Funds for Construction	13,646,900	--	60	--	None
Total	$758,148,495	$451,630,042	$76,380,319	$94,097,545	

d. Construction work in progress at December 31, 2012, for primary government enterprise funds is composed of the following:

	Project Authorization	Expended to Date	Capitalized	Balance in Construction Work in Progress 12/31/12
Greater Baton Rouge Airport District:				
Runways and apron improvements	$ 5,969,641	$ 3,538,883	$ --	$ 3,538,883
Land Acquisition	3,664,919	1,577,321	1,199,676	377,645
Rotunda and terminal renovations	13,880,155	9,553,872	--	9,553,872
North end development	2,087,989	1,731,097	--	1,731,097
Miscellaneous project costs	762,254	367,101	--	367,101
Total	26,364,958	16,768,274	1,199,676	15,568,598
Comprehensive Sewerage System Fund:				
South wastewater treatment plant wet weather improvements	102,105,221	56,446,663	251,156	56,195,507
Rehabilitation construction	66,026,475	45,106,392	15,885,098	29,221,294
Sanitary sewer overflow corrective action plan	329,197,205	133,432,713	33,088,087	100,344,626
Telemetry system	1,185,628	214,443	--	214,443
Rehabilitation of pump stations	26,084,819	10,058,118	117,005	9,941,113
Total	524,599,348	245,258,329	49,341,346	195,916,983

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2012, for primary government enterprise funds (Continued)

	Project Authorization	Expended to Date	Capitalized	Balance in Construction Work in Progress 12/31/12
Nonmajor business -type activities:				
Baton Rouge River Center Fund:				
Miscellaneous building improvements	$ 71,000	$ 71,000	$ --	$ 71,000
Riverfront Plaza improvements	600,000	22,180	--	22,180
Total	671,000	93,180	--	93,180
Greater Baton Rouge Parking Authority:				
Other downtown garages	43,500	43,500	--	43,500
Total-all enterprise funds	$551,678,806	$262,163,283	$50,541,022	$211,622,261

Total construction period interest costs of $33,982,731 were capitalized in 2012 in the Comprehensive Sewerage System Fund. Construction period interest costs of $26,843,171 for the Comprehensive Sewerage System Fund and $2,124,120 for the Greater Baton Rouge Airport District from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2012. 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 City-Parish and EPA have agreed to extend the construction deadline 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 Plan. The concept and cost for this modification has been analyzed by the sewer system's program manager, CH2M HILL, Inc. Their program delivery plan (PDP) was delivered to the City-Parish in November 2007, and updated in November 2012. CH2M HILL's estimated cost for completing the revised RMAP2 is $1.5 billion. The deadline for completing the program is still officially December 31, 2014, but that deadline may be extended to December 31, 2018, as cited above.

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.

NOTE 6 - Capital Assets (Continued)

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

	Balance Beginning of Year	Additions	Adjustments and Deletions	Balance End of Year
District Attorney of the Nineteenth Judicial District				
Equipment	$ 1,907,588	$ 135,991	$ (79,748)	$ 1,963,831
Less: accumulated depreciation	(1,306,723)			(1,386,383)
Total District Attorney of the Nineteenth Judicial District	$ 600,865			$ 577,448
Nineteenth Judicial District Court				
Buildings	$117,286,973	$ 630,698	$ --	$117,917,671
Equipment	5,139,199	45,688	(18,571)	5,166,316
Total	122,426,172	676,386	(18,571)	123,083,987
Less: accumulated depreciation	(3,690,478)			(8,860,881)
Total Nineteenth Judicial District Court	$118,735,694			$114,223,106
E.B.R. Parish Family Court				
Equipment	$ 89,948	$ 14,031	$ --	$ 103,979
Less: accumulated depreciation	(39,720)			(56,710)
Total E.B.R. Parish Family Court	$ 50,228			$ 47,269
E.B.R. Parish Juvenile Court				
Equipment	$ 392,301	$ 7,524	$ (11,630)	$ 388,195
Less: accumulated depreciation	(379,494)			(374,898)
Total E.B.R. Parish Juvenile Court	$ 12,807			$ 13,297
E.B.R. Parish Clerk of Court				
Equipment	$ 8,926,589	$ 2,893	$ --	$ 8,929,482
Less: accumulated depreciation	(7,115,931)			(7,698,593)
Total E.B.R. Parish Clerk of Court	$ 1,810,658			$ 1,230,889
EBR Parish Redevelopment Authority				
Equipment	$ 186,216	$ 19,328	$ (16,453)	$ 189,091
Less: accumulated depreciation	(52,506)			(75,594)
Total EBR Redevelopment Authority	$ 133,710			$ 113,497
Capital Area Transit System				
Equipment	$ 21,309,228	$1,766,295	$ --	$ 23,075,523
Less: accumulated depreciation	(13,087,077)			(14,440,386)
Total Capital Area Transit System	$ 8,222,151			$ 8,635,137
Total component units capital assets	$155,238,042	$2,622,448	$(126,402)	$157,734,088
Less: total accumulated depreciation	(25,671,929)			(32,893,445)
Total component units capital assets, net	$129,566,113			$124,840,643

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:

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 Pe 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).

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description and Provisions (Continued)

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.

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 2012, employees made a mandatory contribution of 9.5% of gross earnings, while the employer contributed 25.71% of active payroll. The total employer contributions to CPERS for the year ended December 31, 2012, 2011 and 2010 were $31,722,074; $27,939,544 and $25,748,467, 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, 2012.

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

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 contributed 10.0% of earned compensation for the year ended December 31, 2012. Employers contributed 26.5% from January through June, and 31.0% from July through December 2012. 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, 2012, 2011 and 2010, were $10,768,015, $9,915,922 and $6,764,365; 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, 2012.

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 2012, Plan members contributed 11.50% of earned compensation while employers contributed 31.8% from January through June and 34.8% from July through December . The City-Parish's contributions to LASERS for the year ended December 31, 2012, 2011 and 2010 were $126,307, $125,466 and $92,652, 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, 2012.

NOTE 7 - Employees' Retirement Systems (Continued)

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, Gary Owens, 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, 2012, was as follows:

Annual required contribution	$ 362,798
Interest on net pension asset	(110,833)
Adjustment to annual required contribution	174,201
Annual pension cost	426,166
Contributions made (including interest)	(330,229)
Increase (decrease) in net pension asset	(95,937)
Net pension asset beginning of year	1,705,120
Net pension asset end of year	$1,609,183

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/12	$426,166	141.0%	$1,609,183
12/31/11	426,166	140.0	1,705,120
12/31/10	315,871	111.0	1,691,670

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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 7.0% of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate which was 10.25% beginning July 2012. 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 2012, 2011and 2010 totaled $207,666, $187,145and $122,477, 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 25.6%, 22.0% and 18.6% contribution as an employer's match for the years ended June 30, 2012, 2011 and 2010, 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, 2012, 2011 and 2010 were $475,181, $343,679 and $227,280, respectively, which were equal to the required contributions for each year.

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(5) 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, 2012 and 2011, and 17.75% for the year ended June 30, 2010. The amount of employer contributions to the system for the years ended June 30, 2012, 2011 and 2010, were $521,268, $557,581 and $567,766, respectively, which were equal to the required contributions for each year.

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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 ("Fund"), 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, 2012 and 2011. The employer contribution rate was 11.75% of annual covered payroll for the year ended June 30, 2010. 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, 2012, 2011 and 2010, were $1,049,627, $1,108,224 and $970,117, 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, 2012, 2011 and 2010. The Clerk's contributions to the System under this election were $425,076, $456,379 and $479,355, respectively for the years ended in 2012, 2011 and 2010.

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.

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.

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

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

Years of Service	Vested Percentage
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 2012, 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 2012, employees and retirees contributed 13% - 44% 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 56% - 87% 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 2012 totaled $19,132,237; or approximately 11% of gross payroll as approved by the Metropolitan Council in the 2012 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled $6,632,749 for 2012. Approximately 3,500 active employees and 2,500 retirees along with applicable dependents were covered by the plan in 2012.

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, 2011, 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:

	Governmental Activities	Business-type Activities	Total Primary Government	City-Parish Plan Component Units	Total OPEB Plan
Annual required contribution (ARC)	$ 60,015,056	$ 5,753,944	$ 65,769,000	$ 3,057,572	$ 68,826,572
Interest on net OPEB obligation	8,038,415	770,682	8,809,097	409,531	9,218,628
Adjustment to ARC	(7,986,349)	(765,691)	(8,752,040)	(406,879)	(9,158,919)
Annual OPEB cost (expense)	60,067,122	5,758,935	65,826,057	3,060,224	68,886,281
Less: Contributions made	(16,682,834)	(1,599,466)	(18,282,300)	(849,937)	(19,132,237)
Increase in net OPEB obligation	43,384,288	4,159,469	47,543,757	2,210,287	49,754,044
Net OPEB obligation-beginning of year	200,115,083	19,822,753	219,937,836	10,527,861	230,465,697
Net OPEB obligation-end of year	$243,499,371	$23,982,222	$267,481,593	$12,738,148	$280,219,741

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 2012 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
12/31/12	$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
12/31/10	57,493,330	32.9	38,558,311	173,302,211

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

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
12/31/12	$3,060,224	27.8%	$2,210,287	$12,738,148
12/31/11	3,128,201	29.1	2,218,946	10,527,861
12/31/10	2,710,451	32.9	1,817,785	8,308,915

Funding status and funding progress:
As of January 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $1,048.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of $1,048.3 million. The ratio of UAAL to the covered payroll amount of $163.3 million was 641.9 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, 2011, 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 2012 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 2011 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. The plan assumes a medical inflation rate of 7.2 percent beginning in 2011, decreasing to a rate of 4.3 percent in 2082. 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) 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, 2011, 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, 2012.

c. Contingent Liabilities - Claims and Judgments

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

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

An amount of $30,217,318 has been recorded as a long-term obligation on the Government-wide Statement of Net Position for estimated claims and judgments for risk management purposes. Incremental claim costs account for approximately 2% of that total. Subject to the aforementioned policy, it is the government's practice to pay claims and judgments against the City-Parish from available financial resources of the General Fund.

d. Employee Benefits

The City-Parish maintains a premium plan for the group health program, providing medical and prescription drug coverage to those City-Parish employees/retirees who choose to participate. During 2012, the minimum premium plan was funded with employees and retirees contributing 13%-44% of the premium and the City-Parish contributing 56%-87% of the premium, dependent upon the number of family members covered.

NOTE 9 - Risk Management (Continued)

d. Employee Benefits (Continued)

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

The value of self-insured claims incurred but not reported or paid as of December 31, 2012, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical	$4,711,371

This amount has been included in the Government-wide Statement of Net Position for December 31, 2012.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2012, 2011, and 2010:

	2012	2011	2010
Claims and judgments payable:			
Beginning balance	$29,611,064	$ 23,958,722	$ 27,346,473
Additions:			
Claims incurred and new estimates	6,120,265	9,950,528	5,367,460
Deductions:			
Claims paid	(3,986,578)	(2,932,212)	(2,570,700)
Claims dismissed and changes in estimates	(1,527,433)	(1,365,974)	(6,184,511)
Ending balance	$ 30,217,318	$ 29,611,064	$ 23,958,722
Employee benefits payable:			
Beginning balance	$ 5,494,649	$ 5,458,551	$ 5,533,399
Additions:			
Claims incurred	55,140,474	57,211,015	59,877,056
Deductions:			
Claims paid	(55,923,752)	(57,174,917)	(59,951,904)
Ending balance	$ 4,711,371	$ 5,494,649	$ 5,458,551

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, 2012, was determined as follows:

Fund balance committed to self insurance, January 1, 2012	$38,040,389
Less: Appropriations from self insurance commitment for risk management purposes	(1,914,265)
Plus: Additional amount committed for insurance by authority of the Budget Ordinance	5,275,006
Plus: Federal government subsidies for employee/retiree insurance purposes	1,624,528
Interest earned on designated funds during 2012	85,459
Insurance Commitment, December 31, 2012	$43,111,117

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 2012:

	Balance 1/1/12	Additions	Reductions	Balance 12/31/12	Due Within One Year
Governmental Activities:					
Excess revenue contracts, loans and notes	$ 59,928,643	$ 91,924,713	$ 58,141,086	$ 93,712,270	$ 4,448,786
Deferred premium on bonds	3,210,034	4,384,644	554,857	7,039,821	--
Revenue bonds payable, gross	252,130,000	--	17,545,000	234,585,000	11,305,000
Less: Intragovernment payable	(3,429,167)	--	(294,167)	(3,135,000)	(306,250)
Obligation payable (off-market swaps)	7,456,774	--	498,978	6,957,796	--
Derivative Instrument Liability	19,165,616	454,290	--	19,619,906	--
Compensated absences payable	25,201,271	8,595,386	7,709,145	26,087,512	11,790,354
Claims and judgments payable (Note 9)	29,611,064	6,120,265	5,514,011	30,217,318	762,989
Employee benefits payable (Note 9)	5,494,649	55,140,474	55,923,752	4,711,371	4,711,371
Net other postemployment benefit obligation	200,115,083	60,067,122	16,682,834	243,499,371	--
Total governmental activities	$ 598,883,967	$226,686,894	$162,275,496	$ 663,295,365	$32,712,250
Business-Type Activities:					
Excess revenue contracts, loans and notes	$ 2,291,259	$ 10,633,768	$ 842,375	$ 12,082,652	$ 1,309,000
Revenue bonds payable	1,017,541,799	852,724	14,685,000	1,003,709,523	15,630,000
Deferred premiums and discounts	589,170	--	343,734	245,436	--
Revenue bonds payable from City issues	3,429,167	--	294,167	3,135,000	306,250
Obligation payable (off-market swaps)	51,170,000	1,092,866	2,196,289	50,066,577	--
Derivative instrument liability	92,957,386	1,020,077	4,693,536	89,283,927	--
Loans payable	966,124	--	--	966,124	--
Landfill closure and postclosure care liability (Note 17)	10,389,773	559,135	--	10,948,908	--
Compensated absences payable	2,270,388	397,510	549,058	2,118,840	2,056,822
Net other postemployment benefit obligation	19,822,753	5,758,935	1,599,466	23,982,222	--
Total business-type activities	$1,201,427,819	$ 20,315,015	$ 25,203,625	$1,196,539,209	$19,302,072

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, $174,962 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.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable

The following is a schedule of bonds payable for the primary government at December 31, 2012:

	Interest Dates	Issue Date	Final Maturity Date	Original Authorized and Issued	Outstanding
Governmental Activities:					
Excess revenue contracts, loans and notes					
City of Baton Rouge:					
2002A Fixed Rate Taxable Refunding	01/15-07/15	05/17/2002	01/01/2029	$ 25,900,000	$ 785,000
2002B Fixed Rate Taxable Refunding	01/15-07/15	10/01/2002	01/15/2029	47,550,000	1,330,000
2012 Taxable Refunding	01/15-7/15	04/04/2012	01/15/2029	58,075,000	57,560,000
LA Community Development 2000A Program Visit Baton Rouge	Monthly	09/01/2007	11/30/2029	750,000	653,700
Parish of East Baton Rouge:					
LA Community Development Authority 1999	Monthly	08/11/1999	05/31/2018	1,764,713	1,403,570
2012 LCDA Road Improvements Project	02/01-08/01	03/01/2012	08/01/2030	33,585,000	31,980,000
Total excess revenue contracts, loans and notes				167,624,713	93,712,270
Revenue bonds					
City of Baton Rouge:					
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	11,410,000
2010B Public Improvement Sales Tax	02/01-08/01	09/28/2010	08/01/2026	19,045,000	17,815,000
Less: debt recorded in business-type activities				(3,840,000)	(3,135,000)
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	12,375,000
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	99,545,000
Total revenue bonds				281,800,000	231,450,000
Total governmental activities				449,424,713	325,162,270
Business-Type Activities:					
Excess revenue contracts, loans and notes					
Parish of East Baton Rouge:					
LCDA loan 1999 Program	Monthly	08/11/1999	05/31/2018	16,984,527	12,082,652
Total excess revenue contracts, loans and notes				16,984,527	12,082,652
Revenue bonds					
City of Baton Rouge:					
Airport:					
2005B Public Improvement Sales Tax (Taxable)	02/01-08/01	04/19/2005	08/01/2029	2,100,000	1,690,000
2008A-1 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2012	1,885,000	--
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	46,640,000
2008B Public Improvement Sales Tax (Taxable)	02/01-08/01	01/24/2008	08/01/2022	9,505,000	7,145,000
2010A Public Improvement Sales Tax (GO Zone)	02/01-08/01	01/28/2010	08/01/2039	6,000,000	5,875,000
Revenue bonds payable from City issues				3,840,000	3,135,000

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

2. Schedule of Bonds Payable (Continued)

	Interest Dates	Issue Date	Final Maturity Date	Original Authorized and Issued	Outstanding
Business-Type Activities (Continued):					
Revenue bonds (Continued)					
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	$ 28,205,000
Sewerage Commission:					
2006 A/B Revenue Refunding bonds	02/01-08/01	08/17/2006	02/01/2036	196,930,000	175,380,000
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	7,889,523
2010A Revenue Bonds	02/01-08/01	05/27/2010	02/01/2014	17,140,000	8,880,000
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	199,200,000
Total revenue bonds				1,051,054,523	1,006,844,523
Total business-type activities				1,068,039,050	1,018,927,175
Total all bonds, contracts, loans and notes				$1,517,463,763	$1,344,089,445

The City-Parish is in compliance with all legal debt covenants at December 31, 2012.

3. Changes in Bonds Payable

	Outstanding January 1, 2012	Issued	Retired	Outstanding December 31, 2012
Governmental Activities:				
Excess revenue contracts, loans and notes				
City of Baton Rouge:				
2002A Fixed Rate Taxable Refunding	$ 20,010,000	$ --	$19,225,000	$ 785,000
2002B Fixed Rate Taxable Refunding	37,885,000	--	36,555,000	1,330,000
2012 Taxable Refunding	--	58,075,000	515,000	57,560,000
LA Community Development 2000A Program Visit Baton Rouge	676,500	--	22,800	653,700
Parish of East Baton Rouge:				
LA Community Development Authority 1999	1,357,143	264,713	218,286	1,403,570
2012 LCDA Road Improvement Project	--	33,585,000	1,605,000	31,980,000
Total excess revenue contracts, loans and notes	59,928,643	91,924,713	58,141,086	93,712,270
Revenue bonds				
City of Baton Rouge:				
2007A Public Improvement Sales Tax	20,675,000	--	9,265,000	11,410,000
2010B Public Improvement Sales Tax	18,755,000	--	940,000	17,815,000
Less: debt recorded in business-type activities	(3,429,167)	--	(294,167)	(3,135,000)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	Outstanding January 1, 2012	Issued	Retired	Outstanding December 31, 2012
Governmental Activities: (Continued)				
Revenue bonds (Continued)				
Parish of East Baton Rouge:				
Road and Street Improvement:				
2006A Sales Tax Bonds	$ 16,120,000	$ --	$ 3,745,000	$ 12,375,000
2008A Sales Tax Bonds (Variable)	93,440,000	--	--	93,440,000
2009A Sales Tax Bonds	103,140,000	--	3,595,000	99,545,000
Total revenue bonds	248,700,833	--	17,250,833	231,450,000
Total governmental activities	308,629,476	91,924,713	75,391,919	325,162,270
Business-Type Activities:				
Excess revenue contracts, loans and notes				
Parish of East Baton Rouge:				
LCDA loan 1999 Program	2,291,259	10,633,768	842,375	12,082,652
Total excess revenue contracts, loans and notes	2,291,259	10,633,768	842,375	12,082,652
Revenue bonds				
City of Baton Rouge:				
2005B Public Improvement Sales Tax (Airport -Taxable)	1,750,000	--	60,000	1,690,000
2008A-1 Public Improvement Sales Tax	15,000	--	15,000	--
2008A-2 Public Improvement Sales Tax	47,205,000	--	565,000	46,640,000
2008B Public Improvement Sales Tax (Taxable)	7,705,000	--	560,000	7,145,000
2010A Public Improvement Sales Tax (GO Zone)	6,000,000	--	125,000	5,875,000
Revenue bonds payable from City issues	3,429,167	--	294,167	3,135,000
Parish of East Baton Rouge:				
Sewer sales tax revenue bonds:				
2005A Public Improvement Sales Tax	29,760,000	--	1,555,000	28,205,000
Sewerage Commission:				
2006 A/B Revenue Refunding Bonds	179,695,000	--	4,315,000	175,380,000
2009A Revenue Bonds	164,965,000	--	--	164,965,000
2010 Revenue Bonds (DEQ)	7,036,799	852,724	--	7,889,523
2010A Revenue Bonds	13,070,000	--	4,190,000	8,880,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	357,840,000	--	--	357,840,000
2011A Revenue Bonds (LIBOR Index)	202,500,000	--	3,300,000	199,200,000
Total revenue bonds	1,020,970,966	852,724	14,979,167	1,006,844,523
Total business-type activities	1,023,262,225	11,486,492	15,821,542	1,018,927,175
Total all bonds, contracts, loans and notes	$1,331,891,701	$103,411,205	$91,213,461	$1,344,089,445

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2012, and interest requirements to maturity:

	Debt Payable 12/31/2012	Interest Requirements to Maturity	Total
Governmental Activities:			
Excess revenue contracts, loans and notes			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding (5.65%)*	$ 785,000	$ 19,233	$ 804,233
2002B Fixed Rate Taxable Refunding (5.73%)*	1,330,000	33,250	1,363,250
2012 Taxable Refunding	57,560,000	20,102,367	77,662,367
LA Community Development 2000A Program			
Visit Baton Rouge	653,700	116,347	770,047
Parish of East Baton Rouge:			
LA Community Development 1999 Program	1,403,570	91,848	1,495,418
2012 LCDA Road Improvement Project	31,980,000	15,261,006	47,241,006
Total excess revenue contracts, loans and notes	93,712,270	35,624,051	129,336,321
Revenue bonds			
City of Baton Rouge:			
2007A City Sales Tax (3.82%)*	11,410,000	1,315,675	12,725,675
2010B City Sales Tax (3.02%)*	17,815,000	4,674,099	22,489,099
Less: Debt recorded in business-type activities	(3,135,000)	(564,233)	(3,699,233)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds (4.09%)*	12,375,000	1,210,870	13,585,870
2008A Sales Tax Bonds (Variable)	93,440,000	43,132,051	136,572,051
2009A Sales Tax Bonds (4.83%)*	99,545,000	55,106,036	154,651,036
Total revenue bonds	231,450,000	104,874,498	336,324,498
Total governmental activities	325,162,270	140,498,549	465,660,819
Business-Type Activities:			
Excess revenue contracts, loans and notes			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	12,082,652	737,861	12,820,513
Total excess revenue contracts, loans and notes	12,082,652	737,861	12,820,513

* True interest cost (TIC)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity (Continued)

	Debt Payable 12/31/2012	Interest Requirements to Maturity	Total
Business-Type Activities (Continued):			
Revenue bonds			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Airport -Taxable) (5.65%)*	$ 1,690,000	$ 999,388	$ 2,689,388
2008A-2 Public Improvement Sales Tax (4.59%)*	46,640,000	36,033,022	82,673,022
2008B Public Improvement Sales Tax (Taxable) (4.59%)*	7,145,000	2,222,225	9,367,225
2010A Public Improvement Sales Tax (GO Zone) (4.36%)	5,875,000	4,128,832	10,003,832
Revenue bonds payable from City issues	3,135,000	564,233	3,699,233
Parish of East Baton Rouge			
Sewer sales tax revenue bonds			
2005A Public Improvement Sales Tax (4.45%)*	28,205,000	9,858,227	38,063,227
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds (4.65%)*	175,380,000	109,256,450	284,636,450
2009A Revenue Bonds (5.33%)*	164,965,000	171,321,974	336,286,974
2010 Revenue Bonds (DEQ)	7,889,523	349,315	8,238,838
2010A Revenue Bonds (1.69%)*	8,880,000	427,300	9,307,300
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) (3.94%)*	357,840,000	541,186,612	899,026,612
2011A Revenue Bonds (LIBOR Index) (Variable)	199,200,000	173,764,501	372,964,501
Total revenue bonds	1,006,844,523	1,050,112,079	2,056,956,602
Total business-type activities	1,018,927,175	1,050,849,940	2,069,777,115
Total all bonds, contracts, loans and notes	$1,344,089,445	$1,191,348,489	$2,535,437,934

* True interest cost (TIC)

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	
2013	$ 4,448,786	$ 3,243,777	$ 7,692,563	$ 10,998,750	$ 10,274,527	$ 21,273,277	$ 28,965,840
2014	4,551,286	3,134,647	7,685,933	11,433,750	9,849,016	21,282,766	28,968,699
2015	4,616,486	3,073,339	7,689,825	12,010,833	9,320,052	21,330,885	29,020,710
2016	4,694,285	2,987,857	7,682,142	12,101,667	8,734,930	20,836,597	28,518,739
2017	4,786,885	2,893,056	7,679,941	10,543,750	8,229,262	18,773,012	26,452,953
2018-2022	24,926,642	12,341,469	37,268,111	57,516,250	34,162,891	91,679,141	128,947,252
2023-2027	30,056,300	7,041,901	37,098,201	70,110,000	20,176,235	90,286,235	127,384,436
2028-2032	15,631,600	908,005	16,539,605	46,735,000	4,127,585	50,862,585	67,402,190
Total	$93,712,270	$35,624,051	$129,336,321	$ 231,450,000	$ 104,874,498	$ 336,324,498	$ 465,660,819

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity (Continued)

Business-Type Activities:

Year	Excess Revenue Contracts, Loans and Notes			Revenue Bonds			Total Business-Type Activities
	Principal	Interest	Total	Principal	Interest	Total	
2013	$ 1,309,000	$ 187,264	$ 1,496,264	$ 15,936,250	$ 52,757,770	$ 68,694,020	$ 70,190,284
2014	1,377,000	165,405	1,542,405	16,603,735	51,489,466	68,093,201	69,635,606
2015	1,442,500	142,474	1,584,974	17,295,095	49,708,478	67,003,573	68,588,547
2016	1,514,000	118,446	1,632,446	17,977,768	48,978,230	66,955,998	68,588,444
2017	1,591,000	93,197	1,684,197	19,084,217	48,189,502	67,273,719	68,957,916
2018-2022	4,849,152	31,075	4,880,227	110,267,306	226,596,882	336,864,188	341,744,415
2023-2027	--	--	--	128,011,398	197,531,298	325,542,696	325,542,696
2028-2032	--	--	--	149,658,754	164,172,416	313,831,170	313,831,170
2033-2037	--	--	--	172,155,000	124,652,836	296,807,836	296,807,836
2038-2042	--	--	--	207,860,000	72,213,498	280,073,498	280,073,498
2043-2047	--	--	--	151,995,000	13,821,703	165,816,703	165,816,703
Total	$12,082,652	$ 737,861	$12,820,513	$1,006,844,523	$1,050,112,079	$2,056,956,602	$2,069,777,115

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2013 are as follows:

Governmental Activities:	Principal	Interest	Total Requirements
Excess revenue contracts, loans and notes			
City of Baton Rouge:			
2002A Fixed Rate Taxable Refunding	$ 785,000	$ 19,233	$ 804,233
2002B Fixed Rate Taxable Refunding	1,330,000	33,250	1,363,250
2012 Taxable Refunding	830,000	1,786,673	2,616,673
LA Community Development 2000A Program Visit Baton Rouge	24,900	11,759	36,659
Parish of East Baton Rouge:			
LA Community Development 1999 Program	223,886	21,206	245,092
2012 LCDA Road Improvements Project	1,255,000	1,371,656	2,626,656
Total excess revenue contracts, loans and notes	4,448,786	3,243,777	7,692,563
Revenue bonds			
City of Baton Rouge:			
2007A City Sales Tax	2,605,000	497,725	3,102,725
2010B City Sales Tax	1,070,000	601,862	1,671,862
Less: Debt recorded in business-type activities	(306,250)	(107,650)	(413,900)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2006A Sales Tax Bonds	3,925,000	594,040	4,519,040
2008A Sales Tax Bonds (Variable)	--	3,798,532	3,798,532
2009A Sales Tax Bonds	3,705,000	4,890,018	8,595,018
Total revenue bonds	10,998,750	10,274,527	21,273,277
Total governmental activities	15,447,536	13,518,304	28,965,840

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

Business-Type Activities:	Principal	Interest	Total Requirements
Excess revenue contracts, loans and notes			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	$ 1,309,000	$ 187,264	$ 1,496,264
Total excess revenue contracts, loans and notes	1,309,000	187,264	1,496,264
Revenue bonds			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Taxable-Airport)	65,000	95,332	160,332
2008A-2 Public Improvement Sales Tax	605,000	2,109,062	2,714,062
2008B Public Improvement Sales Tax (Taxable)	585,000	380,806	965,806
2010A Public Improvement Sales Tax (GO Zone)	130,000	241,218	371,218
Plus: Revenue bonds payable from City issues	306,250	107,650	413,900
Parish of East Baton Rouge			
Sewer sales tax revenue bonds			
2005A Public Improvement Sewer Sales Tax	1,600,000	1,353,518	2,953,518
Sewerage Commission:			
2006 A/B Revenue Refunding Bonds	4,485,000	8,096,575	12,581,575
2009A Revenue Bonds	--	8,405,219	8,405,219
2010 Revenue Bonds (DEQ)	380,000	34,647	414,647
2010A Revenue Bonds	4,340,000	313,800	4,653,800
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	--	21,006,412	21,006,412
2011A Revenue Bonds (LIBOR Index)	3,440,000	10,613,531	14,053,531
Total revenue bonds	15,936,250	52,757,770	68,694,020
Total business-type activities	17,245,250	52,945,034	70,190,284
Total all bonds, contracts, loans and notes	$32,692,786	$66,463,338	$99,156,124

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, 2012 tax rolls	$1,768,041,160
Debt limit: 10% of assessed valuation (for any one purpose)	$ 176,804,116
Debt limit: 15% of assessed valuation (for sewerage purposes)	265,206,174
Debt limit: 35% of assessed valuation (aggregate, all purposes)	618,814,406

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, 2012 tax rolls	$4,256,055,846
Debt limit: 10% of assessed valuation (for any one purpose)	$ 425,605,585
Debt limit: 15% of assessed valuation (for sewerage purposes)	638,408,377

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

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:	
Assessed valuation, 2012 tax rolls	$4,256,055,846
Debt limit: 15% of assessed valuation (for sewerage purposes)	$ 638,408,377

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.

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, 2012, is as follows:

	City	Parish
Actual 2012 Revenues	$ 90,766,641	$ 83,663,827
Debt Capacity Before Outstanding Bonds (40%)	36,306,656	33,465,531
Less: Highest Annual Debt Service on Outstanding Bonds	(9,018,843)	--
Debt Capacity	$ 27,287,813	$ 33,465,531
Interest factor for $1 of debt, 5.0%, 25 years	0.070952457	0.070952457
Additional Bond Capacity (25 Years at 5.5%)	$384,592,925	$471,661,341

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

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, 2012, the following issues are outstanding:

Bond Issue	Outstanding 12/31/2012	Primary Purpose of Issue
City of Baton Rouge:		
Governmental type activities:		
$30,395,000; Series 2007A	$11,410,000	Current and advance refunding parity bond issues
$19,045,000; Series 2010B	17,815,000	Advance refunding parity bond issue
Business type activities:		
$ 2,100,000; Series 2005B	1,690,000	Provide capital improvement funds for airport projects
$47,205,000; Series 2008A-2	46,640,000	Provide and restructure prior District Indebtedness
$ 9,505,000; Series 2008B	7,145,000	Provide and restructure prior District Indebtedness
$ 6,000,000; Series 2010A (GO Zone)	5,875,000	Provide capital improvement funds for airport projects
Total	$90,575,000	

Parish of East Baton Rouge:
As of 12/31/12, there are no Parish Sales Tax Revenue Bonds outstanding.

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

9. 1/2% 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.

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. The Parish is no longer authorized to issue additional 1/2% Sewer Sales Tax parity bonds.

Anticipated revenues based on 2013 annual operating budget	$41,819,100
Debt Capacity Before Outstanding Bonds (75%)	31,364,325
Less: 2013 Debt Service on Outstanding Bonds	(2,953,519)
Less: Sales Tax Collection Costs (based on 2013 budget)	(600,000)
Debt Capacity Pledged for E.B.R. Sewerage Commission Revenue Bonds	$27,810,806

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. 1/2% Sewer Sales Tax Revenue Bonds (Continued)

These bonds are accounted for in the Comprehensive Sewerage System Enterprise Fund. Sinking fund payments are made monthly with bond interest and/or principal payments due February 1 and August 1 of each year. As of December 31, 2012, the following issues are outstanding:

Bond Issue	Outstanding 12/31/2012	Primary Purpose of Issue
Parish of East Baton Rouge:		
Sewer Sales Tax Revenue Bonds:		
$33,255,000; Series 2005A	$28,205,000	Advance Refunding Parity Bonds

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

10. 1/2% 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 2013 annual operating budget	$27,286,720
Debt Capacity Before Outstanding Bonds (75%)	20,465,040
Highest Annual Debt Service on Outstanding Bonds	17,133,815
Debt Capacity	$ 3,331,225
Interest factor for $1 of debt, 5.00%, 18 years	0.08554622
Additional Bond Capacity (18 Years at 5.00%)	$38,940,645

Bond Issue	Outstanding 12/31/2012	Primary Purpose of Issue
Parish of East Baton Rouge:		
Road and Street Sales Tax Revenue Bonds:		
$ 32,760,000; Series 2006A	$ 12,375,000	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	99,545,000	Road and Street Capital Improvements Program
Total	$205,360,000	

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

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 1/2% Sewer Sales Tax Revenue Before Outstanding Bonds	$ 27,810,806
Budgeted 2013 Sewer User Fees and Other Revenues	74,444,700
Less: Operating and Maintenance Expense	(47,167,810)
Debt Capacity Before Outstanding Bonds	55,087,696
Highest Annual Debt Service on Outstanding Bonds (Net of Build America Bonds Direct Subsidy Payment)	53,935,225
Debt Capacity	$ 1,152,471
Interest factor for $1 of debt, 4.5%, 40 year	0.054343147
Additional Bond Capacity (40 Years at 4.5%)	$ 21,207,292

Bond Issue	Outstanding 12/31/2012	Primary Purpose of Issue
East Baton Rouge Sewerage Commission:		
$154,915,000; Series 2006A	$133,365,000	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	7,889,523	Sewerage Capital Improvements Program
$ 17,140,000; Series 2010A	8,880,000	Sewerage Capital Improvements Program
$357,840,000; Series 2010B BABs	357,840,000	Sewerage Capital Improvements Program
$202,500,000; Series 2011A (LIBOR Index)	199,200,000	Sewerage Capital Improvements Program
Total	$914,154,523	

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.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Derivative Instruments (Continued)

As of December 31, 2012, the swap agreements can be summarized as follows:

	Changes in Fair Value		Fair Value at December 31, 2012		
	Classification	Amount	Classification	Amount	Notional
Governmental Activities:					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	$ 454,290	Non-current liability	$ (26,577,702)	$ 92,240,000
	Amortization of off-market swap	(498,978)			
Business-Type Activities:					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	(3,673,459)	Derivative instrument liability	(89,283,927)	295,000,000
	Amortization of off-market swap	(1,103,423)	Obligation Payable	(50,066,577)	

Terms and Objectives of Hedging Derivative Instruments

Type	Notional	Objective	Effective Date	Maturity Date	Terms	Counterparty Credit Rating*
Governmental Activities:						
Cash Flow Hedges:						
Pay-fixed; receive variable interest rate swap	$46,120,000	to lower borrowing costs on the Rd & Str Series 2006 Bonds	5/3/2006	8/1/2030	Pay 3.325% (imputed at-the market rate); Receive 70% of 1 month USD-LIBOR	A3 / A / A
Pay-fixed; receive variable interest rate swap	46,120,000	to lower borrowing costs on the Rd & Str 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
Business-Type Activities:						
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	110,000,000	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.

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, 2012, the swaps had a combined negative fair value of $26,577,702. 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, 2012, 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, 2012, 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, 2012, the variable rate on the bonds was 0.14% and 70% of one-month USD-LIBOR-BBA was 0.15%. 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.

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, 2012, 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	Variable-Rate Bonds		Citibank Interest Rate	Merrill Lynch Interest Rate	
December 31	Principal	Interest*	Swap, Net**	Swap, Net***	Total
2013	$ --	$ 130,816	$ 1,464,850	$ 1,431,644	$ 3,027,310
2014	--	130,816	1,464,850	1,431,644	3,027,310
2015	--	130,816	1,464,850	1,431,644	3,027,310
2016	4,565,000	128,495	1,434,993	1,402,460	7,530,948
2017	4,790,000	121,614	1,362,467	1,331,582	7,605,663
2018 - 2022	27,145,000	500,015	5,602,449	5,475,446	38,722,910
2023 - 2027	33,365,000	289,644	3,249,176	3,175,520	40,079,340
2028 - 2031	23,575,000	53,189	597,229	583,690	24,809,108
Total	$93,440,000	$1,485,405	$16,640,864	$16,263,630	$127,829,899

* Computed using 12/31/12 variable rate (0.14%)
** Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/12 LIBOR (0.15%)) x ($46,120,000 - annual reduction)
*** Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/12 LIBOR (0.15%)) 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:

	Imputed borrowing Citibank		Imputed borrowing Merrill Lynch		
Fiscal Year Ending December 31	Principal	Interest	Principal	Interest	Total
2013	$ 267,440	$ 77,077	$ 246,684	$131,039	$ 722,240
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 - 2022	1,185,023	174,257	1,183,456	306,837	2,849,573
2023 - 2027	754,170	61,313	783,489	110,593	1,709,565
2028 - 2031	171,240	5,532	183,626	10,191	370,589
	$3,492,673	$564,694	$3,465,123	$983,318	$8,505,808

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 Deutshce 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, 2012, the swap had a negative fair value of $39,393,553. 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, 2012, 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, 2012, this swap had a negative fair value of $44,330,585. 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, 2012, 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, 2012, 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, 2012, collateral of $25,000,000 and $35,000,000 was posted with Deutsche Bank and Merrill Lynch respectively.

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.

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, 2012, 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	Variable-Rate Bonds		Deutsche Interest Rate	Bank of America Interest Rate	
December 31	Principal	Interest*	Swap, Net**	Swap, Net***	Total
2013	$ 3,440,000	$ 1,848,462	$ 2,254,343	$ 3,700,158	$ 11,242,963
2014	3,590,000	1,819,446	2,175,967	3,700,158	11,285,571
2015	3,750,000	1,783,942	2,094,098	3,700,158	11,328,198
2016	3,915,000	1,754,809	2,061,014	3,699,781	11,430,604
2017	4,085,000	1,711,483	1,974,497	3,700,158	11,471,138
2018 - 2022	23,270,000	7,921,925	8,429,898	18,500,415	58,122,238
2023 - 2027	28,860,000	6,670,250	5,609,997	18,500,415	59,640,662
2028 - 2032	35,790,000	5,120,067	2,201,577	20,418,950	63,530,594
2033 - 2037	13,915,000	4,196,046	--	21,061,123	39,172,169
2038 - 2042	40,120,000	2,644,948	--	13,905,923	56,670,871
2043 - 2047	38,465,000	596,163	--	3,724,296	42,785,459
Total	$199,200,000	$36,067,541	$26,801,391	$114,611,535	$376,680,467

* Computed using (70% of 12/31/12 LIBOR (0.15%) + fixed spread of 0.35%,0.65% or 0.80% based on year of maturity)
** Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/12 LIBOR (0.15%)) x ($110,000,000 - annual reduction)
*** Computed using (fixed swap rate (4.149%) - 70% of 12/31/12 LIBOR (0.15%)) 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	Imputed borrowing Deutsche Bank		
December 31	Principal	Interest	Total
2013	$ 2,133,760	$ 609,368	$ 2,743,128
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 - 2022	8,542,178	1,476,453	10,018,631
2023 - 2027	6,010,440	615,868	6,626,308
2028 - 2032	2,314,869	103,462	2,418,331
	$27,053,711	$4,765,310	$31,819,021

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.

As of December 31, 2012, the swap had a negative fair value of $55,626,366. 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, 2012, 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, 2012, 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, 2012, 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.

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.

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:

	Imputed borrowing Deutsche Bank		
Fiscal Year Ending December 31	Principal	Interest	Total
2013	$ 134,584	$ 1,134,289	$ 1,268,873
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 - 2022	1,866,694	5,218,806	7,085,500
2023 - 2027	2,374,375	4,711,125	7,085,500
2028 - 2032	3,020,129	4,065,371	7,085,500
2033 - 2037	3,841,508	3,243,992	7,085,500
2038 - 2042	4,886,279	2,199,221	7,085,500
2043 - 2047	5,532,033	882,527	6,414,560
2048 - 2049	715,993	30,779	746,772
	$23,573,188	$25,952,917	$49,526,105

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.

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

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 2012 was $410,833. In 2012, a principal payment of $294,167 reduced the obligation payable to $3,135,000. Scheduled maturities and interest are as follows:

	Principal	Interest	Total
2013	$ 306,250	$107,650	$ 413,900
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 and after	1,458,750	122,896	1,581,646
Total	$3,135,000	$564,233	$3,699,233

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, 2012. Total principal repaid is $1,268,500, leaving an outstanding debt balance of $1,231,500 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 6 year period at 1.63%.

   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, 2012. 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 at December 31, 2012. The loan will be repaid by the Airport District. Total principal repaid is $500,000 leaving an outstanding debt balance of $4,153,492 at year-end. Future debt service is budgeted over a 6 year period at 1.63%. The total LCDA authorization for the loan to the Airport is $7,600,000. Funds are drawn down as the expenses are made on airport projects.

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 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, 2012. A total of $357,143 has been repaid, leaving an outstanding debt balance of $1,142,857. Future debt service is budgeted over a 6 year period at 1.63%. 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.

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, 2012. A total of $468,000 has been repaid, leaving an outstanding debt balance of $5,811,481. Future debt service is budgeted over a 6 year period at 1.63%. 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, 2012. A total of $36,000 has been repaid, leaving an outstanding debt balance of $886,179. Future debt service is budgeted over a 6 year period at 1.63%. 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, 2012. A total of $4,000 has been repaid, leaving an outstanding debt balance of $260,713. Future debt service is budgeted over a 6 year period at 1.63%. 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, 2012. A total of $96,300 has been repaid, leaving an outstanding debt balance of $653,700. Future debt service is budgeted over a 17 year period at 1.83%. 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

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

2. LCDA Revenue Bonds (Parish of East Baton Rouge Road Improvements Project)

Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2012, $1,605,000 has been repaid, leaving an outstanding debt balance of $31,980,000.

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 $7,352,245 is recognized in 2012, on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Sewerage Commission.

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.

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.

Amortization of Accounting Gain: Prior-Year Refunding-Governmental Activities:
The City recognized an accounting gain of $987,729 on the above two refundings in 2002, when the reacquisition price was smaller than the carrying amount of the original obligation. In accordance with GASB 23, this gain must be deferred and amortized over the life of the debt on the entity-wide financial statements. During years 2002-2011, $352,760 of the deferred amount on refunding was amortized. On April 4, 2012, the City of Baton Rouge issued bonds to refund the Series 2002A and Series 2002B bonds maturing January 15, 2018 through 2029. Details of this refunding are shown in Note 10(a)18.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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, 2012, $62,700,000 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, 2012, $24,690,000 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, 2012, $7,345,000 of Parish Series ST-2005B Bonds Outstanding are considered defeased.

18. 2012 Refunding of Series 2002A and 2002B Taxable Bonds

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.

Sources and uses of the refunding issue are summarized as follows:

Sources and Uses of Funds:	
Sources:	
Principal proceeds	$58,075,000
Sinking fund contribution	512,051
	$58,587,051
Uses:	
Deposit with escrow agent	$57,845,376
Issuance costs	741,675
	$58,587,051

Cash Flow Difference:		
Old debt service cash flows		$86,454,704
New debt service cash flows	78,679,910	
Plus:		
Contribution from sinking funds	512,051	79,191,961
Cash Flow Difference		$ 7,262,743

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

18. 2012 Refunding of Series 2002A and 2002B Taxable Bonds (Continued)

Economic Gain on Refunding:

Present value of old debt service cash flows		$63,651,166
Present value of new debt service cash flows	57,780,917	
Plus:		
Contribution from sinking funds	512,051	58,292,968
Economic gain		$ 5,358,198

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, 2012, $299,784 of the Deferred amount on refunding was amortized, resulting in a deferred amount on refunding of $4,411,391 on the entity-wide statement of net position for governmental activities as of December 31, 2012.

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.

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, 2012.

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, 2012, there were 25 conduit bond obligations outstanding, with an aggregate principal amount payable of approximately $687,568,000.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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 2012 totaled $567,273. The future minimum rental payments at December 31, 2012, are detailed as follows:

	Governmental Activities
2013	$ 142,675
2014	126,225
2015	126,225
2016	126,225
2017	126,225
Thereafter	4,532,849
Total future minimum lease payments	$5,180,424

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
District Attorney of the Nineteenth Judicial District				
Net other postemployment benefit obligation	$ 4,093,842	$1,263,114	$ 350,813	$ 5,006,143
Nineteenth Judicial District Court				
Bonds and notes payable	96,200,000	--	1,395,000	94,805,000
Deferred premium on bonds	2,470,970	--	82,595	2,388,375
Compensated absences payable	665,037	55,791	--	720,828
Net other postemployment benefit obligation	4,519,391	1,290,773	358,495	5,451,669
Total	103,855,398	1,346,564	1,836,090	103,365,872
E.B.R. Parish Family Court				
Compensated absences payable	118,959	42,944	42,184	119,719
Net other postemployment benefit obligation	625,169	136,272	--	761,441
Total	744,128	179,216	42,184	881,160
E.B.R. Parish Juvenile Court				
Compensated absences payable	173,431	--	2,377	171,054
Net other postemployment benefit obligation	1,289,459	317,663	88,227	1,518,895
Total	1,462,890	317,663	90,604	1,689,949

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
E.B.R. Parish Clerk of Court				
Compensated absences payable	$ 654,316	$ 24,211	$ --	$ 678,527
Net other postemployment benefit obligation	2,844,741	861,343	657,329	3,048,755
Total	3,499,057	885,554	657,329	3,727,282
Capital Area Transit System				
Bonds and notes payable	--	3,500,000	--	3,500,000
Compensated absences payable	503,231	176,521	201,292	478,460
Obligation under capital leases	3,655,575	--	661,783	2,993,792
Claims and judgements payable	1,552,896	713,546	819,962	1,446,480
Total	5,711,702	4,390,067	1,683,037	8,418,732
Total component units long-term debt	$119,367,017	$8,382,178	$4,660,057	$123,089,138

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2012, consist of the following:

	Due From Other Funds	Due To Other Funds
Temporary cash advances at December 31, 2012:		
General Fund	$ 8,880,353	$ --
Grants Fund	--	1,007,985
Nonmajor governmental funds	--	7,872,368
Total temporary cash advances	8,880,353	8,880,353
Other funds funding long term improvements in the Capital Projects Fund:		
Library board of control major fund	--	54,501,624
Capital Projects Fund	56,963,980	--
Nonmajor governmental funds	--	2,462,356
Total receivable/payables to capital projects fund	56,963,980	56,963,980
Total Balance Sheet - Governmental Funds	$65,844,333	$65,844,333

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:

	Federal	State	School Board	Sheriff	Other	Total
Governmental Activities:						
General Fund	$ --	$ 758,304	$157,890	$16,728,238	$101,667	$17,746,099
Library Board of Control	--	--	--	25,534,414	--	25,534,414
Grants Fund	10,985,111	4,573,582	--	--	70,437	15,629,130
Capital Projects Fund	--	1,781,722	--	--	--	1,781,722
Nonmajor governmental funds	--	230,025	--	18,855,520	--	19,085,545
Adjustments to full accrual basis of accounting	26,599	--	--	--	16,907	43,506
Business-type Activities:						
Greater Baton Rouge Airport District	803,970	371,882	--	--	--	1,175,852
Comprehensive Sewerage System Fund	3,063,435	--	--	--	--	3,063,435
Nonmajor enterprise funds	--	692,700	--	--	--	692,700
Totals	$14,879,115	$8,408,215	$157,890	$61,118,172	$189,011	$84,752,403

NOTE 12 - Interfund Transfers

a. Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfers Out									
	General Fund	Library Board of Control	Grants Fund	Nonmajor Govern-mental Funds	Greater Baton Rouge Airport District	Comp-rehensive Sewerage System Fund	Solid Waste Collection and Disposal	Nonmajor Enterprise Funds	Internal Service Funds	Total
Transfers In:										
Governmental Activities:										
General Fund	$ --	$195,406	$213,629	$ 335,585	$68,753	$236,170	$2,566,010	$6,735	$ --	$ 3,622,288
Grants Fund	1,303,153	998		91,553	15,405	62,076	1,383,407	--	1,208	2,857,800
Capital Projects Fund	4,770,059	289,260	--	950,000	--	--	--	--	--	6,009,319
Nonmajor governmental funds	5,607,258	--	--	749,600	--	--	--	--	--	6,356,858
Business-type Activities:										
Solid Waste Collection and Disposal	70,782	--	--	--	--	--	--	--	--	70,782
Nonmajor enterprise funds	1,425,000	--	--	--	--	--	--	--	--	1,425,000
Totals	$13,176,252	$485,664	$213,629	$2,126,738	$84,158	$298,246	$3,949,417	$6,735	$1,208	$20,342,047

- The capital projects major fund was subsidized $6,009,319 during 2012 toward non-recurring capital improvements from the General Fund, Library Board of Control and Nonmajor Governmental Funds.
- The general fund subsidized the normal operations of non-major governmental funds in the amount of $298,436 in 2012.
- The general fund subsidized the Baton Rouge River Center (non-major enterprise convention center) $1,425,000 in 2012.
- The general fund also transferred $5,308,822 to service debt to non-major governmental funds in 2012. An amount of $2,547,400 was transferred back to the general fund by the Solid Waste Collection and Disposal Enterprise Fund in 2012 for general government issued debt for the landfill.
- During 2012, $2,857,800 was transferred in to the Grants major Fund from various other funds for local match on federal grants for Hurricane Isaac and other grant programs.
- As a result of excess premiums over risk-related expenditures during 2012, $984,888 in premiums were treated as interfund transfers from the various funds to the General Fund.

NOTE 12 - Interfund Transfers (Continued)

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2012 are classified as external transactions on the Government-wide Statement of Activities:

	Operating Exchanges (To)/From Primary Government	Operating Exchanges (To)/From Component Units
Primary Government:		
General Fund (operating subsidies)	$ --	$(17,079,485)
Nonmajor Special Revenue Fund:		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	--	(1,247,200)
Component Units:		
District Attorney of the Nineteenth Judicial District	4,998,762	--
Nineteenth Judicial District Court	6,449,811	--
E.B.R. Parish Family Court	928,670	--
E.B.R. Parish Juvenile Court	1,199,509	--
E.B.R. Parish Clerk of Court	553,407	--
Capital Area Transit System	4,196,526	--
Total	$18,326,685	$(18,326,685)

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
Governmental Activities:							
Receivables:							
Property taxes	$ 8,195,466	$11,962,680	$ --	$ --	$ 9,608,299	$ --	$29,766,445
Gross receipts business taxes	4,023,773	--	--	--	--	--	4,023,773
Sales taxes	16,343,485	--	--	2,602,621	1,447,390	--	20,393,496
Interest and penalties on taxes	190,249	--	--	--	--	--	190,249
Accounts	2,152,995	15,069	--	55,084	2,253,897	--	4,477,045
Accrued interest	26,140	24,476	1,656	36,424	13,771	3,347	105,814
Gross receivables	30,932,108	12,002,225	1,656	2,694,129	13,323,357	3,347	58,956,822
Less: allowance for uncollectibles	(360,198)	(675,102)	--	--	(467,719)	--	(1,503,019)
Net receivables-governmental funds	30,571,910	11,327,123	1,656	2,694,129	12,855,638	3,347	57,453,803
Adjustment to full accrual basis	--	--	--	--	1,600,000	--	1,600,000
Net total receivables	$30,571,910	$11,327,123	$1,656	$2,694,129	$14,455,638	$3,347	$59,053,803

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
Business-type Activities:					
Receivables:					
Sales taxes	$ --	$ 3,980,665	$ --	$ --	$ 3,980,665
Accounts	376,899	6,255,395	3,371,556	582,081	10,585,931
Accrued interest	2,579	302,618	6,199	3,586	314,982
Gross receivables	379,478	10,538,678	3,377,755	585,667	14,881,578
Less: allowance for uncollectibles	(12,691)	--	--	(20,000)	(32,691)
Net total receivables	$ 366,787	$10,538,678	$3,377,755	$565,667	$14,848,887

Summary of other receivables reported on the Statement of Net Position for Business-type activities:

Current assets - receivables	$14,547,828
Restricted assets - receivables	301,059
Totals	$14,848,887

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	$ 8,159,887	$ 2,945,515	$ 11,105,402
Federal forfeited property	416,434	--	416,434
Bond funds from dedicated road sales tax	4,207,313	--	4,207,313
Dedicated sales tax for street construction	46,947,824	--	46,947,824
Dedicated property taxes authorized by the electorate for specific special revenue funds	54,651,054	--	54,651,054
Claim settlement for capital improvements	--	1,280,002	1,280,002
Dedicated hotel-motel taxes for Riverfront improvements	300,158	9,297,229	9,597,387
Total Net Position restricted for capital projects	114,682,670	13,522,746	128,205,416
Debt service:			
2% City sales tax revenue bonds	4,788,974	--	4,788,974
½% Road sales tax revenue bonds	4,327,914	--	4,327,914
LCDA road and street improvement projects	808,678	--	808,678
½% Parish sewer sales tax revenue bonds	--	31,309,410	31,309,410
Greater Baton Rouge Airport District debt service	--	1,331,466	1,331,466
Total Net Position restricted for debt service	9,925,566	32,640,876	42,566,442
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	--	191,241	191,241

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):

	Governmental Activities	Business Type Activities	Total
Net Position Restricted For (Continued):			
External legal constraints:			
Dedicated property taxes authorized by the electorate to specific special revenue funds and purposes	$ 60,332,903	$ --	$ 60,332,903
Dedicated sales tax for street maintenance and beautification	11,635,653	--	11,635,653
Court fees for juror compensation and judicial buildings	876,832	--	876,832
State road funds dedicated for transportation	12,086,891	--	12,086,891
Telephone surcharge dedicated to communications district	6,953,296	--	6,953,296
Public, Educational and Governmental programming fees	270,831	--	270,831
Volunteer fire districts service charges authorized by the electorate	265,001	--	265,001
Federal forfeited property	919,384	--	919,384
Collateral posted with swap agreement	--	60,000,000	60,000,000
Total Net Position restricted for external legal constraints	93,340,791	60,000,000	153,340,791
Total Restricted Net Position	$217,949,027	$106,354,863	$324,303,890

b. Details of restricted, committed, and assigned fund balances at year-end are as follows:

	General Fund	Library Board of Control	Grants	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Inventory	$ 639,875	$ --	$ --	$ --	$ --	$ 639,875
Restricted for:						
Dedicated property taxes:						
Library services and construction	--	62,285,353	--	53,180,708	--	115,466,061
Mosquito abatement and rodent control	--	--	--	--	9,512,201	9,512,201
Downtown development	--	--	--	--	396,393	396,393
Emergency medical services	--	--	--	1,470,346	5,223,512	6,693,858
Fire department pay enhancement	--	--	--	--	1,397,269	1,397,269
Volunteer fire districts	--	--	--	--	1,254,495	1,254,495
Road lighting	--	--	--	--	4,172,372	4,172,372
Dedicated sales taxes:						
Street improvement/beautification	--	--	--	46,947,824	3,427,634	50,375,458
Street maintenance	--	--	--	--	8,519,728	8,519,728
Dedicated hotel-motel taxes for Riverfront	--	--	--	300,158	--	300,158
Bond funds for capital improvements	--	--	--	49,536,478	--	49,536,478
Debt Service	--	--	--	--	13,410,978	13,410,978
Court fees for juror compensation	--	--	--	--	405,206	405,206
Court fees for judicial buildings	--	--	--	--	471,626	471,626
State Road funds for transportation	--	--	--	--	12,086,891	12,086,891
Telephone surcharges for public safety	--	--	--	--	10,119,016	10,119,016
Public, educational and governmental programs	270,831	--	--	--	--	270,831

NOTE 14 - Detailed Restricted Net Position and Fund Balances (Continued)

b. Details of restricted, committed, and assigned fund balances at year-end (Continued):

	General Fund	Library Board of Control	Grants	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Fund balances (Continued):						
Restricted for (Continued):						
Volunteer fire districts service charges	$ --	$ --	$ --	$ --	$ 344,991	$ 344,991
Federal and state grant programs	--	--	11,173,580	8,159,887	--	19,333,467
Federal forfeited property	--	--	--	416,434	919,384	1,335,818
Total Restricted	270,831	62,285,353	11,173,580	160,011,835	71,661,696	305,403,295
Committed to:						
Loans receivable	966,124	--	--	--	--	966,124
Self-insurance purposes	43,111,117	--	--	--	--	43,111,117
Budget stabilization	14,600,000	--	--	--	--	14,600,000
General capital improvements	--	--	--	20,765,614	--	20,765,614
City constable court costs	--	--	--	--	1,445	1,445
Gaming enforcement	--	--	--	--	167,835	167,835
Emergency medical services	--	--	--	--	3,876,813	3,876,813
Total Committed	58,677,241	--	--	20,765,614	4,046,093	83,488,948
Assigned to:						
Next year's adopted budget	7,242,530	--	--	--	--	7,242,530
Approved continuing projects	15,434,399	--	--	--	--	15,434,399
Public safety	572,194	--	--	--	--	572,194
Culture and recreation	168,097	--	--	--	--	168,097
Sales tax refunds	2,554,912	--	--	--	--	2,554,912
Animal control	155,037	--	--	--	--	155,037
Other purposes	1,659,172	--	--	--	--	1,659,172
Total Assigned	27,786,341	--	--	--	--	27,786,341
Unassigned	15,483,305	--	--	--	--	15,483,305
Total fund balances	$102,857,593	$62,285,353	$11,173,580	$180,777,449	$75,707,789	$432,801,764

c. Governmental Fund Encumbrances included in restricted, committed, or assigned fund balances at December 31, 2012 were as follows:

General fund	$ 1,660,074
Library board of control	543,298
Grants fund	16,194,100
Nonmajor governmental funds	4,710,887
Capital projects fund	75,676,568
Total governmental fund encumbrances	$98,784,927

NOTE 15 - Restricted Assets

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

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Other Enterprise Total	Total
Sales tax revenue bonds construction accounts	$ 9,792,252	$355,754,814	$ --	$365,547,066
Hotel-motel tax construction accounts	--	--	8,602,059	8,602,059
Passenger Facility Charges (PFC) account	589,670	--	--	589,670
Sales tax revenue bonds debt service accounts	1,331,399	15,676,308	--	17,007,707
Accounts receivable - PFC	181,376	--	--	181,376
Accrued interest receivable - sales tax revenue bonds	391	116,751	--	117,142
Accrued interest receivable - PFC	71	--	--	71
Accrued interest receivable - hotel-motel tax	--	--	2,470	2,470
Prepaid items - bond issuance costs	8,249	555,799	--	564,048
Total restricted assets	$11,903,408	$372,103,672	$8,604,529	$392,611,609

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, 2012 the FAA has approved the following applications for disbursement of the proceeds of the PFC as follows:

	Application Number and Description	Approved PFC Level	Total FAA Authorization	Total Disbursed through 12/31/2012	
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	17,855,809	
5	Airport access road	3.00	3,089,499	1,456,700	
5	Acquire A/C loading bridges	3.00	2,324,075	603,294	
6	Runway 4L/22R extension project	4.50	11,815,660	3,359,778	
6	Professional Fees-administration of PFC	4.50	434,000	--	
6	General Aviation Apron Facility Expansion	4.50	598,529	258,351	
7	Terminal Atrium Expansion	4.50	20,298,565	2,674,426	
7	Acquisition of Property for Development	4.50	2,802,951	362,361	
7	Taxiway Fillet Construction	4.50	1,429,025	184,346	
7	Ticket Lobby Expansion	4.50	1,097,133	242,745	
	Total Approved Applications		$81,359,236	$29,603,833	

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 2012 fiscal year resulting in a restriction of Net Position from passenger facility charges as follows:

	Accrual Basis	Cash Basis
Cumulative PFC receipts (1992 - 2012), net of administrative fee	$ 27,561,738	$ 27,380,362
Interest earnings	1,442,177	1,442,106
Claim settlement	1,371,035	1,371,035
Total revenues	30,374,950	30,193,503
Cumulative disbursements for PFC projects (1992 - 2012)	(9,791,890)	(9,732,387)
Cumulative bond principal payments	(8,616,034)	(8,616,034)
Cumulative bond interest payments	(11,775,785)	(11,255,412)
Total disbursements	(30,183,709)	(29,603,833)
Net PFC cash, December 31, 2012		$ 589,670
Net Position restricted for PFC, December 31, 2012	$ 191,241	

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, 2012, totals $10,948,908. The liability is based on the landfill capacity used to date of 12,148,555 cubic yards or 42.7% 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 $14,664,669 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2012, is 23 years.

NOTE 18 - State Required Disclosures

a. Council Members Compensation

Each Metropolitan Council Member receives monthly compensation in accordance with The Plan of Government. Compensation is currently $1,000 a month for council members. In addition, members of the Metropolitan Council receive $800 per month combined travel and auto allowance. (LRS 33:1233(B)) Following is a list of Council Members with gross wages, including auto allowance that was reported as paid in year 2012:

District 1	Trae Welch	$21,600
District 2	Ulysses Z. Addison, Jr.	21,600
District 3	Chandler Loupe	21,600
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	J. Michael "Mike" Walker	
	Council	21,600
	Mayor Pro Tem	18,000
District 9	Joel Boe'	21,600
District 10	Tara Wicker	21,600
District 11	Alison Gary	21,600
District 12	Rodney "Smokie" Bourgeois	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 $29.0 million in wireless fees. Approximately $2,536,800 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.

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 2012.

	Total Collections	Collection Cost	Final Distribution
City of Baker	$ 3,326,499	$ 31,843	$ 3,294,656
Baker School District	2,599,732	24,919	2,574,813
City of Zachary	6,853,888	68,140	6,785,748
Zachary School District	11,167,311	113,760	11,053,551
City of Central	4,447,577	44,910	4,402,667
Central School District	5,711,332	56,584	5,654,748
EBRP School District	147,822,166	1,444,700	146,377,466
Street Improvements Tax for other municipalities	3,040,129	24,259	3,015,870
Visit Baton Rouge	4,307,336	6,000	4,301,336
Total	$189,275,970	$1,815,115	$187,460,855

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 $2,036,458 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 $217,164 for 2012 and paid principal of $188,500 and interest of $15,783 in 2012 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. East Baton Rouge Sewerage Commission, Series 2013A Bonds

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.

NOTE 20 - Subsequent Events (Continued)

b. East Baton Rouge Sewerage Commission, Series 2013B Bonds

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 is currently 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 - 3.003 percent.

c. Louisiana Local Governmental Environmental Facilities and Community Development Authority (East Baton Rouge Sewerage Commission Projects), Series 2013A and 2013B (LIBOR Index)

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 - 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 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.

d. Parish Series 2013A Bonds

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.

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) 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)
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
01/01/08	0.00	865,362,027	865,362,027	0.00	153,021,360	565.5

Note: The actuary does not provide a separate schedule of funding progress for individual employers.
* Based on 1/1/11 actuary study
** Based on 1/1/09 actuary study

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Amount Contributed	Percentage Contributed
12/31/12	$68,826,572	$19,132,237	27.8 %
12/31/11	68,826,572	20,019,053	29.1
12/31/10	60,314,941	19,827,688	32.9
12/31/09	60,314,941	13,762,722	22.8
12/31/08	61,259,643	12,556,568	20.5

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.

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.

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.

Continued

Debt Service Funds (Continued)

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, 2012

	Special Revenue				
	Civil Juror Compensation	Criminal Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control	Downtown Development District
ASSETS					
Cash and cash equivalents	$ 118,310	$ 243,207	$ 30,182	$ 3,439,106	$ --
Investments	--	--	--	1,693,888	--
Property taxes receivable-net	--	--	--	1,476,389	100,850
Sales taxes receivable	--	--	--	--	--
Accounts receivable	432	43,157	--	--	--
Accrued interest receivable	44	56	5	1,609	24
Due from other governments	--	--	--	3,339,784	365,598
Total assets	$ 118,786	$ 286,420	$ 30,187	$ 9,950,776	$ 466,472
LIABILITIES					
Accounts and contracts payable	$ --	$ --	$ 12,983	$ 242,498	$ 8,162
Due to other funds	--	--	--	--	16,047
Due to other governments	--	--	--	--	--
Accrued salaries payable	--	--	15,759	62,094	14,066
Total liabilities	--	--	28,742	304,592	38,275
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	--	--	--	133,983	31,804
Unavailable revenue-revenue sharing	--	--	--	--	--
Total deferred inflows of resources	--	--	--	133,983	31,804
FUND BALANCES (Note 14):					
Restricted	118,786	286,420	--	9,512,201	396,393
Committed	--	--	1,445	--	--
Total fund balances	118,786	286,420	1,445	9,512,201	396,393
Total liabilities, deferred inflows of resources and fund balances	$ 118,786	$ 286,420	$ 30,187	$ 9,950,776	$ 466,472

The accompanying notes are an integral part of this statement.

Continued

Special Revenue					
Gaming Enforcement Division	City Court Judicial Building	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	B.R. Fire Department Pay Enhancement
$ 170,621	$ 473,843	$ 849,084	$ 6,605,953	$ 8,704	$ --
--	--	418,205	3,253,678	--	--
--	--	--	--	3,277,375	3,567,419
--	--	--	--	--	--
2,200	12,710	--	567,644	1,627,754	--
42	121	357	2,507	1,573	--
--	--	--	--	7,413,952	6,446,100
$ 172,863	$ 486,674	$ 1,267,646	$ 10,429,782	$ 12,329,358	$ 10,013,519
$ 1,172	$ 15,048	$ 1,014	$ 183,293	$ 289,193	$ 82,056
--	--	338,850	--	2,123,506	7,618,049
--	--	--	--	--	--
3,856	--	8,398	127,473	518,911	447,225
5,028	15,048	348,262	310,766	2,931,610	8,147,330
--	--	--	--	297,423	468,920
--	--	--	--	--	--
--	--	--	--	297,423	468,920
--	471,626	919,384	10,119,016	5,223,512	1,397,269
167,835	--	--	--	3,876,813	--
167,835	471,626	919,384	10,119,016	9,100,325	1,397,269
$ 172,863	$ 486,674	$ 1,267,646	$ 10,429,782	$ 12,329,358	$ 10,013,519

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Special Revenue				
	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen-St. Irma Lee Fire Protection District
ASSETS					
Cash and cash equivalents	$ 29,424	$ --	$ 6,463	$ 223,945	$ 298,680
Investments	--	--	--	--	--
Property taxes receivable-net	138,362	132,594	32,632	27,750	115,261
Sales taxes receivable	--	--	--	--	--
Accounts receivable	--	--	--	--	--
Accrued interest receivable	28	--	9	56	94
Due from other governments	185,572	469,241	132,208	99,290	98,719
Total assets	$ 353,386	$ 601,835	$ 171,312	$ 351,041	$ 512,754
LIABILITIES					
Accounts and contracts payable	$ 1,902	$ 6,002	$ 938	$ 4,861	$ 3,910
Due to other funds	--	238,272	--	--	--
Due to other governments	--	--	--	--	--
Accrued salaries payable	--	31,690	--	1,653	7,460
Total liabilities	1,902	275,964	938	6,514	11,370
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	10,527	23,938	8,387	2,943	--
Unavailable revenue-revenue sharing	--	48,359	--	--	--
Total deferred inflows of resources	10,527	72,297	8,387	2,943	--
FUND BALANCES (Note 14):					
Restricted	340,957	253,574	161,987	341,584	501,384
Committed	--	--	--	--	--
Total fund balances	340,957	253,574	161,987	341,584	501,384
Total liabilities, deferred inflows of resources and fund balances	$ 353,386	$ 601,835	$ 171,312	$ 351,041	$ 512,754

The accompanying notes are an integral part of this statement.

Continued

Special Revenue					
Consolidated Road Lighting District No. 1	Parish Transportation	Parish Beautification	Parish Street Maintenance	Capital House Economic Development District	Total
$ 2,485,482	$ 8,041,672	$ 2,301,709	$ 5,963,990	$ 96,149	$ 31,386,524
1,224,193	3,960,823	1,133,677	2,937,488	--	14,621,952
271,948	--	--	--	--	9,140,580
--	--	111,541	1,266,507	69,342	1,447,390
--	--	--	--	--	2,253,897
954	2,829	816	2,134	--	13,258
305,056	230,025	--	--	--	19,085,545
$ 4,287,633	$ 12,235,349	$ 3,547,743	$ 10,170,119	$ 165,491	$ 77,949,146
$ 41,150	$ 148,458	$ 120,109	$ 1,381,508	$ 165,491	$ 2,709,748
--	--	--	--	--	10,334,724
--	--	--	260,177	--	260,177
--	--	--	8,706	--	1,247,291
41,150	148,458	120,109	1,650,391	165,491	14,551,940
43,577	--	--	--	--	1,021,502
30,534	--	--	--	--	78,893
74,111	--	--	--	--	1,100,395
4,172,372	12,086,891	3,427,634	8,519,728	--	58,250,718
--	--	--	--	--	4,046,093
4,172,372	12,086,891	3,427,634	8,519,728	--	62,296,811
$ 4,287,633	$ 12,235,349	$ 3,547,743	$ 10,170,119	$ 165,491	$ 77,949,146

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Debt Service			
	City Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement	LCDA Road and Street Improvement Project
ASSETS				
Cash and cash equivalents	$ 5,247,002	$ 1,094	$ 7,316,806	$ 1,094,389
Investments	--	--	--	--
Property taxes receivable-net	--	--	--	--
Sales taxes receivable	--	--	--	--
Accounts receivable	--	--	--	--
Accrued interest receivable	133	--	329	51
Due from other governments	--	--	--	--
Total assets	$ 5,247,135	$ 1,094	$ 7,317,135	$ 1,094,440
LIABILITIES				
Accounts and contracts payable	$ --	$ 1,094	$ 247,732	$ --
Due to other funds	--	--	--	--
Due to other governments	--	--	--	--
Accrued salaries payable	--	--	--	--
Total liabilities	--	1,094	247,732	--
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	--	--	--	--
Unavailable revenue-revenue sharing	--	--	--	--
Total deferred inflows of resources	--	--	--	--
FUND BALANCES (Note 14):				
Restricted	5,247,135	--	7,069,403	1,094,440
Committed	--	--	--	--
Total fund balances	5,247,135	--	7,069,403	1,094,440
Total liabilities, deferred inflows of resources and fund balances	$ 5,247,135	$ 1,094	$ 7,317,135	$ 1,094,440

The accompanying notes are an integral part of this statement.

Debt Service		
Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
$ --	$ 13,659,291	$ 45,045,815
--	--	14,621,952
--	--	9,140,580
--	--	1,447,390
--	--	2,253,897
--	513	13,771
--	--	19,085,545
$ --	$ 13,659,804	$ 91,608,950
$ --	$ 248,826	$ 2,958,574
--	--	10,334,724
--	--	260,177
--	--	1,247,291
--	248,826	14,800,766
--	--	1,021,502
--	--	78,893
--	--	1,100,395
--	13,410,978	71,661,696
--	--	4,046,093
--	13,410,978	75,707,789
$ --	$ 13,659,804	$ 91,608,950

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, 2012

	Special Revenue				
	Civil Juror Compensation	Criminal Juror Compensation	City Constable Court Costs	Mosquito Abatement and Rodent Control	Downtown Development District
REVENUES					
Taxes:					
Property	$ --	$ --	$ --	$ 4,991,194	$ 477,118
Sales	--	--	--	--	--
Occupancy	--	--	--	--	--
Intergovernmental revenues	--	--	12,000	--	--
Charges for services	48,390	287,184	702,597	--	--
Fines and forfeits	--	--	65,006	--	--
Investment earnings	331	436	101	14,770	399
Miscellaneous revenues	--	--	--	946	11,642
Total revenues	48,721	287,620	779,704	5,006,910	489,159
EXPENDITURES					
Current:					
General government	86,979	291,191	881,488	--	--
Public safety	--	--	--	--	--
Transportation	--	--	--	--	--
Health and welfare	--	--	--	4,284,301	--
Conservation and development	--	--	--	--	518,924
Debt service:					
Principal retirement	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Bond issuance costs	--	--	--	--	--
Capital outlay	--	--	--	34,389	5,500
Intergovernmental	--	--	--	--	--
Total expenditures	86,979	291,191	881,488	4,318,690	524,424
Excess (deficiency) of revenues over (under) expenditures	(38,258)	(3,571)	(101,784)	688,220	(35,265)
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	60,316	--	142,500
Transfers out	--	--	(4,267)	(57,287)	(3,131)
Issuance of long-term debt	--	--	--	--	--
Refunding bonds issued	--	--	--	--	--
Payment to refunded bond escrow agent	--	--	--	--	--
Proceeds of capital asset disposition	--	--	--	885	--
Total other financing sources and uses	--	--	56,049	(56,402)	139,369
Net change in fund balances	(38,258)	(3,571)	(45,735)	631,818	104,104
Fund balances, January 1	157,044	289,991	47,180	8,880,383	292,289
Fund balances, December 31	$ 118,786	$ 286,420	$ 1,445	$ 9,512,201	$ 396,393

The accompanying notes are an integral part of this statement.

Continued

Special Revenue					
Gaming Enforcement Division	City Court Judicial Building	Federal Forfeited Property	E.B.R. Parish Communications District	Emergency Medical Services	B.R. Fire Department Pay Enhancement
$ --	$ --	$ --	$ --	$ 11,068,339	$ 10,484,176
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
151,802	473,090	--	5,571,074	8,104,510	--
--	--	797,395	--	--	--
302	936	2,725	18,785	20,083	(3,359)
--	--	--	6,415	90,164	--
152,104	474,026	800,120	5,596,274	19,283,096	10,480,817
141,596	418,142	--	--	--	--
--	--	308,711	5,049,218	17,837,786	10,834,826
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	70,076	384,279	1,059,087	629,439	--
--	--	--	--	--	--
141,596	488,218	692,990	6,108,305	18,467,225	10,834,826
10,508	(14,192)	107,130	(512,031)	815,871	(354,009)
--	--	--	749,600	--	--
(1,424)	--	--	(48,523)	(2,000,832)	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
2,000	--	--	--	--	--
576	--	--	701,077	(2,000,832)	--
11,084	(14,192)	107,130	189,046	(1,184,961)	(354,009)
156,751	485,818	812,254	9,929,970	10,285,286	1,751,278
$ 167,835	$ 471,626	$ 919,384	$ 10,119,016	$ 9,100,325	$ 1,397,269

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, 2012

	Special Revenue				
	District No. 1 Fire Protection District	Brownsfield Fire Protection District	Chaneyville Fire Protection District	Pride Fire Protection District	Alsen St. Irma Lee Fire Protection District
REVENUES					
Taxes:					
Property	$ 294,134	$ 499,482	$ 134,796	$ 94,480	$ 224,050
Sales	--	--	--	--	--
Occupancy	--	--	--	--	--
Intergovernmental revenues	--	132,160	26,290	14,716	7,629
Charges for services	49,615	80,912	36,579	39,181	7,260
Fines and forfeits	--	--	--	--	--
Investment earnings	447	165	120	405	829
Miscellaneous revenues	--	4,812	1,989	3,320	1,743
Total revenues	344,196	717,531	199,774	152,102	241,511
EXPENDITURES					
Current:					
General government	--	--	--	--	--
Public safety	341,474	729,679	163,660	125,186	263,556
Transportation	--	--	--	--	--
Health and welfare	--	--	--	--	--
Conservation and development	--	--	--	--	--
Debt service:					
Principal retirement	--	--	--	4,000	--
Interest and fiscal charges	--	--	--	1,749	--
Bond issuance costs	--	--	--	--	--
Capital outlay	--	6,050	11,227	234,314	--
Intergovernmental	--	--	--	--	--
Total expenditures	341,474	735,729	174,887	365,249	263,556
Excess (deficiency) of revenues over (under) expenditures	2,722	(18,198)	24,887	(213,147)	(22,045)
OTHER FINANCING SOURCES (USES)					
Transfers in	--	16,250	35,860	19,000	24,510
Transfers out	--	(5,118)	(1,166)	(3,414)	(788)
Issuance of long-term debt	--	--	--	264,713	--
Refunding bonds issued	--	--	--	--	--
Payment to refunded bond escrow agent	--	--	--	--	--
Proceeds of capital asset disposition	--	--	--	--	--
Total other financing sources and uses	--	11,132	34,694	280,299	23,722
Net change in fund balances	2,722	(7,066)	59,581	67,152	1,677
Fund balances, January 1	338,235	260,640	102,406	274,432	499,707
Fund balances, December 31	$ 340,957	$ 253,574	$ 161,987	$ 341,584	$ 501,384

The accompanying notes are an integral part of this statement.

Continued

Special Revenue					
Consolidated Road Lighting District No. 1	Parish Transportation	Parish Beautification	Parish Street Maintenance	Capitol House Economic Development District	Total
$ 540,395	$ --	$ --	$ --	$ --	$ 28,808,164
--	--	1,173,139	13,598,383	113,502	14,885,024
--	--	--	--	962,052	962,052
51,874	2,707,954	--	--	--	2,952,623
--	--	--	--	--	15,552,194
--	--	--	--	--	862,401
7,511	21,205	6,306	15,511	--	108,008
--	--	--	--	--	121,031
599,780	2,729,159	1,179,445	13,613,894	1,075,554	64,251,497
--	--	--	--	--	1,819,396
--	--	--	--	--	35,654,096
501,001	494,905	1,264,597	11,351,762	--	13,612,265
--	--	--	--	--	4,284,301
--	--	--	--	1,075,554	1,594,478
--	--	--	--	--	4,000
--	--	--	--	--	1,749
--	--		--	--	--
--	200,496	24,654	--	--	2,659,511
--	1,247,200	--	--	--	1,247,200
501,001	1,942,601	1,289,251	11,351,762	1,075,554	60,876,996
98,779	786,558	(109,806)	2,262,132	--	3,374,501
--	--	--	--	--	1,048,036
--	--	--	(788)	--	(2,126,738)
--	--	--	--	--	264,713
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	2,885
--	--	--	(788)	--	(811,104)
98,779	786,558	(109,806)	2,261,344	--	2,563,397
4,073,593	11,300,333	3,537,440	6,258,384	--	59,733,414
$ 4,172,372	$ 12,086,891	$ 3,427,634	$ 8,519,728	$ --	$ 62,296,811

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, 2012

	Debt Service			
	City Sales Tax Bonds	Taxable Refunding Bonds	Road and Street Improvement	LCDA Road and Street Improvement Project
REVENUES				
Taxes:				
Property	$ --	$ --	$ --	$ --
Sales	4,769,691	--	17,822,986	3,279,314
Occupancy	--	--	--	--
Intergovernmental revenues	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	32,572	--	27,616	5,024
Miscellaneous revenues	--	--	--	--
Total revenues	4,802,263	--	17,850,602	3,284,338
EXPENDITURES				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Transportation	--	--	--	--
Health and welfare	--	--	--	--
Conservation and development	--	--	--	--
Debt service:				
Principal retirement	10,205,000	2,530,000	7,340,000	1,605,000
Interest and fiscal charges	1,583,863	2,193,654	10,489,205	584,898
Bond issuance costs	--	728,484	--	--
Capital outlay	--	--	--	--
Intergovernmental	--	--	--	--
Total expenditures	11,788,863	5,452,138	17,829,205	2,189,898
Excess (deficiency) of revenues over (under) expenditures	(6,986,600)	(5,452,138)	21,397	1,094,440
OTHER FINANCING SOURCES (USES)				
Transfers in	--	5,222,514	--	--
Transfers out	--	--	--	--
Issuance of long-term debt	--	--	--	--
Refunding bonds issued	--	58,075,000	--	--
Payment to refunded bond escrow agent	--	(57,845,376)	--	--
Proceeds of capital asset disposition	--	--	--	--
Total other financing sources and uses	--	5,452,138	--	--
Net change in fund balances	(6,986,600)	--	21,397	1,094,440
Fund balances, January 1	12,233,735	--	7,048,006	--
Fund balances, December 31	$ 5,247,135	$ --	$ 7,069,403	$ 1,094,440

The accompanying notes are an integral part of this statement.

Debt Service		
Excess Revenue and Limited Tax	Total	Total Nonmajor Governmental Funds
$ --	$ --	$ 28,808,164
--	25,871,991	40,757,015
--	--	962,052
--	--	2,952,623
--	--	15,552,194
--	--	862,401
--	65,212	173,220
174,774	174,774	295,805
174,774	26,111,977	90,363,474
--	--	1,819,396
--	--	35,654,096
--	--	13,612,265
--	--	4,284,301
--	--	1,594,478
237,086	21,917,086	21,921,086
23,996	14,875,616	14,877,365
--	728,484	728,484
--	--	2,659,511
--	--	1,247,200
261,082	37,521,186	98,398,182
(86,308)	(11,409,209)	(8,034,708)
86,308	5,308,822	6,356,858
--	--	(2,126,738)
--	--	264,713
--	58,075,000	58,075,000
--	(57,845,376)	(57,845,376)
--	--	2,885
86,308	5,538,446	4,727,342
--	(5,870,763)	(3,307,366)
--	19,281,741	79,015,155
$ --	$ 13,410,978	$ 75,707,789

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, 2012

EXHIBIT B - 3

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
General property taxes	$ 3,835	$ --	$ 3,835	$ 3,835
General sales and use taxes	229,280,213	6,270,949	235,551,162	232,976,064
Total taxes	229,284,048	6,270,949	235,554,997	232,979,899
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	74,517,545	5,654,318	80,171,863	97,945,007
Louisiana State Capital Outlay Bill	13,783,111	685,830	14,468,941	16,638,742
Department of Treasury	1,161,000	300,000	1,461,000	1,461,000
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
Other governmental agencies	297,460	15,083	312,543	541,340
Total intergovernmental revenues	93,510,259	6,655,231	100,165,490	120,337,232
Investment earnings	47,929,293	283,970	48,213,263	45,722,198
Miscellaneous revenues:				
Interest earned on assessments	7,387	--	7,387	4,984
Lease of old pistol range land	325,000	--	325,000	325,000
Insurance recoveries	--	538,970	538,970	538,970
Special assessments	35,291	--	35,291	31,332
Private developer impact fees	2,975,171	668,693	3,643,864	604,321
Contributions from private business	3,959,034	125,205	4,084,239	1,774,762
Donations and contingent receipts	281,559	--	281,559	280,834
Total miscellaneous revenues	7,583,442	1,332,868	8,916,310	3,560,203
Total revenues	378,307,042	14,543,018	392,850,060	402,599,532
EXPENDITURES				
Land	82,418,858	658,832	83,077,690	95,428,344
Buildings	86,376,847	30,924,379	117,301,226	165,821,539
Improvements other than buildings	496,759,870	51,233,465	547,993,335	670,014,591
Equipment	46,279,578	5,159,194	51,438,772	58,622,867
Other	9,005,912	466,887	9,472,799	9,485,030
Total expenditures	720,841,065	88,442,757	809,283,822	999,372,371
Excess (deficiency) of revenues over (under) expenditures	(342,534,023)	(73,899,739)	(416,433,762)	(596,772,839)
OTHER FINANCING SOURCES (USES)				
Transfers in	311,883,328	6,009,319	317,892,647	317,892,647
Transfers out	(4,397,476)	--	(4,397,476)	(4,606,955)
Issuance of long term debt	237,250,000	33,585,000	270,835,000	270,835,000
Premium on long term debt	3,503,919	4,384,644	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	--	228,893	--
Total other financing sources and uses	553,232,248	43,978,963	597,211,211	596,772,839
Net change in fund balances	$ 210,698,225	(29,920,776)	$ 180,777,449	$ --
Fund balances, January 1		210,698,225		
Fund balances, December 31		$ 180,777,449		

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, 2012

EXHIBIT B - 4

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil juror fees	$ 60,000	$ 40,000	$ 48,390	$ 8,390
Investment earnings	--	--	331	331
Total revenues	60,000	40,000	48,721	8,721
EXPENDITURES				
Current:				
General government:				
Juror compensation	120,000	100,000	86,979	13,021
Excess (deficiency) of revenues over (under) expenditures	(60,000)	(60,000)	(38,258)	21,742
Fund balances, January 1	157,044	157,044	157,044	--
Fund balances, December 31	$ 97,044	$ 97,044	$ 118,786	$ 21,742

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, 2012

EXHIBIT B - 5

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Criminal juror fees	$ 233,000	$ 233,000	$ 287,184	$ 54,184
Investment earnings	--	--	436	436
Total revenues	233,000	233,000	287,620	54,620
EXPENDITURES				
Current:				
General government:				
Juror compensation	233,000	370,000	291,191	78,809
Excess (deficiency) of revenues over (under) expenditures	--	(137,000)	(3,571)	133,429
Fund balances, January 1	289,991	289,991	289,991	--
Fund balances, December 31	$ 289,991	$ 152,991	$ 286,420	$ 133,429

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, 2012

EXHIBIT B - 6

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	$ 12,000	$ 12,000	$ 12,000	$ --
Charges for services:				
Judiciary court costs	660,000	660,000	564,974	(95,026)
School security fees	25,000	25,000	18,435	(6,565)
Constable bench warrant fees	20,000	20,000	33,695	13,695
Evidence testing	125,000	125,000	85,493	(39,507)
Total charges for services	830,000	830,000	702,597	(127,403)
Fines and forfeits:				
City court forfeitures	13,000	13,000	65,006	52,006
Investment earnings	--	--	101	101
Total revenues	855,000	855,000	779,704	(75,296)
EXPENDITURES				
Current:				
General government:				
Judicial	869,025	913,160	882,933	30,227
Excess (deficiency) of revenues over (under) expenditures	(14,025)	(58,160)	(103,229)	(45,069)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	8,680	60,316	60,316	--
Transfers out:				
General Fund	--	(4,135)	(4,135)	--
Grants Fund	--	(132)	(132)	--
Total transfers out	--	(4,267)	(4,267)	--
Total other financing sources and uses	8,680	56,049	56,049	--
Net change in fund balances	(5,345)	(2,111)	(47,180)	(45,069)
Fund balances, January 1	47,180	47,180	47,180	--
Fund balances, December 31	$ 41,835	$ 45,069	$ --	$ (45,069)

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, 2012

EXHIBIT B - 7

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 4,956,990	$ 4,956,990	$ 4,991,194	$ 34,204
Charges for services:				
Out of parish spraying	3,000	3,000	--	(3,000)
Investment earnings	20,000	20,000	14,770	(5,230)
Miscellaneous revenues:				
Other income	2,000	2,000	946	(1,054)
Total revenues	4,981,990	4,981,990	5,006,910	24,920
EXPENDITURES				
Current:				
Health and welfare:				
Operations	4,910,270	4,864,499	4,295,840	568,659
Capital outlay	280,814	301,814	83,132	218,682
Total expenditures	5,191,084	5,166,313	4,378,972	787,341
Excess (deficiency) of revenues over (under) expenditures	(209,094)	(184,323)	627,938	812,261
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	--	(24,771)	(24,771)	--
Grants Fund	--	(32,516)	(32,516)	--
Total transfers out	--	(57,287)	(57,287)	--
Proceeds of capital asset disposition	1,500	1,500	885	(615)
Total other financing sources and uses	1,500	(55,787)	(56,402)	(615)
Net change in fund balances	(207,594)	(240,110)	571,536	811,646
Fund balances, January 1	8,880,383	8,880,383	8,880,383	--
Fund balances, December 31	$ 8,672,789	$ 8,640,273	$ 9,451,919	$ 811,646

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, 2012

EXHIBIT B - 8

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 471,520	$ 471,520	$ 477,118	$ 5,598
Investment earnings	(1,500)	(1,500)	399	1,899
Miscellaneous revenues:				
Donations	1,000	1,000	10,000	9,000
Other income	--	--	1,642	1,642
Total miscellaneous revenues	1,000	1,000	11,642	10,642
Total revenues	471,020	471,020	489,159	18,139
EXPENDITURES				
Current:				
Conservation and development:				
Operations	726,646	719,607	527,779	191,828
Capital outlay	--	3,908	5,500	(1,592)
Total expenditures	726,646	723,515	533,279	190,236
Excess (deficiency) of revenues over (under) expenditures	(255,626)	(252,495)	(44,120)	208,375
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	142,500	142,500	142,500	--
Transfers out:				
General Fund	--	(3,131)	(3,131)	--
Total other financing sources and uses	142,500	139,369	139,369	--
Net change in fund balances	(113,126)	(113,126)	95,249	208,375
Fund balances, January 1	292,289	292,289	292,289	--
Fund balances, December 31	$ 179,163	$ 179,163	$ 387,538	$ 208,375

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, 2012

EXHIBIT B - 9

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
On-behalf payments	$ 600	$ 600	$ --	$ (600)
Charges for services:				
Gaming fees	150,000	150,000	151,802	1,802
Investment earnings	300	300	302	2
Total revenues	150,900	150,900	152,104	1,204
EXPENDITURES				
Current:				
General government:				
Operations	163,780	162,356	141,596	20,760
Excess (deficiency) of revenues over (under) expenditures	(12,880)	(11,456)	10,508	21,964
OTHER FINANCING SOURCES (USES)				
Transfers out:				
General Fund	--	(1,424)	(1,424)	--
Proceeds of capital asset disposition	--	--	2,000	2,000
Total other financing sources and uses	--	(1,424)	576	2,000
Net change in fund balances	(12,880)	(12,880)	11,084	23,964
Fund balances, January 1	156,751	156,751	156,751	--
Fund balances, December 31	$ 143,871	$ 143,871	$ 167,835	$ 23,964

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 FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT B - 10

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Civil and traffic fees	$ 535,500	$ 500,500	$ 473,090	$ (27,410)
Investment earnings	--	--	936	936
Total revenues	535,500	500,500	474,026	(26,474)
EXPENDITURES				
Current:				
General government:				
Judicial	616,050	616,050	442,134	173,916
Capital outlay	203,419	203,419	70,076	133,343
Total expenditures	819,469	819,469	512,210	307,259
Excess (deficiency) of revenues over (under) expenditures	(283,969)	(318,969)	(38,184)	280,785
Fund balances, January 1	485,818	485,818	485,818	--
Fund balances, December 31	$ 201,849	$ 166,849	$ 447,634	$ 280,785

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, 2012

EXHIBIT B - 11

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits:				
Forfeited property	$ 600,000	$ 600,000	$ 797,395	$ 197,395
Investment earnings	--	--	2,725	2,725
Total revenues	600,000	600,000	800,120	200,120
EXPENDITURES				
Current:				
Public safety:				
Dedicated funds	468,000	468,000	308,711	159,289
Capital outlay	661,719	661,719	428,352	233,367
Total expenditures	1,129,719	1,129,719	737,063	392,656
Excess (deficiency) of revenues over (under) expenditures	(529,719)	(529,719)	63,057	592,776
Fund balances, January 1	812,254	812,254	812,254	--
Fund balances, December 31	$ 282,535	$ 282,535	$ 875,311	$ 592,776

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, 2012

EXHIBIT B - 12

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
Enhanced 911	$ 5,600,000	$ 5,600,000	$ 5,571,074	$ (28,926)
Investment earnings	10,000	10,000	18,785	8,785
Miscellaneous revenues:				
Other income	--	--	6,415	6,415
Total revenues	5,610,000	5,610,000	5,596,274	(13,726)
EXPENDITURES				
Current:				
Public safety:				
Communications	6,055,793	6,012,991	5,187,608	825,383
Capital outlay	1,504,021	1,504,021	1,108,708	395,313
Total expenditures	7,559,814	7,517,012	6,296,316	1,220,696
Excess (deficiency) of revenues over (under) expenditures	(1,949,814)	(1,907,012)	(700,042)	1,206,970
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Emergency Medical Services Fund	749,600	749,600	749,600	--
Transfers out:				
General Fund	--	(42,802)	(42,802)	--
Grants Fund	--	(5,721)	(5,721)	--
Total transfers out	--	(48,523)	(48,523)	--
Total other financing sources and uses	749,600	701,077	701,077	--
Net change in fund balances	(1,200,214)	(1,205,935)	1,035	1,206,970
Fund balances, January 1	9,929,970	9,929,970	9,929,970	--
Fund balances, December 31	$ 8,729,756	$ 8,724,035	$ 9,931,005	$ 1,206,970

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, 2012

EXHIBIT B - 13

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 10,697,620	$ 10,697,620	$ 11,068,339	$ 370,719
Charges for services:				
Emergency transport charges	8,030,580	8,030,580	8,104,510	73,930
Investment earnings	15,000	15,000	20,083	5,083
Miscellaneous revenues:				
Other income	45,000	45,000	90,164	45,164
Total revenues	18,788,200	18,788,200	19,283,096	494,896
EXPENDITURES				
Current:				
Public safety:				
Operations	18,237,895	18,455,350	18,331,828	123,522
Capital outlay	1,244,146	864,064	652,342	211,722
Total expenditures	19,482,041	19,319,414	18,984,170	335,244
Excess (deficiency) of revenues over (under) expenditures	(693,841)	(531,214)	298,926	830,140
OTHER FINANCING USES				
Transfers out:				
General Fund	(90,000)	(252,628)	(252,628)	--
East Baton Rouge Parish Communications District	(749,600)	(749,600)	(749,600)	--
Grants Fund	(8,600)	(54,875)	(48,604)	6,271
Capital Projects Fund	--	(950,000)	(950,000)	--
Total other financing uses	(848,200)	(2,007,103)	(2,000,832)	6,271
Net change in fund balances	(1,542,041)	(2,538,317)	(1,701,906)	836,411
Fund balances, January 1	10,285,286	10,285,286	10,285,286	--
Fund balances, December 31	$ 8,743,245	$ 7,746,969	$ 8,583,380	$ 836,411

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, 2012

EXHIBIT B - 14

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 10,154,520	$ 10,154,520	$ 10,484,176	$ 329,656
Investment earnings	(10,000)	(10,000)	(3,359)	6,641
Total revenues	10,144,520	10,144,520	10,480,817	336,297
EXPENDITURES				
Current:				
Public safety:				
Operations	10,526,620	10,835,620	10,834,826	794
Excess (deficiency) of revenues over (under) expenditures	(382,100)	(691,100)	(354,009)	337,091
Fund balances, January 1	1,751,278	1,751,278	1,751,278	--
Fund balances, December 31	$ 1,369,178	$ 1,060,178	$ 1,397,269	$ 337,091

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, 2012

EXHIBIT B - 15

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 267,540	$ 267,540	$ 294,134	$ 26,594
Charges for services:				
Fire protection service charges	54,310	54,310	49,615	(4,695)
Investment earnings	330	330	447	117
Total revenues	322,180	322,180	344,196	22,016
EXPENDITURES				
Current:				
Public safety:				
Operations	322,180	346,762	341,474	5,288
Excess (deficiency) of revenues over (under) expenditures	--	(24,582)	2,722	27,304
Fund balances, January 1	338,235	338,235	338,235	--
Fund balances, December 31	$ 338,235	$ 313,653	$ 340,957	$ 27,304

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, 2012

EXHIBIT B - 16

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 487,640	$ 496,380	$ 499,482	$ 3,102
Intergovernmental revenues:				
Insurance company taxes	26,030	26,030	27,474	1,444
Louisiana revenue sharing	80,710	80,710	80,686	(24)
On-behalf payments for salaries and benefits	24,000	24,000	24,000	--
Total intergovernmental revenues	130,740	130,740	132,160	1,420
Charges for services:				
Fire protection service charges	106,720	106,720	80,912	(25,808)
Investment earnings	(470)	(470)	165	635
Miscellaneous revenues:				
Other income	--	--	4,812	4,812
Total revenues	724,630	733,370	717,531	(15,839)
EXPENDITURES				
Current:				
Public safety:				
Operations	740,880	744,502	729,679	14,823
Capital outlay	6,050	6,050	6,050	--
Total expenditures	746,930	750,552	735,729	14,823
Excess (deficiency) of revenues over (under) expenditures	(22,300)	(17,182)	(18,198)	(1,016)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	16,250	16,250	16,250	--
Transfers out:				
General fund	--	(5,118)	(5,118)	--
Total other financing sources and uses	16,250	11,132	11,132	--
Net change in fund balances	(6,050)	(6,050)	(7,066)	(1,016)
Fund balances, January 1	260,640	260,640	260,640	--
Fund balances, December 31	$ 254,590	$ 254,590	$ 253,574	$ (1,016)

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, 2012

EXHIBIT B - 17

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 63,990	$ 73,310	$ 134,796	$ 61,486
Intergovernmental revenues:				
Louisiana Office of Community Development	11,610	27,310	11,610	(15,700)
Insurance company taxes	14,820	14,820	14,680	(140)
Total intergovernmental revenues	26,430	42,130	26,290	(15,840)
Charges for services:				
Fire protection service charges	41,150	41,150	36,579	(4,571)
Investment earnings	(500)	(500)	120	620
Miscellaneous revenues:				
Other income	--	--	1,989	1,989
Total revenues	131,070	156,090	199,774	43,684
EXPENDITURES				
Current:				
Public safety:				
Operations	155,320	175,810	163,277	12,533
Assistance to Firefighters Grant	383	16,083	8,033	8,050
Total public safety	155,703	191,893	171,310	20,583
Capital outlay	11,227	11,227	11,227	--
Total expenditures	166,930	203,120	182,537	20,583
Excess (deficiency) of revenues over (under) expenditures	(35,860)	(47,030)	17,237	64,267
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	35,860	35,860	35,860	--
Transfers out:				
Grants fund	--	(1,166)	(1,166)	--
Total other financing sources and uses	35,860	34,694	34,694	--
Net change in fund balances	--	(12,336)	51,931	64,267
Fund balances, January 1	102,406	102,406	102,406	--
Fund balances, December 31	$ 102,406	$ 90,070	$ 154,337	$ 64,267

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, 2012

EXHIBIT B - 18

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 92,590	$ 92,590	$ 94,480	$ 1,890
Intergovernmental revenues:				
Insurance company taxes	14,850	14,850	14,716	(134)
Charges for services:				
Fire protection service charges	43,960	43,960	39,181	(4,779)
Investment earnings	400	400	405	5
Miscellaneous revenues:				
Other income	--	--	3,320	3,320
Total revenues	151,800	151,800	152,102	302
EXPENDITURES				
Current:				
Public safety:				
Operations	134,530	134,530	125,186	9,344
Debt Service:				
Principal retirement	22,400	12,200	4,000	8,200
Interest and fiscal charges	8,480	8,480	1,749	6,731
Total debt service	30,880	20,680	5,749	14,931
Capital outlay	269,601	276,387	236,114	40,273
Total expenditures	435,011	431,597	367,049	64,548
Excess (deficiency) of revenues over (under) expenditures	(283,211)	(279,797)	(214,947)	64,850
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	19,000	19,000	19,000	--
Transfers out:				
Grants fund	--	(3,414)	(3,414)	--
Issuance of long-term debt	--	300,000	264,713	(35,287)
Total other financing sources and uses	19,000	315,586	280,299	(35,287)
Net change in fund balances	(264,211)	35,789	65,352	29,563
Fund balances, January 1	274,432	274,432	274,432	--
Fund balances, December 31	$ 10,221	$ 310,221	$ 339,784	$ 29,563

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, 2012

EXHIBIT B - 19

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 232,190	$ 212,190	$ 224,050	$ 11,860
Intergovernmental revenues:				
Insurance company taxes	7,700	7,700	7,629	(71)
Charges for services:				
Fire protection service charges	10,960	10,960	7,260	(3,700)
Investment earnings	700	700	829	129
Miscellaneous revenues:				
Other income	--	--	1,743	1,743
Total revenues	251,550	231,550	241,511	9,961
EXPENDITURES				
Current:				
Public safety:				
Operations	268,140	267,352	263,556	3,796
Excess (deficiency) of revenues over (under) expenditures	(16,590)	(35,802)	(22,045)	13,757
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	24,510	24,510	24,510	--
Transfers out:				
General fund	--	(788)	(788)	--
Total other financing sources and uses	24,510	23,722	23,722	--
Net change in fund balances	7,920	(12,080)	1,677	13,757
Fund balances, January 1	499,707	499,707	499,707	--
Fund balances, December 31	$ 507,627	$ 487,627	$ 501,384	$ 13,757

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, 2012

EXHIBIT B - 20

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General property taxes	$ 552,630	$ 552,630	$ 540,395	$ (12,235)
Intergovernmental revenues:				
State shared revenues:				
Louisiana revenue sharing	52,550	52,550	51,874	(676)
Investment earnings	5,000	5,000	7,511	2,511
Total revenues	610,180	610,180	599,780	(10,400)
EXPENDITURES				
Current:				
Transportation:				
Operations	627,050	627,050	501,001	126,049
Excess (deficiency) of revenues over (under) expenditures	(16,870)	(16,870)	98,779	115,649
Fund balances, January 1	4,073,593	4,073,593	4,073,593	--
Fund balances, December 31	$ 4,056,723	$ 4,056,723	$ 4,172,372	$ 115,649

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, 2012

EXHIBIT B - 21

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
State shared revenues:				
State road fund	$ 2,600,000	$ 2,600,000	$ 2,707,954	$ 107,954
Investment earnings	20,000	20,000	21,205	1,205
Total revenues	2,620,000	2,620,000	2,729,159	109,159
EXPENDITURES				
Current:				
Transportation:				
Operations	1,520,111	1,520,111	494,905	1,025,206
Capital outlay	10,314,477	10,314,477	780,642	9,533,835
Intergovernmental	1,247,200	1,247,200	1,247,200	--
Total expenditures	13,081,788	13,081,788	2,522,747	10,559,041
Excess (deficiency) of revenues over (under) expenditures	(10,461,788)	(10,461,788)	206,412	10,668,200
Fund balances, January 1	11,300,333	11,300,333	11,300,333	--
Fund balances, December 31	$ 838,545	$ 838,545	$ 11,506,745	$ 10,668,200

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, 2012

EXHIBIT B - 22

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	$ 1,082,290	$ 1,082,290	$ 1,173,139	$ 90,849
Investment earnings	10,000	10,000	6,306	(3,694)
Total revenues	1,092,290	1,092,290	1,179,445	87,155
EXPENDITURES				
Current:				
Transportation:				
Operations	4,308,924	4,277,871	1,336,858	2,941,013
Capital outlay	--	31,053	25,848	5,205
Total expenditures	4,308,924	4,308,924	1,362,706	2,946,218
Excess (deficiency) of revenues over (under) expenditures	(3,216,634)	(3,216,634)	(183,261)	3,033,373
Fund balances, January 1	3,537,440	3,537,440	3,537,440	--
Fund balances, December 31	$ 320,806	$ 320,806	$ 3,354,179	$ 3,033,373

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, 2012

EXHIBIT B - 23

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	$ 12,578,040	$ 12,758,040	$ 13,598,383	$ 840,343
Investment earnings	10,000	10,000	15,511	5,511
Total revenues	12,588,040	12,768,040	13,613,894	845,854
EXPENDITURES				
Current:				
Transportation:				
Street maintenance	18,417,465	18,596,677	14,555,995	4,040,682
Excess (deficiency) of revenues over (under) expenditures	(5,829,425)	(5,828,637)	(942,101)	4,886,536
OTHER FINANCING USES				
Transfers out:				
General Fund	--	(788)	(788)	--
Net change in fund balances	(5,829,425)	(5,829,425)	(942,889)	4,886,536
Fund balances, January 1	6,258,384	6,258,384	6,258,384	--
Fund balances, December 31	$ 428,959	$ 428,959	$ 5,315,495	$ 4,886,536

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
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT B - 24

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	$ 122,740	$ 122,740	$ 113,502	$ (9,238)
Occupancy taxes	937,450	977,450	962,052	(15,398)
Total taxes	1,060,190	1,100,190	1,075,554	(24,636)
EXPENDITURES				
Current:				
Conservation and development:				
Operations	1,060,190	1,100,190	1,075,554	24,636
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, 2012

EXHIBIT B - 25

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	$ 4,786,950	$ 4,768,365	$ 4,769,691	$ 1,326
Investment earnings	16,200	34,785	32,572	(2,213)
Total revenues	4,803,150	4,803,150	4,802,263	(887)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	10,205,000	10,205,000	10,205,000	--
Interest and fiscal charges:				
Bond interest	1,581,650	1,581,650	1,581,638	12
Paying agent fees	3,100	3,100	2,225	875
Total interest and fiscal charges	1,584,750	1,584,750	1,583,863	887
Total expenditures	11,789,750	11,789,750	11,788,863	887
Excess (deficiency) of revenues over (under) expenditures	(6,986,600)	(6,986,600)	(6,986,600)	--
Fund balances, January 1	12,233,735	12,233,735	12,233,735	--
Fund balances, December 31	$ 5,247,135	$ 5,247,135	$ 5,247,135	$ --

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, 2012

EXHIBIT B - 26

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	$ 2,015,000	$ 2,530,000	$ 2,530,000	$ --
Interest and fiscal charges:				
Bond interest	3,226,270	2,192,654	2,192,654	--
Paying agent fees	1,000	1,000	1,000	--
Total interest and fiscal charges	3,227,270	2,193,654	2,193,654	--
Bond issuance costs	--	728,484	728,484	--
Total expenditures	5,242,270	5,452,138	5,452,138	--
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	5,242,270	5,222,514	5,222,514	--
Refunding bonds issued	--	58,075,000	58,075,000	--
Payment to refunded bond escrow agent	--	(57,845,376)	(57,845,376)	--
Total other financing sources and uses	5,242,270	5,452,138	5,452,138	--
Net change in fund balances	--	--	--	--
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)
ROAD AND STREET IMPROVEMENT DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

EXHIBIT B - 27

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	$ 18,056,250	$ 17,831,725	$ 17,822,986	$ (8,739)
Investment earnings	26,500	27,590	27,616	26
Swap earnings	131,480	162,010	162,012	2
Total revenues	18,214,230	18,021,325	18,012,614	(8,711)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	7,340,000	7,340,000	7,340,000	--
Interest and fiscal charges:				
Bond interest	6,138,890	5,916,340	5,916,336	4
Paying agent fees	953,100	978,870	978,868	2
Total interest and fiscal charges	7,091,990	6,895,210	6,895,204	6
Swap expenses	3,756,010	3,756,010	3,756,013	(3)
Total expenditures	18,188,000	17,991,220	17,991,217	3
Excess (deficiency) of revenues over (under) expenditures	26,230	30,105	21,397	(8,708)
Fund balances, January 1	7,048,006	7,048,006	7,048,006	--
Fund balances, December 31	$ 7,074,236	$ 7,078,111	$ 7,069,403	$ (8,708)

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, 2012

EXHIBIT B - 28

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
General sales and use taxes	$ 2,194,750	$ 2,194,750	$ 3,279,314	$ 1,084,564
Investment earnings	5,250	5,250	5,024	(226)
Total revenues	2,200,000	2,200,000	3,284,338	1,084,338
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	1,605,000	1,605,000	1,605,000	--
Interest and fiscal charges:				
Bond interest	595,000	595,000	584,898	10,102
Total expenditures	2,200,000	2,200,000	2,189,898	10,102
Excess (deficiency) of revenues over (under) expenditures	--	--	1,094,440	1,094,440
Fund balances, January 1	--	--	--	--
Fund balances, December 31	$ --	$ --	$ 1,094,440	$ 1,094,440

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, 2012

EXHIBIT B - 29

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous revenues				
Contributions from government agencies	$ 185,660	$ 175,590	$ 174,774	$ (816)
EXPENDITURES				
Debt service:				
Principal:				
Bond principal	237,090	237,090	237,086	4
Interest and fiscal charges:				
Bond interest	57,770	26,540	23,996	2,544
Total expenditures	294,860	263,630	261,082	2,548
Excess (deficiency) of revenues over (under) expenditures	(109,200)	(88,040)	(86,308)	1,732
OTHER FINANCING SOURCES				
Transfers in:				
General Fund	109,200	88,040	86,308	(1,732)
Net change in fund balances	--	--	--	--
Fund balances, January 1	--	--	--	--
Fund balances, December 31	$ --	$ --	$ --	$ --

The accompanying notes are an integral part of this statement.

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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, 2012

EXHIBIT C - 1

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,809,047	$ 3,081,780	$ 4,890,827
Investments	891,023	1,517,891	2,408,914
Accounts receivable - net	546,164	15,917	562,081
Accrued interest receivable	29	1,087	1,116
Due from other governments (Note 11)	692,700	--	692,700
Prepaid items	205,659	--	205,659
Inventory	125,555	--	125,555
Total current assets	4,270,177	4,616,675	8,886,852
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	5,763,380	--	5,763,380
Investments	2,838,679	--	2,838,679
Accrued interest receivable	2,470	--	2,470
Total restricted assets	8,604,529	--	8,604,529
Investment in joint venture (Note 19)	--	2,036,458	2,036,458
Capital assets:			
Land	1,024,914	1,629,303	2,654,217
Buildings	90,604,145	10,426,261	101,030,406
Improvements (other than buildings)	13,730,335	22,685	13,753,020
Equipment	1,191,559	11,696	1,203,255
Construction work in progress	93,180	43,500	136,680
Total capital assets	106,644,133	12,133,445	118,777,578
Accumulated depreciation	(49,467,388)	(10,234,783)	(59,702,171)
Net capital assets	57,176,745	1,898,662	59,075,407
Total noncurrent assets	65,781,274	3,935,120	69,716,394
Total assets	70,051,451	8,551,795	78,603,246

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, 2012

EXHIBIT C - 1
(Continued)

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	$ 1,702,589	$ 18,659	$ 1,721,248
Accrued salaries payable	157,689	14,409	172,098
Unearned revenue	939,489	6,900	946,389
Bonds payable (Note 10)	1,104,500	204,500	1,309,000
Compensated absences payable	47,306	47,790	95,096
Total current liabilities	3,951,573	292,258	4,243,831
Noncurrent liabilities:			
Bonds payable (Note 10)	5,593,160	1,027,000	6,620,160
Compensated absences payable	--	21,213	21,213
Net other post employment benefit obligation	--	417,627	417,627
Total noncurrent liabilities	5,593,160	1,465,840	7,059,000
Total liabilities	9,544,733	1,758,098	11,302,831
NET POSITION			
Net investment in capital assets	50,479,085	1,898,662	52,377,747
Restricted for capital projects	9,297,229	--	9,297,229
Unrestricted	730,404	4,895,035	5,625,439
Total net position	$ 60,506,718	$ 6,793,697	$ 67,300,415

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, 2012

EXHIBIT C - 2

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	$ 6,622,273	$ 1,018,794	$ 7,641,067
Miscellaneous revenues	795,303	925	796,228
Total operating revenues	7,417,576	1,019,719	8,437,295
OPERATING EXPENSES			
Personal services	3,052,137	296,144	3,348,281
Employee benefits	362,054	202,633	564,687
Supplies	1,529,987	10,071	1,540,058
Contractual services	3,927,028	230,986	4,158,014
Depreciation	4,022,528	26,572	4,049,100
Management fee	412,957	--	412,957
Total operating expenses	13,306,691	766,406	14,073,097
Operating income (loss)	(5,889,115)	253,313	(5,635,802)
NONOPERATING REVENUES (EXPENSES)			
Operating grants	328,147	--	328,147
Net income (loss) from joint venture	--	217,164	217,164
Investment earnings	23,092	8,163	31,255
Interest expense	(44,838)	(15,783)	(60,621)
Gain (loss) on disposition of capital assets	4,081	--	4,081
Total nonoperating revenues (expenses)	310,482	209,544	520,026
Income (loss) before contributions and transfers	(5,578,633)	462,857	(5,115,776)
Capital contributions	2,457,704	--	2,457,704
Transfers in	1,425,000	--	1,425,000
Transfers out	--	(6,735)	(6,735)
Change in net position	(1,695,929)	456,122	(1,239,807)
Total net position - January 1	62,202,647	6,337,575	68,540,222
Total net position - December 31	$ 60,506,718	$ 6,793,697	$ 67,300,415

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, 2012

EXHIBIT C - 3

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 6,947,063	$ 1,019,719	$ 7,966,782
Cash payments to suppliers for goods and services	(5,973,732)	(244,886)	(6,218,618)
Cash payments to employees for services and benefits	(3,367,069)	(418,516)	(3,785,585)
Net cash provided by (used for) operating activities	(2,393,738)	356,317	(2,037,421)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants received	328,147	--	328,147
Transfers in from other funds	1,425,000	--	1,425,000
Transfers out to other funds	--	(6,735)	(6,735)
Net cash provided by (used for) noncapital financing activities	1,753,147	(6,735)	1,746,412
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of debt	7,201,660	--	7,201,660
Proceeds from sale of capital assets	4,081	--	4,081
Acquisition and construction of capital assets	(6,323,632)	--	(6,323,632)
Principal paid on bonds, obligations and capital leases	(504,000)	(188,500)	(692,500)
Interest paid on bonds, obligations and capital leases	(44,838)	(15,783)	(60,621)
Capital contributed by other governments	3,036,628	--	3,036,628
Net cash provided by (used for) capital and related financing activities	3,369,899	(204,283)	3,165,616
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(3,729,702)	(1,517,891)	(5,247,593)
Proceeds from sales and maturities of investments	1,641,390	--	1,641,390
Cash received from joint venture activity	--	432,093	432,093
Cash paid for expenses of joint venture	--	(67,458)	(67,458)
Interest received on investments	22,969	8,111	31,080
Net cash provided by (used for) investing activities	(2,065,343)	(1,145,145)	(3,210,488)
Net increase (decrease) in cash and cash equivalents	663,965	(999,846)	(335,881)
Cash and cash equivalents, January 1	6,908,462	4,081,626	10,990,088
Cash and cash equivalents, December 31	$ 7,572,427	$ 3,081,780	$ 10,654,207
Classified as:			
Current assets	$ 1,809,047	$ 3,081,780	$ 4,890,827
Restricted assets	5,763,380	--	5,763,380
Totals	$ 7,572,427	$ 3,081,780	$ 10,654,207

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, 2012

EXHIBIT C - 3
(Continued)

	Baton Rouge River Center	Greater Baton Rouge Parking Authority	Total Nonmajor Enterprise Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (5,889,115)	$ 253,313	$ (5,635,802)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	4,022,528	26,572	4,049,100
Increase (decrease) in compensated absences payable	(219)	2,621	2,402
Increase (decrease) in net other post employment benefit obligation	--	75,760	75,760
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(87,309)	--	(87,309)
Decrease (increase) in prepaid items	9,588	--	9,588
Decrease (increase) in inventory	(65,846)	--	(65,846)
Increase (decrease) in accounts and contracts payable	(47,502)	(3,829)	(51,331)
Increase (decrease) in accrued salaries payable	47,341	1,880	49,221
Increase (decrease) in unearned revenue	(383,204)	--	(383,204)
Total adjustments	3,495,377	103,004	3,598,381
Net cash provided by (used for) operating activities	$ (2,393,738)	$ 356,317	$ (2,037,421)
Non cash investing, capital, and financing activities:			
Gain in fair value of investments	$ 2,499	$ 1,087	$ 3,586
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, 2012

EXHIBIT D - 1

	Fleet Rental and Replacement Fund	Central Garage	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 10,054,595	$ 2,939,949	$ 12,994,544
Accrued interest receivable	2,594	753	3,347
Inventory	--	318,731	318,731
Total current assets	10,057,189	3,259,433	13,316,622
Capital assets:			
Land	--	47,568	47,568
Buildings	--	2,213,798	2,213,798
Improvements (other than buildings)	--	7,190	7,190
Equipment	34,006,211	173,250	34,179,461
Total capital assets	34,006,211	2,441,806	36,448,017
Accumulated depreciation	(26,964,801)	(2,136,606)	(29,101,407)
Net capital assets	7,041,410	305,200	7,346,610
Total assets	17,098,599	3,564,633	20,663,232
LIABILITIES			
Current liabilities:			
Accounts and contracts payable	42,596	398,905	441,501
Accrued salaries payable	--	72,615	72,615
Compensated absences payable	--	174,962	174,962
Total liabilities	42,596	646,482	689,078
NET POSITION			
Net investment in capital assets	7,041,410	305,200	7,346,610
Unrestricted	10,014,593	2,612,951	12,627,544
Total net position	$ 17,056,003	$ 2,918,151	$ 19,974,154

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, 2012

EXHIBIT D - 2

	Fleet Rental and Replacement Fund	Central Garage	Total
OPERATING REVENUES			
Charges for services:			
Billings to departments	$ 7,257,462	$ 13,370,924	$ 20,628,386
OPERATING EXPENSES			
Personal services	--	1,329,416	1,329,416
Employee benefits	--	868,863	868,863
Supplies	1,085	125,063	126,148
Contractual services	2,294,423	1,040,284	3,334,707
Cost of materials	--	10,797,549	10,797,549
Depreciation	2,988,023	69,498	3,057,521
Total operating expenses	5,283,531	14,230,673	19,514,204
Operating income (loss)	1,973,931	(859,749)	1,114,182
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	18,948	5,924	24,872
Gain (loss) on disposition of capital assets	109,614	131,909	241,523
Total non-operating revenues (expenses)	128,562	137,833	266,395
Income (loss) before contributions and transfers	2,102,493	(721,916)	1,380,577
Transfers out	--	(1,208)	(1,208)
Change in net position	2,102,493	(723,124)	1,379,369
Total net position - January 1	14,953,510	3,641,275	18,594,785
Total net position - December 31	$ 17,056,003	$ 2,918,151	$ 19,974,154

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, 2012

EXHIBIT D - 3

	Fleet Rental and Replacement Fund	Central Garage	Total
Cash Flows From Operating Activities:			
Cash received from customers	$ 7,257,462	$ 13,370,924	$ 20,628,386
Cash payments to suppliers for goods and services	(2,337,928)	(12,260,528)	(14,598,456)
Cash payments to employees for services and benefits	--	(2,205,488)	(2,205,488)
Net cash provided by (used for) operating activities	4,919,534	(1,095,092)	3,824,442
Cash Flows From Noncapital Financing Activities:			
Transfers out to other funds	--	(1,208)	(1,208)
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	109,649	131,909	241,558
Acquisition and construction of capital assets	(3,566,502)	--	(3,566,502)
Net cash provided by (used for) capital and related financing activities	(3,456,853)	131,909	(3,324,944)
Cash Flows From Investing Activities:			
Interest received on investments	18,367	5,992	24,359
Net increase (decrease) in cash and cash equivalents	1,481,048	(958,399)	522,649
Cash and cash equivalents, January 1	8,573,547	3,898,348	12,471,895
Cash and cash equivalents, December 31	$ 10,054,595	$ 2,939,949	$ 12,994,544
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	$ 1,973,931	$ (859,749)	$ 1,114,182
Adjustments to reconcile operating income (loss) to Net cash provided by (used for) operating activities:			
Depreciation	2,988,023	69,498	3,057,521
Increase (decrease) in compensated absences payable	--	(17,329)	(17,329)
Change in assets and liabilities:			
Decrease (increase) in inventory	--	65,830	65,830
Increase (decrease) in accounts and contracts payable	(42,420)	(363,462)	(405,882)
Increase (decrease) in accrued salaries payable	--	10,120	10,120
Total adjustments	2,945,603	(235,343)	2,710,260
Net cash provided by (used for) operating activities	$ 4,919,534	$ (1,095,092)	$ 3,824,442
Non Cash Investing, Capital, and Financing Activities:			
Gain in fair value of investments	$ 2,594	$ 753	$ 3,347
Gain (Loss) on disposal of capital assets	(35)	--	(35)

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, 2012 AND 2011

EXHIBIT E - 1

	2012	2011
Governmental funds capital assets:		
Land and right-of-way	$ 148,153,425	$ 146,707,840
Buildings	249,401,575	221,563,447
Improvements (other than buildings) and infrastructure	837,171,643	721,439,574
Equipment	83,261,437	77,254,834
Construction work in progress	76,380,319	133,644,932
Total governmental funds capital assets	$ 1,394,368,399	$ 1,300,610,627
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	258,318,687	236,709,741
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	123,480,546	118,976,053
Property taxes	16,342,881	16,342,881
Library Board of Control Special Revenue Fund	63,854,091	47,226,873
Dedicated sales tax	204,215,337	179,357,962
General Fund revenues	204,523,620	193,100,297
Special Revenue Funds revenues	200,919,482	188,429,066
Gifts	2,024,950	1,847,950
Donated infrastructure	149,572,923	147,526,764
Other sources	40,589,618	40,566,776
Eminent domain	96,048	96,048
Total governmental funds capital assets	$ 1,394,368,399	$ 1,300,610,627

(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.

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (1)
DECEMBER 31, 2012

EXHIBIT E - 2

Function and Activity	Land and Right-of-way	Buildings	Improvements (Other Than Buildings) and Infrastructure	Equipment	Totals December 31, 2012	Totals December 31, 2011
General government:						
Legislative	$ --	$ --	$ --	$ 353,164	$ 353,164	$ 359,574
Executive	--	167,938	2,207	159,639	329,784	347,154
Judicial	1,680	17,585,301	2,704	2,952,582	20,542,267	20,501,683
Elections	--	--	--	88,193	88,193	88,193
Finance	--	--	--	734,561	734,561	734,561
Personnel	--	739,000	--	47,395	786,395	816,829
Law	115,670	186,858	--	295,493	598,021	633,589
Administration office and boards	511,406	1,240,517	174,982	3,285,679	5,212,584	5,304,917
General government buildings	8,754,763	33,609,728	57,635	--	42,422,126	38,825,183
Total general government	9,383,519	53,529,342	237,528	7,916,706	71,067,095	67,611,683
Public safety:						
Police	1,005,321	11,480,977	347,167	29,900,575	42,734,040	38,668,080
Fire	1,847,425	28,499,434	278,635	16,431,204	47,056,698	38,457,808
Emergency Medical Services	75,307	11,061,228	43,144	4,110,669	15,290,348	5,966,479
Correctional institution	--	34,449,647	738,903	1,241,026	36,429,576	36,390,602
Other	625,149	16,537,098	998,278	13,239,764	31,400,289	30,507,635
Total public safety	3,553,202	102,028,384	2,406,127	64,923,238	172,910,951	149,990,604
Transportation	128,706,710	10,418,903	821,591,976	328,402	961,045,991	844,066,092
Sanitation	--	--	144,761	9,900	154,661	154,661
Health and welfare	2,400	6,305,866	53,231	2,957,210	9,318,707	9,329,488
Culture and recreation	4,274,151	59,916,442	3,642,406	5,023,807	72,856,806	67,809,401
Conservation and development	1,988,007	17,202,638	6,209,851	2,102,174	27,502,670	24,872,567
Miscellaneous	245,436	--	2,885,763	--	3,131,199	3,131,199
Total governmental funds capital assets allocated to functions	$ 148,153,425	$ 249,401,575	$ 837,171,643	$ 83,261,437	$ 1,317,988,080	$ 1,166,965,695
Construction work in progress					76,380,319	133,644,932
Total governmental funds capital assets					$ 1,394,368,399	$ 1,300,610,627

(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.

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, 2012

EXHIBIT E - 3

Function and Activity	Governmental Funds Capital Assets January 1, 2012	Additions	Deletions	Adjustments	Governmental Funds Capital Assets December 31, 2012
General government:					
Legislative	$ 359,574	$ 10,391	$ 16,801	$ --	$ 353,164
Executive	347,154	--	17,370	--	329,784
Judicial	20,501,683	88,739	58,155	10,000	20,542,267
Elections	88,193	--	--	--	88,193
Finance	734,561	--	--	--	734,561
Personnel	816,829	--	30,434	--	786,395
Law	633,589	6,311	41,879	--	598,021
Administration office and boards	5,304,917	259,976	352,309	--	5,212,584
General government buildings	38,825,183	1,263,749	--	2,333,194	42,422,126
Total general government	67,611,683	1,629,166	516,948	2,343,194	71,067,095
Public safety:					
Police	38,668,080	4,775,650	1,324,442	614,752	42,734,040
Fire	38,457,808	5,917,595	384,898	3,066,193	47,056,698
Emergency Medical Services	5,966,479	8,262,790	116,687	1,177,766	15,290,348
Correctional institution	36,390,602	46,178	7,204	--	36,429,576
Other	30,507,635	1,117,769	225,115	--	31,400,289
Total public safety	149,990,604	20,119,982	2,058,346	4,858,711	172,910,951
Transportation	844,066,092	24,020,507	6,342	92,965,734	961,045,991
Sanitation	154,661	--	--	--	154,661
Health and welfare	9,329,488	34,388	45,169	--	9,318,707
Culture and recreation	67,809,401	4,020,943	5,447	1,031,909	72,856,806
Conservation and development	24,872,567	2,137,111	86,746	579,738	27,502,670
Miscellaneous	3,131,199	--	--	--	3,131,199
Construction work in progress	133,644,932	42,291,514	--	(99,556,127)	76,380,319
Total governmental funds capital assets	$ 1,300,610,627	$ 94,253,611	$ 2,718,998	$ 2,223,159	$ 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.

SCHEDULES

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2012

EXHIBIT F - 1

Description	Interest Rate (%)	Carrying Amount
PRIMARY GOVERNMENT		
Consolidated Cash Account		
Louisiana Asset Management Pool	0.07-0.20	$ 472,707,215
Certificates of Deposit - Hancock Bank	0.06	20,000,000
U. S. Government Obligations	0.12-0.18	117,880,364
U. S. Agency Obligations	0.13-0.18	203,725,799
Cash in Bank - Hancock Bank		14,731,350
Cash in Bank - Capital One		150,049,186
Cash in Bank - JP Morgan Chase Bank		282,402
Total Cash and Investments - Consolidated Cash Account		979,376,316
Other Cash Items		
Payroll Cash		1,248
Petty Cash		13,280
Cash on Hand		4,040,010
Total Other Cash Items		4,054,538
Baton Rouge River Center		
Hancock Bank:		
Cash in Bank		1,422,100
East Baton Rouge Sewerage Commission		
Louisiana Asset Management Pool	0.07-0.20	14,286,464
U. S. Agency Obligations	0.93-1.02	1,992,643
Hancock Bank:		
Cash in Bank		10,965,661
Certificates of Deposit - Hancock Bank	0.05	23,221,598
Total East Baton Rouge Sewerage Commission		50,466,366
2005B Public Improvement Sales Tax Revenue Bonds (Taxable)		
Hancock Bank:		
Cash in Bank		66,857
2007A Public Improvement Sales Tax Revenue Bonds		
Louisiana Asset Management Pool	0.07-0.20	3,257,953
Hancock Bank:		
Cash in Bank		824
Certificates of Deposit - Hancock Bank	0.05	1,298,314
Total 2007A Public Improvement Sales Tax Revenue Bonds		4,557,091
2006A Road and Street Improvement Sales Tax Revenue Bonds		
Hancock Bank:		
Cash in Bank		755,739
Certificates of Deposit - Hancock Bank	0.05	1,130,469
Total 2006A Road and Street Improvement Sales Tax Revenue Bonds		1,886,208
2008A Road and Street Improvement Sales Tax Revenue Bonds		
Hancock Bank:		
Cash in Bank		660,767
Certificates of Deposit - Hancock Bank	0.05	954,191
Total 2008A Road and Street Improvement Sales Tax Revenue Bonds		1,614,958

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2012

EXHIBIT F - 1
(Continued)

Description	Interest Rate (%)	Carrying Amount
PRIMARY GOVERNMENT (Continued)		
2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		
Louisiana Asset Management Pool	0.07-0.20	$ 5,197,281
Hancock Bank:		
Cash in Bank		613,068
Certificates of Deposit - Hancock Bank	0.05	920,545
Total 2008A-1, 2008A-2 and 2008B (Taxable) Public Improvement Sales Tax Revenue Bonds		6,730,894
2009A Road and Street Improvement Sales Tax Revenue Bonds		
Hancock Bank:		
Cash in Bank		1,440,292
Certificates of Deposit - Hancock Bank	0.05	2,150,104
Total 2009A Road and Street Improvement Sales Tax Revenue Bonds		3,590,396
2010A Public Improvement Sales Tax Revenue Bonds		
Hancock Bank:		
Cash in Bank		154,838
Certificates of Deposit - Hancock Bank	0.05	375,818
Total 2010A Public Improvement Sales Tax Revenue Bonds		530,656
2010B Public Improvement Sales Tax Revenue Bonds		
Hancock Bank:		
Cash in Bank		278,501
Certificates of Deposit - Hancock Bank	0.05	418,228
Total 2010B Public Improvement Sales Tax Revenue Bonds		696,729
2012 LCDA Road Improvement Bonds		
Hancock Bank:		
Cash in Bank		437,552
Certificates of Deposit - Hancock Bank	0.05	657,076
Total 2012 LCDA Road Improvement Bonds		1,094,628
Grand Total Cash, Cash Equivalents and Investments - Primary Government excluding Employees' Retirement System Pension Trust Fund		$ 1,056,087,737

Employees' Retirement System Pension Trust Fund	
Cash in Bank	$ 7,682,889
U.S. Treasury Bonds	27,794,520
U.S. Treasury Inflation-Protected Securities	48,591,842
U.S. Agency Notes	2,679,155
Mortgage Backed Securities	37,931,441
Corporate Bonds	17,424,762
Asset Backed Securities	6,043,920
International Equities and Fixed Income	205,269,819
Emerging Markets Equities	91,497,826
Domestic Equities and Fixed Income	431,391,885
Short-Term Investment Fund/Cash Equivalents	13,441,071
Equity Real Estate Fund	49,812,847
Hedge Fund of Funds	46,720,211
Total Employees' Retirement System Pension Trust Fund	$ 986,282,188

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
COMBINED SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
DECEMBER 31, 2012

EXHIBIT F - 1
(Continued)

Description	Interest Rate (%)	Carrying Amount
COMPONENT UNITS		
District Attorney of the Nineteenth Judicial District		$ 3,059,669
Nineteenth Judicial District Court		18,787,226
E.B.R. Parish Family Court		194,541
E.B.R. Parish Juvenile Court		516,275
E.B.R. Parish Clerk of Court		7,255,384
E.B.R. Redevelopment Authority		4,155,071
Cyntreniks Group King Hotel Special Taxing District		13,330
Bluebonnet Convention Hotel Taxing District		50,504
Capital Area Transit System		536,926
Grand Total Cash, Cash Equivalents and Investments - Component Units		$ 34,568,926

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
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
2003	9,063,451	14,531,806	157,622,501	181,217,758

Expenses By Type

Fiscal Year	Benefits	Administrative Expenses	Refunds and Withdrawals	Total
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
2003	48,561,375	954,294	1,681,537	51,197,206

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
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
12/31/03	18,479,710	76.1

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
STATISTICAL SECTION
DECEMBER 31, 2012

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.

INDEX	Exhibit	Page Number
***FINANCIAL TRENDS INFORMATION* - These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.**		
Net Position by Component, Last Ten Fiscal Years	G-1	202
Changes in Net Position, Last Ten Fiscal Years	G-2	204
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years	G-3	208
Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-4	210
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	G-5	212
Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	G-6	214
***REVENUE CAPACITY INFORMATION* - These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.**		
Assessed and Estimated Actual Value of Taxable Property, Last Ten Years	G-7	216
Property Tax Rates and Tax Levies - Direct and Overlapping Governments, Last Ten Years	G-8	218
Principal Property Taxpayers, Current Year and Nine Years Ago	G-9	220
Property Tax Levies and Collections, Last Ten Years	G-10	221
Sales Tax Revenues, Last Ten Years	G-11	222
Taxable Sales by North American Industry Classification, Last Ten Years	G-12	224
***DEBT CAPACITY INFORMATION* - These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.**		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	G-13	226
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	G-14	228
Direct and Overlapping Governmental Activities Debt, December 31, 2012	G-15	230
Legal Debt Margin Calculation, Last Ten Fiscal Years	G-16	231
Pledged Revenue Coverage, Last Ten Fiscal Years	G-17	232
***DEMOGRAPHIC AND ECONOMIC INFORMATION* - These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.**		
Demographic and Economic Statistics, Last Ten Calendar Years	G-18	234
Principal Employers, Current Year and Nine Years Ago	G-19	235
***OPERATING INFORMATION* - These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.**		
Full-time Equivalent City-Parish Government Employees by Function/Department, Last Ten Fiscal Years	G-20	236
Operating Indicators by Function/Program, Last Ten Fiscal Years	G-21	238
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	G-22	240
OTHER INFORMATION		
Employee's Retirement System Schedule of Funding Progress	G-23	242

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			
	2012	2011	2010	2009
Governmental activities				
Net investment in capital assets	$ 601,094	$ 533,154	$ 496,724	$ 463,006
Restricted	217,949	256,925	216,364	225,949
Unrestricted	(180,056)	(128,550)	(24,683)	25,292
Total governmental activities net position	638,987	661,529	688,405	714,247
Business-type activities				
Net investment in capital assets	698,119	645,336	541,065	487,352
Restricted	106,355	80,202	41,844	33,605
Unrestricted	137,766	201,564	315,079	371,621
Total business-type activities net position	942,240	927,102	897,988	892,578
Primary government				
Net investment in capital assets	1,299,213	1,178,490	1,037,789	950,358
Restricted	324,304	337,127	258,208	259,554
Unrestricted	(42,290)	73,014	290,396	396,913
Total primary government net position	$ 1,581,227	$ 1,588,631	$ 1,586,393	$ 1,606,825

Source: Audited Comprehensive Annual Financial Reports

Notes:

(1) During 2004 the City-Parish and CPERS determined that the CPERS Retirement System should be reported as a multiple-employer cost sharing pension employees' retirement system instead of a multiple-employer agent plan as it had previously been reported. Net position was restated for the prior year 2003.

(2) City-Parish adopted GASB Statement No. 46, Net Assets Restricted by Enabling Legislation, during 2004 and restated restricted and unrestricted net position for 2003.

FISCAL YEAR						
2008	2007	2006	2005	2004	2003	
$ 450,561	$ 439,020	$ 402,159	$ 388,589	$ 365,576	$ 334,171	
232,424	211,570	187,174	137,843	145,436	148,600	
45,834	75,909	78,292	50,683	13,838	20,138	(1)
728,819	726,499	667,625	577,115	524,850	502,909	
415,957	411,324	402,395	394,066	386,187	335,010	
89,985	37,116	39,753	33,418	31,856	31,933	(2)
331,435	333,552	272,361	229,399	168,876	143,228	(2)
837,377	781,992	714,509	656,883	586,919	510,171	
866,518	850,344	804,554	782,655	751,763	669,181	
322,409	248,686	226,927	171,261	177,292	180,533	
377,269	409,461	350,653	280,082	182,714	163,366	
$ 1,566,196	$ 1,508,491	$ 1,382,134	$ 1,233,998	$ 1,111,769	$ 1,013,080	

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			
	2012	2011	2010	2009
Expenses				
Governmental activities:				
General government	$ 88,157	$ 98,488	$ 94,444	$ 98,469
Public safety	238,291	219,904	211,382	211,132
Transportation	69,225	66,118	66,622	67,349
Sanitation	6	6	244	1,576
Health and welfare	9,333	9,251	9,436	9,495
Culture and recreation	34,725	34,556	33,379	28,513
Conservation and development	55,607	48,284	58,013	45,638
Intergovernmental	--	--	--	--
Interest and fiscal charges on long-term debt	14,821	15,594	15,515	14,785
Total governmental activities expenses	510,165	492,201	489,035	476,957
Business-type activities:				
Airport	26,609	25,778	23,144	19,984
Sewer	101,595	89,582	84,555	77,872
Convention center	13,352	10,908	10,484	10,699
Parking facilities	782	816	677	660
Solid waste collection and disposal	36,692	36,368	34,861	40,255
Total business-type activities	179,030	163,452	153,721	149,470
Total primary government expenses	689,195	655,653	642,756	626,427
Program Revenues				
Governmental activities				
Charges for services:				
General government	21,608	22,939	22,485	21,172
Public safety	24,576	23,778	25,010	26,390
Transportation	267	269	310	287
Sanitation	61	41	35	35
Health and welfare	788	807	892	822
Culture and recreation	289	335	342	380
Conservation and development	4,469	3,213	3,371	6,793
Operating grants and contributions	57,785	48,551	62,410	50,313
Capital grants and contributions	15,751	14,931	24,863	16,307
Total governmental activities program revenues	125,594	114,864	139,718	122,499
Business-type activities				
Charges for Services:				
Airport	16,866	14,868	13,580	12,541
Sewer	73,315	72,056	69,787	68,306
Convention center	7,418	5,804	5,879	5,853
Parking facilities	1,237	1,088	1,137	1,089
Solid waste collection and disposal	38,440	37,982	38,019	42,396
Operating grants and contributions	7,729	7,634	4,385	615
Capital grants and contributions	17,766	18,596	23,050	28,322
Total business-type activities program revenues	162,771	158,028	155,837	159,122
Total primary government total revenues	288,365	272,892	295,555	281,621

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 100,464	$ 87,775	$ 72,831	$ 56,327	$ 56,264	$ 50,856
247,587	189,131	146,539	159,310	136,280	128,134
62,308	65,181	55,272	49,689	51,039	46,892
485	559	180	30,171	25,370	23,641
9,261	8,091	7,742	8,190	7,049	7,088
27,928	27,504	23,531	21,926	19,960	18,548
44,041	45,495	36,807	34,604	35,735	36,623
--	--	--	14,253	13,601	13,139
11,429	10,517	9,092	6,046	6,064	6,013
503,503	434,253	351,994	380,516	351,362	330,934
23,063	20,531	19,269	16,418	13,561	13,578
79,325	77,924	72,993	71,696	74,934	68,144
15,843	15,743	15,767	7,422	3,483	3,486
686	698	627	909	937	804
40,361	38,954	48,683	2,328	11,203	11,456
159,278	153,850	157,339	98,773	104,118	97,468
662,781	588,103	509,333	479,289	455,480	428,402
20,448	24,346	26,462	19,134	16,511	14,238
19,554	19,607	18,816	15,814	13,786	13,414
315	807	639	470	543	447
48	21	36	13,288	13,087	12,995
741	682	627	586	579	522
508	446	436	464	463	457
2,715	4,395	3,528	3,881	3,715	2,983
87,917	52,129	45,595	62,059	42,304	40,280
9,100	38,606	15,829	15,185	13,521	22,936
141,346	141,039	111,968	130,881	104,509	108,272
15,381	15,804	17,942	16,690	10,773	8,848
64,720	64,069	61,085	55,865	52,811	51,821
11,023	11,998	10,823	3,321	1,204	1,421
973	963	888	843	675	688
43,461	36,688	30,857	8,238	8,588	9,500
306	548	2,189	415	79	1,134
23,427	23,743	24,285	28,722	52,059	25,039
159,291	153,813	148,069	114,094	126,189	98,451
300,637	294,852	260,037	244,975	230,698	206,723

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			
	2012	2011	2010	2009
Net (expense)/revenue:				
Governmental activities	$ (384,571)	$ (377,337)	$ (349,317)	$ (354,458)
Business-type activities	(16,259)	(5,424)	2,116	9,652
Total primary government net expense	(400,830)	(382,761)	(347,201)	(344,806)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property	92,526	89,006	86,395	85,244
Gross receipts business	20,817	23,334	24,510	22,181
Sales	216,521	201,831	192,910	199,909
Occupancy	2,393	2,064	1,956	1,952
Occupational	9,687	9,945	9,870	10,082
Insurance premium	3,589	3,580	3,590	3,522
Gaming admissions	7,575	5,845	5,741	7,542
Interest and penalties - delinquent taxes	1,421	1,344	1,294	2,392
Miscellaneous	539			
Unrestricted grants and contributions	5,330	9,420	4,918	4,906
Investment earnings	901	889	1,672	4,311
Gain (loss) on sale of capital assets	--	--	801	772
Transfers	2,843	1,062	(1,456)	(2,926)
Total governmental activities general revenues	364,142	348,320	332,201	339,887
Business-type activities				
Taxes:				
Sales	42,145	39,431	37,441	39,425
Miscellaneous	--	--	425	--
Investment earnings	2,284	(3,912) *	(12,934) *	3,877
Gain (loss) on sale of capital assets	18	80	101	(680)
Special item-change in engineering method	--	--	--	--
Transfers	(2,843)	(1,062)	1,456	2,926
Total business-type activities general revenues	41,604	34,537	26,489	45,548
Total primary government general revenues	405,746	382,857	358,690	385,435
Change in Net Position				
Governmental activities	(20,429)	(29,017)	(17,116)	(14,571)
Business-type activities	25,345	29,113	28,605	55,200
Total primary government net expense	$ 4,916	$ 96	$ 11,489	$ 40,629

* 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					
2008	2007	2006	2005	2004	2003
$ (362,157)	$ (293,214)	$ (240,026)	$ (249,635)	$ (246,853)	$ (222,662)
13	(37)	(9,270)	15,321	22,071	983
(362,144)	(293,251)	(249,296)	(234,314)	(224,782)	(221,679)
83,990	78,081	72,125	66,922	62,895	60,671
28,057	26,635	27,442	24,254	22,203	21,848
206,744	204,231	205,856	185,636	164,821	160,620
2,442	2,336	1,390	1,026	764	730
9,750	9,950	8,916	8,687	8,124	7,983
3,458	3,475	3,180	3,358	3,194	3,054
5,740	6,362	7,006	7,654	6,504	6,820
2,291	1,623	1,982	1,613	1,614	1,343
5,313	4,741	4,688	4,404	4,219	4,545
15,829	23,338	18,146	8,252	4,022	3,793
1,044	1,116	611	895	1,061	1,738
(181)	(9,800)	(20,806)	(10,801)	(15,770)	(13,042)
364,477	352,088	330,536	301,900	263,651	260,103
42,367	39,922	40,036	35,973	31,161	30,760
--	--	2,651	--	--	--
12,720	17,834	13,666	7,767	3,630	3,030
104	(36)	78	102	129	130
--	--	(10,341)	--	--	--
181	9,800	20,806	10,801	15,770	13,041
55,372	67,520	66,896	54,643	50,690	46,961
419,849	419,608	397,432	356,543	314,341	307,064
2,320	58,874	90,510	52,265	16,798	37,441
55,385	67,483	57,626	69,964	72,761	47,944
$ 57,705	$ 126,357	$ 148,136	$ 122,229	$ 89,559	$ 85,385

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
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
2003	60,671	21,848	160,620	730	7,983	3,054	6,820	1,343	263,069

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			
	2012	2011	2010	2009
General Fund (per GASB 54)*				
Nonspendable	$ 640	$ 584	$ --	$ --
Restricted	271	55	--	--
Committed	58,677	53,161	--	--
Assigned	27,786	32,409	--	--
Unassigned	15,483	16,559	--	--
General Fund (prior GASB 54)**				
Reserved	--	--	30,018	38,098
Unreserved	--	--	66,684	65,349
Total General Fund	$ 102,857	$ 102,768	$ 96,702	$ 103,447
All other governmental funds (per GASB 54)*				
Nonspendable	$ --	$ --	$ --	$ --
Restricted	305,133	322,519	--	--
Committed	24,812	32,135	--	--
All other governmental funds (prior GASB 54)**				
Reserved	--	--	314,160	373,860
Unreserved, reported in:				
Special revenue funds	--	--	85,333	89,389
Capital projects fund	--	--	1,299	1,524
Total all other governmental funds	$ 329,945	$ 354,654	$ 400,792	$ 464,773

* 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					
2008	2007	2006	2005	2004	2003
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
42,757	37,103	21,731	15,372	10,786	12,834
74,994	89,328	96,492	74,494	56,741	58,760
$ 117,751	$ 126,431	$ 118,223	$ 89,866	$ 67,527	$ 71,594
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
318,745	319,967	310,956	155,492	156,643	151,111
69,794	81,132	64,132	49,317	47,122	57,734
1,208	2,223	1,076	--	--	--
$ 389,747	$ 403,322	$ 376,164	$ 204,809	$ 203,765	$ 208,845

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			
	2012	2011	2010	2009
REVENUES				
Taxes	$ 353,706	$ 338,742	$ 328,816	$ 332,052
Licenses and permits	3,912	4,163	4,212	3,265
Intergovernmental	76,536	69,058	98,203	77,611
Charges for services	37,235	39,842	42,963	36,732
Fines and forfeits	3,360	3,518	3,288	2,955
Investment earnings	876	869	1,656	4,268
Miscellaneous revenues	8,066	10,041	13,753	18,253
Total revenues	483,691	466,233	492,891	475,136
EXPENDITURES				
Current:				
General government	66,547	66,356	72,665	73,995
Public safety	203,370	185,844	178,572	180,712
Transportation	39,464	41,551	43,990	41,728
Sanitation	--	--	--	531
Health and welfare	8,502	8,597	8,864	8,870
Culture and recreation	29,635	29,547	29,100	24,590
Conservation and development	51,670	44,527	54,749	42,593
Debt service:				
Principal retirement	21,921	18,245	17,847	14,128
Interest and fiscal charges	14,877	16,143	16,949	16,442
Other charges	1,195	972	327	2,590
Capital outlay	94,254	79,726	122,128	101,567
Intergovernmental	18,416	19,323	17,808	16,751
Total expenditures	549,851	510,831	562,999	524,497
Excess (deficiency) of revenues over (under) expenditures	(66,160)	(44,598)	(70,108)	(49,361)
OTHER FINANCING SOURCES (USES)				
Transfers in	18,846	35,760	26,830	41,950
Transfers out	(16,002)	(34,698)	(28,253)	(44,869)
Long-term debt proceeds	33,850	1,500	19,045	110,000
Refunding bonds issued	58,075	--	--	--
Premium on debt issuance	4,385	--	716	2,591
Capital leases	--	--	--	--
Sale of capital assets	231	599	606	411
Payments to refunded bond escrow agent	(57,845)	--	(19,562)	--
Total other financing sources and uses	41,540	3,161	(618)	110,083
Net change in fund balances	$ (24,620)	$ (41,437)	$ (70,726)	$ 60,722
Debt service as a percentage of noncapital expenditures	8.1%	8.0%	7.9%	7.2%

Source: Audited Comprehensive Annual Financial Reports

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 341,413	$ 331,355	$ 327,673	$ 298,664	$ 270,185	$ 263,344
4,255	5,210	4,908	3,838	3,597	3,540
86,180	72,604	65,869	68,473	55,982	61,484
31,640	35,639	36,477	41,627	37,696	34,618
3,069	3,520	3,211	2,300	2,006	2,263
15,648	22,921	17,727	7,995	3,921	3,699
13,158	13,878	12,850	14,771	14,944	14,260
495,363	485,127	468,715	437,668	388,331	383,208
71,952	60,618	59,280	54,824	52,944	49,508
211,713	160,421	141,697	150,016	127,225	117,426
42,400	42,959	35,694	38,438	37,261	35,131
696	812	598	26,600	24,721	23,911
8,533	7,420	7,484	7,887	6,738	6,765
23,492	23,099	21,507	19,988	18,135	16,729
40,444	42,038	36,138	33,917	34,959	35,754
15,542	15,672	12,195	12,827	12,258	14,130
12,378	13,007	9,992	9,235	9,720	9,105
531	427	1,787	--	--	355
75,054	54,369	33,388	36,178	44,992	53,162
16,244	19,854	14,838	14,253	13,601	13,138
518,979	440,696	374,598	404,163	382,554	375,114
(23,616)	44,431	94,117	33,505	5,777	8,094
40,629	64,245	23,216	30,804	31,467	32,044
(40,805)	(74,044)	(44,021)	(41,605)	(47,237)	(45,085)
94,190	30,395	125,000	--	--	--
--	--	--	--	--	--
--	1,478	912	--	--	--
--	--	--	--	27	132
762	684	488	679	820	1,349
(93,415)	(31,823)	--	--	--	--
1,361	(9,065)	105,595	(10,122)	(14,923)	(11,560)
$ (22,255)	$ 35,366	$ 199,712	$ 23,383	$ (9,146)	$ (3,466)
6.3%	7.4%	6.5%	6.0%	6.5%	7.2%

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
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
2003	60,946	21,848	160,620	730	7,983	3,054	6,820	1,343	263,344

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
(amounts expressed in thousands)

EXHIBIT G - 7

Year	Assessed Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value*
			City of Baton Rouge			
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	14,994,471	11.00
2008	1,607,759	--	1,607,759	7.42	14,615,988	11.00
2007	1,501,386	--	1,501,386	7.84	13,648,961	11.00
2006	1,409,803	--	1,409,803	7.84	12,816,389	11.00
2005	1,324,385	--	1,324,385	7.84	12,039,863	11.00
2004	1,284,098	--	1,284,098	7.84	11,673,617	11.00
2003	1,204,843	--	1,204,843	8.34	10,953,119	11.00
			Parish of East Baton Rouge			
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	527,907	3,436,913	3.54	36,043,818	11.00
2008	3,810,976	548,201	3,262,775	3.54	34,645,232	11.00
2007	3,466,561	522,534	2,944,027	3.78	31,514,190	11.00
2006	3,233,132	548,660	2,684,472	3.78	29,392,107	11.00
2005	3,012,032	584,685	2,427,346	3.78	27,382,107	11.00
2004	2,885,036	616,185	2,268,851	3.78	26,227,597	11.00
2003	2,669,274	553,816	2,115,458	4.06	24,266,127	11.00

*Actual Valuation (Market Value) as Compared to Assessed Valuation

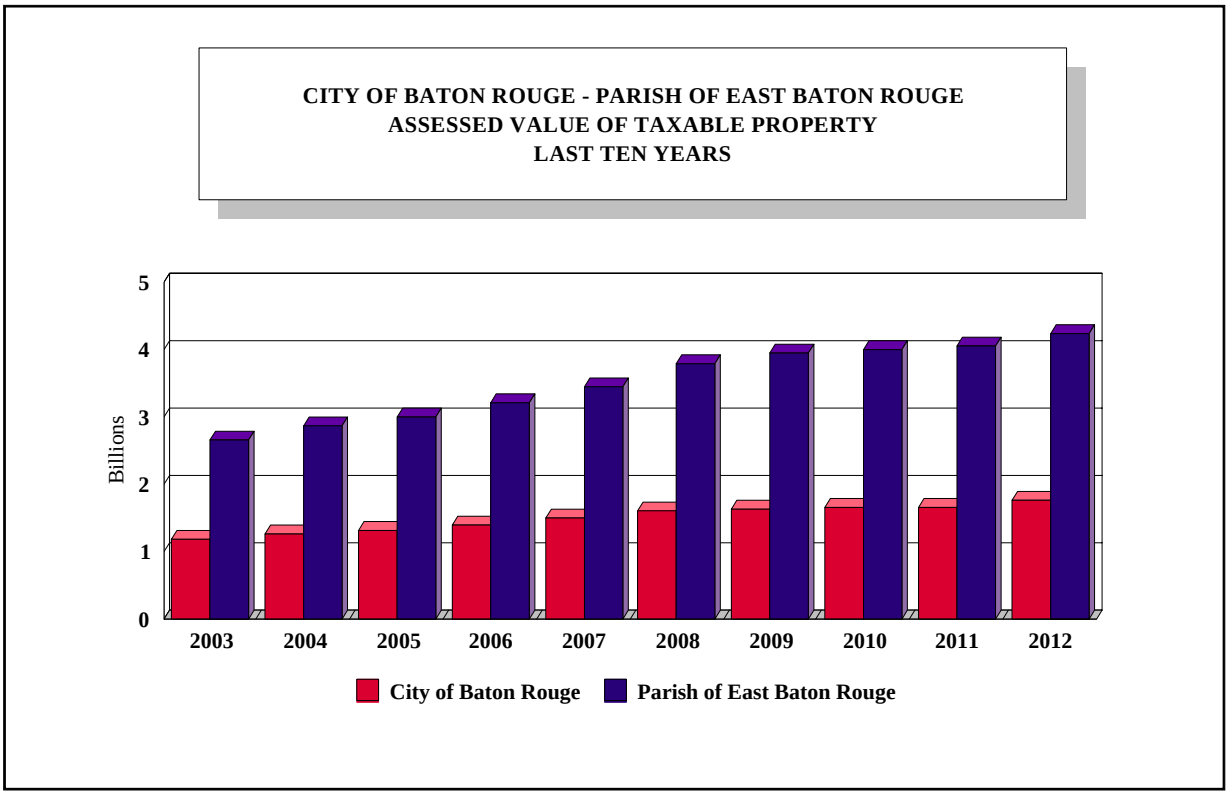
Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value.
The overall assessed value is estimated to be 11% of actual market value.

Source: East Baton Rouge Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of East Baton Rouge.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

EXHIBIT 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

	City		Parish			
Year	Operating	Municipal Fire Salaries and Benefits	Operating	Debt Service (2)	Mosquito and Rodent Tax	Emergency Medical Services
			TAX RATES (mills per dollar)			
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
2003	8.34	6.00	4.06	--	1.14	2.90
			TAX LEVIES			
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
2003	10,048,391	7,229,058	10,837,252	--	3,042,972	7,740,895

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
		TAX RATES (mills per dollar)			
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
10.72	43.45	10.95	14.99	1.48	104.03
		TAX LEVIES			
$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
28,614,617	109,279,071	29,228,550	40,012,417	3,950,525	249,983,748

(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

		2012			2003		
Taxpayer	Type of Business	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation	Assessed Valuation (1)	Rank	Percentage of Total Assessed Valuation
ExxonMobil Corporation	Petroleum Products	$326,432,350	1	7.67 %	$194,763,840	1	7.30 %
Entergy, Inc.	Electric and Gas Utility	98,006,640	2	2.30	63,553,840	2	2.38
Georgia-Pacific Corporation	Pulp and Paper Products	74,057,010	3	1.74	41,471,750	5	1.55
Bellsouth Communications	Telephone Utility	38,776,310	4	0.91	50,308,350	3	1.88
J P Morgan/Chase	Bank	35,436,800	5	0.83	48,848,150	4	1.83
State Farm Insurance	Insurance	21,083,350	6	0.51	--	--	--
Formosa Plastics	Plastics Manufacturer	20,401,750	7	0.48	18,576,850	7	0.70
Genesis Marine, LLC	Public Utility (Watercraft)	19,976,960	8	0.47	--	--	--
Wal-Mart	Retail Store	19,232,450	9	0.45	13,713,450	9	0.51
Higman Barge Lines, Inc.	Public Utility (Watercraft)	17,895,050	10	0.42	--	--	--
Hibernia National Bank	Bank	--		--	28,447,250	6	1.07
Baton Rouge Water Company	Water Utility	--		--	15,074,950	8	0.56
Union Planters Bank	Bank	--		--	13,235,250	10	0.50 %
		$671,298,670		15.78 %	$487,993,680		18.28

(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

Year	Total Tax Levy	Collections	Percent of Levy Collected	Prior Year Tax Collections	Total Tax Collections	Ratio of Total Collections to Tax Levy
			City of Baton Rouge Sub Fund			
2012	$12,588,453					
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
2003	10,048,391	9,826,910	97.80	98,434	9,925,344	98.78
			Parish of East Baton Rouge Sub Fund			
2012	$12,310,364					
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
2003	8,478,022	8,258,061	97.41	62,026	8,320,087	98.14

"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

	2% City-Parish General	1/2 % Roads Improvement and Maintenance	1/2 % Sewerage Improvement and Maintenance	Total
2012	$169,661	$42,145	$42,145	$253,951
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
2003	129,864	30,756	30,759	191,379

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, 2012.

Entity/Area	Parish	School Board Operating	School Board Capital Improvement	Municipal	State	Total
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 2012	2011	2010	2009
Agriculture, Forestry, and Fishing	$ 1,729	$ 1,627	$ 1,565	$ 2,182
Mining	--	814	3,129	818
Construction	154,729	155,418	133,783	133,890
Manufacturing	934,427	805,568	724,461	941,631
Transportation and Public Utilities	42,356	52,077	43,030	51,560
Wholesale Trade	366,510	351,521	332,501	348,700
Other Retail Trade	3,969,371	3,876,491	3,599,615	3,865,624
Vehicle	482,341	444,283	836,337	533,427
Food Stores	644,850	580,985	483,495	514,500
Finance, Insurance, and Real Estate	267,967	225,396	218,277	254,056
Services	1,779,820	1,642,870	1,447,357	1,450,666
Public Administration	--	--	--	--
Total	$ 8,644,100	$ 8,137,050	$ 7,823,550	$ 8,097,054

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					
2008	2007	2006	2005	2004	2003
$ 2,466	$ 5,473	$ 8,786	$ 8,307	$ 7,418	$ 7,078
822	653	912	1,946	1,738	1,753
151,265	136,984	142,226	138,667	123,838	124,994
876,348	807,773	727,543	601,441	537,121	661,657
64,945	78,988	112,803	114,346	102,118	76,165
411,867	196,940	408,776	387,041	345,650	313,167
4,102,229	4,608,939	4,750,824	4,187,261	3,739,462	3,479,707
374,051	877,204	748,015	698,725	624,001	645,294
420,088	397,556	382,171	443,616	396,174	403,942
282,799	30,713	30,335	37,941	33,883	42,530
1,534,020	1,026,769	975,610	863,884	771,497	736,718
--	408	249	225	200	195
$ 8,220,900	$ 8,168,400	$ 8,288,250	$ 7,483,400	$ 6,683,100	$ 6,493,200

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)

	Governmental Activities			Business - Type Activities	
Year	Excess Revenue Contracts Loans and Notes	Revenue Bonds	Capital Leases	Excess Revenue Contracts Loans and Notes	Revenue Bonds
2012	$93,712	$231,450	$ --	$ 12,083	$1,006,844
2011	59,929	248,701	--	2,291	1,020,971
2010	60,514	260,804	--	2,679	840,499
2009	62,371	269,847	--	3,551	475,533
2008	64,463	165,931	--	3,677	325,689
2007	65,815	172,699	--	26,221	280,876
2006	67,826	181,585	1	24,685	291,470
2005	69,760	62,200	28	18,170	271,771
2004	72,520	67,114	82	11,737	277,113
2003	74,386	71,488	108	6,795	291,339

Source:
(1) Long-term debt note disclosures, Audited Comprehensive Annual Financial Reports. See Note 10.
(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(1) Total Primary Government	(2) Percentage of Personal Income	(2) *(in dollars)* Debt Per Capita
$1,344,089	7.85%	$3,024
1,331,892	7.19%	3,017
1,164,496	6.58%	2,646
811,302	4.63%	1,867
559,760	3.18%	1,299
545,611	3.31%	1,267
565,567	3.65%	1,313
421,929	2.94%	1,024
428,566	3.28%	1,038
444,116	3.60%	1,079

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

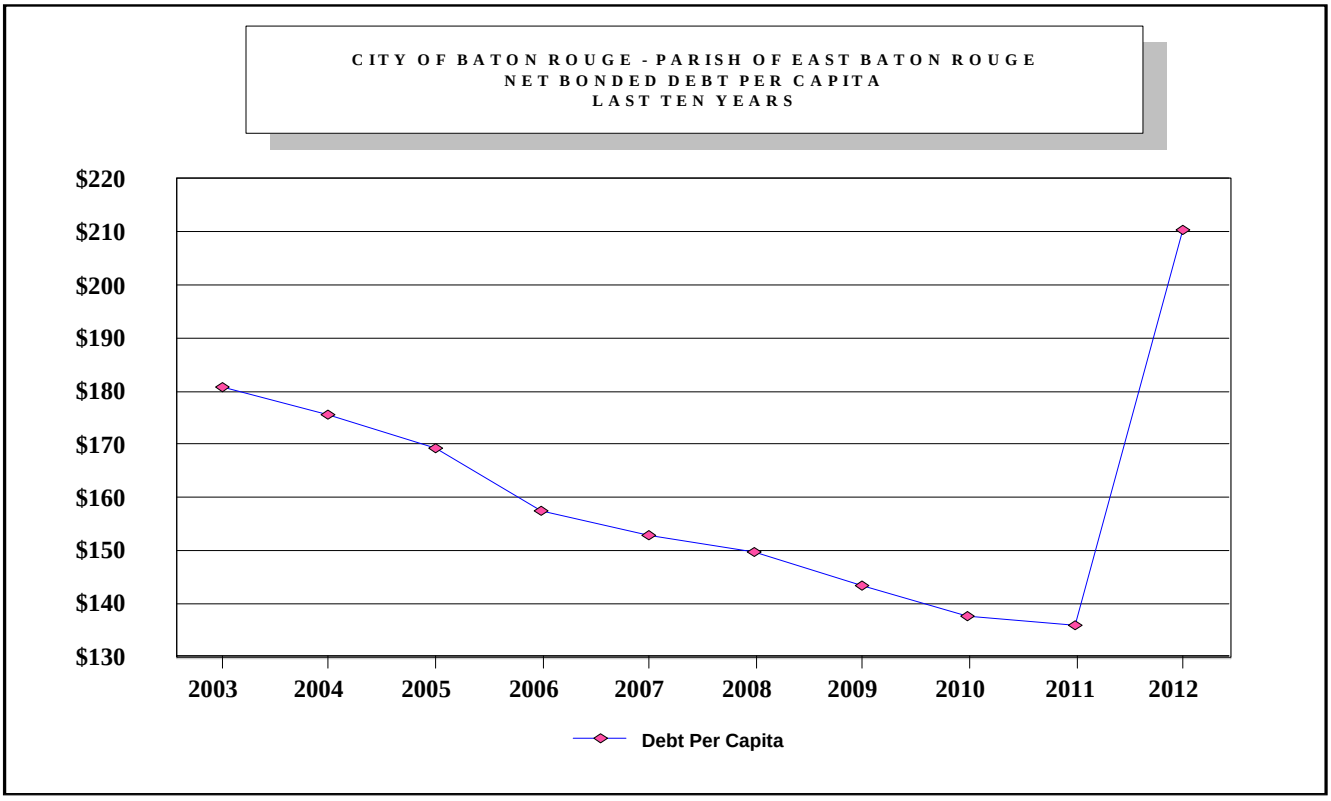
Year	Excess Revenue Contracts Loans and Notes (1)	Less: Amount Available In Debt Service Fund (4)	Total	Percentage of Estimated Actual Value of Property (2)	*(in dollars)* Debt Per Capita (3)
2012	$93,712	$ --	$93,712	0.58%	$211
2011	59,929	--	59,929	0.39%	136
2010	60,514	--	60,514	0.40%	137
2009	62,371	--	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
2003	74,386	--	74,386	0.68%	181

(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.

Continued

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(full accrual basis of accounting)
(in thousands, except per capita amount)

EXHIBIT G - 14
(Continued)



CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2012

EXHIBIT G - 15

	Debt Outstanding	Estimated Percentage Applicable (1)	Amount Applicable to Primary Government
Overlapping Debt:			
Baton Rouge Recreation and and Park Commission	$ 55,770,286	100.00%	$ 55,770,286
Central Community School System	30,664,653	4.00%	1,226,586
City of Baker	3,035,827	2.00%	60,717
City of Zachary	4,049,997	3.00%	121,500
East Baton Rouge Parish School System	39,556,604	88.00%	34,809,812
Eastside Fire Protection District	865,000	3.00%	25,950
Greater Baton Rouge Port Commission	4,280,000	100.00%	4,280,000
Hospital Service District No. 1 (Lane Memorial Hospital)	11,941,682	100.00%	11,941,682
Nineteenth Judicial District Court	94,805,000	100.00%	94,805,000
Zachary Community School Board	97,624,943	6.00%	5,857,497
Total overlapping debt			208,899,029
City of Baton Rouge/Parish of EBR direct debt			325,162,270
Total direct and overlapping debt			$ 534,061,299

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
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
2003	120,484,308	180,726,461	421,695,077	--	421,695,077

PARISH OF EAST BATON ROUGE

Year	Any One Purpose	Sewerage Purposes	Aggregate All Purposes	Debt Outstanding	Legal Debt Margin
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
2003	266,927,400	400,391,099	no limit	--	400,391,099

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
PLEDGED REVENUE 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 Principal	Interest (1)	Total	Coverage
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
2003	31,739,091	284,602	31,454,489	7,785,000	12,185,787	19,970,787	1.58

SCHEDULE B - CITY SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements Principal	Interest (1)	Total	Coverage
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
2003	78,348,495	--	78,348,495	9,210,000	6,274,835	15,484,835	5.06

SCHEDULE C - PARISH SALES TAX (2%)

Year	Gross Revenue (4)	Expenses (5)	Available for Debt Service	Debt Service Requirements Principal	Interest (1)	Total	Coverage
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	--	--	--	-- (12)
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
2003	52,238,042	--	52,238,042	505,000	144,747	649,747	80.40

Continued

SCHEDULE D - ROAD AND STREET IMPROVEMENT SALES TAX (1/2%)

Year	Gross Revenue (7)	Expenses (3)	Available for Debt Service	Principal	Interest (8)	Total	Coverage
2012	$ 24,396,404	$ 245,166	$ 24,151,238	$ 7,340,000	$ 10,651,217	$ 17,991,217	1.34
2011	25,902,059	274,698	25,627,361	7,045,000	11,025,793	18,070,793	1.42
2010	24,662,586	231,255	24,431,331	6,835,000	10,957,521	17,792,521	1.37
2009	27,045,372	--	27,045,372	3,355,000	10,592,352	13,947,352	1.94
2008	32,575,454	--	32,575,454	3,195,000	7,651,689	10,846,689	3.00
2007	29,589,550	--	29,589,550	3,070,000	5,285,458	8,355,458	3.54
2006	29,072,421	--	29,072,421	--	1,363,451	1,363,451	21.32

SCHEDULE E - EAST BATON ROUGE SEWERAGE COMMISSION

Year	Gross Revenue (9)	Expenses (10)	Available for Debt Service	Principal	Interest (13)	Total	Coverage
2012	$ 112,655,153	$ 36,840,298	$ 75,814,855	$ 11,805,000	$ 41,926,684	$ 53,731,684	1.41
2011	104,462,337	38,414,107	66,048,230	8,210,000	31,947,122	40,157,122	1.64
2010	100,325,918	35,992,997	64,332,921	3,970,000	19,572,882	23,542,882	2.73
2009	100,957,375	36,691,655	64,265,720	3,815,000	10,583,273	14,398,273	4.46
2008	102,154,884	38,223,916	63,930,968	3,670,000	8,935,190	12,605,190	5.07
2007	103,142,595	36,855,981	66,286,614	1,640,000	8,638,040	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 are currently no outstanding Parish 2% Sales Tax Bonds.
(13) Includes 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

Year	Population (1)	Personal Income (3)	Per Capita Personal Income (3)	Median Age (1)	Public School Enrollment (4)	EBR Parish Unemployment Rate (5)	Labor Market Area Unemployment Rate (6)
2012	444,526	17,127,586,780 (7)	38,530 (7)	32.7	54,439	6.3	6.4
2011	441,438	18,528,814,000	41,974	32.7	53,981	7.2	7.4
2010	440,171 (2)	17,698,065,000	40,143	32.6 (2)	53,790	7.1	7.5
2009	434,633	17,529,376,000	40,056	32.8	52,671	6.0	6.2
2008	431,024	17,594,592,000	40,566	32.8	53,849	4.2	4.3
2007	430,700	16,494,479,000	38,063	33.2	52,033	3.6	3.7
2006	430,886	15,491,551,000	35,738	33.5	55,033	3.9	3.9
2005	411,859	14,332,698,000	34,636	31.9	52,952	6.5	6.5
2004	412,772	13,057,133,000	31,527	31.5	46,675	5.3	5.8
2003	411,473	12,334,840,000	29,899	30.4	52,309	5.7	6.2

Source: All information is parish-wide.

(1) Estimates - Lousiana 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 2012) 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 2012) 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

2012 (2)				2003 (1)	
Employer	Employees	Rank	Percentage of Total Parish Employment	Employer	Rank
Louisiana State Government	13,628	1	5.73 %	East Baton Rouge Parish School System	1
Turner Industries	9,671	2	4.06	Louisiana State Univeristy	2
East Baton Rouge Parish School System	5,995	3	2.52	Walmart Stores, Inc.	3
Louisiana State University	5,600	4	2.35	City-Parish Government	4
City-Parish Government	4,384	5	1.84	Exxon Corporation - Houston, Tx.	5
Exxon Mobil Chemical Co.	4,275	6	1.80	Our Lady of the Lake Medical Center	6
The Shaw Group	4,243	7	1.78	Performance Contractors	7
Our Lady of the Lake Medical Center	4,009	8	1.68	BHI - Adminstration Management	8
Performance Contractors	3,500	9	1.47	J E Merit Construction, Inc	9
Baton Rouge General Medical Center	3,000	10	1.26	Harmony, LLC	10
	58,305		24.49 %		

(1) Number of employees not available for 2003. Information was previously provided by Louisiana Department of Labor.

(2) Source 2012: 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

	Full-time Equivalent Employees Allotted in Annual Budget			
	2012	2011	2010	2009
GENERAL FUND:				
City Constable	40.00	40.00	40.00	40.00
City Court and City Court Judicial	156.63	157.63	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	5.00	5.00	5.00
EMS - Prison Medical Services	36.00	36.00	36.00	35.00
Finance	125.00	125.00	125.00	125.00
Fire - (City Fire Department Only)	610.00	610.00	610.00	610.00
Human Development & Services	8.62	8.75	8.75	8.75
Human Resources	38.00	38.00	38.00	39.00
Information Services	45.00	45.00	45.00	44.00
Juvenile Services	84.00	84.00	84.00	84.00
Mayor-President	15.00	15.00	15.00	16.00
Municipal Fire & Police Civil Service	1.00	1.00	1.00	1.00
Parish Attorney	95.50	95.50	95.00	94.50
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	692.00	692.00	697.40
Purchasing	13.00	13.00	13.00	13.00
TOTAL GENERAL FUND	2,942.30	2,943.43	2,942.93	2,947.83
SPECIAL FUNDS:				
Major Funds:				
Library Board of Control Fund	379.75	335.00	335.00	319.25
Grants Fund	382.82	401.77	407.23	375.48
Comprehensive Sewerage System Fund	326.40	326.40	326.40	328.20
G. B. R. Airport District Fund	82.00	84.00	84.00	93.00
Solid Waste Collection Fund	6.00	6.00	6.00	6.00
Solid Waste Disposal Facility	22.60	22.60	22.60	15.40
Non-Major Funds:				
Animal Control and Rescue Center	22.00	22.00	32.00	31.00
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	166.00	166.00	166.00	165.00
Employees' Retirement System	12.00	12.00	12.00	12.00
E.B.R. Parish Communications District	47.00	47.00	47.00	47.00
Gaming Enforcement Division	2.50	2.50	2.00	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	31.00
Parish Street Maintenance	3.00	3.00	3.00	3.00
TOTAL SPECIAL FUNDS	1,548.07	1,524.27	1,539.23	1,491.33
TOTAL ALL FUNDS	4,490.37	4,467.70	4,482.16	4,439.16

(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

2008	2007	2006	2005	2004	2003
40.00	40.00	40.00	40.00	40.00	40.00
152.63	145.50	144.50	144.50	144.50	144.50
20.55	20.55	20.55	20.55	20.55	20.55
--	--	--	12.50	13.50	13.50
41.00	41.00	41.00	41.00	41.00	41.00
5.00	5.00	5.00	5.00	5.00	6.00
35.00	33.00	33.00	33.00	33.00	33.00
119.00	112.00	111.00	111.00	111.00	111.00
610.00	588.00	582.00	581.00	581.00	582.00
8.75	8.75	9.50	8.92	8.50	8.50
39.00	39.00	36.00	37.75	41.75	42.00
44.00	42.00	36.00	34.00	34.00	33.00
84.00	83.00	82.00	82.00	85.00	85.00
16.00	15.00	15.00	11.00	10.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
100.00	99.00	92.50	99.00	95.00	95.00
27.00	26.00	22.00	22.00	22.00	22.00
885.00	840.00	837.00	836.00	836.00	837.00
3.00	3.00	3.00	3.00	3.00	3.00
699.10	679.10	647.00	667.00	667.00	670.00
13.00	13.00	13.00	13.00	13.00	13.00
2,943.03	2,833.90	2,771.05	2,803.22	2,805.80	2,810.05
318.25	313.25	306.75	303.75	268.00	268.00
428.94	417.98	416.19	332.43	322.09	324.31
329.40	331.90	336.00	341.00	342.00	342.00
91.00	91.00	89.00	88.73	88.73	87.73
21.10	21.00	21.00	--	--	--
13.40	10.00	10.00	10.00	9.00	9.00
31.00	21.00	20.00	19.00	19.00	19.00
45.00	45.00	45.00	45.00	45.00	45.00
5.00	4.00	4.00	4.00	9.00	9.00
4.00	4.00	4.00	4.00	4.00	4.00
164.00	162.00	150.00	137.00	137.00	136.00
12.00	12.00	12.00	12.00	13.00	12.00
47.00	47.00	47.00	37.50	37.50	37.50
1.00	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	30.00
3.00	3.00	3.00	3.00	3.00	1.00
1,554.09	1,524.13	1,504.94	1,378.41	1,338.32	1,334.54
4,497.12	4,358.03	4,275.99	4,181.63	4,144.12	4,144.59

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	FISCAL YEAR			
	2012	2011	2010	2009
Function:				
Public Safety:				
Police				
Physical arrests	20,913	25,829	28,114 (8)	27,158
Parking violations	14,442	20,424	19,554	19,759
Traffic violations (4)	65,200	87,643	75,677	87,509
Fire				
Number of responses	30,097	29,869	29,939	28,723
Inspections	16,254	18,885	15,174	15,689
Emergency Medical Services				
Number of emergency responses	52,689	51,467	49,184	48,490
Number of patient transports	31,170	30,720	29,712	28,081
Communications district				
Number of 911 calls (in thousands)	387,583	385,970	340,000	353,169
Transportation				
Parish street maintenance program				
Number of miles of new	1	3	--	2
Rehab streets and roads	25	19	25	17
Number of potholes repaired	1,457	1,666	1,731	2,707
Airport				
Number of enplanements	413,873	404,735	390,847	356,140
Sanitation:				
Wastewater				
Average daily sewerage treatment (millions of gallons)	23,696	22,819	23,211	23,603
Solid Waste Disposal				
Average daily tonnage accepted at Landfill (6)	1,457	1,491	1,526	1,562
Administration Office and Boards				
Construction Permits				
Total Number of Permits issued	21,698	21,759	22,565	21,649
Total Valuation	603,507,068	729,876,485	710,536,043	375,597,425
Culture-Recreation				
Libraries				
Total registered borrowers	304,431	425,540	410,109	393,812
Total items circulated	2,338,802	2,340,208	2,392,827	2,284,918
Total reference questions answered	868,222	971,205	879,514	811,166
New branch libraries opened	--	--	--	--

Notes:

(1) Library card registration drive at public and private schools, malls, fairs, festivals, universities, etc.
(2) Including arrest or summons, 2,734 Juveniles, 24,048 adults.
(3) Through November 2005
(4) Moving violations only
(5) Increase in calls due to Hurricanes Katrina and Rita in 2005.
(6) Tonnage without recycling. No adjustment for unscheduled closings of the landfill.
(7) Road rehab reflects a reduction to 27% of the road sales tax money.
(8) Projected from data thru Nov 2010. 25,614 adults, 2,500 juvenile

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
26,158	26,782 (2)	15,034	12,182 (3)	11,035	7,768
22,649	25,036	24,365	19,481 (3)	14,613	13,406
84,882	89,131	107,089	65,071 (3)	38,543	41,077
28,280	26,564	26,886	26,498	22,955	21,152
19,199	16,818	13,932	12,810	20,736	15,965
50,453	48,419	48,264	49,583	43,592	40,902
26,431	26,432	24,393	26,306	23,935	23,825
365,850	347,536	368,486	353,000 (5)	311,000	310,000
4	11	4	10	2	6
24	29 (7)	24 (7)	40	45	46
2,791	3,448	1,247	165	242	202
433,135	491,836	534,709	523,417	375,412	362,766
21,610	22,559	21,534	22,251	26,169	22,046
1,562	1,490	1,438	1,379	1,434	1,551
24,835	27,312	26,910	26,845	3,552	3,579
666,743,993	1,068,749,146	911,708,204	592,858,669	520,072,323	473,740,644
386,181	366,065	341,179	316,977	289,681	288,616 (1)
2,231,974	2,307,630	2,396,323	2,440,000	2,573,393	2,486,503
731,213	695,867	645,320	615,534	574,936	599,013
--	1	--	3	1	--

Sources:
City only:
- Baton Rouge Police Department
- 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

	FISCAL YEAR			
Major Programs	2012	2011	2010	2009
General Government				
Number of general government buildings	10	10	10	10
Public Safety				
Number of police stations	5	5	5	5
Police patrol units	509	513	511	467
Number of fire stations	19	19	19	19
Fire trucks	41	41	41	41
Number of EMS stations	13	13	13	12
Ambulances	21	21	21	21
Correction facilities	2	2	2	2
Transportation				
Miles of streets	1,775	1,774	1,772	1,771
Number of streetlights	35,136	35,134	35,066	34,725
Number of traffic signals	489	489	482	472
Sanitation				
Miles of sanitary sewers	1,783	1,781	1,780	1,778
Miles of storm sewers	103	102	100	98
Culture and Recreation				
Number of library branches	14	13	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					
2008	2007	2006	2005	2004	2003
10	10	10	10	10	10
5	5	5	5	5	5
467	455	398	789	774	632
19	19	19	19	19	19
41	40	39	38	38	38
12	12	12	11	11	11
21	21	21	20	20	20
2	2	2	2	2	2
1,771	1,766	1,757	1,753	1,743	1,741
34,725	34,725	34,725	34,725	34,725	34,725
472	465	468	463	458	453
1,778	1,773	1,764	1,759	1,748	1,744
98	93	82	78	64	61
13	13	13	13	13	13
6	6	6	6	6	6
7	7	7	7	7	5
7	7	7	7	7	7

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)
12/31/12	$ 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
12/31/03	847,227,425	985,671,695	138,444,270	86.0	106,240,559	130.3

CPERS TRUST
SIGNIFICANT ACTUARIAL ASSUMPTIONS

Valuation date	December 31, 2012
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, 2012

P&N Postlethwaite & Netterville

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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, 2012, 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 21, 2013. 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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We did indentify a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. See item 2012-1.

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In addition, we noted certain other matters regarding the internal control over financial reporting that we reported to management of City-Parish in a separate letter dated June 21, 2013.

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 21, 2013

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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, 2012. 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 $1,454,060 , $6,670,124, and $4,484,513, respectively, of federal grant funding during their most recent respective fiscal years ending during 2012, which is not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2012. Our audit, described below, does not include the grant 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.

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Opinion on Each Major Federal Program

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 major federal programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, and 2012-4. Our opinion on each major federal program is not modified with respect to these matters.

The City-Parish's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City-Parish's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the 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.

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 a 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. 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-3 and 2012-4 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 + Netterville

Baton Rouge, Louisiana
June 21, 2013

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SUMMARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	FEDERAL EXPENDITURES	LOCAL EXPENDITURES	TOTAL
FEDERAL AGENCY - SCHEDULE A			
U.S. Department of Housing and Urban Development	$ 22,068,933	$ --	$ 22,068,933
U.S. Department of Health and Human Services	16,581,855	(25,043)	16,556,812
U.S. Department of Homeland Security	307,988	--	307,988
Federal Emergency Management Agency	6,512,197	2,049,101	8,561,298
U.S. Department of Transportation	4,821,365	232,455	5,053,820
U.S. Department of Energy	(53,479)	--	(53,479)
U.S. Department of Agriculture	937,634	--	937,634
U.S. Department of Labor	2,308,781	--	2,308,781
U.S. Department of Justice	520,420	94,626	615,046
U.S. Environmental Protection Agency	123,557	--	123,557
U.S. Small Business Association	124,081	--	124,081
TOTAL FEDERAL AGENCY - SCHEDULE A	$ 54,253,332	$ 2,351,139	$ 56,604,471
FEDERAL AGENCY ARRA- SCHEDULE A			
U.S. Department of Housing and Urban Development ARRA	$ 509,782	$ --	$ 509,782
U.S. Department of Energy ARRA	1,732,175	--	1,732,175
U.S. Department of Labor ARRA	150,856	--	150,856
U.S. Department of Health and Human Services ARRA	(120)	--	(120)
U.S. Department of Transportation ARRA	165,145	--	165,145
TOTAL FEDERAL AGENCY - ARRA-SCHEDULE A	$ 2,557,838	$ --	$ 2,557,838
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE A	$ 56,811,170	$ 2,351,139	$ 59,162,309
FEDERAL AGENCY - SCHEDULE B			
U.S. Department of Transportation - FAA	$ 9,938,348	$ 10,610	$ 9,948,958
U.S. Environmental Protection Agency	223,464	--	223,464
U.S. Department of Commerce	901,105	--	901,105
TOTAL FEDERAL AGENCY - SCHEDULE B	$ 11,062,917	$ 10,610	$ 11,073,527
FEDERAL AGENCY ARRA- SCHEDULE B			
U.S. Federal Aviation Administration	$ 658	$ --	$ 658
U.S. Department of Environmental Protection Agency	852,723	--	852,723
TOTAL FEDERAL AGENCY - ARRA-SCHEDULE B	$ 853,381	$ --	$ 853,381
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE B	$ 11,916,298	$ 10,610	$ 11,926,908
TOTAL FEDERAL AGENCY & ARRA - SCHEDULE A AND B	$ 68,727,468	$ 2,361,749	$ 71,089,217

CITY OF BATON ROUGE - PARISH OF EAST BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE A

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
FEDERAL GRANTS						
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs:	121004					
Community Development:						
Block Grant - 1994	182..431602	14.218	B-94-MC-22-0002	$ 37,543	$ --	$ 37,543
Block Grant - 1995	182..431602	14.218	B-95-MC-22-0002	118,810	--	118,810
Block Grant - 1997	182..431602	14.218	B-97-MC-22-0002	113,491	--	113,491
Block Grant - 1998	182..431602	14.218	B-98-MC-22-0002	33	--	33
Block Grant - 1999	182..431602	14.218	B-99-MC-22-0002	165,329	--	165,329
Block Grant - 2000	182..431602	14.218	B-00-MC-22-0002	212,245	--	212,245
Block Grant - 2001	182..431602	14.218	B-01-MC-22-0002	230,563	--	230,563
Block Grant - 2002	182..431602	14.218	B-02-MC-22-0002	108,759	--	108,759
Block Grant - 2003	182..431602	14.218	B-03-MC-22-0002	33,668	--	33,668
Block Grant - 2004	182..431602	14.218	B-04-MC-22-0002	341,808	--	341,808
Block Grant - 2005	182..431602	14.218	B-05-MC-22-0002	13,191	--	13,191
Block Grant - 2006	182..431602	14.218	B-06-MC-22-0002	133,059	--	133,059
Block Grant - 2007	182..431602	14.218	B-07-MC-22-0002	214,041	--	214,041
Block Grant - 2008	182..431602	14.218	B-08-MC-22-0002	454,682	--	454,682
Block Grant - 2009	182..431602	14.218	B-09-MC-22-0002	706,797	--	706,797
Block Grant - 2010	182..431602	14.218	B-10-MC-22-0002	316,766	--	316,766
Block Grant - 2011	182..431602	14.218	B-11-MC-22-0002	1,922,895	--	1,922,895
Block Grant - 2012	182..431602	14.218	B-12-MC-22-0002	491,422	--	491,422
Neighborhood Stabilization Program	170..431602	14.218	B-08-MN-22-0001	940,627	--	940,627
SUBTOTAL CFDA NUMBER 14.218 (1)				6,555,729	--	6,555,729
Home Grant - 1992	183..431602	14.239	M-92-MC-22-0204	161,403	--	161,403
Home Grant - 2001	183..431602	14.239	M-01-MC-22-0204	17,959	--	17,959
Home Grant - 2003	183..431602	14.239	M-03-MC-22-0204	23,548	--	23,548
Home Grant - 2004	183..431602	14.239	M-04-MC-22-0204	114,867	--	114,867
Home Grant - 2005	183..431602	14.239	M-05-MC-22-0204	288,546	--	288,546
Home Grant - 2006	183..431602	14.239	M-06-MC-22-0204	253,756	--	253,756
Home Grant - 2007	183..431602	14.239	M-07-MC-22-0204	542,404	--	542,404
Home Grant - 2008	183..431602	14.239	M-08-MC-22-0204	673,385	--	673,385
Home Grant - 2009	183..431602	14.239	M-09-MC-22-0204	113,582	--	113,582
Home Grant - 2010	183..431602	14.239	M-10-MC-22-0204	522,961	--	522,961
Home Grant - 2011	183..431602	14.239	M-11-MC-22-0204	1,530,700	--	1,530,700
Home Grant - 2012	183..431602	14.239	M-12-MC-22-0204	44,618	--	44,618
SUBTOTAL CFDA NUMBER 14.239				4,287,729	--	4,287,729
Continuum of Care Supportive Housing	184..431602	14.235	LA-48-B80-40	(37,372)	--	(37,372)
Continuum of Care Supportive Housing	184..431602	14.235	LA-48-B90-40	2,083	--	2,083
Continuum of Care Supportive Housing	184..431602	14.235	LA-48-B100-40	775,197	--	775,197
Continuum of Care Supportive Housing	184..431602	14.235	LA-48-B110-40	685,867	--	685,867
SUBTOTAL CFDA NUMBER 14.235				1,425,775	--	1,425,775

(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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONTINUED):						
Direct Programs:	121004					
HOPWA Grant - 2006	185..431602	14.241	LAH06F002	$ 4,281	$ --	$ 4,281
HOPWA Grant - 2007	185..431602	14.241	LAH07F002	404	--	404
HOPWA Grant - 2008	185..431602	14.241	LAH08F002	44,430	--	44,430
HOPWA Grant - 2009	185..431602	14.241	LAH09F002	172,371	--	172,371
HOPWA Grant - 2010	185..431602	14.241	LAH10F002	860,453	--	860,453
HOPWA Grant - 2011	185..431602	14.241	LAH11F002	1,407,588	--	1,407,588
HOPWA Grant - 2012	185..431602	14.241	LAH12F002	117	--	117
SUBTOTAL CFDA NUMBER 14.241				2,489,644	--	2,489,644
Emergency Shelter 2009-11	182..431602	14.231	S-09-MC-22-0002	2,979	--	2,979
Emergency Shelter 2010-12	182..431602	14.231	S-10-MC-22-0002	107,423	--	107,423
Emergency Shelter 2011-13	182..431602	14.231	S-11-MC-22-0002	84,310	--	84,310
Passed through Louisiana Department of Social Services	121109					
Emergency Shelter 2010-12	170..432602	14.231	10/12	176,596	--	176,596
Emergency Shelter 2011-13	170..432602	14.231	11/13	153,909	--	153,909
SUBTOTAL CFDA NUMBER 14.231				525,217	--	525,217
Passed through Louisiana Office of Community Development Disaster Recovery Unit	121120					
State of Louisiana Recovery Act	152..432495	14.228	17-PARA-7002	4,884,445	--	4,884,445
Comprehensive Resiliency Pilot Program	152..432609	14.228	B-08-DI-22-001	50,872	--	50,872
SUBTOTAL CFDA NUMBER 14.228 (2)				4,935,317	--	4,935,317
Direct Programs:	121004					
Sharlo Terrace II 2000	170..431602	14.871	LA-48-0046-009	6,592	--	6,592
Sharlo Terrace II 2003	170..431602	14.871	LA-48-0046-009	224	--	224
Section 8 Operating Reserve	170..431602	14.871	LA-48-E0003-001/004	1,428	--	1,428
Section 8 Vouchers Program - 2006	170..431602	14.871	LA-219-CEO-001-008	171,394	--	171,394
Section 8 Vouchers Program - 2007	170..431602	14.871	LA-219-CEO-001-008	247,815	--	247,815
Section 8 Vouchers Program - 2010	170..431602	14.871	LA-219-CEO-001-008	109,901	--	109,901
Section 8 Vouchers Program - 2011	170..431602	14.871	LA-219-CEO-001-008	125,069	--	125,069
Section 8 Vouchers Program - 2012	170..431602	14.871	LA-219-CEO-001-008	1,183,442	--	1,183,442
SUBTOTAL CFDA NUMBER 14.871				1,845,865	--	1,845,865
Passed through Southern University	121134					
Southern University Weatherization	170..434123	14.520	OSP-02-8300-2009-0051	3,657	--	3,657
Total U.S. Department of Housing and Urban Development				22,068,933	--	22,068,933

(2) CDBG - State Administered CDBG 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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Direct Programs:	121006					
Headstart - 2011	160..431601	93.600	06CH0065/34	$ 70,364	$ (26,109)	$ 44,255
Headstart - 2012	160..431601	93.600	06CH0065/35	9,828,120	1,066	9,829,186
Early Headstart 2011	160..431601	93.600	06CH0065/34	855,040	--	855,040
Headstart Expansion 2011	160..431601	93.600	06CH0065/34	(521)	--	(521)
SUBTOTAL CFDA NUMBER 93.600 (3)				10,753,003	(25,043)	10,727,960
HIV Emergency Relief Project (Ryan White)	160..431601	93.914	H89HA11432	1,218,481	--	1,218,481
HIV Emergency Relief Project-Ryan White-MAI	160..431601	93.914	H89HA11432	218,273	--	218,273
HIV Emergency Relief Project (Ryan White)	160..431601	93.914	H89HA11432	2,841,209	--	2,841,209
HIV Emergency Relief Project-Ryan White-MAI	160..431601	93.914	H89HA11432	242,194		242,194
SUBTOTAL CFDA NUMBER 93.914				4,520,157	--	4,520,157
Passed through Louisiana Association of Community Action Partnership, Inc.	111438					
LIHEAP Low Inc Housing Energy Assist LACAP	160..434118	93.568	11/12	11,218	--	11,218
LIHEAP Client Education Grant	160..434118	93.568	11/12	23,933	--	23,933
SUBTOTAL CFDA NUMBER 93.568				35,151	--	35,151
Passed through Louisiana Workforce Commission	121118					
WIA- La Employment Assistance Program (LEAP)	161..432604	93.558	FY2010	(18,797)	--	(18,797)
WIA- La Employment Assistance Program (LEAP)	161..432604	93.558	FY2011	2,108	--	2,108
SUBTOTAL CFDA NUMBER 93.558				(16,689)	--	(16,689)
Community Services Block Grant (CSBG)	160..432604	93.569	CSBG-FY-12P0019	1,085,982	--	1,085,982
Community Services Block Grant (CSBG)	160..432604	93.569	CSBG-FY-13P0019	73,018	--	73,018
SUBTOTAL CFDA NUMBER 93.569				1,159,000	--	1,159,000
Passed through Louisiana Office of Youth Development	121127					
Juvenile Services-Title IV-E Reimbursements	171..432104	93.658	N/A	131,233	--	131,233
Total U.S. Department of Health and Human Services				16,581,855	(25,043)	16,556,812

(3) Head Start 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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U. S. DEPARTMENT OF HOMELAND SECURITY						
Passed through Governor's Office of Homeland Security and Emergency Preparedness	121126					
Hazard Mitigation Planning Grant-Generator	170..432103	97.039	1603-DR-LA-0079	$ 839	$ --	$ 839
Hazard Mitigation Planning Grant	170..432103	97.039	1603N-033-0004	21,500	--	21,500
Hazard Mitigation Planning Grant-Water Proofing I	170..432103	97.039	1603N-033-0002	96,385	--	96,385
SUBTOTAL CFDA NUMBER 97.039				118,724	--	118,724
Civil Defense P & A	001..432103	97.042		189,264	--	189,264
Total U.S. Department of Homeland Security				307,988	--	307,988
FEDERAL EMERGENCY MANAGEMENT AGENCY						
Direct Programs:	121008					
Assistance to Firefighters-BR Fire	170..431102	97.044	2010-FP-00698	1,612	403	2,015
SUBTOTAL CFDA NUMBER 97.044				1,612	403	2,015
Passed through Governor's Office of Homeland Security	121126					
Hurricane Gustav	173..432103	97.036	N/A	1,112,775	123,642	1,236,417
Mississippi River Flood 2011	173..432103	97.036	N/A	--	125,892	125,892
Hurricane Isaac 2012	173..432103	97.036	N/A	5,397,491	1,799,164	7,196,655
SUBTOTAL CFDA NUMBER 97.036				6,510,266	2,048,698	8,558,964
Passed through United Way of America	121432					
Emergency Food & Shelter (FEMA)	160..434602	97.024	LRO 361400-001	319	--	319
Total Federal Emergency Management Agency				6,512,197	2,049,101	8,561,298
U.S. DEPARTMENT OF TRANSPORTATION						
Direct Program:	121003					
Capital Area Transit System-Capital	337..431202	20.507	LA-90-0183	11,105	2,776	13,881
Passed through Louisiana Department of Transportation and Development -Office of Highways	121101					
Millerville Rd - I-12 & Harrell's Ferry Rd.	341..432200	20.205	700-17-0071, H.007064.6	1,876,628	71,102	1,947,730
Tiger Bend Road	341..432200	20.205	742-06-0057	1,416	2,048	3,464
Signal Synchronization System - Phase IV & V	341..432200	20.205	700-17-0172; 742-17-0125	4,808	7,852	12,660
Aster-Chimes Drainage Improvements	341..432200	20.205	013-05-0043, 576-17-008	85,981	5,403	91,384
Jones Creek Rd. (Tiger Bend to Coursey)	341..432200	20.205	700-26-0078, 742-17-0131, 742-17-0130, H.007157.6	132,728	8,032	140,760
North Sherwood Forest Improvements (Choctaw to Greenwell Springs)	341..432200	20.205	700-26-0078; 700-30-0246	18,362	84,093	102,455
South Sherwood @ I-12 -Phase II	341..432200	20.205	742-17-0134, 742-17-0153	144,510	27,710	172,220
River Rd. Levee Shared Use Trail Phase II	341..432200	20.205	737-17-0016	6,872	--	6,872

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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures		Total
U.S. DEPARTMENT OF TRANSPORTATION (CONTINUED):	121101					
Passed through Louisiana Department of Transportation and Development -Office of Highways						
Safe Routes to School-Westdale Middle School	341..432200	20.205	737-17-0024	$ 217	$ --	$ 217
Delmont Village(Delmont Village Area)	341..432200	20.205	H.001349.6	361,507	--	361,507
Central Thruway(S.Choctaw to Greenwell Springs)	341..432200	20.205	742-17-0144, H.002903.6	917,763	--	917,763
GLP-Pecue Lane	341..432200	20.205	700-17-0221, H.0041004.5	70,181	--	70,181
College/Highland/Sherwood-Signal Synchronization	341..432200	20.205	742-17-0163	69,949	--	69,949
SUBTOTAL CFDA NUMBER 20.205 (4)				3,690,922	206,240	3,897,162
Hurricane Isaac 2012	173..432200	97.036		275,691	--	275,691
Passed through Capital Region Planning Commission	121425					
CRPC Land Use & Socio-Economic Study	170..434101	20.505	PL-0011(034)	36,000	--	36,000
CRPC Transportation Planning 2011-12	170..434101	20.505	PL-0011(035)	31,975	2,563	34,538
CRPC Land Use & Socio-Economic Study	170..434101	20.505	PL-0011(035)	18,000	--	18,000
SUBTOTAL CFDA NUMBER 20.505				85,975	2,563	88,538
Passed through Louisiana Highway Safety Commission	121105					
LHSC-Year Round Overtime	170..432101	20.600	PT 2012-30-17	225,497	--	225,497
LHSC-Year Round Overtime	170..432101	20.600	PT 2012-30-17	35,032	--	35,032
SUBTOTAL CFDA NUMBER 20.600 (5)				260,529	--	260,529
Reduce Underage Drinking 11/12	170..432101	20.601	PT 2012-10-240	121,078	20,876	141,954
Year Round Overtime;DWI/JUDE	170..432101	20.601	PT 2012-30-17	141,938	--	141,938
Year Round Overtime;DWI/JUDE	170..432101	20.601	PT 2012-30-17	56,709	--	56,709
Sobriety Court	170..432101	20.601	2012-10-26	136,856	--	136,856
Sobriety Court	170..432101	20.601	2012-10-26	40,562	--	40,562
SUBTOTAL CFDA NUMBER 20.601 (5)				497,143	20,876	518,019
Total U.S. Department of Transportation				4,821,365	232,455	5,053,820
U. S. DEPARTMENT OF ENERGY						
Passed through Louisiana Community Action Partnership	111438					
Weatherization Assistance Program-LACAP	170..434118	81.042	2010-2011	(40,478)	--	(40,478)
Weatherization Assistance Program-LACAP	170..434118	81.042	2011-2012	(13,001)	--	(13,001)
SUBTOTAL CFDA NUMBER 81.042				(53,479)	--	(53,479)
Total U.S. Department of Energy				(53,479)	--	(53,479)

(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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U.S. DEPARTMENT OF AGRICULTURE						
Passed through Louisiana						
Department of Social Services	121109					
LAJET	170..432602	10.561	08/09	$ (4,163)	$ --	$ (4,163)
LAJET	170..432602	10.561	09/10	(2)	--	(2)
SUBTOTAL CFDA NUMBER 10.561				(4,165)	--	(4,165)
Passed through Louisiana						
Department of Education	121110					
Head Start Food	160..432607	10.558	11/12	641,735	--	641,735
Head Start Food	160..432607	10.558	12/13	256,802	--	256,802
SUBTOTAL CFDA NUMBER 10.558				898,537	--	898,537
School Breakfast Program	001..432106	10.553	(7) N/A	16,884	--	16,884
National School Lunch Program	001..432106	10.555	(7) N/A	26,378	--	26,378
Total U.S. Department of Agriculture				937,634	--	937,634
U.S. DEPARTMENT OF LABOR						
Passed through Louisiana Workforce Commission	121118					
WIA-Adult Program	161..432604	17.258	FY2011	39,884	--	39,884
WIA-Adult Program	161..432604	17.258	PY2011	63,039	--	63,039
WIA-Adult Program	161..432604	17.258	PY2011	7,545	--	7,545
WIA-Adult Program	161..432604	17.258	FY2012	392,388	--	392,388
WIA-Adult Program	161..432604	17.258	FY2012	19,840	--	19,840
SUBTOTAL CFDA NUMBER 17.258 (6)				522,696	--	522,696
WIA-Youth Program	161..432604	17.259	PY2010	501,781	--	501,781
WIA-Youth Program	161..432604	17.259	PY2011	880,395	--	880,395
WIA-Youth Program	161..432604	17.259	PY2012	18,532	--	18,532
SUBTOTAL CFDA NUMBER 17.259 (6)				1,400,708	--	1,400,708
WIA-Dislocated Workers	161..432604	17.260	PY2011	107,995	--	107,995
WIA-Dislocated Workers	161..432604	17.260	PY2011	1,774	--	1,774
WIA-Dislocated Workers	161..432604	17.260	FY2011	275,608	--	275,608
SUBTOTAL CFDA NUMBER 17.260 (6)				385,377	--	385,377
Total U.S. Department of Labor				2,308,781	--	2,308,781

(6) WIA Cluster
(7) Child Nutrition 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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U. S. DEPARTMENT OF JUSTICE						
Direct Programs:	121005					
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2008-PG-BX-0088	$ 986	$ --	$ 986
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2009-GP-BX-0060	22,249	--	22,249
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2010-GP-BX-0070	15,112	5,668	20,780
Project Safe Neighborhoods - Anti Gang	170..431103	16.609	2011-GP-BX-0077	27,817	6,578	34,395
SUBTOTAL CFDA NUMBER 16.609				66,164	12,246	78,410
Passed through East Baton Rouge Parish Sheriff's Office-CO-OP						
Edward-Byrne Memorial (JAG)	170..431103	16.738	2009-DJ-BX-0577	12,819	--	12,819
Edward-Byrne Memorial (JAG)	170..431103	16.738	2010-DJ-BX-1636	71,883	--	71,883
Edward-Byrne Memorial (JAG)	170..431103	16.738	2011-DJ-BX-3127	160,564	--	160,564
Passed through Louisiana Commission on Law Enforcement	121116					
Targeted Violent Offender Program	170..432102	16.738	B09-5-009	99	2,500	2,599
Targeted Violent Offender Program	170..432102	16.738	B10-5-009	5,000	--	5,000
SUBTOTAL CFDA NUMBER 16.738				250,365	2,500	252,865
Targeted Violent Offender Program	170..432102	16.579	B09-5-009	--	948	948
Targeted Violent Offender Program	170..432102	16.579	B10-5-009	62,690	9,432	72,122
SUBTOTAL CFDA NUMBER 16.579				62,690	10,380	73,070
Juvenile Accountability Block Grant	170..432102	16.523	A09-8-013	17,852	8,691	26,543
Juvenile Accountability Block Grant	170..432102	16.523	A10-8-013	42,992	53,059	96,051
SUBTOTAL CFDA NUMBER 16.523				60,844	61,750	122,594
Detention Diversion	170..432102	16.540	J08-8-009	9,990	--	9,990
Reform Research	170..432102	16.540	A10-8-013	7,000	--	7,000
SUBTOTAL CFDA NUMBER 16.540				16,990	--	16,990
Passed through Louisiana Department of Public Safety	121127					
Solving Cold Cases with DNA	170..432104	16.560	2010-DN-BX-K019	63,367	7,750	71,117
Total U. S. Department of Justice				520,420	94,626	615,046

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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)						
Direct Programs:	121011					
EPA Hazardous Assessment Grant	170..431608	66.818	BF-00F18701-0	$ 26,600	$ --	$ 26,600
EPA Petroleum Assessment Grant	170..431608	66.818	BF-00F18601-0	96,957	--	96,957
SUBTOTAL CFDA NUMBER 66.818				123,557	--	123,557
Total U. S. Environmental Protection Agency				123,557	--	123,557
U. S. SMALL BUSINESS ASSOCIATION						
Small Business Investment Initiative Technical Assistance	170..431610	59.000	SBAHQ-10-0030	124,081	--	124,081
Total U. S. Small Business Association				124,081	--	124,081
TOTAL FEDERAL GRANTS - SCHEDULE A				$ 54,253,332	$ 2,351,139	$ 56,604,471

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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
AMERICAN RECOVERY AND REINVESTMENT ACT						
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Direct Programs:	121004					
Block Grant - 2009	151..431602	14.253	(1) B-09-MY-22-0002	$ 65,991	$ --	$ 65,991
Homelessness Prevention & Rapid Re-Housing	151..431602	14.257	2009	266,449	--	266,449
Passed through Louisiana Department of Social Services						
Homelessness Prevention & Rapid Re-Housing	151..431602	14.257	2009-2010	177,342	--	177,342
SUBTOTAL CFDA NUMBER 14.257				443,791	--	443,791
Total U. S. Department of Housing and Urban Development ARRA				509,782	--	509,782
U.S. DEPARTMENT OF ENERGY						
Direct Programs:	121014					
Local Energy Assurance Planning (LEAP)	151..431606	81.122	DE-OE000390	150,800	--	150,800
Energy Efficiency & Conservation	151..432611	81.128	EE-0000-731	1,321,433	--	1,321,433
Passed through Louisiana Department of Natural Resources	121133					
Renew Louisiana	151..432611	81.128	12/14/09-2/28/12	179,930	--	179,930
SUBTOTAL CFDA NUMBER 81.128				1,501,363	--	1,501,363
Passed through Louisiana Community Action Partnership	111438					
Weatherization Assistance Program (ARRA)	151..434118	81.042	2009	80,012	--	80,012
Total U. S. Department of Energy ARRA				1,732,175	--	1,732,175
U.S. DEPARTMENT OF LABOR						
Passed through Louisiana Workforce Commission	121118					
WIA-National Emergency Grant (ARRA)	151..432604	17.277	FY2010	150,856	--	150,856
Total U. S. Department of Labor ARRA				150,856	--	150,856
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:						
Direct Programs:	121006					
Early Headstart	151..431601	93.709	(3) 06SA0065/02	(120)	--	(120)
Total U. S. Department of Health and Human Services ARRA				(120)	--	(120)

(1) CDBG- Entitlement Grant Cluster
(3) Head Start 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, 2012

SCHEDULE A
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
U. S. DEPARTMENT OF TRANSPORTATION						
Passed through Louisiana Department of Transportation and Development-Office of Highway Safety Commission	121105					
Year Round Overtime Flex Funding 2011	151..432101	20.205	2012-30-17	$ 25,163	$ --	$ 25,163
Passed through Louisiana Development of Transportation and Development-Office of Highways	121101		742-17-0143			
Central Thruway(S. Choctaw to Greenwell Springs)	151..432200	20.205	742-17-0148	139,982	--	139,982
SUBTOTAL CFDA NUMBER 20.205 (4)				165,145	--	165,145
Total U. S. Department of Transportation ARRA				165,145	--	165,145
TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA)				2,557,838	--	2,557,838
TOTAL FEDERAL AGENCY AND AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA) SCHEDULE A				$ 56,811,170	$ 2,351,139	$ 59,162,309

(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, 2012

SCHEDULE B

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
FEDERAL GRANTS						
U.S. DEPARTMENT OF TRANSPORTATION						
Direct Programs:						
Federal Aviation Administration:	121007					
Land Acquisition Plank Road	482..431219	20.106	3-22-0006-83	$ 41,850	$ --	$ 41,850
Conduct Wildlife Hazard Assessment	492..431219	20.106	3-22-0006-90	7,752	--	7,752
Land Acquisition-Liberty Farms, Pryce Pl, LotZ	492..431219	20.106	3-22-0006-92	400,200	--	400,200
Taxiway "L" Extension and Obstruction Removal	482..431219	20.106	3-22-0006-95	2,704,688	--	2,704,688
Renovations for FSDO(DOTD Building)	482..431219	20.106	3-22-0006-95	(29,840)	10,610	(19,230)
LOI ASW-08-01-Phase II-B	494..431219	20.106	3-22-0006-90	56,598	--	56,598
LOI ASW-08-01 Phase IV-A	494..504001	20.106	3-22-0006-92	29,863	--	29,863
LOI ASW -08-01 Phase IV-B	494..504001	20.106	3-22-0006-95	964,170	--	964,170
AIP 96-LOI ASW-08-01 PHASE V	494..504001	20.106	3-22-0006-95	5,763,067	--	5,763,067
SUBTOTAL CFDA NUMBER 20.106				9,938,348	10,610	9,948,958
Total U.S. Department of Transportation- FAA				9,938,348	10,610	9,948,958
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY						
Direct:	121011					
Scada System Integration	449..431605	66.606	XP97676501-0	57,894	--	57,894
EPA Grant '98	449	66.606	XP986109-01-0	165,570	--	165,570
SUBTOTAL CFDA NUMBER 66.606				223,464	--	223,464
Total U. S. Department of Environmental Protection Agency				223,464	--	223,464
U.S. DEPARTMENT OF COMMERCE						
Office of Economic Development Administration	121010					
N. E. D. EDA Grant Air Industrial Park Access Road	482..504002	11.300	8-79-04425	901,105	--	901,105
Total U. S. Department of Commerce				901,105	--	901,105
TOTAL FEDERAL AGENCY - SCHEDULE B				$ 11,062,917	$ 10,610	$ 11,073,527

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, 2012

SCHEDULE B
(Continued)

Name of Grants & Sources	Code Numbers	Federal CFDA Numbers	Grant Numbers	Federal Expenditures	Local Expenditures	Total
AMERICAN RECOVERY AND REINVESTMENT ACT						
U.S. FEDERAL AVIATION ADMINISTRATION						
Direct Programs:	121007					
Expand Aircraft Rescue & Firefighting Building	482..431219	ARRA 20.106	3-22-0006-87	$ 658	$ --	$ 658
Total U. S. Federal Aviation Administration ARRA				658	--	658
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY						
Passed through Louisiana Department of Environmental Quality						
Capitalization Grants for Clean Water State Revolving Funds (ARRA)	439	66.458		852,723	--	852,723
Total U. S. Federal Aviation Administration ARRA				852,723	--	852,723
TOTAL AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA)				853,381	--	853,381
TOTAL FEDERAL AGENCY AND AMERICAN RECOVERY AND REINVESTMENT ACT(ARRA) SCHEDULE B				$ 11,916,298	$ 10,610	$ 11,926,908

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, 2012

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, 2012. 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:

Program: Title	CFDA Number	Amounts Provided to Sub-recipients
HIV Emergency Relief Project Grant	93.914	$ 4,461,154
Workforce Investment Act Adult Program	17.258	67,867
Workforce Investment Act Youth Program	17.259	170,023
Workforce Investment Act Dislocated Workers	17.260	606
Workforce Investment Act Transfer Funds (ARRA)	17.277	58,257
Supportive Housing Program	14.235	1,393,840
Community Development Block Grant (CDBG)	14.218	765,764
Housing Opportunities for People with AIDS	14.241	2,208,681
Energy Efficiency and Conservation Block Grant	81.128	578,313
Hurricane Gustav/Ike Louisiana Recovery Authority	14.228	4,620,495
Total		$14,325,000

Additionally, a substantial portion of the loans outstanding under the HOME and CDBG programs have been made to sub-recipients (see Note E).

Note E – Loan Assistance

The City-Parish had outstanding loans with continuing compliance requirements at December 31, 2012 in the following programs:

Program: Title	CFDA Number	Loan Balance
HOME Partnership Investment Program	14.239	$ 7,436,982
Community Development Block Grant (CDBG)	14.218	3,455,534
Total gross loans		10,892,516
Allowance for loan losses		(8,714,013)
Total net loans with continuing compliance requirements		$ 2,178,503

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 $4,620,158 with a corresponding allowance for loan losses of $3,696,126 are included in the loans receivable recorded in the City-Parish's financial statements at a net amount of $924,032.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012

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? _____ yes ___x___ 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: Unmodified

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:

CFDA Numbers	Name of Federal Program
10.558	Child and Adult Care Food Program (Head Start Food)
14.218	Community Development Block Grants/Entitlement Grants (CDBG)
14.253	Community Development Block Grant - ARRA
14.239	Home Investment Partnerships Program (HOME)
14.228	Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii
20.106	Airport Improvement Grant
93.600	Head Start
93.914	HIV Emergency Relief Project Grants (Ryan White)
97.036	Public Assistance Grants (FEMA)

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*);

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.

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.

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.

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.

C. Findings – Federal Award Programs (Continued)

2012-2) Allowable Costs (Continued) **Questioned Costs: $5,984**

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, 2013 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.

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.

C. Findings – Federal Award Programs (continued)

2012-3) Sub-recipient Monitoring (continued)

Criteria: (Continued) 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 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.

Effect: The City-Parish is non-compliant with sub-recipient monitoring requirements for the CDBG, HOME, and CDBG-State programs.

C. Findings – Federal Award Programs (continued)

2012-3) Sub-recipient Monitoring (continued)

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 mangers from these responsibilities. The additional employee would be removed from daily program oversight, thus providing independent oversight, a form of internal control.

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 Re-housing 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.

C. Findings – Federal Award Programs (continued)

2012-4) Allowable Costs (Continued) **Questioned Costs: $18,885**

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (CDBG) (Continued)

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.

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.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 72600137
Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2012

Findings – Financial Reporting

2011-1) Theft of Public Funds- DPW-Building Maintenance Division

Criteria: 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.

Condition: Eight employees of the Department of Public Works (DPW) – Building Maintenance Division were accused of public payroll fraud. As a result of the 2011 Mississippi River Flood significant amounts of overtime were incurred by DPW employees. During a review of overtime charges for the submission for federal reimbursement under a Federal Emergency Management Agency grant, it was noted that janitorial staff had incurred more overtime hours than other DPW personnel performing flood related activities. An internal investigation revealed that based on the approved time sheets and video surveillance these employees were not working during the period for which the overtime hours were claimed. All time sheets were approved by the oversight supervisor. The supervisor has retired. A salary repayment agreement for $2,711.46 was signed and subsequently paid by this employee. The other employees involved also signed employee work agreements. The work agreements totaled $993.68, required employment suspensions without pay, and no overtime claims for six months. At December 31, 2011, all requirements of the work agreements were satisfied.

Cause: This was a matter of collusion by the oversight supervisor and the janitorial employees of the Building Maintenance Division.

Effect: Employees received overtime wages they were not entitled to receive.

Recommendation: Employees are to be reminded of the proper procedures for overtime and their ethical responsibilities as public servants.

View of Responsible Official and Planned Corrective Action:

The Department of Public Works (DPW) Administration met with the management of Building Maintenance including the Building Services and Security Manager, two Mechanical Operations Managers, and a Mechanical Operations Supervisor. In the meeting, DPW Administration reviewed all overtime and payroll rules. Additionally, every City-Parish employee is responsible for taking the Louisiana Ethics Administration Online Program of the Code of Governmental Ethics pursuant to LA R.S. 42:1170A.

2011-1) Theft of Public Funds- DPW-Building Maintenance Division (Continued)

Updated Response: ***The Department of Public Works employees completed a one hour web-based Code of Governmental Ethics training pursuant to LA.R.S.42:1170A for the calendar year 2012. A review of internal records verified the completion of the course by all employees involved in the fraudulent overtime practice. As mandated by state statute, the course will be taken by all employees for current year 2013 and annually, thereafter. All employees repaid overtime wages that were fraudulently received.***

2011-2) Theft of Public Funds- DPW-Field Engineering Division

Criteria: 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.

Condition: The Department of Public Works (DPW) – Business Office provides oversight to the other divisions of the department in matters that are financial in nature, specifically in analysis of budget variances within divisions. The Business Office began to question the additional overtime incurred by a runner within the Field Engineering Division. After an internal investigation, it was determined that the runner was falsifying payroll test registers after the supervisor had approved the payroll hours. This employee had been submitting an additional 8 hours on Saturdays for several years totaling $19,896.

Cause: This was a result of non-adherence to established payroll procedures whereby the supervisor was returning the payroll test register to the runner who created a fictitious overtime authorization form, using the Divisions Head's signature stamp. The runner added the falsified overtime hours to the test register before returning it to the DPW Business Office.

Effect: This employee was paid for overtime wages she was not entitled to receive. The employee has since retired and agreed to restitution for the amounts paid but not worked. To date the City has received approximately half of the overpayments from this employee.

2011-2) Theft of Public Funds- DPW-Field Engineering Division (Continued)

Recommendation: All departments should be reminded of appropriate payroll procedures and the importance of adherence to the established procedures. The use of a signature stamp should be discontinued. In addition, the City should continue to pursue repayment of the remaining overtime wages received but not worked from this employee.

View of Responsible Official and Planned Corrective Action:

The Department of Public Works (DPW) Administration has ensured the signature stamp was destroyed and emphasized stamps are not allowed. Additionally, DPW Administration requires authorizations of any type (including overtime authorization forms) to be signed in blue ink. Supervisors will also review the Year-to-Date Overtime Report which is distributed with each payroll.

Updated Response: ***The Department of Public Works issued a memo November 2, 2011 mandating discontinued use of signature stamps for payroll purposes. All payroll documents will be signed and dated in blue ink by the appropriate division manager. All signature stamps have been destroyed. Overtime reports (year-to-date) are distributed bi-weekly with payroll checks. Supervisors are responsible for reviewing the overtime reports and resolving any discrepancies. The employee responsible for defrauding the City Parish is no longer employed. In accordance with a Work Agreement, a total of $9,338.89 was recouped from a vacation payout and the former employee is making monthly installments of $250.00.***

2011-3) 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:

Note: Unless otherwise stated these findings were noted in all of the districts identified above.

2011-3) Fire Protection Districts Payroll Procedures and Policies (Continued)

Personnel Records

- Employment contracts are not being obtained for all employees;
- Employment contracts, if utilized by districts, do not include the number of hours for which an employee will be paid;

Employee Time Records

- Not all employees prepare and sign an attendance record;
- Attendance records lack evidence of a review by a supervisor;
- The work schedule is used to process payroll; however, the work schedules are not updated to reflect actual hours worked by an employee during a pay period;

Payroll Processing

- An employee that prepares and prints paychecks uses a signature stamp, circumventing controls of an authorized signer on payroll disbursements;
- Reconciliations of payroll documentation received from the payroll processing service to the work schedules are not being performed;

Leave Usage

- Approved leave forms were not in the personnel file;

Overtime (The following findings relate to the Brownsfield Fire Protection District Only)

- A timesheet submitted for eighteen hours of overtime did not include the dates worked. Fifteen hours were described as "office". This employee has the highest percentage of overtime earnings compared to base pay;

- For two employees, overtime earnings were approximately 35% and 23% of their base salary including longevity. Overtime earnings of the other two full-time employees were 6% and 10% of their base salary including longevity;

- In 2011, overtime expense for the District totaled $36,942, which is over their budget of $19,630 by 88%

2011-3) Fire Protection Districts Payroll Procedures and Policies (Continued)

Bank Statement Reconciliation

- The employee that prepares the checks also reconciles the checkbook to the bank statement. There is no second review performed;

Policy and Procedures

- No written policies or procedures addressing payroll processing or timekeeping exists.

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 City-Parish Internal Auditing staff discussed the payroll issues with the Fire Chiefs of the four Fire Protection Districts and the Board Chairmen were sent a copy of the report. The Chiefs have already agreed to implement recommendations within their responsibility and authority. The City-Parish Administration and Metropolitan Council will work with the Fire Protection Districts Boards to fully implement all recommendations including the following:

- *Better segregation of duties in the payroll process*
- *Proper review and approval of payrolls by the Fire Chiefs*
- *Adoption of policies and procedures, and*
- *Reliable time keeping systems.*

Updated Response: ***Please see Management's response in the View of Responsible Official and Planned Corrective Action in the repeat finding item 2012-1.***

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 72600137
Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2012

Findings – Federal Award Program

2011-4) Allowable Costs **Questioned Costs: $60,520**

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B-94-MC-22-0002; B-95-MC-22-0002; B- (97-99) MC-22-0002; B- (00-11) MC-22-0002

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 Re-housing 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.

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.

2011-4) Allowable Costs (Continued) **Questioned Costs: $60,520**

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (CDBG) (Continued)

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD) acknowledges that CDBG Administrative funds have been utilized to pay administrative cost for CDBG eligible, but not direct CDBG programs. Non-CDBG Administrative funds range from 2.5% Administrative Funds to 10% Administrative Funds to administer non-CDBG programs. It cost OCD an average of 15% of programs funds to administer grant and loan programs. CDBG's 20% Administrative Funds are the only available source for paying for the required expenditures. This has been an ongoing practice for the City-Parish as well as many other jurisdictions. OCD is inquiring to HUD of the allowances of utilizing CDBG Administrative Funds for other HUD funded CDBG eligible programs other than CDBG. Without additional revenue sources for administration, OCD would be forced to administer CDBG and few other HUD programs.

Updated Response: **The Office of Community Development (OCD) is working on the necessary cost allocation plan to reassign staff duties in accordance with available program administration funds and consistent with the documented time sheet hours submitted by the staff to ensure compliance with the applicable regulatory requirements accordingly.**

2011-5) Reporting **Questioned Costs: None**

Department of Housing and Urban Development

14.218 Community Development Block Grant (CDBG)

Grant No(s): B-94-MC-22-0002; B-95-MC-22-0002; B- (97-99) MC-22-0002; B- (00-11) MC-22-0002

14.239 Home Investment Partnership Program (HOME)

Grant No(s): M-(92-99) MC-22-0204; M-(00-11) MC-22-0204

Criteria: According to the OMB Circular A-133 Compliance Supplement, specific reports are required to be filed in order to comply with federal regulations for both the CDBG and HOME grants.

2011-5) Reporting (Continued) **Questioned Costs: None**

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (CDBG) (Continued)

Condition: The following reporting matters were identified in the compliance testing performed:

- The City-Parish incorrectly filed Form SF-269, Federal Status Report, with its oversight agency. This form was replaced by SF-425, Federal Financial Report. (This portion of the finding is only applicable to CDBG given this report is not required under HOME program regulations)
- HUD 60002, *Section 3 Summary Report, Economic Opportunities for Low-and Very Low-Income Persons, (OMB No. 2529-0043)* was not filed. This report requires each sub-grant over $200,000 that involves housing rehabilitation, housing construction, or other public construction to be disclosed. There were 2 HOME sub-grant awards relating to housing rehabilitation and construction in 2011 which totaled $1,977,699 which were not reported during the year.
- The Federal Funding Accountability and Transparency Act (FFATA) requires on-line sub-award reporting for federally-awarded grants and contracts greater than or equal to $25,000 beginning March 1, 2011. It requires the primary recipient to report the sub-award within 30 days from the date of the sub-award award. During 2011, the City-Parish awarded 10 HOME sub-awards and 9 CDBG sub-awards that exceeded the FFATA reporting threshold, totaling approximately $2,335,700 and $443,000, respectively. The City-Parish did not report any sub-awards during the year under audit.

Effect: The City-Parish is non-compliant with federal program requirements for reporting.

Cause: The City-Parish does not have a formal process in place to ensure changes in federal reporting requirements are reviewed and processed accordingly.

2011-5) Reporting (Continued) **Questioned Costs: None**

Department of Housing and Urban Development (Continued)

14.218 Community Development Block Grant (CDBG) (Continued)

Recommendation: The City-Parish should prepare and file the required reports as soon as possible. In addition, the City-Parish should develop a process for reviewing, at a minimum annually, the specific reporting requirements of each of its federal programs to ensure timely filing and reporting in the future.

View of Responsible Official and Planned Corrective Action:

Office of Community Development (OCD) acknowledges that due to a lack of staffing and participation in HUD training activities, staff did not submit proper reporting documents to HUD. OCD was not aware of the revised SF-425 form but did submit the outdated SF-269 form. OCD Technical Services Section is now aware of the changes and will submit the new form to HUD. OCD did not receive any direct notice of the changes.

OCD acknowledges that due to a lack of staffing and participation in HUD training activities, staff did not submit proper reporting documents to HUD. OCD was not aware of the HUD 60002 Section 3 reporting requirement. OCD Technical Services Section is now aware of the change and will submit the new form to HUD. OCD did not receive any direct notice of the requirement.

OCD acknowledges that due to a lack of staffing and participation in HUD training activities, staff did not submit proper reporting documents to HUD. OCD was not aware of the Federal Funding Accountability and Transparency Act reporting requirements. OCD Program Managers and Project Managers are now aware of the requirements and will submit the information when setting up new accounts in HUD's IDIS project reporting software. OCD did not receive any direct notice of these requirements.

Updated Response: ***The Office of Community Development (OCD) began filing the proper SF-425 form beginning with reporting period ending June 30, 2012. OCD also developed a process to collect and input the required sub-recipient information for transactions exceeding $25,000 to ensure timely filing and reporting. The OCD planning staff will collect the required information from the sub-recipient and will input the data thirty (30) days after the award letter is submitted to the agency.***

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 72600137
Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2012

2011-6) Reporting **Questioned Costs: None**

Department of Health and Human Services

93.708 ARRA – Head Start
93.709 ARRA – Early Head Start

Grant No(s): 06SA0065/02; 06SH0065/01

Criteria: OMB Circular A-133 and the A-102 Common Rule require that all activity of the reporting period be fairly presented and prepared from the official accounting records.

Condition: The City-Parish submitted two final reports under ARRA Section 1512 that over reported program expenditures in the amounts of $87,908 and $523,531 in comparison to the City-Parish's accounting records.

Effect: The City-Parish is out of compliance with ARRA Section 1512 reporting requirements.

Cause: The Head Start program has experienced turnover in its administrative personnel. The personnel did not reconcile the Section 1512 reports to the accounting records prior to submission.

Recommendation: The City-Parish should develop a process to ensure that the Section 1512 reports are reconciled to accounting records and reviewed before submission.

View of Responsible Official and Planned Corrective Action:

The American Recovery and Reporting Act (ARRA) report submitted by the Department of Human Development and Services (DHDS) is due 10 days after the quarter ends. However, the final reports submitted by the City of Baton Rouge Finance Department are due 90 days after the fiscal year ends. Due to the ARRA reports being due before the final closeout numbers are available from the Finance section, and in order to remain in reporting compliance, DHDS submits numbers which are available to date for the reporting period. ARRA reporting does allow for report revisions at the beginning of the subsequent quarter as appropriate based on final budget year closeout data. The final ARRA reports will be resubmitted by DHDS once Administration of Children and Family (ACF) has opened a new period for quarterly reporting.

Updated Response: ***The final ARRA reports were revised and submitted by DHDS after a new period for quarterly reporting was opened for submission July 2012.***

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EIN 72600137
Summary Schedule of Prior year Findings and Questioned Costs
Year Ended December 31, 2012

2011-7) Earmarking **Questioned Costs: $313,289**

Department of Health and Human Services

93.600 Head Start
93.708 ARRA – Head Start
93.709 ARRA – Early Head Start

Grant No(s): 06CH0065/34; 06SA0065/02; 06SH0065/01

Criteria: The Head Start Program requires grant recipients to limit administrative costs charged to the program to 15% of the total award.

Condition: The City-Parish's administrative costs of the program amounted to 17.7% of total program costs for 2011. A significant portion of the administrative costs consist of the City-Parish's indirect costs which were not reimbursed under the program, but were included as in-kind matching contributions.

Effect: The City-Parish is out of compliance with grant regulations.

Cause: The City-Parish needed additional matching contributions for the year in order to meet its matching requirement of 20%, and chose to meet that need through unreimbursed indirect cost. However, in doing so, the 15% administrative cost limit was exceeded.

Recommendation: The City-Parish should limit administrative costs to 15% of the total cost of the program, including those administrative costs counted as matching funds. This may require alternative sources of matching funds.

View of Responsible Official and Planned Corrective Action:

A thorough review of the Administrative costs of the Head Start Program has been conducted by the Department of Human Development and Service's (DHDS) Fiscal Section and several programmatic areas will be realigned into the appropriate cost categories to reduce administrative costs in the future. In addition, DHDS will request an Administrative Waiver from the Administration for Children and Families of the 15% Administrative cap to allow the program the needed flexibility in regard to required administrative and indirect costs and required In-Kind (non-cash) match.

Updated Response: The Department of Human Development and Services (DHDS) realigned several administrative program areas into the appropriate program operations category. This realignment will reduce the administrative cost percentage for the 2013 program year.

2011-8) Matching **Questioned Costs: $1,313**

Department of Health and Human Services

93.600 Head Start
93.708 ARRA – Head Start
93.709 ARRA – Early Head Start

Grant No(s): 06CH0065/34; 06SA0065/02; 06SH0065/01

Criteria: OMB Circular A-110 and the A-102 Common Rule indicate that matching contributions that resulted from volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

Condition: Our testing of the Head Start program sampled a total of 293 volunteer time sheets containing a total of 5,442 volunteer hours. Our testing revealed a total of 108 hours that were inaccurately reported on the monthly volunteer summary used to tally the volunteer hours.

Effect: Errors in the process for tallying the volunteer hours can affect the level of matching contributions.

Cause: There were mathematical errors in the calculation of hours for the sampled volunteer hours.

Recommendation: The Head Start program should consider improving its procedures for the calculation of volunteer hours to reduce the likelihood of such errors. If it is feasible, the program should consider automating this process.

View of Responsible Official and Planned Corrective Action:

The Department of Human Development Service's (DHDS) Head Start program has put the following controls in place to reduce the event of calculation errors:

- *All volunteer hours along with back-up documentation will be calculated by the initial intake staff.*
- *A second and third review and calculation will be performed by the accountant and accountant supervisor along with the back-up documentation to reduce the likelihood of computational errors.*

2011-8) Matching (Continued) **Questioned Costs: $1,313**

Department of Health and Human Services (Continued)

93.600 Head Start (Continued)
93.708 ARRA – Head Start (Continued)
93.709 ARRA – Early Head Start (Continued)

Updated Response: The Department of Human Development Services (DHDS) has instituted the use of the Head Start PROMIS data base system to capture all Head Start In-Kind reporting requirements. The data is input at each Head Start Center and all back up documentation is forwarded to the main office for review. The compilation and statistical reports are run and reviewed by the Head Start Accountant. This process has proven beneficial in producing accurate and reliable data.

2011-9) Level of effort **Questioned Costs: $151,010**

Department of Health and Human Services

93.914 HIV Emergency Relief Project Grants (Ryan White)

Grant No(s): 0H89HA11432

Criteria: OMB Circular A-133 and the A-102 Common rule indicate that grant recipients are required to maintain a level of local expenditures for HIV related services at the level equal to its level of such expenditures for the preceding fiscal year.

Condition: In grant year 2009, the City Parish contributed general (local) funds to provide medication to HIV positive prisoners in parish prisons of $380,050. In grant year 2010, the amount paid for medication to HIV positive prisoners was $229,040.

Effect: The City-Parish is non-compliant with level of effort requirements for the Ryan White program.

Cause: The City-Parish does not have a formal process for monitoring local HIV/AIDS expenditures to ensure the required level of local effort is maintained in accordance with program guidelines.

2011-9) Level of effort (Continued) **Questioned Costs: $151,010**

Department of Health and Human Services (Continued)

93.914 HIV Emergency Relief Project Grants (Ryan White) (Continued)

Recommendation: The City-Parish should establish procedures to maintain and monitor its required level of local effort for the federal program.

View of Responsible Official and Planned Corrective Action:

The Department of Human Development and Services (DHDS) annually reports the expenditures as required. The only HIV/AIDS expenditures funded by the City-Parish are for the provision of treatment and pharmaceuticals for Inmates housed in the East Baton Rouge Parish Prison that are identified as HIV positive. This expenditure fluctuates based on the number of inmates with HIV/AIDS, the progression of each individual's disease and other co-morbid conditions, and the cost of the prescriptions to treat each individual. Thus, due to unknown fluctuations of HIV/AIDS cases among East Baton Rouge inmates, the level of effort will also fluctuate.

Updated Response: The Department of Human Development and Services (DHDS) request and receives timely reports from East Baton Rouge Parish Prison to ensure that all expenditures for medical treatment and pharmaceuticals to inmates living with HIV are documented and monitored. This information is submitted annually to HRSA for compliance with reporting requirements.

2011-10) Sub-recipient Monitoring **Questioned Costs: None**

Department of Housing and Urban Development

14.257 Homeless Prevention and Rapid Re-Housing (HPRP)

Grant No(s): S09-MY-22-0002; CFMS #685487

Criteria: The pass-through agency is 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.

2011-10) Sub-recipient Monitoring (Continued) **Questioned Costs: None**

Department of Housing and Urban Development (Continued)

14.257 Homeless Prevention and Rapid Re-Housing (HPRP) (Continued)

Condition: The City-Parish's Office of Community Development (OCD) passes a majority of its HPRP funding to 9 sub-recipients. Out of a sample of 4 sub-recipients selected for testing to ensure the receipt and follow-up on OMB Circular A-133 audit reports, OCD was unable to provide a copy of one of the sub-recipient's audit reports. In addition, during the review of one of the sub-recipient's single audit reports it was noted that HPRP funding was not disclosed in the schedule of expenditures of federal awards by that agency. This was not identified by the staff that had performed the review of the sub-recipient's audit report.

Cause: 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 HPRP program.

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.

View of Responsible Official and Planned Corrective Action:

OCD will initiate a written policy that includes a process for requirement of sub-recipient audits, the project manager as the responsible person for tracking, receipt, review and a written checklist for items reviewed of each audit. The policy will require audits to be forwarded after initial review to OCD's Accounting Section for review and comment. Sub-recipients will be notified in writing of the review and comments, concerns or findings. The project manager shall be the responsible person for all contact between OCD and sub-recipient for this process.

Updated Response: **The Office of Community Development (OCD) is in the process of developing the necessary policy and procedures to ensure compliance as recommended.**

INTERNET REPORT ID: 545182 VERSION: 1

OMB No. 0348-0057

FORM **SF-SAC**
(5-18-2010)

U.S. DEPT. OF COMM.– Econ. and Stat. Admin.– U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET

Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS for Fiscal Year Ending Dates in 2010, 2011, or 2012

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

PART I — GENERAL INFORMATION *(To be completed by auditee, except for Items 6, 7, and 8)*

1. Fiscal period ending date for this submission
Month 12 / Day 31 / Year 2012

2. Type of Circular A-133 audit
1 ☒ Single audit
2 ☐ Program-specific audit

3. Audit period covered
1 ☒ Annual 3 ☐ Other – ____ Months
2 ☐ Biennial

4. Auditee Identification Numbers

a. Primary Employer Identification Number (EIN)
72 – 6000137

b. Are multiple EINs covered in this report? 1 ☐ Yes 2 ☒ No

c. If Part I, Item 4b = "Yes," complete Part I, Item 4c on the continuation sheet on Page 4.

d. Data Universal Numbering System (DUNS) Number
07 – 194 – 8301

e. Are multiple DUNS covered in this report? 1 ☐ Yes 2 ☒ No

f. If Part I, Item 4e = "Yes," complete Part I, Item 4f on the continuation sheet on Page 4.

5. AUDITEE INFORMATION

a. Auditee name
EAST BATON ROUGE

b. Auditee address *(Number and street)*
222 ST.LOUIS STREET

City
BATON ROUGE

State LA ZIP + 4 Code 70821 – 1411

c. Auditee contact
Name
SHARON CAMPBELL

Title
ACCOUNTING MANAGER

d. Auditee contact telephone
(225) 389 – 3316

e. Auditee contact FAX
(225) 389 – 7831

f. Auditee contact E-mail
SCAMPBELL@BRGOV.COM

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

Auditee certification — Date
NOT FOR SUBMISSION

Name of certifying official
NOT FOR SUBMISSION

Title of certifying official
NOT FOR SUBMISSION

6. PRIMARY AUDITOR INFORMATION
(To be completed by auditor)

a. Primary auditor name
POSTLETHWAITE & NETTERVILLE APAC

b. Primary auditor address *(Number and street)*
8550 UNITED PLAZA BLVD., SUITE 1001

City
BATON ROUGE

State LA ZIP + 4 Code 70809 –

c. Primary auditor contact
Name
FREDDY SMITH

Title
DIRECTOR

d. Primary auditor contact telephone
(225) 922 – 4600

e. Primary auditor contact FAX
(225) 922 – 4611

f. Primary auditor contact E-mail
FSMITH@PNCPA.COM

g. AUDITOR STATEMENT – The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9g, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and **is not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II** and **III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

7a. Add Secondary auditor information? (Optional)
1 ☐ Yes 2 ☒ No

b. If "Yes," complete **Part I, Item 8** on the continuation sheet on page 5.

Auditor certification — Date
NOT FOR SUBMISSION

NOT FOR SUBMISSION

Primary EIN: 72 – 600013 7

PART II FINANCIAL STATEMENTS *(To be completed by auditor)*

1. Type of audit report

Mark either: 1 [X] Unqualified opinion **OR**

any combination of: 2 [ ] Qualified opinion 3 [ ] Adverse opinion 4 [ ] Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1 [ ] Yes 2 [X] No

3. Is a significant deficiency disclosed? 1 [X] Yes 2 [ ] No

4. Is a material weakness disclosed? 1 [ ] Yes 2 [X] No

5. Is a material noncompliance disclosed? 1 [ ] Yes 2 [X] No

PART III FEDERAL PROGRAMS *(To be completed by auditor)*

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending $500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 13) 1 [X] Yes 2 [ ] No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 §___.520(b)) $ 2,554,389

3. Did the auditee qualify as a low-risk auditee? (§___.530) 1 [ ] Yes 2 [X] No

4. Is a significant deficiency disclosed for any major program? (§ ___.510(a)(1)) 1 [X] Yes 2 [ ] No

5. Is a material weakness disclosed for any major program? (§ ___.510(a)(1)) 1 [ ] Yes 2 [X] No

6. Are any known questioned costs reported? (§___.510(a)(3) or (4)) 1 [X] Yes 2 [ ] No

7. Were Prior Audit Findings related to **direct** funding shown in the Summary Schedule of Prior Audit Findings? (§___.315(b)) 1 [X] Yes 2 [ ] No

8. Indicate which **Federal** agency(ies) have current year audit findings related to **direct** funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to **direct** funding. *(Mark (X) all that apply or None)*

- 98 [ ] U.S. Agency for International Development
- 10 [ ] Agriculture
- 23 [ ] Appalachian Regional Commission
- 11 [ ] Commerce
- 94 [ ] Corporation for National and Community Service
- 12 [ ] Defense
- 84 [ ] Education
- 81 [ ] Energy
- 66 [ ] Environmental Protection Agency
- 39 [ ] General Services Administration
- 93 [X] Health and Human Services
- 97 [ ] Homeland Security
- 14 [X] Housing and Urban Development
- 03 [ ] Institute of Museum and Library Services
- 15 [ ] Interior
- 16 [ ] Justice
- 17 [ ] Labor
- 09 [ ] Legal Services Corporation
- 43 [ ] National Aeronautics and Space Administration
- 89 [ ] National Archives and Records Administration
- 05 [ ] National Endowment for the Arts
- 06 [ ] National Endowment for the Humanities
- 47 [ ] National Science Foundation
- 07 [ ] Office of National Drug Control Policy
- 59 [ ] Small Business Administration
- 96 [ ] Social Security Administration
- 19 [ ] U.S. Department of State
- 20 [ ] Transportation
- 21 [ ] Treasury
- 64 [ ] Veterans Affairs
- 00 [ ] **None**
- [ ] Other – *Specify:*

INTERNET REPORT ID: 545182 VERSION: 1

Primary EIN: 72 – 60001337

FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS – Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number: Federal Agency Prefix[1] (a)	CFDA Number: Extension[2] (b)	Research and development (c)	ARRA[3] (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program: Major program (h)	Major program: If yes, type of audit report[4] (i)	**10.** AUDIT FINDINGS: Type(s) of compliance requirement(s)[5] (a)	Audit finding reference number(s)[6] (b)
14	.218	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT	$ 19,154,160 .00	1 ☒ Y 2 ☐ N	1 ☒ Y 2 ☐ N	U	MB	2012-3,2012-4
14	.239	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HOME INVESTMENT PARTNERSHIP PROGRAM	$ 7,889,539 .00	1 ☒ Y 2 ☐ N	1 ☒ Y 2 ☐ N	U	M	2012-3
14	.235	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SUPPORTIVE HOUSING PROGRAM	$ 1,425,775 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
14	.241	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	$ 2,489,644 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
14	.231	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	EMERGENCY SHELTER GRANTS PROGRAM	$ 194,712 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
14	.231	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	EMERGENCY SHELTER GRANTS PROGRAM	$ 330,505 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
14	.228	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE PROGRAMS	$ 4,935,317 .00	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	U	M	2012-3
14	.871	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SECTION 8 HOUSING CHOICE VOUCHERS	$ 1,845,865 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
14	.520	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SOUTHERN UNIVERSITY WEATHERIZATION	$ 3,657 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
93	.600	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HEAD START	$ 10,753,003 .00	1 ☒ Y 2 ☐ N	1 ☒ Y 2 ☐ N	U	O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					$ 84,927,709 .00					

[1] See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
[2] Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. *(See Instructions)*
[3] American Recovery and Reinvestment Act of 2009 (ARRA).
[4] If major program is marked "Yes," enter only one letter (**U** = Unqualified opinion, **Q** = Qualified opinion, **A** = Adverse opinion, **D** = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.
[5] Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under §___ .510(a)) reported for each Federal program.

A. Activities allowed or unallowed
B. Allowable costs/cost principles
C. Cash management
D. Davis – Bacon Act
E. Eligibility
F. Equipment and real property management
G. Matching, level of effort, earmarking
H. Period of availability of Federal funds
I. Procurement and suspension and debarment
J. Program income
K. Real property acquisition and relocation assistance
L. Reporting
M. Subrecipient monitoring
N. Special tests and provisions
O. None
P. Other

[6] N/A for NONE

DRAFT

INTERNET REPORT ID: 545182 VERSION: 1

Primary EIN: 72 – 6000137

FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS – Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number: Federal Agency Prefix[1] (a)	CFDA Number: Extension[2] (b)	Research and development (c)	ARRA[3] (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program: Major program (h)	Major program: If yes, type of audit report[4] (i)	10. AUDIT FINDINGS: Type(s) of compliance requirement(s)[5] (a)	10. AUDIT FINDINGS: Audit finding reference number(s)[6] (b)
93	.914	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HIV EMERGENCY RELIEF PROJECT GRANTS (RYAN WHITE)	$ 4,520,157 .00	1 ☒ Y 2 ☐ N	1 ☒ Y 2 ☐ N	U	O	N/A
93	.568	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	LOW-INCOME ENERGY ASSISTANCE	$ 35,151 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
93	.558	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	TANF STATE PROGRAM (LOUISIANA EMPLOYMENT ASSISTANCE PROGRAM)	$ -16,689 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
93	.569	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	COMMUNITY SERVICES BLOCK GRANT	$ 1,159,000 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
93	.658	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	FOSTER CARE TITLE IV-E	$ 131,233 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
97	.039	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HAZARD MITIGATION GRANT	$ 118,724 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
97	.042	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	CIVIL DEFENSE P & A	$ 189,264 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
97	.044	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	ASSISTANCE TO FIREFIGHTERS	$ 1,612 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
97	.036	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	DISATER GRANTS-PUBLIC ASSISTANCE	$ 6,510,266 .00	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	U	B	2012-2
97	.024	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	EMERGENCY FOOD AND SHELTER NATIONAL BOARD	$ 319 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					$ 84,927,709 .00					

[1] See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.

[2] Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. *(See Instructions)*

[3] American Recovery and Reinvestment Act of 2009 (ARRA).

[4] If major program is marked "Yes," enter only one letter (**U** = Unqualified opinion, **Q** = Qualified opinion, **A** = Adverse opinion, **D** = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

[5] Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under §____ .510(a)) reported for each Federal program.

- A. Activities allowed or unallowed
- B. Allowable costs/cost principles
- C. Cash management
- D. Davis – Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

[6] N/A for NONE

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INTERNET REPORT ID: 545182 VERSION: 1

Primary EIN: 7 2 – 6 0 0 0 1 3 7

FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS – Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number: Federal Agency Prefix[1] (a)	CFDA Number: Extension[2] (b)	Research and development (c)	ARRA[3] (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program: Major program (h)	Major program: If yes, type of audit report[4] (i)	**10.** AUDIT FINDINGS: Type(s) of compliance requirement(s)[5] (a)	Audit finding reference number(s)[6] (b)
2 0	.507	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	FEDERAL TRANSIT - FORMULA GRANTS	$ 11,105 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
2 0	.205	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HIGHWAY PLANNING CONSTRUCTION	$ 3,690,922 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
9 7	.036	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	HURRICANE ISAAC 2012	$ 275,691 .00	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	U	B	2012-2
2 0	.505	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	FEDERAL TRANSIT-METROPOLITAN PLANNING GRANT	$ 85,975 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
2 0	.600	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	LHSC-YEAR ROUND OVERTIME	$ 260,529 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
2 0	.601	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	REDUCE UNDERAGE DRINKING	$ 497,143 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
8 1	.042	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PROGRAM	$ -53,479 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
1 0	.561	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	STATE ADMINISTRATIVE MATCHING GRANTS FOR FOOD STAMP PORGRAM(LAJET)	$ -4,165 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
1 0	.558	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	CHILD AND ADULT CARE FOOD PROGRAM	$ 898,537 .00	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	U	O	N/A
1 0	.553	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SCHOOL BREAKFAST PROGRAM	$ 16,884 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					$ 84,927,709 .00					

DRAFT

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[3] American Recovery and Reinvestment Act of 2009 (ARRA).

[4] If major program is marked "Yes," enter only one letter (**U** = Unqualified opinion, **Q** = Qualified opinion, **A** = Adverse opinion, **D** = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.

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- B. Allowable costs/cost principles
- C. Cash management
- D. Davis – Bacon Act
- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

[6] N/A for NONE

INTERNET REPORT ID: 545182 VERSION: 1

Primary EIN: 72 – 60001337

FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS – Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number: Federal Agency Prefix[1] (a)	CFDA Number: Extension[2] (b)	Research and development (c)	ARRA[3] (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program: Major program (h)	Major program: If yes, type of audit report[4] (i)	**10.** AUDIT FINDINGS: Type(s) of compliance requirement(s)[5] (a)	Audit finding reference number(s)[6] (b)
10	.555	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	NATIONAL SCHOOL LUNCH PROGRAM	$ 26,378 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
17	.258	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	WIA-ADULT PROGRAM	$ 522,696 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
17	.259	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	WIA-YOUTH ACTIVITIES	$ 1,400,708 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
17	.260	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	WIA-DISLOCATED WORKERS	$ 385,377 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
16	.609	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	COMMUNITY PROSECUTION AND PROJECT SAFE NEIGHBORHOODS	$ 66,164 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
16	.738	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	EDWARD BRYNE MEMORIAL FORMULA GRANT PROGRAM	$ 250,365 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
16	.579	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	TARGETED VIOLENT OFFENDER GRANT PROGRAM	$ 62,690 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
16	.523	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	JUVENILE ACCOUNTABILITY BLOCK GRANT	$ 60,844 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
16	.540	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	JUVENILE JUSTICE AND DELINQUENCY PREVENTION-ALLOCATION TO STATES	$ 16,990 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
16	.560	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SOLVING COLD CASES WITH DNA	$ 63,367 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					$ 84,927,709 .00					

DRAFT

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- E. Eligibility
- F. Equipment and real property management
- G. Matching, level of effort, earmarking
- H. Period of availability of Federal funds
- I. Procurement and suspension and debarment
- J. Program income
- K. Real property acquisition and relocation assistance
- L. Reporting
- M. Subrecipient monitoring
- N. Special tests and provisions
- O. None
- P. Other

[6] N/A for NONE

INTERNET REPORT ID: 545182 VERSION: 1

Primary EIN: 72-6000137

FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS – Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number: Federal Agency Prefix[1] (a)	CFDA Number: Extension[2] (b)	Research and development (c)	ARRA[3] (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program: Major program (h)	Major program: If yes, type of audit report[4] (i)	**10.** AUDIT FINDINGS: Type(s) of compliance requirement(s)[5] (a)	Audit finding reference number(s)[6] (b)
66	.818	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	BROWNSFIELD ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	$ 123,557 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
59	.000	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SMALL BUSINESS INVESTMENT INITIATIVE TECHNICAL ASSISTANCE	$ 124,081 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
14	.253	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA BLOCK GRANT	$ 65,991 .00	1 ☒ Y 2 ☐ N	1 ☒ Y 2 ☐ N	U	O	N/A
14	.257	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING	$ 266,449 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
14	.257	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA HOMELESSNESS PREVENTION AND RAPID RE-HOUSING	$ 177,342 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
81	.122	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA LOCAL ENERGY ASSURANCE PLANNING	$ 150,800 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
81	.128	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT	$ 1,321,433 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
81	.128	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA RENEW LOUISIANA	$ 179,930 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
81	.042	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA WEATHERIZATION ASSISTANCE PROGRAM	$ 80,012 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
17	.277	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA WIA-NATIONAL EMERGENCY GRANT	$ 150,856 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
TOTAL FEDERAL AWARDS EXPENDED →					$ 84,927,709 .00					

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F. Equipment and real property management
G. Matching, level of effort, earmarking
H. Period of availability of Federal funds
I. Procurement and suspension and debarment
J. Program income
K. Real property acquisition and relocation assistance
L. Reporting
M. Subrecipient monitoring
N. Special tests and provisions
O. None
P. Other

[6] N/A for NONE

DRAFT

INTERNET REPORT ID: 545182 VERSION: 1

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FORM SF-SAC (5-18-2010)

PART III FEDERAL PROGRAMS – Continued

9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR

CFDA Number: Federal Agency Prefix[1] (a)	CFDA Number: Extension[2] (b)	Research and development (c)	ARRA[3] (d)	Name of Federal program (e)	Amount expended (f)	Direct award (g)	Major program: Major program (h)	Major program: If yes, type of audit report[4] (i)	**10.** AUDIT FINDINGS: Type(s) of compliance requirement(s)[5] (a)	Audit finding reference number(s)[6] (b)
93	.709	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA HEAD START EARLY CHILDHOOD	$ -120 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
20	.205	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA HIGHEAY PLANNING CONSTRUCTION	$ 165,145 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
20	.106	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	AIRPORT IMPROVEMENT PROGRAM	$ 9,938,348 .00	1 ☒ Y 2 ☐ N	1 ☒ Y 2 ☐ N	U	O	N/A
66	.606	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	SCADA SYSTEM INTEGRATION	$ 223,464 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
11	.300	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N	EDA GRANT AIR INDUSTRIAL PARK ACCESS ROAD	$ 901,105 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
20	.106	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	AIRPORT IMPROVEMENT PROGRAM	$ 658 .00	1 ☒ Y 2 ☐ N	1 ☐ Y 2 ☒ N		O	N/A
66	.458	1 ☐ Y 2 ☒ N	1 ☒ Y 2 ☐ N	ARRA CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	$ 852,723 .00	1 ☐ Y 2 ☒ N	1 ☐ Y 2 ☒ N		O	N/A
	.	1 ☐ Y 2 ☐ N	1 ☐ Y 2 ☐ N		$ .00	1 ☐ Y 2 ☐ N	1 ☐ Y 2 ☐ N			
	.	1 ☐ Y 2 ☐ N	1 ☐ Y 2 ☐ N		$ .00	1 ☐ Y 2 ☐ N	1 ☐ Y 2 ☐ N			
	.	1 ☐ Y 2 ☐ N	1 ☐ Y 2 ☐ N		$ .00	1 ☐ Y 2 ☐ N	1 ☐ Y 2 ☐ N			
TOTAL FEDERAL AWARDS EXPENDED →					$ 84,927,709 .00					

[1] See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.
[2] Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. *(See Instructions)*
[3] American Recovery and Reinvestment Act of 2009 (ARRA).
[4] If major program is marked "Yes," enter only one letter (**U** = Unqualified opinion, **Q** = Qualified opinion, **A** = Adverse opinion, **D** = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.
[5] Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, significant deficiency (including material weaknesses), questioned costs, fraud, and other items reported under §___ .510(a)) reported for each Federal program.

A. Activities allowed or unallowed
B. Allowable costs/cost principles
C. Cash management
D. Davis – Bacon Act
E. Eligibility
F. Equipment and real property management
G. Matching, level of effort, earmarking
H. Period of availability of Federal funds
I. Procurement and suspension and debarment
J. Program income
K. Real property acquisition and relocation assistance
L. Reporting
M. Subrecipient monitoring
N. Special tests and provisions
O. None
P. Other

[6] N/A for NONE

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PART I **Item 5 Continuation Sheet**

c. List the multiple Employer Identification Numbers (EINs) covered in this report.

1	N/A			21				41											
2				22				42											
3				23				43											
4				24				44											
5				25				45											
6				26				46											
7				27				47											
8				28				48											
9				29				49											
10				30				50											
11				31				51											
12				32				52											
13				33				53											
14				34				54											
15				35				55											
16				36				56											
17				37				57											
18				38				58											
19				39				59											
20				40				60											

f. List the multiple DUNS covered in the report.

1	N/A			21															
2				22															
3				23															
4				24															
5				25															
6				26															
7				27															
8				28															
9				29															
10				30															
11				31															
12				32															
13				33															
14				34															
15				35															
16				36															
17				37															
18				38															
19				39															
20				40															

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FORM SF-SAC (5-18-2010)

PART I GENERAL INFORMATION – Continued

8. Part I, Item 8, Secondary Auditor's Contact Information. *(List the Secondary Auditor's Contact information)*

1. a. Secondary Auditor name N / A	**2. a.** Secondary Auditor name	**3. a.** Secondary Auditor name
b. Secondary Auditor address *(Number and street)*	**b.** Secondary Auditor address *(Number and street)*	**b.** Secondary Auditor address *(Number and street)*
City	City	City
State ZIP + 4 Code –	State ZIP + 4 Code –	State ZIP + 4 Code –
c. Secondary Auditor contact Name	**c.** Secondary Auditor contact Name	**c.** Secondary Auditor contact Name
Title	Title	Title
d. Secondary Auditor contact telephone ( ) –	**d.** Secondary Auditor contact telephone ( ) –	**d.** Secondary Auditor contact telephone ( ) –
e. Secondary Auditor contact FAX ( ) –	**e.** Secondary Auditor contact FAX ( ) –	**e.** Secondary Auditor contact FAX ( ) –
f. Secondary Auditor contact E-mail	**f.** Secondary Auditor contact E-mail	**f.** Secondary Auditor contact E-mail
4. a. Secondary Auditor name	**5. a.** Secondary Auditor name	**6. a.** Secondary Auditor name
b. Secondary Auditor address *(Number and street)*	**b.** Secondary Auditor address *(Number and street)*	**b.** Secondary Auditor address *(Number and street)*
City	City	City
State ZIP + 4 Code –	State ZIP + 4 Code –	State ZIP + 4 Code –
c. Secondary Auditor contact Name	**c.** Secondary Auditor contact Name	**c.** Secondary Auditor contact Name
Title	Title	Title
d. Secondary Auditor contact telephone ( ) –	**d.** Secondary Auditor contact telephone ( ) –	**d.** Secondary Auditor contact telephone ( ) –
e. Secondary Auditor contact FAX ( ) –	**e.** Secondary Auditor contact FAX ( ) –	**e.** Secondary Auditor contact FAX ( ) –
f. Secondary Auditor contact E-mail	**f.** Secondary Auditor contact E-mail	**f.** Secondary Auditor contact E-mail

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P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

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, 2012.

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, 2012.

8550 United Plaza Blvd, Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

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, 2012, and have issued our report thereon dated June 21, 2013, 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, 2012 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.

Postlethwaite + Netterville

Baton Rouge, Louisiana
June 21, 2013

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, 2012

		FY 2011 Program Total	Quarter 1 Jan - Mar
Revenue			
Passenger Facility Charge Net Collections		$ 25,648,784.00	$ 404,445
Interest Earned on Investments		1,438,621.00	1,029
Claim settlement		1,371,035.00	--
Total Revenue		28,458,440.00	405,474
Disbursements			
93-02-U-00-BTR	Noise mitigation	1,315,124.00	--
96-03-C-00-BTR	Terminal building and plan specifications	1,290,899.00	--
97-04-C-00-BTR	Terminal development with financing	16,891,560.00	191,900
00-05-C-00-BTR	Airport access road	1,392,203.00	21,602
00-05-C-00-BTR	Acquire A/C loading bridges	507,609.00	31,932
05-06-C-00-BTR	Expand general aviation apron	244,886.00	4,510
05-06-C-00-BTR	Extend runway 4L/22R	3,038,038.00	107,761
09-07-C-00-BTR	Terminal atrium expansion	2,006,652.00	223,658
09-07-C-00-BTR	Acquisition of property for development	271,883.00	30,304
09-07-C-00-BTR	Taxiway fillet construction	138,316.00	15,417
09-07-C-00-BTR	Ticket lobby expansion	182,135.00	20,300
Total Disbursements		27,279,305.00	647,384
Net PFC Revenue			(241,910)
PFC Account Balance (cash basis)		$ 1,179,135.00	$ 937,225

Quarter 2 Apr - Jun	Quarter 3 Jul - Sep	Quarter 4 Oct - Dec	FY 2011 Total	FY 2012 Program Total
$ 430,559	$ 410,253	$ 486,321	$ 1,731,578.00	$ 27,380,362
873	874	709	3,485.00	1,442,106
--	--	--	--	1,371,035
431,432	411,127	487,030	1,735,063.00	30,193,503
--	--	--	--	1,315,124
--	--	--	--	1,290,899
--	600,932	171,417	964,249.00	17,855,809
--	42,895	--	64,497.00	1,456,700
--	63,753	--	95,685.00	603,294
--	8,955	--	13,465.00	258,351
--	213,979	--	321,740.00	3,359,778
--	444,116	--	667,774.00	2,674,426
--	60,174	--	90,478.00	362,361
--	30,613	--	46,030.00	184,346
--	40,310	--	60,610.00	242,745
--	1,505,727	171,417	2,324,528.00	29,603,833
431,432	(1,094,600)	315,613	(589,465.00)	589,670
$ 1,368,657	$ 274,057	$ 589,670	$ 589,670.00	589,670

Accrued PFC revenues	181,376
Accrued interest revenues	71
Accrued interest payable	(520,373)
Accrued project expenses	(59,503)
Total Net Assets Restricted for PFC included in EXHIBIT A-10	$ 191,241

SPECIAL ACKNOWLEDGMENTS

Finance - Accounting

Kathleen Kreko
Accounting Manager

Sharon Campbell
Jeannie Martin
Tammy Morgan
Assistant Accounting Managers

Chief Financial Analyst
Myra Dialekwa
Shalanda Nalencz
Mary Ourso
Jeanine Romero

Senior Fiscal Specialist
Marlene Allen
Ashante Barnes
Charlene Brady
Latisha Cannon
Melody Evans
Linda Hickerson
Kathy Mansur
Oma Ringe
Gregory Spears

Senior Financial Analyst
Renee Cashio
Kay Ellzey
Lauren Foster
Shannon Hargrave
Tiffany Jukkola
Nick Vidrine

Financial Analyst
Jonathan Alford
Chelsea Faulk
Aimee Ortis
Theresa Robinson
Ted Stephens

Accounting Associate I
Liyou Dinku

Student Interns
Tracy Li
Jenna Mouledoux
Antoinette Patterson
Ross Whitfield

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