INDEX

	Page Number
Note 1 - Summary of Significant Accounting Policies	60
Note 2 - Stewardship, Compliance, and Accountability	75
Note 3 - Cash, Cash Equivalents, and Investments	75
Note 4 - Property Taxes	82
Note 5 - Federal and State Financial Assistance	84
Note 6 - Capital Assets	85
Note 7 - Employees' Retirement Systems	90
Note 8 - Other Postemployment Benefits (OPEB)	102
Note 9 - Risk Management	105
Note 10 - Long-Term Debt	107
Note 11 - Interfund and Intergovernmental Receivables and Payables	134
Note 12 - Interfund Transfers	135
Note 13 - Other Receivables	136
Note 14 - Detailed Restricted Net Position and Fund Balances	137
Note 15 - Restricted Assets	140
Note 16 - Passenger Facility Charges - Greater Baton Rouge Airport District	140
Note 17 - Solid Waste Disposal Facility Closure and Postclosure Care Liability	141
Note 18 - State Required Disclosures	142
Note 19 - Subsequent Events	143

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 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, including two separate trusts, CPERS a cost-sharing multiple-employer pension plan and CPERS-Police Guarantee Trust (CPERS-PGT) a single-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 the retirement system is the calendar year. The separately issued audit report on the retirement system, including both trusts, 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, 2015)
Nineteenth Judicial District Court (for the period ended June 30, 2015)
Nineteenth Judicial District Court Building Commission (for the period ended June 30, 2015)
E.B.R. Parish Clerk of Court (for the period ended June 30, 2015)
E.B.R. Parish Family Court (for the period ended December 31, 2015)
E.B.R. Parish Juvenile Court (for the period ended December 31, 2015)

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, 2015, are included in the discrete component unit columns of the basic financial statements.

Capital Area Transit System (CATS) - CATS was originally created by the City-Parish Metropolitan Council as a corporation to provide bus transportation services within the parish. In 2004, the Louisiana State Legislature enacted House Bill 1682 Act 581 to recognize CATS as a political subdivision which functions under the provisions of an operating agreement with the City of Baton Rouge and Parish of East Baton Rouge. Any property acquired by the system is for the use and benefit of the City-Parish. All CATS board members are appointed directly by the Metropolitan Council. Metropolitan Council approval is required for all transportation fare changes. CATS's financial statements for the period ended December 31, 2015, are discretely presented in the basic financial statements.

Cyntreniks Group/King Hotel Special Taxing District, Bluebonnet Convention Hotel Taxing District and EBRATS Building Special 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. The EBRATS Building Special Taxing District is authorized to use *the proceeds of the two percent (municipal) general sales tax* and a two percent additional "district" tax within a small section of downtown Baton Rouge for the renovation, restoration and development of a hotel. These districts are presented as discrete component units in the basic financial statements and do not prepare separately issued financial statements.

Separately issued financial statements of the following 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 www.lla.la.gov/Reports_data) or at the following administrative offices:

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

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

Nineteenth Judicial District Court Building Commission
Ann McCrory, Judicial Administrator
300 North Boulevard, Suite 3606
Baton Rouge, LA 70801

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

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

East Baton Rouge Redevelopment Authority
Gwen Hamilton, Interim President and CEO
801 North Boulevard, Suite 200
Baton Rouge, LA 70802

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

Related Organizations

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

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

Baton Rouge Recreation and Park Commission
Juan Martinez, Finance Director
6201 Florida Boulevard
Baton Rouge, LA 70806

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

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

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

Capital Area Finance Authority
Cheri Ausberry, 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 and is considered to be a major fund. 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 Funds:

Trust Funds -- The City-Parish Employees' Retirement System (a blended component unit) is used to account for the accumulation of contributions for (CPERS) Pension Trust, a defined-benefit cost-sharing multiple-employer pension plan to provide retirement benefits to qualified employees and CPERS-PGT a single-employer plan. 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.

Agency Funds -- Agency funds contain resources held by the government in a temporary, purely custodial capacity for others and do not involve measurement of results of operations.

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 sufficient funds are available to meet such appropriations. Appropriations at year-end normally lapse, except for those projects of a continuing nature which remain open until the projects are completed or abandoned and are shown on the Balance Sheet as Fund Balance-Assigned to Approved Continuing Projects in the General Fund. Such appropriations for continuing projects carried forward from 2014 to 2015 totaled $19,730,600 for the general fund, and $1,888,928 (shown as part of restricted fund balance) in the Grants Fund. These amounts are included in the original budget column for 2015. 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, 2015, an uncollectible allowance of 6.3 percent has been recorded for the Greater Baton Rouge Airport District. Uncollectible amounts for solid waste disposal fees are historically immaterial and no allowance is recorded.

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

CAPITAL ASSETS:

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

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

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

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

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	25-35

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, 2015, 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 hired before April 4, 2015, earn sick leave in varying amounts according to the employee's number of years of continuous service and accumulate sick leave without time limitations. Employees hired on or after April 4, 2015, earn sick leave in varying amounts according to the employee's work week in hours, up to a maximum of 480 hours. 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.

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):

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 benefits (accrued sick and vacation leave) for employees who retire or who die. At December 31, 2015, the City-Parish retains approximately 21.8% 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, 2015.

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, 2015, 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, 2015, is limited to 1/3 of the accumulated sick leave accrued at year-end for DROP participants. No sick leave is recorded in the financial statements for active employees since the amount applicable as defined in Section C60.105 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* is immaterial.

3. A total of 100% of the compensatory leave for each employee valued at the employees' current rate of pay.

4. Applicable percentages of retirement contribution, social security, Medicare and other postemployment benefits have been added to the above accrued leave.

In the government-wide financial statements and the proprietary fund types fund statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability is recorded for the value of one year's accrual of leave in the proprietary funds fund statements. In accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, (issued in March of 2000), no compensated absences liability is recorded at December 31, 2015, 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 2015 Budget Ordinance 15845, adopted December 9, 2014 and 2016 Budget Ordinance 16143 adopted December 8, 2015,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 2015 Annual Operating Budget adopted by Ordinance 15845 dated December 9, 2014. 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 15845 of December 9, 2014, 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 (revenue) until that time.

The primary government's deferred outflows of resources on the statement of net position are a result of deferrals concerning bonded debt and pensions. 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 net position.

Changes in fair values of hedging derivative assets and liabilities are reported as deferred inflows or deferred outflows. Note 10(a)11 presents detailed information concerning the City-Parish primary government's derivative instruments.

Note 7 presents detailed information concerning the amounts related to pensions, reported in the deferred inflows and deferred outflows sections of the statement of net position.

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

ACCOUNTING ESTIMATES (Continued):

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.

f. Restatement of Prior Year Net Position

1. The City-Parish implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27,* in the preparation of this Comprehensive Annual Financial Report, which resulted in a cumulative change in accounting principle which resulted in a decrease of net position of $442,446,536.

2. Net position of the Comprehensive Sewerage System Fund within the enterprise fund financial statements and the Business Type Activities within the government-wide financial statements was restated as of December 31, 2014, by $4,750,000 to capitalize estimates associated with construction.

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

Primary Government	Governmental Activities	Business-Type Activities
Total net position, December 31, 2014, as previously reported	$ 607,632,221	$883,147,836
Adjust capitalization of construction costs	--	4,750,000
Implementation of GASB Statement 68	(406,209,520)	(36,237,016)
Total net position, December 31, 2014, restated	$ 201,422,701	$851,660,820

The net effect to individual business-type funds for the prior period from the restatement is as follows:

	Greater Baton Rouge Airport District	Comprehensive Sewerage System	Solid Waste Collection and Disposal	Non-Major Enterprise Funds
Total net position, December 31, 2014, as previously reported	$220,228,476	$582,817,692	$21,198,139	$58,903,529
Adjust capitalization of construction costs	--	4,750,000	--	--
Implementation of GASB Statement 68	(9,759,933)	(24,241,940)	(1,928,590)	(306,553)
Total net position, December 31, 2014, restated	$210,468,543	$563,325,752	$19,269,549	$58,596,976

g. Changes in Accounting Principle

The City-Parish government adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27,* GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73* during 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. For defined benefit pensions, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Please refer to Note 7, Employees' Retirement Systems.

NOTE 2 - Stewardship, Compliance, and Accountability

a. Budget Variances (Non-GAP Budgetary Basis)

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

	Final Budget	Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
General Fund:			
Risk management			
Over expenditure in employee health claims	$7,311,544	$9,445,012	$(2,133,468)
Grants Fund:			
Conservation and Development			
Section 8 Voucher Program	1,676,443	1,717,906	(41,463)

Health insurance claims paid during 2015 on the City-Parish self-insurance program for employees and retirees exceeded premiums, causing the General Fund risk management budget to be over expended.

The Section 8 Voucher Program is a continuous grant program that receives a new appropriation each year. Expenditures exceeded appropriations by $41,463 in 2015. In February 2016, the Department of Housing and Urban Development sent an advance payment of $41,463 to the City-Parish from the 2016 allocation for the excess 2015 expenditures.

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)	$(12,624,873)	$3,943,761	$(12,109,574)	$3,669,468
Adjustments:				
To adjust for encumbrances	2,095,831	935,087	13,726,309	5,401,176
To adjust for U.S. Housing and Urban Development loans receivable	--	--	928,414	--
Net change in fund balances (GAAP Basis)	$(10,529,042)	$4,878,848	$ 2,545,149	$9,070,644

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.

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

a. Deposits - Primary Government

Deposits (including demand deposit accounts and certificates of deposits) at December 31, 2015, for the City-Parish primary government are summarized as follows:

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

Carrying Amount	Bank Balance
$288,735,475	$299,113,591

Certificates of deposit with a maturity of 90 days or more are classified on the Statement of Net Position as "Investments" ($56,653,803). The remaining carrying amount of $232,081,672 is classified as "Cash and cash equivalents."

The City-Parish's bank balance of deposits at December 31, 2015, 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 $2,671,823 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 Funds:

At December 31, 2015, the carrying amount of the Retirement System's deposits was $14,138,891 and the bank balance was $14,569,293. The Retirement System's deposits at December 31, 2015, 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.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.
9. Any other investment allowed by state statute for local governments.
10. Louisiana Asset Management Pool (LAMP).

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

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

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

Proceeds from the issuance of the East Baton Rouge Sewerage Commission's 2010B (BABs), 2011A (LIBOR Index), 2014B and 2013B (Taxable) , 2014A (Taxable) and the Road and Street Improvement 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, 2015, are itemized as follows:

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

Investment Type	Amortized Cost/ Fair Value
U.S. Government Obligations	$164,607,581
U.S. Agency Obligations	341,821,549
Louisiana Asset Management Pool (LAMP)	166,564,294
Total	$672,993,424

Investments with a maturity of less than 90 days ($166,564,294) are classified on the Statement of Net Position as "Cash and cash equivalents," $505,775,871 is classified on the Statement of Net Position as "Investments." The remaining amount of $653,259 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)	
Investment Type	Fair Value	Less Than 1	1-5
U.S. Government Obligations	$164,607,581	$164,607,581	$ --
U.S. Agency Obligations	341,821,549	341,821,549	--
Total	$506,429,130	$506,429,130	$ --

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

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City-Parish has a written policy for custodial credit risk. The City-Parish's investment policy requires the application of the prudent-person rule. The policy states, *all investments made shall be with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. However, under all circumstances, the overriding concern shall be safety of the principal amounts invested.* The City-Parish's investment policy limits investments to those discussed earlier in this section. The City-Parish's investments in U.S. Agency Obligations were rated AAA by Fitch Ratings, Aaa/Negative by Moody's Investors Service and AA+/Negative by Standard & Poor's. The City-Parish's investment policy requires that investments be diversified by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City-Parish total investment portfolio will be invested in a single security type or with a single financial institution. U. S. Agency Obligations are invested in the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Home Loan Bank and Federal Farm Credit Bank which are 14.86%, 7.79%, 31.79% and 2.96% of the City-Parish total investment, respectively. LAMP has a Standard & Poor's Rating of AAAm.

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 Funds (Continued):

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 $166,564,294 invested in LAMP is held by the Parish's Consolidated Cash pool ($128,207,215), the East Baton Rouge Sewerage Commission ($35,426,468), the City Sales Tax Bonds Debt Service Fund ($2,813,697) and the Airport Construction Funds ($116,914).

2. Employees' Retirement System Pension Trust Funds:

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 Trusts. As fiduciaries of the Pension Trusts, 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	

Investment in derivatives, reverse repurchase agreements and other non-traditional types of investments are not specifically authorized under the Board's investment policy. However, in the case of commingled or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust takes precedence over the investment policy. At December 31, 2015, the Retirement Board had committed, but only partially funded, a 5 percent allocation to three Private Equity funds, which fall in the category of Private Markets.

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

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

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

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 CPERS-PGT and its full discretionary investment managers are automatically swept by the custodian into the BNY/Mellon Collective Trust Government Short Term Investment Fund, which is an unrated fund that invests in high-quality, short-term securities issued or guaranteed by the US government or by US government agencies and instrumentalities. Deposits in this fund are not insured by the FDIC.

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

No investments in any one organization shall represent 5 percent or more of the assets held in trust for pension benefits and no single company's securities shall represent more than 5 percent of the cost basis or 7 percent of the market value of any manager's portfolio. There are no investments in loans to, or leases with, parties related to the Plan. Although the Board continued its contractual relationships with outside third party investment managers during 2015, final oversight of investments and investment performance for both the original CPERS trust and CPERS-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 and CPERS-PGT utilize 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 securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

The fair value of the Retirement System's investments as of December 31, 2015 is:

	Fair Value
U.S. Treasury Inflation-Protected Securities	$ 49,915,172
Other securities held in trust	3,855
International Equities	221,448,210
Short-Term Investment Fund/Cash Equivalents	4,781,827
Domestic Equities and Fixed Income	532,954,111
Emerging Markets Equity	71,367,975
Equity Real Estate Fund	64,441,591
Hedge Fund of Funds	56,916,580
Private Equity	19,133,188
Total	$1,020,962,509

The fair value of $1,016,180,682 is classified on the Statement of Fiduciary Net Position as "Investments." $4,781,827 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 System's 2015 Core Bond Domestic, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies are managed in pooled accounts. For these contractual relationships, each Declaration of Trust takes precedence over the System's investment policy, and the custodian bank does not have custody of the assets in these accounts. Assets in the Core-Plus fund had a December 31, 2015, fair market value of $85,957,562 with an average duration of 5.13 years, while the

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

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

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

Absolute Return fund had a fair market value of $83,531,119 with an average duration of 1.11 years and Core Bond Domestic fund had a fair market value of $84,142,496 with an average duration of 5.53 years. The fair value of the TIPS account was $49,915,172 and carried an average duration of 7.76 years.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The Retirement System requires that debt obligations be investment grade at time of purchase (BBB/Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities. At December 31, 2015, the System's fixed income securities were managed only in commingled or pooled accounts.

The System's 2015 Core Bond Domestic, Core-Plus, Absolute Return and Treasury Inflation-Protected Securities (TIPS) fixed-income strategies managed in pooled accounts. Assets in the Core-Plus fund had a December 31, 2015, fair market value of $85,957,562 and carried an average quality rating of A, while the Absolute Return fund had a fair market value of $83,531,119 and carried an average quality rating of A- and the Core Bond Domestic fund had a fair market value of $84,142,496 and carried an average quality rating of AA-. The TIPS account had a fair market value of $49,915,172 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, 2015, the System had exposure of less than 5 percent in any single investment issuer.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Retirement System's 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, 2015, CPERS and CPERS-PGT had no investments allocated in foreign currencies in non-pooled accounts of either fixed income or equity managers.

The annual money-weighted rate of return on pension plan investments is the calculated internal rate of return on pension plan investments, net of pension plan investment expense, and adjusted for changing amounts actually invested. It employs the accrual basis of accounting and is the result in aggregate of the monthly internal rates of return for the year. The annual money-weighted rate of return on the CPERS Original Trust was (0.87%) at December 31, 2015.

c. Deposits - Discretely Presented Component Units

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

	Carrying Amount	Bank Balance
District Attorney of the Nineteenth Judicial District	$ 1,861,205	$ 1,895,847
Nineteenth Judicial District Court	2,776,613	2,876,735
Nineteenth Judicial District Court Building Commission	15,261,807	12,594,818
E.B.R. Parish Family Court	119,258	119,258
E.B.R. Parish Juvenile Court	348,061	369,472
E.B.R. Parish Clerk of Court	4,669,142	4,669,142
E.B.R. Redevelopment Authority	1,166,598	1,166,598
Cyntreniks Group King Hotel Special Taxing District	12,795	12,795

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

c. Deposits - Discretely Presented Component Units (Continued)

	Carrying Amount	Bank Balance
Bluebonnet Convention Hotel Taxing District	$ 58,961	$ 58,961
EBRATS Building Special Taxing District	6,124	6,124
Capital Area Transit System	4,254,220	4,254,220
Total Component Units	$30,534,784	$28,023,970

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	$ 2,626,735
E.B.R. Parish Juvenile Court	228,074
E.B.R. Parish Clerk of Court	4,416,112
Capital Area Transit System	4,004,220
Total	$11,275,141

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, 2015, 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 $30,534,784 is classified as "Cash and cash equivalents."

d. 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 Financial Statements.

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

Cash and cash equivalents:	
Deposits	$232,081,672
Cash on hand	2,671,823
Louisiana Asset Management Pool	166,564,294
Sub-total cash and cash equivalents	401,317,789
Investments:	
Deposits	56,653,803
Investments	505,775,871
Sub-total investments	562,429,674
Cash, cash equivalents and investments, December 31, 2015	$963,747,463

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

Statement of Net Position - Primary Government:	
Cash and cash equivalents	$245,416,995
Restricted Assets - Cash and cash equivalents	135,635,134
Statement of Fiduciary Net Position - Agency Fund	
Cash and cash equivalents	20,265,660
Total cash and cash equivalents	401,317,789

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

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

1. Reconciliation of the carrying amount of deposits and investments on the Financial Statements (Continued)

A. Primary government excluding Employees' Retirement System Pension Trust Funds (Continued)

Statement of Net Position - Primary Government:	
Investments	$330,241,878
Restricted Assets - Investments	232,187,796
Total investments	562,429,674
Total cash and cash equivalents and investments	$963,747,463

B. Component units:

Cash and cash equivalents, December 31, 2015:	
Deposits	$30,534,784

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

Cash and cash equivalents	$16,982,146
Restricted Assets - Cash and cash equivalents	13,552,638
Total cash and cash equivalents	$30,534,784

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

Cash and cash equivalents:	
Deposits	$ 14,138,891
Investments	4,781,827
Sub-total cash and cash equivalents	18,920,718
Investments	1,016,180,682
Cash, cash equivalents and investments, December 31, 2015	$1,035,101,400

NOTE 4 - Property Taxes

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

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

NOTE 4 - Property Taxes (Continued)

The 2015 property tax calendar is as follows:

Levy date	November 25, 2014
Millage rates adopted	November 25, 2014
Tax bills mailed	November 5, 2015
Due date	December 31, 2015
Lien date	January 1, 2016

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.

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	$ 6,633,273	$ 405,532	$ 6,227,741
Library Board of Control Fund	9,452,686	601,263	8,851,423
Nonmajor Governmental Funds	7,642,987	469,173	7,173,814
Total	$23,728,946	$1,475,968	$22,252,978

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" for grants awarded prior to December 26, 2014, and in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements, for grants awarded on or after December 26, 2014. 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 recorded in accordance with generally accepted accounting principles. During 2015, 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	$37,465,888	$ --
Capital Projects Fund	5,317,670	1,314,793
Nonmajor governmental funds	2,815,502	--
Business-type activities:		
Greater Baton Rouge Airport District	11,196,169	--
Comprehensive Sewerage System Fund	806,364	3,891,945
Nonmajor business-type funds	1,777,461	--
Total primary government	$59,379,054	$5,206,738

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 2015, 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.

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 2015 financial statements are as follows:

NOTE 5 - Federal and State Financial Assistance (Continued)

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

	State Supplemental Salaries	MERS Contribution	Total 2015 On-Behalf Payments
Primary Government:			
Governmental activities	$8,005,738	$1,034,470	$9,040,208
Business-type activities	168,000	--	168,000
Total on-behalf payments	$8,173,738	$1,034,470	$9,208,208

NOTE 6 - Capital Assets

a. Primary government capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 1/1/2015	Increases	Decreases	Adjustments	Balance 12/31/2015
Governmental Activities:					
Capital assets not being depreciated:					
Land and right-of-way	$ 160,234,370	$ 1,275,882	$ --	$ 589,754	$ 162,100,006
Construction work in progress	48,647,850	15,844,784	--	(27,601,230)	36,891,404
Total capital assets not being depreciated	208,882,220	17,120,666	--	(27,011,476)	198,991,410
Capital assets being depreciated:					
Buildings	294,781,300	3,310,495	(17,370)	3,029,128	301,103,553
Improvements (other than buildings) and infrastructure	925,358,411	24,876,550	--	27,169,558	977,404,519
Equipment and equipment under lease	125,057,714	9,414,357	(1,902,165)	--	132,569,906
Total capital assets being depreciated	1,345,197,425	37,601,402	(1,919,535)	30,198,686	1,411,077,978
Less accumulated depreciation for:					
Building	(160,400,815)	(6,871,899)	17,370	--	(167,255,344)
Improvements (other than buildings) and infrastructure	(414,853,563)	(29,618,025)	--	--	(444,471,588)
Equipment and equipment under lease	(100,176,889)	(8,774,917)	1,885,218	--	(107,066,588)
Total accumulated depreciation	(675,431,267)	(45,264,841)	1,902,588	--	(718,793,520)
Total capital assets being depreciated, net	669,766,158	(7,663,439)	(16,947)	30,198,686	692,284,458
Total governmental activities capital assets, net	$ 878,648,378	$ 9,457,227	$ (16,947)	$ 3,187,210	$ 891,275,868

NOTE 6 - Capital Assets (Continued)

a. Primary government capital asset activity (Continued):

	Balance 1/1/2015	Increases	Decreases	Adjustments	Balance 12/31/2015
Business-Type Activities:					
Capital assets not being depreciated:					
Land and right-of-way	$ 91,492,232	$ 3,021,918	$ --	$ 21,757	$ 94,535,907
Noise mitigation	58,392,539	--	--	--	58,392,539
Construction work in progress	119,514,214	102,253,246	(806,075)	(24,261,371)	196,700,014
Total capital assets not being depreciated	269,398,985	105,275,164	(806,075)	(24,239,614)	349,628,460
Capital assets being depreciated:					
Buildings	234,674,097	2,074,825	--	230,033	236,978,955
Improvements (other than buildings) and infrastructure	2,076,900,538	71,376,600	(2,032,363)	24,711,433	2,170,956,208
Equipment	9,889,878	1,035,921	(610,775)	--	10,315,024
Total capital assets being depreciated	2,321,464,513	74,487,346	(2,643,138)	24,941,466	2,418,250,187
Less accumulated depreciation for:					
Buildings	(117,563,006)	(9,149,192)	--	--	(126,712,198)
Improvements (other than buildings) and infrastructure	(678,994,828)	(74,367,692)	1,631,729	--	(751,730,791)
Equipment	(9,153,040)	(312,436)	610,775	--	(8,854,701)
Total accumulated depreciation	(805,710,874)	(83,829,320)	2,242,504	--	(887,297,690)
Total capital assets being depreciated, net	1,515,753,639	(9,341,974)	(400,634)	24,941,466	1,530,952,497
Total business-type activities capital assets, net	$1,785,152,624	$ 95,933,190	$(1,206,709)	$ 701,852	$1,880,580,957

The adjustments column includes the capitalization of $3,187,210 in governmental activities and $701,852 in business-type activities of donated assets from private sources. The adjustments column also includes $27,601,230 in governmental activities and $24,261,371 in business-type activities of prior year construction work in progress that was capitalized as assets during 2015.

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

Governmental Activities:	
Governmental fund-types:	
General government	$ 1,198,784
Public safety	7,349,323
Transportation	29,716,214
Sanitation	5,791
Health and welfare	374,474
Culture and recreation	3,217,941
Conservation and development	650,978
Internal service fund capital assets are charged to the various functions based on their usage of the assets	2,751,336
Total depreciation expense - governmental activities	$45,264,841
Business-Type Activities:	
Airport	$11,770,995
Sewer	65,889,386
Solid Waste Collection and Disposal	1,220,744
Nonmajor business-type activities	4,948,195
Total depreciation expense - business-type activities	$83,829,320

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 12/31/2015	Encumbered Capital Projects	Estimated Required Future Financing
Capital Projects Fund:					
Miscellaneous Capital					
Improvements	$122,950,827	$ 69,847,075	$ 3,120,562	$ 3,206,438	None
Capital Improvement					
Roads, Streets, Drainage, Other	42,263,941	22,559,145	4,660,270	1,176,086	None
Road and Street Improvement					
Pay-As-You-Go Dedicated Tax	147,262,588	119,717,269	2,700,903	12,493,047	None
Bonded Dedicated Sales Tax	327,609,761	258,710,471	6,600,606	13,039,565	None
LA DOTD Grants Capital Projects	106,942,268	77,300,599	12,587,255	13,145,694	None
Downtown Signage/Visitors Amenities	5,202,980	1,922,611	549,633	62,744	None
Nicholson Corridor - planning	2,765,341	--	331,841	2,433,500	None
General Capital Expenditures	46,876,774	42,036,054	826,009	274,763	None
Other Governmental Funds:					
Parish Transportation	23,696,504	3,358,083	1,503,345	1,298,567	None
Generator Programs	19,698,287	--	4,010,980	149,128	None
Total	$845,269,271	$595,451,307	$36,891,404	$47,279,532	

d. Construction work in progress at December 31, 2015, for primary government enterprise funds is composed of the following:

	Project Authorization	Expended to Date	Capitalized	Balance in Construction Work in Progress 12/31/15
Greater Baton Rouge Airport District:				
Runways and apron improvements	$ 8,618,324	$ 4,688,269	$ --	$ 4,688,269
Land Acquisition	1,254,919	1,202,014	1,146,932	55,082
Rotunda and terminal renovations	428,638	325,922	--	325,922
North end development	3,108,819	2,563,880	--	2,563,880
Miscellaneous project costs	2,795,975	1,664,760	--	1,664,760
Total	16,206,675	10,444,845	1,146,932	9,297,913
Comprehensive Sewerage System Fund:				
South wastewater treatment plant				
wet weather improvements	105,707,151	140,124,768	140,124,768	--
Rehabilitation construction	112,025,154	97,699,164	40,618,002	57,081,162
Sanitary sewer overflow corrective				
action plan	919,332,663	771,247,100	641,360,919	129,886,181
Rehabilitation of pump stations	167,000	167,000	167,000	--
Total	1,137,231,968	1,009,238,032	822,270,689	186,967,343

NOTE 6 - Capital Assets (Continued)

d. Construction work in progress at December 31, 2015 for primary government enterprise funds (Continued)

	Project Authorization	Expended to Date	Capitalized	Balance in Construction Work in Progress 12/31/15
Nonmajor business-type activities:				
Baton Rouge River Center Fund:				
Miscellaneous building improvements	$ 98,100	$ 98,100	$ --	$ 98,100
Riverfront Plaza improvements	600,000	29,379	--	29,379
Plaza greenspace	374,435	307,279	--	307,279
River Road crossing	217,179	12,575	12,575	--
Total	1,289,714	447,333	12,575	434,758
Total-all enterprise funds	$1,154,728,357	$1,020,130,210	$823,430,196	$196,700,014

Total construction period interest costs of $10,944,991 for the Comprehensive Sewerage System Fund was capitalized in 2015. Construction period interest costs of $19,126,138 for the Comprehensive Sewerage System Fund and $243,965 for the Greater Baton Rouge Airport District from the current and previous fiscal years remain in Construction Work in Progress at December 31, 2015. These costs cannot be depreciated because they have been allocated to projects that are not substantially complete.

EPA Consent Decree

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

In July 2007, EPA and DEQ formally approved the City-Parish's request to revise the original Remedial Measures Action Plan 2 (RMAP2) Sanitary Sewer Overflow Capital Improvements Program from a complex tunnel system with some rehabilitation and pump station upgrades to a program which emphasizes system wide rehabilitation, conveyance and pumping upgrades and wet weather improvements to the South Wastewater Treatment 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 2015. CH2M HILL's estimated cost for completing the revised RMAP2 is $1.6 billion.

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

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	$ 1,988,051	$ 288,750	$ (89,546)	$ 2,187,255
Less: accumulated depreciation	(1,427,703)			(1,540,493)
Total District Attorney of the Nineteenth Judicial District	$ 560,348			$ 646,762
Nineteenth Judicial District Court				
Equipment	$ 362,025	$ 11,349	$ (9,677)	$ 363,697
Less: accumulated depreciation	(309,407)			(318,484)
Total Nineteenth Judicial District Court	$ 52,618			$ 45,213
Nineteenth Judicial District Court Building Commission				
Buildings	$107,628,256	$ --	$ --	$107,628,256
Equipment	5,015,550	18,583	--	5,034,133
Total	112,643,806	18,583	--	112,662,389
Less: accumulated depreciation	(16,826,651)			(21,004,426)
Total Nineteenth Judicial District Court Building Commission	$ 95,817,155			$ 91,657,963
E.B.R. Parish Family Court				
Equipment	$ 263,993	$ 44,882	$ (64,239)	$ 244,636
Less: accumulated depreciation	(111,457)			(95,761)
Total E.B.R. Parish Family Court	$ 152,536			$ 148,875
E.B.R. Parish Juvenile Court				
Equipment	$ 329,808	$ 107,578	$ (3,495)	$ 433,891
Less: accumulated depreciation	(318,332)			(326,309)
Total E.B.R. Parish Juvenile Court	$ 11,476			$ 107,582
E.B.R. Parish Clerk of Court				
Equipment	$ 9,063,067	$ 9,397	$ --	$ 9,072,464
Less: accumulated depreciation	(8,476,206)			(8,694,928)
Total E.B.R. Parish Clerk of Court	$ 586,861			$ 377,536
EBR Parish Redevelopment Authority				
Equipment	$ 192,024	$ --	$ --	$ 192,024
Less: accumulated depreciation	(143,503)			(169,531)
Total EBR Redevelopment Authority	$ 48,521			$ 22,493

NOTE 6 - Capital Assets (Continued)

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

	Balance Beginning of Year	Additions	Adjustments and Deletions	Balance End of Year
Capital Area Transit System				
Construction work in progress	$ 350,523	$ --	$ (350,523)	$ --
Equipment	30,212,454	3,427,527	(618,352)	33,021,629
Total	30,562,977	3,427,527	(968,875)	33,021,629
Less: accumulated depreciation	(17,886,506)			(20,197,063)
Total Capital Area Transit System	$ 12,676,471			$ 12,824,566
Total component units capital assets	$155,405,751	$3,908,066	$(1,135,832)	$158,177,985
Less: total accumulated depreciation	(45,499,765)			(52,346,995)
Total component units capital assets, net	$109,905,986			$105,830,990

NOTE 7 - Employees' Retirement Systems

a. Primary Government

1. Plan Description

CPERS and CPERS-PGT

The City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System, a separate legal entity, administers two separate trusts. The City-Parish Employees' Retirement System regular trust (CPERS) is a cost-sharing multiple-employer defined benefit pension plan to provide benefits to any person who becomes a regular full-time employee of one of the member employers, except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system. The CPERS - Police Guarantee Trust (CPERS-PGT), is a single employer, defined benefit plan, which was established as part of the City-Parish Employees' Retirement System on February 26, 2000, as the result of the voluntary transfer of 637 public safety employees from CPERS to the Municipal Police Employees' Retirement System (MPERS). The local government employers participating in the CPERS trust 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 *
Eastside Fire Protection District *
East Baton Rouge Recreation and Park Commission (BREC) *

*Not City-Parish component units

The City-Parish Retirement Plan, including both trusts, 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). 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.

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

CPERS and CPERS-PGT (Continued)

The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. All trust accounts are administered by the Retirement System Board of Trustees. The financial report may be obtained by writing to the following address or downloading from www.brgov.com/dept/ERS:

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

The Retirement System reports its financial activities under the provisions of Section Pe5 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*. GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, provides for financial reporting for pension plans that are administered through trust or equivalent arrangements. 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.*

The CPERS-PGT was established as a separate legal trust fund on February 26, 2000, to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Police Employees' Retirement System of Louisiana (MPERS) while retaining certain rights in CPERS. When established, the Trust was funded from the original CPERS trust through a trustee-to-trustee transfer, for the full actuarially determined amount necessary to pay all present and future contractually guaranteed benefits to eligible members and their survivors. 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 Retirement System Board of Trustees established a Police Guarantee Trust to administer benefits to the transferred officers and their survivors. 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. The CPERS-PGT was closed to new members effective February 26, 2000 - the date of its inception.

As of December 31, 2014, the measurement date, the following employees were covered by the CPERS-PGT benefit terms:

Inactive plan members and beneficiaries currently receiving benefits, and deferred retirement plan participants	171
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	188
	364

MPERS
The City-Parish contributes to the Municipal Police Employees' Retirement System (MPERS) Pension Plan, a cost sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability and survivor benefits to municipal police officers in Louisiana, 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. The paragraph above 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

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

1. Plan Description (Continued)

MPERS (Continued)
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 or downloading from www.lampers.org.

LASERS
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 eligible 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 or downloading from www.lasersonline.org.

2. Benefit Terms

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

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

1. Full retirement benefits -
   a. Granted with 25 years of service, regardless of age.
   b. Defined as 3% of average compensation times the number of years of service.

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

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

The Retirement System has no true cost of living benefit, but did implement the Supplemental Benefit Payment in 2006, which is a non-recurring non-guaranteed lump sum payment to qualifying retirees, and which must be declared for payment by the Board each year.

The Metropolitan Council maintains the authority to establish and amend plan benefits. On August 12, 2015, the Council approved Ordinance 16039 to make the following changes for members hired on or after September 1, 2015. Since, these changes occurred after the measurement date they are not reflected in the CPERS Net Pension Liability in the current year:

1. Full retirement benefits -
   a. Granted with 25 years of service, minimum age 50 for public safety and 55 for non-public safety.
   b. Defined as 3% of average compensation times the number of years of service.

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

CPERS (Continued)

2. Minimum eligibility benefits -
   a. Granted with 20 years of service, under age 50 for public safety and 55 for non-public safety. Defined as 2.5% of average compensation for each year of service, less an actuarially computed age penalty.
   b. Granted with 10 years of service or more, minimum age 55 for public safety and 60 for non-public safety. Defined as 2.5% of average compensation for each year of service.
   c. Granted with 10 years, under age 55 for public safety and under age 60 for non-public safety. Defined as 2.5% of average compensation for each year of service upon attaining age 55 or 60.

Average compensation is determined by the highest average compensation in 60 successive months. Benefits paid to employees shall not exceed 90% of average compensation.

CPERS-PGT

With the creation of the CPERS-PGT, each officer that elected to transfer from CPERS to MPERS effective February 26, 2000, receives the same benefit he/she would have received if they had remained with CPERS. The benefits paid from the CPERS-PGT 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.

MPERS

Members of MPERS hired prior to January 1, 2013, are eligible for normal retirement after they have been a member of the plan and have 25 years of creditable service at any age or they have 20 years of creditable service and are age 50 or have 12 years creditable service and are age 55. A member is eligible for early retirement after 20 years of creditable service at any age with an actuarially reduced benefit. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. Benefit rates are 3-1/3% of average monthly earnings during the highest 36 consecutive months per number of years of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions outlined in the statutes, an amount is payable to the surviving spouse and minor children.

Members of MPERS hired on or after January 1, 2013, are eligible for regular retirement, early retirement, disability and survivor benefits based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the plan and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the plan and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% and 2.5 %, respectively, of average monthly earnings during the highest 60 consecutive months per number of years of creditable service not to exceed 100% of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions outlined in the statutes, an amount is payable to the surviving spouse and minor children. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current benefit, not to exceed 3% in any given year.

LASERS

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges receive a 3.5% accrual rate plus an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their capacity. For members of LASERS

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

2. Benefit Terms (Continued)

LASERS (Continued)
hired prior to July 1, 2006, average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment. For members hired July 1, 2006, or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members hired prior to January 1, 2011, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service. Members hired on or after January 1, 2011, are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. The extra 1.0% accrual rate for each year of service for court officers employed after January 1, 2011, was eliminated. The System allows for the payment of permanent benefit increases that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

3. Contributions

CPERS
The City-Parish provides annual contributions to the Plan as required by Section 9.15 of The Plan of Government, which requires that the Retirement System be funded on an actuarially sound basis. Contribution rates are established and may be amended by the Retirement System's Board of Trustees, with approval by the Metropolitan Council. Under the current plan, both employee and employer contributions are set by the retirement system board on an annual basis to properly fund the system. In 2015, employees made a mandatory contribution of 9.5% of gross earnings, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264A1(b), while the employer contributed 28.10% of active payroll. The total employer contribution to CPERS for the year ended December 31, 2015, was $32,975,447 and was equal to the retirement board required contributions for the year. The City-Parish recognized $858,271 in revenue from non-employer contributions in 2015.

CPERS-PGT
Employer and employee contributions to CPERS-PGT are at the rates established for CPERS. Total employer contributions to CPERS-PGT for the year ended December 31, 2015 was $951,261.

MPERS
Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation for the year ended December 31, 2015. For the same members, employer contributions were 31.5% from January through June, and 29.50% for July through December 2015. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Nonhazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Nonhazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 33.5% from January through June and 31.5% for July through December 2015. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The City-Parish's contribution to MPERS for the year ended December 31, 2015, was $12,439,406 and was equal to the statutorily required contribution for the year. The City-Parish recognized $2,620,634 in revenue from non-employer contributions in 2015.

LASERS
Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. During 2015, Judges' Plan members hired prior to January 1, 2011, contributed 11.50% of earned compensation while employers contributed 41.5% from January through June and 38.1% from July through December. For Judges hired on or after January 1, 2011, the contribution rate

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

3. Contributions (Continued)

LASERS (Continued)
was 13.0%, and the employer rate was 36.2% from January through June and 39.3% for July through December 2015. The City-Parish's contribution to LASERS for the year ended December 31, 2015 was $80,594 and was equal to the statutorily required contribution for the year.

4. Net Pension Liability

Net pension liability at December 31, 2015, is comprised of the City-Parish's proportional share of the net pension liability relating to each of the cost-sharing plans in which the City-Parish is a participating employer (CPERS, MPERS and LASERS) and the entire net pension liability relating to the CPERS-PGT single-employer plan. The net pension liability for CPERS and CPERS-PGT were measured as of December 31, 2014, rolled forward from the actuarial valuation date of January 1, 2014. MPERS and LASERS were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City-Parish's proportion of the net pension liability for each of the cost-sharing plans in which it participates was based on the City-Parish's required contributions in proportion to total required contributions for all participating employers, actuarially determined. As of the most recent measurement date for each plan, the City-Parish's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows:

	CPERS	MPERS	LASERS
Proportion (amount) of net pension liability	$374,980,224	$115,962,107	$366,395
Proportion (%) of net pension liability	85.27 %	14.80%	0.01 %
Increase/(Decrease) from prior measurement date	(0.86)%	0.27%	(0.01)%

The following table presents the CPERS-PGT changes in net pension liability measured as of the year ended December 31, 2014:

	CPERS-PGT
Total pension liability:	
Service cost	$ 437,310
Interest	2,565,879
Changes in assumptions	340,742
Benefit payments	(1,679,506)
Net change in total pension liability	1,664,425
Total pension liability - beginning	34,614,160
Total pension liability - ending	$36,278,585
Plan fiduciary net position:	
Contributions - employer	$ 763,873
Contributions - employee	90,774
Net investment income	796,414
Benefit payments	(1,679,506)
Administrative expenses	(333,744)
Net change in fiduciary net position	(362,189)
Plan fiduciary net position - beginning	20,447,371
Plan fiduciary net position - ending	$20,085,182
Net pension liability	$16,193,403

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

5. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2015 the City-Parish recognized $50,386,202 in pension expense related to the defined benefit plans in which it participates (CPERS $38,096,478; CPERS-PGT $1,979,978; MPERS $10,667,118 and LASERS $(357,372)). Revenue was recognized in the amount of $3,478,905 in ad valorem taxes and insurance premium taxes collected from non-employer contributing entities. At December 31, 2015, the City-Parish reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources				
	CPERS	CPERS-PGT	MPERS	LASERS	Total
Differences between expected and actual experience	$ 435,310	$ --	$ --	$ 490	$ 435,800
Changes in assumptions	--	255,556	10,118,506	--	10,374,062
Net difference between projected and earnings on pension plan investments	18,860,867	554,953	--	--	19,415,820
Changes in proportion and differences between actual contributions and proportionate share of contributions	--	--	1,698,254	--	1,698,254
Employer contributions to the pension subsequent to the measurement date of the net pension liability	33,082,498	951,261	6,728,731	40,990	40,803,480
Total	$52,378,675	$1,761,770	$18,545,491	$41,480	$72,727,416

	Deferred Inflows of Resources				
	CPERS	CPERS-PGT	MPERS	LASERS	Total
Differences between expected and actual experience	$ --	$ --	$ 2,130,774	$ 3,004	$ 2,133,778
Changes in assumptions	--	--	16,706	--	16,706
Net difference between projected and earnings on pension plan investments	--	--	2,202,217	332	2,202,549
Changes in proportion and differences between actual contributions and proportionate share of contributions	3,153,973	--	7,092	511,263	3,672,328
	$ 3,153,973	$ --	$ 4,356,789	$514,599	$ 8,025,361

The $40,803,480 of deferred outflows of resources resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year	CPERS	CPERS-PGT	MPERS	LASERS	Total
2016	$ 3,808,996	$223,924	$1,199,967	$(385,827)	$ 4,847,060
2017	3,808,996	223,924	1,199,967	(133,447)	5,099,440
2018	3,808,996	223,922	1,681,247	(2,749)	5,711,416
2019	4,715,216	138,739	3,378,790	7,914	8,240,659
Total	$16,142,204	$810,509	$7,459,971	$(514,109)	$23,898,575

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate

The discount rate used to measure the City-Parish's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are included below:

	CPERS	CPERS-PGT	MPERS	LASERS
Discount rate	7.50%	6.85%	7.50%	7.75%
Change in discount rate from prior measurement date	--	(0.65%)	--	--
Plan cash flow assumptions*	(1)	(2)	(3)	(3)
Rates incorporated in the discount rate:				
Long-term rate of return	7.50%	7.50%	8.28%	8.66%
Period applied*	All periods	(2)	All periods	All periods
Municipal bond rate	N/A	3.65%	N/A	N/A
Sensitivity of the net pension liability to the discount rate:				
Net pension liability	$374,980,224	$ 16,193,403	$115,962,107	$ 366,395
Net pension liability assuming a decrease of 1% in the discount rate	$514,779,378	$ 16,991,532	$161,232,613	$ 462,902
Net pension liability assuming an increase of 1% in the discount rate	$257,249,546	$ 15,412,455	$ 78,026,207	$ 285,070

*Plan Cash Flow Assumptions:

(1) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

(2) Plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the contribution rate established for CPERS. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted for current members during the 2022 fiscal year. Therefore, the long-term expected rate of return 7.50% was used to discount funded projected benefit payments and the municipal bond rate 3.65% was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate was 6.85%.

(3) Plan member contributions will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary.

The long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic or geometric real rates of return for each major asset class included in each pension plan's target asset allocation are summarized in the following tables:

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

6. Discount Rate (Continued)

	CPERS*		CPERS-PGT*		MPERS*
Asset Class	Target Allocation	Long-term expected real rate of return	Target Allocation	Long-term expected real rate of return	Long-term expected real rate of return
Fixed Income - Domestic	30.0%	1.75%	42.5%	1.69%	2.24%
Fixed Income - International	--	--	22.5%	4.97%	3.64%
Equities - Domestic	25.0%	4.97%	22.5%	6.79%	4.56%
Equities - International	25.0%	6.79%	10.0%	6.36%	5.67%
Real Estate	5.0%	5.71%	--	5.71%	--
Alternative Investments	15.0%	7.15%	--	--	7.82%
Global Tactical Asset Allocation	--	--	--	--	3.70%
Cash	--	--	2.5%	1.00%	0.24%
Total	100.0%		100.0%		

*Arithmetic

	LASERS**	
Asset Class	Target Allocation	Long-term expected real rate of return
Equity	52.0%	3.47%
Fixed Income	20.0%	0.46%
Alternative Investments	23.0%	1.15%
Other	5.0%	0.20%
Total	100.0%	5.28%
Inflation		3.00%
Expected Nominal Return		8.28%

**Geometric

7. Actuarial Assumptions

CPERS and CPERS-PGT

Valuation Date	January 1, 2014
Actuarial cost method	Entry Age Method
Inflation	3.50%
Mortality rates (healthy and disabled)	1994 Group Annuity Mortality Table (set forward 2 years)
Ad-hoc cost-of-living increases	None
Experience study	Last performed for the period January 1, 2009 to December 31, 2013

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions (Continued)

CPERS and CPERS-PGT (Continued)

Salary increases

Age	Regular	Fire/Police
30	+2.50%	+4.00%
35	+1.50%	+2.00%
40	+1.25%	+2.00%
45	+0.75%	+1.00%
50	+0.50%	+0.00%
55	+0.00%	+0.00%

Retirement rates

Regular/Police	Fire
100% at earlier of 25.5 years of service or at age 61 with 11 years	100% at earlier of 26 years of service or age 61 with 11 years of service

MPERS

Valuation Date		June 30, 2015
Actuarial cost method		Entry Age Normal Cost
Inflation		2.875%
Mortality rates	Active Member	RP-2000 Sex Distinct Employee Tables set back 4 years for males and set back 3 years for females.
	Annuitant and Beneficiary	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables Projected to 2029 for males and set back 1 year and Projected to 2029 for females.
Ad-hoc cost-of-living increases		The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Experience study		Last performed for the period July 1, 2009 to June 30, 2014

Salary increases, including inflation and merit

Years of Service	Salary Growth
1-2	9.75%
3-23	4.75%
Over 23	4.25%

NOTE 7 - Employees' Retirement Systems (Continued)

a. Primary Government (Continued)

7. Actuarial Assumptions (Continued)

LASERS

Valuation Date	June 30, 2015
Actuarial cost method	Entry Age Normal
Inflation	3.0%
Mortality rates	**Non-disabled members** - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. **Disabled members** - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement
Ad-hoc cost-of-living increases	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
Experience study	Last performed for the period July 1, 2009 to June 30, 2013

Salary increase range

Lower Range	Upper Range
3.0%	5.5%

8. Payables to the Pension Plan

At December 31, 2015, the City-Parish recorded total payables of $1,223,321 to the CPERS ($543,866) and CPERS-PGT ($679,455) retirement plans.

b. Component Units

1. Capital Area Transit System Pension Plan

Employees of Capital Area Transit System (CATS) are members of the Capital Area Transit System Employees' Pension Trust Fund ("Plan"), a defined-benefit single employer pension plan. See separately issued financial statements for more detailed information and terms of the Plan. CATS's financial reports may be obtained by writing to: Capital Area Transit System, Conner Burns, Chief Financial Officer, 2250 Florida Boulevard, Baton Rouge, LA 70802-3125.

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

Net pension liability	$1,028,843
Deferred outflow for pensions	1,183,443
Deferred inflow for pensions	249,032
Pension expense	412,818

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

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

The District Attorney is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) and the Louisiana District Attorneys' Retirement System (LDARS). See separately issued financial statements for more detailed information and terms of each plan. 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. See Note 7(a) for more detailed information and terms of the CPERS Plan.

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

	LDARS	CPERS	Total
Net pension liability	$228,896	$10,130,058	$10,358,954
Deferred outflow for pensions	374,621	1,422,543	1,797,164
Deferred inflow for pensions	662,237	59,221	721,458
Pension expense	190,450	1,064,412	1,254,862

3. Nineteenth Judicial District Court Pension Plans

The Nineteenth Judicial District Court is a participating employer in three cost-sharing, multiple employer defined benefit pension plans administered by three public employee retirement systems, the Louisiana Clerks' of Court Retirement and Relief Fund (COC), the Louisiana School Employees' Retirement System (LSERS) and the Louisiana State Employees' Retirement System (LASERS). See separately issued financial statements for more detailed information and terms of each plan. The COC report may be obtained by writing to Clerks' of Court Retirement and Relief Fund, 10202 Jefferson Highway Building A, Baton Rouge, Louisiana 70809, or by calling (225)293-1162. The LSERS report may be obtained by writing to the Louisiana School Employees' Retirement System, 8660 United Plaza Blvd., Baton Rouge, Louisiana 70804, or by calling (225) 925-6484. The LASERS report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 925-0185.

For the fiscal year ended June 30, 2015, the following amounts are recorded related to pensions:

	COC	LSERS	LASERS	Total
Net pension liability	$3,857,822	$75,412	$8,664,944	$12,598,178
Deferred outflow for pensions	829,701	17,423	1,884,599	2,731,723
Deferred inflow for pensions	1,093,299	20,504	1,281,170	2,394,973
Pension expense	492,169	6,844	1,109,235	1,608,248

4. East Baton Rouge Parish Family Court Defined-Benefit Pension Plan

The East Baton Rouge Parish Family Court is a participating employer in the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) cost-sharing defined benefit pension plan. See Note 7 (a) for more detailed information and terms of this plan.

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

Net pension liability	$1,785,254
Deferred outflow for pensions	245,247
Deferred inflow for pensions	100,824
Pension expense	152,772

NOTE 7 - Employees' Retirement Systems (Continued)

b. Component Units (Continued)

5. East Baton Rouge Parish Juvenile Court Defined-Benefit Pension Plan

The East Baton Rouge Parish Juvenile Court is a participating employer in the City of Baton Rouge and Parish of East Baton Rouge Employees' Retirement System (CPERS) cost-sharing defined benefit pension plan. See Note 7 (a) for more detailed information and terms of this plan.

For the year ended December 31, 2015, the following amounts are recorded related to pensions:

Net pension liability	$1,920,486
Deferred outflow for pensions	421,647
Deferred inflow for pensions	15,170
Pension expense	252,194

6. East Baton Rouge Parish Clerk of Court Pension Plan

The East Baton Rouge Parish Clerk of Court is a participating employer in the Louisiana Clerks of Court Retirement and Relief Fund ("System"), a multiple-employer (cost-sharing), defined-benefit public employee retirement system (PERS). See separately issued financial statements for more detailed information and terms of the plan. 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, 10202 Jefferson Hwy, Building A, Baton Rouge, LA 70809.

For the fiscal year ended June 30, 2015, the following amounts are recorded related to pensions:

Net pension liability	$10,748,977
Deferred outflow for pensions	2,986,916
Deferred inflow for pensions	2,725,856
Pension expense	1,624,136

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 2015, 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 2015, employees and retirees contributed 12% - 42% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The government contributed the corresponding 58% - 88% of the premium base. Effective January 1, 2003, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan.

The employer contribution to the OPEB plan for 2015 totaled $23,048,744; or approximately 12% of gross payroll as approved by the Metropolitan Council in the 2015 operating budget. There is no retiree contribution to the OPEB plan other than the retiree share of health insurance premiums paid monthly which totaled $6,661,928 for 2015. Approximately 3,500 active employees and 2,800 retirees along with applicable dependents were covered by the plan in 2015.

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, 2015, 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)	$ 60,706,882	$ 5,353,038	$ 66,059,920	$ 3,401,242	$ 69,461,162
Interest on net OPEB obligation	13,185,274	1,162,656	14,347,930	738,736	15,086,666
Adjustment to ARC	(13,099,873)	(1,155,127)	(14,255,000)	(733,950)	(14,988,950)
Annual OPEB cost (expense)	60,792,283	5,360,567	66,152,850	3,406,028	69,558,878
Less: Contributions made	(20,143,881)	(1,776,256)	(21,920,137)	(1,128,607)	(23,048,744)
Increase in net OPEB obligation	40,648,402	3,584,311	44,232,713	2,277,421	46,510,134
Net OPEB obligation-beginning of year	328,182,503	31,664,371	359,846,874	17,319,778	377,166,652
Net OPEB obligation-end of year	$368,830,905	$35,248,682	$404,079,587	$19,597,199	$423,676,786

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 2015 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
12/31/15	$66,152,850	33.2%	$44,232,713	$404,079,587
12/31/14	64,846,388	29.7	45,619,933	359,846,874
12/31/13	65,006,015	28.1	46,745,348	314,226,941

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
12/31/15	$3,406,028	33.2%	$2,277,421	$19,597,199
12/31/14	3,307,707	29.7	2,326,997	17,319,778
12/31/13	3,135,386	28.1	2,254,633	14,992,781

Funding status and funding progress:
As of January 1, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $988.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of $988.1 million. The ratio of UAAL to the covered payroll amount of $170.7 million was 578.7 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, 2015, 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 2016 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 2015 retiree health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid. In addition to a general inflation rate of 2.5 percent, the plan assumes a medical inflation rate of 8.0 percent beginning in 2015, decreasing to a rate of 4.5 percent in 2072. 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, 2015, 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, 2015.

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 $35,458,853 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 2015, the minimum premium plan was funded with employees and retirees contributing 12%-42% of the premium and the City-Parish contributing 58%-88% 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, 2015, for group health are estimated by the government's third party health care provider as follows:

Self-funded medical	$5,151,535

This amount has been included in the Government-wide Statement of Net Position for December 31, 2015.

e. Changes in Liabilities for Claims

The following is a reconciliation of changes in long-term claims payable for the years ended December 31, 2015, 2014, and 2013:

	2015	2014	2013
Claims and judgments payable:			
Beginning balance	$36,215,072	$39,527,739	$ 30,217,318
Additions:			
Claims incurred and new estimates	5,091,209	8,310,683	13,239,841
Deductions:			
Claims paid	(5,145,466)	(4,001,967)	(3,404,317)
Claims dismissed and changes in estimates	(701,962)	(7,621,383)	(525,103)
Ending balance	$ 35,458,853	$ 36,215,072	$ 39,527,739
Employee benefits payable:			
Beginning balance	$ 4,888,440	$ 4,635,640	$ 4,711,371
Additions:			
Claims incurred	65,949,334	61,829,352	57,003,271
Deductions:			
Claims paid	(65,686,239)	(61,576,552)	(57,079,002)
Ending balance	$ 5,151,535	$ 4,888,440	$ 4,635,640

f. Fund Balance Committed to Self-insurance purposes

The City-Parish Metropolitan Council maintains a practice of committing a portion of General Fund's fund balance for self-insurance purposes. The amount committed for insurance at December 31, 2015, was determined as follows:

Fund balance committed to self-insurance, January 1, 2015	$46,720,244
Less: Appropriations from self-insurance commitment for risk management purposes	(2,648,114)
Less: Self-insurance commitment reduced for risk management deficit	(2,133,468)
Plus: Federal government subsidies for employee/retiree insurance purposes	78,682
Interest earned on designated funds during 2015	86,299
Insurance Commitment, December 31, 2015	$42,103,643

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 2015:

	Balance 1/1/15	Additions	Reductions	Balance 12/31/15	Due Within One Year
Governmental Activities:					
Excess revenue contracts, loans and notes	$ 84,712,198	$ 34,415,000	$ 4,616,486	$ 114,510,712	$ 6,144,285
Deferred premium on bonds	5,570,137	17,240,820	1,558,054	21,252,903	--
Revenue bonds payable, gross	226,600,000	59,430,000	72,945,000	213,085,000	13,385,000
Less: Intragovernment payable	(2,507,500)	--	(334,167)	(2,173,333)	(348,333)
Obligation payable (off-market swaps)	5,913,911	--	545,909	5,368,002	--
Derivative Instrument Liability	15,294,792	--	538,956	14,755,836	--
Compensated absences payable	24,263,566	7,826,045	4,859,750	27,229,861	12,140,481
Claims and judgments payable (Note 9)	36,215,072	5,091,209	5,847,428	35,458,853	1,187,897
Employee benefits payable (Note 9)	4,888,440	65,949,334	65,686,239	5,151,535	--
Net other postemployment benefit obligation	328,182,503	60,792,283	20,143,881	368,830,905	--
Net pension liability	420,822,989	86,542,694	41,647,635	465,718,048	--
Total governmental activities	$1,149,956,108	$337,287,385	$218,055,171	$1,269,188,322	$32,509,330
Business-Type Activities:					
Excess revenue contracts, loans and notes	$ 432,976,660	$ --	$ 1,220,000	$ 431,756,660	$ 1,283,500
Revenue bonds payable	976,830,180	16,090,429	11,518,000	981,402,609	10,344,000
Deferred premiums and discounts	50,279,886	--	2,660,483	47,619,403	--
Revenue bonds payable from City issues	2,507,500	--	334,167	2,173,333	348,333
Obligation payable (off-market swaps)	45,988,756	--	2,335,449	43,653,307	--
Derivative instrument liability	87,643,226	4,808,983	--	92,452,209	--
Contingent Liability	4,750,000	--	750,000	4,000,000	--
Landfill closure and postclosure care liability (Note 17)	14,926,406	705,865	--	15,632,271	--
Compensated absences payable	1,939,278	769,753	551,602	2,157,429	2,094,342
Net other postemployment benefit obligation	31,664,371	5,360,567	1,776,256	35,248,682	--
Net pension liability	34,238,649	11,207,200	3,661,768	41,784,081	--
Total business-type activities	$1,683,744,912	$ 38,942,797	$ 24,807,725	$1,697,879,984	$14,070,175

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, $162,771 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. Net pension liability has been liquidated in the funds in which the liability occurred.

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, 2015:

	Interest Dates	Issue Date	Final Maturity Date	Original Authorized and Issued	Outstanding
Governmental Activities:					
Excess revenue contracts, loans and notes					
City of Baton Rouge:					
2012 Taxable Refunding	01/15-7/15	04/04/2012	01/15/2029	$ 58,075,000	$ 50,670,000
LA Community Development 2000A Program Visit Baton Rouge	Monthly	09/01/2007	11/30/2029	750,000	576,000
Parish of East Baton Rouge:					
LA Community Development Authority 1999	Monthly	08/11/1999	05/31/2018	1,500,000	499,999
LA Community Development 2000A Program	Monthly	09/01/2007	11/30/2029	264,713	229,713
2012 LCDA Road Improvements Project	02/01-08/01	03/01/2012	08/01/2030	33,585,000	28,120,000
2015 LCDA Road Improvements Project	02/01-08/01	04/09/2015	08/01/2030	34,415,000	34,415,000
Total excess revenue contracts, loans and notes				128,589,713	114,510,712
Revenue bonds					
City of Baton Rouge:					
2007A Public Improvement Sales Tax	02/01-08/01	03/28/2007	08/01/2018	30,395,000	3,250,000
2010B Public Improvement Sales Tax	02/01-08/01	09/28/2010	08/01/2026	19,045,000	14,455,000
Less: debt recorded in business-type activities				(3,840,000)	(2,173,333)
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	--
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	28,340,000
2015 Refunding Sales Tax Bonds	02/01-08/01	04/09/2015	08/01/2030	59,430,000	59,430,000
2013A Public Improvement Sales Tax	02/01-08/01	06/13/2013	02/01/2028	11,000,000	9,860,000
2014A Public Improvement Sales Tax	02/01-08/01	06/27/2014	02/01/2026	4,600,000	4,310,000
Total revenue bonds				356,830,000	210,911,667
Total governmental activities				485,419,713	325,422,379

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:					
Excess revenue contracts, loans and notes					
Parish of East Baton Rouge:					
LCDA loan 1999 Program	Monthly	08/11/1999	05/31/2018	$ 7,201,660	$ 3,211,660
Sewerage Commission:					
2013A LCDA Sewerage Commission Projects	02/01-08/01	05/09/2013	02/01/2048	126,260,000	126,260,000
2013B (LIBOR Index) LCDA Sewerage Commission Projects	Monthly	05/10/2013	02/01/2049	92,500,000	92,500,000
2014A LCDA Sewerage Commission Projects	02/01-08/01	04/10/2014	02/01/2044	209,785,000	209,785,000
Total excess revenue contracts, loans and notes				435,746,660	431,756,660
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	1,490,000
2008A-2 Public Improvement Sales Tax	02/01-08/01	01/24/2008	08/01/2037	47,205,000	44,750,000
2008B Public Improvement Sales Tax (Taxable)	02/01-08/01	01/24/2008	08/01/2022	9,505,000	5,295,000
2010A Public Improvement Sales Tax (GO Zone)	02/01-08/01	01/28/2010	08/01/2039	6,000,000	5,475,000
Revenue bonds payable from City issues				3,840,000	2,173,333
Sewerage Commission:					
2010 Revenue Bonds (DEQ)	02/01-08/01	04/29/2010	02/01/2031	8,300,000	7,155,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	02/01-08/01	05/27/2010	02/01/2045	357,840,000	353,125,000
2011A Revenue Bonds (LIBOR Index)	Monthly	07/28/2011	02/01/2046	202,500,000	188,420,000
2013A Taxable Revenue Bonds (DEQ)	02/01-08/01	03/06/2013	02/01/2034	18,859,662	18,726,662
2013B Taxable Revenue Refunding Bonds	02/01-08/01	05/02/2013	02/01/2024	25,390,000	23,940,000
2014A Taxable Revenue Refunding Bonds	02/01-08/01	12/17/2014	02/01/2031	127,455,000	127,455,000
2014B Tax-Exempt Revenue Refunding Bonds	02/01-08/01	12/17/2014	02/01/2039	205,435,000	205,435,000
2015A Taxable Revenue Bonds (DEQ)	02/01-08/01	10/08/2015	02/01/2036	135,947	135,947
Total revenue bonds				1,014,565,609	983,575,942
Total business-type activities				1,450,312,269	1,415,332,602
Total all bonds, contracts, loans and notes				$1,935,731,982	$1,740,754,981

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable

	Outstanding January 1, 2015	Issued	Retired	Outstanding December 31, 2015
Governmental Activities:				
Excess revenue contracts, loans and notes				
City of Baton Rouge:				
2012 Taxable Refunding	$ 53,720,000	$ --	$ 3,050,000	$ 50,670,000
LA Community Development 2000A Program Visit Baton Rouge	602,400	--	26,400	576,000
Parish of East Baton Rouge:				
LA Community Development Authority 1999	714,285	--	214,286	499,999
LA Community Development 2000A Program	240,513	--	10,800	229,713
2012 LCDA Road Improvements Project	29,435,000	--	1,315,000	28,120,000
2015 LCDA Road Improvements Project	--	34,415,000	--	34,415,000
Total excess revenue contracts, loans and notes	84,712,198	34,415,000	4,616,486	114,510,712
Revenue bonds				
City of Baton Rouge:				
2007A Public Improvement Sales Tax	6,095,000	--	2,845,000	3,250,000
2010B Public Improvement Sales Tax	15,625,000	--	1,170,000	14,455,000
Less: debt recorded in business-type activities	(2,507,500)	--	(334,167)	(2,173,333)
Parish of East Baton Rouge:				
Road and Street Improvement:				
2006A Sales Tax Bonds	4,340,000	--	4,340,000	--
2008A Sales Tax Bonds (Variable)	93,440,000	--	--	93,440,000
2009A Sales Tax Bonds	92,025,000	--	63,685,000	28,340,000
2015 Refunding Sales Tax Bonds	--	59,430,000	--	59,430,000
2013A Public Improvement Sales Tax	10,475,000	--	615,000	9,860,000
2014A Public Improvement Sales Tax	4,600,000	--	290,000	4,310,000
Total revenue bonds	224,092,500	59,430,000	72,610,833	210,911,667
Total governmental activities	308,804,698	93,845,000	77,227,319	325,422,379
Business-Type Activities:				
Excess revenue contracts, loans and notes				
Parish of East Baton Rouge:				
LCDA loan 1999 Program	4,431,660	--	1,220,000	3,211,660
Sewerage Commission:				
2013A LCDA Sewerage Commission Projects	126,260,000	--	--	126,260,000
2013B (LIBOR Index) LCDA Sewerage Commission Projects	92,500,000	--	--	92,500,000
2014A LCDA Sewerage Commission Projects	209,785,000	--	--	209,785,000
Total excess revenue contracts, loans and notes	432,976,660	--	1,220,000	431,756,660

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

3. Changes in Bonds Payable (Continued)

	Outstanding January 1, 2015	Issued	Retired	Outstanding December 31, 2015
Business-Type Activities: (Continued)				
Revenue bonds				
City of Baton Rouge:				
2005B Public Improvement Sales Tax (Taxable)	$ 1,560,000	$ --	$ 70,000	$ 1,490,000
2008A-2 Public Improvement Sales Tax	45,405,000	--	655,000	44,750,000
2008B Public Improvement Sales Tax (Taxable)	5,945,000	--	650,000	5,295,000
2010A Public Improvement Sales Tax (GO Zone)	5,610,000	--	135,000	5,475,000
Revenue bonds payable from City issues	2,507,500	--	334,167	2,173,333
Sewerage Commission:				
2010 Revenue Bonds (DEQ)	7,540,000	--	385,000	7,155,000
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	357,840,000	--	4,715,000	353,125,000
2011A Revenue Bonds (LIBOR Index)	192,170,000	--	3,750,000	188,420,000
2013A Taxable Revenue Bonds (DEQ)	2,905,180	15,954,482	133,000	18,726,662
2013B Taxable Revenue Refunding Bonds	24,965,000	--	1,025,000	23,940,000
2014A Taxable Revenue Refunding Bonds	127,455,000	--	--	127,455,000
2014B Tax-Exempt Revenue Refunding Bonds	205,435,000	--	--	205,435,000
2015A Taxable Revenue Bonds (DEQ)	--	135,947	--	135,947
Total revenue bonds	979,337,680	16,090,429	11,852,167	983,575,942
Total business-type activities	1,412,314,340	16,090,429	13,072,167	1,415,332,602
Total all bonds, contracts, loans and notes	$1,721,119,038	$109,935,429	$90,299,486	$1,740,754,981

4. Interest Requirements to Maturity

The following is a summary of bonded debt at December 31, 2015, and interest requirements to maturity:

	Debt Payable 12/31/2015	Interest Requirements to Maturity	Total
Governmental Activities:			
Excess revenue contracts, loans and notes			
City of Baton Rouge:			
2012 Taxable Refunding	$ 50,670,000	$ 14,803,440	$ 65,473,440
LA Community Development 2000A Program Visit Baton Rouge	576,000	77,089	653,089
Parish of East Baton Rouge:			
LA Community Development 1999 Program	499,999	9,123	509,122
LA Community Development 2000A Program	229,713	30,803	260,516
2012 LCDA Road Improvements Project	28,120,000	11,247,138	39,367,138
2015 LCDA Road Improvements Project	34,415,000	15,764,500	50,179,500
Total excess revenue contracts, loans and notes	114,510,712	41,932,093	156,442,805

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

4. Interest Requirements to Maturity (Continued)

	Debt Payable 12/31/2015	Interest Requirements to Maturity	Total
Governmental Activities: (Continued)			
Revenue bonds			
City of Baton Rouge:			
2007A Public Improvement Sales Tax (3.82%)*	$ 3,250,000	$ 166,400	$ 3,416,400
2010B Public Improvement Sales Tax (3.02%)*	14,455,000	2,966,312	17,421,312
Less: Debt recorded in business-type activities	(2,173,333)	(269,296)	(2,442,629)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2008A Sales Tax Bonds (Variable)	93,440,000	29,629,072	123,069,072
2009A Sales Tax Bonds (4.83%)*	28,340,000	5,153,400	33,493,400
2015 Refunding Sales Tax Bonds (3.10%)*	59,430,000	33,737,250	93,167,250
2013A Public Improvement Sales Tax	9,860,000	1,425,065	11,285,065
2014A Public Improvement Sales Tax	4,310,000	575,008	4,885,008
Total revenue bonds	210,911,667	73,383,211	284,294,878
Total governmental activities	325,422,379	115,315,304	440,737,683
Business-Type Activities:			
Excess revenue contracts, loans and notes			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	3,211,660	61,774	3,273,434
East Baton Rouge Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	126,260,000	158,063,250	284,323,250
2013B (LIBOR Index) Sewerage Commission Projects	92,500,000	134,163,988	226,663,988
2014A LCDA Sewerage Commission Projects	209,785,000	212,443,656	422,228,656
Total excess revenue contracts, loans and notes	431,756,660	504,732,668	936,489,328
Revenue bonds			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Taxable) (5.65%)*	1,490,000	723,498	2,213,498
2008A-2 Public Improvement Sales Tax (4.59%)*	44,750,000	29,782,460	74,532,460
2008B Public Improvement Sales Tax (Taxable) (4.59%)*	5,295,000	1,171,288	6,466,288
2010A Public Improvement Sales Tax (GO Zone) (4.36%)*	5,475,000	3,416,376	8,891,376
Revenue bonds payable from City issues	2,173,333	269,296	2,442,629
Sewerage Commission:			
2010 Revenue Bonds (DEQ)	7,155,000	280,991	7,435,991
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds) (3.94%)*	353,125,000	478,237,464	831,362,464
2011A Revenue Bonds (LIBOR Index) (Variable)	188,420,000	144,580,176	333,000,176
2013A Taxable Revenue Bonds (DEQ)	18,726,662	817,462	19,544,124
2013B Taxable Revenue Refunding Bonds (2.54%)*	23,940,000	3,195,242	27,135,242
2014A Taxable Revenue Refunding Bonds (3.57%)*	127,455,000	46,573,252	174,028,252
2014B Tax-Exempt Revenue Refunding Bonds (3.76%)*	205,435,000	178,028,175	383,463,175
2015A Taxable Revenue Bonds (DEQ)	135,947	6,768	142,715
Total revenue bonds	983,575,942	887,082,448	1,870,658,390
Total business-type activities	1,415,332,602	1,391,815,116	2,807,147,718
Total all bonds, contracts, loans and notes	$1,740,754,981	$1,507,130,420	$3,247,885,401

* True interest cost (TIC)

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

5. Debt Service Requirements to Maturity

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

Governmental Activities:

Year	Excess Revenue Contracts, Loans and Notes			Revenue Bonds			Total Governmental Activities
	Principal	Interest	Total	Principal	Interest	Total	
2016	$ 6,144,285	$ 4,664,128	$ 10,808,413	$ 13,036,667	$ 8,637,033	$ 21,673,700	$ 32,482,113
2017	6,266,885	4,540,610	10,807,495	11,513,750	8,124,289	19,638,039	30,445,534
2018	6,267,529	4,361,257	10,628,786	11,601,667	7,712,140	19,313,807	29,942,593
2019	6,447,000	4,140,584	10,587,584	11,933,750	7,228,549	19,162,299	29,749,883
2020	6,709,600	3,893,891	10,603,491	12,514,583	6,725,823	19,240,406	29,843,897
2021-2025	38,857,400	14,988,761	53,846,161	71,551,250	25,345,370	96,896,620	150,742,781
2026-2030	43,818,013	5,342,862	49,160,875	78,760,000	9,610,007	88,370,007	137,530,882
Total	$114,510,712	$41,932,093	$156,442,805	$ 210,911,667	$ 73,383,211	$ 284,294,878	$ 440,737,683

Business-Type Activities:

Year	Excess Revenue Contracts, Loans and Notes			Revenue Bonds			Total Business-Type Activities
	Principal	Interest	Total	Principal	Interest	Total	
2016	$ 1,283,500	$ 20,279,919	$ 21,563,419	$ 10,692,333	$ 46,933,470	$ 57,625,803	$ 79,189,222
2017	1,346,500	20,260,103	21,606,603	12,690,250	46,534,375	59,224,625	80,831,228
2018	581,660	20,242,427	20,824,087	13,305,333	46,083,003	59,388,336	80,212,423
2019	--	20,240,225	20,240,225	19,017,250	45,535,729	64,552,979	84,793,204
2020	--	20,240,225	20,240,225	22,745,417	44,818,609	67,564,026	87,804,251
2021-2025	6,305,000	101,043,500	107,348,500	142,383,750	208,894,183	351,277,933	458,626,433
2026-2030	36,720,000	95,217,875	131,937,875	155,929,000	178,161,180	334,090,180	466,028,055
2031-2035	66,405,000	83,512,234	149,917,234	163,435,662	140,340,376	303,776,038	453,693,272
2036-2040	74,185,000	65,793,797	139,978,797	205,856,947	94,022,037	299,878,984	439,857,781
2041-2045	78,540,000	44,107,125	122,647,125	227,310,000	35,547,680	262,857,680	385,504,805
2046-2049	166,390,000	13,795,238	180,185,238	10,210,000	211,806	10,421,806	190,607,044
Total	$431,756,660	$504,732,668	$936,489,328	$983,575,942	$887,082,448	$1,870,658,390	$2,807,147,718

6. Future Year Obligations

Principal and interest requirements of various bond issues for the year 2016 are as follows:

Governmental Activities:	Principal	Interest	Total Requirements
Excess revenue contracts, loans and notes			
City of Baton Rouge:			
2012 Taxable Refunding	$ 3,085,000	$ 1,698,586	$ 4,783,586
LA Community Development 2000A Program			
Visit Baton Rouge	28,400	9,629	38,029
Parish of East Baton Rouge:			
LA Community Development 1999 Program	214,285	6,067	220,352
LA Community Development 2000A Program	11,600	3,839	15,439
2012 LCDA Road Improvements Project	1,355,000	1,268,757	2,623,757
2015 LCDA Road Improvements Project	1,450,000	1,677,250	3,127,250
Total excess revenue contracts, loans and notes	6,144,285	4,664,128	10,808,413

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

6. Future Year Obligations (Continued)

Governmental Activities (Continued):	Principal	Interest	Total Requirements
Revenue bonds			
City of Baton Rouge:			
2007A Public Improvement Sales Tax	$ 2,530,000	$ 130,000	$ 2,660,000
2010B Public Improvement Sales Tax	1,210,000	501,063	1,711,063
Less: Debt recorded in business-type activities	(348,333)	(78,800)	(427,133)
Parish of East Baton Rouge:			
Road and Street Improvement:			
2008A Sales Tax Bonds (Variable)	4,565,000	3,483,392	8,048,392
2009A Sales Tax Bonds	4,145,000	1,337,675	5,482,675
2015 Refunding Sales Tax Bonds	--	2,971,500	2,971,500
2013A Public Improvement Sales Tax	630,000	199,490	829,490
2014A Public Improvement Sales Tax	305,000	92,713	397,713
Total revenue bonds	13,036,667	8,637,033	21,673,700
Total governmental activities	19,180,952	13,301,161	32,482,113
Business-Type Activities:			
Excess revenue contracts, loans and notes			
Parish of East Baton Rouge:			
LCDA loan 1999 Program	1,283,500	39,694	1,323,194
Sewerage Commission:			
2013A LCDA Sewerage Commission Projects	--	5,734,100	5,734,100
2013B (LIBOR Index) LCDA Sewerage Commission Projects	--	4,185,625	4,185,625
2014A LCDA Sewerage Commission Projects	--	10,320,500	10,320,500
Total excess revenue contracts, loans and notes	1,283,500	20,279,919	21,563,419
Revenue bonds			
City of Baton Rouge:			
2005B Public Improvement Sales Tax (Taxable-Airport)	75,000	84,860	159,860
2008A-2 Public Improvement Sales Tax	685,000	2,028,675	2,713,675
2008B Public Improvement Sales Tax (Taxable)	680,000	285,994	965,994
2010A Public Improvement Sales Tax (GO Zone)	140,000	229,544	369,544
Plus: Revenue bonds payable from City issues	348,333	78,800	427,133
Sewerage Commission:			
2010 Revenue Bonds (DEQ)	390,000	31,320	421,320
2010B Revenue Bonds (Taxable Direct Pay Build America Bonds)	2,520,000	20,821,594	23,341,594
2011A Revenue Bonds (LIBOR Index)	3,915,000	8,484,271	12,399,271
2013A Taxable Revenue Bonds (DEQ)	904,000	75,294	979,294
2013B Taxable Revenue Refunding Bonds	1,035,000	534,047	1,569,047
2014A Taxable Revenue Refunding Bonds	--	4,306,813	4,306,813
2014B Tax-Exempt Revenue Refunding Bonds	--	9,971,750	9,971,750
2015A Taxable Revenue Bonds (DEQ)	--	508	508
Total revenue bonds	10,692,333	46,933,470	57,625,803
Total business-type activities	11,975,833	67,213,389	79,189,222
Total all bonds, contracts, loans and notes	$31,156,785	$80,514,550	$111,671,335

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

7. Legal Debt Margin - General Obligation Bonds

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

Governing Authority: City of Baton Rouge

Ad valorem taxes:	
Assessed valuation, 2015 tax rolls	$1,911,390,885
Debt limit: 10% of assessed valuation (for any one purpose)	$ 191,139,089
Debt limit: 15% of assessed valuation (for sewerage purposes)	286,708,633
Debt limit: 35% of assessed valuation (aggregate, all purposes)	668,986,810

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, 2015 tax rolls	$4,582,080,352
Debt limit: 10% of assessed valuation (for any one purpose)	$ 458,208,035
Debt limit: 15% of assessed valuation (for sewerage purposes)	687,312,053

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

Governing Authority: East Baton Rouge Sewerage Commission

Ad valorem taxes:	
Assessed valuation, 2015 tax rolls	$4,582,080,352
Debt limit: 15% of assessed valuation (for sewerage purposes)	$ 687,312,053

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.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

8. 2% Sales Tax Revenue Bonds (Continued)

Act No. 328 of the 1988 Regular Session of the Louisiana Legislature, House Bill No. 1599, Section 8(a) imposes a limit on the debt service obligations that can be outstanding of 40% of the gross avails of the sales and use tax for both the city and the parish 2% sales and use tax. The legal debt calculation as of December 31, 2015, is as follows:

	City	Parish
Actual 2015 Revenues	$104,098,020	$ 80,923,270
Debt Capacity Before Outstanding Bonds (40%)	41,639,208	32,369,308
Less: Highest Annual Debt Service on Outstanding Bonds	(9,018,843)	(1,396,499)
Debt Capacity	$ 32,620,365	$ 30,972,809
Interest factor for $1 of debt, 5.0%, 25 years	0.070952457	0.070952457
Additional Bond Capacity (25 Years at 5.5%)	$459,749,618	$436,529,055

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, 2015, the following issues are outstanding:

Bond Issue	Outstanding 12/31/2015	Primary Purpose of Issue
City of Baton Rouge:		
Governmental type activities:		
$30,395,000; Series 2007A	$ 3,250,000	Current and advance refunding parity bond issues
$19,045,000; Series 2010B	14,455,000	Advance refunding parity bond issue
Business type activities:		
$ 2,100,000; Series 2005B	1,490,000	Provide capital improvement funds for airport projects
$47,205,000; Series 2008A-2	44,750,000	Provide and restructure prior District Indebtedness
$ 9,505,000; Series 2008B	5,295,000	Provide and restructure prior District Indebtedness
$ 6,000,000; Series 2010A (GO Zone)	5,475,000	Provide capital improvement funds for airport projects
Total	$74,715,000	
Parish of East Baton Rouge:		
Governmental type activities:		
$11,000,000; Series 2013A	$ 9,860,000	Provide funds for a Public Safety Complex
$ 4,600,000; Series 2014A	4,310,000	Provide funds for a Public Safety Complex renovation
	$14,170,000	

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

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

9. ½% Road and Street Sales Tax Revenue Bonds

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

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

Anticipated revenues based on 2016 annual operating budget	$29,455,580
Debt Capacity Before Outstanding Bonds (75%)	22,091,685
Less: Highest Annual Debt Service on Outstanding Bonds	16,970,747
Debt Capacity	$ 5,120,938
Interest factor for $1 of debt, 5.00%, 15 years	0.096342288
Additional Bond Capacity (15 Years at 5.00%)	$53,153,585
Sales Tax Revenues (Remaining 25%)	$ 7,363,895
Less: 2016 Subordinate Lien Debt	5,751,006
Balance Available for Capital Improvement Programs	$ 1,612,889

Bond Issue	Outstanding 12/31/2015	Primary Purpose of Issue
Parish of East Baton Rouge:		
Road and Street Sales Tax Revenue Bonds:		
Senior Lien:		
$ 93,440,000; Series 2008A	$ 93,440,000	Road and Street Capital Improvements Program
$110,000,000; Series 2009A	28,340,000	Road and Street Capital Improvements Program
$ 59,430,000; Series 2015	59,430,000	Advance refunding parity bond issue
Total	$181,210,000	
Subordinate Lien:		
$ 33,585,000; Series 2012 LCDA	$ 28,120,000	Road and Street Capital Improvements Program
$ 34,415,000; Series 2015 LCDA	34,415,000	Road and Street Capital Improvements Program
Total	$ 62,535,000	

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

10. East Baton Rouge Sewerage Commission 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.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

10. East Baton Rouge Sewerage Commission Bonds (Continued)

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 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.

Anticipated revenues based on 2016 annual operating budget	$ 45,413,000
Debt Capacity Before Outstanding Senior Lien Bonds (75%)	34,059,750
Less: Sales Tax Collection Costs (based on 2016 budget)	(500,000)
Sales Tax Revenue Pledged for E.B.R. Sewerage Commission Revenue Bonds	$ 33,559,750
Budgeted 2016 Sewer User Fees and Other Revenues	81,339,180
Less: Operating and Maintenance Expense	(47,046,670)
Debt Capacity Before Outstanding Bonds	67,852,260
Highest Annual Debt Service on Outstanding Senior Lien Bonds (Net of Build America Bonds Direct Subsidy Payment)	(60,769,652)
Debt Capacity	$ 7,082,608
Interest factor for $1 of debt, 4.5%, 35 year	0.057270448
Additional Senior Lien Bond Capacity (35 Years at 4.5%)	$123,669,506
Sales Tax Revenues (Remaining 25%)	$ 11,353,250
2016 Debt Service on Outstanding Subordinate Lien Debt (Net of Capitalized Interest)	(10,567,225)
Balance Available for Capital Improvement Programs	$ 786,025

Bond Issue	Outstanding 12/31/2015	Primary Purpose of Issue
East Baton Rouge Sewerage Commission:		
Senior Lien:		
$ 8,300,000; Series 2010 DEQ	7,155,000	Sewerage Capital Improvements Program
$357,840,000; Series 2010B BABs	353,125,000	Sewerage Capital Improvements Program
$202,500,000; Series 2011A (LIBOR Index)	188,420,000	Sewerage Capital Improvements Program
$ 45,000,000; Series 2013A	18,726,662	Sewerage Capital Improvements Program
$ 25,390,000; Series 2013B	23,940,000	Sewerage Capital Improvements Program
$127,455,000; Series 2014A	127,455,000	Sewerage Capital Improvements Program
$205,435,000; Series 2014B	205,435,000	Sewerage Capital Improvements Program
$ 20,000,000; Series 2015A	135,947	
Total	$924,392,609	
Subordinate Lien:		
$126,260,000; Series 2013A LCDA	126,260,000	Sewerage Capital Improvements Program
$ 92,500,000; Series 2013B LCDA(LIBOR Index)	92,500,000	Sewerage Capital Improvements Program
$209,785,000; Series 2014A LCDA	209,785,000	Sewerage Capital Improvements Program
	$428,545,000	

11. 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)

11. Derivative Instruments (Continued)

As of December 31, 2015, the swap agreements can be summarized as follows:

	Changes in Fair Value		Fair Value at December 31, 2015		
	Classification	Amount	Classification	Amount	Notional
Governmental Activities:					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	$ (538,956)	Non-current liability	$ (20,123,838)	$ 92,240,000
	Amortization of off-market swap	(545,909)			
Business-Type Activities:					
Cash Flow Hedges:					
Pay-fixed; receive variable interest rate swaps	Deferred outflows on derivative instruments	4,808,983	Derivative instrument liability	(92,452,209)	280,920,000
	Amortization of off-market swap	(2,335,449)	Obligation Payable	(43,653,307)	

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 4.072%; Receive 70% of 1 month USD-LIBOR	A1 / 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 4.072%; Receive 70% of 1-month USD-LIBOR	A1 / 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	A1 / 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 4.525%; Receive 70% of 1-month USD-LIBOR	A3 / BBB+ / A-
Pay-fixed; receive variable interest rate swap	95,920,000	to lower borrowing costs on the Series 2011A East Baton Rouge Sewerage Commission (LIBOR Index) Bonds	8/1/2011	2/1/2032	Pay 4.945%; Receive 70% of 1-month USD-LIBOR	A3 / BBB+ / A-

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

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. 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, 2015, the swaps had a combined negative fair value of $20,123,838. 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, 2015, 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, 2015, 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, 2015, the variable rate on the bonds was 0.02% and 70% of one-month USD-LIBOR-BBA was 0.30%. 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)

11. 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, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest*	Citibank Interest Rate Swap, Net**	Merrill Lynch Interest Rate Swap, Net***	Total
2016	$ 4,565,000	$ 18,356	$ 1,366,117	$ 1,333,584	$ 7,283,057
2017	4,790,000	17,373	1,297,264	1,266,379	7,371,016
2018	4,990,000	16,399	1,224,786	1,195,627	7,426,812
2019	5,200,000	15,383	1,149,221	1,121,860	7,486,464
2020	5,445,000	14,363	1,069,959	1,044,479	7,573,801
2021 - 2025	30,690,000	54,140	4,046,281	3,949,944	38,740,365
2026 - 2030	37,760,000	20,122	1,506,197	1,470,338	40,756,657
Total	$93,440,000	$156,136	$11,659,825	$11,382,211	$116,638,172

* Computed using 12/31/15 variable rate (0.02%)
** Computed using (imputed fixed swap rate (3.325%) - 70% of 12/31/15 LIBOR (0.30%)) x ($46,120,000 - annual reduction)
*** Computed using (imputed fixed swap rate (3.253%) - 70% of 12/31/15 LIBOR (0.30%)) x ($46,120,000 - annual reduction)

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

Fiscal Year Ending December 31	Imputed borrowing Citibank Principal	Imputed borrowing Citibank Interest	Imputed borrowing Merrill Lynch Principal	Imputed borrowing Merrill Lynch Interest	Total
2016	$ 286,004	$ 58,512	$ 276,579	$101,144	$ 722,239
2017	275,629	52,136	268,786	90,572	687,123
2018	264,173	46,000	259,758	80,310	650,241
2019	251,708	40,126	249,555	70,409	611,798
2020	238,172	34,540	238,085	60,911	571,708
2021 - 2025	945,920	100,722	967,563	179,960	2,194,165
2026 - 2030	410,460	19,714	435,610	36,031	901,815
	$2,672,066	$351,750	$2,695,936	$619,337	$6,339,089

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities

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

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

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

As of December 31, 2015, the swap had a negative fair value of $29,399,039. 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, 2015, 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)

11. 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, 2015, this swap had a negative fair value of $45,028,223. 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, 2015, 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, 2015, 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, 2015, collateral of $25,000,000 was posted with Bank of America Merrill Lynch.

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

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

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. 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, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest*	Deutsche Interest Rate Swap, Net**	Bank of America Interest Rate Swap, Net***	Total
2016	$ 3,915,000	$ 1,476,683	$ 1,920,257	$ 3,558,775	$ 10,870,715
2017	4,085,000	1,440,224	1,840,312	3,559,538	10,925,074
2018	4,265,000	1,406,366	1,756,086	3,559,538	10,986,990
2019	4,450,000	1,371,036	1,668,169	3,559,538	11,048,743
2020	4,645,000	1,337,807	1,575,811	3,558,775	11,117,393
2021 - 2025	26,475,000	6,061,598	6,358,234	17,796,926	56,691,758
2026 - 2030	32,840,000	4,862,863	3,437,035	18,436,563	59,576,461
2031 - 2035	15,245,000	3,759,237	391,870	20,995,113	40,391,220
2036 - 2040	37,010,000	2,852,175	--	16,976,520	56,838,695
2044 - 2045	45,280,000	1,188,407	--	7,678,681	54,147,088
2046	10,210,000	6,909	--	244,439	10,461,348
Total	$188,420,000	$25,763,305	$18,947,774	$99,924,406	$333,055,485

* Computed using (70% of 12/31/15 LIBOR (0.30%) + fixed spread of 0.50%)
** Computed using (imputed fixed swap rate (2.332%) - 70% of 12/31/15 LIBOR (0.30%)) x ($110,000,000 - annual reduction)
*** Computed using (fixed swap rate (4.149%) - 70% of 12/31/15 LIBOR (0.30%)) x ($92,500,000 - annual reduction)

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

Fiscal Year Ending December 31	Imputed borrowing Deutsche Bank Principal	Interest	Total
2016	$ 1,989,127	$ 466,113	$ 2,455,240
2017	1,930,001	420,719	2,350,720
2018	1,864,909	376,717	2,241,626
2019	1,793,518	334,247	2,127,765
2020	1,715,484	293,456	2,008,940
2021 - 2025	7,145,985	925,507	8,071,492
2026 - 2030	3,952,981	257,867	4,210,848
2031 - 2032	394,611	7,989	402,600
	$20,786,616	$3,082,615	$23,869,231

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

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

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

As of December 31, 2015, the swap had a negative fair value of $61,678,254. 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, 2015, 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, 2015, 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, 2015, collateral of $45,000,000 was posted with Deutsche Bank.

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)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

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

Using interest rates as of December 31, 2015, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Year Ending December 31	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest*	Deutsche Interest Rate Swap, Net**	Total
2016	$ --	$ 921,975	$ 2,489,475	$ 3,411,450
2017	--	921,975	2,490,238	3,412,213
2018	--	921,975	2,490,238	3,412,213
2019	--	921,975	2,490,238	3,412,213
2020	--	924,501	2,489,475	3,413,976
2021 - 2025	--	4,612,402	12,450,426	17,062,828
2026 - 2030	--	4,612,402	12,450,426	17,062,828
2031 - 2035	--	4,612,402	13,373,267	17,985,669
2036 - 2040	--	4,614,928	14,756,767	19,371,695
2041 - 2045	--	4,612,402	14,757,530	19,369,932
2046 - 2049	92,500,000	1,511,278	6,176,576	100,187,854
Total	$92,500,000	$29,188,215	$86,414,656	$208,102,871

* Computed using (70% of 12/31/15 LIBOR (0.30%) + fixed spread of 0.70%)
** Computed using (imputed fixed swap rate (2.993%) - 70% of 12/31/15 LIBOR (0.30%)) x ($92,500,000 - annual reduction)

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

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

11. Derivative Instruments (Continued)

b. Business-Type Activities (Continued)

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

	Imputed borrowing Deutsche Bank		
Fiscal Year Ending December 31	Principal	Interest	Total
2016	$ 307,268	$ 1,109,832	$ 1,417,100
2017	322,412	1,094,688	1,417,100
2018	338,305	1,078,795	1,417,100
2019	354,979	1,062,121	1,417,100
2020	372,476	1,044,624	1,417,100
2021 - 2025	2,156,547	4,928,953	7,085,500
2026 - 2030	2,743,058	4,342,442	7,085,500
2031 - 2035	3,489,082	3,596,418	7,085,500
2036 - 2040	4,438,003	2,647,497	7,085,500
2041 - 2045	5,645,001	1,440,499	7,085,500
2046 - 2049	2,699,560	210,472	2,910,032
	$22,866,691	$22,556,341	$45,423,032

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.

12. Obligations of Intragovernmental Agencies

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

Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation

The Greater Baton Rouge Airport District is obligated under an Amended Intergovernmental Contract dated August 1, 2001, and the restated Passenger Facility Charge (PFC) Note of $3,840,000 to make semi-annual payments to the City General Fund through August 2021. Total principal paid on the restated note, prior to 2015 was $1,332,500. In 2015, a principal payment of $334,167 reduced the obligation payable to $2,173,333. Scheduled maturities and interest are as follows:

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

12. Obligations of Intragovernmental Agencies (Continued)

Greater Baton Rouge Airport District - 2001 Passenger Facility Charge Obligation (Continued)

	Principal	Interest	Total
2016	$ 348,333	$ 78,800	$ 427,133
2017	366,250	67,600	433,850
2018	383,333	54,000	437,333
2019	401,250	38,667	439,917
2020	420,417	22,617	443,034
2021 and after	253,750	7,612	261,362
Total	$2,173,333	$269,296	$2,442,629

13. 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 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, 2015. A total of $1,000,001 has been repaid, leaving an outstanding debt balance of $499,999. Future debt service is budgeted over a 3 year period at 1.51%. 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, 2015. A total of $3,492,500 has been repaid, leaving an outstanding debt balance of $2,786,981. Future debt service is budgeted over a 3 year period at 1.51%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

1. City and the Parish LCDA loans (Continued)

a. 1999 Program (Continued):

In 2012, the Parish borrowed additional funds on the 1999 LCDA program to provide funds to the Baton Rouge River Center, in order to provide funding for the Riverfront Master Plan Project. A total of $922,179 has been loaned to the Parish at December 31, 2015. A total of $497,500 has been repaid, leaving an outstanding debt balance of $424,679. Future debt service is budgeted over a 3 year period at 1.51%. This loan is serviced and recorded in the Baton Rouge River Center Nonmajor Enterprise Fund.

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, 2015. A total of $174,000 has been repaid, leaving an outstanding debt balance of $576,000. Future debt service is budgeted over a 14 year period at 1.71%. 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.

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, 2015. A total of $35,000 has been repaid, leaving an outstanding debt balance of $229,713. Future debt service is budgeted over a 14 year period at 1.71%. 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.

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 ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2015, $5,465,000 has been repaid, leaving an outstanding debt balance of $28,120,000.

3. In 2013, LCDA issued $126,260,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund capitalized interest on the bonds and a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2015, the outstanding debt balance is $126,260,000.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

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

4. In 2013, LCDA issued $92,500,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2013B (LIBOR Index). The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage Commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the Comprehensive Sewerage System Fund. As of December 31, 2015, the outstanding debt balance is $92,500,000.

5. In 2014, LCDA issued $209,785,000 Subordinate Lien Revenue Bonds (East Baton Rouge Sewerage Commission Projects), Series 2014A. The proceeds of the bonds were loaned by LCDA to the East Baton Rouge Sewerage commission pursuant to a Loan Agreement, to finance the cost of upgrading, rehabilitating, improving and extending the sewerage disposal system and to fund a reserve fund. The payments under the loan agreement are payable and secured on a junior and subordinate lien basis by a pledge and dedication of Pledged Revenues of the Commission which consists of Sewer User Fees and one-half of one percent (½%) sewer sales and use tax. This loan is serviced and recorded in the comprehensive Sewerage System Fund. As of December 31, 2015, the outstanding debt balance is $209,785,000.

6. In 2015, LCDA issued $34,415,000 Revenue Bonds (Parish of East Baton Rouge Road Improvements Project), Series 2015. 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 ½% Road and Street Sales Tax. If these pledged revenues are insufficient, payments will be made from lawfully available funds of the City-Parish. This loan is serviced by the LCDA Road and Street Improvement Project Debt Service Fund and is shown as a governmental activities debt in the entity-wide Statement of Net Position. As of December 31, 2015, the outstanding debt balance is $34,415,000.

14. Build America Bonds

On May 27, 2010, the East Baton Rouge Sewerage Commission issued Series 2010B (Taxable Direct Pay Build America) Bonds in the amount of $357,840,000 as a combination of serial and term bonds that mature on February 1 of each year beginning 2015, through 2045, with interest from 2.973 - 6.087 percent. The Commission has elected to treat the Series 2010B Bonds as “Build America Bonds” and has further elected to receive cash subsidy payments from the United States Department of the Treasury. The Commission expects to receive cash subsidy payments directly from the U.S. Department of the Treasury in an amount equal to thirty-five percent (35%) of the interest paid on the Series 2010B Bonds. Federal Subsidy on debt of $6,789,055 is recognized in 2015, on the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Sewerage Commission.

Due to Federal Government sequestration in March 2013, the Office of Management and Budget reduced the federal subsidy on certain qualified bonds including Build America Bonds. Refund payments processed after October 1, 2014, were reduced by 7.3%, and refund payments after October 1, 2015, were reduced by 6.8%. The sequestration reduction rate is subject to change. The current sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

15. 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 were payable at a true interest cost of 5.65% over a 27 year period with final maturity on January 15, 2029. The debt service was 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 were payable at a net interest cost of 5.73% over a 27 year period with final maturity on January 15, 2029. The debt service was funded in the Taxable Refunding Bonds Debt Service Fund budget via transfers from the General Fund.

Prior-Year Refunding-Governmental Activities:
On April 4, 2012, the City of Baton Rouge issued $58,075,000 Taxable Refunding Bonds, Series 2012 for the purpose of advance refunding the Series 2002A and Series 2002B Taxable Bonds maturing January 15, 2018 through 2029 and paying the costs of issuance. The Bonds were issued as a combination of serial and term bonds that mature on July 15, 2012, and January 15 of each year beginning 2013 through 2029 with interest from 0.42 - 4.57 percent. As a result of the refunding, the City-Parish recognized a deferred loss on refunding of $4,711,175 on the entity-wide financial statements. As of December 31, 2015, $1,599,503 of the Deferred amount on refunding was amortized ($436,723 in 2015 and $1,162,780 in prior years), resulting in a deferred amount on refunding of $3,111,672 on the entity-wide statement of net position for governmental activities as of December 31, 2015.

16. Prior Year Refundings - Advance Refundings

On August 17, 2006, the Parish of East Baton Rouge issued $154,915,000 of Revenue Refunding Bonds (East Baton Rouge Sewerage Commission) Series 2006A to provide sufficient funds to advance refund a portion of certain Outstanding Parity Bonds. During 2014, the Parish defeased the maturities from February 1, 2015, through February 1, 2016, 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, 2015, $5,110,000 of Sewerage Commission Series 2006A Bonds Outstanding are considered defeased.

On May 14, 2009, the Parish of East Baton Rouge issued $164,965,000 of Revenue Bonds (East Baton Rouge Sewerage Commission) Series 2009A to provide sufficient funds to finance a portion of the cost of upgrading, rehabilitating, extending and improving the sewer system. During 2014, the Parish defeased the maturities from February 1, 2016, through February 1, 2019, 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, 2015, $9,895,000 of Sewerage Commission Series 2009A Bonds Outstanding are considered defeased.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

16. Prior Year Refundings - Advance Refundings (Continued)

On February 12, 2009, the Parish of East Baton Rouge issued $110,000,000 of Road and Street Improvement Sales Tax Revenue Bonds, Series 2009A to provide sufficient funds to finance the costs of widening existing public roads and streets, and/or the construction of new public roads and streets. During 2015, the Parish defeased the maturities from August 1, 2022, through August 1, 2030, by placing funds into an irrevocable escrow trust account with an escrow agent to provide for debt service payments on these maturities. Accordingly, the new escrow trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2015, $59,665,000 of Road and Street Series 2009A Bonds Outstanding are considered defeased.

17. Refunding of Road and Street 2009A Sales Tax Revenue Bonds

On April 9, 2015, the Parish of East Baton Rouge issued $59,430,000 Road and Street Public Improvement Sales Tax Revenue Refunding Bonds, Series 2015 to advance refund a portion of the Parish's $110 million Series 2009A Sales Tax Revenue Bonds (original true interest cost 4.83%; principal refunded - $59,695,000). The Bonds will mature on August 1 of each year beginning 2022 through 2030 with interest at 5.00 percent.

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

	Series 2015 Refunding
Sources:	
Principal proceeds	$ 59,430,000
Premium	11,216,095
	$ 70,646,095
Uses:	
Deposit with escrow agent	$ 69,984,229
Issuance costs	661,866
	$ 70,646,095
Cash Flow Difference:	
Old debt service cash flows	$ 96,929,553
Less: New debt service cash flows	(94,091,717)
Cash Flow Difference	$ 2,837,836
Economic Gain on Refunding:	
Present value of old debt service cash flows	$ 73,680,037
Less: Present value of new debt service cash flows	(71,303,781)
Economic gain	$ 2,376,256

As a result of the refunding, the City-Parish recognized a deferred loss on refunding of $9,934,708. As of December 31, 2015, $176,647 of the deferred amount on refunding was amortized, resulting in a net deferred amount on refunding of $9,758,061 on the entity-wide statement of net position for governmental activities as of December 31, 2015.

18. 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.

NOTE 10 - Long-Term Debt (Continued)

a. Primary Government (Continued)

18. Bonds of Other Governmental Units (Continued)

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.

19. 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, 2015.

20. 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, 2015, there were five conduit bond obligations outstanding, with an aggregate principal amount payable of approximately $600,000,000.

21. 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 2015 totaled $357,049. Total future minimum rental payments of $66,360 are due in 2016.

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	Due within one year
District Attorney of the Nineteenth Judicial District					
Net other postemployment benefit obligation	$ 6,897,123	$1,413,750	$ 468,454	$ 7,842,419	$ --
Net pension liability	9,428,855	1,934,399	1,004,300	10,358,954	--
Total	16,325,978	3,348,149	1,472,754	18,201,373	--
Nineteenth Judicial District Court					
Compensated absences payable	697,155	11,422	--	708,577	61,434
Net other postemployment benefit obligation	6,422,003	1,382,813	409,993	7,394,823	--
Net pension liability	13,707,015	187,627	1,296,464	12,598,178	--
Total	20,826,173	1,581,862	1,706,457	20,701,578	61,434
Nineteenth Judicial District Court Building Commission					
Bonds and notes payable	91,800,000	--	1,615,000	90,185,000	1,695,000
Deferred premium on bonds	2,223,185	--	82,596	2,140,589	82,595
Total	94,023,185	--	1,697,596	92,325,589	1,777,595

NOTE 10 - Long-Term Debt (Continued)

b. Component Units Long-Term Debt (Continued)

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due within one year
E.B.R. Parish Family Court					
Compensated absences payable	$ 131,638	$ 6,280	$ --	$ 137,918	$ 10,000
Net other postemployment benefit obligation	1,063,259	233,232	77,283	1,219,208	--
Net pension liability	1,801,247	126,907	142,900	1,785,254	--
Total	2,996,144	366,419	220,183	3,142,380	10,000
E.B.R. Parish Juvenile Court					
Compensated absences payable	175,389	--	10,468	164,921	--
Net other postemployment benefit obligation	1,964,573	314,375	104,170	2,174,778	--
Net pension liability	1,566,072	501,704	147,290	1,920,486	--
Total	3,706,034	816,079	261,928	4,260,185	--
E.B.R. Parish Clerk of Court					
Compensated absences payable	779,270	--	12,578	766,692	--
Net other postemployment benefit obligation	3,475,196	1,049,923	722,689	3,802,430	--
Net pension liability	10,972,771	1,095,929	1,319,723	10,748,977	--
Total	15,227,237	2,145,852	2,054,990	15,318,099	--
Capital Area Transit System					
Bonds and notes payable	300,000	--	100,000	200,000	100,000
Compensated absences payable	623,683	--	13,373	610,310	244,124
Net pension liability	562,707	1,125,181	659,045	1,028,843	--
Obligation under capital leases	1,569,641	--	765,739	803,902	803,902
Claims and judgements payable	1,731,947	1,193,126	945,670	1,979,403	614,241
Total	4,787,978	2,318,307	2,483,827	4,622,458	1,762,267
Total component units long-term debt	$157,892,729	$10,576,668	$9,897,735	$158,571,662	$3,611,296

NOTE 11 - Interfund and Intergovernmental Receivables and Payables

a. Balances due to/from other funds at December 31, 2015, consist of the following:

	Due From Other Funds	Due To Other Funds
Temporary cash advances at December 31, 2015:		
General Fund	$ 8,053,950	$ --
Nonmajor governmental funds	--	8,053,950
Total temporary cash advances	8,053,950	8,053,950
Other funds funding long-term improvements in the Capital Projects Fund:		
General Fund	1,418,884	--
Library board of control major fund	--	27,796,921
Capital Projects Fund	37,818,068	--
Nonmajor governmental funds	--	10,021,147
Greater Baton Rouge Airport District	--	1,418,884
Total receivable/payables to capital projects fund	39,236,952	39,236,952
Total Balance Sheet - Governmental Funds	$47,290,902	$47,290,902

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	$ --	$ 438,308	$147,788	$20,313,166	$62,203	$20,961,465
Library Board of Control	--	--	--	31,408,708	--	31,408,708
Grants Fund	3,672,694	2,510,317	--	1,749	18,000	6,202,760
Capital Projects Fund	211,841	1,616,532	--	--	--	1,828,373
Nonmajor governmental funds	--	217,352	--	22,874,807	--	23,092,159
Adjustments to full accrual basis of accounting	790,239	--	--	49,860	--	840,099
Business-type Activities:						
Greater Baton Rouge Airport District	630,161	1,426,150	--	--	--	2,056,311
Comprehensive Sewerage System Fund	--	119,484	--	--	--	119,484
Solid Waste Collection and Disposal	--	--	--	900	--	900
Nonmajor enterprise funds	--	641,183	--	--	--	641,183
Totals	$5,304,935	$6,969,326	$147,788	$74,649,190	$80,203	$87,151,442

NOTE 12 - Interfund Transfers

a. Interfund transfers for the year ended December 31, 2015 were as follows:

	Transfers Out					
	General Fund	Library Board of Control	Capital Projects Fund	Nonmajor Govern-mental Funds	Solid Waste Collection and Disposal	Total
Transfers In:						
Governmental Activities:						
General Fund	$ --	$ --	$ --	$ 90,000	$2,565,470	$ 2,655,470
Grants Fund	1,122,775	--	--	--	--	1,122,775
Capital Projects Fund	11,854,026	31,000	--	4,705,000	--	16,590,026
Nonmajor governmental funds	5,078,759	--	--	918,700	--	5,997,459
Business-type Activities:						
Solid Waste Collection and Disposal	60,982	--	--	--	--	60,982
Nonmajor enterprise funds	1,791,930	--	26,521	--	--	1,818,451
Totals	$19,908,472	$31,000	$26,521	$5,713,700	$2,565,470	$28,245,163

- The capital projects major fund was subsidized $16,590,026 during 2015 toward non-recurring capital improvements from the General Fund, Library Board of Control and non-major governmental funds.
- The General Fund subsidized the normal operations of non-major governmental funds in the amount of $238,120 in 2015.
- The General Fund subsidized the Baton Rouge River Center (non-major enterprise convention center) $1,791,930 in 2015.
- The General Fund also transferred $4,840,639 to service debt to non-major governmental funds in 2015. An amount of $2,565,470 was transferred back to the general fund by the Solid Waste Collection and Disposal Enterprise Fund in 2015 for general government issued debt for the landfill.
- During 2015, $1,122,775 was transferred to the Grants Fund from the General Fund including $1,047,775 for local match and operations for grant programs and $75,000 for capital and other improvements needed for the relocation of the Office of Community Development.

NOTE 12 - Interfund Transfers (Continued)

b. The following exchange of funds between the Primary Government and its discretely presented component units during 2015 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)	$ --	$(16,005,755)
Nonmajor Special Revenue Fund:		
Parish Transportation Fund (to Capital Area Transit-operating subsidy)	--	(550,000)
Component Units:		
District Attorney of the Nineteenth Judicial District	6,209,328	--
Nineteenth Judicial District Court	6,783,254	--
E.B.R. Parish Family Court	1,022,510	--
E.B.R. Parish Juvenile Court	1,360,780	--
E.B.R. Parish Clerk of Court	629,883	--
Capital Area Transit System	550,000	--
Total	$16,555,755	$(16,555,755)

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	$ 6,633,273	$9,452,686	$ --	$ --	$ 7,642,987	$ --	$23,728,946
Gross receipts business taxes	4,106,161	--	--	--	--	--	4,106,161
Sales taxes	17,539,310	--	--	2,595,295	1,652,437	--	21,787,042
Interest and penalties on taxes	98,251	--	--	--	--	--	98,251
Accounts	1,609,221	718	2,642	60,870	2,271,963	--	3,945,414
Accrued interest	80,788	57,925	6,593	102,824	47,178	12,426	307,734
Gross receivables	30,067,004	9,511,329	9,235	2,758,989	11,614,565	12,426	53,973,548
Less: allowance for uncollectibles	(405,532)	(601,263)	--	--	(469,173)	--	(1,475,968)
Net receivables-governmental funds	29,661,472	8,910,066	9,235	2,758,989	11,145,392	12,426	52,497,580
Adjustment to full accrual basis	--	--	--	--	38,417	--	38,417
Net total receivables	$29,661,472	$8,910,066	$9,235	$2,758,989	$11,183,809	$12,426	$52,535,997

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	$ --	$ 4,242,149	$ --	$ --	$ 4,242,149
Accounts	772,449	7,064,788	3,713,236	433,239	11,983,712
Accrued interest	8,315	526,249	15,406	9,369	559,339
Gross receivables	780,764	11,833,186	3,728,642	442,608	16,785,200
Less: allowance for uncollectibles	(48,509)	--	--	(25,000)	(73,509)
Net total receivables	$ 732,255	$11,833,186	$3,728,642	$417,608	$16,711,691

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

Current assets - receivables	$16,288,427
Restricted assets - receivables	423,264
Totals	$16,711,691

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:

Net Position Restricted For:	Governmental Activities	Business Type Activities	Total
Capital projects:			
Federal and state capital grant funds	$ 3,804,340	$ --	$ 3,804,340
Federal forfeited property	338,850	--	338,850
Bond funds from dedicated road sales tax	3,240,455	--	3,240,455
Dedicated sales tax for street construction	32,054,129	--	32,054,129
Dedicated property taxes authorized by the electorate for specific special revenue funds	37,667,540	--	37,667,540
Dedicated hotel-motel taxes for Riverfront improvements	1,132,529	8,306,503	9,439,032
Total Net Position restricted for capital projects	78,237,843	8,306,503	86,544,346
Debt service:			
2% City sales tax revenue bonds	4,371,500	--	4,371,500
½% Road sales tax revenue bonds	3,629,165	--	3,629,165
LCDA road and street improvement projects	1,168,751	--	1,168,751
Sewerage Commission revenue bonds	--	35,156,225	35,156,225
LCDA Sewerage commission project	--	21,504,150	21,504,150
Greater Baton Rouge Airport District debt service	--	715,287	715,287
Total Net Position restricted for debt service	9,169,416	57,375,662	66,545,078
Passenger facility charge:			
Greater Baton Rouge Airport District (see note 16)	--	440,848	440,848

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	$ 26,564,316	$ --	$ 26,564,316
Dedicated sales tax for street maintenance and beautification	28,270,317	--	28,270,317
Court fees for juror compensation and judicial buildings	849,541	--	849,541
State road funds dedicated for transportation	15,788,781	--	15,788,781
Telephone surcharge dedicated to communications district	5,010,125	--	5,010,125
Public, Educational and Governmental programming fees	1,734,671	--	1,734,671
Volunteer fire districts service charges authorized by the electorate	385,453	--	385,453
Federal forfeited property	58,371	--	58,371
Collateral posted with swap agreement	--	70,000,000	70,000,000
Total Net Position restricted for external legal constraints	78,661,575	70,000,000	148,661,575
Total Restricted Net Position	$166,068,834	$136,123,013	$302,191,847

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	$ 656,653	$ --	$ --	$ --	$ --	$ 656,653
Restricted for:						
Dedicated property taxes:						
Library services and construction	--	78,100,179	--	27,796,921	--	105,897,100
Mosquito abatement and rodent control	--	--	--	9,461,580	1,670,233	11,131,813
Downtown development	--	--	--	--	405,437	405,437
Emergency medical services	--	--	--	409,039	7,726,228	8,135,267
Fire department pay enhancement	--	--	--	--	2,128,487	2,128,487
Volunteer fire districts	--	--	--	--	1,427,409	1,427,409
Road lighting	--	--	--	--	4,377,397	4,377,397
Dedicated sales taxes:						
Street improvement/beautification	--	--	--	32,054,129	5,183,625	37,237,754
Street maintenance	--	--	--	--	23,627,136	23,627,136
Dedicated hotel-motel taxes for Riverfront	--	--	--	1,132,529	--	1,132,529
Bond funds for capital improvements	--	--	--	63,926,613	--	63,926,613
Debt Service	--	--	--	--	13,996,029	13,996,029
Court fees for juror compensation	--	--	--	--	328,842	328,842
Court fees for judicial buildings	--	--	--	--	472,981	472,981
Court fees for sobriety court	--	--	--	--	49,007	49,007
State Road funds for transportation	--	--	--	--	15,788,781	15,788,781
Telephone surcharges for public safety	--	--	--	5,010,125	6,954,046	11,964,171
Public, educational and governmental programs	517,487	--	--	1,217,184	--	1,734,671

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	$ --	$ --	$ --	$ --	$ 492,567	$ 492,567
Federal and state grant programs	--	--	13,578,088	3,804,340	--	17,382,428
Federal forfeited property	--	--	--	338,850	58,371	397,221
Total Restricted	517,487	78,100,179	13,578,088	145,151,310	84,686,576	322,033,640
Committed to:						
Loans receivable	1,418,884	--	--	--	--	1,418,884
Self-insurance purposes	42,103,643	--	--	--	--	42,103,643
Budget stabilization	15,622,000	--	--	--	--	15,622,000
General capital improvements	--	--	--	24,197,847	--	24,197,847
City constable court costs	--	--	--	--	325,537	325,537
Gaming enforcement	--	--	--	--	209,360	209,360
Emergency medical services	--	--	--	--	8,181,328	8,181,328
Total Committed	59,144,527	--	--	24,197,847	8,716,225	92,058,599
Assigned to:						
Next year's adopted budget	4,352,700	--	--	--	--	4,352,700
Approved continuing projects	17,073,616	--	--	--	--	17,073,616
Public safety	1,848,305	--	--	--	--	1,848,305
Culture and recreation	250,376	--	--	--	--	250,376
Sales tax refunds	2,554,912	--	--	--	--	2,554,912
Animal control	170,601	--	--	--	--	170,601
Other purposes	2,095,831	--	--	--	--	2,095,831
Total Assigned	28,346,341	--	--	--	--	28,346,341
Unassigned	13,138,493	--	--	--	--	13,138,493
Total fund balances	$101,803,501	$78,100,179	$13,578,088	$169,349,157	$93,402,801	$456,233,726

c. Governmental Fund existing resources will be used to satisfy encumbrances therefore, the following amounts are included in restricted, committed, or assigned fund balances at December 31, 2015:

General fund	$ 2,095,831
Library board of control	935,087
Grants fund	13,726,309
Nonmajor governmental funds	5,401,176
Capital projects fund	45,853,963
Total governmental fund encumbrances	$68,012,366

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
Revenue bonds construction accounts	$ 177,942	$285,125,916	$ --	$285,303,858
Hotel-motel tax construction accounts	--	--	7,769,644	7,769,644
Passenger Facility Charges (PFC) account	352,055	--	--	352,055
Revenue bonds debt service accounts	1,775,376	72,621,997	--	74,397,373
Accounts receivable - PFC	183,637	--	--	183,637
Accrued interest receivable - PFC	18	--	--	18
Accrued interest receivable - sales tax revenue bonds	--	233,364	--	233,364
Accrued interest receivable - hotel-motel tax	--	--	6,245	6,245
Prepaid items - bond issuance costs	5,880	--	--	5,880
Total restricted assets	$2,494,908	$357,981,277	$7,775,889	$368,252,074

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, 2015, 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 12/31/2015	
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	4.50	34,863,776	20,303,156	
5	Airport access road	4.50	3,089,499	1,572,767	
5	Acquire A/C loading bridges	4.50	2,324,075	774,865	
6	Runway 4L/22R extension project	4.50	11,815,660	3,938,769	
6	Professional Fees-administration of PFC	4.50	434,000	--	
6	General Aviation Apron Facility Expansion	4.50	598,529	282,580	
7	Terminal Atrium Expansion	4.50	20,298,565	3,876,125	
7	Acquisition of Property for Development	4.50	2,802,951	525,180	
7	Taxiway Fillet Construction	4.50	1,429,025	267,177	
7	Ticket Lobby Expansion	4.50	1,097,133	351,819	
	Total Approved Applications		$81,359,236	$34,498,461	

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 2015 fiscal year resulting in a restriction of Net Position from passenger facility charges as follows:

	Accrual Basis	Cash Basis
Cumulative PFC receipts (1992 - 2015), net of administrative fee	$ 32,218,955	$ 32,035,319
Interest earnings	1,444,180	1,444,162
Claim settlement	1,371,035	1,371,035
Total revenues	35,034,170	34,850,516
Cumulative disbursements for PFC projects (1992 - 2015)	(9,791,889)	(9,732,386)
Cumulative bond principal payments	(11,667,701)	(11,667,701)
Cumulative bond interest payments	(13,133,732)	(13,098,374)
Total disbursements	(34,593,322)	(34,498,461)
Net PFC cash, December 31, 2015		$ 352,055
Net Position restricted for PFC, December 31, 2015	$ 440,848	

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 $31,949,276. Total estimated capacity is 28,420,000 cubic yards and the projected life is 45 years from the opening date of the landfill. 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, 2015, totals $15,632,271. The liability is based on the landfill capacity used to date of 13,905,452 cubic yards or 48.9% 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 $16,317,005 will be recognized as the remaining estimated capacity is filled. The estimated remaining useful life of the landfill as of December 31, 2015, 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 2015:

District 1	Trae Welch	$21,600
District 2	Chauna Banks-Daniel	21,600
District 3	Chandler Loupe	
	Council	21,600
	Mayor ProTem	18,000
District 4	Scott Wilson	21,600
District 5	Ronnie Edwards	21,600
District 6	Donna Collins-Lewis	21,600
District 7	C. Denise Marcelle	21,600
District 8	Buddy Amoroso	21,600
District 9	Joel Boe’	21,600
District 10	Tara Wicker	21,600
District 11	Ryan Heck	21,600
District 12	John M. Delgado	21,600

b. Communications District Wireless E911 Service

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

The East Baton Rouge Parish Communications District Board of Commissioners enacted Resolution No. 001/2000 on March 17, 2000, assessing an emergency telephone service charge of $0.50 per month per wireless Commercial Mobile Radio Service (CMRS) user. In 2006 the fee was increased to $0.85 per month by the Communications District Board. Since the enactment of the fee, the Communications District Special Revenue Fund has collected $40.0 million in wireless fees. Approximately $4,952,401 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 2015.

	Total Collections	Collection Cost	Final Distribution
City of Baker	$ 3,832,975	$ 36,289	$ 3,796,686
Baker School District	2,932,010	27,441	2,904,569
City of Zachary	7,124,967	68,911	7,056,056
Zachary School District	8,609,767	86,529	8,523,238
City of Central	5,132,668	51,007	5,081,661
Central School District	6,442,515	62,605	6,379,910
EBRP School District	158,620,546	1,530,680	157,089,866
Street Improvements Tax for other municipalities	3,439,312	26,266	3,413,046
Visit Baton Rouge	4,471,528	6,000	4,465,528
Total	$200,606,288	$1,895,728	$198,710,560

NOTE 19 - Subsequent Events

a. City Series 2016A-1, Series 2016A-2 and Series 2016A-3 Bonds

On April 28, 2016, the City of Baton Rouge issued (1) $40,765,000 Public Improvement Sales Tax Revenue Refunding Bonds, Series 2016A-1 for the purpose of (a) providing funds to advance refund $42,610,000 in aggregate principal amount of its Public Improvement Sales Tax Revenue and Refunding Bonds, Series 2008A-2 maturing August 1, 2019, and thereafter, to their first optional redemption date of August 1, 2018, and (b) paying the costs of issuance thereof; (2) $1,315,000 Public Improvement Sales Tax Revenue Refunding Bonds, Series 2016A-2 (Taxable) for the purpose of (a) providing funds to currently refund $1,490,000 in aggregate principal amount of its Public Improvement Sales Tax Revenue Bonds, Series 2005B (Taxable), maturing August 1, 2016, and thereafter; to their optional redemption date of June1, 2016 and (b) paying the costs of issuance thereof; and (3) $4,915,000 Public Improvement Sales Tax Revenue Bonds, Series 2016A-3 for the purpose of (a) loaning the proceeds to the Greater Baton Rouge Airport District to enable the district to make improvements to the public parking garage located at the Baton Rouge Metropolitan Airport and (b) paying the cost of issuance. The 2016 Bonds were issued as a combination of serial and term bonds that mature on August 1 of each year through 2041 with interest from 0.75 - 5.00 percent.

b. East Baton Rouge Sewerage Commission, Series 2016A Bonds

On May 17, 2016, the East Baton Rouge Sewerage Commission authorized the issuance of $12,000,000 Taxable Revenue Bonds, Series 2016A. 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 will be payable only on the amount drawn from the date reimbursed. The Bonds will mature on February 1 of each year beginning 2019 through 2038.