



Department of Finance

Accounting Division

City of Baton Rouge
Parish of East Baton Rouge

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May 23, 2003

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

Dear Mayor-President and Council Members:

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

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

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

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

Profile of the Government



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

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

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



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

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

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

The financial statements included in this CAFR are as follows:

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

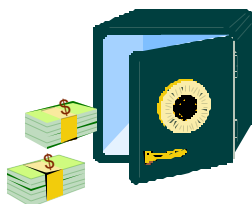
An explanation of the accounting policies of the City-Parish is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policy are explained in detail in the Notes to the Financial Statements.

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

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

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

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



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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

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



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

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

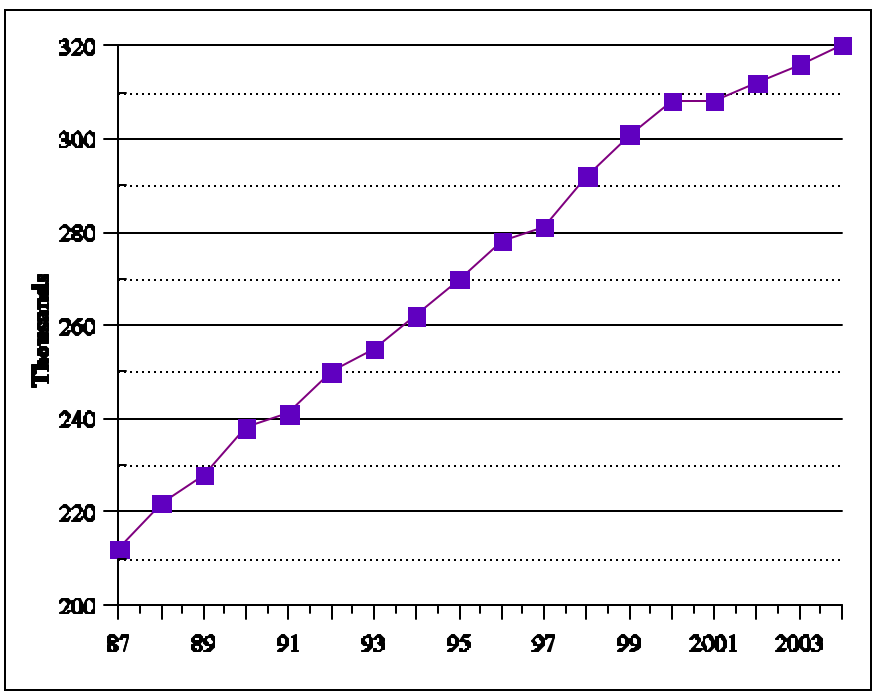
	<u>East Baton Rouge Parish</u>	<u>Baton Rouge MSA</u> ⁽¹⁾
1998	4.3	4.6
1999	3.7	4.0
2000	4.2	4.8
2001	4.9	5.5
2002 ⁽²⁾	5.0	5.6

⁽¹⁾ Metropolitan Statistical Area
⁽²⁾ Preliminary Figures

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

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

FIGURE 1
BATON ROUGE MSA WAGE & SALARY EMPLOYMENT



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

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

As mentioned earlier, the chemical industry is very capital-intensive, and that means when it expands, so does the **industrial construction**. Industrial construction jobs are also closely tied to "turnarounds" at these plants, i.e., when the plants are shut down completely for scheduled maintenance. ...the Baton Rouge MSA has an unusually high 11.2 percent of its workforce in the construction sector, a proportion only exceeded by Lake Charles...site of another major chemical concentration.

Of course, **state government** is another major player in the Baton Rouge economy. The huge state capital complex and two major state-supported universities—LSU and Southern University—add significant dollars to the Baton Rouge economy. The Louisiana economy also grew over those same 13 straight years of 1988-00. Solid expansions like that generate a generous stream of tax collections into the state treasury.

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

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

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

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

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

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

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

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

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

Major Initiatives in 2002

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

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

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



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

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

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



Long-Term Financial Planning

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

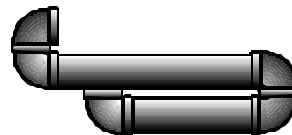


financed through a bond sale in 2001. In order to capitalize on the growing tourism industry the expansion will add 100,000 square feet of exhibition space, 20,000 square feet of meeting space, and a minimum of 15,000 square feet for a hotel-quality ballroom. The added space and numerous private and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

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

Sanitary Sewer Overflow Project

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



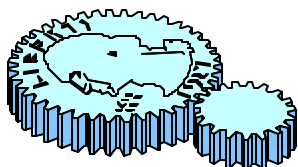
The Metropolitan Council selected a \$618 million construction plan in August of 2001 to implement the SSO Corrective Action Plan. This was approved in conjunction with the aforementioned Consent Decree with the EPA and DEQ. Highlights of this construction alternative include the construction of one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

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

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

Pension Operations

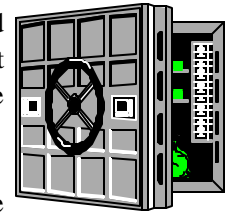
The City-Parish's contribution to the City-Parish Employees' Retirement System (CPERS) during 2002 fell short of the Governmental Accounting Standards Board (GASB) Statement No. 27 annual pension cost (APC) by approximately \$3.8 million, increasing the ordinary net pension obligation (NPO) from \$6.9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



Cash Management Policies and Practices

Diverse operations of the various funds of the City-Parish require a sophisticated cash management system to control and actively utilize cash as a financial resource.

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



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

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

Cash and investments for one blended component unit, the City-Parish Employees' Retirement System, are not included in the City-Parish government's consolidated bank account. This organization is considered part of the City-Parish primary government, but maintains separate bank accounts and controls its own disbursements and investments. Individual cash items of the discretely presented component units are presented in the financial statements.

In accordance with bond resolutions concerning the issuance of revenue bonds, separate cash accounts are maintained by trustees for the debt accounts of all sales tax revenue bonds, the Greater Baton Rouge Parking Authority, and the East Baton Rouge Sewerage Commission. Trustee-held funds as of December 31, 2002, were as follows:

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

Investment activity as of December 31, 2002, on trustee-held funds is detailed in Exhibit I-1. All of the primary government's deposits as of December 31, 2002, were either collateralized with securities held by the pledging financial institution's trust department or agent in the City-Parish's name, or covered by FDIC insurance as required by law.

Risk Management

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

Awards and Acknowledgments



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

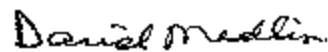
In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both Generally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

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

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "David Medlin".

David Medlin, CPA
Finance Director