

CITY OF KENNER, LOUISIANA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



Submitted by:

Department of Finance

MICHAEL T. WETZEL
Chief Financial Officer

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INTRODUCTORY SECTION



CITY OF KENNER

OFFICE OF FINANCE

E. "BEN" ZAHN III
MAYOR

MICHAEL T. WETZEL
CHIEF FINANCIAL OFFICER

December 29, 2017

Honorable Mayor and City Councilpersons
City of Kenner, Louisiana
1801 Williams Boulevard
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls are included in the single audit section of this report.

CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor. This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature

and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2017 are included in the Single Audit Section of this report.

Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

LOCAL ECONOMY

The City's economy has been improving and we expect it to continue to improve. As discussed later in the Management's Discussion and Analysis, the City's largest revenue source, Sales Taxes are steadily growing. The

construction of a new \$600 million terminal at the Louis Armstrong New Orleans International Airport located in Kenner has recently begun and is expected to be completed over the next several years. Construction on the City's major corridor redevelopment program has also begun recently. These and other potential developments should provide a major boost to the City's economy by creating jobs and generating additional taxes and fees in the coming years. We expect these anticipated additional revenues to help the City keep pace with ever increasing costs.

LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants has been included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2016. This was the twenty first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



MICHAEL T. WETZEL
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Kenner
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Councilwoman at Large Division A	Maria DeFrancesch
Councilman at Large Division B	Thomas Willmott
District No. 1	Gregory Carroll
District No. 2	Michael Sigur
District No. 3	Keith Reynaud
District No. 4	Leonard Cline
District No. 5	Dominick Impastato

EXECUTIVE STAFF

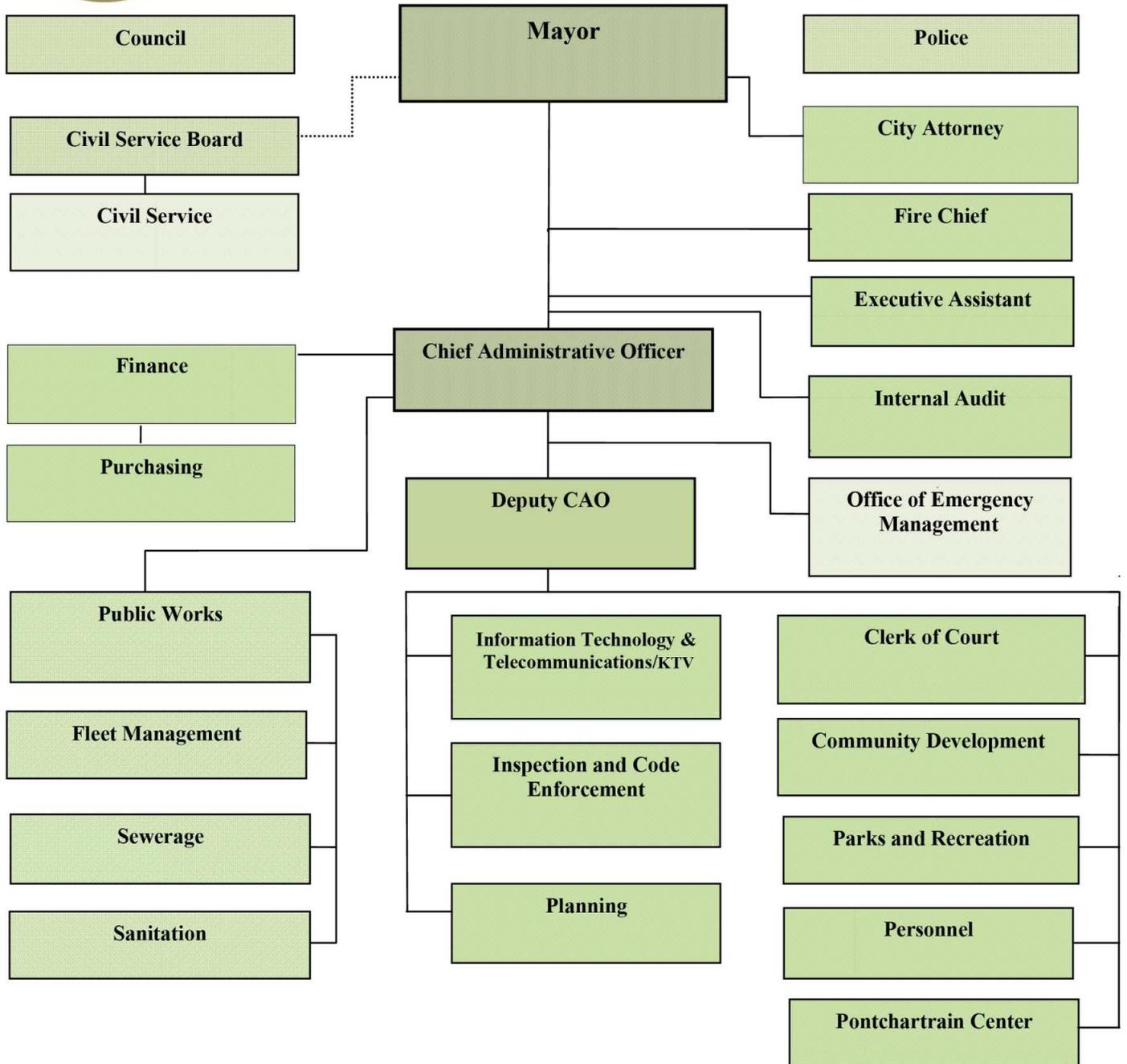
Mayor	Honorable E. "Ben" Zahn
Chief Administrative Officer	Deborah Foshee
Chief of Police	Michael Glaser
City Attorney	Leigh Roussel
Deputy Chief Administrative Officer	Kriss Fortunato
Chief Financial Officer	Michael Wetzel

DEPARTMENT HEADS

Inspection and Code Enforcement	Rick Walther
Community Development	Michael Ince
Parks and Recreation	Kenneth Marroccoli
Human Resources	Wendi Folse
Planning	Jay Hebert
Purchasing	Theresa Nevels
Fire Chief	John Hellmers
Clerk of Court Director	Leon Contavasprie
Information Technology	Jay Sprague
Internal Audit	Adam Campo
Council Clerk	Natalie Hall
Civil Service	Victoria Kinchen
Fleet Management	Ronald Vitellaro
Public Works	Tom Schreiner

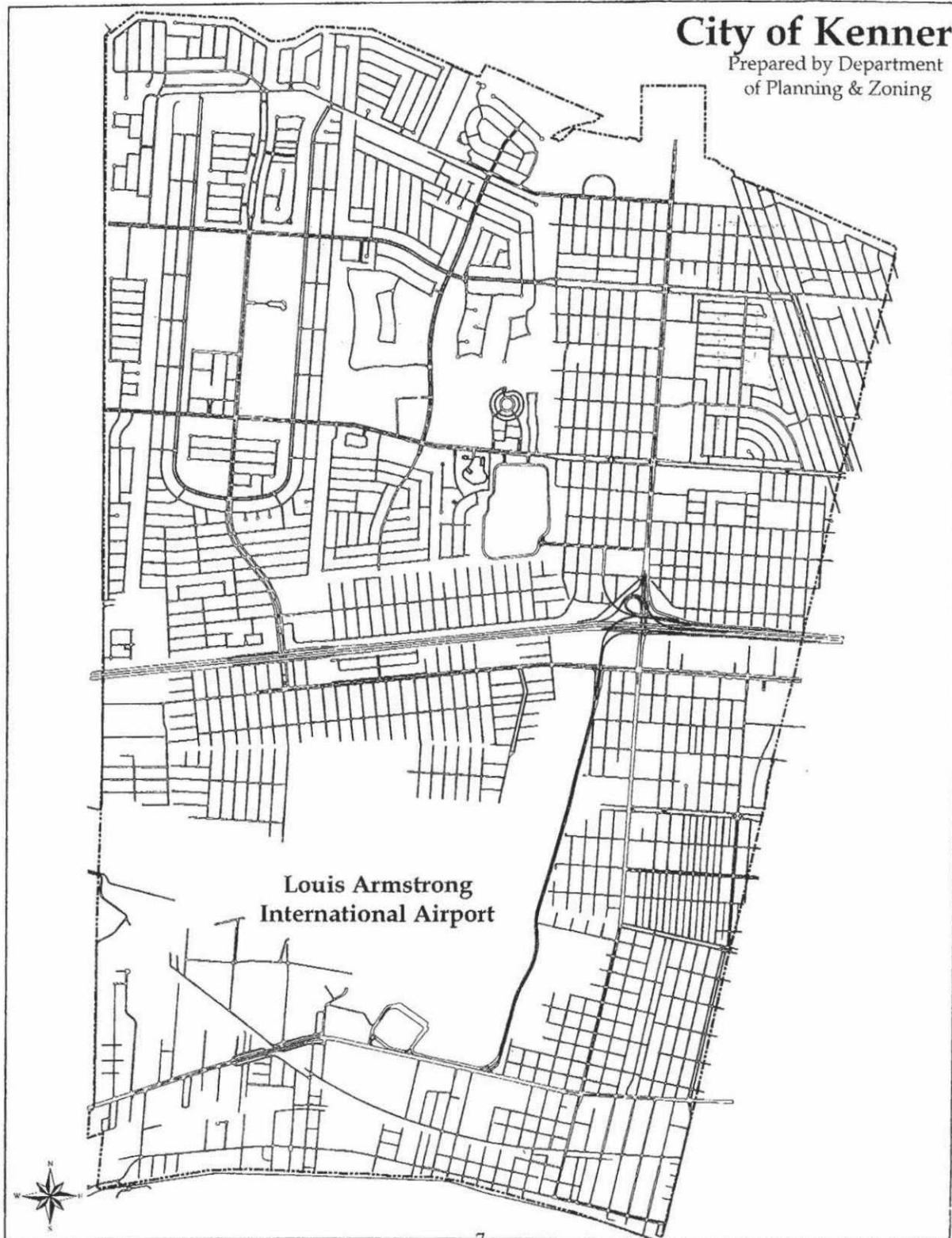


City of Kenner Organization of Government



City of Kenner

Prepared by Department
of Planning & Zoning



FINANCIAL SECTION



Duplantier
Hrapmann
Hogan &
Maher, LLP

INDEPENDENT AUDITOR'S REPORT

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

December 29, 2017

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
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Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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Members
American Institute of
Certified Public Accountants
Society of LA CPAs

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana's basic financial statements. The introductory section, the other supplementary information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the budget to actual schedules for the General, non-major Special Revenue Funds, and the Proprietary Funds, the combining Internal Service Fund schedules, the Fiduciary Fund statement of changes in assets and liabilities, the schedule of councilperson's compensation, the schedule of compensation, benefits, and other payments to the Mayor, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kenner, Louisiana's internal control over financial reporting and compliance.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2017. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by approximately \$177.0 million at June 30, 2017.

The City's net investment in capital assets is approximately \$201.7 million the City's restricted net position is approximately \$22.5 million which is primarily restricted for capital projects and debt service. The City's unrestricted net position is approximately (\$47.3) million.

The City's unrestricted net position in governmental activities is approximately (\$41.0) million. Business-type activities' unrestricted net position is approximately (\$6.2) million, which is a decrease of \$5.2 million.

The City's general fund reported an unassigned fund balance of approximately \$11.2 million, which is an increase of \$2.4 million.

There was no change in the fund balance of the One Percent Sales Tax of 1984 fund or the Fire Protection fund and only a minor change in the General Capital Projects fund. The Capital Projects funded with Bond Proceeds fund had a decrease in fund balance of \$5.7 million due to the progression of the 2030 Plan, the Sewerage Capital Improvement Program, and other various projects.

During the year, the City continued to drawdown funds from three low interest loans from LDEQ for additional projects as part of the City's Sewerage Capital Improvement Program. The Sewerage Capital Improvement Program is intended to overhaul the City's sewerage system to address compliance orders from the LDEQ, which the City has been under for a number of years.

The City's debt includes \$68.0 million of net pension liability (due to the Implementation of GASB 68 in fiscal year ended June 30, 2015), OPEB of \$6.3 million, and Compensated Absences of \$5.0 million.

The City's other debt consists of bonds and notes payable of \$90.7 million. During the year, the City made principal payments of \$6.0 million and received \$8.7 million of drawdowns.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, which results in net position. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

The Statement of Net Position and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, culture and recreation, health and welfare, and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has five major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Fire Protection Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The seven non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds except for the General Capital Projects funds.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison statements are provided for these funds.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Government-wide Financial Analysis

Net position. The following table reflects condensed information on the City's net position for the current and prior years.

	Net Position June 30, (In thousands)					
	Governmental Activities <u>2017</u>	Business-type Activities <u>2017</u>	Total <u>2017</u>	Governmental Activities <u>2016</u>	Business-type Activities <u>2016</u>	Total <u>2016</u>
Assets:						
Current and other assets	\$ 62,113	\$ 8,556	\$ 70,669	\$ 71,605	\$ 13,400	\$ 85,005
Capital assets	<u>170,987</u>	<u>96,088</u>	<u>267,075</u>	<u>177,254</u>	<u>90,767</u>	<u>268,021</u>
Total assets	<u>233,100</u>	<u>104,644</u>	<u>337,744</u>	<u>248,859</u>	<u>104,167</u>	<u>353,026</u>
Deferred Outflows of Resources						
Related to pensions and bond refunding	<u>23,131</u>	<u>-</u>	<u>23,131</u>	<u>14,956</u>	<u>-</u>	<u>14,956</u>
Liabilities:						
Long-term outstanding debt	137,242	32,819	170,061	134,074	30,993	165,067
Other liabilities	<u>8,772</u>	<u>1,381</u>	<u>10,153</u>	<u>11,544</u>	<u>1,370</u>	<u>12,914</u>
Total liabilities	<u>146,014</u>	<u>34,200</u>	<u>180,214</u>	<u>145,618</u>	<u>32,363</u>	<u>177,981</u>
Deferred Inflows of Resources						
Related to pensions	<u>3,663</u>	<u>-</u>	<u>3,663</u>	<u>3,385</u>	<u>-</u>	<u>3,385</u>
Net position:						
Net investment in capital assets	138,501	63,271	201,772	149,043	59,775	208,818
Restricted	9,098	13,384	22,482	6,604	13,028	19,632
Unrestricted	<u>(41,046)</u>	<u>(6,211)</u>	<u>(47,257)</u>	<u>(40,835)</u>	<u>(998)</u>	<u>(41,833)</u>
Total net position	<u>\$ 106,553</u>	<u>\$ 70,444</u>	<u>\$ 176,997</u>	<u>\$ 114,812</u>	<u>\$ 71,805</u>	<u>\$ 186,617</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Changes in net position. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

	Changes in Net Position June 30, (In thousands)					
	Governmental Activities 2017	Business-type Activities 2017	Total 2017	Governmental Activities 2016	Business-type Activities 2016	Total 2016
Revenues:						
Program revenues:						
Charges for services	\$ 18,554	\$ 10,269	\$ 28,823	\$ 21,277	\$ 9,586	\$ 30,363
Operating grants & Contributions	2,396	-	2,396	2,225	-	2,225
Capital grants & Contributions	5,244	658	5,902	3,135	8,926	12,061
General revenues:						
Property taxes	8,118	544	8,662	8,097	543	8,640
Sales taxes	33,751	-	33,751	32,423	-	32,423
Other taxes	10,773	663	11,436	10,752	661	11,413
Grants & contributions not restricted to specific program	101	-	101	25	112	137
Other	1,560	185	1,755	8,589	69	8,658
Total revenues	80,507	12,319	92,826	86,523	19,897	106,420
Program expenses:						
General government	16,587	-	16,587	14,837	-	14,837
Public safety	33,468	-	33,468	30,884	-	30,884
Public works	24,783	-	24,783	32,764	-	32,764
Health and welfare	859	-	859	613	-	613
Culture and recreation	9,948	-	9,948	7,009	-	7,009
Transit & urban development	1,588	-	1,588	2,923	-	2,923
Debt issuance costs	-	-	-	-	-	-
Interest on long term debt	1,972	-	1,972	2,023	-	2,023
Sewer operations	-	10,148	10,148	-	10,345	10,345
Civic center operations	-	3,092	3,092	-	3,461	3,461
Total expenses	89,205	13,240	102,445	91,053	13,806	104,859
Change in net position before Transfer and Extraordinary Items	(8,698)	(921)	(9,619)	(4,530)	6,091	1,561
Transfers	439	(439)	-	(10)	10	-
Change in net position	(8,259)	(1,360)	(9,619)	(4,540)	6,101	1,561
Net Position-beginning of year	114,812	71,804	186,616	119,351	65,704	185,055
Net position-end of year	\$ 106,553	\$ 70,444	\$ 176,997	\$ 114,812	\$ 71,805	\$ 186,617

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2017 for its governmental and business-type activities was approximately \$267.0 million, net of depreciation as reflected in the schedule below:

**Capital Assets
June 30, 2017
(Net of depreciation in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	8,719	18,667	27,386
Capitalized Interest	-	220	220
Buildings	21,974	53,963	75,937
Improvements other than buildings	7,888	14,965	22,853
Equipment	7,086	4,474	11,560
Infrastructure	<u>115,647</u>	<u>-</u>	<u>115,647</u>
Total	<u>\$ 170,988</u>	<u>\$ 96,088</u>	<u>\$ 267,076</u>

The majority of the capital additions for the year were for sewerage improvements as the City continued a major program to upgrade the City's sewerage system funded with funds loaned from the Louisiana Department of Environmental Quality and bonds issued. The City also purchased additional police and fire vehicles to enhance public safety and additional equipment needed for Public Works activities. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

Long-term debt. At year-end, the City had approximately \$170.1 million in long-term debt as shown in the table below.

**Outstanding long-term debt
June 30, 2017
(In thousands)**

	Governmental Activities	Business-type Activities	Total
Revenue bonds	\$ 56,035	\$ 32,818	\$ 88,853
Note payable	1,889	-	1,889
OPEB Liability	6,311	-	6,311
Net Pension Liability	67,970	-	67,970
Compensated Absences	<u>5,037</u>	<u>-</u>	<u>5,037</u>
Total	<u>\$ 137,242</u>	<u>\$ 32,818</u>	<u>\$ 170,060</u>

The City's sales tax bonds have an underlying rating of A+ by Standard and Poor's.

The 2011 Sewer bonds have an underlying rating of A and an insured rating of AA by Standard and Poor's.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately \$216 million of additional general obligation bonded debt is available for issuance. See note "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Revenues, excluding grants and contributions, decreased by 8.23% during the year primarily due to a decrease in Charges for Services and Other Revenue. In 2016, Charges for Services included a significant amount of non-recurring plan review fees from the Airport in connection with the design of its new terminal. In 2016, Other Revenue included a nonrecurring BP settlement of \$7.0 million. The absence of these two items in 2017 resulted in decreases in Charges for Services and Other Revenue of 6.6% and 79.7%, respectively.

Operating Grants and Contributions increased and Capital Grants decreased due to an escalation of road projects and a slowdown in the amount of sewerage and other major infrastructure improvements.

Total expenses decreased primarily due to the slowdown in the amount of sewerage and other major infrastructure improvements

The City strives to maintain an unassigned fund balance in the General Fund of approximately 10% of operating expenses. The fund balance is needed to help the city meet any unforeseen expenditures such as major storms, etc. and to meet the city's cash flow needs as several services are financed using property tax millages such as garbage services and fire protection and the property taxes are not collected until the middle of the fiscal year. As noted earlier, the unassigned fund balance in the general fund is approximately 12% of operating expenditures.

The city also continues to rebuild damaged facilities from hurricanes Katrina and Isaac with funding received from FEMA.

BUDGETARY HIGHLIGHTS

General Fund revenues came in notably higher than the budget due to sales taxes and plan review fees previously discussed, however fines came in under budget.

General Fund expenditures were slightly over the budget due to year end accruals.

ECONOMIC OUTLOOK

Sales taxes, the city's primary revenue, continue to increase and are up approximately 4% so far in the 2017-18 year. Since the Recession, the City has had to make budget cuts, rededicate capital funds to operations, and use a portion of the City's fund balance to balance the budget as costs have been rising faster than revenues. Sales taxes are expected to continue to grow and although costs continue to rise as well, the 2017-18 budget did not require rededicating any of the fund balance for recurring operating expenses however \$500,000 of the fund balance was dedicated for additional capital projects.

Other positive developments should help the City's economy continue to improve. Louis Armstrong New Orleans International Airport, which is located in the City, began construction in early 2016 on a new \$600 million north terminal. This will be the largest construction project in the history of the City and will take four years to build. This project will have a major impact on the City's economy by generating an additional several million dollars in permit fees as well as significant amount of sales taxes in the coming years.

In August 2013, the City refinanced its 2003 sales tax bonds to obtain funds for a corridor redevelopment program. The plan is intended to enhance the City's image to attract new businesses and residents to the City. The refinancing provided \$28 million for the program. The plan is expected to improve the City's economy in the coming years. A number of the projects have been designed and the pace of construction which began in 2016 is expected to increase in the coming year.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 3,793,123	\$ 241,254	\$ 4,034,377
Equity in pooled cash	9,050,447	546,610	9,597,057
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,389,856	-	1,389,856
Accounts	3,988,109	-	3,988,109
Intergovernmental	8,192,145	513,081	8,705,226
Special assessments - delinquent	477	-	477
Interest	1,009,758	-	1,009,758
Service charges	-	2,617,479	2,617,479
Other	319,899	30,383	350,282
Internal balances	8,781,602	(8,781,602)	-
Inventory, at cost	28,905	-	28,905
Prepaid items	111,524	-	111,524
Refundable deposits	-	3,669	3,669
Restricted assets:			
Cash	7,773,525	13,384,442	21,157,967
Investments	17,673,518	-	17,673,518
Capital assets not being depreciated	18,393,063	22,685,350	41,078,413
Capital assets being depreciated, net of accumulated depreciation	152,594,170	73,403,090	225,997,260
Total assets	233,100,121	104,643,756	337,743,877
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	191,087	-	191,087
Related to pensions	22,939,617	-	22,939,617
Total deferred outflows of resources	23,130,704	-	23,130,704
LIABILITIES			
Accounts payable	3,361,240	898,973	4,260,213
Estimated claims payable	4,236,501	-	4,236,501
Accrued liabilities	947,530	172,723	1,120,253
Deposits on future events	-	310,068	310,068
Due to other governments	170,058	-	170,058
Other liabilities	57,070	-	57,070
Current portion of long-term debt	7,355,538	2,153,000	9,508,538
Non-current liabilities:			
Due in more than one year	129,886,604	30,664,905	160,551,509
Total liabilities	146,014,541	34,199,669	180,214,210
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	312,405	-	312,405
Related to pensions	3,350,488	-	3,350,488
Total deferred inflows of resources	3,662,893	-	3,662,893
NET POSITION			
Net investment in capital assets	138,501,616	63,270,535	201,772,151
Restricted for:			
Capital projects	6,415,805	10,363,493	16,779,298
Debt service	2,368,294	3,020,949	5,389,243
Other	313,321	-	313,321
Unrestricted	(41,045,645)	(6,210,890)	(47,256,535)
Total net position	\$ 106,553,391	\$ 70,444,087	\$ 176,997,478

CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 16,586,949	\$ 8,537,637	\$ 157,193	\$ -	\$ (7,892,119)	\$ -	\$ (7,892,119)
Public safety	33,467,757	3,542,687	1,652,741	189,863	(28,082,466)	-	(28,082,466)
Public works	24,782,776	4,699,524	202,208	4,400,575	(15,480,469)	-	(15,480,469)
Health and welfare	858,793	42,432	54,720	-	(761,641)	-	(761,641)
Culture and recreation	9,948,548	1,631,671	132,086	118,421	(8,066,370)	-	(8,066,370)
Transit and urban development	1,588,093	100,234	197,454	535,512	(754,893)	-	(754,893)
Interest on long-term debt and other charges	1,972,444	-	-	-	(1,972,444)	-	(1,972,444)
Total Governmental Activities	<u>89,205,360</u>	<u>18,554,185</u>	<u>2,396,402</u>	<u>5,244,371</u>	<u>(63,010,402)</u>	<u>-</u>	<u>(63,010,402)</u>
Business-type Activities							
Wastewater Operations	10,148,155	8,810,605	-	76,164	-	(1,261,386)	(1,261,386)
Civic Center Operations	3,091,574	1,458,603	-	581,299	-	(1,051,672)	(1,051,672)
Total Business-type Activities	<u>13,239,729</u>	<u>10,269,208</u>	<u>-</u>	<u>657,463</u>	<u>-</u>	<u>(2,313,058)</u>	<u>(2,313,058)</u>
Total	<u>\$ 102,445,089</u>	<u>\$ 28,823,393</u>	<u>\$ 2,396,402</u>	<u>\$ 5,901,834</u>	<u>(63,010,402)</u>	<u>(2,313,058)</u>	<u>(65,323,460)</u>
General Revenues:							
Taxes:							
					8,118,440	544,023	8,662,463
					283,656	275,146	558,802
					33,751,167	-	33,751,167
					65,301	-	65,301
					2,885,134	-	2,885,134
					7,539,276	387,544	7,926,820
					101,102	-	101,102
					493,319	175,142	668,461
					302,527	-	302,527
					773,000	10,000	783,000
					439,175	(439,175)	-
					<u>54,752,097</u>	<u>952,680</u>	<u>55,704,777</u>
					<u>(8,258,305)</u>	<u>(1,360,378)</u>	<u>(9,618,683)</u>
					114,811,696	71,804,465	186,616,161
					<u>\$ 106,553,391</u>	<u>\$ 70,444,087</u>	<u>\$ 176,997,478</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	GENERAL	ONE PERCENT SALES TAX OF 1984	FIRE PROTECTION
ASSETS			
Cash	\$ 3,175,106	\$ -	\$ -
Equity in pooled cash	823,570	-	-
Investments	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,389,856	-	-
Accounts	2,803,521	-	176,049
Intergovernmental	4,232,630	2,040,929	-
Special assessments - delinquent	477	-	-
Interest	1,008,485	-	-
Other	157,640	-	201
Due from other funds	17,869,473	-	630,606
Inventory, at cost	28,905	-	-
Prepaid items	111,524	-	-
Total assets	\$ 31,601,187	\$ 2,040,929	\$ 806,856
LIABILITIES:			
Accounts payable	\$ 2,180,584	\$ -	\$ 95,601
Accrued liabilities	594,131	-	128,210
Due to other funds	11,796,584	2,040,929	2,382
Due to other governments	170,058	-	-
Other liabilities	8,690	-	-
Total liabilities	<u>14,750,047</u>	<u>2,040,929</u>	<u>226,193</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	1,396,970	-	580,663
FUND BALANCES:			
Nonspendable			
Prepaid items	111,524	-	-
Inventory	28,905	-	-
Restricted			
Federal grants	-	-	-
Debt service	-	-	-
Capital projects	333,322	-	-
Law Enforcement	1,470,022	-	-
Committed			
Other commitments	584,870	-	4,684
Assigned			
Subsequent year's expenditures	1,712,310	-	-
Unassigned	11,213,217	-	(4,684)
Total fund balances	<u>15,454,170</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 31,601,187	\$ 2,040,929	\$ 806,856

The accompanying notes are an integral part of this statement.

GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 5,876,066	\$ 1,944,438	\$ 10,995,610
7,914,173	23,055	239,649	9,000,447
-	17,673,518	-	17,673,518
-	-	-	1,389,856
-	-	1,008,539	3,988,109
1,384,750	-	533,836	8,192,145
-	-	-	477
1,273	-	-	1,009,758
161,502	-	556	319,899
10,546,002	375,739	401,133	29,822,953
-	-	-	28,905
-	-	-	111,524
<u>\$ 20,007,700</u>	<u>\$ 23,948,378</u>	<u>\$ 4,128,151</u>	<u>\$ 82,533,201</u>
\$ 477,550	\$ 193,263	\$ 405,538	\$ 3,352,536
-	-	55,375	777,716
1,677,084	4,196,486	818,470	20,531,935
-	-	-	170,058
-	48,380	-	57,070
<u>2,154,634</u>	<u>4,438,129</u>	<u>1,279,383</u>	<u>24,889,315</u>
-	375,739	456,013	2,809,385
-	-	-	111,524
-	-	-	28,905
-	-	313,321	313,321
-	-	2,368,294	2,368,294
168,621	19,091,015	-	19,592,958
-	-	-	1,470,022
17,684,445	43,495	-	18,317,494
-	-	-	1,712,310
-	-	(288,860)	10,919,673
<u>17,853,066</u>	<u>19,134,510</u>	<u>2,392,755</u>	<u>54,834,501</u>
<u>\$ 20,007,700</u>	<u>\$ 23,948,378</u>	<u>\$ 4,128,151</u>	<u>\$ 82,533,201</u>

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balances - total governmental funds	\$ 54,834,501
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	170,987,233
Deferred outflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the governmental funds	22,939,617
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(4,133,583)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	2,496,980
Deferred inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the governmental funds.	(3,350,488)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(169,814)
OPEB Payable	(6,310,909)
Compensated absences	(5,036,597)
Bonds, notes and loans payable (net of premiums, discounts and deferred charges)	(57,733,552)
Net pension liability	(67,969,997)
Net position of governmental activities	\$ 106,553,391

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>FIRE PROTECTION</u>
REVENUES			
Taxes	\$ 28,202,879	\$ 11,944,911	\$ 5,392,181
Licenses and permits	3,897,098	-	-
Intergovernmental	2,070,064	-	-
Charges for services	1,492,675	-	240
Fines and forfeitures	2,165,691	-	-
Interest	151,370	-	1,922
Miscellaneous	606,169	-	850
	<u>38,585,946</u>	<u>11,944,911</u>	<u>5,395,193</u>
EXPENDITURES			
Current:			
General government	11,055,623	-	-
Public safety	20,137,977	-	7,325,023
Public works	4,089,364	-	-
Health and welfare	448,663	-	-
Culture and recreation	4,621,240	-	-
Transit and urban development	399,319	-	-
Debt service			-
Principal	-	-	-
Interest and fiscal charges	-	-	-
Miscellaneous	-	-	-
	<u>40,752,186</u>	<u>-</u>	<u>7,325,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,166,240)</u>	<u>11,944,911</u>	<u>(1,929,830)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of property	-	-	-
Transfers in	10,190,158	-	1,929,830
Transfers out	(8,981,946)	(11,944,911)	-
Issuance of long term debt	-	-	-
	<u>1,208,212</u>	<u>(11,944,911)</u>	<u>1,929,830</u>
Net change in fund balances	(958,028)	-	-
Fund balances - beginning of year	<u>16,412,198</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 15,454,170</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 7,048,543	\$ 52,588,514
-	-	-	3,897,098
5,249,697	-	181,307	7,501,068
-	-	3,364,600	4,857,515
-	-	-	2,165,691
92,981	143,637	24,946	414,856
521,323	24	-	1,128,366
<u>5,864,001</u>	<u>143,661</u>	<u>10,619,396</u>	<u>72,553,108</u>
2,407,030	-	-	13,462,653
1,309,959	-	-	28,772,959
6,897,261	3,920,144	6,166,865	21,073,634
38,472	-	160,108	647,243
1,734,482	2,016,880	-	8,372,602
558,993	-	551,621	1,509,933
-	-	4,620,744	4,620,744
-	-	1,934,814	1,934,814
-	-	36,000	36,000
<u>12,946,197</u>	<u>5,937,024</u>	<u>13,470,152</u>	<u>80,430,582</u>
<u>(7,082,196)</u>	<u>(5,793,363)</u>	<u>(2,850,756)</u>	<u>(7,877,474)</u>
773,000	-	-	773,000
7,047,383	50,000	3,030,917	22,248,288
(831,055)	-	(51,198)	(21,809,110)
-	-	-	-
<u>6,989,328</u>	<u>50,000</u>	<u>2,979,719</u>	<u>1,212,178</u>
(92,868)	(5,743,363)	128,963	(6,665,296)
<u>17,945,934</u>	<u>24,877,873</u>	<u>2,263,792</u>	<u>61,499,797</u>
<u>\$ 17,853,066</u>	<u>\$ 19,134,510</u>	<u>\$ 2,392,755</u>	<u>\$ 54,834,501</u>

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances, total governmental funds	\$ (6,665,296)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	10,251,979
Depreciation expense	(16,518,841)
In the statement of activities, only the gain on the sale of capital assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	
	-
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	149,235
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,958,933
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditures in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities; however, interest expense is recognized as the interest accrues, regardless of when it is due.	11,203
Pension benefit (expense), which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.	(2,084,534)
The City's proportionate share of non-employer contributions to the pension plans are reported in the Statement of Activities.	1,444,600
Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities compensated absences are expensed as they are accrued. This is the change in the compensated absence liability.	(196,522)
Payment of other post employment benefits is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities other post employment benefits are expensed as they are accrued. This is the change in the other post employment liability.	(369,349)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	(239,713)
Change in net position of governmental activities	\$ (8,258,305)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
ASSETS				
Current assets:				
Cash	\$ -	\$ 241,254	\$ 241,254	\$ 571,038
Equity in pooled cash	546,610	-	546,610	50,000
Receivables (net, where applicable, of allowances for uncollectibles)				
Intergovernmental	152,218	360,863	513,081	-
Service charges	2,528,685	88,794	2,617,479	-
Other		30,383	30,383	-
Due from other funds	263,779	370,819	634,598	-
Restricted cash	13,384,442	-	13,384,442	
Refundable deposits	3,669	-	3,669	-
	<u>16,879,403</u>	<u>1,092,113</u>	<u>17,971,516</u>	<u>621,038</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	121,771,828	19,574,461	141,346,289	-
Improvements other than buildings	-	1,754,533	1,754,533	-
Furniture and fixtures	13,319,446	4,883,987	18,203,433	-
Vehicles and field equipment	1,745,088	-	1,745,088	-
Capitalized interest	220,446	-	220,446	-
Construction in progress	18,109,779	556,399	18,666,178	-
	<u>(72,688,615)</u>	<u>(16,957,638)</u>	<u>(89,646,253)</u>	<u>-</u>
Less: accumulated depreciation				
	<u>82,477,972</u>	<u>13,610,468</u>	<u>96,088,440</u>	<u>-</u>
Total capital assets, net				
	<u>82,477,972</u>	<u>13,610,468</u>	<u>96,088,440</u>	<u>-</u>
Total noncurrent assets				
	<u>82,477,972</u>	<u>13,610,468</u>	<u>96,088,440</u>	<u>-</u>
Total assets	<u>\$ 99,357,375</u>	<u>\$ 14,702,581</u>	<u>\$ 114,059,956</u>	<u>\$ 621,038</u>

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			GOVERNMENTAL
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 676,064	\$ 222,909	\$ 898,973	\$ 8,704
Estimated claims payable	-	-	-	4,236,501
Accrued liabilities	-	43,362	43,362	-
Accrued bond interest	129,361	-	129,361	-
Deposits on future events	-	310,068	310,068	-
Due to other funds	9,123,361	292,839	9,416,200	509,416
Bonds payable	2,153,000	-	2,153,000	-
	<u>12,081,786</u>	<u>869,178</u>	<u>12,950,964</u>	<u>4,754,621</u>
NONCURRENT LIABILITIES				
Bonds payable	30,664,905	-	30,664,905	-
	<u>30,664,905</u>	<u>-</u>	<u>30,664,905</u>	<u>-</u>
Total noncurrent liabilities	<u>30,664,905</u>	<u>-</u>	<u>30,664,905</u>	<u>-</u>
Total liabilities	42,746,691	869,178	43,615,869	4,754,621
NET POSITION				
Net investment in capital assets	49,660,067	13,610,468	63,270,535	-
Restricted for capital projects	10,363,493	-	10,363,493	-
Restricted for debt service	3,020,949	-	3,020,949	-
Unrestricted	(6,433,825)	222,935	(6,210,890)	(4,133,583)
	<u>(6,433,825)</u>	<u>222,935</u>	<u>(6,210,890)</u>	<u>(4,133,583)</u>
Total net position	<u>\$ 56,610,684</u>	<u>\$ 13,833,403</u>	<u>\$ 70,444,087</u>	<u>\$ (4,133,583)</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES				
Charges for services	\$ 8,810,605	\$ 1,458,603	\$ 10,269,208	\$ 5,581,940
Total operating revenues	8,810,605	1,458,603	10,269,208	5,581,940
OPERATING EXPENSES				
Supplies and other expenses	19,329	21,408	40,737	-
Building and maintenance expenses	63,097	579,763	642,860	-
Outside services	5,821,505	1,286,445	7,107,950	125,155
Insurance claims	-	-	-	891,832
Insurance premiums	-	97,527	97,527	4,810,658
Depreciation	3,583,062	1,068,665	4,651,727	-
Other	17,523	37,766	55,289	-
Total operating expenses	9,504,516	3,091,574	12,596,090	5,827,645
Operating income (loss)	(693,911)	(1,632,971)	(2,326,882)	(245,705)
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	544,023	-	544,023	-
Hotel/motel taxes	-	275,146	275,146	-
Cable television franchise fees	-	387,544	387,544	-
Interest income	174,459	683	175,142	5,994
Interest expense	(643,639)	-	(643,639)	-
Gain on disposal of assets	-	10,000	10,000	-
Total non-operating revenues (expenses)	74,843	673,373	748,216	5,994
Income (loss) before contributions, transfers and extraordinary item	(619,068)	(959,598)	(1,578,666)	(239,711)
Capital contributions	76,164	581,299	657,463	-
Transfers out	(439,175)	-	(439,175)	-
Change in net position	(982,079)	(378,299)	(1,360,378)	(239,711)
Net position - beginning of year	57,592,763	14,211,702	71,804,465	(3,893,872)
Net position - end of year	\$ 56,610,684	\$ 13,833,403	\$ 70,444,087	\$ (4,133,583)

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 8,228,828	\$ 1,508,658	\$ 9,737,486	\$ 5,581,940
Payments to suppliers	(5,961,677)	(2,020,665)	(7,982,343)	(5,721,839)
Internal activity - payments (to)/from other funds	4,507,151	(442,375)	4,064,776	-
Net cash provided (used) by operating activities	<u>6,774,301</u>	<u>(954,382)</u>	<u>5,819,919</u>	<u>(139,899)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Ad valorem taxes	544,023	-	544,023	-
Hotel/motel taxes	-	275,146	275,146	-
Cable television franchise fees	-	389,979	389,979	-
Internal activity - receipts from other funds	-	-	-	219,227
Net cash provided by noncapital financing activities	<u>544,023</u>	<u>665,125</u>	<u>1,209,148</u>	<u>219,227</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental	-	186,693	186,693	-
Capitalized interest	(133,818)	-	(133,818)	-
Payments on long-term debt	(1,345,000)	-	(1,345,000)	-
Proceeds from long-term debt	3,170,458	-	3,170,458	-
Interest paid on long-term debt	(643,638)	-	(643,638)	-
Purchases of capital assets	(9,131,475)	(40,369)	(9,171,844)	-
Net cash provided (used) by capital and related financing activities	<u>(8,083,473)</u>	<u>146,324</u>	<u>(7,937,149)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	<u>174,459</u>	<u>683</u>	<u>175,142</u>	<u>5,994</u>
Net cash provided (used) by investing activities	<u>174,459</u>	<u>683</u>	<u>175,142</u>	<u>5,994</u>
Net increase (decrease) in cash and cash equivalents	(590,690)	(142,250)	(732,940)	85,322
Cash and cash equivalents, beginning of year	<u>14,521,742</u>	<u>383,504</u>	<u>14,905,246</u>	<u>535,716</u>
Cash and cash equivalents, end of year	<u>\$ 13,931,052</u>	<u>\$ 241,254</u>	<u>\$ 14,172,305</u>	<u>\$ 621,038</u>

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
Reconciliation to Statement of Net Position:				
Cash	\$ -	\$ 241,254	\$ 241,254	\$ 571,038
Restricted cash	13,384,442	-	13,384,442	-
Equity in pooled cash	546,610	-	546,610	50,000
Cash and cash equivalents, end of year	<u>\$ 13,931,052</u>	<u>\$ 241,254</u>	<u>\$ 14,172,306</u>	<u>\$ 621,038</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (693,911)	\$ (1,632,971)	\$ (2,326,882)	\$ (245,705)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	3,583,062	1,068,665	4,651,727	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(581,778)	750	(581,028)	-
Increase (decrease) in accounts payable	(40,812)	5,937	(34,875)	(6,206)
Increase (decrease) in retainage payable	-	-	-	-
Increase (decrease) in accrued liabilities	590	(3,691)	(3,101)	-
Increase (decrease) in estimated claims payable	-	-	-	112,012
Increase (decrease) in due to other funds	4,507,151	(442,375)	4,064,776	-
Increase (decrease) in deposits on future events	-	49,303	49,303	-
Total adjustments	<u>7,468,213</u>	<u>678,589</u>	<u>8,146,802</u>	<u>105,806</u>
Net cash provided by (used for) operating activities	<u>\$ 6,774,302</u>	<u>\$ (954,382)</u>	<u>\$ 5,819,920</u>	<u>\$ (139,899)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital	\$ 76,164	\$ 581,299	\$ 657,463	\$ -
Acquisitions of property, plant and equipment through capital contributions	<u>(76,164)</u>	<u>(581,299)</u>	<u>(657,463)</u>	<u>-</u>
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2017

	<u>AIRPORT SALES TAX FUND</u>
ASSETS	
Equity in pooled cash	\$ 2
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	<u>394,453</u>
Total assets	<u><u>\$ 394,455</u></u>
LIABILITIES	
Due to other governments	<u>\$ 394,455</u>
Total liabilities	<u><u>\$ 394,455</u></u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. The principles are found in the Codification of Governmental Accounting and Financial Reporting Standards, published by GASB. The more significant of the City's accounting policies are described below.

1. REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. *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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). 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 as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Federal grant revenue is considered available if collected within 150 days after fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, other post-employment benefits, compensated absences, claims and judgments, and pension costs are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Property taxes are recorded as deferred inflows of resources if measurable, but not available. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Federal and state grants are recorded as deferred inflows of resources if measurable but not available. Revenues from rentals and leases are recorded when earned. Income on deposits, cash equivalents and investments is recorded when measurable and available. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure/expense) until that future time.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

The City reports the following major governmental funds:

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

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection, and various other city services.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this fund.

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Department of Wastewater Operations Fund. Also included are projects funded by riverboat fees as well as Community Development Block Grants.

The *Capital Projects Funded with Bond Proceeds* accounts for projects funded by the 2013A Series Bond proceeds. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities.

The City reports the following major enterprise funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)

The City reports one fiduciary fund, which is an agency fund and it accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency fund) is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents a statement of fiduciary assets and liabilities and a statement of changes in assets and liabilities. The agency fund is reported in the financial statements on the accrual basis of accounting.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and self-insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the Department of Wastewater Operations Fund, Civic Center Operations Fund, and the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City reports uncollected revenue on its governmental fund balance sheet as deferred inflows of resources. Uncollected revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for unearned revenue is removed from the governmental fund balance sheet and revenue is recognized.

4. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Streets and Drainage
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. BUDGETARY ACCOUNTING (CONTINUED)

Enterprise Funds
Department of Wastewater Operations
Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service, and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

5. CASH, INVESTMENTS, AND POOLED ASSETS

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds, the General Capital Projects Fund, and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; minimal checks can be written on these accounts.

For the purpose of the statement of net position, cash includes all demand and money market accounts of the City. For the purpose of the proprietary funds statements of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. CASH, INVESTMENTS, AND POOLED ASSETS (CONTINUED)

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

7. INVENTORIES

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

8. CAPITAL ASSETS

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture, fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the business-type activities column in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

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

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and building improvements	40
Street system	20 to 40
Drainage system	25
Office equipment	5 to 12
Machinery and equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. INTANGIBLE ASSETS

The City has a policy to capitalize any intangible assets which exceed \$50,000 in accordance with Governmental Accounting Standards Board Statement (GASBS) No. 51, "*Accounting and Financial Reporting for Intangible Assets*".

10. COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements. The government-wide financials report the total accumulated unpaid annual and sick leave on the Statement of Net Position and the Statement of Activities.

11. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount.

Noncurrent liabilities include estimated amounts for accrued compensated absences, other postemployment benefits, and net pension liabilities that will not be paid within the next fiscal year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS), Municipal Police Employees' Retirement System of Louisiana (MPERS), and Firefighters Retirement System and additions to/deductions from MERS, MPERS and FRS fiduciary net position have been determined on the same basis as they are reported by MERS, MPERS and FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. FUND BALANCE/NET POSITION

In the government-wide financial statements, net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. *Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* - consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - all other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. FUND BALANCE/NET POSITION (CONTINUED)

In the fund financial statements, fund balance is classified in the following components:

- *Nonspendable* - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.
- *Restricted* - amounts constrained for specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed* - amounts constrained for specific purposes that are internally imposed by the City Council itself, using its highest level of decision-making authority through an ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.
- *Assigned* - amounts the City intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the City or by an official or body to which the City delegates the authority. Under the City's policy, the Mayor and City Council may assign amounts for specific purposes and the City Council can approve.
- *Unassigned* - the residual amount of fund balance which does not fall into one of the other components. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assigned actions. The City does not have a formal minimum fund balance policy.

13. INTERFUND SERVICES

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund services are reported as transfers.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

14. ACCOUNTING ESTIMATES

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

15. ADOPTION OF NEW ACCOUNTING PRINCIPLES

During the year ended June 30, 2017, the following statements were implemented: GASB Statement No. 77 *Tax Abatement Disclosure* and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. This statement changed the measure of payroll that is presented in the schedules of required supplementary information to covered payroll.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

16. PREPAID ITEMS

Prepaid items are recorded in the year the expenditures are accrued using the consumption method.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY PROCEDURES

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

2. BUDGETARY COMPARISON

The budget data reflected in the Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

Budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The City adopts annual operating budgets for the general fund and all special revenue funds. The major special revenue funds are One Percent Sales Tax of 1984 Fund and the Fire Protection Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2017, is presented as a note in required supplementary information.

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2017, the City of Kenner has cash (book balances) totaling \$34,789,401 as follows:

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Governmental Funds:	
Money market funds	\$ 4,960,822
Demand deposits	15,030,885
Petty cash	4,350
Proprietary Funds:	
Enterprise Funds:	
Petty cash	500
Demand deposits	14,171,806
Internal Service Funds:	
Demand deposits	621,038
	\$ 34,789,401

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City’s deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2017, the City’s demand deposits and money market funds bank balances of \$36,425,107 were entirely secured by federal deposit insurance, pledged securities held by the City’s agent, and by letters of credit.

Restricted cash and investments

Certain assets of the Wastewater Fund, the Debt Service Funds, and the Capital Projects Funds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2017, since the investments are held in the name of the City. The City’s investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2017, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of government-sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As required by GASB 72, investments are reported at fair value. Fair value is described as an exit price. GASB 72 requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. GASB 72 also establishes a hierarchy of inputs to valuation techniques used to measure fair value, which has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. All of the City’s investments are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2017, the City had the following investment in debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater Than 10</u>
Obligations of Government-Sponsored Entities	17,673,518	\$ 17,673,518	\$ -	\$ -	\$ -

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federal agencies or federally sponsored entities in the amount of \$17,673,518, which are rated AAA by Moody's. The type of investments allowed by state law ensures that the City is not exposed to credit risk.

NOTE D - EQUITY IN POOLED CASH

A reconciliation of total equity in pooled cash is presented below.

	<u>General Pool</u>	<u>Paving Assessments Pool</u>	<u>Sewerage Assessments Pool</u>	<u>Total</u>
<u>Equity in Pooled Cash</u>				
Cash	\$ 9,310,310	\$ 281,165	\$ 5,584	\$ 9,597,059
Total Equity in Pooled Cash	<u>\$ 9,310,310</u>	<u>\$ 281,165</u>	<u>\$ 5,584</u>	<u>\$ 9,597,059</u>
<u>Equity in Pool</u>				
General	\$ 553,720	\$ 264,266	\$ 5,584	\$ 823,570
Sales Tax Fund	-	-	-	-
Fire Protection	-	-	-	-
Enterprise Funds	546,610	-	-	546,610
Agency Fund	2	-	-	2
Internal Service Funds	50,000	-	-	50,000
Consolidated General Capital Projects	7,914,173	-	-	7,914,173
Consolidated Capital Projects w/Bond Proceeds	23,055	-	-	23,055
Nonmajor Governmental	222,750	16,899	-	239,649
Total Equity in Pool	<u>\$ 9,310,310</u>	<u>\$ 281,165</u>	<u>\$ 5,584</u>	<u>\$ 9,597,059</u>

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans.

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2017, consists of the following amounts:

General Fund	<u>\$ 961,771</u>
Proprietary Funds:	
Department of Wastewater Operations	<u>\$ 56,755</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE F - SALES TAX

A sales tax of 9.75% for the period of July 1, 2016 through June 30, 2017, was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 9.75% total, 5.0% is levied by the state and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes $\frac{1}{6}\%$ retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

Effective Date	Parish-Wide Rate	School Board Rate	City Rate
1954	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
TOTAL	<u><u>4 $\frac{3}{4}\%$</u></u>	<u><u>2%</u></u>	<u><u>2 $\frac{7}{12}\%$</u></u>

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales and remits them back to the parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

NOTE G - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid-November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2016, which are collected and reported as revenue for the fiscal year ended June 30, 2017, is as follows:

Fund	2016 MILLS
General Fund	\$ 1.97
Garbage Collection and Disposal Fund	1.52
Fire Department Fund	7.01
Department of Wastewater Operations Fund	1.08
Capital Projects for Road Bonds Fund	5.59
Total	<u><u>\$ 17.17</u></u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	June 30, 2016	Additions	Reductions	Completed Construction	June 30, 2017
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	5,833,657	11,745,230	(3,259,711)	(5,600,491)	8,718,685
Total capital assets not being depreciated	15,508,035	11,745,230	(3,259,711)	(5,600,491)	18,393,063
Capital assets being depreciated:					
Buildings and building improvements	58,178,789	19,135	-	559,650	58,757,574
Improvements other than buildings	9,402,379	-	-	2,386,139	11,788,518
Street system	281,885,203	-	-	1,491,638	283,376,841
Drainage system	372,828,174	-	-	1,163,064	373,991,238
Furniture, fixtures, and equipment	19,701,145	1,127,913	-	-	20,829,058
Vehicles	14,493,772	619,412	-	-	15,113,184
Bridges	4,283,102	-	-	-	4,283,102
Total capital assets being depreciated	760,772,564	1,766,460	-	5,600,491	768,139,515
	June 30, 2016	Additions	Reductions	Completed Construction	June 30, 2017
Less accumulated depreciation for:					
Buildings and building improvements	35,675,519	1,107,928	-	-	36,783,447
Improvements other than building improvements	3,334,440	566,400	-	-	3,900,840
Street system	205,555,953	6,017,994	-	-	211,573,947
Drainage system	325,830,755	7,236,632	-	-	333,067,387
Furniture, fixtures, and equipment	15,849,686	691,517	-	-	16,541,203
Vehicles	11,535,418	779,959	-	-	12,315,377
Bridges	1,244,733	118,411	-	-	1,363,144
Total accumulated depreciation	599,026,504	16,518,841	-	-	615,545,345
Total capital assets being depreciated, net	161,746,060	(14,752,381)	-	5,600,491	152,594,170
Governmental activities capital assets, net	\$ 177,254,095	\$ (3,007,151)	\$ (3,259,711)	\$ -	\$ 170,987,233

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2017</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Capitalized interest	86,628	133,818	-	-	220,446
Construction-in-progress	19,653,362	9,363,299	(10,350,483)	-	18,666,178
	<u>23,538,716</u>	<u>9,497,117</u>	<u>(10,350,483)</u>	<u>-</u>	<u>22,685,350</u>
Total capital assets not being depreciated					
Capital assets being depreciated:					
Buildings and building improvements	119,492,357	-	-	-	119,492,357
Improvements other than buildings	13,257,982	10,350,483	-	-	23,608,465
Furniture, fixtures, and equipment	18,166,650	75,269	(38,486)	-	18,203,433
Vehicles	1,344,350	400,738	-	-	1,745,088
	<u>152,261,339</u>	<u>10,826,490</u>	<u>(38,486)</u>	<u>-</u>	<u>163,049,343</u>
Total capital assets being depreciated					
Less accumulated depreciation for:					
Buildings and building improvements	63,588,614	1,941,464	-	-	65,530,078
Improvements other than building improvements	6,244,026	2,399,510	-	-	8,643,536
Furniture, fixtures, and equipment	13,872,171	281,009	(38,486)	-	14,114,694
Vehicles	1,328,201	29,743	-	-	1,357,944
	<u>85,033,012</u>	<u>4,651,726</u>	<u>(38,486)</u>	<u>-</u>	<u>89,646,252</u>
Total accumulated depreciation					
Total capital assets being depreciated, net					
	<u>67,228,327</u>	<u>6,174,764</u>	<u>-</u>	<u>-</u>	<u>73,403,091</u>
Business-type activities capital assets, net					
	<u>\$ 90,767,043</u>	<u>\$ 15,671,881</u>	<u>\$ (10,350,483)</u>	<u>\$ -</u>	<u>\$ 96,088,441</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE H - CAPITAL ASSETS (CONTINUED)

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 243,892
Public safety	1,180,984
Public works	13,819,213
Culture and recreation	1,235,100
Health and welfare	<u>39,652</u>

Total depreciation expense - governmental activities	<u><u>\$ 16,518,841</u></u>
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Business-type activities:

Wastewater Operations	\$ 3,583,061
Civic Center Operations	<u>1,068,665</u>

Total depreciation expense - business-type activities	<u><u>\$ 4,651,726</u></u>
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3. Construction in progress for governmental activities is comprised of the following:

	Project/Contract Authorization June 30, 2017	Expended to June 30, 2017	Committed	Required Future Financing
	<u>June 30, 2017</u>	<u>June 30, 2017</u>	<u>Committed</u>	<u>Financing</u>
General government	\$ -	\$ -	\$ -	\$ -
Public safety	1,331,260	1,165,113	166,147	166,147
Public works	9,451,187	7,371,518	2,079,669	2,079,669
Health and welfare	-	-	-	-
Culture and recreation	392,464	352,596	39,868	39,868
Total	<u><u>\$ 11,174,911</u></u>	<u><u>\$ 8,889,227</u></u>	<u><u>\$ 2,285,684</u></u>	<u><u>\$ 2,285,684</u></u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - LONG-TERM DEBT

1. GENERAL OBLIGATION, SPECIAL TAX, AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2017, includes the following serial bonds and loans:

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Amount Authorized</u>	<u>Amount Incurred</u>	<u>Amount Outstanding</u>
Governmental Activities					
Sales Tax Bonds, Series 2013A	2.00 - 5.00%	6/1/2033	40,980,000	\$ 40,980,000	\$ 36,095,000
2013 Refunding Kenner Road Bonds	1.25%	3/1/2018	9,205,000	9,205,000	1,880,000
LDEQ loan, Sewer Revenue Bonds, Series 2009	0.95%	11/1/2030	22,000,000	22,000,000	17,134,822
Firemen's Pension Merger Payable #1	7.00%	3/27/2029	1,190,000	1,190,000	756,034
Firemen's Pension Merger Payable #2	7.00%	3/27/2029	1,770,738	<u>1,770,738</u>	<u>1,133,401</u>
Total Governmental Activities				<u>\$ 75,145,738</u>	<u>\$ 56,999,257</u>
Business-Type Activities					
Sewer Revenue Bonds, Series 2011	3.00 - 5.00%	11/1/2036	16,000,000	\$ 16,000,000	\$ 14,175,000
LDEQ loan, Sewer Revenue Bonds, Series 2012	0.95%	11/1/2034	21,000,000	19,315,478	17,843,478
LDEQ loan, Sales Tax Bonds, Series 2015	0.95%	6/1/2037	15,000,000	<u>799,427</u>	<u>799,427</u>
Total Business-Type Activities				<u>\$ 36,114,905</u>	<u>\$ 32,817,905</u>
Total Bonds				<u>\$ 111,260,643</u>	<u>\$ 89,817,162</u>

2. FIREMEN'S PENSION MERGER PAYABLE

In March 1998, the required three-fourths vote of the active and inactive members approved the pension merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS and the Joint Retirement Committee. The City Council approved the merger in December 1998 and signed an agreement with FRS on March 25, 1999, regarding the payment of the merger liability. The final merger liability as of March 27, 1999, was \$14,050,233, which represents 60% of the accrued liability for active employees, \$6,301,446, and 100% of the accrued liability for retired employees, \$7,748,787. The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495. The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years.

The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. Interest expense during the year was \$54,476. At June 30, 2017, the merger payable for this component had a total outstanding balance of \$756,034.

\$1,770,738 of the liability is payable annually at a rate of 7%. Interest expense during the year was \$83,483. At June 30, 2017, the merger payable for this component had a total outstanding balance of \$1,133,401.

The funding necessary to service this merger payable is provided by the dedication of the fire insurance tax received from the State of Louisiana.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - LONG-TERM DEBT (CONTINUED)

3. KENNER ROAD PROJECT REFUNDING BONDS

On June 1, 2013, the City issued \$9,205,000 of Series 2013 Kenner Road Project Refunding Bonds to advance refund \$8,725,000 of the outstanding Series 2003 Bonds which financed the construction, acquisition, and improvement of the streets in the City of Kenner. The bonds bore interest of 1.250%. Interest paid during the year was \$46,662. As of June 30, 2017, the outstanding balance of this loan was \$1,880,000, which is due March 1, 2018. The 2003 bonds were redeemed in July 2013 at 102% of the principal amount plus accrued interest.

The new issue reduced debt service payments for the City by \$354,036 with an economic gain of \$344,897 or 3.747%. The reacquisition price in the advance refunding of the Series 2003 bonds by the Series 2013 bonds was \$313,203 more than the net carrying value of the bonds. This difference is reported in the Statement of Net Position of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2018 using the straight line method. The deferred amount remaining at June 30, 2017 was \$62,641.

4. SALES TAX REVENUE REFUNDING BONDS SERIES 2013

On August 6, 2013, the City issued \$40,980,000 of Series 2013 Sales Tax and Refunding Bonds to a) construct, acquire and equip public improvements for the City; and b) currently refund the outstanding Series 2003 Bonds. Interest paid during the year was \$1,594,369. As of June 30, 2017, the outstanding balance of this loan was \$36,095,000.

The new bonds bear interest from 2.0% to 5.0% and are due in annual installments ranging from \$75,000 to \$1,840,000 through June 1, 2022. The new issue will reduce debt service payments for the City by \$174,050 with an economic gain of \$899,880 or 6.863%.

The reacquisition price in the refunding of the Series 2003 bonds by the Series 2013 bonds was \$160,556 more than the net carrying value of the bonds. This difference is reported in the Statement of Net Position of the accompanying financial statements as a deferred amount which increases bonds payable. The deferred amount is being amortized as a reduction of interest expense through fiscal year 2033 using the straight line method. The deferred amount remaining at June 30, 2017 was \$128,445.

5. SEWER REVENUE BONDS SERIES 2011

On September 15, 2011 the City issued \$16,000,000 of Series 2011 Sewer Bonds to provide for the planning, construction, improvement, maintenance, operation and funding of improvements to the City's wastewater collection, treatment and disposal system. Interest paid during the year was \$613,775. As of June 30, 2017, the outstanding balance of this loan was \$14,175,000.

6. LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY LOAN

In 2009, the City executed a loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2009 authorized a loan amount of \$22,000,000 with an interest rate of .95%. As of June 30, 2017, \$17,134,822 was outstanding. The City has drawn a total of \$22,000,000 through June 30, 2017. Total interest and administrative fees paid during the year ended June 30, 2017, were \$72,922 and \$79,027, respectively.

In 2012, the City executed another loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sewer Bonds Series 2012 authorized a loan amount of \$21,000,000 with an interest rate of .95%. As of June 30, 2017, \$17,843,478 was outstanding. The City has drawn a total of \$19,315,478 through June 30, 2017. Total interest and administrative fees paid during the year ended June 30, 2017, were \$77,255 and \$85,838, respectively.

In 2015, the City executed another loan agreement with the Louisiana Department of Environmental Quality (the "LDEQ") for the purpose of providing funding for the rehabilitation of the sewer system within the City. The LDEQ Taxable Sales Tax Bonds Series 2015 authorized a loan amount of \$15,000,000 with an interest rate of .95%. As of June 30, 2017, \$799,427 was outstanding. The City has drawn a total of \$799,427 through June 30, 2017. Total interest and administrative fees paid during the year ended June 30, 2017, were \$1,836 and \$2,041, respectively.

Interest incurred was \$777,457 for business-type activities, and the amount capitalized was \$133,818.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE I - LONG-TERM DEBT (CONTINUED)

7. GENERAL DEBT

Compensated Absences

General

All employees, except police and fire employees, earn sick leave at the following rates:

Full time employees:	1 day/month not to exceed 12 days/year
Regular part time employees:	¹ / ₂ day/month not to exceed 6 days/year

Employees earn annual leave in varying amounts according to years of service as follows:

<u>Service (years)</u>	<u>Amount</u>
Full time employees:	
0 - 5	1 day/month
5 - 10	1 ¹ / ₂ day/month
over 10	2 days/month
Regular part time employees:	
0 - 5	¹ / ₂ day/month
5 - 10	³ / ₄ day/month
over 10	1 day/month

Employees are required to use their annual leave during the calendar year following the year in which it is earned. Annual leave not used by December 31 of the calendar year is determined for each employee. Half of this leave is lost and half is carried forward to be paid upon separation of service or may be used in lieu of sick leave once sick leave has been exhausted. This carry forward time is not available to be taken as annual leave in future periods. Annual leave is payable upon separation of service. Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences," an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax expense.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service, employees receive one additional day of annual leave for each additional year of service up to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

Firefighters receive 720 hours of sick leave when they join the Department. No additional hours are earned. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. In addition, firefighters can receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

<u>Years Service</u>	<u>Civil Service Amount</u>
0 - 1 Year	0 Days
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE I - LONG-TERM DEBT (CONTINUED)

7. GENERAL DEBT (CONTINUED)

Police Department (Continued)

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, he or she is paid for the annual leave remaining on the books.

Police personnel earn sick leave at the following rates:

Full time employees:	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees:	¹ / ₂ day (4 hours)/month not to exceed 6 days (48 hours)/year

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

The General Fund, CDBG Fund, Streets and Drainage Fund, and the Fire Protection Fund have typically been used in prior years to liquidate the liability for compensated absences, net pension obligation, and other post-employment benefits.

8. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2017:

	Balance	Issue or	Payments or	Discount/	Balance	Net of	Due Within
	<u>6/30/2016</u>	<u>Additions</u>	<u>Expenditures</u>	<u>(Premium)</u>	<u>6/30/2017</u>	<u>Premium</u>	<u>One Year</u>
						<u>6/30/2017</u>	
Governmental Activities:							
Sales Tax							
Revenue Bonds	\$ 38,683,218	\$ -	\$ 1,605,000	\$ (57,836)	\$ 37,020,382	\$ 36,095,000	\$ 1,650,000
Note Payable	1,989,179	-	99,744	-	1,889,435	1,889,435	103,080
Refunding Kenner Road							
Project Bonds, Series 2013	3,735,000	-	1,855,000	-	1,880,000	1,880,000	1,880,000
LDEQ loan, Sewer Revenue							
Bonds, Series 2009	19,546,844	-	2,412,022	-	17,134,822	17,134,822	1,069,000
OPEB Liability (Note O)	5,941,560	1,249,453	880,104	-	6,310,909	6,310,909	-
Net Pension Liability (Note P)	59,338,839	28,097,190	19,466,032	-	67,969,997	67,969,997	-
Compensated Absences	4,840,075	1,407,370	1,210,848	-	5,036,597	5,036,597	2,653,458
Total							
Governmental Activities	<u>\$ 134,074,715</u>	<u>\$ 30,754,013</u>	<u>\$ 27,528,750</u>	<u>\$ (57,836)</u>	<u>\$ 137,242,142</u>	<u>\$ 136,316,760</u>	<u>\$ 7,355,538</u>
Business-Type Activities:							
Sewer Revenue Bonds 2011	\$ 14,650,000	\$ -	\$ 475,000	\$ -	\$ 14,175,000	\$ 14,175,000	\$ 490,000
LDEQ loan, Sewer							
Revenue Bonds 2012	16,223,177	2,490,301	870,000	-	17,843,478	17,843,478	977,000
LDEQ loan, Sales							
Tax Bonds 2015	119,270	680,157	-	-	799,427	799,427	686,000
Total							
Business-Type Activities	<u>\$ 30,992,447</u>	<u>\$ 3,170,458</u>	<u>\$ 1,345,000</u>	<u>\$ -</u>	<u>\$ 32,817,905</u>	<u>\$ 32,817,905</u>	<u>\$ 2,153,000</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - LONG-TERM DEBT (CONTINUED)

8. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for sales tax bonds as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 1,650,000	\$ 1,546,219
2019	1,700,000	1,496,719
2020	1,770,000	1,428,719
2021	1,840,000	1,357,919
2022	1,930,000	1,265,919
2023-2027	10,880,000	5,110,843
2028-2032	13,280,000	2,704,794
2033	3,045,000	152,250
	36,095,000	\$ 15,063,382
Plus Bond Premium	925,382	
Net Debt Service Requirement	\$ 37,020,382	

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 103,080	\$ 126,705
2019	114,125	123,577
2020	122,220	115,482
2021	130,890	106,813
2022	140,174	97,529
2023-2027	864,896	323,617
2028-2029	414,050	37,603
Debt Service Requirement	\$ 1,889,435	\$ 931,326

The annual requirements to maturity for the LCDA Series 2013 Loan as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 1,880,000	\$ 23,500
Debt Service Requirement	\$ 1,880,000	\$ 23,500

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - LONG-TERM DEBT (CONTINUED)

8. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 1,069,000	\$ 74,701
2019	1,077,000	69,873
2020	1,086,000	65,006
2021	1,094,000	60,101
2022	1,103,000	55,158
2023-2027	5,649,000	200,225
2028-2031	6,056,822	63,993
Debt Service Requirement	<u>\$ 17,134,822</u>	<u>\$ 589,057</u>

The annual requirements to maturity for the Sewer Revenue Bonds Series 2011 as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 490,000	\$ 599,300
2019	505,000	584,375
2020	520,000	569,000
2021	535,000	553,175
2022	555,000	536,131
2023-2027	3,065,000	2,365,650
2028-2032	3,750,000	1,653,688
2033-2037	4,755,000	617,375
Debt Service Requirement	<u>\$ 14,175,000</u>	<u>\$ 7,478,694</u>

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2012 as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 977,000	\$ 78,097
2019	986,000	73,681
2020	995,000	69,223
2021	1,005,000	64,723
2022	1,014,000	60,181
2023-2027	5,219,000	231,228
2028-2032	5,470,000	110,998
2033-2034	2,177,478	9,631
Debt Service Requirement	<u>\$ 17,843,478</u>	<u>\$ 697,762</u>

The loan has not been fully disbursed as of June 30, 2017. The annual future payments will change once all of the loan proceeds have been received.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE I - LONG-TERM DEBT (CONTINUED)

8. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the LDEQ Taxable Sales Bond Series 2015 as of June 30, 2017, are as follows:

Year Ending, June 30,	Principal	Interest
2018	\$ 686,000	\$ 3,587
2019	113,427	510
Debt Service Requirement	\$ 799,427	\$ 4,097

The loan has not been fully disbursed as of June 30, 2017. The annual future payments will change once all of the loan proceeds have been received.

9. COMPLIANCE

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers at June 30, 2017, are as follows:

	Transfer In:						Total
	General Fund	General Capital Projects	Capital Projects with Bond Proceeds	Fire Protection	Nonmajor Governmental	Department of Wastewater Operations	
Transfer Out:							
General Fund	\$ -	\$ 7,047,383	\$ -	\$ 1,171,127	\$ 763,436	\$ -	\$ 8,981,946
One Percent Sales Tax of 1984 Fund	10,190,158	-	-	707,505	1,047,248	-	11,944,911
Fire Protection	-	-	-	-	-	-	-
General Debt	-	-	-	-	-	-	-
General Capital Projects	-	-	50,000	-	781,055	-	831,055
Nonmajor Governmental	-	-	-	51,198	-	-	51,198
Capital Projects Funded with Bonds Proceeds	-	-	-	-	-	-	-
Department of Wastewater Operations	-	-	-	-	439,175	-	439,175
Total	\$ 10,190,158	\$ 7,047,383	\$ 50,000	\$ 1,929,830	\$ 3,030,914	\$ -	\$ 22,248,285

Transfers are primarily used to move funds from:

General Fund – to the Nonmajor Governmental fund (General Debt fund) to cover the reserve requirements on the 2009 LDEQ loan, to the General Capital projects for the gaming revenues dedicated for capital projects, to the Nonmajor Governmental funds (Garbage Collection and Disposal fund) and Fire Protection fund because dedicated revenues are not sufficient to cover expenditures and to the Community Development Fund to cover the expenditures of the City’s Resource centers, Food Bank and the portion of Community Development’s administrative expenditures not covered by the CDBG grant, to the Wastewater to cover sewer service charges which came under budget.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE J - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

One Percent Sales tax of 1984 Fund – to the General, Nonmajor Governmental fund (Garbage Collection & Disposal fund), and Fire Protection funds to reimburse losses from homestead exemption, to pay expenditures for the Nonmajor Governmental fund (Streets and Drainage Fund) and the remaining funds are transferred to the General Fund.

General Capital Projects – to the General Capital Projects with Bond Proceeds fund to provide additional funding for projects and to the General Debt Fund for the 25% of riverboat revenues dedicated to debt service.

Nonmajor Governmental Funds – from Streets and Drainage fund to the General fund to transfer back subsidies in excess of requirements and from the General Debt fund to the Fire Protection Fund for the transfer of excess debt service funds.

Capital Projects Funded with Bonds Proceeds – to the General Capital Projects fund to provide additional funding for projects.

Wastewater Operations – to the Nonmajor Governmental funds (General Debt Fund) for debt service on the 2009 LDEQ loan.

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 2,001,635
	General Capital Projects Fund	1,094,092
	General Capital Projects Funded with Bond Proceeds	4,027,278
	Nonmajor Governmental Funds	818,470
	Department of Wastewater Operations	9,123,361
	Internal Service Funds	509,416
	Civic Center Operations	292,839
	Fire Protection	2,382
Fire Protection	One Percent Sales Tax of 1984 Fund	22,118
	Property Tax	608,488
Department of Wastewater Operations	General Capital Projects Funded with Bond Proceeds	169,208
	Property Tax	94,571
Civic Center Operations	General Capital Projects Fund	370,819
General Capital Projects Fund	General Fund	10,546,002
General Capital Projects Funded with Bond Proceeds	Property Tax	375,739
Nonmajor Governmental Funds	General Capital Projects Fund	212,173
	One Percent Sales Tax of 1984 Fund	17,176
	Property Tax	171,784
		<u>\$ 30,457,551</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE K - TREASURE CHEST RIVERBOAT CASINO AGREEMENT

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994, and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

NOTE L - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$500,000 for each general liability claim, except up to a maximum of \$50,000 for each Law Enforcement general liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$5,000,000; \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$5,000,000; \$550,000 for each worker's compensation claim, excluding police and fire, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000; and \$550,000 for each police and fire workers compensation claim in with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$4,236,501 (which includes claims incurred but not reported in the Fund at June 30, 2017) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during fiscal years 2015, 2016, and 2017 were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2014 - 2015	\$ 5,214,588	\$ 752,250	\$ (1,372,187)	\$ 4,594,651
2015 - 2016	4,594,651	596,750	(1,066,912)	4,124,489
2016 - 2017	4,124,489	891,832	(779,820)	4,236,501

The amount of estimated claims payable due within one year of these financial statements is \$2,147,838.

HEALTH INSURANCE

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE M - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note L for additional details) and General Fund.

FEDERALLY ASSISTED PROGRAMS

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

EPA ADMINISTRATIVE ORDER

On November 10, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. Failure to comply with an EPA Administrative Order could result in monetary fines or an EPA administrative penalty. As a result, the city initiated a \$15 million sewer rehabilitation project. See Note I for additional information regarding the financing of the 1990 sewer rehabilitation project.

On August 24, 2009, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

On June 27, 2014, the Louisiana Department of Environmental Quality (LDEQ) issued the City a Consolidated Compliance Order & Notice of Potential Penalty for sewerage overflow and improper sampling methods and reporting violations which resulted in raw sewerage being discharged into waters of the State. As with the 1990 EPA Administrative Order and the August 24, 2009 LDEQ order discussed above, failure to comply with the provisions of the Order could subject the City to substantial administrative penalties or monetary fines.

EPA CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The LDEQ Compliance Order mandates that the City take all steps necessary to achieve compliance with Water Quality Regulations including but not limited to avoiding overflows and complying with all effluent limitations by properly operating and maintaining the facility. Failure or refusal to comply could subject the City to civil penalties of \$50,000 for each day of continued violation or noncompliance.

Major renovations must be made to the City's sewer treatment and collection system to remedy the problems causing the LDEQ and EPA violations. The required renovations include the replacement or upgrading of lift stations, expansion and upgrading of the City's wastewater treatment plant capacity, repair and replacement of gravity sewer lines, and procuring generators to service the sewer system during emergencies.

The City's engineers estimate that the total costs of the required renovations will be \$65 million. On December 10, 2009, the City entered into an agreement for a \$22 million construction loan at .95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. Additional funding of approximately \$4 million is available through an LRA grant and approximately \$2 million of existing Capital Projects funds have been budgeted for this project. In November of 2011 the City issued \$16 million in bonds and in November of 2012 the City entered into an additional loan of \$21 million at .95% interest from the Clean Water State Revolving Fund Loan Program to fund a portion of the required renovations. In September 2015 the City entered into an additional loan of \$15 million at .95% interest from the Clean Water State Revolving Fund Loan Program to fund the rest of the required renovations. See Note I for additional information regarding the financing of the 2009 sewer rehabilitation project.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

FIREFIGHTER PENSION CLAIM

Plaintiffs claim that the City erred by not making firefighter retirement contributions on acting pay, holiday pay, overtime pay, and educational incentive pay. Plaintiffs moved for declaratory judgment on this claim but the judge ruled in favor of the City. Plaintiffs will appeal and the outcome of an appeal is uncertain. The City has accrued \$590,162 in the General Fund for this claim.

AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee, \$2,744,264, funding the Kenner Budget Pass-Through Fund, \$817,567, and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. In July 2015, the agreement was amended and restated. The new agreement is effective from July 2015 through December 2019. The compensation from the City of Kenner consists of an annual fee \$5,076,534, paid monthly, and reimbursement of operating expenses. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

CONSTRUCTION

Construction commitments are discussed in Note H.

LEASE COMMITMENTS - GENERAL

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements. As of June 30, 2017, the City has no capital leases.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2017, amounted to \$150,875. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amounts
2018	\$ 118,664
2019	114,570
2020	4,185
Total minimum lease payments	<u>\$ 237,419</u>

NOTE N - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries. The City did not make any contributions to the plan during the year ended June 30, 2017.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE O - POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City provides postemployment health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees. The City established a Group Insurance Plan, providing for payment of a portion of health care insurance premiums and life insurance premiums for eligible retired employees. The Group Insurance Plan is a single-employer defined benefit health care plan administered by the City which provides medical and life insurance to eligible retirees and their beneficiaries. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. No separate financial statements are issued. At June 30, 2017, 178 retirees were receiving postemployment benefits.

CONTRIBUTION RATES

Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The City offers a single health plan for active and retired under age 65 employees through United Healthcare. Retired Employees eligible for Medicare coverage are excluded from the United Healthcare Plan and may choose to be covered by one of the two Medicare Supplement Plans offered by People's Health and Humana. The monthly premium is \$0 for employees not eligible for Medicare, and \$115 and \$178 for Medicare Supplement Plans with People's Health and Humana respectively. The City's portion is \$499 per month for retiree-only coverage without Medicare and \$100 per month for the City's portion of retiree-only coverage with Medicare.

The City pays the blended rate for the retiree portion of the coverage (not dependents) for retirees until Medicare eligibility. After Medicare eligibility, the City pays the first \$100 per month of the retiree portion of the premium for those employees who elect coverage under one of the Medicare Supplement Plans. For employees who were employed before February 1, 2000, the City pays \$82 of the dependent coverage for active employees and retirees before age 65.

The city also provides eligible retirees Basic Term Life which is underwritten by Metropolitan Life Insurance Company. The blended rate for active employees and retirees is \$0.390 per \$1,000 of insurance.

The amount of life insurance is reduced by 35% of the original amount at age 70 and by 50% of the original amount at age 75.

ANNUAL OPEB COST

The City of Kenner's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (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. A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the postemployment benefits. The total ARC for the fiscal year beginning July 1, 2016 was \$1,292,797 for medical, as set forth below:

Normal Cost	\$ 548,745
Interest	43,718
UAL Amortized Amount	700,334
Annual required contribution (ARC)	<u>\$ 1,292,797</u>

The table below shows the City of Kenner's Net Other Postemployment Benefit (OPEB) Obligation for fiscal year ended June 30, 2017:

Annual required contribution	\$ 1,292,797
Interest on net OPEB obligation	207,955
ARC adjustment	<u>(251,299)</u>
OPEB cost	1,249,453
Contributions made (retiree premiums paid in 2017)	<u>(880,104)</u>
Increase in net OPEB obligation	369,349
Beginning net OPEB obligation at July 1, 2016	5,941,560
Ending net OPEB obligation at June 30, 2017	<u>\$ 6,310,909</u>

The following table shows the City of Kenner's annual OPEB cost, percentage of the cost contributed, and the net unfunded OPEB liability:

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

ANNUAL OPEB COST (CONTINUED)

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Cost Contributed</u>	<u>Annual OPEB Net OPEB Obligation</u>
June 30, 2015	\$ 1,197,086	65.43%	\$ 5,538,032
June 30, 2016	1,189,707	66.08%	5,941,560
June 30, 2017	1,249,453	70.44%	6,310,909

FUNDED STATUS AND FUNDING PROGRESS

During the fiscal year ended June 30, 2017, the City of Kenner made no contributions to its other postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2017, the most recent actuarial valuation (adjusted for interest), the Actuarial Accrued Liability (AAL) was \$18,207,647, which is defined as that portion, as determined by a particular actuarial cost method (the City of Kenner uses the Projected Unit Credit Cost Method), of the actuarial present value of other postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during fiscal year 2017, the entire actuarial accrued liability of \$18,207,647 was unfunded.

Actuarial accrued liability (AAL)	\$ 18,207,647
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 18,207,647</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered Payroll (annual payroll of active plan members)	\$ 27,640,291
UAAL as a percentage of covered payroll	<u>65.87%</u>

ACTUARIAL METHODS AND ASSUMPTIONS

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. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as 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 multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Kenner and its employee plan members) at the time of the valuation and on the historical pattern of sharing costs between the City of Kenner and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Kenner and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

ACTUARIAL COST METHOD

The ARC is determined using the projected unit credit cost method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

TURNOVER RATE

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
20 - 25	17.0%
26 - 40	10.2%
41 - 50	6.8%
51+	5.1%

In addition, based on past experience it was assumed that 30% of retirees decline health coverage at retirement.

INVESTMENT RETURN ASSUMPTION (DISCOUNT RATE)

The investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 3.5% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

HEALTH CARE COST INFLATION RATE

This assumption is used in determining how much postemployment benefits will cost each year and how rapidly the cost will grow when an employee starts receiving postemployment benefits. The health care cost trend was 6.0% initially and decreases to an ultimate rate of 4.1%. Both the investment return rate and the health care cost trend rate included a 2.5% inflation assumption.

MORTALITY RATE

This assumption is used in determining how long a retiree is likely to receive the benefits. The RPH-2014 Blue Collar Employee Tables, male and female, with a generational projection using scale MP-2016, was used.

NOTE P - PENSION PLANS

GENERAL

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (MERS), a cost-sharing, multiple-employer defined benefit public employee retirement system.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees' Retirement System (MPERS), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters' Retirement System (FRS), a cost-sharing, multiple-employer defined benefit plan.

PLAN DESCRIPTIONS

Municipal Employees' Retirement System, State of Louisiana (MERS)

Employees of the City participate in Plan A of MERS, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1866, specifically, and other general laws of the State of Louisiana.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE P - PENSION PLANS (CONTINUED)

PLAN DESCRIPTIONS (CONTINUED)

Municipal Employees' Retirement System, State of Louisiana (MERS) (CONTINUED)

Under MERS, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse.

The MERS retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2016. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 9.50% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 22.75% of earnable compensation. At July 1, 2017, the employer rate increased to 24.75% for the 2018 fiscal year, while the employee rate remained at 9.50%.

Municipal Police Employees' Retirement System, State of Louisiana (MPERS)

Members of MPERS hired prior to January 1, 2013, are eligible for normal retirement after they have been a member of the plan, if they have 25 years of service at any age or they have 20 years' service and are age 50 or have 12 years' service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to 3 1/3 percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children.

Members of MPERS hired on or after January 1, 2013, are eligible for normal retirement 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 of the plan 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 percent and 2 1/2 percent, respectively, of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children.

The MPERS retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2016. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809.

The employer and employee contribution rates for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013 were 31.75% and 10.0%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013, were 33.75% and 8.0%, respectively. At July 1, 2017, the employer's contribution rate decreased to 30.75%, and the employee rate remained at 10.0% for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013. The employer's contribution rate decreased to 30.75% and the employee rate remained at 8.0% for all Non Hazardous duty members hired after January 1, 2013.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE P - PENSION PLANS (CONTINUED)

PLAN DESCRIPTIONS (CONTINUED)

The Firefighters' Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 ¹/₃% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children. Act 434 of the 1979 Louisiana Legislative Session established the Plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Plan members are required to contribute 10.0% of their earnable compensation, and the City is required to contribute at an actuarially determined rate. The current rate is 25.25% of annual-covered payroll. Effective July 1, 2017, the employer's contribution rate increased to 26.5% and the employee rate remained at 10.0%.

CURRENT MEMBERSHIP

Total membership data for MERS, MPERS and FRS is available in the separately issued reports, but is not available by individual employer.

CONTRIBUTIONS MADE

The employer contribution rates are established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of each plan are used for the payment of benefits for all classes of members within each system, regardless of their plan membership. Employer contributions to MERS, MPERS, and FRS were \$2,815,810, \$2,793,171, and \$1,225,030, respectively, for the year ended June 30, 2017.

PENSION LIABILITIES, PENSION EXPENSE, CONTRIBUTION REVENUE FROM NON-EMPLOYER CONTRIBUTIONS, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2017, the City of Kenner, Louisiana reported a liability for MERS, MPERS and FRS of \$26,884,611, \$28,292,130, and \$12,793,256, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2016, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The City of Kenner, Louisiana's proportion of the net pension liability for each retirement system was based on a projection of the City of Kenner, Louisiana's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City of Kenner, Louisiana's proportion for MERS, MPERS, and FRS was 6.559285%, 3.018530%, and 1.955885%, respectively. This reflects a decrease for MERS of 0.337268%, a decrease for MPERS of 0.029685%, and a decrease for FRS of 0.049575% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City of Kenner, Louisiana recognized pension expense and contributions revenue from non-employer contributions as follows:

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE P - PENSION PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, CONTRIBUTION REVENUE FROM NON-EMPLOYER CONTRIBUTIONS, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

	Pension Expense/ (Benefit)	Contributions Revenue - Non Employer Contributions
MERS	\$ 3,516,617	\$ 397,442
MPERS	3,489,024	561,599
FRS	1,912,904	485,559
Total	\$ 8,918,545	\$ 1,444,600

At June 30, 2017, the City of Kenner, Louisiana reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources				
	MERS	MPERS	FRS	Total
Difference between employer contributions and proportionate share of contributions	\$ -	\$ 754	\$ 14,811	\$ 15,565
Changes in proportion	-	57,761	-	57,761
Change of assumptions	978,664	1,375,579	110,253	2,464,496
Difference between projected and actual earnings on plan investments	6,139,723	4,353,410	3,074,651	13,567,784
Employer contributions subsequent to the measurement date	2,815,810	2,793,171	1,225,030	6,834,011
Total	\$ 9,934,197	\$ 8,580,675	\$ 4,424,745	\$ 22,939,617
Deferred Inflows of Resources				
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 849,836	\$ 450,056	\$ 506,407	\$ 1,806,299
Difference between projected and actual earnings on plan investments	-	-	-	-
Difference between employer contributions and proportionate share of contributions	28,260	2,895	2,321	33,476
Change of assumptions	-	1,703	3,565	5,268
Changes in proportion	699,554	252,768	553,123	1,505,445
Total	\$ 1,577,650	\$ 707,422	\$ 1,065,416	\$ 3,350,488

During the year ended June 30, 2017, employer contributions totaling \$2,815,810, \$2,793,171, and \$1,225,030 were made subsequent to the measurement date for MERS, MPERS, and FRS, respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE P - PENSION PLANS (CONTINUED)

PENSION LIABILITIES, PENSION EXPENSE, CONTRIBUTION REVENUE FROM NON-EMPLOYER CONTRIBUTIONS, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

Year Ending June 30,	<u>MERS</u>	<u>MPERS</u>	<u>FRS</u>	<u>Total</u>
2018	\$ 1,636,927	\$ 1,051,235	\$ 579,455	\$ 3,267,617
2019	961,969	1,249,926	579,455	2,791,350
2020	1,989,400	1,673,138	772,583	4,435,121
2021	952,441	1,105,783	344,682	2,402,906
2022	-	-	(87,914)	(87,914)
Thereafter	-	-	(53,962)	(53,962)
Total	<u>\$ 5,540,737</u>	<u>\$ 5,080,082</u>	<u>\$ 2,134,299</u>	<u>\$ 12,755,118</u>

ACTUARIAL ASSUMPTIONS

Total pension liabilities for MERS, MPERS and FRS in the June 30, 2016, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	MERS	MPERS	FRS
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial assumptions:			
Expected Remaining Service Lives	3 Years	4 Years	7 Years
Investment rate of return	7.50%, net of investment expense	7.50%, net of investment expense	7.50%
Inflation rate	2.875% per annum	2.875% per annum	2.875% per annum
Projected salary increases	5.0% (2.875% Inflation, 2.125% Merit)	Salary growth rate based on years of service, ranging from 9.75% for 1-2 years of service to 4.25% for 23 & over years of service.	Vary from 15.0% in the first two years of service to 4.75% after 14 years.
Cost-of-living adjustments	None, since they are not deemed to be substantively automatic.	None, since they are not deemed to be substantively automatic.	None, since they are not deemed to be substantively automatic.
Mortality	RP-2000 Employee Table for Active members; RP-2000 Healthy Annuitant Table for healthy annuitants; RP-2000 Disabled Lives Mortality Tables for disabled annuitants	Mortality rate assumption was projected based on a five-year (2009-2014) experience study of the System's members and review of similar law enforcement mortality.	Mortality rate assumption was projected based on a five-year (2009-2014) experience study of the System's members.
Termination and disability	Termination, disability and retirement assumptions were projected based on a four year (2009-2014) experience study of the System's members.	Termination, disability and retirement assumptions were projected based on a five year (2009-2014) experience study of the System's members.	Termination, disability and retirement assumptions were projected based on a five year (2009-2014) experience study of the System's members.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE P - PENSION PLANS (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

The long-term expected rate of return on pension plan investments 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 ranges 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 and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the following table:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	MERS	MPERS	FRS	MERS	MPERS	FRS
Equity	50%	53%	58%	2.60%	3.69%	6.77%
Fixed Income	35%	21%	24%	1.80%	0.49%	1.85%
Alternatives	15%	20%	8%	0.80%	1.11%	6.67%
Other	0%	6%	10%	0.00%	0.21%	4.30%
Total	100%	100%	100%	5.20%	5.50%	5.34%
Inflation				2.50%	2.75%	3.00%
Expected Arithmetic Nominal Return				7.70%	8.25%	8.34%

DISCOUNT RATES

The discount rate used to measure the total pension liability for MERS, MPERS, and FRS was 7.50%, 7.50%, and 7.50%, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATES

The following table presents the employer's proportionate share of the net pension liability using the actual discount rates used (7.50% for MERS, 7.50% for MPERS, and 7.50% for FRS), as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
MERS	\$ 34,175,345	\$ 26,884,611	\$ 20,663,381
MPERS	37,715,843	28,292,130	20,380,069
FRS	17,429,778	12,793,256	8,894,027
Total	\$ 89,320,966	\$ 67,969,997	\$ 49,937,477

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE P - PENSION PLANS (CONTINUED)

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plans' fiduciary net position is available in the separately issued MERS, MPERS and FRS 2015 Annual Financial Reports at www.mersla.com, www.lampers.org, and www.lafirefightersret.com, respectively.

PAYABLES TO THE PENSION PLANS

At June 30, 2017, there were no amounts owed to any of the three pension plans for employee and employer legally-required contributions.

NOTE Q – DEFICIT FUND BALANCES/ NET POSITION

At June 30, 2017, the Self-Insurance Fund had a deficit in its unrestricted net position of \$4,141,180. This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2017, the Wastewater Fund had a deficit in its unrestricted net position of \$6,433,825. This deficit will be eliminated by the future revenues.

At June 30, 2017, the Firemen's Pension Merger Funds had a deficit in its fund balance of \$288,860. This deficit will be eliminated by the future revenues.

NOTE R – TAX ABATEMENTS

The City has created an economic development district in accordance with the Louisiana Tax Incremental Development Act to encourage the attraction or retention of businesses by providing funding for such items as the acquisition and construction costs of new facilities through tax abatements. Any business located within or promising to relocate to the economic development district may apply for a tax abatement of a portion of the sales taxes it collects.

Through Council Ordinance, the City agreed to abate 1% of the 2 ⁷/₁₂ % sales taxes collected by a retail business to reimburse construction costs of its new retail facility constructed in the economic development district of the City. For the year ended June 20, 2017, the City abated \$194,898 of the \$503,487 sales taxes collected by the retail business.

The agreement will terminate when the agreed amount of construction costs have been reimbursed through sales tax abatements. The remaining amount of tax to be abated under this agreement in future periods is \$157,575.

NOTE S – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2017, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosure is December 29, 2017, which is the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes	\$ 28,202,880	\$ (14,922)	\$ 28,187,958	\$ 27,615,771	\$ 27,615,771	\$ 572,187
Licenses and permits	3,897,098	-	3,897,098	3,800,214	3,800,214	96,884
Intergovernmental	2,070,064	(340,399)	1,729,665	1,478,639	1,478,639	251,026
Charges for services	1,492,676	-	1,492,676	930,878	930,878	561,798
Fines and forfeitures	2,165,692	-	2,165,692	2,033,058	2,033,058	132,634
Interest	151,370	-	151,370	72,000	72,000	79,370
Miscellaneous	606,166	(5)	606,161	419,470	419,470	186,691
Total revenues	<u>38,585,946</u>	<u>(355,326)</u>	<u>38,230,620</u>	<u>36,350,030</u>	<u>36,350,030</u>	<u>1,880,590</u>
EXPENDITURES						
General government	11,055,623	(25,138)	11,030,485	11,189,836	10,705,610	(324,875)
Public safety	20,137,977	(197,660)	19,940,317	19,697,596	19,825,728	(114,589)
Public works	4,089,364	64,780	4,154,144	4,249,836	4,233,889	79,745
Health and welfare	448,663	(1,118)	447,545	452,983	451,494	3,949
Culture and recreation	4,621,240	(24,578)	4,596,662	4,663,764	4,716,873	120,211
Transit and urban development	399,319	-	399,319	419,681	429,962	30,643
Total expenditures	<u>40,752,186</u>	<u>(183,714)</u>	<u>40,568,472</u>	<u>40,673,696</u>	<u>40,363,556</u>	<u>(204,916)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,166,240)</u>	<u>(171,612)</u>	<u>(2,337,852)</u>	<u>(4,323,666)</u>	<u>(4,013,526)</u>	<u>1,675,674</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	10,190,158	-	10,190,158	10,449,237	10,427,158	(237,000)
Operating transfers out	(8,981,946)	-	(8,981,946)	(6,625,571)	(9,166,881)	184,935
Total other financing sources (uses)	<u>1,208,212</u>	<u>-</u>	<u>1,208,212</u>	<u>3,823,666</u>	<u>1,260,277</u>	<u>(52,065)</u>
Net change in fund balance	(958,028)	(171,612)	(1,129,640)	(500,000)	(2,753,249)	1,623,609
Fund balance - beginning of year	<u>16,412,198</u>	<u>-</u>	<u>16,412,198</u>	<u>16,412,198</u>	<u>16,412,198</u>	<u>-</u>
Fund balance - end of year	<u>\$ 15,454,170</u>	<u>\$ (171,612)</u>	<u>\$ 15,282,558</u>	<u>\$ 15,912,198</u>	<u>\$ 13,658,949</u>	<u>\$ 1,623,609</u>

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE PERCENT SALES TAX OF 1984 FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 11,944,911	\$ -	\$ 11,944,911	\$ 12,392,203	\$ 12,392,203	\$ (447,292)
Total revenues	<u>11,944,911</u>	<u>-</u>	<u>11,944,911</u>	<u>12,392,203</u>	<u>12,392,203</u>	<u>(447,292)</u>
EXPENDITURES						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,944,911</u>	<u>-</u>	<u>11,944,911</u>	<u>12,392,203</u>	<u>12,392,203</u>	<u>(447,292)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(11,944,911)</u>	<u>-</u>	<u>(11,944,911)</u>	<u>(12,392,203)</u>	<u>(12,392,203)</u>	<u>447,292</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 3,513,157	\$ -	\$ 3,513,157	\$ 3,537,686	\$ 3,537,686	\$ (24,529)
Parking tax	1,491,481	-	1,491,481	1,305,968	1,305,968	185,513
Cable franchise tax	387,544	-	387,544	387,047	387,047	497
Charges for services	240	-	240	477	477	(237)
Interest	1,922	-	1,922	-	-	1,922
Miscellaneous	850	-	850	645	645	205
Total revenues	<u>5,395,194</u>	<u>-</u>	<u>5,395,194</u>	<u>5,231,823</u>	<u>5,231,823</u>	<u>163,371</u>
EXPENDITURES						
Public safety:						
Personnel	6,719,310	-	6,719,310	6,613,389	6,687,114	(32,196)
Supplies	62,343	3,452	65,795	71,000	66,482	687
Capital outlay	-	(21,126)	(21,126)	-	-	21,126
Service charges	543,371	-	543,371	573,765	504,558	(38,813)
Total expenditures	<u>7,325,024</u>	<u>(17,674)</u>	<u>7,307,350</u>	<u>7,258,154</u>	<u>7,258,154</u>	<u>(49,196)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,929,830)</u>	<u>17,674</u>	<u>(1,912,156)</u>	<u>(2,026,331)</u>	<u>(2,026,331)</u>	<u>114,175</u>
OTHER FINANCING SOURCES						
Transfers out	-	-	-	-	-	-
Transfers in	<u>1,929,830</u>	<u>-</u>	<u>1,929,830</u>	<u>2,026,331</u>	<u>2,026,331</u>	<u>(96,501)</u>
Net change in fund balance	-	17,674	17,674	-	-	17,674
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 17,674</u>	<u>\$ 17,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,674</u>

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2017

NOTE A - BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund	Community Development Block Grant Fund	Streets and Drainage Fund	Fire Protection Fund
Net change in fund balances (budgetary basis)	\$ (1,129,640)	\$ 141,201	\$ 136,678	\$ 17,674
Basis differences:				
To adjust for encumbrances	(183,714)	(1,214)	(136,678)	(17,674)
Entity differences:				
To adjust for revenues not budgeted	<u>355,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ (958,028)</u>	<u>\$ 139,987</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
JUNE 30, 2017

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
June 30, 2012	June 30, 2011	\$ -	\$ 15,071,536	\$ 15,071,536	0.00 %	\$ 25,391,132	59.36 %
June 30, 2013	June 30, 2013	\$ -	\$ 12,687,985	\$ 12,687,985	0.00 %	\$ 26,520,081	47.84 %
June 30, 2014	June 30, 2013	\$ -	\$ 12,687,985	\$ 12,687,985	0.00 %	\$ 25,874,212	49.04 %
June 30, 2015	June 30, 2015	\$ -	\$ 15,714,691	\$ 15,714,691	0.00 %	\$ 25,755,465	61.01 %
June 30, 2016	June 30, 2015	\$ -	\$ 15,714,691	\$ 15,714,691	0.00 %	\$ 26,041,576	60.34 %
June 30, 2017	June 30, 2017	\$ -	\$ 18,207,647	\$ 18,207,647	0.00 %	\$ 27,640,291	65.87 %

CITY OF KENNER, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2017

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>MERS:</u>					
2017	6.55929%	\$ 26,884,611	\$ 11,717,163	229.4%	62.1%
2016	6.89655%	\$ 24,635,568	\$ 11,767,976	209.3%	66.2%
2015	6.92951%	\$ 17,784,191	\$ 11,699,489	152.0%	74.0%
2014	6.92428%	\$ 21,461,170	\$ 11,624,136	184.6%	68.0%
<u>MPERS:</u>					
2017	3.01853%	\$ 28,292,130	\$ 8,455,544	334.6%	66.0%
2016	3.04822%	\$ 23,879,578	\$ 8,153,754	292.9%	70.7%
2015	3.03337%	\$ 18,977,030	\$ 8,058,896	235.5%	75.1%
2014	3.07695%	\$ 24,580,017	\$ 8,024,893	306.3%	66.7%
<u>FRS:</u>					
2017	1.95589%	\$ 12,793,256	\$ 4,412,472	289.9%	68.2%
2016	2.00546%	\$ 10,823,693	\$ 4,262,059	254.0%	72.4%
2015	2.01242%	\$ 8,955,108	\$ 4,207,688	212.8%	76.0%
2014	2.11904%	\$ 10,991,862	\$ 4,140,703	265.5%	70.7%

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous fiscal year.

CITY OF KENNER, LOUISIANA
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017

Fiscal Year	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
<u>MERS:</u>					
2017	\$ 2,815,810	\$ 2,815,810	\$ -	\$ 12,377,177	22.8%
2016	\$ 2,314,139	\$ 2,314,139	\$ -	\$ 11,717,163	19.7%
2015	\$ 2,324,274	\$ 2,324,274	\$ -	\$ 11,767,976	19.8%
2014	\$ 2,193,659	\$ 2,193,659	\$ -	\$ 11,699,489	18.8%
2013	\$ 1,976,108	\$ 1,976,108	\$ -	\$ 11,624,136	17.0%
2012	\$ 1,898,680	\$ 1,898,680	\$ -	\$ 11,335,398	16.8%
2011	\$ 1,761,462	\$ 1,761,462	\$ -	\$ 12,361,138	14.2%
2010	\$ 1,765,711	\$ 1,765,711	\$ -	\$ 13,079,334	13.5%
2009	\$ 1,775,666	\$ 1,775,666	\$ -	\$ 13,153,096	13.5%
2008	\$ 1,638,841	\$ 1,638,841	\$ -	\$ 12,039,515	13.6%
<u>MPERS:</u>					
2017	\$ 2,793,171	\$ 2,793,171	\$ -	\$ 8,797,386	31.8%
2016	\$ 2,494,386	\$ 2,494,386	\$ -	\$ 8,455,544	29.5%
2015	\$ 2,568,431	\$ 2,568,431	\$ -	\$ 8,153,754	31.5%
2014	\$ 2,498,256	\$ 2,498,256	\$ -	\$ 8,058,896	31.0%
2013	\$ 2,487,715	\$ 2,487,715	\$ -	\$ 8,024,893	31.0%
2012	\$ 2,097,124	\$ 2,097,124	\$ -	\$ 7,913,669	26.5%
2011	\$ 1,874,013	\$ 1,874,013	\$ -	\$ 7,496,045	25.0%
2010	\$ 850,920	\$ 850,920	\$ -	\$ 7,735,643	11.0%
2009	\$ 733,339	\$ 733,339	\$ -	\$ 7,719,344	9.5%
2008	\$ 1,088,219	\$ 1,088,219	\$ -	\$ 7,914,295	13.8%
<u>FRS:</u>					
2017	\$ 1,225,030	\$ 1,225,030	\$ -	\$ 4,851,604	25.2%
2016	\$ 1,202,399	\$ 1,202,399	\$ -	\$ 4,412,472	27.3%
2015	\$ 1,246,652	\$ 1,246,652	\$ -	\$ 4,262,059	29.2%
2014	\$ 1,188,672	\$ 1,188,672	\$ -	\$ 4,207,688	28.3%
2013	\$ 993,769	\$ 993,769	\$ -	\$ 4,140,703	24.0%
2012	\$ 973,314	\$ 973,314	\$ -	\$ 4,186,859	23.2%
2011	\$ 928,830	\$ 928,830	\$ -	\$ 4,320,144	21.5%
2010	\$ 613,321	\$ 613,321	\$ -	\$ 4,380,865	14.0%
2009	\$ 558,465	\$ 558,465	\$ -	\$ 4,467,716	12.5%
2008	\$ 617,700	\$ 617,700	\$ -	\$ 4,492,364	13.7%

The accompanying notes are an integral part of this schedule.

CITY OF KENNER, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION II
JUNE 30, 2017

MERS:

1. CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for the year ended June 30, 2017.

2. CHANGES OF ASSUMPTIONS

The inflation rate assumption was lowered from 2.875% to 2.775% for the year ended June 30, 2017.

The investment rate of return assumption was lowered from 7.500% to 7.400% for the year ended June 30, 2017.

MPERS:

1. CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for the year ended June 30, 2017.

2. CHANGES OF ASSUMPTIONS

The inflation rate assumption was lowered from 2.875% to 2.700% for the year ended June 30, 2017.

The investment rate of return assumption was lowered from 7.500% to 7.325% for the year ended June 30, 2017.

FRS:

1. CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for the year ended June 30, 2017.

2. CHANGES OF ASSUMPTIONS

The inflation rate assumption was lowered from 2.875% to 2.775% for the year ended June 30, 2017.

The investment rate of return assumption was lowered from 7.500% to 7.400% for the year ended June 30, 2017.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2017**

SPECIAL REVENUE FUNDS

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

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

The Community Development Block Grant Fund accounts for the grants received from the Federal Community Development Block Grant Program.

GARBAGE COLLECTION AND DISPOSAL FUND

The Garbage Collection and Disposal Fund accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

STREETS AND DRAINAGE FUND

The Roads and Bridges account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

GENERAL DEBT FUND

The General Debt Fund accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994
Sales Tax Bonds Series 1995A
DEQ Taxable Sewer Revenue Bond, Series 2009
Sales Tax Bonds Series 2013

AD VALOREM TAX BOND FUND

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements for the loan agreement for the LCDA loan.

FIREMEN'S PENSION MERGER FUND

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

CITY OF KENNER, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	SPECIAL REVENUE FUNDS			
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	COMMUNITY DEVELOPMENT BLOCK GRANT	TOTAL
ASSETS				
Cash	\$ -	\$ 158	\$ 46,821	\$ 46,979
Equity in pooled cash	-	-	96,571	96,571
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	1,008,539	-	-	1,008,539
Intergovernmental	1,133	-	-	1,133
Other	-	-	506	506
Due from other funds	137,869	35,040	212,173	385,082
	<u>1,147,541</u>	<u>35,198</u>	<u>356,071</u>	<u>1,538,810</u>
Total assets	<u>\$ 1,147,541</u>	<u>\$ 35,198</u>	<u>\$ 356,071</u>	<u>\$ 1,538,810</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 383,494	\$ 10,244	\$ 11,800	\$ 405,538
Accrued liabilities	-	24,425	30,950	55,375
Due to other funds	637,001	14	-	637,015
	<u>1,020,495</u>	<u>34,683</u>	<u>42,750</u>	<u>1,097,928</u>
Total liabilities	<u>1,020,495</u>	<u>34,683</u>	<u>42,750</u>	<u>1,097,928</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	127,046	515	-	127,561
	<u>127,046</u>	<u>515</u>	<u>-</u>	<u>127,561</u>
Fund balances:				
Restricted				
Federal grants	\$ -	\$ -	\$ 313,321	\$ 313,321
Debt service	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>313,321</u>	<u>313,321</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>313,321</u>	<u>313,321</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,147,541</u>	<u>\$ 35,198</u>	<u>\$ 356,071</u>	<u>\$ 1,538,810</u>

DEBT SERVICE				TOTAL
AD VALOREM TAX BONDS	GENERAL DEBT	FIREMEN'S PENSION MERGER FUND	TOTAL	NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 1,897,459	\$ -	\$ 1,897,459	\$ 1,944,438
67,394	52,138	23,546	143,078	239,649
-	-	-	-	1,008,539
-	532,703	-	532,703	533,836
-	50	-	50	556
16,051	-	-	16,051	401,133
<u>\$ 83,445</u>	<u>\$ 2,482,350</u>	<u>\$ 23,546</u>	<u>\$ 2,589,341</u>	<u>\$ 4,128,151</u>
\$ -	\$ -	\$ -	\$ -	\$ 405,538
-	-	-	-	55,375
-	181,455	-	181,455	818,470
-	181,455	-	181,455	1,279,383
16,046	-	312,406	328,452	456,013
\$ -	\$ -	\$ -	\$ -	\$ 313,321
67,399	2,300,895	-	2,368,294	2,368,294
-	-	(288,860)	(288,860)	(288,860)
67,399	2,300,895	(288,860)	2,079,434	2,392,755
<u>\$ 83,445</u>	<u>\$ 2,482,350</u>	<u>\$ 23,546</u>	<u>\$ 2,589,341</u>	<u>\$ 4,128,151</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS			TOTAL
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	COMMUNITY DEVELOPMENT BLOCK GRANT	
REVENUES				
Taxes	\$ 761,302	\$ 898,063	\$ -	\$ 1,659,365
Intergovernmental	1,133	-	180,174	181,307
Charges for services	3,364,600	-	-	3,364,600
Interest	-	-	2,622	2,622
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,127,035	898,063	182,796	5,207,894
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
Public works	4,374,867	1,791,998	-	6,166,865
Health and welfare	-	-	160,108	160,108
Transit and urban development	-	-	551,621	551,621
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	4,374,867	1,791,998	711,729	6,878,594
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(247,832)	(893,935)	(528,933)	(1,670,700)
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers in	247,832	893,935	668,920	1,810,687
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	247,832	893,935	668,920	1,810,687
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	139,987	139,987
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning of year	-	-	173,334	173,334
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - end of year	\$ -	\$ -	\$ 313,321	\$ 313,321
	<hr/>	<hr/>	<hr/>	<hr/>

DEBT SERVICE FUNDS				TOTAL
AD VALOREM	GENERAL	FIREMEN'S		NONMAJOR
TAX BONDS	DEBT	PENSION MERGER	TOTAL	GOVERNMENTAL
		FUND		FUNDS
1,901,738	\$ 3,198,581	\$ 288,859	\$ 5,389,178	\$ 7,048,543
-	-	-	-	181,307
-	-	-	-	3,364,600
1,241	21,041	42	22,324	24,946
1,902,979	3,219,622	288,901	5,411,502	10,619,396
-	-	-	-	6,166,865
-	-	-	-	160,108
-	-	-	-	551,621
1,855,000	2,666,000	99,744	4,620,744	4,620,744
46,661	1,750,194	137,959	1,934,814	1,934,814
-	36,000	-	36,000	36,000
1,901,661	4,452,194	237,703	6,591,558	13,470,152
1,318	(1,232,572)	51,198	(1,180,056)	(2,850,756)
-	1,220,230	-	1,220,230	3,030,917
-	-	(51,198)	(51,198)	(51,198)
-	1,220,230	(51,198)	1,169,032	2,979,719
1,318	(12,342)	-	(11,024)	128,963
66,081	2,313,237	(288,860)	2,090,458	2,263,792
\$ 67,399	\$ 2,300,895	\$ (288,860)	\$ 2,079,434	\$ 2,392,755

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
TAXES						
Ad valorem tax	\$ 987,540	\$ -	\$ 987,540	\$ 994,510	\$ 994,510	\$ (6,970)
Sales tax	18,607,675	-	18,607,675	17,555,446	17,555,446	1,052,229
Beer tax	65,301	-	65,301	63,753	63,753	1,548
Parking tax	1,393,653	-	1,393,653	1,393,653	1,393,653	-
Franchises						
Electricity service	1,407,451	-	1,407,451	1,587,929	1,587,929	(180,478)
Gas service	170,646	-	170,646	190,692	190,692	(20,046)
Off-track wagering	75,987	-	75,987	65,933	65,933	10,054
Hotel/motel tax	373,037	-	373,037	398,385	398,385	(25,348)
Telephone	101,968	-	101,968	94,517	94,517	7,451
Video service	285,888	(14,922)	270,966	401,474	401,474	(130,508)
Riverboat	4,733,734	-	4,733,734	4,869,479	4,869,479	(135,745)
Total taxes	28,202,880	(14,922)	28,187,958	27,615,771	27,615,771	572,187
LICENSES AND PERMITS						
Business:						
Occupational	2,616,038	-	2,616,038	2,589,884	2,589,884	26,154
Alcoholic beverage	83,990	-	83,990	89,013	89,013	(5,023)
Chain store	48,164	-	48,164	50,916	50,916	(2,752)
Plumbing	48,700	-	48,700	65,000	65,000	(16,300)
Electrical	34,670	-	34,670	45,000	45,000	(10,330)
Taxi cab	31,978	-	31,978	35,000	35,000	(3,022)
Air conditioning	22,400	-	22,400	30,000	30,000	(7,600)
Bingo	50	-	50	50	50	-
Animal control	-	-	-	50	50	(50)
Total business	2,885,990	-	2,885,990	2,904,913	2,904,913	(18,923)
Non-business:						
Building	548,043	-	548,043	393,480	393,480	154,563
Garage sales	1,475	-	1,475	3,066	3,066	(1,591)
Brake tags	461,590	-	461,590	498,755	498,755	(37,165)
Total non-business	1,011,108	-	1,011,108	895,301	895,301	115,807
Total licenses and permits	3,897,098	-	3,897,098	3,800,214	3,800,214	96,884
INTERGOVERNMENTAL						
Federal Grants	325,707	(101,675)	224,032	-	-	224,032
From state:						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	387,610	-	387,610	419,681	419,681	(32,071)
Parish road fund	206,400	-	206,400	211,548	211,548	(5,148)
Video poker	605,794	-	605,794	600,209	600,209	5,585
Other state grants	48,861	(48,861)	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	77,246	-	77,246	36,201	36,201	41,045
Jefferson Parish	418,446	(189,863)	228,583	211,000	211,000	17,583
Total intergovernmental	\$ 2,070,064	\$ (340,399)	\$ 1,729,665	\$ 1,478,639	\$ 1,478,639	\$ 251,026

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CHARGES FOR SERVICES						
Zoning fees	\$ 14,697	\$ -	\$ 14,697	\$ 12,154	\$ 12,154	\$ 2,543
Inspection fees						
Electrical	80,175	-	80,175	74,303	74,303	5,872
Plumbing	47,365	-	47,365	56,795	56,795	(9,430)
Air conditioning, heating, and other	75,190	-	75,190	70,000	70,000	5,190
Maps and document sales	4,325	-	4,325	4,231	4,231	94
Tax research fees	11,595	-	11,595	11,000	11,000	595
Police reports	50,732	-	50,732	35,156	35,156	15,576
Weed cutting fees	128,718	-	128,718	140,970	140,970	(12,252)
Recreation department						
Participation fees	253,327	-	253,327	244,795	244,795	8,532
Admission fees	81,215	-	81,215	79,096	79,096	2,119
Identification and other fees	225,512	-	225,512	141,378	141,378	84,134
Community service fees	-	-	-	-	-	-
Administrative charges	519,825	-	519,825	61,000	61,000	458,825
Total charges for services	<u>1,492,676</u>	<u>-</u>	<u>1,492,676</u>	<u>930,878</u>	<u>930,878</u>	<u>561,798</u>
FINES AND FORFEITURES						
Fines	1,700,834	-	1,700,834	1,642,059	1,642,059	58,775
Forfeitures	391,100	-	391,100	331,642	331,642	59,458
DWI fines	4,950	-	4,950	4,488	4,488	462
Reinstatement fees	68,808	-	68,808	54,869	54,869	13,939
Total fines and forfeitures	<u>2,165,692</u>	<u>-</u>	<u>2,165,692</u>	<u>2,033,058</u>	<u>2,033,058</u>	<u>132,634</u>
INTEREST ON INVESTED FUNDS						
	<u>151,370</u>	<u>-</u>	<u>151,370</u>	<u>72,000</u>	<u>72,000</u>	<u>79,370</u>
MISCELLANEOUS						
Donations	60,712	-	60,712	-	-	60,712
Rents	332,908	-	332,908	319,313	319,313	13,595
Other investment income	72,981	-	72,981	40,000	40,000	32,981
Other	139,565	(5)	139,560	60,157	60,157	79,403
Total miscellaneous	<u>606,166</u>	<u>(5)</u>	<u>606,161</u>	<u>419,470</u>	<u>419,470</u>	<u>186,691</u>
Total revenues	<u>\$ 38,585,946</u>	<u>\$ (355,326)</u>	<u>\$ 38,230,620</u>	<u>\$ 36,350,030</u>	<u>\$ 36,350,030</u>	<u>\$ 1,880,590</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
GENERAL GOVERNMENT						
Personnel	\$ 7,470,195	\$ (30)	\$ 7,470,165	\$ 7,751,068	\$ 7,226,847	\$ (243,318)
Supplies	160,946	(8,878)	152,068	119,703	129,068	(23,000)
Service charges	3,372,021	(17,930)	3,354,091	3,303,065	3,309,833	(44,258)
Capital outlay	52,461	1,700	54,161	16,000	39,862	(14,299)
Total general government	11,055,623	(25,138)	11,030,485	11,189,836	10,705,610	(324,875)
PUBLIC SAFETY						
Personnel	16,550,515	(93,264)	16,457,251	16,513,085	16,396,794	(60,457)
Supplies	680,013	7,012	687,025	785,848	703,046	16,021
Service charges	2,141,986	26,170	2,168,156	2,355,082	2,261,490	93,334
Capital outlay	765,463	(137,578)	627,885	43,581	464,398	(163,487)
Total public safety	20,137,977	(197,660)	19,940,317	19,697,596	19,825,728	(114,589)
PUBLIC WORKS						
Personnel	1,889,866	-	1,889,866	2,043,944	1,923,769	33,903
Supplies	671,182	59,174	730,356	859,419	764,372	34,016
Service charges	1,528,316	5,606	1,533,922	1,346,473	1,545,748	11,826
Capital outlay	-	-	-	-	-	-
Total public works	4,089,364	64,780	4,154,144	4,249,836	4,233,889	79,745
HEALTH AND WELFARE						
Personnel	431,847	-	431,847	433,007	443,005	11,158
Supplies	11,252	(1,118)	10,134	6,249	7,425	(2,709)
Service charges	764	-	764	13,727	1,064	300
Capital outlay	4,800	-	4,800	-	-	(4,800)
Total health and welfare	448,663	(1,118)	447,545	452,983	451,494	3,949

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CULTURE AND RECREATION						
Personnel	\$ 3,278,353	\$ -	\$ 3,278,353	\$ 3,316,317	\$ 3,301,567	\$ 23,214
Supplies	438,394	(17,360)	421,034	456,213	453,975	32,941
Service charges	899,618	(3,164)	896,454	889,234	959,331	62,877
Capital outlay	4,875	(4,054)	821	2,000	2,000	1,179
Total culture and recreation	4,621,240	(24,578)	4,596,662	4,663,764	4,716,873	120,211
TRANSIT						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	399,319	-	399,319	419,681	429,962	30,643
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	399,319	-	399,319	419,681	429,962	30,643
TOTAL EXPENDITURES						
Personnel	29,620,776	(93,294)	29,527,482	30,057,421	29,291,982	(235,500)
Supplies	1,961,787	38,830	2,000,617	2,227,432	2,057,886	57,269
Service charges	8,342,024	10,682	8,352,706	8,327,262	8,507,428	154,722
Capital outlay	827,599	(139,932)	687,667	61,581	506,260	(181,407)
TOTAL EXPENDITURES	\$ 40,752,186	\$ (183,714)	\$ 40,568,472	\$ 40,673,696	\$ 40,363,556	\$ (204,916)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 721,820	\$ (30)	\$ 721,790	\$ 748,015	\$ 731,184	\$ 9,394
Supplies	24,534	(4,402)	20,132	37,170	26,642	6,510
Service charges	67,378	(3,234)	64,144	119,150	76,250	12,106
Capital outlay	10,626	(3,023)	7,603	10,000	8,043	440
	<u>\$ 824,358</u>	<u>\$ (10,689)</u>	<u>\$ 813,669</u>	<u>\$ 914,335</u>	<u>\$ 842,119</u>	<u>\$ 28,450</u>

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 622,796	\$ -	\$ 622,796	\$ 585,195	\$ 636,268	\$ 13,472
Supplies	13,890	951	14,841	11,100	13,700	(1,141)
Service charges	35,484	36	35,520	33,625	35,628	108
Capital outlay	731	-	731	1,000	1,000	269
Total expenditures	<u>\$ 672,901</u>	<u>\$ 987</u>	<u>\$ 673,888</u>	<u>\$ 630,920</u>	<u>\$ 686,596</u>	<u>\$ 12,708</u>

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 820,135	\$ -	\$ 820,135	\$ 877,978	\$ 867,856	\$ 47,721
Supplies	16,443	617	17,060	15,000	16,899	(161)
Service charges	41,698	(92)	41,606	46,678	54,405	12,799
Capital outlay	14,889	(2,290)	12,599	-	13,600	1,001
Total expenditures	<u>\$ 893,165</u>	<u>\$ (1,765)</u>	<u>\$ 891,400</u>	<u>\$ 939,656</u>	<u>\$ 952,760</u>	<u>\$ 61,360</u>

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)

PURCHASING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 292,294	\$ -	\$ 292,294	\$ 286,731	\$ 293,972	\$ 1,678
Supplies	5,617	83	5,700	5,500	5,500	(200)
Service charges	15,248	2,106	17,354	21,374	20,367	3,013
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 313,159	\$ 2,189	\$ 315,348	\$ 313,605	\$ 319,839	\$ 4,491

PERSONNEL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 275,398	\$ -	\$ 275,398	\$ 265,965	\$ 275,220	\$ (178)
Supplies	3,587	-	3,587	2,933	3,633	46
Service charges	18,973	(99)	18,874	32,635	27,530	8,656
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 297,958	\$ (99)	\$ 297,859	\$ 301,533	\$ 306,383	\$ 8,524

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 379,699	\$ -	\$ 379,699	\$ 391,608	\$ 384,872	\$ 5,173
Supplies	4,948	(1,519)	3,429	5,200	4,467	1,038
Service charges	33,751	2,296	36,047	34,900	36,191	144
Capital outlay	15,627	7,013	22,640	5,000	17,219	(5,421)
Total expenditures	\$ 434,025	\$ 7,790	\$ 441,815	\$ 436,708	\$ 442,749	\$ 934

INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 461,474	\$ -	\$ 461,474	\$ 476,421	\$ 483,603	\$ 22,129
Supplies	14,646	(5,185)	9,461	7,500	7,830	(1,631)
Service charges	280,920	(127)	280,793	309,313	308,977	28,184
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 757,040	\$ (5,312)	\$ 751,728	\$ 793,234	\$ 800,410	\$ 48,682

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 173,898	\$ -	\$ 173,898	\$ 168,238	\$ 173,221	\$ (677)
Supplies	1,684	400	2,084	2,100	2,095	11
Service charges	14,304	850	15,154	18,365	17,973	2,819
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 189,886	\$ 1,250	\$ 191,136	\$ 188,703	\$ 193,289	\$ 2,153

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 721,852	\$ -	\$ 721,852	\$ 274,783	\$ 262,179	\$ (459,673)
Supplies	58,875	-	58,875	12,700	30,062	(28,813)
Service charges	1,400,607	(16,549)	1,384,058	1,175,215	1,148,982	(235,076)
Capital outlay	10,588	-	10,588	-	-	(10,588)
Total expenditures	\$ 2,191,922	\$ (16,549)	\$ 2,175,373	\$ 1,462,698	\$ 1,441,223	\$ (734,150)

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 736,573	\$ -	\$ 736,573	\$ 742,397	\$ 735,955	\$ (618)
Supplies	13,937	177	14,114	15,500	15,500	1,386
Service charges	69,750	(3,565)	66,185	46,000	65,066	(1,119)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 820,260	\$ (3,388)	\$ 816,872	\$ 803,897	\$ 816,521	\$ (351)

CITY ATTORNEY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	705,477	\$ -	\$ 705,477	687,368	701,984	\$ (3,493)
Supplies	2,785	-	2,785	5,000	2,740	(45)
Service charges	87,334	448	87,782	101,718	100,934	13,152
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 795,596	\$ 448	\$ 796,044	\$ 794,086	\$ 805,658	\$ 9,614

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)

INSURANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 47,008	\$ -	\$ 47,008	\$ 51,897	\$ 47,010	\$ 2
Supplies	-	-	-	-	-	-
Service charges	1,291,445	-	1,291,445	1,364,092	1,417,530	126,085
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,338,453	\$ -	\$ 1,338,453	\$ 1,415,989	\$ 1,464,540	\$ 126,087

PAY INCENTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,511,771	\$ -	\$ 1,511,771	\$ 2,194,472	\$ 1,633,523	\$ 121,752
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,511,771	\$ -	\$ 1,511,771	\$ 2,194,472	\$ 1,633,523	\$ 121,752

BAD DEBT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,129	-	15,129	-	-	(15,129)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,129	\$ -	\$ 15,129	\$ -	\$ -	\$ (15,129)

TOTAL - GENERAL GOVERNMENT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 7,470,195	\$ (30)	\$ 7,470,165	\$ 7,751,068	\$ 7,226,847	\$ (243,318)
Supplies	160,946	(8,878)	152,068	119,703	129,068	(23,000)
Service charges	3,372,021	(17,930)	3,354,091	3,303,065	3,309,833	(44,258)
Capital outlay	52,461	1,700	54,161	16,000	39,862	(14,299)
Total expenditures	\$ 11,055,623	\$ (25,138)	\$ 11,030,485	\$ 11,189,836	\$ 10,705,610	\$ (324,875)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION

POLICE ADMINISTRATIVE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 856,776	\$ -	\$ 856,776	\$ 885,082	\$ 859,469	\$ 2,693
Supplies	30,725	(2,689)	28,036	50,000	35,000	6,964
Service charges	848,128	63,602	911,730	808,000	879,000	(32,730)
Capital outlay	278,072	(6,378)	271,694	-	272,950	1,256
Total expenditures	\$ 2,013,701	\$ 54,535	\$ 2,068,236	\$ 1,743,082	\$ 2,046,419	\$ (21,817)

POLICE FIELD SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 6,373,214	\$ (18,669)	\$ 6,354,545	\$ 7,102,135	\$ 6,312,387	\$ (42,158)
Supplies	398,844	7,846	406,690	550,000	412,400	5,710
Service charges	981,225	(12,932)	968,293	1,264,000	1,070,200	101,907
Capital outlay	385,208	(112,260)	272,948	43,381	114,881	(158,067)
Total expenditures	\$ 8,138,491	\$ (136,015)	\$ 8,002,476	\$ 8,959,516	\$ 7,909,868	\$ (92,608)

POLICE INVESTIGATING SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 3,451,763	\$ (74,595)	\$ 3,377,168	\$ 3,427,576	\$ 3,364,458	\$ (12,710)
Supplies	22,868	1,365	24,233	15,000	22,800	(1,433)
Service charges	18,744	-	18,744	13,000	19,350	606
Capital outlay	12,466	13,987	26,453	-	19,000	(7,453)
Total expenditures	\$ 3,505,841	\$ (59,243)	\$ 3,446,598	\$ 3,455,576	\$ 3,425,608	\$ (20,990)

POLICE COMMUNICATIONS SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 793,729	\$ -	\$ 793,729	\$ 759,492	\$ 791,448	\$ (2,281)
Supplies	2,087	(45)	2,042	2,000	2,250	208
Service charges	36,848	-	36,848	42,000	37,000	152
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 832,664	\$ (45)	\$ 832,619	\$ 803,492	\$ 830,698	\$ (1,921)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)

POLICE JAIL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,140,807	\$ -	1,140,807	\$ 1,007,435	\$ 1,138,387	\$ (2,420)
Supplies	125,355	(2,166)	123,189	98,000	126,150	2,961
Service charges	15,285	-	15,285	13,000	15,600	315
Capital outlay	1,862	37,649	39,511	-	40,000	489
Total expenditures	\$ 1,283,309	\$ 35,483	\$ 1,318,792	\$ 1,118,435	\$ 1,320,137	\$ 1,345

POLICE TECHNICAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	66,487	2,437	68,924	23,500	68,500	(424)
Service charges	28,730	(4,763)	23,967	21,000	29,600	5,633
Capital outlay	79,088	(70,576)	8,512	-	8,600	88
Total expenditures	\$ 174,305	\$ (72,902)	\$ 101,403	\$ 44,500	\$ 106,700	\$ 5,297

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,411,129	\$ -	\$ 1,411,129	\$ 1,377,578	\$ 1,401,471	\$ (9,658)
Supplies	14,258	(1,138)	13,120	23,500	14,949	1,829
Service charges	206,481	(18,845)	187,636	180,080	198,817	11,181
Capital outlay	8,767	-	8,767	-	8,767	-
Total expenditures	\$ 1,640,635	\$ (19,983)	\$ 1,620,652	\$ 1,581,158	\$ 1,624,004	\$ 3,352

POLICE SUPPORT SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	2,247,671	\$ -	\$ 2,247,671	1,678,153	2,242,561	\$ (5,110)
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 2,247,671	\$ -	\$ 2,247,671	\$ 1,678,153	\$ 2,242,561	\$ (5,110)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)

CODE ENFORCEMENT - INSPECTIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 199,507	\$ -	\$ 199,507	\$ 188,961	\$ 198,301	\$ (1,206)
Supplies	19,389	1,355	20,744	23,548	20,697	(47)
Service charges	5,203	(892)	4,311	7,240	5,161	850
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 224,099	\$ 463	\$ 224,562	\$ 219,749	\$ 224,159	\$ (403)

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 16,550,515	\$ (93,264)	\$ 16,457,251	\$ 16,513,085	\$ 16,396,794	\$ (60,457)
Supplies	680,013	7,012	687,025	785,848	703,046	16,021
Service charges	2,141,986	26,170	2,168,156	2,355,082	2,261,490	93,334
Capital outlay	765,463	(137,578)	627,885	43,581	464,398	(163,487)
Total expenditures	\$ 20,137,977	\$ (197,660)	\$ 19,940,317	\$ 19,697,596	\$ 19,825,728	\$ (114,589)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION

PUBLIC WORKS - STREET LIGHTING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 257,425	\$ -	\$ 257,425	\$ 307,421	\$ 272,747	\$ 15,322
Supplies	40,756	61,527	102,283	75,000	98,000	(4,283)
Service charges	994,034	1,807	995,841	935,000	980,778	(15,063)
Capital outlay	-	-	-	-	0	-
Total expenditures	\$ 1,292,215	\$ 63,334	\$ 1,355,549	\$ 1,317,421	\$ 1,351,525	\$ (4,024)

EMERGENCY MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 75,919	\$ -	\$ 75,919	\$ 86,673	\$ 88,312	\$ 12,393
Supplies	-	47	47	300	300	253
Service charges	1,342	-	1,342	6,762	6,762	5,420
Capital outlay	-	-	-	200	200	200
Total expenditures	\$ 77,261	\$ 47	\$ 77,308	\$ 93,935	\$ 95,574	\$ 18,266

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 207,756	\$ -	\$ 207,756	\$ 210,457	\$ 211,549	\$ 3,793
Supplies	56,277	(8,599)	47,678	65,345	65,345	17,667
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 264,033	\$ (8,599)	\$ 255,434	\$ 275,802	\$ 276,894	\$ 21,460

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 102,121	\$ -	\$ 102,121	\$ 104,632	\$ 105,994	\$ 3,873
Supplies	22,981	(369)	22,612	17,000	24,000	1,388
Service charges	125,184	3,991	129,175	190,000	142,000	12,825
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 250,286	\$ 3,622	\$ 253,908	\$ 311,632	\$ 271,994	\$ 18,086

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)

PUBLIC WORKS - FLEET MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 323,872	\$ -	\$ 323,872	\$ 305,568	\$ 333,082	\$ 9,210
Supplies	346,952	(1,169)	345,783	517,074	342,926	(2,857)
Service charges	249,491	1,490	250,981	98,477	251,117	136
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 920,315	\$ 321	\$ 920,636	\$ 921,119	\$ 927,125	\$ 6,489

PUBLIC WORKS - GENERAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 431,790	\$ -	\$ 431,790	\$ 470,210	\$ 432,694	\$ 904
Supplies	181,194	12,391	193,585	156,000	200,100	6,515
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 612,984	\$ 12,391	\$ 625,375	\$ 626,210	\$ 632,794	\$ 7,419

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 566,902	\$ -	\$ 566,902	\$ 645,656	\$ 567,703	\$ 801
Supplies	23,022	(4,607)	18,415	29,000	34,001	15,586
Service charges	159,607	(1,682)	157,925	122,996	171,853	13,928
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 749,531	\$ (6,289)	\$ 743,242	\$ 797,652	\$ 773,557	\$ 30,315

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,889,866	\$ -	\$ 1,889,866	\$ 2,043,944	\$ 1,923,769	\$ 33,903
Supplies	671,182	59,174	730,356	859,419	764,372	34,016
Service charges	1,528,316	5,606	1,533,922	1,346,473	1,545,748	11,826
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 4,089,364	\$ 64,780	\$ 4,154,144	\$ 4,249,836	\$ 4,233,889	\$ 79,745

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION

CODE ENFORCEMENT - HUMANE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 121,657	\$ -	\$ 121,657	\$ 116,611	\$ 121,184	\$ (473)
Supplies	965	(441)	524	1,749	645	121
Service charges	195	-	195	2,800	195	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 122,817	\$ (441)	\$ 122,376	\$ 121,160	\$ 122,024	\$ (352)

COUNCIL ON AGING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 310,190	\$ -	\$ 310,190	\$ 316,396	\$ 321,821	\$ 11,631
Supplies	10,287	(677)	9,610	4,500	6,780	(2,830)
Service charges	569	-	569	10,927	869	300
Capital outlay	4,800	-	4,800	-	-	(4,800)
Total expenditures	\$ 325,846	\$ (677)	\$ 325,169	\$ 331,823	\$ 329,470	\$ 4,301

TOTAL - HEALTH AND WELFARE FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 431,847	\$ -	\$ 431,847	\$ 433,007	\$ 443,005	\$ 11,158
Supplies	11,252	(1,118)	10,134	6,249	7,425	(2,709)
Service charges	764	-	764	13,727	1,064	300
Capital outlay	4,800	-	4,800	-	-	(4,800)
Total expenditures	\$ 448,663	\$ (1,118)	\$ 447,545	\$ 452,983	\$ 451,494	\$ 3,949

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 130,025	\$ -	\$ 130,025	\$ 189,815	\$ 131,383	\$ 1,358
Supplies	89,894	(1,504)	88,390	54,980	89,730	1,340
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 219,919	\$ (1,504)	\$ 218,415	\$ 244,795	\$ 221,113	\$ 2,698

PLANETARIUM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 58,525	\$ -	\$ 58,525	\$ 56,650	\$ 58,287	\$ (238)
Supplies	22,657	352	23,009	48,000	23,007	(2)
Service charges	7,750	(3,850)	3,900	13,000	3,900	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 88,932	\$ (3,498)	\$ 85,434	\$ 117,650	\$ 85,194	\$ (240)

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 94,826	\$ -	\$ 94,826	\$ 91,528	\$ 94,551	\$ (275)
Supplies	22,324	1,017	23,341	47,000	37,911	14,570
Service charges	60,853	-	60,853	112,800	76,437	15,584
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 178,003	\$ 1,017	\$ 179,020	\$ 251,328	\$ 208,899	\$ 29,879

CULTURE & RECREATION - MAIN STREET PROGRAM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 64,259	\$ -	\$ 64,259	\$ 62,475	\$ 63,995	\$ (264)
Supplies	2,587	822	3,409	3,000	2,850	(559)
Service charges	3,836	-	3,836	13,367	6,922	3,086
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 70,682	\$ 822	\$ 71,504	\$ 78,842	\$ 73,767	\$ 2,263

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)

RECREATION - ATHLETICS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,361,781	\$ -	\$ 1,361,781	\$ 1,396,477	\$ 1,387,674	\$ 25,893
Supplies	109,957	(24,649)	85,308	119,000	102,250	16,942
Service charges	480,644	(60)	480,584	565,667	518,517	37,933
Capital outlay	4,875	(4,054)	821	2,000	2,000	1,179
Total expenditures	\$ 1,957,257	\$ (28,763)	\$ 1,928,494	\$ 2,083,144	\$ 2,010,441	\$ 81,947

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,514,258	\$ -	\$ 1,514,258	\$ 1,466,302	\$ 1,511,241	\$ (3,017)
Supplies	190,975	6,602	\$ 197,577	184,233	198,227	650
Service charges	288,257	2,904	291,161	135,000	297,728	6,567
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,993,490	\$ 9,506	\$ 2,002,996	\$ 1,785,535	\$ 2,007,196	\$ 4,200

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 54,679	\$ -	\$ 54,679	\$ 53,070	\$ 54,436	\$ (243)
Supplies	-	-	-	-	-	-
Service charges	58,278	(2,158)	56,120	49,400	55,827	(293)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 112,957	\$ (2,158)	\$ 110,799	\$ 102,470	\$ 110,263	\$ (536)

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,278,353	-	\$ 3,278,353	\$ 3,316,317	\$ 3,301,567	\$ 23,214
Supplies	438,394	(17,360)	421,034	456,213	453,975	32,941
Service charges	899,618	(3,164)	896,454	889,234	959,331	62,877
Capital outlay	4,875	(4,054)	821	2,000	2,000	1,179
Total expenditures	\$ 4,621,240	\$ (24,578)	\$ 4,596,662	\$ 4,663,764	\$ 4,716,873	\$ 120,211

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION

TOTAL - TRANSIT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	399,319	-	399,319	419,681	429,962	30,643
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 399,319</u>	<u>\$ -</u>	<u>\$ 399,319</u>	<u>\$ 419,681</u>	<u>\$ 429,962</u>	<u>\$ 30,643</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Intergovernmental	\$ 180,174	\$ -	\$ 180,174	\$ 198,602	\$ 198,602	\$ (18,428)
Interest	2,622	-	2,622	-	-	2,622
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>182,796</u>	<u>-</u>	<u>182,796</u>	<u>198,602</u>	<u>198,602</u>	<u>(15,806)</u>
EXPENDITURES						
Public works:						
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:						
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Urban development:						
Personnel	464,585	-	464,585	528,530	526,351	61,766
Supplies	7,042	(52)	6,990	9,715	10,521	3,531
Service charges	77,328	638	77,966	81,100	89,529	11,563
Capital outlay	<u>2,666</u>	<u>(1,800)</u>	<u>866</u>	<u>6,299</u>	<u>6,299</u>	<u>5,433</u>
Total urban development	<u>551,621</u>	<u>(1,214)</u>	<u>550,407</u>	<u>625,644</u>	<u>632,700</u>	<u>82,293</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2017
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES (CONTINUED)						
Health & Welfare:						
Personnel	146,388	-	146,388	151,320	150,721	4,333
Supplies	714	-	714	1,100	1,100	386
Service charges	13,006	-	13,006	13,600	15,706	2,700
Capital outlay	-	-	-	2,700	2,700	2,700
Total Health & Welfare	160,108	-	160,108	168,720	170,227	10,119
Total Expenditures	711,729	(1,214)	710,515	794,364	802,927	92,412
Excess (deficiency) of revenues over (under) expenditures	(528,933)	1,214	(527,719)	(595,762)	(604,325)	76,606
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 668,920	\$ -	\$ 668,920	\$ 595,762	\$ 604,325	\$ 64,595
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	668,920	-	668,920	595,762	604,325	64,595
Net change in fund balance	139,987	1,214	141,201	-	-	141,201
Fund balance - beginning of year	173,334	-	173,334	173,334	173,334	-
Fund balance - end of year	\$ 313,321	\$ 1,214	\$ 314,535	\$ 173,334	\$ 173,334	\$ 141,201

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE COLLECTION AND DISPOSAL FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 761,302	\$ -	\$ 761,302	\$ 766,911	\$ 766,911	\$ (5,609)
Intergovernmental	1,133	-	1,133	-	-	1,133
Charges for services:						
Garbage fees and penalties	3,364,600	-	3,364,600	3,243,724	3,243,724	120,876
Interest	-	-	-	-	-	-
Total revenues	<u>4,127,035</u>	<u>-</u>	<u>4,127,035</u>	<u>4,010,635</u>	<u>4,010,635</u>	<u>116,400</u>
EXPENDITURES						
Public works:						
Contractual services	<u>4,374,867</u>	<u>-</u>	<u>4,374,867</u>	<u>4,517,189</u>	<u>4,517,189</u>	<u>142,322</u>
Total expenditures	<u>4,374,867</u>	<u>-</u>	<u>4,374,867</u>	<u>4,517,189</u>	<u>4,517,189</u>	<u>142,322</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(247,832)</u>	<u>-</u>	<u>(247,832)</u>	<u>(506,554)</u>	<u>(506,554)</u>	<u>258,722</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	247,832	-	247,832	506,554	506,554	(258,722)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>247,832</u>	<u>-</u>	<u>247,832</u>	<u>506,554</u>	<u>506,554</u>	<u>(258,722)</u>
Net change in fund balances	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREETS AND DRAINAGE FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 898,063	\$ -	\$ 898,063	\$ 918,566	\$ 918,566	\$ (20,503)
Total revenues	898,063	-	898,063	918,566	918,566	(20,503)
EXPENDITURES						
Public works:						
Personnel	1,464,122	-	1,464,122	1,572,320	1,553,399	89,277
Supplies	326,087	(136,678)	189,409	192,000	231,211	41,802
Capital outlay	1,789	-	1,789	-	1,789	-
Service charges	-	-	-	-	-	-
Total expenditures	1,791,998	(136,678)	1,655,320	1,764,320	1,786,399	131,079
Excess (deficiency) of revenues over (under) expenditures	(893,935)	136,678	(757,257)	(845,754)	(867,833)	110,576
OTHER FINANCING SOURCES						
Transfers in	893,935	-	893,935	845,754	867,833	26,102
Transfers out	-	-	-	-	-	-
Net change in fund balance	-	136,678	136,678	-	-	136,678
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ 136,678	\$ 136,678	\$ -	\$ -	\$ 136,678

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 3,198,581	\$ -	\$ 3,198,581	\$ 3,325,701	\$ 3,325,701	\$ (127,120)
Interest	21,041	-	21,041	13,871	13,871	7,170
	<u>3,219,622</u>	<u>-</u>	<u>3,219,622</u>	<u>3,339,572</u>	<u>3,339,572</u>	<u>(119,950)</u>
Total revenues						
EXPENDITURES						
Debt service:						
Principal	2,666,000	-	2,666,000	2,666,000	2,666,000	-
Interest	1,750,194	-	1,750,194	1,857,802	1,857,802	107,608
Miscellaneous	36,000	-	36,000	36,000	36,000	-
	<u>4,452,194</u>	<u>-</u>	<u>4,452,194</u>	<u>4,559,802</u>	<u>4,559,802</u>	<u>107,608</u>
Total expenditures						
Excess (deficiency) of revenues over (under) expenditures	<u>(1,232,572)</u>	<u>-</u>	<u>(1,232,572)</u>	<u>(1,220,230)</u>	<u>(1,220,230)</u>	<u>(12,342)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,220,230	-	1,220,230	1,220,230	1,220,230	-
Transfers out	-	-	-	-	-	-
	<u>1,220,230</u>	<u>-</u>	<u>1,220,230</u>	<u>1,220,230</u>	<u>1,220,230</u>	<u>-</u>
Total other financing sources (uses)						
Net change in fund balance	(12,342)	-	(12,342)	-	-	(12,342)
Fund balance - beginning of year	2,313,237	-	2,313,237	2,313,237	2,313,237	-
Fund balance - end of year	<u>\$ 2,300,895</u>	<u>\$ -</u>	<u>\$ 2,300,895</u>	<u>\$ 2,313,237</u>	<u>\$ 2,313,237</u>	<u>\$ (12,342)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AD VALOREM TAX BONDS FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 1,901,738	\$ -	\$ 1,901,738	\$ 1,901,688	\$ 1,901,688	\$ 50
Interest	1,241	-	1,241	-	-	1,241
Total revenues	<u>1,902,979</u>	<u>-</u>	<u>1,902,979</u>	<u>1,901,688</u>	<u>1,901,688</u>	<u>1,291</u>
EXPENDITURES						
Debt service:						
Principal	1,855,000	-	1,855,000	1,855,000	1,855,000	-
Interest and fiscal charges	46,661	-	46,661	46,688	46,688	27
Total expenditures	<u>1,901,661</u>	<u>-</u>	<u>1,901,661</u>	<u>1,901,688</u>	<u>1,901,688</u>	<u>27</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,318</u>	<u>-</u>	<u>1,318</u>	<u>-</u>	<u>-</u>	<u>1,318</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,318	-	1,318	-	-	1,318
Fund balance - beginning of year	66,081	-	66,081	66,081	66,081	-
Fund balance - end of year	<u>\$ 67,399</u>	<u>\$ -</u>	<u>\$ 67,399</u>	<u>\$ 66,081</u>	<u>\$ 66,081</u>	<u>\$ 1,318</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIREMEN'S PENSION MERGER FUND
YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Fire insurance premium	\$ 288,859	\$ -	\$ 288,859	\$ 327,140	\$ 327,140	\$ (38,281)
Interest	42	-	42	2,453	2,453	(2,411)
Total revenues	<u>288,901</u>	<u>-</u>	<u>288,901</u>	<u>329,593</u>	<u>329,593</u>	<u>(40,692)</u>
EXPENDITURES						
Debt service:						
Principal	99,744	-	99,744	99,510	99,510	(234)
Interest and fiscal charges	137,959	-	137,959	138,194	135,194	(2,765)
Total expenditures	<u>237,703</u>	<u>-</u>	<u>237,703</u>	<u>237,704</u>	<u>234,704</u>	<u>(2,999)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,198</u>	<u>-</u>	<u>51,198</u>	<u>91,889</u>	<u>94,889</u>	<u>(43,691)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(51,198)</u>	<u>-</u>	<u>(51,198)</u>	<u>-</u>	<u>-</u>	<u>(51,198)</u>
Total other financing sources (uses)	<u>(51,198)</u>	<u>-</u>	<u>(51,198)</u>	<u>-</u>	<u>-</u>	<u>(51,198)</u>
Net change in fund balance	-	-	-	91,889	94,889	(94,889)
Fund balance - beginning of year	<u>(288,860)</u>	<u>-</u>	<u>(288,860)</u>	<u>(288,860)</u>	<u>(288,860)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (288,860)</u>	<u>\$ -</u>	<u>\$ (288,860)</u>	<u>\$ (196,971)</u>	<u>\$ (193,971)</u>	<u>\$ (94,889)</u>

**CITY OF KENNER, LOUISIANA
ENTERPRISE FUND DESCRIPTIONS
JUNE 30, 2017**

ENTERPRISE FUNDS

Enterprise Funds are used to report any activity for which a fee is charged to external users for goods or services.

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner.

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Civic Center.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services						
Sewerage service charges	\$ 8,810,605	\$ -	\$ 8,810,605	\$ 8,176,284	\$ 8,176,284	\$ 634,321
Total operating revenues	8,810,605	-	8,810,605	8,176,284	8,176,284	634,321
OPERATING EXPENSES						
Supplies and other expenses	19,329	-	19,329	-	19,330	1
Building and maintenance expenses	63,097	-	63,097	75,000	75,100	12,003
Outside services	5,821,505	-	5,821,505	5,639,444	5,639,444	(182,061)
Depreciation	3,583,062	(3,583,062)	-	-	-	-
Other	17,524	-	17,524	20,000	20,000	2,476
Total operating expenses	9,504,517	(3,583,062)	5,921,455	5,734,444	5,753,874	(167,581)
Operating income (loss)	(693,912)	3,583,062	2,889,150	2,441,840	2,422,410	466,740
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	544,023	-	544,023	544,260	544,260	(237)
Interest income	174,459	-	174,459	15,000	15,000	159,459
Interest expense	(643,639)	-	(643,639)	(728,671)	(776,869)	133,230
Total non-operating revenues (expenses)	74,843	-	74,843	(169,411)	(217,609)	292,452
Income (loss) before contributions and transfers	(619,069)	3,583,062	2,963,993	2,272,429	2,204,801	759,192
Bond payments	-	-	-	(1,442,000)	(1,374,372)	1,374,372
Capital contributions	76,164	(76,164)	-	-	-	-
Transfer in	3,170,458	-	3,170,458	-	-	3,170,458
Transfer out	(3,609,633)	-	(3,609,633)	(439,175)	(439,175)	(3,170,458)
Change in net position	(982,080)	3,506,898	2,524,818	391,254	391,254	2,133,564
Net position - beginning of year	57,592,763	-	57,592,763	57,592,763	57,592,763	-
Net position - end of year	\$ 56,610,683	\$ 3,506,898	\$ 60,117,581	\$ 57,984,017	\$ 57,984,017	\$ 2,133,564

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
CIVIC CENTER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2017

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES						
Charges for services:						
Rental charges	\$ 748,674	\$ -	\$ 748,674	\$ 650,000	\$ 650,000	\$ 98,674
Parking	51,468	-	51,468	55,000	55,000	(3,532)
Concessions	106,226	-	106,226	110,000	110,000	(3,774)
Catering	139,361	-	139,361	148,000	148,000	(8,639)
Reimbursed services	372,663	-	372,663	350,000	350,000	22,663
Advertising	16,506	-	16,506	30,000	30,000	(13,494)
Miscellaneous	23,705	-	23,705	9,250	9,250	14,455
Total operating revenues	1,458,603	-	1,458,603	1,352,250	1,352,250	106,353
OPERATING EXPENSES						
Supplies and other expenses	21,408	-	21,408	18,515	18,515	(2,893)
Building and maintenance expense	579,763	-	579,763	1,132,971	1,132,971	553,208
Outside services	1,286,445	-	1,286,445	1,200,645	1,200,645	(85,800)
Insurance premiums	97,527	-	97,527	93,420	93,420	(4,107)
General expenses:						
Depreciation	1,068,665	(1,068,665)	-	-	-	-
Other	37,766	-	37,766	-	-	(37,766)
Total operating expenses	3,091,574	(1,068,665)	2,022,909	2,445,551	2,445,551	422,642
Operating income (loss)	(1,632,971)	1,068,665	(564,306)	(1,093,301)	(1,093,301)	528,995
NON-OPERATING REVENUES (EXPENSES)						
Hotel/motel taxes	275,146	-	275,146	335,968	335,968	(60,822)
Cable television franchise fees	387,544	-	387,544	387,047	387,047	497
Interest income	683	-	683	742	742	(59)
Intergovernmental	-	-	-	-	-	-
Hurricane repairs	-	-	-	-	-	-
Gain on disposal of capital assets	10,000	(10,000)	-	-	-	-
Total non-operating revenues	673,373	(10,000)	663,373	723,757	723,757	(60,384)
Income (loss) before contributions, and transfers	(959,598)	1,058,665	99,067	(369,544)	(369,544)	468,611
Capital Contributions	581,299	-	581,299	-	-	(581,299)
Change in net position	(378,299)	1,058,665	680,366	(369,544)	(369,544)	(112,688)
Net position - beginning of year	14,211,702	-	14,211,702	14,211,702	14,211,702	-
Net position - end of year	\$ 13,833,403	\$ 1,058,665	\$ 14,892,068	\$ 13,842,158	\$ 13,842,158	\$ (112,688)

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2017

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

SELF-INSURANCE FUND

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured.

HEALTH INSURANCE FUND

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums.

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 105,816	\$ 465,222	\$ 571,038
Equity in pooled cash	50,000	-	50,000
Investments	-	-	-
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>155,816</u>	<u>465,222</u>	<u>621,038</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable	6,904	1,800	8,704
Estimated claims payable	4,236,501	-	4,236,501
Due to other funds	53,591	455,825	509,416
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>4,296,996</u>	<u>457,625</u>	<u>4,754,621</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	<u>(4,141,180)</u>	<u>7,597</u>	<u>(4,133,583)</u>
	<u> </u>	<u> </u>	<u> </u>
Total net position	<u>\$ (4,141,180)</u>	<u>\$ 7,597</u>	<u>\$ (4,133,583)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services	<u>\$ 775,000</u>	<u>\$ 4,806,940</u>	<u>\$ 5,581,940</u>
OPERATING EXPENSES			
Outside services	125,155	-	125,155
Insurance claims	891,832	-	891,832
Insurance premiums	<u>-</u>	<u>4,810,658</u>	<u>4,810,658</u>
Total operating expenses	<u>1,016,987</u>	<u>4,810,658</u>	<u>5,827,645</u>
Operating income (loss)	<u>(241,987)</u>	<u>(3,718)</u>	<u>(245,705)</u>
NON-OPERATING REVENUE (EXPENSE)			
Interest income	<u>2,276</u>	<u>3,718</u>	<u>5,994</u>
Total non-operating revenue	<u>2,276</u>	<u>3,718</u>	<u>5,994</u>
Income (loss) before transfers	(239,711)	-	(239,711)
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(239,711)	-	(239,711)
Net position - beginning of year	<u>(3,901,469)</u>	<u>7,597</u>	<u>(3,893,872)</u>
Net position - end of year	<u><u>\$ (4,141,180)</u></u>	<u><u>\$ 7,597</u></u>	<u><u>\$ (4,133,583)</u></u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	\$ 775,000	\$ 4,806,940	\$ 5,581,940
Payments to suppliers	(904,975)	(4,816,864)	(5,721,839)
Net cash used for operating activities	<u>(129,975)</u>	<u>(9,924)</u>	<u>(139,899)</u>
Cash flows from non-capital financing activities:			
Transfers in	50,000	169,227	219,227
Transfers (out)	-	-	-
Net cash provided by non-capital financing activities	<u>50,000</u>	<u>169,227</u>	<u>219,227</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	-	-	-
Purchases of investments	-	-	-
Interest and dividends received	2,276	3,718	5,994
Net cash provided by investing activities	<u>2,276</u>	<u>3,718</u>	<u>5,994</u>
Net increase (decrease) in cash and cash equivalents	(77,699)	163,021	85,322
Cash and cash equivalents, beginning of year	<u>233,515</u>	<u>302,201</u>	<u>535,716</u>
Cash and cash equivalents, end of year	<u>\$ 155,816</u>	<u>\$ 465,222</u>	<u>\$ 621,038</u>
Reconciliation to Statement of Net Position:			
Cash	\$ 105,816	\$ 465,222	\$ 571,038
Equity in pooled cash	50,000	-	50,000
Cash and cash equivalents, end of year	<u>\$ 155,816</u>	<u>\$ 465,222</u>	<u>\$ 621,038</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (241,987)	\$ (3,718)	\$ (245,705)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in accounts payable	-	(6,206)	(6,206)
Increase in estimated claims payable	112,012	-	112,012
Increase (decrease) in due to other funds	-	-	-
Total adjustments	<u>112,012</u>	<u>(6,206)</u>	<u>105,806</u>
Net cash used for operating activities	<u>\$ (129,975)</u>	<u>\$ (9,924)</u>	<u>\$ (139,899)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
Noncash investing, capital, and financing activities:			
Gain on fair market value of investments	\$ -	\$ -	\$ -
(Increase) in fair market value of investments	<u>-</u>	<u>-</u>	<u>-</u>
Net effect of noncash activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2017

AGENCY FUNDS

Agency funds accounts for assets held by an entity as an agent for individuals, private organizations, other governments and/or other entity's funds.

AIRPORT SALES TAX FUND

The Airport Sales Tax Fund is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District and to distribute to the appropriate taxing bodies.

CITY OF KENNER, LOUISIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017

AIRPORT SALES TAX FUND

	<u>BALANCE</u> <u>6/30/16</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>6/30/17</u>
ASSETS				
Equity in pooled cash	\$ 2	\$ 1,039,537	\$ 1,039,537	\$ 2
Due from other funds	-	374,358	374,358	-
Intergovernmental	354,264	571,586	531,397	394,453
Total assets	<u>\$ 354,266</u>	<u>\$ 1,985,481</u>	<u>\$ 1,945,292</u>	<u>\$ 394,455</u>
LIABILITIES				
Due to other governments	<u>\$ 354,266</u>	<u>\$ 394,453</u>	<u>\$ 354,264</u>	<u>\$ 394,455</u>
Total liabilities	<u>\$ 354,266</u>	<u>\$ 394,453</u>	<u>\$ 354,264</u>	<u>\$ 394,455</u>

**CITY OF KENNER, LOUISIANA
 SCHEDULE OF COUNCILPERSONS' COMPENSATION
 YEAR ENDED JUNE 30, 2017**

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Brian Brenna	153	\$ 16,970
Gregory Carroll	365	25,968
Leonard Cline	365	32,449
Thomas Willmott	212	20,557
Maria Defrancesch	365	37,849
Dominick Impastato	365	32,126
Keith Reynaud	365	31,400
Michael Sigur	169	13,551

CITY OF KENNER, LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2017

Agency Head Name: Michael Sigur, Temporary Acting Mayor
Term: July 1, 2016 - January 11, 2017

Salary	\$	13,408
Benefits - insurance		3,634
Reimbursements		2,488
Automobile expenses		3,554
		3,554
	\$	23,084

Agency Head Name: E. "Ben" Zahn, Mayor
Term: January 12 - June 30, 2017

Salary	\$	32,347
Benefits - insurance		1,302
Benefits - retirement		3,407
Reimbursements		2,543
Automobile expenses		2,677
		2,677
	\$	42,276

STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information

Contents

Schedules

Financial Trends

1 - 4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity

5 - 9

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.

Debt Capacity

10 - 14

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities

Operating Information

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF KENNER, LOUISIANA
SCHEDULE 1 -- NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 244,639,856	\$ 234,218,393	\$ 226,326,766	\$ 205,360,570	\$ 176,582,658
Restricted	27,218,388	22,121,215	18,214,320	17,903,956	29,772,780
Unrestricted	7,235,778	1,516,876	(2,398,068)	(127,032)	2,692,277
Total governmental activities net position	\$ 279,094,022	\$ 257,856,484	\$ 242,143,018	\$ 223,137,494	\$ 209,047,715
Business-type activities					
Net investment in capital assets	\$ 72,161,240	\$ 70,647,425	\$ 67,464,821	\$ 70,674,888	\$ 72,572,594
Restricted	-	-	-	-	-
Unrestricted	2,795,799	2,238,244	618,663	(709,274)	(1,087,284)
Total business-type activities net position	\$ 74,957,039	\$ 72,885,669	\$ 68,083,484	\$ 69,965,614	\$ 71,485,310
Primary government					
Net investment in capital assets	\$ 316,801,096	\$ 304,865,818	\$ 293,791,587	\$ 276,035,458	\$ 249,155,252
Restricted	27,218,388	22,121,215	18,214,320	17,903,956	29,772,780
Unrestricted	10,031,577	3,755,120	(1,779,405)	(836,306)	1,604,993
Total primary government net position	\$ 354,051,061	\$ 330,742,153	\$ 310,226,502	\$ 293,103,108	\$ 280,533,025

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 1 -- NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (CONTINUED)
(accrual basis of accounting)
(Unaudited)

	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 180,438,285	\$ 138,185,196	\$ 156,456,600	\$ 149,042,805	\$ 138,501,616
Restricted	20,477,759	34,664,950	7,965,322	6,604,685	9,097,420
Unrestricted	(4,721,675)	4,026,130	(45,070,937)	(40,835,794)	(41,045,645)
Total governmental activities net position	\$ 196,194,369	\$ 176,876,276	\$ 119,350,985	\$ 114,811,696	\$ 106,553,391
Business-type activities					
Net investment in capital assets	\$ 56,241,502	\$ 55,967,834	\$ 52,907,339	\$ 59,774,596	\$ 63,270,535
Restricted	15,068,526	13,261,209	12,630,950	13,027,560	13,384,442
Unrestricted	(4,328,953)	(594,712)	165,593	(997,691)	(6,210,890)
Total business-type activities net position	\$ 66,981,075	\$ 68,634,331	\$ 65,703,882	\$ 71,804,465	\$ 70,444,087
Primary government					
Net investment in capital assets	\$ 236,679,787	\$ 194,153,030	\$ 209,363,939	\$ 208,817,401	\$ 201,772,151
Restricted	35,546,285	47,926,159	20,596,272	19,632,245	22,481,862
Unrestricted	(9,050,628)	3,431,418	(44,905,344)	(41,833,485)	(47,256,535)
Total primary government net position	\$ 263,175,444	\$ 245,510,607	\$ 185,054,867	\$ 186,616,161	\$ 176,997,478

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses					
Governmental activities:					
General government	\$ 13,289,818	\$ 13,018,580	\$ 12,445,711	\$ 13,331,542	\$ 13,518,067
Public safety	27,769,729	28,264,207	28,176,202	28,981,374	30,120,747
Public works	27,424,676	36,922,961	30,431,909	36,657,670	31,743,384
Health and welfare	899,891	981,103	927,097	756,235	478,916
Culture and recreation	6,914,409	7,250,042	9,550,670	7,066,031	6,075,269
Transit and urban development	1,767,208	1,672,568	1,981,932	1,537,013	5,065,979
Interest on long-term debt and other charges	2,229,839	2,044,374	1,858,468	1,688,282	1,696,804
Debt issuance costs	-	-	-	-	-
Total governmental activities expenses	<u>80,295,570</u>	<u>90,153,835</u>	<u>85,371,989</u>	<u>90,018,147</u>	<u>88,699,166</u>
Business-type activities:					
Wastewater operations	7,654,289	7,337,405	7,282,712	7,233,176	8,482,102
Civic center operations	3,286,880	3,149,541	3,156,767	3,321,275	3,359,257
Total business-type activities expenses	<u>10,941,169</u>	<u>10,486,946</u>	<u>10,439,479</u>	<u>10,554,451</u>	<u>11,841,359</u>
Total primary government expenses	<u>\$ 91,236,739</u>	<u>\$ 100,640,781</u>	<u>\$ 95,811,468</u>	<u>\$ 100,572,598</u>	<u>\$ 100,540,525</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 4,803,865	\$ 5,607,294	\$ 5,959,847	\$ 6,794,368	\$ 8,101,475
Public safety	3,157,328	3,264,140	4,828,953	3,456,639	3,529,877
Public works	3,582,874	3,548,013	4,027,778	4,303,084	3,975,986
Other activities	1,119,940	1,157,862	1,325,504	1,405,306	1,143,772
Operating grants and contributions	1,485,783	2,736,962	2,321,055	2,497,951	1,528,912
Capital grants and contributions	1,722,264	1,104,317	3,617,474	1,810,855	7,238,923
Total governmental activities program revenues	<u>15,872,054</u>	<u>17,418,589</u>	<u>22,080,611</u>	<u>20,268,203</u>	<u>25,518,945</u>
Business-type activities:					
Charges for services:					
Wastewater operations	3,560,457	3,558,879	3,517,961	4,399,069	5,670,289
Civic center operations	1,432,841	1,297,787	1,266,846	1,258,957	1,441,990
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,523,258	2,020,875	325,899	6,706,005	-
Total business-type activities program revenues	<u>6,516,556</u>	<u>6,877,541</u>	<u>5,110,706</u>	<u>12,364,031</u>	<u>7,112,279</u>
Total primary government program revenues	<u>\$ 22,388,610</u>	<u>\$ 24,296,130</u>	<u>\$ 27,191,317</u>	<u>\$ 32,632,234</u>	<u>\$ 32,631,224</u>

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)
(accrual basis of accounting)
(Unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses					
Governmental activities:					
General government	\$ 14,334,561	\$ 15,177,249	\$ 13,813,735	\$ 14,836,858	\$ 16,586,949
Public safety	29,726,401	29,635,749	29,475,863	30,883,950	33,467,757
Public works	30,447,190	28,877,594	27,941,741	32,764,458	24,782,776
Health and welfare	461,077	463,687	801,735	613,131	858,793
Culture and recreation	7,458,593	8,328,521	6,358,836	7,008,906	9,948,548
Transit and urban development	2,178,189	1,807,143	1,894,391	2,922,725	1,588,093
Interest on long-term debt and other charges	1,582,211	1,743,210	1,877,967	2,023,349	1,972,444
Debt issuance costs	166,797	699,366	-	-	-
Total governmental activities expenses	<u>86,355,019</u>	<u>86,732,519</u>	<u>82,164,268</u>	<u>91,053,377</u>	<u>89,205,360</u>
Business-type activities:					
Wastewater operations	10,025,404	9,868,246	10,525,025	10,344,589	10,148,155
Civic center operations	3,228,630	3,317,342	3,913,657	3,461,541	3,091,574
Total business-type activities expenses	<u>13,254,034</u>	<u>13,185,588</u>	<u>14,438,682</u>	<u>13,806,130</u>	<u>13,239,729</u>
Total primary government expenses	<u>\$ 99,609,053</u>	<u>\$ 99,918,107</u>	<u>\$ 96,602,950</u>	<u>\$ 104,859,507</u>	<u>\$ 102,445,089</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 7,397,121	\$ 7,396,643	\$ 7,871,195	\$ 8,518,059	\$ 8,537,637
Public safety	3,582,022	3,670,994	3,539,018	3,651,930	3,542,687
Public works	4,219,748	4,196,238	4,629,113	7,796,416	4,699,524
Other activities	1,022,077	985,922	1,048,379	1,310,601	1,774,337
Operating grants and contributions	2,119,168	1,432,247	3,930,625	2,225,208	2,396,402
Capital grants and contributions	3,843,389	2,492,715	2,305,682	3,135,333	5,244,371
Total governmental activities program revenues	<u>22,183,525</u>	<u>20,174,759</u>	<u>23,324,012</u>	<u>26,637,547</u>	<u>26,194,958</u>
Business-type activities:					
Charges for services:					
Wastewater operations	6,323,934	7,045,527	7,550,271	8,146,011	8,810,605
Civic center operations	1,297,089	1,306,346	1,364,595	1,440,206	1,458,603
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	2,074,647	-	68,498	8,925,652	657,463
Total business-type activities program revenues	<u>9,695,670</u>	<u>8,351,873</u>	<u>8,983,364</u>	<u>18,511,869</u>	<u>10,926,671</u>
Total primary government program revenues	<u>\$ 31,879,195</u>	<u>\$ 28,526,632</u>	<u>\$ 32,307,376</u>	<u>\$ 45,149,416</u>	<u>\$ 37,121,629</u>

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE 2 – CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)
(accrual basis of accounting)
(Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net (Expense) Revenue					
Governmental activities	\$ (64,423,516)	\$ (72,735,246)	\$ (63,291,378)	\$ (69,749,944)	\$ (63,180,221)
Business-type activities	(4,424,613)	(3,609,405)	(5,328,773)	1,809,580	652,688
Total primary government net expense	<u>\$ (68,848,129)</u>	<u>\$ (76,344,651)</u>	<u>\$ (68,620,151)</u>	<u>\$ (67,940,364)</u>	<u>\$ (62,527,533)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem	\$ 7,717,615	\$ 7,752,642	\$ 7,479,348	\$ 7,940,366	\$ 7,876,865
Hotel/motel*	-	-	-	-	-
Sales and use	34,844,151	31,580,500	29,758,967	30,788,076	30,371,384
Beer tax	86,346	80,061	77,085	70,485	77,787
Parking	1,967,173	1,932,718	1,864,772	1,952,097	2,007,642
Franchise	8,290,040	8,044,911	7,648,751	8,142,735	7,926,562
Grants/contributions not restricted to specific programs	609,237	1,067,893	118,139	313,757	164,992
Investment earnings	1,190,080	312,019	40,466	56,054	35,278
Miscellaneous	276,211	844,350	240,378	190,806	237,906
Settlement proceeds	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	85,951	-
Transfers	1,427,171	(225,000)	-	1,204,100	392,024
Total governmental activities	<u>56,408,024</u>	<u>51,390,094</u>	<u>47,227,906</u>	<u>50,744,427</u>	<u>49,090,440</u>
Business-type activities:					
Taxes:					
Ad valorem	452,936	509,652	522,429	512,750	524,658
Hotel/motel*	-	-	-	-	-
Sales and use	144,116	340,181	382,424	340,181	304,110
Franchise	402,066	439,614	454,143	421,522	403,104
Grants/contributions not restricted to specific programs	495,394	-	2,552	97	13,835
Investment earnings	40,033	5,642	1,139	942	4,453
Miscellaneous	19,574	17,945	11,545	1,158	8,872
Gain (loss) on disposal of capital assets	-	-	-	-	-
Proceeds from insurance	1,013,277	-	-	-	-
Transfers	(1,427,171)	225,000	(497,644)	(1,204,100)	(392,024)
Total business-type activities	<u>1,140,225</u>	<u>1,538,034</u>	<u>876,588</u>	<u>72,550</u>	<u>867,008</u>
Total primary government	<u>\$ 57,548,249</u>	<u>\$ 52,928,128</u>	<u>\$ 48,104,494</u>	<u>\$ 50,816,977</u>	<u>\$ 49,957,448</u>
Change in Net Position					
Governmental activities	\$ (8,015,492)	\$ (21,345,152)	\$ (16,063,472)	\$ (19,005,517)	\$ (14,089,781)
Business-type activities	(3,284,388)	(2,071,371)	(4,452,185)	1,882,130	1,519,696
Total primary government	<u>\$ (11,299,880)</u>	<u>\$ (23,416,523)</u>	<u>\$ (20,515,657)</u>	<u>\$ (17,123,387)</u>	<u>\$ (12,570,085)</u>

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (CONTINUED)
(accrual basis of accounting)
(Unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense) Revenue					
Governmental activities	\$ (64,171,494)	\$ (66,557,760)	\$ (58,840,256)	\$ (64,415,830)	\$ (63,010,402)
Business-type activities	(3,558,364)	(1,759,790)	(5,455,318)	4,705,739	(2,313,058)
Total primary government net expense	<u>\$ (67,729,858)</u>	<u>\$ (68,317,550)</u>	<u>\$ (64,295,574)</u>	<u>\$ (59,710,091)</u>	<u>\$ (65,323,460)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem	\$ 7,617,724	\$ 7,714,727	\$ 8,083,474	\$ 8,096,586	\$ 8,118,440
Hotel/motel*	-	-	-	274,270	283,656
Sales and use	31,708,191	30,831,511	31,898,990	32,423,441	33,751,167
Beer tax	76,434	70,784	70,120	67,959	65,301
Parking	2,090,075	2,303,311	2,496,875	2,760,154	2,885,134
Franchise	7,916,445	7,837,526	8,003,764	7,650,076	7,539,276
Grants/contributions not restricted to specific programs	218,121	105,524	54,448	24,511	101,102
Investment earnings	40,631	42,272	128,207	374,122	493,319
Miscellaneous	242,494	468,097	501,170	553,877	302,527
Settlement proceeds	-	-	-	6,960,079	-
Gain (loss) on disposal of capital assets	99	-	-	700,894	773,000
Transfers	(19,936)	(2,134,085)	19,935	(9,428)	439,175
Total governmental activities	<u>49,890,278</u>	<u>47,239,667</u>	<u>51,256,983</u>	<u>59,876,541</u>	<u>54,752,097</u>
Business-type activities:					
Taxes:					
Ad valorem	595,762	442,735	625,549	542,529	544,023
Hotel/motel*	-	-	-	266,042	275,146
Sales and use	-	-	-	-	-
Franchise	781,448	728,574	701,842	394,707	387,544
Grants/contributions not restricted to specific programs	156,398	95,019	1,159,217	112,028	-
Investment earnings	12,751	7,630	52,248	172,451	175,142
Miscellaneous	42,666	5,003	5,948	10,505	-
Gain (loss) on disposal of capital assets	(483,861)	-	-	(112,846)	10,000
Proceeds from insurance	-	-	-	-	-
Transfers	19,936	2,134,085	(19,935)	9,428	(439,175)
Total business-type activities	<u>1,125,100</u>	<u>3,413,046</u>	<u>2,524,869</u>	<u>1,394,844</u>	<u>952,680</u>
Total primary government	<u>\$ 51,015,378</u>	<u>\$ 50,652,713</u>	<u>\$ 53,781,852</u>	<u>\$ 61,271,385</u>	<u>\$ 55,704,777</u>
Change in Net Position					
Governmental activities	\$ (14,281,216)	\$ (19,318,093)	\$ (7,583,273)	\$ (4,539,289)	\$ (8,258,305)
Business-type activities	(2,433,264)	1,653,256	(2,930,449)	6,100,583	(1,360,378)
Total primary government	<u>\$ (16,714,480)</u>	<u>\$ (17,664,837)</u>	<u>\$ (10,513,722)</u>	<u>\$ 1,561,294</u>	<u>\$ (9,618,683)</u>

* Reclassified for fiscal year 2016 presentation, included with franchise tax in prior years

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
General fund					
Reserved	\$ 2,731,484	\$ 3,067,891	\$ 1,513,885	\$ -	\$ -
Unreserved	10,372,283	5,767,289	6,480,932	-	-
Nonspendable	-	-	-	489,360	527,355
Restricted	-	-	-	1,986,029	2,186,205
Committed	-	-	-	410,554	939,732
Assigned	-	-	-	2,012,582	3,502,878
Unassigned	-	-	-	7,686,775	6,561,410
Total general fund	\$ 13,103,767	\$ 8,835,180	\$ 7,994,817	\$ 12,585,300	\$ 13,717,580
All other governmental funds					
Reserved	\$ 5,064,190	\$ 5,363,166	\$ 4,603,768	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	472,611	530,256	597,914	-	-
Capital projects funds	20,811,754	16,585,811	13,097,466	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	18,601,334	30,998,309
Committed	-	-	-	70,291	2,016,844
Assigned	-	-	-	-	-
Unassigned	-	-	-	(396,366)	-
Total all other governmental funds	\$ 26,348,555	\$ 22,479,233	\$ 18,299,148	\$ 18,275,259	\$ 33,015,153

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2013	2014	2015	2016	2017
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	635,059	144,011	742,419	132,955	140,429
Restricted	2,225,664	1,995,638	1,845,524	1,768,991	1,803,344
Committed	345,445	485,101	601,469	3,435,096	584,870
Assigned	2,397,898	2,267,631	2,519,307	2,219,967	1,712,310
Unassigned	6,517,899	6,131,325	5,980,799	8,855,189	11,213,217
Total general fund	\$ 12,121,965	\$ 11,023,706	\$ 11,689,518	\$ 16,412,198	\$ 15,454,170
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	18,252,095	32,669,312	31,552,813	27,129,795	21,941,251
Committed	1,439,396	7,225,718	10,871,980	17,980,162	17,732,624
Assigned	-	-	-	-	-
Unassigned	(465,042)	3,963,802	(27,746)	(22,358)	(293,544)
Total all other governmental funds	\$ 19,226,449	\$ 43,858,832	\$ 42,397,047	\$ 45,087,599	\$ 39,380,331

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 51,739,778	\$ 47,986,366	\$ 45,799,281	\$ 47,782,458	\$ 47,822,765
Licenses and permits	3,018,733	2,903,728	4,402,801	3,508,681	3,462,423
Intergovernmental	4,719,364	5,743,213	6,825,921	5,519,796	9,840,654
Charges for services	4,078,054	3,653,004	4,408,484	4,657,430	4,272,206
Fines and forfeitures	1,914,909	1,844,873	2,124,594	2,602,543	2,885,847
Interest	1,065,024	265,958	13,201	27,253	5,188
Miscellaneous	1,065,050	2,001,135	1,458,777	869,151	853,842
Total revenues	67,600,912	64,398,277	65,033,059	64,967,312	69,142,925
Expenditures					
General government	11,268,348	11,210,646	10,457,451	10,490,966	10,874,488
Public safety	25,052,506	25,057,413	24,891,692	24,859,654	26,418,059
Public works	17,405,299	19,521,070	17,940,695	20,653,967	18,150,570
Health and welfare	809,371	741,978	684,543	611,230	384,177
Culture and recreation	6,096,907	6,286,562	8,564,497	5,668,520	4,575,485
Transit and urban development	1,708,333	1,604,607	1,858,565	1,451,668	5,044,566
Debt Service					
Principal	5,348,709	5,562,517	5,946,595	4,580,965	5,944,643
Interest and fiscal charges	2,313,121	2,114,697	1,924,444	1,711,023	1,611,510
Agent fees	-	-	-	-	-
Debt issuance costs	-	-	-	-	417,120
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	70,038,594	72,135,490	72,304,482	70,063,993	73,456,618
Excess (deficiency) of revenues over (under) expenditures	(2,437,682)	(7,737,213)	(7,271,423)	(5,096,681)	(4,313,693)
Other financing sources (uses)					
Proceeds from sale of property	-	-	-	-	-
Transfers in	26,252,654	24,007,673	19,826,803	16,071,100	21,195,128
Transfers out	(24,825,483)	(24,515,984)	(19,608,479)	(14,867,006)	(20,803,921)
Premium on bonds issued	-	-	-	-	190,707
Long-term debt issued	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	-
Proceeds of refunding bonds and other debt	-	-	2,032,646	8,459,187	19,603,953
Total other financing sources (uses)	1,427,171	(508,311)	2,250,970	9,663,281	20,185,867
Special item					
Proceeds from BP settlement	-	-	-	-	-
Net change in fund balances	\$ (1,010,511)	\$ (8,245,524)	\$ (5,020,453)	\$ 4,566,600	\$ 15,872,174
Capital expenditures	7,178,456	9,630,535	3,681,029	6,586,341	2,476,948
Non-capital expenditures	62,860,138	62,504,955	68,623,453	63,477,652	70,979,670
Debt service, (interest and principal only) as a percentage of noncapital expenditures	11.66%	12.69%	11.22%	11.98%	10.67%

(Continued)

Source: Audited Comprehensive Annual Financial Reports

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 48,702,710	\$ 48,328,061	\$ 50,058,106	\$ 51,327,286	\$ 52,588,514
Licenses and permits	3,445,677	3,191,259	3,896,737	7,027,733	3,897,098
Intergovernmental	7,039,477	4,871,406	5,745,262	4,769,560	7,501,068
Charges for services	4,619,331	4,716,197	4,466,196	4,680,205	4,857,515
Fines and forfeitures	2,322,357	2,187,652	2,119,325	1,894,829	2,165,691
Interest	15,273	15,647	99,612	333,946	414,856
Miscellaneous	746,692	955,303	1,004,101	1,389,177	1,128,366
Total revenues	66,891,517	64,265,525	67,389,339	71,422,736	72,553,108
Expenditures					
General government	11,700,333	12,403,699	11,509,666	12,118,543	13,462,653
Public safety	26,629,412	26,234,628	26,400,885	28,579,578	28,772,959
Public works	14,657,352	14,971,997	15,328,831	21,777,427	21,073,634
Health and welfare	398,757	404,803	844,481	507,252	647,243
Culture and recreation	6,094,878	7,009,417	5,171,902	5,327,908	8,372,602
Transit and urban development	2,086,908	1,721,693	1,860,824	2,796,924	1,509,933
Debt Service					
Principal	5,483,832	18,569,019	4,987,765	5,109,170	4,620,744
Interest and fiscal charges	1,794,687	1,975,501	2,103,841	1,987,594	1,934,814
Agent fees	-	-	-	-	-
Debt issuance costs	166,797	699,366	-	-	-
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	69,048,956	84,026,123	68,244,195	78,240,396	80,430,582
Excess (deficiency) of revenues over (under) expenditures	(2,157,439)	(19,760,598)	(854,856)	(6,817,660)	(7,877,474)
Other financing sources (uses)					
Proceeds from sale of property	-	-	-	700,894	-
Transfers in	19,747,075	19,523,670	20,233,048	18,273,409	773,000
Transfers out	(19,771,811)	(21,657,755)	(20,513,113)	(18,282,837)	22,248,288
Premium on bonds issued	-	1,156,726	-	-	-
Long-term debt issued	424,838	44,272,081	38,947	-	-
Payment to refunded bond escrow agent	(8,725,000)	-	-	-	-
Proceeds of refunding bonds and other debt	9,205,000	-	-	-	-
Total other financing sources (uses)	880,102	43,294,722	(241,118)	691,466	23,021,288
Special item					
Proceeds from BP settlement	-	-	-	6,960,079	-
Net change in fund balances	\$ (1,277,337)	\$ 23,534,124	\$ (1,095,974)	\$ 833,885	\$ 15,143,814
Capital expenditures	1,147,333	2,295,433	2,573,386	5,036,558	10,251,979
Non-capital expenditures	67,901,623	81,730,690	65,670,809	73,203,838	70,178,603
Debt service, (interest and principal only) as a percentage of noncapital expenditures	10.36%	25.14%	11.50%	9.69%	9.34%

CITY OF KENNER, LOUISIANA
SCHEDULE 5 -- DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>City Direct Rate (1)</u>	<u>Overlapping Rates</u>	
		<u>Jefferson Parish (2)</u>	<u>Jefferson Parish School Board</u>
2008	2.5833%	0.1667%	2.0000%
2009	2.5833%	0.1667%	2.0000%
2010	2.5833%	0.1667%	2.0000%
2011	2.5833%	0.1667%	2.0000%
2012	2.5833%	0.1667%	2.0000%
2013	2.5833%	0.1667%	2.0000%
2014	2.5833%	0.1667%	2.0000%
2015	2.5833%	0.1667%	2.0000%
2016	2.5833%	0.1667%	2.0000%
2017	2.5833%	0.1667%	2.0000%

NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 5.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.

(2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of Kenner.

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Tax Sale</u>	<u>Public Service Corporations</u>	<u>Railway Rolling Stock</u>	<u>Total Assessments</u>	<u>Less: Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value (1)</u>
2008	327,511,670	92,948,219	1,371,023	23,700,582	36,100	445,567,594	93,303,048	352,264,546	23.93	4,371,983,590	8.06%
2009	444,827,980	96,831,156	2,693,550	26,184,409	40,700	570,577,795	106,243,290	464,334,505	18.13	5,295,590,450	8.77%
2010	448,346,980	94,662,776	2,789,130	27,699,147	46,460	573,544,493	105,611,567	467,932,926	18.13	5,327,416,986	8.78%
2011	450,120,302	83,599,919	2,884,080	27,480,863	34,570	564,119,734	105,508,260	458,611,474	18.13	5,270,812,833	8.70%
2012	448,440,989	85,289,971	5,465,150	30,771,874	50,200	570,018,184	103,970,210	466,047,974	18.13	5,313,141,691	8.77%
2013	459,736,113	90,962,548	4,619,090	30,393,912	56,450	585,768,113	102,620,280	483,147,833	17.51	5,452,971,430	8.86%
2014	461,435,216	90,052,443	3,847,380	29,310,348	64,960	584,710,347	101,659,460	483,050,887	17.51	5,449,010,967	8.86%
2015	467,997,815	96,136,586	3,418,430	32,126,720	63,320	599,742,871	100,950,120	498,792,751	17.51	5,569,673,289	8.96%
2016	481,794,686	90,900,102	3,580,020	33,096,239	88,690	609,459,737	100,582,890	508,876,847	17.17	6,091,002,670	8.35%
2017	489,092,499	90,446,691	3,324,140	34,258,582	89,410	617,211,322	100,885,160	516,326,162	17.17	5,756,130,944	8.97%

Source: Jefferson Parish Assessor's Office.

NOTE: Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2008. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

CITY OF KENNER, LOUISIANA
SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
(Unaudited)

Fiscal Year	City Direct Rates							Overlapping Rate	Total Direct & Overlapping Rates
	Basic Rate	Garbage Collection	Fire Protection	General Obligation Debt Service	Street Maintenance & Improvement	Wastewater Operations	Total Direct	Jefferson Parish Districts (1)	
2008	2.75	2.12	9.76	-	7.79	1.51	23.93	63.41	87.34
2009	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2010	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2011	2.08	1.61	7.40	-	5.90	1.14	18.13	64.46	82.59
2012	2.08	1.61	7.40	-	5.90	1.14	18.13	67.05	85.18
2013	2.01	1.55	7.15	-	5.70	1.10	17.51	66.28	83.79
2014	2.01	1.55	7.15	-	5.70	1.10	17.51	66.28	83.79
2015	2.01	1.55	7.15	-	5.70	1.10	17.51	66.28	83.79
2016	2.01	1.55	7.15	-	5.70	1.10	17.51	66.28	83.79
2017	1.97	1.52	7.01	-	5.59	1.08	17.17	65.61	82.78

(1) Source: Jefferson Parish Assessor.

CITY OF KENNER, LOUISIANA
SCHEDULE 8 -- PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Taxpayer</u>	<u>June 30, 2017</u>			<u>June 30, 2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Five Properties	\$ 9,291,940	1	1.51%			
Entergy Louisiana	8,082,794	2	1.31%			
Entergy Services	8,058,195	3	1.31%			
Pellerin Milnor	6,009,939	4	0.97%	2,850,326	7	2.30%
Southwest Airlines	5,333,400	5	0.86%	5,983,250	2	4.90%
Wal Mart	4,075,200	6	0.66%	3,124,370	6	2.50%
Treasure Check Casino	3,829,933	7	0.62%	2,781,957	8	2.30%
Oschner Community Hospitals	3,468,500	8	0.56%			
Esplanade Mall Ltd	3,304,730	9	0.54%	7,000,000	1	5.70%
United Airlines, Inc	3,219,340	10	0.52%			
Bellsouth Communications				4,428,220	3	3.60%
Westport Petroleum				3,833,811	4	3.10%
Sprint Spectrum				3,750,738	5	3.00%
Sterik Pavillion, LP				2,450,000	9	2.00%
Continental Airlines				2,397,940	10	1.90%
Totals	<u>\$ 54,673,971</u>		<u>8.86%</u>	<u>\$ 38,600,612</u>		<u>31.30%</u>

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected (or Adjusted) within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	8,429,734	8,033,426	95.30%	160,704	8,194,130	97.21%
2009	8,418,398	7,954,419	94.49%	170,924	8,125,343	96.52%
2010	8,483,637	8,141,338	95.97%	191,031	8,332,369	98.22%
2011	8,314,639	7,974,603	95.91%	176,394	8,150,997	98.03%
2012	8,449,463	8,134,682	96.27%	153,670	8,288,352	98.09%
2013	8,459,927	8,076,814	95.47%	177,940	8,254,754	97.57%
2014	8,458,230	8,150,033	96.36%	101,333	8,251,366	97.55%
2015	8,733,871	8,417,971	96.38%	127,926	8,545,897	97.85%
2016	8,787,704	8,488,335	96.59%	71,054	8,559,389	97.40%
2017	8,737,422	8,456,190	96.78%	N/A	8,456,190	96.78%

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 10 -- RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	LDEQ Taxable Bonds	Notes Payable	Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
						Mortgage Payable	Sewer Revenue Bonds			
2008	31,830,000	2,965,000	15,945,000	-	2,584,508	-	-	53,324,508	3.66%	818
2009	28,925,000	1,715,000	14,595,000	-	2,527,025	-	-	47,762,025	3.06%	729
2010	25,945,000	200,000	13,205,000	2,150,621	2,465,430	-	-	43,966,051	2.73%	648
2011	23,262,062	200,000	11,858,593	10,609,808	2,399,465	-	-	48,329,928	3.05%	725
2012	20,008,776	-	10,346,622	13,194,761	2,328,787	-	16,185,621	62,064,567	3.73%	930
2013	16,664,003	-	9,205,000	12,848,469	2,253,133	-	18,066,426	59,037,031	3.45%	884
2014	43,498,890	-	7,380,000	14,497,550	2,172,114	-	24,761,160	92,309,714	5.26%	1,378
2015	41,126,054	-	5,570,000	13,760,496	2,085,349	-	28,943,311	91,485,210	5.23%	1,364
2016	38,683,218	-	3,735,000	12,967,497	1,989,179	-	30,992,447	88,367,341	5.10%	1,319
2017	37,020,382	-	1,880,000	17,417,002	1,889,435	-	32,817,905	91,024,724	5.17%	1,357

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF KENNER, LOUISIANA
SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds Outstanding		
2008	\$ -	\$ -	\$ -	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 8 for property value data.

(2) Population data can be found in Schedule 15.

CITY OF KENNER, LOUISIANA
SCHEDULE 12 -- DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 322,944,000	17.19%	\$ 55,514,074
Jefferson Parish Public School System	\$ 218,992,000	17.70%	<u>38,761,584</u>
Subtotal, overlapping debt			94,275,658
City direct debt			<u>58,206,819</u>
Total direct and overlapping debt			<u><u>\$ 152,482,477</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF KENNER, LOUISIANA
SCHEDULE 13 -- LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 155,948,658	\$ 199,702,228	\$ 200,740,573	\$ 197,441,907	\$ 199,506,364	\$ 205,018,840	\$ 204,648,621	\$ 209,910,005	\$ 213,310,908	\$ 216,023,963
Total net debt applicable to limit	<u>1,884,798</u>	<u>608,953</u>	<u>-</u>							
Legal debt margin	<u>\$ 154,063,860</u>	<u>\$ 199,093,275</u>	<u>\$ 200,740,573</u>	<u>\$ 197,441,907</u>	<u>\$ 199,506,364</u>	<u>\$ 205,018,840</u>	<u>\$ 204,648,621</u>	<u>\$ 209,910,005</u>	<u>\$ 213,310,908</u>	<u>\$ 216,023,963</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>1.21%</u>	<u>0.30%</u>	<u>0.00%</u>							

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	<u>\$ 617,211,322</u>
Debt limit -- 35% of assessed value	216,023,963
General obligation and excess revenue bonds	\$ -
Less: amount available for repayment of general obligation and excess revenue bonds	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 216,023,963</u>

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

CITY OF KENNER, LOUISIANA
SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE
LAST EIGHT FISCAL YEARS
(Unaudited)

Fiscal Year	Sales Tax Bonds			
	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2010	11,211,927	2,980,000	1,039,916	2.79
2011	11,798,565	3,075,000	954,489	2.93
2012	11,023,249	3,165,000	865,021	2.74
2013	12,584,294	3,265,000	772,929	3.12
2014	11,789,242	2,020,000	1,466,161	3.38
2015	12,025,651	2,315,000	1,734,551	2.97
2016	13,352,252	2,385,000	1,644,624	3.31
2017	13,921,420	1,605,000	1,594,369	4.35

NOTES: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Certain information for prior periods is not shown since it was not previously maintained by the City.

CITY OF KENNER, LOUISIANA
SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) (4) Per Capita Personal Income	(3) Unemployment Rate
2008	65,202	1,456,286,670	22,335	4.6%
2009	65,527	1,558,363,114	23,782	7.3%
2010	67,842	1,613,418,444	23,782	8.1%
2011	66,702	1,586,306,964	23,782	8.0%
2012	66,715	1,663,338,380	24,932	8.7%
2013	66,820	1,708,854,680	25,574	7.9%
2014	66,975	1,755,079,875	26,205	6.0%
2015	67,064	1,748,626,736	26,074	6.7%
2016	66,993	1,731,233,106	25,842	6.4%
2017	67,089	1,761,421,695	26,255	5.9%

- (1) Source: U.S. Census Bureau 2000 Census for 2003-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006; U.S. Census Bureau 2006-2008 American Community Survey Estimate for 2007-2010. Except for 2003-2010, the figures represent the City's population for the preceding calendar year.
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (4) 2005 figure used for 2005 and 2006; 2007 figure used for 2007 and 2008; 2009 figure used for 2009, 2010, and 2011.

CITY OF KENNER, LOUISIANA
SCHEDULE 16 -- PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Employer	June 30, 2017			June 30, 2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ochsner Medical Center	775	1	2.38%	650	4	1.90%
Treasure Chest Casino	725	2	2.23%	745	2	2.20%
Cross Road Centers	600	3	1.85%			
City of Kenner	594	4	1.83%	743	3	2.20%
Pellerin Milnor Corp	510	5	1.57%	600	5	1.80%
Altus Global Trade Solutions	207	6	0.64%			
Sams Club	184	7	0.57%			
St. Theresa's Medical Center	168	8	0.52%			
Cycle Reconstruction	125	9	0.39%			
Revolution Foods	85	10	0.26%			
Wal Mart				2,310	1	6.70%
Dillard's				250	6	0.70%
Home Depot				200	7	0.50%
Xerox Corp				200	8	0.50%
Winn Dixie				150	9	0.40%
Lamarque Ford				132	10	0.40%
Total	3,973		12.24%	5,980		17.30%

Source: JEDCO, EDS Department

CITY OF KENNER, LOUISIANA
SCHEDULE 17 -- FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Full-time Equivalent Employees as of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	86	83	96	92	87	86	89	86	85	88
Public safety	364	354	331	332	324	333	328	326	324	318
Public works	108	114	73	72	72	73	73	69	68	69
Health and welfare	23	20	61	53	36	36	36	35	34	38
Culture and recreation	135	134	78	69	78	79	75	68	64	69
Transit and urban development	27	32	16	13	15	14	14	14	14	12
Miscellaneous										
Total	743	737	655	631	612	621	615	598	589	594

Source: City of Kenner payroll department.

CITY OF KENNER, LOUISIANA
SCHEDULE 18 -- OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Police										
Physical arrests	5,062	6,812	8,815	9,393	8,990	7,767	7,573	7,625	7,333	6,134
Parking violations	189	750	467	449	496	928	447	470	418	471
Traffic violations	13,393	14,391	17,692	20,242	26,201	19,973	17,397	18,568	17,139	15,292
Fire										
Emergency responses	3,400	3,705	3,588	3,454	2,555	1,662	1,366	1,504	1,728	1,706
Fires extinguished	242	191	137	186	120	190	136	189	146	113
Refuse collection										
Refuse collected (tons per month)	144	150	160	160	3,065	3,314	3,129	3,254	2,908	2,914
Recyclables collected (tons per month)	3,738	N/A	N/A	N/A	N/A	4	11.15	11.00	30.00	80.15
Other public works										
Street resurfacing (sq. ft.)	24,486	26,000	8,000	488,735	117,972	285,813	39,609	124,569	3,705	3,890
Potholes repaired	103	91	163	130	484	527	1,123	1,153	1,154	2,017
Wastewater										
Average daily sewage treatment (mil per day)	13.7	11.0	12.2	10.7	10.7	10.5	9.1	9.5	10.6	11.8

Source: City of Kenner Finance Department.

CITY OF KENNER, LOUISIANA
SCHEDULE 19 -- CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function</u>	<u>Fiscal Year</u> <u>2008</u>	<u>Fiscal Year</u> <u>2009</u>	<u>Fiscal Year</u> <u>2010</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> <u>2012</u>	<u>Fiscal Year</u> <u>2013</u>	<u>Fiscal Year</u> <u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2017</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	180	221	204	201	204	210	201	182	181	180
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Pieces of equipment	21	23	23	23	21	20	19	19	18	18
Water										
Water mains (miles)	***	***	264	264	264	264	264	264	264	264
Fire hydrants	***	3,996	2,919	2,911	2,915	2,919	2,923	2,725	2,726	2,919
Storage capacity (thousands of gallons)	***	***	***	***	***	***	***	***	***	***
Other public works										
Streets (miles)	396	396	300	300	300	300	300	300	300	300
(1) Highways (miles)	***	***	10	10	10	10	10	10	10	10
Bridges	27	27	33	33	33	33	33	33	33	33
Streetlights	6,992	6,992	6,992	6,992	6,992	6,992	6,995	7,000	7,000	7,000
Traffic signals	18	19	19	19	19	19	19	20	20	20
Health and welfare	***	***	***	***	***	***	***	***	***	***
Culture and recreation										
Parks	3	3	3	3	4	4	4	4	4	4
Playgrounds	11	12	12	12	11	11	11	11	11	11
Art Galleries and Museums	10	10	6	6	7	7	7	5	5	5
Gymnasiums	10	11	11	11	10	10	10	10	10	10
Wastewater										
Sanitary and storm sewers (miles)	905	905	905	905	905	905	905	905	905	905
Treatment plants	1	1	1	1	1	1	1	1	1	1
Low-lift stations	79	79	79	79	79	79	79	79	79	79
Treatment capacity	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	11.288 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	15.2 MGD

Source: City of Kenner finance department

*** Certain information for prior periods is not shown since it was not previously maintained by the City.

(1) Highways are maintained by the State

For the items not recorded, information was not accumulated in those years.

SINGLE AUDIT



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 29, 2017

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Kenner, Louisiana's basic financial statements, and have issued our report thereon dated December 29, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Kenner, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The results of our tests disclosed one instance of noncompliance that we have communicated to management in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

December 29, 2017

Honorable Mayor and Members of the Council
City of Kenner, Louisiana

Report on Compliance for Each Major Federal Program

We have audited City of Kenner, Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Kenner, Louisiana's major federal programs for the year ended June 30, 2017. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Kenner, Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Kenner, Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Kenner, Louisiana, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of City of Kenner, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Kenner, Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

**CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>2017 FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grant	14.218	B-14-MC-22-0008		29,048
Community Development Block Grant	14.218	B-15-MC-22-0008		173,894
Community Development Block Grant	14.218	B-16-MC-22-0008		178,912
			Total 14.218	<u>381,854</u>
Passed through Louisiana Recovery Authority, Office of Community Development:				
Comprehensive Resiliency Program	14.228	700761		48,965
Passed through Jefferson Parish				
Long Term Community Recovery Program	14.228	D-06-DG-22-0001/2006		43,263
			Total 14.228	<u>92,228</u>
Passed through Jefferson Parish:				
Home Investment Partnership Program (HOME)	14.239	Unavailable		<u>200,411</u>
Emergency Shelter Grants Program	14.231	CFMS#716255		<u>57,169</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u><u>731,662</u></u>
DEPARTMENT OF JUSTICE				
Direct				
Edward Byrne Memorial Justice Assistance Grant Program:				
	16.738	2015-DJ-BX-0498		12,680
	16.738	2016-DJ-BX-0277		7,556
				<u>20,236</u>
Passed Through Louisiana Commission Law Enforcement:				
Narcotics Criminal Patrols Program	16.738	2985		11,730
			Total 16.738	<u>31,966</u>
Passed Through Louisiana Commission Law Enforcement:				
Crime Victim Assistance Program	16.575	2841		<u>15,260</u>
Direct				
Bulletproof Vest Partnership Grant Program	16.607	Unavailable		<u>7,334</u>
TOTAL DEPARTMENT OF JUSTICE				<u><u>54,560</u></u>
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION				
Passed through Louisiana Highway Safety Commission				
Traffic Safety Overtime Enforcement Program	20.601	2016-30-25		11,925
Traffic Safety Overtime Enforcement Program	20.601	2017-30-31		12,632
TOTAL NATIONAL HIGHWAY SAFETY ADMINISTRATION				<u>Total 20.601</u> <u><u>24,557</u></u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017
(CONTINUED)

DEPARTMENT OF HOMELAND SECURITY

Passed through Jefferson Parish:

Hazard Mitigation Grant	97.039	PDMC-06-LA-2014-001		<u>290,738</u>
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Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:

Disaster Grants - Public Assistance - Katrina	97.036	1603-DR-LA		62,200
Disaster Grants - Public Assistance - Isaac	97.036	4080-DR-LA		<u>6,216</u>
			Total 97.036	<u>68,416</u>

TOTAL DEPARTMENT OF HOMELAND SECURITY	<u><u>359,154</u></u>
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OFFICE OF NATIONAL DRUG CONTROL POLICY

Passed Through Jefferson Parish Sheriff's Office

Gulf Coast High Intensity Drug Trafficking Areas	95.001	G16GC0001A		19,568
Gulf Coast High Intensity Drug Trafficking Areas	95.001	G17GC0001A		<u>4,200</u>

TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY	Total 95.001 <u><u>23,768</u></u>
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DEPARTMENT OF TRANSPORTATION

Passed Through the Regional Transit Authority

Pedestrian Improvements	20.507	LA-90-0409		10,676
Pedestrian Improvements	20.507	LA-90-0391		<u>29,338</u>
			Total 20.507	<u>40,014</u>

Passed Through Louisiana Department of Transportation and Development

Veterans Boulevard Lighting Airport	20.205	H010973		130,456
Veterans Boulevard Resurfacing and Bridge Replacement	20.205	H009441		7,954
Aberdeen Street Improvemtns	20.205	H011276		1,691,137
Traffic Signals Upgrade	20.205	H011463		94,176
Chateau Boulevard Resurfacing	20.205	H011007		24,652
Statewide Flood Control Program Phase II	20.205	H010107		<u>708,870</u>

TOTAL DEPARTMENT OF TRANSPORTATION	Total 20.205 <u><u>2,657,245</u></u>
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TOTAL DEPARTMENT OF TRANSPORTATION	<u><u>2,697,259</u></u>
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ENVIRONMENTAL PROTECTION AGENCY

Passed Through the Louisiana Department of Environmental Quality

Loan from Louisiana Municipal Revolving Loan Fund	66.458	CS-221114-01		1,085,164
Loan from Louisiana Municipal Revolving Loan Fund	66.458	CS-221860-01		1,493,466
Loan from Louisiana Municipal Revolving Loan Fund	66.458	CS-221860-02		<u>151,198</u>

TOTAL ENVIRONMENTAL PROTECTION AGENCY	Total 66.458 <u><u>2,729,828</u></u>
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TOTAL ENVIRONMENTAL PROTECTION AGENCY	<u><u>2,729,828</u></u>
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TOTAL FEDERAL ASSISTANCE	<u><u>\$ 6,620,788</u></u>
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The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES
JUNE 30, 2017

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Kenner, Louisiana under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Kenner, Louisiana, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Kenner, Louisiana.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE:

The City of Kenner, Louisiana has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS:

There were no awards passed through to sub-recipients.

5. LOAN PROGRAMS:

City of Kenner, Louisiana had outstanding loans with the Louisiana Department of Environmental Quality at June 30, 2017. Loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2017 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
66.458	LDEQ #3	\$17,134,822
66.458	LDEQ #4	17,843,478
66.458	LDEQ #5	799,427

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: unmodified opinion on whether the statements were prepared in accordance with GAAP.

Internal control over financial reporting:

- Material weakness(es) identified? ___yes Xno
- Significant deficiencies identified that are not considered to be material weaknesses? ___yes Xno
- Noncompliance material to financial statements noted? ___yes Xno

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? ___yes Xno
- Significant deficiencies identified that are not considered to be material weaknesses ___yes Xno

Type of auditor's report issued on compliance for the major federal award programs: unmodified

Any audit findings disclosed that are required to be Reported in accordance with Uniform Guidance, Title 2 U.S. Code of Federal Regulations (CFR) section 200.516(a) ___yes Xno

Identification of major programs:

	<u>CFDA Number</u>	<u>Expenditures</u>
Louisiana Municipal Revolving Loan Fund	66.458	\$2,729,828
Federal Aid Highway Planning and Construction Program	20.205	2,657,245
Dollar threshold for distinguishing Types A and B programs:		\$750,000
Auditee qualified as low-risk auditee?	<u>X</u> yes	___no

CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2017

**B. FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS**

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**CITY OF KENNER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR JUNE 30, 2017**

A. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

No prior year audit findings.



Duplantier
Hrapmann
Hogan &
Maher, LLP

December 29, 2017

William G. Stamm, CPA
Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Honorable Mayor and City Council
of the City of Kenner, Louisiana
1801 Williams Blvd.
Kenner, LA 70062

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
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(1919-1985)
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Fax: (985) 369-9941

In planning and performing our audit of the financial statements of City of Kenner, Louisiana (the City) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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We also performed a test of the City's compliance with certain provisions of laws, regulations and contracts and did identify an instance of non-compliance that we wanted to communicate to management.

During our testing of cash, we noted that the general fund pooled cash account contained several outstanding items that were not reconciled for months. There were also several deposits and debits on the bank statements that were not recorded on the City's general ledger until the audit was being performed, which was several months after the fiscal year end. This could have resulted in material misstatements on the financial statements if not corrected during the audit. We recommend all outstanding items on the general fund pooled cash bank account be reconciled and researched in a timely manner to prevent any possible misstatements in the future.

This communication is intended solely for the information and use of management, the City Council and others within City of Kenner, Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP



Lindsay J. Calub, CPA
Partner



CITY OF KENNER

OFFICE OF FINANCE

E. "BEN" ZAHN III
MAYOR

MICHAEL T. WETZEL
CHIEF FINANCIAL OFFICER

December 29, 2017

Duplantier, Hrapmann, Hogan & Maher, LLP
1615 Poydras St
Suite 2100
New Orleans, LA 70112

Gentlemen:

In response to your letter to the Mayor and City Council concerning the results of your test of cash, wherein you noted that several deposits and debits of significant amounts on the bank statement were not recorded in the City's General Ledger until several months after the fiscal year end, we have made significant changes to our bank reconciliation policies and procedures to prevent future reoccurrences of this issue.

All bank statements will be reviewed monthly by a member of management with no involvement in the transactions associated with the bank account. To insure that outstanding reconciling items are promptly researched and resolved, bank reconciliations submitted for review must indicate the explanation for any items not clearing after one month. If the item has not been properly recorded in the City's General Ledger a draft of the necessary entry to resolve the error or omission must also be submitted with the bank reconciliation for review.

Michael T. Wetzel,

Chief Financial Officer
City of Kenner

CITY OF KENNER, LOUISIANA

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

FOR THE PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017



Duplantier
Hrapmann
Hogan &
Maher, LLP

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

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December 29, 2017

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Phone: (985) 369-6003
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Honorable Mayor and Members of the Council
City of Kenner, Louisiana

We have performed the procedures enumerated below, which were agreed to by management of the City of Kenner, Louisiana (the City) and the Legislative Auditor, State of Louisiana (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. Management of the City of Kenner, Louisiana is responsible for those C/C areas identified in the SAUPs.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of these procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

- 1) We obtained the City's written policies and procedures and determined whether those written policies and procedures addressed each of the following financial/business functions, as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

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Written Policies and Procedures (Continued)

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) *Disbursements*, including processing, reviewing, and approving.
- d) *Receipts*, including receiving, recording, and preparing deposits.
- e) *Payroll/Personnel*, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Credit Cards (and debit cards, fuel cards, P-cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the City's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results:

The purchasing policy does not include how vendors are added to the vendor list.

Board

- 2) We obtained and reviewed the City Council minutes for the fiscal period, and:
 - a) Determined whether the Council met (with a quorum) at least monthly or on a frequency in accordance with the Council's enabling legislation, charter, or other equivalent document.

Board (Continued)

- b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds in the City's prior audit (GAAP-basis).
- c) Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results:

No findings were noted as a result of applying the procedures above.

Bank Reconciliations

- 3) We obtained a listing of the City's bank accounts from management and management's representation that the listing is complete.
- 4) Using the listing provided by management, we selected one-third of the City's bank accounts on a three year rotating basis. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
 - a) Bank reconciliations have been prepared;
 - b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and
 - c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Results:

The City does not have evidence that bank reconciliations have been reviewed by a member of management with no involvement in the transactions associated with the bank account. Additionally, there was no documentation indicating that reconciling items that have been outstanding more than six months were researched as of the end of the fiscal year.

Collections

- 5) We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing was complete.
- 6) Using the cash collection locations listing provided by management in agreed upon procedure number 5, we selected one-third of the City's cash collection locations, on a three year rotating basis. For each cash location selected:
 - a) We requested existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) We obtained existing written documentation and determined whether the City has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who was not responsible for cash collections.
 - c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - i. Using the City's collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
 - ii. Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections were completely supported by documentation and report any exceptions.

Results:

Upon applying the procedures above, it was noted that an employee responsible for collecting cash also reconciles the related bank statements for the Community Development Block Grant (CDBG) accounts, including CDBG Entitlement, CDBG Housing Rehab Escrow, and CDBG Housing Rehab Non-Federal. Additionally, the CDBG receipts are reconciled to subsidiary ledgers by the same employee responsible for receiving collections.

Collections (Continued)

Upon applying the procedures above, it was also noted that employees responsible for collecting cash did not maintain their own cash register or drawer. While the collection drawer for each cash location was locked, all employees from each respective department had access to it.

Upon applying the above procedures at the Kenner TV Department, it was noted that KTV does not keep any records pertaining to cash collections at their physical location. All support is forwarded to and maintained by the IT Department.

Upon applying the procedures above, we tested 50 checks/ACH of which 50 checks were not deposited within one day of receipt. Deposits ranged from 4 to 51 days after collection. Of the collections tested, the Human Resources Department had two instances in which cash was deposited 237 and 238 days after collection. It was also noted that only one deposit had been made by the HR Department within approximately five years. Additionally, the total amount of cash collected and deposited in the bank at the Human Resources Department for the cash receipt selected for testing was \$223 less than the amount detailed in supporting documentation.

- 7) We obtained existing written documentation (e.g. policy manual, written procedure) and determined whether the City has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who was not responsible for collections.

Results:

The City has a process to determine the completeness of collections; however, the process was not specifically defined in the written procedures.

Disbursements – General (excluding credit card purchases or payments)

- 8) We obtained a listing of City disbursements from management and obtained management's representation that the listing was complete.
- 9) Using the disbursement population from agreed-upon procedure number 8 above, we randomly selected 25 disbursements and obtained supporting documentation for each transaction and determined that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

Disbursements – General (excluding credit card purchases or payments) (Continued)

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results:

No findings were noted as a result of applying the procedures above.

- 10) Using City documentation, we determined whether the person responsible for processing payments was prohibited from adding vendors to the entity's purchasing/disbursement system.

Results:

Upon applying the procedure above, we noted that the cash disbursements policy did not stipulate that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing and disbursement system.

- 11) Using City documentation, we determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results:

No findings were noted as a result of applying the procedure above.

- 12) We inquired of management and observed whether the supply of unused checks was maintained in a locked location, with access restricted to those persons that do not have signatory authority, and noted any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed City documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

Results:

No findings were noted as a result of applying the procedure above.

Disbursements – General (excluding credit card purchases or payments) (Continued)

- 13) When signature stamp or signature machine was used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

Results:

No findings were noted as a result of applying the procedure above.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 14) We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We also obtained management's representation that the listing was complete.
- 15) Using the listing prepared by management under agreed upon procedure number 14 above, we randomly selected one-third of the credit cards that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements where multiple cards were on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card and:
- a) Determined whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Determined whether finance charges and/or late fees were assessed on the selected statements.

Results:

No findings were noted as a result of applying the procedures above.

- 16) Using the monthly statements or combined statements selected under agreed upon procedure number 15 above, we obtained supporting documentation for all transactions for each of the cards selected.
- a) For each transaction, we determined that the transaction was supported by:
 - i. An original itemized receipt.
 - ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Credit Cards/Debit Cards/Fuel Cards/P-Cards (Continued)

- iii. Other documentation that may be required by written policy.
- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the City's written purchasing/disbursement policies and the Louisiana Public Bid Law and reported any exceptions.
- c) For each transaction, we compared the City's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions.

Results:

No findings were noted as a result of applying the procedures above.

Travel and Expense Reimbursement

- 17) We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for travel reimbursements. We also obtained management's representation that the listing and general ledger was complete.
- 18) We obtained the City's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

Results:

No findings were noted as a result of applying the procedure above.

- 19) Using the listing obtained under agreed upon procedure number 17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) We compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy

Travel and Expense Reimbursement (Continued)

- b) We determined whether each expense was supported by:
 - i. An original itemized receipt that identified precisely what was purchased.
 - ii. Documentation of the business/public purpose.
 - iii. Other documentation as may be required by written policy.
- c) We compared the City's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions.
- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

Upon applying the procedures above, we noted one instance in which the business purpose for travel was not documented on the supporting documentation. We also noted two separate instances in which an employee reviewed and approved their own reimbursement.

Contracts

- 20) We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We also obtained management's representation that the listing or general ledger was complete.
- 21) Using the listing above, we selected the five contract "vendors" that were paid the largest amount during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
 - a) Determined whether there was a formal/written contract that supported the services arrangement and the amount paid.
 - b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We determined whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:

Contracts (Continued)

- i. If yes, we obtained/compared supporting contract documentation to legal requirements and determined whether the City complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - ii. If no, we obtained supporting contract documentation and determined whether the City solicited quotes as a best practice.
- c) We determined whether the contract was amended. If so, we determined the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and determined whether the invoice and related payment complied with the terms and conditions of the contract.
 - e) We obtained/ reviewed contract documentation and Council minutes and determined whether there was documentation of Council approval.

Results:

Upon applying the procedures above, it was noted that the City of Kenner does not solicit bids as a best practice when the Louisiana Public Bid Law does not apply.

Payroll and Personnel

- 22) We obtained a listing of employees (and elected officials, if applicable) with their related salaries and obtained management's representation that the listing was complete. We randomly selected five employees/officials, obtained their personnel files, and:
 - a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

Results:

No findings were noted as a result of applying the procedures above.

Payroll and Personnel (Continued)

- 23) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/ officials and:
- a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Determined whether there was written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results:

No findings were noted as a result of applying the procedures above.

- 24) We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list was complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results:

No findings were noted as a result of applying the procedure above.

- 25) We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We determined whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results:

No findings were noted as a result of applying the procedure above.

Ethics

- 26) Using the five randomly selected employees/officials from agreed upon procedure number 22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and determined whether the City maintained documentation to demonstrate that required ethics training was completed.

Results:

No findings were noted as a result of applying the procedure above.

- 27) We inquired of management whether any alleged ethics violations were reported to the City during the fiscal period. If applicable, we reviewed documentation that demonstrated whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the City's ethics policy. We determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results:

No findings were noted as a result of applying the procedure above.

Debt Service

- 28) For debt that was issued during the fiscal period, we obtained supporting documentation from the City and determined whether State Bond Commission approval was obtained.

Results:

No findings were noted as a result of applying the procedure above as the City did not issue any new debt.

- 29) For the outstanding debt during the fiscal period, we obtained supporting documentation from the City and determined whether the City made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results:

No findings were noted as a result of applying the procedure above.

- 30) For the tax millages relating to debt service, we obtained supporting documentation and determined whether millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, we determined any millages that continued to be received for debt that has been paid off.

Debt Service (Continued)

Results:

No findings were noted as a result of applying the procedure above.

Other

- 31) We inquired of management whether the City had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and determined whether the City reported the misappropriation to the Legislative Auditor and the District Attorney of the parish in which the City is domiciled.

Results:

No findings were noted as a result of applying the procedure above.

- 32) We observed and determined whether the City has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results:

We noted that the notice was not posted during the fiscal year, however, it was added to the City's website and posted on the premises in December 2017.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana



CITY OF KENNER

OFFICE OF FINANCE

E. "BEN" ZAHN III
MAYOR

MICHAEL T. WETZEL
CHIEF FINANCIAL OFFICER

December 29, 2017

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
1600 N. 3rd Street
Baton Rouge, LA 70802

Written Policies and Procedures

Findings:

The purchasing policy does not include how vendors are added to the vendor list.

Response:

The City's purchasing policies will be revised to include how vendors are added to the vendor list.

Bank Reconciliations

Findings:

The City does not have evidence that bank reconciliations have been reviewed by a member of management with no involvement in the transactions associated with the bank account. Additionally, there was no documentation indicating that reconciling items that have been outstanding for more than six months were researched as of the end of the fiscal year.

Response:

All outstanding items for the fiscal year have been researched and reconciled. We have changed our policy to provide that a member of management with no involvement in the transactions associated with the bank account review all reconciliations.

Collections

Findings:

Upon applying the procedure above, it was noted that an employee responsible for collecting cash also reconciles the bank statements for the Community Development Block Grant (CDBG) accounts, including CDBG Entitlement, CDBG Housing Rehab Escrow, and CDBG Housing Rehab Non-Federal. Additionally, the CDBG receipts are reconciled to subsidiary ledgers by the same employee responsible for receiving collections.

Upon applying the procedures above, it was also noted that employees responsible for collecting cash did not maintain their own cash register or drawer. While the collection drawer for each cash location was locked, all employees from each respective department had access to it.

Upon applying the above procedures at the Kenner TV Department, it was noted that KTV does not keep any record pertaining to cash collections at their physical location. All support is forwarded to and maintained by the IT Department.

Upon applying the procedure above, we tested 50 checks/ACH of which 50 checks were not deposited within one day of receipt. Deposits ranged from 4 to 51 days after collection. Of the collections tested, the Human Resources Department had two instances in which cash was deposited 237 and 238 days after collection. It was also noted that only one deposit had been made by the HR Department within approximately five years. Additionally the total of cash collected and deposited in the bank at the Human Resources Department for the cash receipt selected for testing was \$223 less than the amount detailed in supporting documentation

Response:

Bank Reconciliations: Segregation of duties will be achieved by assigning another employee to handle cash collections in the Community Development department.

Shared cash drawers: Limited facilities prevent the use of separate cash drawers for each employee responsible for collecting cash. The cash drawers at each location are locked and are reconciled and balanced daily. No shortage or balancing problems or other issues relative to this topic have been reported by any of the City's Departments and we do not consider this a significant matter.

KTV collection records: We do not consider this a significant issue due to the limited number of transactions and small dollar amounts. The only funds collected by KTV are for sales of DVDs of programs produced by KTV. Only 30 to 35 DVDs are sold each year at \$20 or \$25 each. No cash is accepted and payment must be made by check or money order payable to the City of Kenner.

HR deposit delays: Approximately 50 eligible retirees have elected family medical coverage with the City's insurance provider and until recently paid the City by check each month for participation in this program. During the latter part of fiscal year 2017, the City required retirees participating in family medical coverage to allow the City to automatically debit their individual checking accounts each month. Since the payments are now automatically deposited in the City's account, deposit differences or delays are no longer an issue. Currently the only actual collections by the HR Department are occasional \$10 payments from employees for ID Card replacements. We do not consider this a significant issue due to the limited number of transactions and small dollar amounts.

Written procedures: The City's written procedures for collections will be revised to include the process used to determine the completeness of all collections.

Disbursements - General

Findings:

Upon applying the procedures above, we noted that the cash disbursement policy did not stipulate that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing and disbursement system.

Response:

We have begun the process to resolve this issue. In the near future, only personnel not responsible for processing payments will be allowed to add vendors to the City's purchasing and disbursement system. We have reassigned duties and scheduled training for those who will begin adding vendors. Once their training is complete, the system authorization permissions for all employees will be modified to allow vendor additions only by those individuals who are not responsible for processing. The system will automatically reject any attempt to add vendors by unauthorized personnel. We expect to have these changes implemented within the next few weeks.

Travel and Expense Reimbursement

Findings:

Upon applying the procedures above, we noted one instance in which the business purpose for travel was not documented on the supporting documentation. We also noted two separate instances in which an employee reviewed and approved their own reimbursement.

Response:

The one instance in which the business purpose for travel was not documented on the supporting documentation was an airline ticket for an employee's travel to a business conference. The department supervisor who approved the expenditure for the airline ticket was aware of the business purpose since he had also approved the employee's other expenses for attending the conference on a separate transaction.

Of the two separate instances of employees approving their own reimbursements, one was a Department Director and the other was an Assistant Department Director.

The City has sent out a reminder to all departments reminding them that, even for directors and assistant directors, a second person of authority should approve their expenses, and all travel reimbursements should have a clearly stated purpose.

Contracts

Findings:

Upon applying the procedures above, it was noted that the City of Kenner does not solicit bids as a best practice when the Louisiana Public Bid Law does not apply.

Response:

All Departments within the city make a conscientious effort to obtain the best pricing available for all materials and services purchased. On many occasions, the City solicits bids on purchases that fall well below the legal threshold. In certain instances, such as the ones noted by the Auditors, contracts for materials or services may be renewed without soliciting bids. If the Department Director is aware of special circumstances (such as limited competition, high quality of service, product availability, special pricing, excellent prior pricing and/or performance, etc.) wherein selection of a certain vendor is economically advantageous to the City, bids will not be solicited unless required by law.

Other

Findings:

We noted that the notice was not posted during the fiscal year. However, it was added to the City's website and posted on the premises in December 2017.

Response:

As soon as the City became aware of this requirement, the notice (required by R.S. 24:523.1) was posted on the City website, as well as multiple locations across City facilities.

Michael T. Wetzel



Chief Financial Officer