

CITY OF KENNER, LOUISIANA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



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 21, 2018

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, 2018 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, 2018 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 have been fluctuating. The construction of a new terminal at the Louis Armstrong New Orleans International Airport located in Kenner is a major project which is expected to be completed in 2019. Design of the City's major corridor redevelopment program is complete and construction has begun. 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.

LONG TERM FINANCIAL PLANNING

The City intends to meet its future financial needs in the following ways. As mentioned in this report, the City's economy has been improving, and is expected to continue to improve. The City's principal source of revenues are from sales and property taxes, which are growing. Major enterprises, such as the airport and a casino are located in the City, and they continue to contribute to the City's economy. Also, present and planned capital development projects will improve the City's economic outlook. Issuance of debt has been, and will continue to be a source of financing.

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, 2017. This was the twenty-second 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, 2017

Christopher P. Morill

Executive Director/CEO

SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Councilwoman at Large Division A	Kristi McKinney
Councilman at Large Division B	Thomas Willmott
District No. 1	Gregory Carroll
District No. 2	Michael Sigur
District No. 3	Glenn Hayes
District No. 4	George Branigan
District No. 5	Brian Brennan

EXECUTIVE STAFF

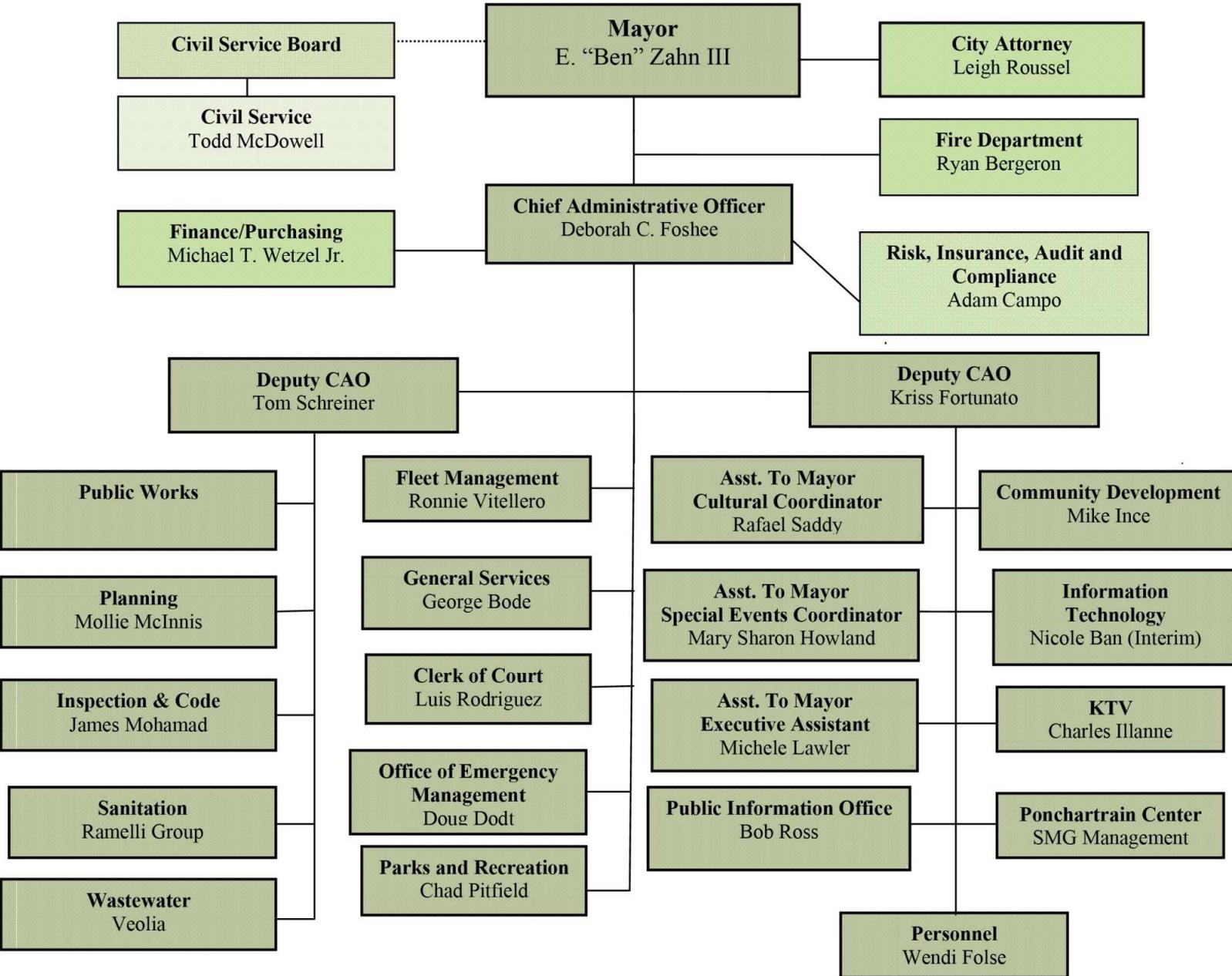
Mayor	Honorable E. "Ben" Zahn
Chief Administrative Officer	Deborah Foshee
Chief of Police	Michael Glaser
City Attorney	Leigh Roussel
Deputy Chief Administrative Officer	Kriss Fortunato
Chief Financial Officer	Michael Wetzel

DEPARTMENT HEADS

Inspection and Code Enforcement	James Mohamad
Community Development	Michael Ince
Parks and Recreation	Chad Pitfield
Human Resources	Wendi Folse
Planning	Wendel Dufour
Fire Chief	Ryan Bergeron
Clerk of Court Director	Luis Rodriguez
Information Technology	Jay Sprague
Internal Audit	Adam Campo
Council Clerk	Natalie Hall
Civil Service	Todd McDowell
Fleet Management	Ronald Vitellaro
Public Works	Tom Schreiner

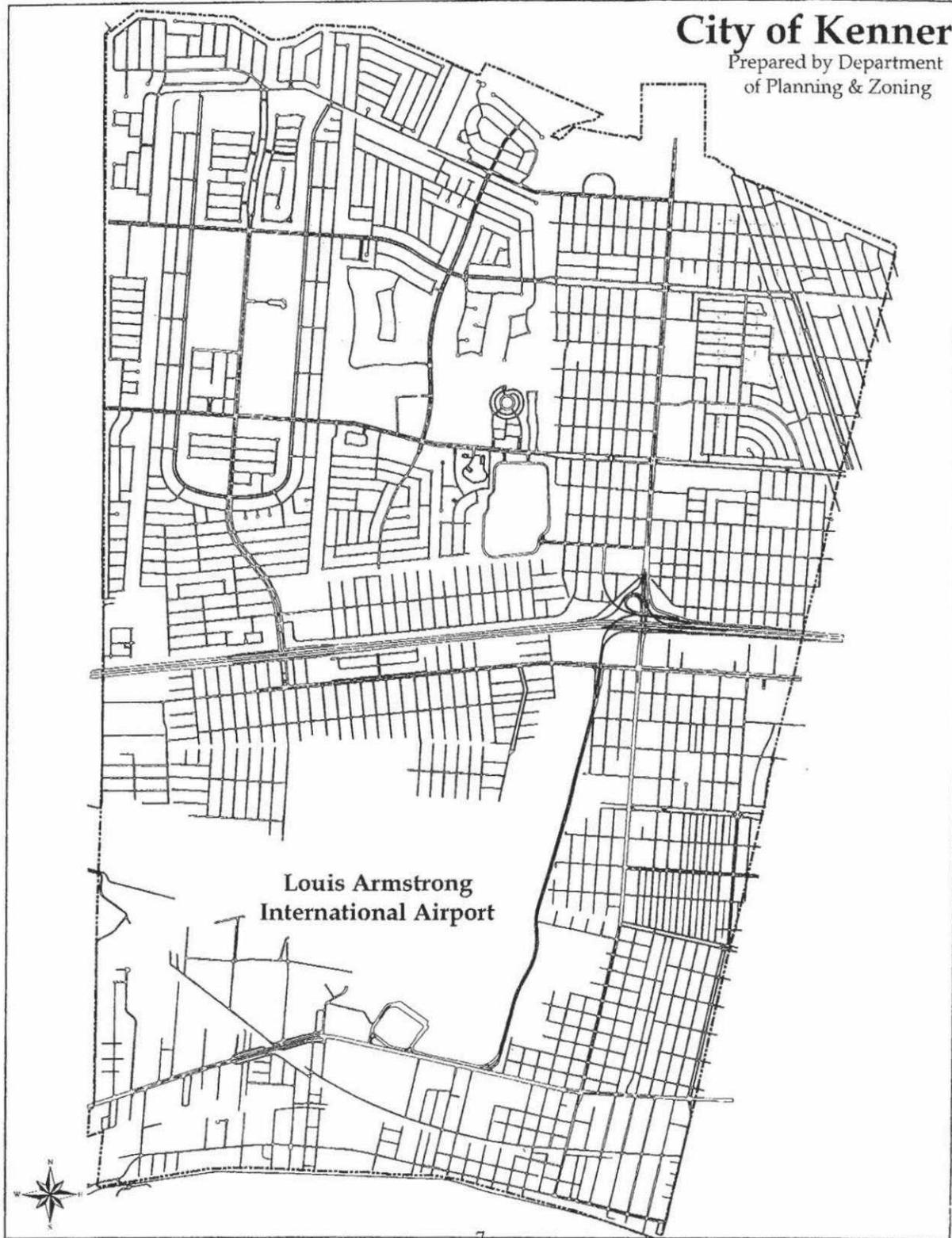


City of Kenner Organization of Government



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 21, 2018

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

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

Report on the Financial Statements

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

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

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.

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Auditor's Responsibility

Our responsibility is to express opinions 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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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, 2018, 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.

Emphasis of Matter

As disclosed in Note S to the financial statements, for the year ended June 30, 2018, the City of Kenner, Louisiana, implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new standard required the City to record the total collective other postemployment benefits (OPEB) amount related to its participation in a single-employer defined benefit OPEB plan. As a result of the implementation, the City's beginning net position decreased by \$15,015,048 and the total OPEB liability increased by \$15,015,048 as of July 1, 2017.

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, as listed in the table of contents, 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, as listed in the table of contents, 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, nonmajor 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 21, 2018, 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, 2018**

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, 2018. 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 \$153.9 million at June 30, 2018.

The City's net investment in capital assets is approximately \$190.5 million. The City's restricted net position is approximately \$24.0 million which is primarily restricted for capital projects and debt service. The City's unrestricted net position is approximately \$(60.6) million.

The City's unrestricted net position in governmental activities is approximately \$(54.0) million, which is a decrease of 13.0 million, primarily due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Business-type activities' unrestricted net position is approximately \$(6.6) million, which is a decrease of \$0.4 million, primarily due to a decrease in sewer service charge revenue.

The City's general fund reported an unassigned fund balance of approximately \$10.0 million, which is a decrease of \$1.2 million.

There was no change in the fund balance of the One Percent Sales Tax of 1984 fund or the Fire Protection fund. The General Capital Projects fund had an increase in fund balance of \$0.6 million while the Capital Projects funded with Bond Proceeds fund had a decrease in fund balance of \$0.3 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 \$66.1 million of net pension liability, OPEB liability of \$21.6 million (due to the implementation of GASB 75 in fiscal year ended June 30, 2018), capital lease liability of \$0.6 million, and Compensated Absences of \$5.1 million.

The City's other debt consists of bonds and notes payable of \$88.1 million. During the year, the City made principal payments of \$6.2 million and received \$3.6 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, 2018**

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.

Eleven 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 six 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, 2018**

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 2018	Business-type Activities 2018	Total 2018	Governmental Activities 2017	Business-type Activities 2017	Total 2017
Assets:						
Current and other assets	\$ 65,123	\$ 9,492	\$ 74,615	\$ 62,113	\$ 8,556	\$ 70,669
Capital assets	<u>161,379</u>	<u>94,333</u>	<u>255,712</u>	<u>170,987</u>	<u>96,088</u>	<u>267,075</u>
Total assets	<u>226,502</u>	<u>103,825</u>	<u>330,327</u>	<u>233,100</u>	<u>104,644</u>	<u>337,744</u>
Deferred Outflows of Resources						
Related to pensions, OPEB, and bond refunding	<u>18,967</u>	<u>-</u>	<u>18,967</u>	<u>21,131</u>	<u>-</u>	<u>23,131</u>
Liabilities:						
Long-term outstanding debt	140,775	32,703	173,478	137,242	32,819	170,061
Other liabilities	<u>14,471</u>	<u>3,570</u>	<u>18,041</u>	<u>8,772</u>	<u>1,381</u>	<u>10,153</u>
Total liabilities	<u>155,246</u>	<u>36,273</u>	<u>191,519</u>	<u>146,014</u>	<u>34,200</u>	<u>180,214</u>
Deferred Inflows of Resources						
Related to pensions, OPEB and unavailable revenue	<u>3,908</u>	<u>-</u>	<u>3,908</u>	<u>3,663</u>	<u>-</u>	<u>3,663</u>
Net position:						
Net investment in capital assets	131,061	59,420	190,481	138,501	63,271	201,772
Restricted	9,213	14,777	23,990	9,098	13,384	22,482
Unrestricted	<u>(53,959)</u>	<u>(6,645)</u>	<u>(60,604)</u>	<u>(41,046)</u>	<u>(6,211)</u>	<u>(47,257)</u>
Total net position	<u>\$ 86,315</u>	<u>\$ 67,552</u>	<u>\$ 153,867</u>	<u>\$ 106,553</u>	<u>\$ 70,444</u>	<u>\$ 176,997</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

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 2018	Business-type Activities 2018	Total 2018	Governmental Activities 2017	Business-type Activities 2017	Total 2017
Revenues:						
Program revenues:						
Charges for services	\$ 19,616	\$ 9,859	\$ 29,475	\$ 18,554	\$ 10,269	\$ 28,823
Operating grants & Contributions	2,781	-	2,781	2,396	-	2,396
Capital grants & Contributions	5,546	984	6,530	5,244	658	5,902
General revenues:						
Property taxes	8,238	552	8,790	8,118	544	8,662
Sales taxes	33,733	-	33,733	33,751	-	33,751
Other taxes	11,106	735	11,841	10,773	663	11,436
Grants & contributions not restricted to specific program	36	-	36	101	-	101
Other	1,056	223	1,279	1,560	185	1,755
Total revenues	<u>82,112</u>	<u>12,353</u>	<u>94,465</u>	<u>80,507</u>	<u>12,319</u>	<u>92,826</u>
Program expenses:						
General government	15,358	-	15,358	16,587	-	16,587
Public safety	35,326	-	35,326	33,468	-	33,468
Public works	25,194	-	25,194	24,783	-	24,783
Health and welfare	1,118	-	1,118	859	-	859
Culture and recreation	7,139	-	7,139	9,948	-	9,948
Transit & urban development	1,617	-	1,617	1,588	-	1,588
Interest on long term debt	1,902	-	1,902	1,972	-	1,972
Sewer operations	-	12,132	12,132	-	10,148	10,148
Civic center operations	-	2,796	2,796	-	3,092	3,092
Total expenses	<u>87,654</u>	<u>14,928</u>	<u>102,582</u>	<u>89,205</u>	<u>13,240</u>	<u>102,445</u>
Change in net position before Transfer and Extraordinary Items	<u>(5,542)</u>	<u>(2,573)</u>	<u>(8,115)</u>	<u>(8,698)</u>	<u>(921)</u>	<u>(9,619)</u>
Transfers	<u>319</u>	<u>(319)</u>	<u>-</u>	<u>439</u>	<u>(439)</u>	<u>-</u>
Change in net position	<u>(5,223)</u>	<u>(2,892)</u>	<u>(8,115)</u>	<u>(8,259)</u>	<u>(1,360)</u>	<u>(9,619)</u>
Net Position-beginning of year	<u>106,553</u>	<u>70,444</u>	<u>176,997</u>	<u>114,812</u>	<u>71,804</u>	<u>186,616</u>
Cumulative effect of change in accounting principle	<u>(15,015)</u>	<u>-</u>	<u>(15,015)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning restated	<u>91,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position-end of year	<u>\$ 86,315</u>	<u>\$ 67,552</u>	<u>\$ 153,867</u>	<u>\$ 106,553</u>	<u>\$ 70,444</u>	<u>\$ 176,997</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2018, for its governmental and business-type activities was approximately \$256 million, net of depreciation as reflected in the schedule below:

**Capital Assets
June 30, 2018
(Net of depreciation in thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 10,092	\$ 3,799	\$ 13,891
Construction in progress	8,603	2,504	11,107
Capitalized Interest	-	358	358
Buildings	20,921	70,891	91,812
Improvements other than buildings	8,957	12,586	21,543
Equipment	6,364	4,195	10,559
Infrastructure	<u>106,442</u>	<u>-</u>	<u>106,442</u>
Total	<u>\$ 161,379</u>	<u>\$ 94,333</u>	<u>\$ 255,712</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 vehicles for several departments 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 \$181 million in long-term debt as shown in the table below.

**Outstanding long-term debt
June 30, 2018
(In thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenue bonds	\$ 51,378	\$ 34,913	\$ 86,291
Note payable	1,786	-	1,786
Capital lease payable	566	-	566
OPEB Liability	21,552	-	21,552
Net Pension Liability	66,086	-	66,086
Compensated Absences	<u>5,134</u>	<u>-</u>	<u>5,134</u>
Total	<u>\$ 146,502</u>	<u>\$ 34,913</u>	<u>\$ 181,415</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 \$220 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, 2018**

Capital Assets and Debt Administration (Continued)

Revenues increased by 1.8% during the year primarily due to non-recurring building permit fees associated with the Airport expansion, which is expected to be completed next year.

Total expenses increased minimally even though the City experienced retirement systems' rate increases, significant changes in audit, reporting, and compliance requirements, in addition to increased inflationary pressure driving the cost of goods and services upward. This was accomplished by extremely aggressive monitoring of the budget.

BUDGETARY HIGHLIGHTS

General Fund revenues came in 1% over budget resulting from the non-recurring permit fees stated earlier. However, non-recurring revenues cannot be relied upon to fund recurring obligations. Taxes, fines, and forfeitures came in under budget for the year.

General Fund expenditures finished the year 2% under budget as a result of the diligent monitoring mentioned previously.

ECONOMIC OUTLOOK

Sales tax was flat compared to last year. As the City's primary source of revenue, its steady rise is important to a robust economy. 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.

For years, the City has experienced reductions in sales tax generated at the Esplanade Mall. However, many small businesses have been opening in Kenner during the past year in conjunction with the newly implemented economic development initiatives. Seeds are being planted for future prosperity since small businesses are the engine of economic growth. Moreover, the increased airport traffic starting in 2019 should provide a boost to our sales tax base while the last phases of expansion, including a new parking garage, should increase our hotel/motel tax revenue.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 3,699,460	\$ 366,356	\$ 4,065,816
Equity in pooled cash	9,378,201	2,354,530	11,732,731
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,427,070	-	1,427,070
Accounts	3,922,524	-	3,922,524
Intergovernmental	7,975,703	560,268	8,535,971
Special assessments - delinquent	477	-	477
Interest	1,134,396	-	1,134,396
Service charges	-	2,756,177	2,756,177
Other	183,765	31,718	215,483
Internal balances	11,357,321	(11,357,321)	-
Inventory, at cost	28,770	-	28,770
Prepaid items	476,967	-	476,967
Refundable deposits	-	3,669	3,669
Restricted assets:			
Cash	7,301,300	14,776,867	22,078,167
Investments	18,236,869	-	18,236,869
Capital assets not being depreciated	18,695,315	6,660,942	25,356,257
Capital assets being depreciated, net of accumulated depreciation	142,683,775	87,671,563	230,355,338
Total assets	<u>226,501,913</u>	<u>103,824,769</u>	<u>330,326,682</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	120,417	-	120,417
Related to pensions	18,847,124	-	18,847,124
Total deferred outflows of resources	<u>18,967,541</u>	<u>-</u>	<u>18,967,541</u>
LIABILITIES			
Accounts payable	2,415,219	1,007,623	3,422,842
Estimated claims payable	5,236,146	-	5,236,146
Accrued liabilities	901,066	154,203	1,055,269
Deposits on future events	-	198,644	198,644
Due to other governments	171,019	-	171,019
Other liabilities	20,538	-	20,538
Current portion of long-term liabilities			
Due within one year	5,727,611	2,210,000	7,937,611
Non-current liabilities:			
Due in more than one year	140,774,621	32,703,002	173,477,623
Total liabilities	<u>155,246,220</u>	<u>36,273,472</u>	<u>191,519,692</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	785,944	-	785,944
Related to pensions	3,072,252	-	3,072,252
Related to OPEB	49,628	-	49,628
Total deferred inflows of resources	<u>3,907,824</u>	<u>-</u>	<u>3,907,824</u>
NET POSITION			
Net investment in capital assets	131,061,483	59,419,503	190,480,986
Restricted for:			
Capital projects	5,417,807	10,524,229	15,942,036
Debt service	3,241,436	4,252,640	7,494,076
Other	553,328	-	553,328
Unrestricted	(53,958,644)	(6,645,075)	(60,603,719)
Total net position	<u>\$ 86,315,410</u>	<u>\$ 67,551,297</u>	<u>\$ 153,866,707</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

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	\$ 15,358,488	\$ 7,752,734	\$ 138,251	\$ -	\$ (7,467,503)	\$ -	\$ (7,467,503)
Public safety	35,312,148	4,261,438	2,003,744	-	(29,046,966)	-	(29,046,966)
Public works	25,194,381	5,814,361	118,058	4,888,305	(14,373,657)	-	(14,373,657)
Health and welfare	1,118,220	59,961	54,223	-	(1,004,036)	-	(1,004,036)
Culture and recreation	7,139,313	1,227,834	186,119	418,200	(5,307,160)	-	(5,307,160)
Transit and urban development	1,616,963	500,313	280,877	239,335	(596,438)	-	(596,438)
Interest on long-term debt and other charges	1,914,936	-	-	-	(1,914,936)	-	(1,914,936)
Total Governmental Activities	<u>87,654,449</u>	<u>19,616,641</u>	<u>2,781,272</u>	<u>5,545,840</u>	<u>(59,710,696)</u>	<u>-</u>	<u>(59,710,696)</u>
Business-type Activities							
Wastewater Operations	12,131,852	8,305,494	-	300,081	-	(3,526,277)	(3,526,277)
Civic Center Operations	2,795,722	1,553,304	-	684,139	-	(558,279)	(558,279)
Total Business-type Activities	<u>14,927,574</u>	<u>9,858,798</u>	<u>-</u>	<u>984,220</u>	<u>-</u>	<u>(4,084,556)</u>	<u>(4,084,556)</u>
Total	<u>\$ 102,582,023</u>	<u>\$ 29,475,439</u>	<u>\$ 2,781,272</u>	<u>\$ 6,530,060</u>	<u>(59,710,696)</u>	<u>(4,084,556)</u>	<u>(63,795,252)</u>
General Revenues:							
Taxes:							
Ad valorem							
					8,238,143	552,033	8,790,176
Hotel/motel							
					499,322	325,883	825,205
Sales and use							
					33,732,865	-	33,732,865
Beer tax							
					62,159	-	62,159
Parking							
					3,101,075	-	3,101,075
Franchise							
					7,444,344	409,430	7,853,774
Grants and contributions not restricted to specific programs							
					35,722	-	35,722
Interest							
					605,697	222,968	828,665
Miscellaneous							
					449,888	-	449,888
Transfers							
					318,548	(318,548)	-
Total general revenues, transfers, and other							
					<u>54,487,763</u>	<u>1,191,766</u>	<u>55,679,529</u>
Change in Net Position							
					<u>(5,222,933)</u>	<u>(2,892,790)</u>	<u>(8,115,723)</u>
Net position - beginning of year, as previously reported							
					106,553,391	70,444,087	176,997,478
Cumulative effect of change in accounting principle							
					<u>(15,015,048)</u>	<u>-</u>	<u>(15,015,048)</u>
Net position, beginning, as restated							
					91,538,343	70,444,087	161,982,430
Net position - end of year							
					<u>\$ 86,315,410</u>	<u>\$ 67,551,297</u>	<u>\$ 153,866,707</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL	ONE PERCENT SALES TAX OF 1984	FIRE PROTECTION
ASSETS			
Cash	\$ 2,995,668	\$ -	\$ -
Equity in pooled cash	594,929	-	-
Investments	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,427,070	-	-
Accounts	2,724,071	-	198,543
Intergovernmental	4,034,892	2,102,199	-
Special assessments - delinquent	477	-	-
Interest	1,134,396	-	-
Other	175,646	-	201
Due from other funds	20,180,365	310,733	641,881
Inventory, at cost	28,770	-	-
Prepaid items	476,967	-	-
Total assets	\$ 33,773,251	\$ 2,412,932	\$ 840,625
LIABILITIES:			
Accounts payable	\$ 921,607	\$ -	\$ 65,302
Accrued liabilities	547,307	-	137,929
Due to other funds	13,542,377	2,412,932	39,489
Due to other governments	171,019	-	-
Other liabilities	20,538	-	-
Total liabilities	<u>15,202,848</u>	<u>2,412,932</u>	<u>242,720</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	1,511,477	-	597,905
FUND BALANCES:			
Nonspendable			
Prepaid items	476,967	-	-
Inventory	28,770	-	-
Restricted			
Federal grants	-	-	-
Debt service	-	-	-
Capital projects	358,209	-	-
Law Enforcement	1,750,302	-	-
Committed			
Other commitments/encumbrances	657,696	-	28,831
Assigned			
Subsequent year's expenditures	3,756,456	-	-
Unassigned	10,030,526	-	(28,831)
Total fund balances	<u>17,058,926</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 33,773,251	\$ 2,412,932	\$ 840,625

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
\$ -	\$ 3,389,674	\$ 3,959,337	\$ 10,344,679
7,871,944	61,931	849,397	9,378,201
-	18,236,869	-	18,236,869
-	-	-	1,427,070
-	-	999,910	3,922,524
1,175,967	-	662,645	7,975,703
-	-	-	477
-	-	-	1,134,396
7,202	-	716	183,765
11,904,786	389,503	530,080	33,957,348
-	-	-	28,770
-	-	-	476,967
<u>\$ 20,959,899</u>	<u>\$ 22,077,977</u>	<u>\$ 7,002,085</u>	<u>\$ 87,066,769</u>
\$ 988,091	\$ 4,000	\$ 436,219	\$ 2,415,219
-	-	59,910	745,146
1,027,075	2,824,547	2,277,905	22,124,325
-	-	-	171,019
-	-	-	20,538
<u>2,015,166</u>	<u>2,828,547</u>	<u>2,774,034</u>	<u>25,476,247</u>
<u>500,000</u>	<u>389,503</u>	<u>433,287</u>	<u>3,432,172</u>
-	-	-	476,967
-	-	-	28,770
-	-	553,328	553,328
-	-	3,241,436	3,241,436
62,587	18,859,927	-	19,280,723
-	-	-	1,750,302
18,382,146	-	-	19,068,673
-	-	-	3,756,456
-	-	-	10,001,695
<u>18,444,733</u>	<u>18,859,927</u>	<u>3,794,764</u>	<u>58,158,350</u>
<u>\$ 20,959,899</u>	<u>\$ 22,077,977</u>	<u>\$ 7,002,085</u>	<u>\$ 87,066,769</u>

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Fund balances - total governmental funds	\$ 58,158,350
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.	161,379,090
Deferred outflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the governmental funds	18,847,124
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.	(5,055,767)
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.	2,646,228
Deferred inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the governmental funds.	(3,072,252)
Deferred inflows of resources related to OPEB are applicable to future reporting periods and, therefore, are not reported in the governmental funds.	(49,628)
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	(155,920)
OPEB payable	(21,551,927)
Compensated absences	(5,133,870)
Bonds, notes, and loans payable (net of premiums, discounts, and deferred charges)	(53,044,306)
Capital lease liability	(565,782)
Net pension liability	<u>(66,085,930)</u>
Net position of governmental activities	<u>\$ 86,315,410</u>

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, 2018

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>FIRE PROTECTION</u>
REVENUES			
Taxes	\$ 27,047,286	\$ 11,934,547	\$ 5,689,506
Licenses and permits	5,314,977	-	-
Intergovernmental	2,086,846	-	-
Charges for services	1,445,542	-	480
Fines and forfeitures	2,421,112	-	-
Interest	121,172	-	1,210
Miscellaneous	677,753	-	588
Total revenues	<u>39,114,688</u>	<u>11,934,547</u>	<u>5,691,784</u>
EXPENDITURES			
Current:			
General government	10,605,779	-	-
Public safety	20,378,736	-	8,329,500
Public works	4,550,142	-	-
Health and welfare	482,669	-	-
Culture and recreation	4,477,299	-	-
Transit and urban development	493,615	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Agent fees	-	-	-
Miscellaneous	-	-	-
Total expenditures	<u>40,988,240</u>	<u>-</u>	<u>8,329,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,873,552)</u>	<u>11,934,547</u>	<u>(2,637,716)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,505,310	-	2,843,815
Transfers out	(7,027,002)	(11,934,547)	(206,099)
Increase in obligations under capital lease	-	-	-
Total other financing sources and uses	<u>3,478,308</u>	<u>(11,934,547)</u>	<u>2,637,716</u>
Net change in fund balances	1,604,756	-	-
Fund balances - beginning of year	<u>15,454,170</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 17,058,926</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
\$ -	\$ -	\$ 8,170,308	\$ 52,841,647
-	-	-	5,314,977
5,038,654	57,293	250,576	7,433,369
-	-	3,318,960	4,764,982
-	-	-	2,421,112
107,602	238,960	51,734	520,678
522,051	-	-	1,200,392
<u>5,668,307</u>	<u>296,253</u>	<u>11,791,578</u>	<u>74,497,157</u>
1,870,073	-	-	12,475,852
1,281,020	-	-	29,989,256
3,933,211	492,486	6,019,730	14,995,569
123,907	-	168,255	774,831
1,212,174	136,281	-	5,825,754
345,369	-	539,315	1,378,299
106,812	-	4,702,080	4,808,892
13,340	-	1,862,657	1,875,997
-	4,000	-	4,000
-	-	36,000	36,000
<u>8,885,906</u>	<u>632,767</u>	<u>13,328,037</u>	<u>72,164,450</u>
<u>(3,217,599)</u>	<u>(336,514)</u>	<u>(1,536,459)</u>	<u>2,332,707</u>
3,934,802	61,931	3,095,399	20,441,257
(798,130)	-	(156,931)	(20,122,709)
672,594	-	-	672,594
<u>3,809,266</u>	<u>61,931</u>	<u>2,938,468</u>	<u>991,142</u>
591,667	(274,583)	1,402,009	3,323,849
<u>17,853,066</u>	<u>19,134,510</u>	<u>2,392,755</u>	<u>54,834,501</u>
<u>\$ 18,444,733</u>	<u>\$ 18,859,927</u>	<u>\$ 3,794,764</u>	<u>\$ 58,158,350</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, 2018**

Net change in fund balances, total governmental funds	\$ 3,323,849
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 depreciation expense:	
Capital outlays	4,816,430
Depreciation expense	(15,515,368)
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	149,248
The issuance of long-term debt (bonds, notes, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the 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 in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,689,247
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 expenditure 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.	13,894
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	(3,436,537)
The City's proportionate share of non-employer contributions to the pension plans are reported in the statement of activities.	1,506,347
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 absences liability.	(97,273)
OPEB benefit (expense), which is the change in the OPEB liability adjusted for changes in in deferred outflows and inflows of resources related to OPEB, is reported in the statement of activities.	(275,598)
Contracts for long-term capital lease obligations provide current financial resources to governmental funds, while payments on capital lease obligations consume current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the change in the capital lease liability.	106,812
Donations of land are not reported in the governmental funds. However, the value of the land is reported in the statement of activities.	418,200
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.	(922,184)
Change in net position of governmental activities	<u>\$ (5,222,933)</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			GOVERNMENTAL
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS				
Current assets:				
Cash	\$ -	\$ 366,356	\$ 366,356	\$ 656,081
Equity in pooled cash	2,354,530	-	2,354,530	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Intergovernmental	152,218	408,050	560,268	-
Service charges	2,674,260	81,917	2,756,177	-
Other	-	31,718	31,718	-
Due from other funds	97,072	-	97,072	-
Restricted cash	14,776,867	-	14,776,867	-
Refundable deposits	3,669	-	3,669	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	20,058,616	888,041	20,946,657	656,081
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	139,725,494	20,171,878	159,897,372	-
Improvements other than buildings	-	2,036,641	2,036,641	-
Furniture and fixtures	13,319,446	4,935,081	18,254,527	-
Vehicles and field equipment	1,745,088	-	1,745,088	-
Capitalized interest	357,706	-	357,706	-
Construction in progress	2,073,770	430,740	2,504,510	-
	<hr/>	<hr/>	<hr/>	<hr/>
Less: accumulated depreciation	(76,684,186)	(17,577,879)	(94,262,065)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, net	80,537,318	13,795,187	94,332,505	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	80,537,318	13,795,187	94,332,505	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 100,595,934	\$ 14,683,228	\$ 115,279,162	\$ 656,081

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 710,911	\$ 296,712	\$ 1,007,623	\$ -
Estimated claims payable	-	-	-	5,236,146
Accrued liabilities	-	41,584	41,584	-
Accrued bond interest	112,619	-	112,619	-
Deposits on future events	-	198,644	198,644	-
Due to other funds	11,319,249	135,144	11,454,393	475,702
Bonds payable	2,210,000	-	2,210,000	-
Total current liabilities	14,352,779	672,084	15,024,863	5,711,848
NONCURRENT LIABILITIES				
Bonds payable	32,703,002	-	32,703,002	-
Total noncurrent liabilities	32,703,002	-	32,703,002	-
Total liabilities	47,055,781	672,084	47,727,865	5,711,848
NET POSITION				
Net investment in capital assets	45,624,316	13,795,187	59,419,503	-
Restricted for capital projects	10,524,229	-	10,524,229	-
Restricted for debt service	4,252,640	-	4,252,640	-
Unrestricted	(6,861,032)	215,957	(6,645,075)	(5,055,767)
Total net position	\$ 53,540,153	\$ 14,011,144	\$ 67,551,297	\$ (5,055,767)

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, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES				
Charges for services	\$ 8,305,494	\$ 1,553,304	\$ 9,858,798	\$ 5,534,435
Total operating revenues	<u>8,305,494</u>	<u>1,553,304</u>	<u>9,858,798</u>	<u>5,534,435</u>
OPERATING EXPENSES				
Supplies and other expenses	19,200	6,674	25,874	-
Building and maintenance expenses	105,444	684,731	790,175	-
Outside services	5,070,185	1,380,207	6,450,392	131,065
Public works	2,304,050	-	2,304,050	-
Insurance claims	-	-	-	1,638,797
Insurance premiums	-	67,130	67,130	4,694,337
Depreciation	3,995,571	620,241	4,615,812	-
Other	25,109	36,739	61,848	-
Total operating expenses	<u>11,519,559</u>	<u>2,795,722</u>	<u>14,315,281</u>	<u>6,464,199</u>
Operating loss	<u>(3,214,065)</u>	<u>(1,242,418)</u>	<u>(4,456,483)</u>	<u>(929,764)</u>
NON-OPERATING REVENUES				
(EXPENSES)				
Ad valorem taxes	552,033	-	552,033	-
Hotel/motel taxes	-	325,883	325,883	-
Cable television franchise fees	-	409,430	409,430	-
Interest income	222,261	707	222,968	7,580
Interest expense	(612,293)	-	(612,293)	-
Total non-operating revenues (expenses)	<u>162,001</u>	<u>736,020</u>	<u>898,021</u>	<u>7,580</u>
Loss before contributions and transfers	<u>(3,052,064)</u>	<u>(506,398)</u>	<u>(3,558,462)</u>	<u>(922,184)</u>
Capital contributions	300,081	684,139	984,220	-
Transfers out	(413,548)	-	(413,548)	-
Transfers in	95,000	-	95,000	-
Change in net position	<u>(3,070,531)</u>	<u>177,741</u>	<u>(2,892,790)</u>	<u>(922,184)</u>
Net position - beginning of year	<u>56,610,684</u>	<u>13,833,403</u>	<u>70,444,087</u>	<u>(4,133,583)</u>
Net position - end of year	<u>\$ 53,540,153</u>	<u>\$ 14,011,144</u>	<u>\$ 67,551,297</u>	<u>\$ (5,055,767)</u>

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, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 8,159,918	\$ 1,448,757	\$ 9,608,675	\$ 5,534,435
Payments to suppliers	(7,489,142)	(2,103,455)	(9,592,597)	(5,473,258)
Internal activity - payments (to)/from other funds	2,044,047	213,124	2,257,171	-
Net cash provided (used) by operating activities	<u>2,714,823</u>	<u>(441,574)</u>	<u>2,273,249</u>	<u>61,177</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Ad valorem taxes	552,033	-	552,033	-
Hotel/motel taxes	-	275,156	275,156	-
Cable television franchise fees	-	408,095	408,095	-
Internal activity - payments to other funds	-	-	-	(33,714)
Net cash provided by noncapital financing activities	<u>552,033</u>	<u>683,251</u>	<u>1,235,284</u>	<u>(33,714)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental	-	3,540	3,540	-
Capitalized interest	(137,260)	-	(137,260)	-
Payments on long-term debt	(1,499,000)	-	(1,499,000)	-
Proceeds from long-term debt	3,594,097	-	3,594,097	-
Interest paid on long-term debt	(629,035)	-	(629,035)	-
Purchases of capital assets	(1,617,575)	(120,822)	(1,738,397)	-
Net cash provided (used) by capital and related financing activities	<u>(288,773)</u>	<u>(117,282)</u>	<u>(406,055)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and dividends received	222,261	707	222,968	7,580
Net cash provided (used) by investing activities	<u>222,261</u>	<u>707</u>	<u>222,968</u>	<u>7,580</u>
Net increase (decrease) in cash and cash equivalents	3,200,345	125,102	3,325,447	35,043
Cash and cash equivalents, beginning of year	13,931,052	241,254	14,172,306	621,038
Cash and cash equivalents, end of year	<u>\$ 17,131,397</u>	<u>\$ 366,356</u>	<u>\$ 17,497,753</u>	<u>\$ 656,081</u>

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	
Reconciliation to Statement of Net Position:				
Cash	\$ -	\$ 366,356	\$ 366,356	\$ 656,081
Restricted cash	14,776,867	-	14,776,867	-
Equity in pooled cash	2,354,530	-	2,354,530	-
Cash and cash equivalents, end of year	<u>\$ 17,131,397</u>	<u>\$ 366,356</u>	<u>\$ 17,497,753</u>	<u>\$ 656,081</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (3,214,065)	\$ (1,242,418)	\$ (4,456,483)	\$ (929,764)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	3,995,571	620,241	4,615,812	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(145,575)	6,877	(138,698)	-
Decrease (increase) in due from other funds	166,707	370,819	537,526	-
Decrease (increase) in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	34,847	73,804	108,651	(8,704)
Increase (decrease) in accrued liabilities	-	(1,778)	(1,778)	-
Increase (decrease) in estimated claims payable	-	-	-	999,645
Increase (decrease) in due to other funds	1,877,338	(157,695)	1,719,643	-
Increase (decrease) in deposits on future events	-	(111,424)	(111,424)	-
Total adjustments	<u>5,928,888</u>	<u>800,844</u>	<u>6,729,732</u>	<u>990,941</u>
Net cash provided by (used for) operating activities	<u>\$ 2,714,823</u>	<u>\$ (441,574)</u>	<u>\$ 2,273,249</u>	<u>\$ 61,177</u>
Noncash investing, capital, and financing activities:				
Contributions of capital	\$ 300,081	\$ 684,139	\$ 984,220	\$ -
Acquisitions of property, plant and equipment through capital contributions	(300,081)	(684,139)	(984,220)	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2018**

	<u>AIRPORT SALES TAX FUND</u>
ASSETS	
Equity in pooled cash	\$ 2
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	<u>404,332</u>
Total assets	<u><u>\$ 404,334</u></u>
LIABILITIES	
Due to other governments	<u>\$ 404,334</u>
Total liabilities	<u><u>\$ 404,334</u></u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 non-fiduciary 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, 2018

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 postemployment 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 Fund* 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, 2018

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, 2018

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, 2018

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 (Years)</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, 2018

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, net pension liabilities, and capital lease obligations 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 (FRS) 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, 2018

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, 2018, the following statements were implemented: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 85, *Omnibus 2017*. These statements changed the standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The following GASB statements were also effective but did not impact the financial statements of the City of Kenner, Louisiana: GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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, 2018, is presented as a note in required supplementary information.

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2018, the City of Kenner has cash (book balances) totaling \$37,876,714 as follows:

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Governmental Funds:	
Money market funds	\$ 2,469,819
Demand deposits	17,248,711
Petty cash	4,350
Proprietary Funds:	
Enterprise Funds:	
Petty cash	500
Demand deposits	17,497,253
Internal Service Funds:	
Demand deposits	656,081
	<u>\$ 37,876,714</u>

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, 2018, the City’s demand deposits and money market funds bank balances of \$40,004,880 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, 2018, 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, 2018, 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, 2018

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2018, 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	<u>\$ 18,236,869</u>	<u>\$ 13,279,051</u>	<u>\$ 4,957,818</u>	<u>\$ -</u>	<u>\$ -</u>

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 \$18,236,869, 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	<u>\$ 11,444,150</u>	<u>\$ 282,801</u>	<u>\$ 5,782</u>	<u>\$ 11,732,733</u>
Total Equity in Pooled Cash	<u>\$ 11,444,150</u>	<u>\$ 282,801</u>	<u>\$ 5,782</u>	<u>\$ 11,732,733</u>
<u>Equity in Pool</u>				
General	\$ 323,483	\$ 265,664	\$ 5,782	\$ 594,929
Sales Tax Fund	-	-	-	-
Fire Protection	-	-	-	-
Enterprise Funds	2,354,530	-	-	2,354,530
Agency Fund	2	-	-	2
Internal Service Funds	-	-	-	-
Consolidated General Capital Projects	7,871,944	-	-	7,871,944
Consolidated Capital Projects w/Bond Proceeds	61,931	-	-	61,931
Nonmajor Governmental	832,260	17,137	-	849,397
Total Equity in Pool	<u>\$ 11,444,150</u>	<u>\$ 282,801</u>	<u>\$ 5,782</u>	<u>\$ 11,732,733</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, 2018, consists of the following amounts:

General Fund	<u>\$ 976,901</u>
Proprietary Funds:	
Department of Wastewater Operations	<u>\$ 56,755</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE F - SALES TAX

A sales tax of 9.7% for the period of July 1, 2017 through June 30, 2018, 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.

<u>Effective Date</u>	<u>Parish-Wide Rate</u>	<u>School Board Rate</u>	<u>City Rate</u>
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% 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% of their fair market value and other property at 15% 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 2017, which are collected and reported as revenue for the fiscal year ended June 30, 2018, is as follows:

<u>Fund</u>	<u>2017 MILLS</u>
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, 2018

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	June 30, 2017	Additions	Reductions	Completed Construction	June 30, 2018
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ 418,200	\$ -	\$ -	\$ 10,092,578
Construction-in-progress	8,718,685	4,720,535	-	(4,836,483)	8,602,737
Total capital assets not being depreciated	18,393,063	5,138,735	-	(4,836,483)	18,695,315
Capital assets being depreciated:					
Buildings and building improvements	58,757,574	58,000	-	-	58,815,574
Improvements other than buildings	11,788,518	37,895	-	1,736,686	13,563,099
Street system	283,376,841	-	-	332,675	283,709,516
Drainage system	373,991,238	-	-	2,604,448	376,595,686
Furniture, fixtures, and equipment	20,829,058	-	-	162,674	20,991,732
Vehicles	15,113,184	672,595	-	-	15,785,779
Bridges	4,283,102	-	-	-	4,283,102
Total capital assets being depreciated	768,139,515	768,490	-	4,836,483	773,744,488
	June 30, 2017	Additions	Reductions	Completed Construction	June 30, 2018
Less accumulated depreciation for:					
Buildings and building improvements	36,783,447	1,111,125	-	-	37,894,572
Improvements other than building improvements	3,900,840	704,980	-	-	4,605,820
Street system	211,573,947	5,004,400	-	-	216,578,347
Drainage system	333,067,387	7,019,193	-	-	340,086,580
Furniture, fixtures, and equipment	16,541,203	743,418	-	-	17,284,621
Vehicles	12,315,377	813,841	-	-	13,129,218
Bridges	1,363,144	118,411	-	-	1,481,555
Total accumulated depreciation	615,545,345	15,515,368	-	-	631,060,713
Total capital assets being depreciated, net	152,594,170	(14,746,878)	-	4,836,483	142,683,775
Governmental activities capital assets, net	\$ 170,987,233	\$ (9,608,143)	\$ -	\$ -	\$ 161,379,090

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H - CAPITAL ASSETS (CONTINUED)

	June 30, 2017	Additions	Reductions	Completed Construction	June 30, 2018
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Capitalized interest	220,446	137,260	-	-	357,706
Construction-in-progress	18,666,178	2,601,797	-	(18,763,465)	2,504,510
	<u>22,685,350</u>	<u>2,739,057</u>	<u>-</u>	<u>(18,763,465)</u>	<u>6,660,942</u>
Total capital assets not being depreciated					
Capital assets being depreciated:					
Buildings and building improvements	119,492,357	-	-	18,546,666	138,039,023
Improvements other than buildings	23,608,465	69,724	-	216,799	23,894,988
Furniture, fixtures, and equipment	18,203,433	51,095	-	-	18,254,528
Vehicles	1,745,088	-	-	-	1,745,088
	<u>163,049,343</u>	<u>120,819</u>	<u>-</u>	<u>18,763,465</u>	<u>181,933,627</u>
Total capital assets being depreciated					
Less accumulated depreciation for:					
Buildings and building improvements	65,530,078	1,617,896	-	-	67,147,974
Improvements other than building improvements	8,643,536	2,665,766	-	-	11,309,302
Furniture, fixtures, and equipment	14,114,694	279,123	-	-	14,393,817
Vehicles	1,357,944	53,027	-	-	1,410,971
	<u>89,646,252</u>	<u>4,615,812</u>	<u>-</u>	<u>-</u>	<u>94,262,064</u>
Total accumulated depreciation					
Total capital assets being depreciated, net					
	<u>73,403,091</u>	<u>(4,494,993)</u>	<u>-</u>	<u>18,763,465</u>	<u>87,671,563</u>
Business-type activities capital assets, net					
	<u>\$ 96,088,441</u>	<u>\$ (1,755,936)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,332,505</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE H - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General government	\$ 306,521
Public safety	1,140,451
Public works	12,656,336
Culture and recreation	1,372,793
Health and welfare	<u>39,267</u>
Total depreciation expense - governmental activities	<u><u>\$ 15,515,368</u></u>

Business-type activities:

Wastewater Operations	\$ 3,995,571
Civic Center Operations	<u>620,241</u>
Total depreciation expense - business-type activities	<u><u>\$ 4,615,812</u></u>

3. Construction in progress for governmental activities is comprised of the following:

	Project/Contract Authorization June 30, 2018	Expended to June 30, 2018	Committed	Required Future Financing
General government	\$ -	\$ -	\$ -	\$ -
Public safety	920,000	920,000	-	-
Public works	12,938,964	7,218,524	5,720,440	5,720,440
Health and welfare	-	-	-	-
Culture and recreation	920,663	464,213	456,450	456,450
Total	<u><u>\$ 14,779,627</u></u>	<u><u>\$ 8,602,737</u></u>	<u><u>\$ 6,176,890</u></u>	<u><u>\$ 6,176,890</u></u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - LONG-TERM DEBT

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

Long-term debt at June 30, 2018, 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	\$ 34,445,000
2013 Refunding Kenner Road Bonds	1.25%	3/1/2018	9,205,000	9,205,000	-
LDEQ loan, Sewer Revenue Bonds, Series 2009	0.95%	11/1/2030	22,000,000	22,000,000	16,065,822
Firemen's Pension Merger Payable #1	7.00%	3/27/2029	1,190,000	1,190,000	716,313
Firemen's Pension Merger Payable #2	7.00%	3/27/2029	1,770,738	<u>1,770,738</u>	<u>1,070,042</u>
Total Governmental Activities				<u>\$ 75,145,738</u>	<u>\$ 52,297,177</u>
Business-Type Activities					
Sewer Revenue Bonds, Series 2011	3.00 - 5.00%	11/1/2036	16,000,000	\$ 16,000,000	\$ 13,685,000
LDEQ loan, Sewer Revenue Bonds, Series 2012	0.95%	11/1/2034	21,000,000	21,000,000	18,614,000
LDEQ loan, Sales Tax Bonds, Series 2015	0.95%	6/1/2037	15,000,000	<u>2,709,002</u>	<u>2,614,002</u>
Total Business-Type Activities				<u>\$ 39,709,002</u>	<u>\$ 34,913,002</u>
Total Bonds				<u>\$ 114,854,740</u>	<u>\$ 87,210,179</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 represented 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%. No interest was capitalized; interest incurred and expensed during the year was \$47,367. At June 30, 2018, the merger payable for this component had a total outstanding balance of \$716,313.

\$1,770,738 of the liability is payable annually at a rate of 7%. No interest was capitalized; interest incurred and expensed during the year was \$79,338. At June 30, 2018, the merger payable for this component had a total outstanding balance of \$1,070,042.

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, 2018

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%. No interest was capitalized; interest incurred and expensed during the year was \$23,500. As of June 30, 2018, there is no outstanding balance remaining as the bonds matured on 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. There was no deferred amount remaining at June 30, 2018.

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. No interest was capitalized; interest incurred and expensed during the year was \$1,546,219. As of June 30, 2018, the outstanding balance of this loan was \$35,312,546. The new bonds bear interest from 4.0% to 5.0% and are due in annual installments ranging from \$75,000 to \$3,045,000 through June 1, 2033. The new issue will reduce debt service payments for the City by \$174,050 with an economic gain of \$890,880 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, 2018 was \$120,417.

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 \$599,300. Of this amount \$135,838 was capitalized; the remaining amount was expensed. As of June 30, 2018, the outstanding balance of this loan was \$13,685,000.

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 0.95%. As of June 30, 2018, \$16,065,822 was outstanding. The City has drawn a total of \$22,000,000 through June 30, 2018. Total interest and administrative fees paid during the year ended June 30, 2018, were \$74,701 and \$81,190, 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 0.95%. As of June 30, 2018, \$18,614,000 was outstanding. The City has drawn a total of \$21,000,000 through June 30, 2018. Total interest and administrative fees paid during the year ended June 30, 2018, were \$79,102 and \$87,892, respectively. Interest capitalized was \$1,422; the remaining amount was expensed as incurred.

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 0.95%. As of June 30, 2018, \$2,614,002 was outstanding. The City has drawn a total of \$2,709,002 through June 30, 2018. Total interest and administrative fees paid during the year ended June 30, 2018, were \$4,899 and \$5,443, respectively.

Interest incurred was \$749,553 for business-type activities, and the amount capitalized was \$137,250. Interest expense of \$612,293 was included as a direct expense of the wastewater operations.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE I - LONG-TERM DEBT (CONTINUED)

7. CAPITAL LEASE

On September 15, 2017, the City entered into a lease-purchase finance agreement with a vendor for vehicles under a five year capital lease. The original net present value of this capital lease was \$672,594, with a corresponding interest rate of 2.90%. Under the terms of the agreement, the titles of the vehicles may be turned over to the City at the conclusion of the lease, if the City exercises its purchase option. The vehicles, valued at \$672,594, are included in capital assets.

8. 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:	$\frac{1}{2}$ 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 $\frac{1}{2}$ day/month
over 10	2 days/month
Regular part time employees:	
0 - 5	$\frac{1}{2}$ day/month
5 - 10	$\frac{3}{4}$ 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>Service (years)</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, 2018**

NOTE I - LONG-TERM DEBT (CONTINUED)

8. COMPENSATED ABSENCES (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 postemployment benefits.

9. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2018:

	Balance <u>6/30/2017</u>	Issue or <u>Additions</u>	Payments or <u>Expenditures</u>	Discount/ <u>(Premium)</u>	Balance <u>6/30/2018</u>	Net of Unamortized Premium <u>6/30/2018</u>	Due Within <u>One Year</u>
Governmental Activities:							
Sales Tax							
Revenue Bonds	\$ 37,020,382	\$ -	\$ 1,650,000	\$ (57,836)	\$ 35,312,546	\$ 34,445,000	\$ 1,700,000
Note Payable	1,889,435	-	103,080	-	1,786,355	1,786,355	114,125
Refunding Kenner Road							
Project Bonds, Series 2013	1,880,000	-	1,880,000	-	-	-	-
LDEQ loan, Sewer Revenue							
Bonds, Series 2009	17,134,822	-	1,069,000	-	16,065,822	16,065,822	1,077,000
OPEB Liability (Note O)	21,325,957	1,132,547	906,577	-	21,551,927	21,551,927	-
Net Pension Liability (Note P)	67,969,997	10,675,322	12,559,389	-	66,085,930	66,085,930	-
Capital lease liability	-	672,595	106,813	-	565,782	565,782	129,626
Compensated Absences	5,036,597	1,407,335	1,310,062	-	5,133,870	5,133,870	2,706,860
Total							
Governmental Activities	<u>\$ 152,257,190</u>	<u>\$ 13,887,799</u>	<u>\$ 19,584,921</u>	<u>\$ (57,836)</u>	<u>\$ 146,502,232</u>	<u>\$ 145,634,686</u>	<u>\$ 5,727,611</u>
Business-Type Activities:							
Sewer Revenue Bonds 2011							
	\$ 14,175,000	\$ -	\$ 490,000	\$ -	\$ 13,685,000	\$ 13,685,000	\$ 505,000
LDEQ loan, Sewer							
Revenue Bonds 2012	17,843,478	1,684,522	914,000	-	18,614,000	18,614,000	1,014,000
LDEQ loan, Sales							
Tax Bonds 2015	799,427	1,909,575	95,000	-	2,614,002	2,614,002	691,000
Total							
Business-Type Activities	<u>\$ 32,817,905</u>	<u>\$ 3,594,097</u>	<u>\$ 1,499,000</u>	<u>\$ -</u>	<u>\$ 34,913,002</u>	<u>\$ 34,913,002</u>	<u>\$ 2,210,000</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - LONG-TERM DEBT (CONTINUED)

10. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for sales tax bonds as of June 30, 2018, are as follows:

Year Ending, June 30,	Principal	Interest
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	2,030,000	1,169,419
2024-2028	11,285,000	4,703,830
2029-2033	13,890,000	2,094,638
	<u>34,445,000</u>	<u>\$ 13,517,163</u>
Plus Bond Premium	867,546	
Net Debt Service Requirement	<u>\$ 35,312,546</u>	

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2018, are as follows:

Year Ending, June 30,	Principal	Interest
2019	\$ 114,125	\$ 123,577
2020	122,220	115,482
2021	130,890	106,813
2022	140,174	97,529
2023	150,117	87,586
2024-2028	926,249	262,264
2029	202,580	11,370
Debt Service Requirement	<u>\$ 1,786,355</u>	<u>\$ 804,621</u>

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2009 as of June 30, 2018, are as follows:

Year Ending, June 30,	Principal	Interest
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	1,112,000	50,174
2024-2028	5,694,000	174,703
2029-2031	4,899,822	39,341
Debt Service Requirement	<u>\$ 16,065,822</u>	<u>\$ 514,356</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE I - LONG-TERM DEBT (CONTINUED)

10. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the Sewer Revenue Bonds Series 2011 as of June 30, 2018, are as follows:

Year Ending, June 30,	Principal	Interest
2019	\$ 505,000	\$ 584,375
2020	520,000	569,000
2021	535,000	553,175
2022	555,000	536,131
2023	570,000	517,494
2024-2028	3,180,000	2,244,984
2029-2033	3,925,000	1,473,109
2034-2037	3,895,000	401,125
Debt Service Requirement	<u>\$ 13,685,000</u>	<u>\$ 6,879,393</u>

The annual requirements to maturity for the LDEQ Taxable Sewer Bond Series 2012 as of June 30, 2018, are as follows:

Year Ending, June 30,	Principal	Interest
2019	\$ 1,014,000	\$ 81,482
2020	1,024,000	76,896
2021	1,034,000	72,266
2022	1,043,000	67,592
2023	1,053,000	62,876
2024-2028	5,417,000	242,057
2029-2033	5,681,000	117,227
2034	2,348,000	10,593
Debt Service Requirement	<u>\$ 18,614,000</u>	<u>\$ 730,989</u>

The annual requirements to maturity for the LDEQ Taxable Sales Bond Series 2015 as of June 30, 2018, are as follows:

Year Ending, June 30,	Principal	Interest
2019	\$ 691,000	\$ 14,315
2020	\$ 698,000	\$ 11,706
2021	\$ 704,000	\$ 8,565
2022	521,002	5,397
Debt Service Requirement	<u>\$ 2,614,002</u>	<u>\$ 39,983</u>

The loan has not been fully disbursed as of June 30, 2018. 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, 2018

NOTE I - LONG-TERM DEBT (CONTINUED)

10. CHANGES IN LONG-TERM DEBT (CONTINUED)

Future payments for the capital lease agreement as of June 30, 2018, are as follow:

Year Ending, June 30,	Principal	Interest
2019	\$ 129,626	\$ 14,694
2020	133,436	10,884
2021	137,357	6,963
2022	141,394	2,926
2023	23,969	84
	\$ 565,782	\$ 35,550

11. 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, 2018, 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	\$ -	\$ 3,934,802	\$ -	\$ 2,139,053	\$ 953,147	\$ -	\$ 7,027,002
One Percent Sales Tax of 1984 Fund	10,505,310	-	-	704,762	724,475	-	11,934,547
Fire Protection	-	-	-	-	206,099	-	206,099
General Debt	-	-	-	-	-	95,000	95,000
General Capital Projects	-	-	-	-	798,130	-	798,130
Nonmajor Governmental	-	-	61,931	-	-	-	61,931
Capital Projects Funded with Bonds Proceeds	-	-	-	-	-	-	-
Department of Wastewater Operations	-	-	-	-	413,548	-	413,548
Total	\$ 10,505,310	\$ 3,934,802	\$ 61,931	\$ 2,843,815	\$ 3,095,399	\$ 95,000	\$ 20,536,257

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) to the Fire Protection fund because dedicated revenues are not sufficient to cover expenditures, 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, and to the Wastewater to cover sewer service charges which came under budget.

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.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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, 2018, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	One Percent Sales Tax of 1984 Fund	\$ 2,391,987
	General Capital Projects Fund	1,027,075
	General Capital Projects Funded with Bond Proceeds	2,824,547
	Nonmajor Governmental Funds	1,967,172
	Department of Wastewater Operations	11,319,249
	Internal Service Funds	475,702
	Civic Center Operations	135,144
	Fire Protection	39,489
One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	310,733
Fire Protection	One Percent Sales Tax of 1984 Fund	17,215
	Property Tax	624,666
Department of Wastewater Operations	Property Tax	97,072
General Capital Projects Fund	General Fund	11,904,786
General Capital Projects Funded with Bond Proceeds	Property Tax	389,503
Nonmajor Governmental Funds	General Fund	351,879
	One Percent Sales Tax of 1984 Fund	3,730
	Property Tax	174,471
		<u>\$ 34,054,420</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, 2018**

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 had 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 four 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 \$5,236,146 (which includes claims incurred but not reported in the Fund at June 30, 2018) 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 2016, 2017, and 2018 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>
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
2017 - 2018	4,236,501	1,638,797	(639,152)	5,236,146

The amount of estimated claims payable due within one year of these financial statements is \$2,795,735.

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, 2018

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 0.95% interest from the Clean Water State Revolving Fund Loan Program to partially fund the necessary upgrades and improvements. 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 0.95% 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 0.95% 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, 2018**

NOTE M - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 consisted 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, 2018, the City has one capital lease agreement. See Note I for information related to this capital lease.

Operating Leases

The City is committed under various leases for office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2018, amounted to \$158,023. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amounts
2019	\$ 114,570
2020	4,185
Total minimum lease payments	\$ 118,755

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, 2018.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 Plan is funded on a pay-as-you go basis and there are no Plan financial statements. The City Council has the authority to establish and amend plan benefit provisions. OPEB benefits are administered by City personnel. At June 30, 2018, 178 retirees were receiving postemployment benefits.

There are no assets accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Statement No. 75, *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided through Trusts That Meet Specified Criteria – Defined Benefit*.

BENEFITS PROVIDED

Retirees are eligible to continue medical and life insurance coverage. To be eligible for retirement, employees must be covered as an active employee in the City health program at the time of retirement and: (1) for municipal employees, have 25 years of continuous service with the City or reach 60th birthday and have 10 years of service; (2) for firefighter or police employees, have 25 years of continuous service with the City or reach 50th birthday and have 20 years of service with the City or reach 55th birthday and have 12 years of service with the City. After becoming eligible based on the aforementioned criteria an employee has the option of remaining an active employee for three additional years in order to qualify for fully-funded benefits for life. The benefits then become available on the day after the employee retires.

Spouses of retirees are eligible for the plan and benefits continue upon the death of the retiree.

Under 65 retirees can continue medical coverage and can choose between the following plans: (1) Base Plan, (2) Option Plan, or (3) Premium Plan. Retirees 65 and over are enrolled in a Medicare Supplement Plan, and pay any premium that exceeds \$100 per month.

The retirees' life insurance benefit is equal to \$15,000 and is reduced by 35% at age 70 and reduced by 50% at age 75.

CONTRIBUTIONS

The City offers a single health plan for active and retired under age 65 employees through Blue Cross Blue Shield of Louisiana. The employee/retiree monthly premium is \$70 per month (\$20 per month with participation in a specified health screening). The City's portion is \$640.81 per month for employee/retiree coverage. For those employees who were employed prior to February 1, 2000, the City pays \$82 of the dependent coverage for active employees and retirees before age 65.

Retired employees eligible for Medicare coverage are excluded from the Blue Cross Healthcare Plan and may choose to be covered by one of the two Medicare Supplement Plans offered through the City of Kenner by People's Health and Humana. The monthly premium is \$210 for People's Health and \$307.73 for Humana. The City pays \$100 per month for retiree-only coverage with Medicare plans for those retirees hired prior to March 31, 1986. All other retirees are responsible for the entire monthly premium.

The City of Kenner also provides eligible retirees Basic Term Life, which is underwritten by Prudential Life Insurance Company. The blended rate for active employees and retirees is \$0.435 per \$1,000 of insurance. The amount of life insurance is reduced by 35% of the original amount at age 70 and 50% of the original amount at age 75.

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

EMPLOYEES COVERED BY BENEFIT TERMS

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	178
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	569
Total	747

TOTAL OPEB LIABILITY

At June 30, 2018, the City reported a total OPEB liability of \$21,551,927. The total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability was updated from the actuarial valuation date to the measurement date using standard actuarial roll-forward techniques.

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 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. The actuarial assumptions were based on the results of an actuarial experience study performed in 2014.

The total OPEB liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Valuation Date	June 30, 2017
Actuarial cost method	Entry Age Normal, Level Percentage of Pay
Actuarial assumptions:	
Expected remaining service lives	9 years
Inflation rate	2.50%
Salary increase rate	2.00%
Discount rate	3.62%
Mortality rates	<i>Pre-Retirement Mortality</i> : RPH-2014 Blue Collar Employee Mortality Table, Generational with Projection Scale MP-2016. <i>Post-Retirement Mortality</i> : RPH-2014 Blue Collar Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2016.
Healthcare cost trend rates	<i>Pre-65</i> : The healthcare cost trend was 6.0%, initially, and decreases to an ultimate rate of 4.1% in 2074. <i>65 & Over</i> : The healthcare cost trend rate is a flat 2.5%.
Employee turnover rates	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 percent turnover for each age range are as follows: 20-25 (17.0%), 26-40 (10.2%), 41-50 (6.8%), and 51+ (5.1%).

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

The following is a summary of the changes in the City's total OPEB liability for the year ended June 30, 2018:

Balance at 06/30/2017	\$ 21,325,957
Changes for the year:	
Service cost	362,812
Interest	769,735
Differences between expected and actual experience	(55,831)
Changes in assumptions/inputs	-
Changes in benefit terms	-
Benefit payments	(850,746)
Administrative expense	-
Net changes	<u>225,970</u>
Balance at 06/30/2018	<u>\$ 21,551,927</u>

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,126,344. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ 49,628
Changes of assumptions or other inputs	-	-
Employer amounts for OPEB subsequent to the measurement date	-	-
	<u>\$ -</u>	<u>\$ 49,628</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2019	\$ (6,203)
2020	(6,203)
2021	(6,203)
2022	(6,203)
2023	(6,203)
Thereafter	<u>(18,613)</u>
	<u>\$ (49,628)</u>

**CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE O - POSTEMPLOYMENT BENEFITS (CONTINUED)

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62%) or one percentage point higher (4.62%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 24,061,702	\$ 21,551,927	\$ 19,432,569

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	\$ 19,187,161	\$ 21,551,927	\$ 24,376,306

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, 2018

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, 2017. 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 24.75% of earnable compensation. At July 1, 2018, the employer rate increased to 26.00% for the 2018-2019 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 $\frac{1}{3}$ 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 $\frac{1}{2}$ 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, 2017. 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 30.75% and 10.0%, respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013, were 30.75% and 8.0%, respectively. At July 1, 2018, the employer's contribution rate increased to 32.25%, 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 increased to 32.25% 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, 2018

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 26.5% of annual-covered payroll. Effective July 1, 2018, the employer's contribution rate remained at 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 \$3,067,606, \$2,533,362, and \$1,271,881, respectively, for the year ended June 30, 2018.

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, 2018, the City of Kenner, Louisiana reported a liability for MERS, MPERS, and FRS of \$28,507,508, \$25,680,932, and \$11,897,490, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2017, 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, 2017, the City of Kenner, Louisiana's proportion for MERS, MPERS, and FRS was 6.814400%, 2.941545%, and 2.075681%, respectively. This reflects an increase for MERS of 0.255115%, a decrease for MPERS of (0.076985%), and an increase for FRS of 0.119796% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, 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, 2018**

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	\$ 1,790,522	\$ 419,432
MPERS	889,123	561,547
FRS	756,892	525,368
Total	\$ 3,436,537	\$ 1,506,347

At June 30, 2018, 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	\$ -	\$ 2,401	\$ 11,109	\$ 13,510
Differences between expected and actual experience	-	168,158	-	168,158
Changes in proportion	534,557	28,880	531,203	1,094,640
Change of assumptions	476,675	1,827,340	497,617	2,801,632
Difference between projected and actual earnings on plan investments	5,748,594	1,124,214	1,023,527	7,896,335
Employer contributions subsequent to the measurement date	3,067,606	2,533,362	1,271,881	6,872,849
Total	\$ 9,827,432	\$ 5,684,355	\$ 3,335,337	\$ 18,847,124

	Deferred Inflows of Resources			
	MERS	MPERS	FRS	Total
Differences between expected and actual experience	\$ 868,222	\$ 197,388	\$ 663,487	\$ 1,729,097
Difference between projected and actual earnings on plan investments	-	-	-	-
Difference between employer contributions and proportionate share of contributions	17,222	1,767	3,195	22,184
Change of assumptions	-	-	2,837	2,837
Changes in proportion	333,634	550,721	433,779	1,318,134
Total	\$ 1,219,078	\$ 749,876	\$ 1,103,298	\$ 3,072,252

During the year ended June 30, 2018, employer contributions totaling \$3,067,606, \$2,533,362, and \$1,271,881 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, 2019. 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, 2018**

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>
2019	\$ 1,490,817	\$ 910,586	\$ 385,016	\$ 2,786,419
2020	2,544,844	1,322,279	589,971	4,457,094
2021	1,247,285	770,818	135,864	2,153,967
2022	257,802	(602,566)	(327,846)	(672,610)
2023	-	-	61,033	61,033
Thereafter	-	-	116,120	116,120
Total	<u>\$ 5,540,748</u>	<u>\$ 2,401,117</u>	<u>\$ 960,158</u>	<u>\$ 8,902,023</u>

ACTUARIAL ASSUMPTIONS

Total pension liabilities for MERS, MPERS, and FRS in the June 30, 2017, 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	7.40%, net of investment expense	7.325%, net of investment expense	7.40%
Inflation rate	2.775% per annum	2.70% per annum	2.775% per annum
Projected salary increases	5.0% (2.775% Inflation, 2.225% 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 25 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	RP-2000 Employee Table for Active members; RP-2000 Combined Healthy Tables for healthy annuitants; RP-2000 Disabled Lives Table for disabled annuitants	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, 2018

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, 2017, 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%	57%	2.30%	3.66%	3.84%
Fixed Income	35%	21%	23%	1.60%	0.52%	0.47%
Alternatives	15%	20%	10%	0.70%	1.10%	0.63%
Other	0%	6%	10%	0.00%	0.16%	0.46%
Total	100%	100%	100%	4.60%	5.44%	5.40%
Inflation				2.60%	2.75%	2.75%
Expected Arithmetic Nominal Return				7.20%	8.19%	8.15%

DISCOUNT RATES

The discount rate used to measure the total pension liability for MERS, MPERS, and FRS was 7.40%, 7.325%, and 7.40%, 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 (7.40% for MERS, 7.325% for MPERS, and 7.40% 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	Current Discount	1% Increase
MERS	\$ 36,328,042	\$ 28,507,508	\$ 21,836,808
MPERS	35,480,684	25,680,932	17,459,646
FRS	17,096,234	11,897,490	7,527,199
Total	\$ 88,904,960	\$ 66,085,930	\$ 46,823,653

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 2017 Annual Financial Reports at www.mersla.com, www.lampers.org, and www.lafirefightersret.com, respectively.

PAYABLES TO THE PENSION PLANS

At June 30, 2018, 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, 2018, the Self-Insurance Fund had a deficit in its unrestricted net position of \$5,063,364. This deficit will be eliminated by the City making additional contributions into the fund during future years.

At June 30, 2018, the Wastewater Fund had a deficit in its unrestricted net position of \$6,861,032. 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, 2018, the City abated \$160,575 of the \$439,636 in sales taxes collected by the retail business.

The agreement was to terminate when the agreed amount of construction costs had been reimbursed through sales tax abatements, which occurred during the year ended June 30, 2018. There are no remaining amounts of tax to be abated under this agreement in future periods.

NOTE S – CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2018, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, the beginning net position, as reflected in the Statement of Net Position has been restated to reflect the following adjustments:

<u>Governmental Activities</u>	<u>Net Position</u>
Balance at July 1, 2017, previously reported	\$ 106,553,391
Implementation of GASBS 75:	
Recognition of OPEB liability	(15,015,048)
Balance at July 1, 2017, restated	<u>\$ 91,538,343</u>

The City did not restate beginning balances relating to all other deferred outflows of resources or deferred inflows of resources in relation to OPEB as it was not practical to determine these amounts.

NOTE T – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosure is December 21, 2018, 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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes	\$ 27,047,286	\$ 14,922	\$ 27,062,208	\$ 28,147,244	\$ 28,147,244	\$ (1,085,036)
Licenses and permits	5,314,977	-	5,314,977	3,759,475	4,798,312	516,665
Intergovernmental	2,086,846	(66,271)	2,020,575	1,519,089	1,519,089	501,486
Charges for services	1,445,542	-	1,445,542	1,009,111	1,009,111	436,431
Fines and forfeitures	2,421,112	-	2,421,112	3,781,631	2,696,124	(275,012)
Interest	121,172	-	121,172	-	100,277	20,895
Miscellaneous	677,753	(912)	676,841	382,298	420,093	256,748
Total revenues	39,114,688	(52,261)	39,062,427	38,598,848	38,690,250	372,177
EXPENDITURES						
General government	10,605,779	13,791	10,619,570	11,183,889	10,979,423	359,853
Public safety	20,378,736	3,269	20,382,005	20,793,910	20,523,145	141,140
Public works	4,550,142	(106,803)	4,443,339	4,574,759	4,612,477	169,138
Health and welfare	482,669	-	482,669	453,594	492,368	9,699
Culture and recreation	4,477,299	47,322	4,524,621	4,667,958	4,715,567	190,946
Transit and urban development	493,615	42,232	535,847	503,022	503,022	(32,825)
Total expenditures	40,988,240	(189)	40,988,051	42,177,132	41,826,002	837,951
Excess (deficiency) of revenues over (under) expenditures	(1,873,552)	(52,072)	(1,925,624)	(3,578,284)	(3,135,752)	1,210,128
OTHER FINANCING SOURCES (USES)						
Operating transfers in	10,505,310	-	10,505,310	10,028,314	10,003,737	501,573
Operating transfers out	(7,027,002)	-	(7,027,002)	(6,204,379)	(6,213,588)	(813,414)
Total other financing sources (uses)	3,478,308	-	3,478,308	3,823,935	3,790,149	(311,841)
Net change in fund balance	1,604,756	(52,072)	1,552,684	245,651	654,397	898,287
Fund balance - beginning of year	15,454,170	-	15,454,170	15,454,170	15,454,170	-
Fund balance - end of year	\$ 17,058,926	\$ (52,072)	\$ 17,006,854	\$ 15,699,821	\$ 16,108,567	\$ 898,287

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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 11,934,547	\$ -	\$ 11,934,547	\$ 11,990,548	\$ 11,990,548	\$ (56,001)
Total revenues	<u>11,934,547</u>	<u>-</u>	<u>11,934,547</u>	<u>11,990,548</u>	<u>11,990,548</u>	<u>(56,001)</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>11,934,547</u>	<u>-</u>	<u>11,934,547</u>	<u>11,990,548</u>	<u>11,990,548</u>	<u>(56,001)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(11,934,547)</u>	<u>-</u>	<u>(11,934,547)</u>	<u>(11,990,548)</u>	<u>(11,990,548)</u>	<u>56,001</u>
Net change in fund balance	-	-	-	-	-	-
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>\$ -</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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 3,572,654	\$ -	\$ 3,572,654	\$ 3,590,578	\$ 3,590,578	\$ (17,924)
Parking tax	1,707,422	-	1,707,422	1,350,346	1,350,346	357,076
Cable franchise tax	409,430	-	409,430	399,500	399,500	9,930
Charges for services	480	-	480	400	400	80
Interest	1,210	-	1,210	-	-	1,210
Miscellaneous	588	-	588	744	744	(156)
Total revenues	<u>5,691,784</u>	<u>-</u>	<u>5,691,784</u>	<u>5,341,568</u>	<u>5,341,568</u>	<u>350,216</u>
EXPENDITURES						
Public safety:						
Personnel	7,548,237	-	7,548,237	6,798,488	6,773,097	(775,140)
Supplies	68,859	(1,940)	66,919	71,500	74,560	7,641
Capital outlay	-	-	-	-	-	-
Service charges	712,404	26,088	738,492	633,765	656,096	(82,396)
Total expenditures	<u>8,329,500</u>	<u>24,148</u>	<u>8,353,648</u>	<u>7,503,753</u>	<u>7,503,753</u>	<u>(849,895)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,637,716)</u>	<u>(24,148)</u>	<u>(2,661,864)</u>	<u>(2,162,185)</u>	<u>(2,162,185)</u>	<u>(499,679)</u>
OTHER FINANCING SOURCES						
Transfers out	(206,099)	-	(206,099)	-	-	(206,099)
Transfers in	<u>2,843,815</u>	<u>-</u>	<u>2,843,815</u>	<u>2,162,185</u>	<u>2,162,185</u>	<u>681,630</u>
Net change in fund balance	-	(24,148)	(24,148)	-	-	(24,148)
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>\$ (24,148)</u>	<u>\$ (24,148)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,148)</u>

See accompanying note to budgetary comparison schedules.

CITY OF KENNER, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2018

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)	\$ 1,552,684	\$ 240,448	\$ (15,511)	\$ (24,148)
Basis differences:				
To adjust for encumbrances	(189)	(441)	15,511	24,148
Entity differences:				
To adjust for revenues not budgeted	<u>52,261</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (GAAP basis)	<u>\$ 1,604,756</u>	<u>\$ 240,007</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Total OPEB Liability	
Service cost	\$ 362,812
Interest	769,735
Changes of benefit terms	-
Differences between expected and actual experience	(55,831)
Changes in assumption or other inputs	-
Benefit payments	(850,746)
Net change in total OPEB liability	225,970
Total OPEB liability - beginning	21,325,957
Total OPEB liability - end	\$ 21,551,927
Covered employee payroll	\$ 28,193,097
Total OPEB liability as a percentage of covered employee payroll	76.4%

Notes to Schedule:

Changes of benefit terms : None

Changes of assumptions : Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:
2018 - 3.62%.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF KENNER, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE FIVE YEARS ENDED JUNE 30, 2018

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a % of its Covered Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>MERS:</u>					
2018	6.81440%	\$ 28,507,508	\$ 12,377,177	230.3%	62.5%
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>					
2018	2.94155%	\$ 25,680,932	\$ 8,797,386	291.9%	70.1%
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>					
2018	2.07568%	\$ 11,897,490	\$ 4,851,604	245.2%	73.5%
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
FOR THE TEN YEARS ENDED JUNE 30, 2018

Fiscal Year	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
<u>MERS:</u>					
2018	\$ 3,067,606	\$ 3,067,606	\$ -	\$ 12,399,087	24.7%
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%
<u>MPERS:</u>					
2018	\$ 2,533,362	\$ 2,533,362	\$ -	\$ 8,238,570	30.8%
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%
<u>FRS:</u>					
2018	\$ 1,271,881	\$ 1,271,881	\$ -	\$ 4,799,460	26.5%
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%

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available.

CITY OF KENNER, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION II
JUNE 30, 2018

MERS:

1. CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for any of the years presented.

2. CHANGES OF ASSUMPTIONS

Amounts reported in the actuary valuation dated June 30, 2017 for MERS reflect an adjustment in the discount rate and the inflation rate used to measure the total pension liability. The discount rate for MERS was reduced by 0.10% to 7.40% in 2017. The inflation rate for MERS was reduced by 0.10% to 2.775% in 2017.

Amounts reported in the actuary valuation dated June 30, 2015 for MERS reflect an adjustment in the discount rate, the inflation rate, projected salary increases and the mortality rate used to measure the total pension liability. The discount rate for MERS was reduced by 0.25% to 7.50% in 2015. The inflation rate for MERS was reduced by 0.125% to 2.875% in 2015. The mortality rate assumption was changed from set based upon aggregated data collected for the period July 1, 2006 to June 30, 2010 to set based upon aggregated data collected for the period July 1, 2009 to June 30, 2014, for the year ended June 30, 2014. Other changes were as follows:

Valuation Date	June 30, 2015	June 30, 2014
Inflation Rate	2.875%	3.00%
Project Salary Increases	5.00%	5.75%

There were no changes in assumptions for any of the remaining years presented.

MPERS:

1. CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for any of the years presented.

2. CHANGES OF ASSUMPTIONS

Amounts reported in the actuary valuation dated June 30, 2017 for MPERS reflect an adjustment in the discount rate and the inflation rate used to measure the total pension liability. The discount rate for MPERS was reduced by 0.175% to 7.325% in 2017. The inflation rate for MPERS was reduced by 0.175% to 2.70% in 2017.

Amounts reported in the actuary valuation dated June 30, 2015 for MPERS reflect an adjustment in the inflation rate, projected salary increases and the mortality rate used to measure the total pension liability. The mortality rate assumption was changed from set based upon the results of an actuarial study for the period July 1, 2003 to June 30, 2008 to set based upon the results of an actuarial study for the period July 1, 2010 to June 30, 2014, for the year ended June 30, 2014. Other changes were as follows:

Valuation Date	June 30, 2015	June 30, 2014
Inflation Rate	2.875%	3.00%
Project Salary Increases	4.25% – 9.75%	4.00% - 10.00%

There were no changes in assumptions for any of the remaining years presented.

FRS:

1. CHANGES OF BENEFIT TERMS

There were no changes of benefit terms for any of the years presented.

CITY OF KENNER, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION II
JUNE 30, 2018

2. CHANGES OF ASSUMPTIONS

Amounts reported in the actuary valuation dated June 30, 2017 for FRS reflect an adjustment in the discount rate and the inflation rate used to measure the total pension liability. The discount rate for FRS was reduced by 0.10% to 7.40% in 2017. The inflation rate for FRS was reduced by 0.10% to 2.775% in 2017.

Amounts reported in the actuary valuation dated June 30, 2015 for FRS reflect an adjustment in the inflation rate, projected salary increases and the mortality rate used to measure the total pension liability. The mortality rate assumption was changed from set based upon the results of an actuarial study for the period July 1, 2004 to June 30, 2009 to set based upon the results of an actuarial study for the period July 1, 2009 to June 30, 2014, for the year ended June 30, 2014. Other changes were as follows:

Valuation Date	June 30, 2015	June 30, 2014
Inflation Rate	2.875%	3.00%
Project Salary Increases	15.0% in 1 st two years to 4.75% after 25 years	15.0% in 1 st two years to 5.50% after 14 years

There were no changes in assumptions for any of the remaining years presented.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2018**

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:

LDEQ 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, 2018**

	SPECIAL REVENUE FUNDS			
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	COMMUNITY DEVELOPMENT BLOCK GRANT	TOTAL
ASSETS				
Cash	\$ -	\$ 158	\$ 47,553	\$ 47,711
Equity in pooled cash	-	-	539,421	539,421
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	999,910	-	-	999,910
Intergovernmental	-	-	-	-
Other	-	-	506	506
Due from other funds	140,312	373,722	-	514,034
Total assets	\$ 1,140,222	\$ 373,880	\$ 587,480	\$ 2,101,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 399,345	\$ 34,189	\$ 2,685	\$ 436,219
Accrued liabilities	-	28,443	31,467	59,910
Due to other funds	610,095	310,733	-	920,828
Total liabilities	1,009,440	373,365	34,152	1,416,957
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	130,782	515	-	131,297
Fund balances:				
Restricted				
Federal grants	\$ -	\$ -	\$ 553,328	\$ 553,328
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	-	553,328	553,328
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,140,222	\$ 373,880	\$ 587,480	\$ 2,101,582

DEBT SERVICE				TOTAL	TOTAL
AD VALOREM	GENERAL	FIREMEN'S			NONMAJOR
TAX BONDS	DEBT	PENSION MERGER	TOTAL		GOVERNMENTAL
		FUND			FUNDS
\$ -	\$ 3,911,626	\$ -	\$ 3,911,626	\$	3,959,337
6,895	17,137	285,944	309,976		849,397
-	-	-	-		999,910
-	662,645	-	662,645		662,645
-	210	-	210		716
16,046	-	-	16,046		530,080
<u>\$ 22,941</u>	<u>\$ 4,591,618</u>	<u>\$ 285,944</u>	<u>\$ 4,900,503</u>	<u>\$</u>	<u>7,002,085</u>
\$ -	\$ -	\$ -	\$ -	\$	436,219
-	-	-	-		59,910
-	1,357,077	-	1,357,077		2,277,905
-	1,357,077	-	1,357,077		2,774,034
16,046	-	285,944	301,990		433,287
\$ -	\$ -	\$ -	\$ -	\$	553,328
6,895	3,234,541	-	3,241,436		3,241,436
-	-	-	-		-
6,895	3,234,541	-	3,241,436		3,794,764
<u>\$ 22,941</u>	<u>\$ 4,591,618</u>	<u>\$ 285,944</u>	<u>\$ 4,900,503</u>	<u>\$</u>	<u>7,002,085</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	SPECIAL REVENUE FUNDS			TOTAL
	GARBAGE COLLECTION AND DISPOSAL	STREETS AND DRAINAGE	COMMUNITY DEVELOPMENT BLOCK GRANT	
REVENUES				
Taxes	\$ 774,194	\$ 943,951	\$ -	\$ 1,718,145
Intergovernmental	-	-	250,576	250,576
Charges for services	3,318,960	-	-	3,318,960
Interest	-	-	2,004	2,004
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,093,154	943,951	252,580	5,289,685
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
Public works	4,504,025	1,515,705	-	6,019,730
Health and welfare	-	-	168,255	168,255
Transit and urban development	-	-	539,315	539,315
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	4,504,025	1,515,705	707,570	6,727,300
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(410,871)	(571,754)	(454,990)	(1,437,615)
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers in	410,871	571,754	694,997	1,677,622
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	410,871	571,754	694,997	1,677,622
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	240,007	240,007
Fund balances - beginning of year	-	-	313,321	313,321
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - end of year	\$ -	\$ -	\$ 553,328	\$ 553,328
	<hr/>	<hr/>	<hr/>	<hr/>

DEBT SERVICE FUNDS				TOTAL
AD VALOREM TAX BONDS	GENERAL DEBT	FIREMEN'S PENSION MERGER FUND	TOTAL	NONMAJOR GOVERNMENTAL FUNDS
1,903,500	\$ 4,236,258	\$ 312,405	\$ 6,452,163	\$ 8,170,308
-	-	-	-	250,576
-	-	-	-	3,318,960
1,427	48,162	141	49,730	51,734
<u>1,904,927</u>	<u>4,284,420</u>	<u>312,546</u>	<u>6,501,893</u>	<u>11,791,578</u>
-	-	-	-	6,019,730
-	-	-	-	168,255
-	-	-	-	539,315
1,880,000	2,719,000	103,080	4,702,080	4,702,080
23,500	1,712,452	126,705	1,862,657	1,862,657
-	36,000	-	36,000	36,000
<u>1,903,500</u>	<u>4,467,452</u>	<u>229,785</u>	<u>6,600,737</u>	<u>13,328,037</u>
<u>1,427</u>	<u>(183,032)</u>	<u>82,761</u>	<u>(98,844)</u>	<u>(1,536,459)</u>
-	1,211,678	206,099	1,417,777	3,095,399
<u>(61,931)</u>	<u>(95,000)</u>	<u>-</u>	<u>(156,931)</u>	<u>(156,931)</u>
<u>(61,931)</u>	<u>1,116,678</u>	<u>206,099</u>	<u>1,260,846</u>	<u>2,938,468</u>
(60,504)	933,646	288,860	1,162,002	1,402,009
<u>67,399</u>	<u>2,300,895</u>	<u>(288,860)</u>	<u>2,079,434</u>	<u>2,392,755</u>
<u>\$ 6,895</u>	<u>\$ 3,234,541</u>	<u>\$ -</u>	<u>\$ 3,241,436</u>	<u>\$ 3,794,764</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
TAXES						
Ad valorem tax	\$ 1,004,264	\$ -	\$ 1,004,264	\$ 1,009,322	\$ 1,009,322	\$ (5,058)
Sales tax	17,562,060	-	17,562,060	18,061,980	18,061,980	(499,920)
Beer tax	62,159	-	62,159	67,117	67,117	(4,958)
Parking tax	1,393,653	-	1,393,653	1,393,653	1,393,653	-
Franchises						
Electricity service	1,507,896	-	1,507,896	1,591,024	1,591,024	(83,128)
Gas service	189,689	-	189,689	187,399	187,399	2,290
Off-track wagering	64,627	-	64,627	77,000	77,000	(12,373)
Hotel/motel tax	429,622	-	429,622	376,574	376,574	53,048
Telephone	81,147	-	81,147	102,140	102,140	(20,993)
Video service	213,284	14,922	228,206	316,915	316,915	(88,709)
Riverboat	4,538,885	-	4,538,885	4,964,120	4,964,120	(425,235)
Total taxes	27,047,286	14,922	27,062,208	28,147,244	28,147,244	(1,085,036)
LICENSES AND PERMITS						
Business:						
Occupational	2,526,380	-	2,526,380	2,621,394	2,621,394	(95,014)
Alcoholic beverage	88,220	-	88,220	83,547	83,547	4,673
Chain store	46,922	-	46,922	52,608	52,608	(5,686)
Plumbing	47,510	-	47,510	49,740	49,740	(2,230)
Electrical	33,080	-	33,080	39,053	39,053	(5,973)
Taxi cab	414,326	-	414,326	35,000	35,000	379,326
Air conditioning	21,850	-	21,850	23,100	23,100	(1,250)
Bingo	395	-	395	50	50	345
Animal control	-	-	-	-	-	-
Total business	3,178,683	-	3,178,683	2,904,492	2,904,492	274,191
Non-business:						
Building	1,558,139	-	1,558,139	377,285	1,416,122	142,017
Garage sales	-	-	-	3,098	3,098	(3,098)
Brake tags	578,155	-	578,155	474,600	474,600	103,555
Total non-business	2,136,294	-	2,136,294	854,983	1,893,820	242,474
Total licenses and permits	5,314,977	-	5,314,977	3,759,475	4,798,312	516,665
INTERGOVERNMENTAL						
Federal Grants	646,788	(55,883)	590,905	-	-	590,905
From state:						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	388,834	-	388,834	450,393	450,393	(61,559)
Parish road fund	201,200	-	201,200	212,125	212,125	(10,925)
Video poker	593,364	-	593,364	609,186	609,186	(15,822)
Other state grants	10,388	(10,388)	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	35,272	-	35,272	36,385	36,385	(1,113)
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	\$ 2,086,846	\$ (66,271)	\$ 2,020,575	\$ 1,519,089	\$ 1,519,089	\$ 501,486

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CHARGES FOR SERVICES						
Zoning fees	\$ 15,000	\$ -	\$ 15,000	\$ 13,697	\$ 13,697	\$ 1,303
Inspection fees						
Electrical	73,183	-	73,183	83,275	83,275	(10,092)
Plumbing	52,840	-	52,840	52,000	52,000	840
Air conditioning, heating, and other	75,315	-	75,315	68,962	68,962	6,353
Maps and document sales	2,702	-	2,702	5,084	5,084	(2,382)
Tax research fees	11,025	-	11,025	11,170	11,170	(145)
Police reports	46,254	-	46,254	43,076	43,076	3,178
Weed cutting fees	81,885	-	81,885	141,713	141,713	(59,828)
Recreation department						
Participation fees	262,084	-	262,084	301,769	301,769	(39,685)
Admission fees	85,873	-	85,873	79,447	79,447	6,426
Identification and other fees	225,942	-	225,942	147,918	147,918	78,024
Community service fees	-	-	-	-	-	-
Administrative charges	513,439	-	513,439	61,000	61,000	452,439
Total charges for services	<u>1,445,542</u>	<u>-</u>	<u>1,445,542</u>	<u>1,009,111</u>	<u>1,009,111</u>	<u>436,431</u>
FINES AND FORFEITURES						
Fines	2,108,434	-	2,108,434	3,320,694	2,235,187	(126,753)
Forfeitures	223,981	-	223,981	392,700	392,700	(168,719)
DWI fines	2,246	-	2,246	4,600	4,600	(2,354)
Reinstatement fees	86,451	-	86,451	63,637	63,637	22,814
Total fines and forfeitures	<u>2,421,112</u>	<u>-</u>	<u>2,421,112</u>	<u>3,781,631</u>	<u>2,696,124</u>	<u>(275,012)</u>
INTEREST ON INVESTED FUNDS	<u>121,172</u>	<u>-</u>	<u>121,172</u>	<u>-</u>	<u>100,277</u>	<u>20,895</u>
MISCELLANEOUS						
Donations	36,570	-	36,570	-	-	36,570
Rents	355,883	(1,106)	354,777	350,135	333,935	20,842
Other investment income	77,888	-	77,888	-	53,995	23,893
Other	207,412	194	207,606	32,163	32,163	175,443
Total miscellaneous	<u>677,753</u>	<u>(912)</u>	<u>676,841</u>	<u>382,298</u>	<u>420,093</u>	<u>256,748</u>
Total revenues	<u>\$ 39,114,688</u>	<u>\$ (52,261)</u>	<u>\$ 39,062,427</u>	<u>\$ 38,598,848</u>	<u>\$ 38,690,250</u>	<u>\$ 372,177</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
GENERAL GOVERNMENT						
Personnel	\$ 7,157,083	\$ -	\$ 7,157,083	\$ 7,314,749	\$ 7,046,670	\$ (110,413)
Supplies	191,095	10,325	201,420	134,703	166,317	(35,103)
Service charges	3,210,570	10,781	3,221,351	3,718,437	3,725,686	504,335
Capital outlay	47,031	(7,315)	39,716	16,000	40,750	1,034
Total general government	10,605,779	13,791	10,619,570	11,183,889	10,979,423	359,853
PUBLIC SAFETY						
Personnel	16,861,372	(43,856)	16,817,516	17,373,969	16,810,590	(6,926)
Supplies	668,122	(6,288)	661,834	749,800	668,943	7,109
Service charges	2,458,884	(38,012)	2,420,872	2,625,941	2,687,139	266,267
Capital outlay	390,358	91,425	481,783	44,200	356,473	(125,310)
Total public safety	20,378,736	3,269	20,382,005	20,793,910	20,523,145	141,140
PUBLIC WORKS						
Personnel	2,512,154	-	2,512,154	2,516,130	2,574,012	61,858
Supplies	609,408	(88,912)	520,496	736,000	554,908	34,412
Service charges	1,424,390	(17,891)	1,406,499	1,322,629	1,479,277	72,778
Capital outlay	4,190	-	4,190	-	4,280	90
Total public works	4,550,142	(106,803)	4,443,339	4,574,759	4,612,477	169,138
HEALTH AND WELFARE						
Personnel	475,203	-	475,203	435,667	474,896	(307)
Supplies	6,672	-	6,672	6,000	7,829	1,157
Service charges	794	-	794	11,927	9,643	8,849
Capital outlay	-	-	-	-	-	-
Total health and welfare	482,669	-	482,669	453,594	492,368	9,699

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CULTURE AND RECREATION						
Personnel	\$ 3,128,264	\$ -	\$ 3,128,264	\$ 3,322,978	\$ 3,215,713	\$ 87,449
Supplies	463,607	(28,318)	435,289	454,713	523,660	88,371
Service charges	884,966	75,640	960,606	886,167	974,089	13,483
Capital outlay	462	-	462	4,100	2,105	1,643
Total culture and recreation	<u>4,477,299</u>	<u>47,322</u>	<u>4,524,621</u>	<u>4,667,958</u>	<u>4,715,567</u>	<u>190,946</u>
TRANSIT						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	493,615	42,232	535,847	503,022	503,022	(32,825)
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	<u>493,615</u>	<u>42,232</u>	<u>535,847</u>	<u>503,022</u>	<u>503,022</u>	<u>(32,825)</u>
TOTAL EXPENDITURES						
Personnel	30,134,076	(43,856)	30,090,220	30,963,493	30,121,881	31,661
Supplies	1,938,904	(113,193)	1,825,711	2,081,216	1,921,657	95,946
Service charges	8,473,219	72,750	8,545,969	9,068,123	9,378,856	832,887
Capital outlay	442,041	84,110	526,151	64,300	403,608	(122,543)
TOTAL EXPENDITURES	<u>\$ 40,988,240</u>	<u>\$ (189)</u>	<u>\$ 40,988,051</u>	<u>\$ 42,177,132</u>	<u>\$ 41,826,002</u>	<u>\$ 837,951</u>

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	\$ 829,749	\$ -	\$ 829,749	\$ 794,609	\$ 831,049	\$ 1,300
Supplies	27,935	11,149	39,084	37,170	41,510	2,426
Service charges	93,813	2,017	95,830	119,150	134,310	38,480
Capital outlay	7,728	378	8,106	10,000	13,100	4,994
	<u>\$ 959,225</u>	<u>\$ 13,544</u>	<u>\$ 972,769</u>	<u>\$ 960,929</u>	<u>\$ 1,019,969</u>	<u>\$ 47,200</u>

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 658,898	\$ -	\$ 658,898	\$ 657,191	\$ 660,468	\$ 1,570
Supplies	11,509	(506)	11,003	11,100	12,650	1,647
Service charges	43,008	369	43,377	37,175	43,420	43
Capital outlay	-	-	-	1,000	250	250
Total expenditures	<u>\$ 713,415</u>	<u>\$ (137)</u>	<u>\$ 713,278</u>	<u>\$ 706,466</u>	<u>\$ 716,788</u>	<u>\$ 3,510</u>

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 964,708	\$ -	\$ 964,708	\$ 890,860	\$ 954,269	\$ (10,439)
Supplies	11,994	884	12,878	15,000	15,535	2,657
Service charges	59,812	360	60,172	70,114	64,205	4,033
Capital outlay	252	(759)	(507)	-	800	1,307
Total expenditures	<u>\$ 1,036,766</u>	<u>\$ 485</u>	<u>\$ 1,037,251</u>	<u>\$ 975,974</u>	<u>\$ 1,034,809</u>	<u>\$ (2,442)</u>

RISK, INSURANCE, AUDIT & COMPLIANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 188,680	\$ -	\$ 188,680	\$ 259,145	\$ 241,653	\$ 52,973
Supplies	208	-	208	10,000	5,200	4,992
Service charges	167,180	-	167,180	200,380	223,681	56,501
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 356,068</u>	<u>\$ -</u>	<u>\$ 356,068</u>	<u>\$ 469,525</u>	<u>\$ 470,534</u>	<u>\$ 114,466</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	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 292,517	\$ -	\$ 292,517	\$ 307,397	\$ 312,199	\$ 19,682
Supplies	6,131	215	6,346	5,500	6,405	59
Service charges	14,806	(2,062)	12,744	18,374	18,018	5,274
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 313,454	\$ (1,847)	\$ 311,607	\$ 331,271	\$ 336,622	\$ 25,015

PERSONNEL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 285,992	\$ -	\$ 285,992	\$ 284,457	\$ 289,147	\$ 3,155
Supplies	2,852	446	3,298	2,933	2,933	(365)
Service charges	21,797	340	22,137	32,635	32,374	10,237
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 310,641	\$ 786	\$ 311,427	\$ 320,025	\$ 324,454	\$ 13,027

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 395,997	\$ -	\$ 395,997	\$ 441,157	\$ 448,422	\$ 52,425
Supplies	6,892	(267)	6,625	5,200	7,044	419
Service charges	34,121	231	34,352	44,000	42,156	7,804
Capital outlay	6,981	(9,700)	(2,719)	5,000	5,000	7,719
Total expenditures	\$ 443,991	\$ (9,736)	\$ 434,255	\$ 495,357	\$ 502,622	\$ 68,367

INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 423,273	\$ -	\$ 423,273	\$ 489,664	\$ 423,751	\$ 478
Supplies	15,268	(2,614)	12,654	12,500	15,735	3,081
Service charges	273,929	15,882	289,811	308,313	283,573	(6,238)
Capital outlay	1,994	-	1,994	-	2,100	106
Total expenditures	\$ 714,464	\$ 13,268	\$ 727,732	\$ 810,477	\$ 725,159	\$ (2,573)

(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	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 175,064	\$ -	\$ 175,064	\$ 178,378	\$ 181,775	\$ 6,711
Supplies	2,200	(400)	1,800	2,100	2,100	300
Service charges	21,292	(848)	20,444	47,590	47,495	27,051
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 198,556	\$ (1,248)	\$ 197,308	\$ 228,068	\$ 231,370	\$ 34,062

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 740,968	\$ -	\$ 740,968	\$ 318,697	\$ 350,384	\$ (390,584)
Supplies	87,875	1,695	89,570	12,700	36,705	(52,865)
Service charges	988,557	(5,158)	983,399	1,089,574	1,083,844	100,445
Capital outlay	10,588	-	10,588	-	-	(10,588)
Total expenditures	\$ 1,827,988	\$ (3,463)	\$ 1,824,525	\$ 1,420,971	\$ 1,470,933	\$ (353,592)

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 752,042	\$ -	\$ 752,042	\$ 807,915	\$ 765,252	\$ 13,210
Supplies	13,878	(27)	13,851	15,500	15,500	1,649
Service charges	161,378	-	161,378	196,000	201,293	39,915
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 927,298	\$ (27)	\$ 927,271	\$ 1,019,415	\$ 982,045	\$ 54,774

CITY ATTORNEY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 750,774	\$ -	\$ 750,774	\$ 835,279	\$ 819,166	\$ 68,392
Supplies	4,353	(250)	4,103	5,000	5,000	897
Service charges	40,570	(350)	40,220	40,132	43,817	3,597
Capital outlay	19,488	2,766	22,254	-	19,500	(2,754)
Total expenditures	\$ 815,185	\$ 2,166	\$ 817,351	\$ 880,411	\$ 887,483	\$ 70,132

(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	1,275,177	-	1,275,177	1,515,000	1,507,500	232,323
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,275,177	\$ -	\$ 1,275,177	\$ 1,515,000	\$ 1,507,500	\$ 232,323

PAY INCENTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 698,421	\$ -	\$ 698,421	\$ 1,050,000	\$ 769,135	\$ 70,714
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 698,421	\$ -	\$ 698,421	\$ 1,050,000	\$ 769,135	\$ 70,714

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	15,130	-	15,130	-	-	(15,130)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,130	\$ -	\$ 15,130	\$ -	\$ -	\$ (15,130)

TOTAL - GENERAL GOVERNMENT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 7,157,083	\$ -	\$ 7,157,083	\$ 7,314,749	\$ 7,046,670	\$ (110,413)
Supplies	191,095	10,325	201,420	134,703	166,317	(35,103)
Service charges	3,210,570	10,781	3,221,351	3,718,437	3,725,686	504,335
Capital outlay	47,031	(7,315)	39,716	16,000	40,750	1,034
Total expenditures	\$ 10,605,779	\$ 13,791	\$ 10,619,570	\$ 11,183,889	\$ 10,979,423	\$ 359,853

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	\$ 1,654,767	\$ -	\$ 1,654,767	\$ 909,171	\$ 1,636,451	\$ (18,316)
Supplies	46,009	1,004	47,013	50,000	46,100	(913)
Service charges	806,557	(55,864)	750,693	855,000	795,500	44,807
Capital outlay	174,863	(68,630)	106,233	-	350	(105,883)
Total expenditures	\$ 2,682,196	\$ (123,490)	\$ 2,558,706	\$ 1,814,171	\$ 2,478,401	\$ (80,305)

POLICE FIELD SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 5,995,348	\$ (37,974)	\$ 5,957,374	\$ 6,335,715	\$ 5,928,005	\$ (29,369)
Supplies	394,656	(7,925)	386,731	470,000	377,275	(9,456)
Service charges	1,257,446	6,059	1,263,505	1,316,000	1,392,700	129,195
Capital outlay	154,130	214,862	368,992	44,000	343,252	(25,740)
Total expenditures	\$ 7,801,580	\$ 175,022	\$ 7,976,602	\$ 8,165,715	\$ 8,041,232	\$ 64,630

POLICE INVESTIGATING SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 3,296,161	\$ (5,882)	\$ 3,290,279	\$ 3,606,126	\$ 3,274,104	\$ (16,175)
Supplies	12,885	(170)	12,715	20,000	13,200	485
Service charges	23,283	-	23,283	21,000	23,400	117
Capital outlay	7,359	(13,987)	(6,628)	-	1,000	7,628
Total expenditures	\$ 3,339,688	\$ (20,039)	\$ 3,319,649	\$ 3,647,126	\$ 3,311,704	\$ (7,945)

POLICE COMMUNICATIONS SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 769,707	\$ -	\$ 769,707	\$ 835,857	\$ 774,436	\$ 4,729
Supplies	425	-	425	2,000	550	125
Service charges	37,340	-	37,340	37,000	37,500	160
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 807,472	\$ -	\$ 807,472	\$ 874,857	\$ 812,486	\$ 5,014

(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	\$ 976,416	\$ -	\$ 976,416	\$ 1,208,842	\$ 980,387	\$ 3,971
Supplies	126,779	983	127,762	138,000	128,900	1,138
Service charges	14,926	260	15,186	13,000	15,300	114
Capital outlay	38,359	(37,735)	624	-	500	(124)
Total expenditures	\$ 1,156,480	\$ (36,492)	\$ 1,119,988	\$ 1,359,842	\$ 1,125,087	\$ 5,099

POLICE TECHNICAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	43,555	(3,350)	40,205	26,000	49,100	8,895
Service charges	30,560	1,440	32,000	21,000	27,900	(4,100)
Capital outlay	10,720	(3,085)	7,635	-	7,700	65
Total expenditures	\$ 84,835	\$ (4,995)	\$ 79,840	\$ 47,000	\$ 84,700	\$ 4,860

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,460,323	\$ -	\$ 1,460,323	\$ 1,556,759	\$ 1,504,179	\$ 43,856
Supplies	18,495	2,609	21,104	21,500	18,709	(2,395)
Service charges	268,898	9,626	278,524	349,351	372,917	94,393
Capital outlay	3,987	-	3,987	-	1,963	(2,024)
Total expenditures	\$ 1,751,703	\$ 12,235	\$ 1,763,938	\$ 1,927,610	\$ 1,897,768	\$ 133,830

POLICE SUPPORT SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 2,310,761	\$ -	\$ 2,310,761	\$ 2,525,994	\$ 2,310,997	\$ 236
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 2,310,761	\$ -	\$ 2,310,761	\$ 2,525,994	\$ 2,310,997	\$ 236

(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	\$ 221,770	\$ -	\$ 221,770	\$ 208,191	\$ 222,103	\$ 333
Supplies	23,701	608	24,309	22,000	33,309	9,000
Service charges	8,003	72	8,075	7,040	8,798	723
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 253,474	\$ 680	\$ 254,154	\$ 237,231	\$ 264,210	\$ 10,056

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 16,861,372	\$ (43,856)	\$ 16,817,516	\$ 17,373,969	\$ 16,810,590	\$ (6,926)
Supplies	668,122	(6,288)	661,834	749,800	668,943	7,109
Service charges	2,458,884	(38,012)	2,420,872	2,625,941	2,687,139	266,267
Capital outlay	390,358	91,425	481,783	44,200	356,473	(125,310)
Total expenditures	\$ 20,378,736	\$ 3,269	\$ 20,382,005	\$ 20,793,910	\$ 20,523,145	\$ 141,140

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	\$ 326,026	\$ -	\$ 326,026	\$ 324,159	\$ 339,313	\$ 13,287
Supplies	84,755	(56,916)	27,839	60,000	31,329	3,490
Service charges	1,067,340	(30,640)	1,036,700	925,000	1,053,719	17,019
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,478,121	\$ (87,556)	\$ 1,390,565	\$ 1,309,159	\$ 1,424,361	\$ 33,796

EMERGENCY MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 176,119	\$ -	\$ 176,119	\$ 187,314	\$ 179,928	\$ 3,809
Supplies	1,617	(47)	1,570	300	1,800	230
Service charges	11,871	395	12,266	6,550	13,124	858
Capital outlay	940	-	940	200	1,708	768
Total expenditures	\$ 190,547	\$ 348	\$ 190,895	\$ 194,364	\$ 196,560	\$ 5,665

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 200,477	\$ -	\$ 200,477	\$ 234,084	\$ 209,155	\$ 8,678
Supplies	48,421	(4,767)	43,654	50,000	42,471	(1,183)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 248,898	\$ (4,767)	\$ 244,131	\$ 284,084	\$ 251,626	\$ 7,495

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 76,251	\$ -	\$ 76,251	\$ 100,881	\$ 101,879	\$ 25,628
Supplies	9,072	(417)	8,655	17,000	8,949	294
Service charges	111,177	(3,991)	107,186	190,000	112,176	4,990
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 196,500	\$ (4,408)	\$ 192,092	\$ 307,881	\$ 223,004	\$ 30,912

(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	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 354,207	\$ -	\$ 354,207	\$ 340,349	\$ 353,821	\$ (386)
Supplies	313,457	11,995	325,452	444,000	353,224	27,772
Service charges	125,465	3,485	128,950	88,629	172,004	43,054
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 793,129	\$ 15,480	\$ 808,609	\$ 872,978	\$ 879,049	\$ 70,440

PUBLIC WORKS - GENERAL SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 873,662	\$ -	\$ 873,662	\$ 810,195	\$ 860,363	\$ (13,299)
Supplies	121,223	(38,819)	82,404	136,000	87,081	4,677
Service charges	3,888	-	3,888	-	6,780	2,892
Capital outlay	4,190	-	4,190	-	4,280	90
Total expenditures	\$ 1,002,963	\$ (38,819)	\$ 964,144	\$ 946,195	\$ 958,504	\$ (5,640)

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 681,531	\$ -	\$ 681,531	\$ 706,462	\$ 709,481	\$ 27,950
Supplies	32,480	12	32,492	29,000	31,854	(638)
Service charges	116,520	13,255	129,775	119,000	134,598	4,823
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 830,531	\$ 13,267	\$ 843,798	\$ 854,462	\$ 875,933	\$ 32,135

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 2,512,154	\$ -	\$ 2,512,154	\$ 2,516,130	\$ 2,574,012	\$ 61,858
Supplies	609,408	(88,912)	520,496	736,000	554,908	34,412
Service charges	1,424,390	(17,891)	1,406,499	1,322,629	1,479,277	72,778
Capital outlay	4,190	-	4,190	-	4,280	90
Total expenditures	\$ 4,550,142	\$ (106,803)	\$ 4,443,339	\$ 4,574,759	\$ 4,612,477	\$ 169,138

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	\$ 129,972	\$ -	\$ 129,972	\$ 98,470	\$ 130,059	\$ 87
Supplies	256	-	256	1,500	1,271	1,015
Service charges	220	-	220	1,000	409	189
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 130,448	\$ -	\$ 130,448	\$ 100,970	\$ 131,739	\$ 1,291

COUNCIL ON AGING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 345,231	\$ -	\$ 345,231	\$ 337,197	\$ 344,837	\$ (394)
Supplies	6,416	-	6,416	4,500	6,558	142
Service charges	574	-	574	10,927	9,234	8,660
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 352,221	\$ -	\$ 352,221	\$ 352,624	\$ 360,629	\$ 8,408

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	\$ 475,203	\$ -	\$ 475,203	\$ 435,667	\$ 474,896	\$ (307)
Supplies	6,672	-	6,672	6,000	7,829	1,157
Service charges	794	-	794	11,927	9,643	8,849
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 482,669	\$ -	\$ 482,669	\$ 453,594	\$ 492,368	\$ 9,699

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	\$ 141,431	\$ -	\$ 141,431	\$ 246,789	\$ 155,101	\$ 13,670
Supplies	135,975	889	136,864	54,980	133,161	(3,703)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 277,406	\$ 889	\$ 278,295	\$ 301,769	\$ 288,262	\$ 9,967

PLANETARIUM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 62,559	\$ -	\$ 62,559	\$ 60,475	\$ 62,612	\$ 53
Supplies	18,769	1,801	20,570	48,000	49,058	28,488
Service charges	4,640	-	4,640	13,000	8,760	4,120
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 85,968	\$ 1,801	\$ 87,769	\$ 121,475	\$ 120,430	\$ 32,661

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	\$ 100,995	\$ -	\$ 100,995	\$ 98,383	\$ 101,110	\$ 115
Supplies	14,033	(1,017)	13,016	47,000	43,732	30,716
Service charges	121,540	-	121,540	112,800	128,163	6,623
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 236,568	\$ (1,017)	\$ 235,551	\$ 258,183	\$ 273,005	\$ 37,454

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	\$ 42,540	\$ -	\$ 42,540	\$ 66,511	\$ 67,709	\$ 25,169
Supplies	2,696	(707)	1,989	1,500	3,878	1,889
Service charges	4,454	13	4,467	10,300	7,922	3,455
Capital outlay	462	-	462	2,100	2,100	1,638
Total expenditures	\$ 50,152	\$ (694)	\$ 49,458	\$ 80,411	\$ 81,609	\$ 32,151

(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	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,358,968	\$ -	\$ 1,358,968	\$ 1,422,540	\$ 1,376,275	\$ 17,307
Supplies	99,628	(1,631)	97,997	119,000	108,864	10,867
Service charges	482,398	247	482,645	565,667	522,662	40,017
Capital outlay	-	-	-	2,000	5	5
Total expenditures	\$ 1,940,994	\$ (1,384)	\$ 1,939,610	\$ 2,109,207	\$ 2,007,806	\$ 68,196

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,366,742	\$ -	\$ 1,366,742	\$ 1,373,281	\$ 1,396,794	\$ 30,052
Supplies	192,506	(27,653)	164,853	184,233	184,967	20,114
Service charges	200,135	70,418	270,553	135,000	229,580	(40,973)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,759,383	\$ 42,765	\$ 1,802,148	\$ 1,692,514	\$ 1,811,341	\$ 9,193

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 55,029	\$ -	\$ 55,029	\$ 54,999	\$ 56,112	\$ 1,083
Supplies	-	-	-	-	-	-
Service charges	71,799	4,962	76,761	49,400	77,002	241
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 126,828	\$ 4,962	\$ 131,790	\$ 104,399	\$ 133,114	\$ 1,324

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 3,128,264	\$ -	\$ 3,128,264	\$ 3,322,978	\$ 3,215,713	\$ 87,449
Supplies	463,607	(28,318)	435,289	454,713	523,660	88,371
Service charges	884,966	75,640	960,606	886,167	974,089	13,483
Capital outlay	462	-	462	4,100	2,105	1,643
Total expenditures	\$ 4,477,299	\$ 47,322	\$ 4,524,621	\$ 4,667,958	\$ 4,715,567	\$ 190,946

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	493,615	42,232	535,847	503,022	503,022	(32,825)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 493,615	\$ 42,232	\$ 535,847	\$ 503,022	\$ 503,022	\$ (32,825)

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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Intergovernmental	\$ 250,576	\$ -	\$ 250,576	\$ 89,307	\$ 177,048	\$ 73,528
Interest	2,004	-	2,004	-	-	2,004
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>252,580</u>	<u>-</u>	<u>252,580</u>	<u>89,307</u>	<u>177,048</u>	<u>75,532</u>
EXPENDITURES						
Public works:						
Capital outlay	-	-	-	-	-	-
Total public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and recreation:						
Capital outlay	-	-	-	-	-	-
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Urban development:						
Personnel	469,864	-	469,864	526,245	532,209	62,345
Supplies	5,742	477	6,219	7,100	7,543	1,324
Service charges	63,709	(918)	62,791	71,700	71,856	9,065
Capital outlay	-	-	-	-	-	-
Total urban development	<u>539,315</u>	<u>(441)</u>	<u>538,874</u>	<u>605,045</u>	<u>611,608</u>	<u>72,734</u>

(Continued)

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, 2018
(CONTINUED)

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES (CONTINUED)						
Health & Welfare:						
Personnel	145,926	-	145,926	158,350	150,334	4,408
Supplies	341	-	341	500	336	(5)
Service charges	21,988	-	21,988	11,200	22,026	38
Capital outlay	-	-	-	-	-	-
Total Health & Welfare	<u>168,255</u>	<u>-</u>	<u>168,255</u>	<u>170,050</u>	<u>172,696</u>	<u>4,441</u>
Total Expenditures	<u>707,570</u>	<u>(441)</u>	<u>707,129</u>	<u>775,095</u>	<u>784,304</u>	<u>77,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(454,990)</u>	<u>441</u>	<u>(454,549)</u>	<u>(685,788)</u>	<u>(607,256)</u>	<u>152,707</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 694,997	\$ -	\$ 694,997	\$ 685,788	\$ 770,614	\$ (75,617)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>694,997</u>	<u>-</u>	<u>694,997</u>	<u>685,788</u>	<u>770,614</u>	<u>(75,617)</u>
Net change in fund balance	240,007	441	240,448	-	163,358	77,090
Fund balance - beginning of year	<u>313,321</u>	<u>-</u>	<u>313,321</u>	<u>313,321</u>	<u>313,321</u>	<u>-</u>
Fund balance - end of year	<u>\$ 553,328</u>	<u>\$ 441</u>	<u>\$ 553,769</u>	<u>\$ 313,321</u>	<u>\$ 476,679</u>	<u>\$ 77,090</u>

See accompanying note to budgetary comparison schedules.

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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 774,194	\$ -	\$ 774,194	\$ 778,078	\$ 778,078	\$ (3,884)
Charges for services:						
Garbage fees and penalties	3,318,960	-	3,318,960	3,297,211	3,297,211	21,749
Interest	-	-	-	-	-	-
Total revenues	<u>4,093,154</u>	<u>-</u>	<u>4,093,154</u>	<u>4,075,289</u>	<u>4,075,289</u>	<u>17,865</u>
EXPENDITURES						
Public works:						
Contractual services	4,504,025	-	4,504,025	4,601,639	4,601,639	97,614
Total expenditures	<u>4,504,025</u>	<u>-</u>	<u>4,504,025</u>	<u>4,601,639</u>	<u>4,601,639</u>	<u>97,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(410,871)</u>	<u>-</u>	<u>(410,871)</u>	<u>(526,350)</u>	<u>(526,350)</u>	<u>115,479</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	410,871	-	410,871	526,350	526,350	(115,479)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>410,871</u>	<u>-</u>	<u>410,871</u>	<u>526,350</u>	<u>526,350</u>	<u>(115,479)</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, 2018

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGETARY AMOUNTS</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
				<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES						
Taxes:						
Ad valorem tax	\$ 943,951	\$ -	\$ 943,951	\$ 958,142	\$ 958,142	\$ (14,191)
Total revenues	<u>943,951</u>	<u>-</u>	<u>943,951</u>	<u>958,142</u>	<u>958,142</u>	<u>(14,191)</u>
EXPENDITURES						
Public works:						
Personnel	1,347,707	-	1,347,707	1,634,052	1,633,389	285,682
Supplies	167,982	15,511	183,493	182,000	207,212	23,719
Capital outlay	-	-	-	-	-	-
Service charges	16	-	16	-	28	12
Total expenditures	<u>1,515,705</u>	<u>15,511</u>	<u>1,531,216</u>	<u>1,816,052</u>	<u>1,840,629</u>	<u>309,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(571,754)</u>	<u>(15,511)</u>	<u>(587,265)</u>	<u>(857,910)</u>	<u>(882,487)</u>	<u>295,222</u>
OTHER FINANCING SOURCES						
Transfers in	571,754	-	571,754	857,910	882,487	(310,733)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(15,511)	(15,511)	-	-	(15,511)
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>\$ (15,511)</u>	<u>\$ (15,511)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,511)</u>

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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 4,236,258	\$ -	\$ 4,236,258	\$ 4,105,116	\$ 4,105,116	\$ 131,142
Interest	48,162	-	48,162	21,300	21,300	26,862
Total revenues	4,284,420	-	4,284,420	4,126,416	4,126,416	158,004
EXPENDITURES						
Debt service:						
Principal	2,719,000	-	2,719,000	3,405,000	3,405,000	686,000
Interest	1,712,452	-	1,712,452	1,759,097	1,759,097	46,645
Miscellaneous	36,000	-	36,000	36,000	36,000	-
Total expenditures	4,467,452	-	4,467,452	5,200,097	5,200,097	732,645
Excess (deficiency) of revenues over (under) expenditures	(183,032)	-	(183,032)	(1,073,681)	(1,073,681)	890,649
OTHER FINANCING SOURCES (USES)						
Transfers in	1,211,678	-	1,211,678	413,548	1,211,678	-
Transfers out	(95,000)	-	(95,000)	-	-	(95,000)
Total other financing sources (uses)	1,116,678	-	1,116,678	413,548	1,211,678	(95,000)
Net change in fund balance	933,646	-	933,646	(660,133)	137,997	795,649
Fund balance - beginning of year	2,300,895	-	2,300,895	2,300,895	2,300,895	-
Fund balance - end of year	\$ 3,234,541	\$ -	\$ 3,234,541	\$ 1,640,762	\$ 2,438,892	\$ 795,649

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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 1,903,500	\$ -	\$ 1,903,500	\$ 1,903,500	\$ 1,903,500	\$ -
Interest	1,427	-	1,427	-	-	1,427
Total revenues	<u>1,904,927</u>	<u>-</u>	<u>1,904,927</u>	<u>1,903,500</u>	<u>1,903,500</u>	<u>1,427</u>
EXPENDITURES						
Debt service:						
Principal	1,880,000	-	1,880,000	1,880,000	1,880,000	-
Interest and fiscal charges	23,500	-	23,500	25,696	25,696	2,196
Total expenditures	<u>1,903,500</u>	<u>-</u>	<u>1,903,500</u>	<u>1,905,696</u>	<u>1,905,696</u>	<u>2,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,427</u>	<u>-</u>	<u>1,427</u>	<u>(2,196)</u>	<u>(2,196)</u>	<u>3,623</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers Out	<u>(61,931)</u>	<u>-</u>	<u>(61,931)</u>	<u>-</u>	<u>-</u>	<u>(61,931)</u>
Total other financing sources (uses)	<u>(61,931)</u>	<u>-</u>	<u>(61,931)</u>	<u>-</u>	<u>-</u>	<u>(61,931)</u>
Net change in fund balance	(60,504)	-	(60,504)	(2,196)	(2,196)	(58,308)
Fund balance - beginning of year	<u>67,399</u>	<u>-</u>	<u>67,399</u>	<u>67,399</u>	<u>67,399</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,895</u>	<u>\$ -</u>	<u>\$ 6,895</u>	<u>\$ 65,203</u>	<u>\$ 65,203</u>	<u>\$ (58,308)</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, 2018

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Fire insurance premium	\$ 312,405	\$ -	\$ 312,405	\$ 288,859	\$ 288,859	\$ 23,546
Interest	141	-	141	948	948	(807)
Total revenues	<u>312,546</u>	<u>-</u>	<u>312,546</u>	<u>289,807</u>	<u>289,807</u>	<u>22,739</u>
EXPENDITURES						
Debt service:						
Principal	103,080	-	103,080	106,568	106,568	3,488
Interest and fiscal charges	126,705	-	126,705	131,136	131,136	4,431
Total expenditures	<u>229,785</u>	<u>-</u>	<u>229,785</u>	<u>237,704</u>	<u>237,704</u>	<u>7,919</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,761</u>	<u>-</u>	<u>82,761</u>	<u>52,103</u>	<u>52,103</u>	<u>30,658</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	206,099	-	206,099	-	-	206,099
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>206,099</u>	<u>-</u>	<u>206,099</u>	<u>-</u>	<u>-</u>	<u>206,099</u>
Net change in fund balance	288,860	-	288,860	52,103	52,103	236,757
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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (236,757)</u>	<u>\$ (236,757)</u>	<u>\$ 236,757</u>

**CITY OF KENNER, LOUISIANA
ENTERPRISE FUND DESCRIPTIONS
JUNE 30, 2018**

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, 2018

	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	\$ 8,305,494	\$ -	\$ 8,305,494	\$ 8,345,560	\$ 8,345,560	\$ (40,066)
Total operating revenues	8,305,494	-	8,305,494	8,345,560	8,345,560	(40,066)
OPERATING EXPENSES						
Supplies and other expenses	19,200	-	19,200	-	19,283	83
Building and maintenance expenses	105,444	-	105,444	75,000	72,052	(33,392)
Outside services	5,070,185	-	5,070,185	5,657,972	5,636,437	566,252
Depreciation	3,995,571	(3,995,571)	-	-	-	-
Public works	2,304,050	-	2,304,050	-	-	(2,304,050)
Other	25,109	-	25,109	20,000	25,200	91
Total operating expenses	11,519,559	(3,995,571)	7,523,988	5,752,972	5,752,972	(1,771,016)
Operating income (loss)	(3,214,065)	3,995,571	781,506	2,592,588	2,592,588	(1,811,082)
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	552,033	-	552,033	551,189	551,189	844
Interest income	222,261	-	222,261	25,000	25,000	197,261
Interest expense	(612,293)	-	(612,293)	(757,541)	(766,713)	154,420
Total non-operating revenues (expenses)	162,001	-	162,001	(181,352)	(190,524)	352,525
Income (loss) before contributions and transfers	(3,052,064)	3,995,571	943,507	2,411,236	2,402,064	(1,458,557)
Bond payments	-	-	-	(1,467,000)	(1,457,828)	1,457,828
Capital contributions	300,081	(300,081)	-	-	-	-
Transfer in	95,000	-	95,000	-	-	95,000
Transfer out	(413,548)	-	(413,548)	(413,548)	(413,548)	-
Change in net position	(3,070,531)	3,695,490	624,959	530,688	530,688	94,271
Net position - beginning of year	56,610,684	-	56,610,684	56,610,684	56,610,684	-
Net position - end of year	\$ 53,540,153	\$ 3,695,490	\$ 57,235,643	\$ 57,141,372	\$ 57,141,372	\$ 94,271

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, 2018

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services:						
Rental charges	\$ 796,176	\$ -	\$ 796,176	\$ 665,000	\$ 665,000	\$ 131,176
Parking	45,503	-	45,503	55,000	55,000	(9,497)
Concessions	107,543	-	107,543	110,000	110,000	(2,457)
Catering	155,194	-	155,194	141,000	141,000	14,194
Reimbursed services	413,264	-	413,264	340,000	340,000	73,264
Advertising	-	-	-	30,000	30,000	(30,000)
Miscellaneous	35,624	-	35,624	21,000	21,000	14,624
Total operating revenues	1,553,304	-	1,553,304	1,362,000	1,362,000	191,304
OPERATING EXPENSES						
Supplies and other expenses	6,674	-	6,674	18,890	40,240	33,566
Building and maintenance expense	684,731	-	684,731	840,355	852,005	167,274
Outside services	1,380,207	-	1,380,207	1,203,570	1,170,570	(209,637)
Insurance premiums	67,130	-	67,130	102,700	102,700	35,570
General expenses:						
Depreciation	620,241	(620,241)	-	-	-	-
Other	36,739	-	36,739	-	-	(36,739)
Total operating expenses	2,795,722	(620,241)	2,175,481	2,165,515	2,165,515	(9,966)
Operating income (loss)	(1,242,418)	620,241	(622,177)	(803,515)	(803,515)	181,338
NON-OPERATING REVENUES (EXPENSES)						
Hotel/motel taxes	325,883	-	325,883	269,923	269,923	55,960
Cable television franchise fees	409,430	-	409,430	399,500	399,500	9,930
Interest income	707	-	707	650	650	57
Total non-operating revenues	736,020	-	736,020	670,073	670,073	65,947
Income (loss) before contributions, and transfers	(506,398)	620,241	113,843	(133,442)	(133,442)	247,285
Capital Contributions	684,139	-	684,139	-	-	(684,139)
Change in net position	177,741	620,241	797,982	(133,442)	(133,442)	(436,854)
Net position - beginning of year	13,833,403	-	13,833,403	13,833,403	13,833,403	-
Net position - end of year	\$ 14,011,144	\$ 620,241	\$ 14,631,385	\$ 13,699,961	\$ 13,699,961	\$ (436,854)

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2018

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, 2018

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 175,642	\$ 480,439	\$ 656,081
Equity in pooled cash	-	-	-
Investments	-	-	-
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	175,642	480,439	656,081
	<u> </u>	<u> </u>	<u> </u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES			
Accounts payable	-	-	-
Estimated claims payable	5,236,146	-	5,236,146
Due to other funds	2,860	472,842	475,702
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	5,239,006	472,842	5,711,848
	<u> </u>	<u> </u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES	-	-	-
	<u> </u>	<u> </u>	<u> </u>
NET POSITION			
Unrestricted	(5,063,364)	7,597	(5,055,767)
	<u> </u>	<u> </u>	<u> </u>
Total net position	\$ (5,063,364)	\$ 7,597	\$ (5,055,767)
	<u> </u>	<u> </u>	<u> </u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
OPERATING REVENUES			
Charges for services	\$ 845,000	\$ 4,689,435	\$ 5,534,435
OPERATING EXPENSES			
Outside services	131,065	-	131,065
Insurance claims	1,638,797	-	1,638,797
Insurance premiums	-	4,694,337	4,694,337
Total operating expenses	1,769,862	4,694,337	6,464,199
Operating loss	(924,862)	(4,902)	(929,764)
NON-OPERATING REVENUE (EXPENSE)			
Interest income	2,678	4,902	7,580
Total non-operating revenue	2,678	4,902	7,580
Loss before transfers	(922,184)	-	(922,184)
Transfers in	-	-	-
Change in net position	(922,184)	-	(922,184)
Net position - beginning of year	(4,141,180)	7,597	(4,133,583)
Net position - end of year	\$ (5,063,364)	\$ 7,597	\$ (5,055,767)

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	\$ 845,000	\$ 4,689,435	\$ 5,534,435
Payments to suppliers	(777,121)	(4,696,137)	(5,473,258)
Net cash provided by (used for) operating activities	<u>67,879</u>	<u>(6,702)</u>	<u>61,177</u>
Cash flows from non-capital financing activities:			
Transfers in	-	17,017	17,017
Transfers (out)	(50,731)	-	(50,731)
Net cash provided by (used for) non-capital financing activities	<u>(50,731)</u>	<u>17,017</u>	<u>(33,714)</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	-	-	-
Purchases of investments	-	-	-
Interest and dividends received	2,678	4,902	7,580
Net cash provided by investing activities	<u>2,678</u>	<u>4,902</u>	<u>7,580</u>
Net increase (decrease) in cash and cash equivalents	19,826	15,217	35,043
Cash and cash equivalents, beginning of year	<u>155,816</u>	<u>465,222</u>	<u>621,038</u>
Cash and cash equivalents, end of year	<u>\$ 175,642</u>	<u>\$ 480,439</u>	<u>\$ 656,081</u>
Reconciliation to Statement of Net Position:			
Cash	\$ 175,642	\$ 480,439	\$ 656,081
Equity in pooled cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 175,642</u>	<u>\$ 480,439</u>	<u>\$ 656,081</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (924,862)	\$ (4,902)	\$ (929,764)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in accounts payable	(6,904)	(1,800)	(8,704)
Increase in estimated claims payable	999,645	-	999,645
Increase (decrease) in due to other funds	-	-	-
Total adjustments	<u>992,741</u>	<u>(1,800)</u>	<u>990,941</u>
Net cash provided by (used for) operating activities	<u>\$ 67,879</u>	<u>\$ (6,702)</u>	<u>\$ 61,177</u>

**CITY OF KENNER, LOUISIANA
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2018**

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

**CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2018**

AGENCY FUNDS

Agency funds account 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, 2018

AIRPORT SALES TAX FUND				
	BALANCE 6/30/17	ADDITIONS	DEDUCTIONS	BALANCE 6/30/18
ASSETS				
Equity in pooled cash	\$ 2	\$ 1,096,496	\$ 1,096,496	\$ 2
Due from other funds	-	202,166	202,166	-
Intergovernmental	394,453	606,498	596,619	404,332
Total assets	\$ 394,455	\$ 1,905,160	\$ 1,895,281	\$ 404,334
LIABILITIES				
Due to other governments	\$ 394,455	\$ 404,332	\$ 394,453	\$ 404,334
Total liabilities	\$ 394,455	\$ 404,332	\$ 394,453	\$ 404,334

**CITY OF KENNER, LOUISIANA
 SCHEDULE OF COUNCILPERSONS' COMPENSATION
 YEAR ENDED JUNE 30, 2018**

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Kelly Hand	241	\$ 19,468
Gregory Carroll	365	32,182
Leonard Cline	365	36,879
Thomas Willmott	365	44,182
Maria Defrancesch	365	35,953
Dominick Impastato	123	10,731
Keith Reynaud	365	36,808
Michael Sigur	365	37,433

CITY OF KENNER, LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
JUNE 30, 2018

Agency Head Name: E. "Ben" Zahn, Mayor
Term: July 1, 2017 - June 30, 2018

Salary	\$	72,502
Benefits - insurance		6,571
Benefits - retirement		17,944
Reimbursements		5,700
Automobile expenses		<u>6,000</u>
	\$	<u><u>108,717</u></u>

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 says about the city's overall financial health.

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)

	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	\$ 234,218,393	\$ 226,326,766	\$ 205,360,570	\$ 176,582,658	\$ 180,438,285
Restricted	22,121,215	18,214,320	17,903,956	29,772,780	20,477,759
Unrestricted	1,516,876	(2,398,068)	(127,032)	2,692,277	(4,721,675)
Total governmental activities net position	<u>\$ 257,856,484</u>	<u>\$ 242,143,018</u>	<u>\$ 223,137,494</u>	<u>\$ 209,047,715</u>	<u>\$ 196,194,369</u>
Business-type activities					
Net investment in capital assets	\$ 70,647,425	\$ 67,464,821	\$ 70,674,888	\$ 72,572,594	\$ 56,241,502
Restricted	-	-	-	-	15,068,526
Unrestricted	2,238,244	618,663	(709,274)	(1,087,284)	(4,328,953)
Total business-type activities net position	<u>\$ 72,885,669</u>	<u>\$ 68,083,484</u>	<u>\$ 69,965,614</u>	<u>\$ 71,485,310</u>	<u>\$ 66,981,075</u>
Primary government					
Net investment in capital assets	\$ 304,865,818	\$ 293,791,587	\$ 276,035,458	\$ 249,155,252	\$ 236,679,787
Restricted	22,121,215	18,214,320	17,903,956	29,772,780	35,546,285
Unrestricted	3,755,120	(1,779,405)	(836,306)	1,604,993	(9,050,628)
Total primary government net position	<u>\$ 330,742,153</u>	<u>\$ 310,226,502</u>	<u>\$ 293,103,108</u>	<u>\$ 280,533,025</u>	<u>\$ 263,175,444</u>

(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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net investment in capital assets	\$ 138,185,196	\$ 156,456,600	\$ 149,042,805	\$ 138,501,616	\$ 3,241,436
Restricted	34,664,950	7,965,322	6,604,685	9,097,420	32,910,094
Unrestricted	4,026,130	(45,070,937)	(40,835,794)	(41,045,645)	-
Total governmental activities net position	<u>\$ 176,876,276</u>	<u>\$ 119,350,985</u>	<u>\$ 114,811,696</u>	<u>\$ 106,553,391</u>	<u>\$ 36,151,530</u>
Business-type activities					
Net investment in capital assets	\$ 55,967,834	\$ 52,907,339	\$ 59,774,596	\$ 63,270,535	\$ 4,252,640
Restricted	13,261,209	12,630,950	13,027,560	13,384,442	60,906,222
Unrestricted	(594,712)	165,593	(997,691)	(6,210,890)	-
Total business-type activities net position	<u>\$ 68,634,331</u>	<u>\$ 65,703,882</u>	<u>\$ 71,804,465</u>	<u>\$ 70,444,087</u>	<u>\$ 65,158,862</u>
Primary government					
Net investment in capital assets	\$ 194,153,030	\$ 209,363,939	\$ 208,817,401	\$ 201,772,151	\$ 7,494,076
Restricted	47,926,159	20,596,272	19,632,245	22,481,862	93,816,316
Unrestricted	3,431,418	(44,905,344)	(41,833,485)	(47,256,535)	-
Total primary government net position	<u>\$ 245,510,607</u>	<u>\$ 185,054,867</u>	<u>\$ 186,616,161</u>	<u>\$ 176,997,478</u>	<u>\$ 101,310,392</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses					
Governmental activities:					
General government	\$ 13,018,580	\$ 12,445,711	\$ 13,331,542	\$ 13,518,067	\$ 14,334,561
Public safety	28,264,207	28,176,202	28,981,374	30,120,747	29,726,401
Public works	36,922,961	30,431,909	36,657,670	31,743,384	30,447,190
Health and welfare	981,103	927,097	756,235	478,916	461,077
Culture and recreation	7,250,042	9,550,670	7,066,031	6,075,269	7,458,593
Transit and urban development	1,672,568	1,981,932	1,537,013	5,065,979	2,178,189
Interest on long-term debt and other charges	2,044,374	1,858,468	1,688,282	1,696,804	1,582,211
Debt issuance costs	-	-	-	-	166,797
Total governmental activities expenses	<u>90,153,835</u>	<u>85,371,989</u>	<u>90,018,147</u>	<u>88,699,166</u>	<u>86,355,019</u>
Business-type activities:					
Wastewater operations	7,337,405	7,282,712	7,233,176	8,482,102	10,025,404
Civic center operations	3,149,541	3,156,767	3,321,275	3,359,257	3,228,630
Total business-type activities expenses	<u>10,486,946</u>	<u>10,439,479</u>	<u>10,554,451</u>	<u>11,841,359</u>	<u>13,254,034</u>
Total primary government expenses	<u>\$ 100,640,781</u>	<u>\$ 95,811,468</u>	<u>\$ 100,572,598</u>	<u>\$ 100,540,525</u>	<u>\$ 99,609,053</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 5,607,294	\$ 5,959,847	\$ 6,794,368	\$ 8,101,475	\$ 7,397,121
Public safety	3,264,140	4,828,953	3,456,639	3,529,877	3,582,022
Public works	3,548,013	4,027,778	4,303,084	3,975,986	4,219,748
Other activities	1,157,862	1,325,504	1,405,306	1,143,772	1,022,077
Operating grants and contributions	2,736,962	2,321,055	2,497,951	1,528,912	2,119,168
Capital grants and contributions	1,104,317	3,617,474	1,810,855	7,238,923	3,843,389
Total governmental activities program revenues	<u>17,418,589</u>	<u>22,080,611</u>	<u>20,268,203</u>	<u>25,518,945</u>	<u>22,183,525</u>
Business-type activities:					
Charges for services:					
Wastewater operations	3,558,879	3,517,961	4,399,069	5,670,289	6,323,934
Civic center operations	1,297,787	1,266,846	1,258,957	1,441,990	1,297,089
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	2,020,875	325,899	6,706,005	-	2,074,647
Total business-type activities program revenues	<u>6,877,541</u>	<u>5,110,706</u>	<u>12,364,031</u>	<u>7,112,279</u>	<u>9,695,670</u>
Total primary government program revenues	<u>\$ 24,296,130</u>	<u>\$ 27,191,317</u>	<u>\$ 32,632,234</u>	<u>\$ 32,631,224</u>	<u>\$ 31,879,195</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses					
Governmental activities:					
General government	\$ 15,177,249	\$ 13,813,735	\$ 14,836,858	\$ 16,586,949	\$ 15,358,488
Public safety	29,635,749	29,475,863	30,883,950	33,467,757	35,312,148
Public works	28,877,594	27,941,741	32,764,458	24,782,776	25,194,381
Health and welfare	463,687	801,735	613,131	858,793	1,118,220
Culture and recreation	8,328,521	6,358,836	7,008,906	9,948,548	7,139,313
Transit and urban development	1,807,143	1,894,391	2,922,725	1,588,093	1,616,963
Interest on long-term debt and other charges	1,743,210	1,877,967	2,023,349	1,972,444	1,914,936
Debt issuance costs	699,366	-	-	-	-
Total governmental activities expenses	<u>86,732,519</u>	<u>82,164,268</u>	<u>91,053,377</u>	<u>89,205,360</u>	<u>87,654,449</u>
Business-type activities:					
Wastewater operations	9,868,246	10,525,025	10,344,589	10,148,155	12,131,852
Civic center operations	3,317,342	3,913,657	3,461,541	3,091,574	2,795,722
Total business-type activities expenses	<u>13,185,588</u>	<u>14,438,682</u>	<u>13,806,130</u>	<u>13,239,729</u>	<u>14,927,574</u>
Total primary government expenses	<u>\$ 99,918,107</u>	<u>\$ 96,602,950</u>	<u>\$ 104,859,507</u>	<u>\$ 102,445,089</u>	<u>\$ 102,582,023</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 7,396,643	\$ 7,871,195	\$ 8,518,059	\$ 8,537,637	\$ 7,752,734
Public safety	3,670,994	3,539,018	3,651,930	3,542,687	4,261,438
Public works	4,196,238	4,629,113	7,796,416	4,699,524	5,814,361
Other activities	985,922	1,048,379	1,310,601	1,774,337	1,788,108
Operating grants and contributions	1,432,247	3,930,625	2,225,208	2,396,402	2,781,272
Capital grants and contributions	2,492,715	2,305,682	3,135,333	5,244,371	5,545,840
Total governmental activities program revenues	<u>20,174,759</u>	<u>23,324,012</u>	<u>26,637,547</u>	<u>26,194,958</u>	<u>27,943,753</u>
Business-type activities:					
Charges for services:					
Wastewater operations	7,045,527	7,550,271	8,146,011	8,810,605	8,305,494
Civic center operations	1,306,346	1,364,595	1,440,206	1,458,603	1,553,304
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	68,498	8,925,652	657,463	984,220
Total business-type activities program revenues	<u>8,351,873</u>	<u>8,983,364</u>	<u>18,511,869</u>	<u>10,926,671</u>	<u>10,843,018</u>
Total primary government program revenues	<u>\$ 28,526,632</u>	<u>\$ 32,307,376</u>	<u>\$ 45,149,416</u>	<u>\$ 37,121,629</u>	<u>\$ 38,786,771</u>

(Continued)

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

	2009	2010	2011	2012	2013
Net (Expense) Revenue					
Governmental activities	\$ (72,735,246)	\$ (63,291,378)	\$ (69,749,944)	\$ (63,180,221)	\$ (64,171,494)
Business-type activities	(3,609,405)	(5,328,773)	1,809,580	652,688	(3,558,364)
Total primary government net expense	<u>\$ (76,344,651)</u>	<u>\$ (68,620,151)</u>	<u>\$ (67,940,364)</u>	<u>\$ (62,527,533)</u>	<u>\$ (67,729,858)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem	\$ 7,752,642	\$ 7,479,348	\$ 7,940,366	\$ 7,876,865	\$ 7,617,724
Hotel/motel*	-	-	-	-	-
Sales and use	31,580,500	29,758,967	30,788,076	30,371,384	31,708,191
Beer tax	80,061	77,085	70,485	77,787	76,434
Parking	1,932,718	1,864,772	1,952,097	2,007,642	2,090,075
Franchise	8,044,911	7,648,751	8,142,735	7,926,562	7,916,445
Grants/contributions not restricted to specific programs	1,067,893	118,139	313,757	164,992	218,121
Investment earnings	312,019	40,466	56,054	35,278	40,631
Miscellaneous	844,350	240,378	190,806	237,906	242,494
Settlement proceeds	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	85,951	-	99
Transfers	(225,000)	-	1,204,100	392,024	(19,936)
Total governmental activities	<u>51,390,094</u>	<u>47,227,906</u>	<u>50,744,427</u>	<u>49,090,440</u>	<u>49,890,278</u>
Business-type activities:					
Taxes:					
Ad valorem	509,652	522,429	512,750	524,658	595,762
Hotel/motel*	-	-	-	-	-
Sales and use	340,181	382,424	340,181	304,110	-
Franchise	439,614	454,143	421,522	403,104	781,448
Grants/contributions not restricted to specific programs	-	2,552	97	13,835	156,398
Investment earnings	5,642	1,139	942	4,453	12,751
Miscellaneous	17,945	11,545	1,158	8,872	42,666
Gain (loss) on disposal of capital assets	-	-	-	-	(483,861)
Proceeds from insurance	-	-	-	-	-
Transfers	225,000	(497,644)	(1,204,100)	(392,024)	19,936
Total business-type activities	<u>1,538,034</u>	<u>876,588</u>	<u>72,550</u>	<u>867,008</u>	<u>1,125,100</u>
Total primary government	<u>\$ 52,928,128</u>	<u>\$ 48,104,494</u>	<u>\$ 50,816,977</u>	<u>\$ 49,957,448</u>	<u>\$ 51,015,378</u>
Change in Net Position					
Governmental activities	\$ (21,345,152)	\$ (16,063,472)	\$ (19,005,517)	\$ (14,089,781)	\$ (14,281,216)
Business-type activities	(2,071,371)	(4,452,185)	1,882,130	1,519,696	(2,433,264)
Total primary government	<u>\$ (23,416,523)</u>	<u>\$ (20,515,657)</u>	<u>\$ (17,123,387)</u>	<u>\$ (12,570,085)</u>	<u>\$ (16,714,480)</u>

(Continued)

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

	2014	2015	2016	2017	2018
Net (Expense) Revenue					
Governmental activities	\$ (66,557,760)	\$ (58,840,256)	\$ (64,415,830)	\$ (63,010,402)	\$ (59,710,696)
Business-type activities	(1,759,790)	(5,455,318)	4,705,739	(2,313,058)	(4,084,556)
Total primary government net expense	<u>\$ (68,317,550)</u>	<u>\$ (64,295,574)</u>	<u>\$ (59,710,091)</u>	<u>\$ (65,323,460)</u>	<u>\$ (63,795,252)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem	\$ 7,714,727	\$ 8,083,474	\$ 8,096,586	\$ 8,118,440	\$ 8,238,143
Hotel/motel*	-	-	274,270	283,656	499,322
Sales and use	30,831,511	31,898,990	32,423,441	33,751,167	33,732,865
Beer tax	70,784	70,120	67,959	65,301	62,159
Parking	2,303,311	2,496,875	2,760,154	2,885,134	3,101,075
Franchise	7,837,526	8,003,764	7,650,076	7,539,276	7,444,344
Grants/contributions not restricted to specific programs	105,524	54,448	24,511	101,102	35,722
Investment earnings	42,272	128,207	374,122	493,319	605,697
Miscellaneous	468,097	501,170	553,877	302,527	449,888
Settlement proceeds	-	-	6,960,079	-	-
Gain (loss) on disposal of capital assets	-	-	700,894	773,000	-
Transfers	(2,134,085)	19,935	(9,428)	439,175	318,548
Total governmental activities	<u>47,239,667</u>	<u>51,256,983</u>	<u>59,876,541</u>	<u>54,752,097</u>	<u>54,487,763</u>
Business-type activities:					
Taxes:					
Ad valorem	442,735	625,549	542,529	544,023	552,033
Hotel/motel*	-	-	266,042	275,146	325,883
Sales and use	-	-	-	-	-
Franchise	728,574	701,842	394,707	387,544	409,430
Grants/contributions not restricted to specific programs	95,019	1,159,217	112,028	-	-
Investment earnings	7,630	52,248	172,451	175,142	222,968
Miscellaneous	5,003	5,948	10,505	-	-
Gain (loss) on disposal of capital assets	-	-	(112,846)	10,000	-
Proceeds from insurance	-	-	-	-	-
Transfers	2,134,085	(19,935)	9,428	(439,175)	(318,548)
Total business-type activities	<u>3,413,046</u>	<u>2,524,869</u>	<u>1,394,844</u>	<u>952,680</u>	<u>1,191,766</u>
Total primary government	<u>\$ 50,652,713</u>	<u>\$ 53,781,852</u>	<u>\$ 61,271,385</u>	<u>\$ 55,704,777</u>	<u>\$ 55,679,529</u>
Change in Net Position					
Governmental activities	\$ (19,318,093)	\$ (7,583,273)	\$ (4,539,289)	\$ (8,258,305)	\$ (5,222,933)
Business-type activities	1,653,256	(2,930,449)	6,100,583	(1,360,378)	(2,892,790)
Total primary government	<u>\$ (17,664,837)</u>	<u>\$ (10,513,722)</u>	<u>\$ 1,561,294</u>	<u>\$ (9,618,683)</u>	<u>\$ (8,115,723)</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				
	2009	2010	2011	2012	2013
General fund					
Reserved	\$ 3,067,891	\$ 1,513,885	\$ -	\$ -	\$ -
Unreserved	5,767,289	6,480,932	-	-	-
Nonspendable	-	-	489,360	527,355	635,059
Restricted	-	-	1,986,029	2,186,205	2,225,664
Committed	-	-	410,554	939,732	345,445
Assigned	-	-	2,012,582	3,502,878	2,397,898
Unassigned	-	-	7,686,775	6,561,410	6,517,899
Total general fund	\$ 8,835,180	\$ 7,994,817	\$ 12,585,300	\$ 13,717,580	\$ 12,121,965
All other governmental funds					
Reserved	\$ 5,363,166	\$ 4,603,768	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	530,256	597,914	-	-	-
Capital projects funds	16,585,811	13,097,466	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	18,601,334	30,998,309	18,252,095
Committed	-	-	70,291	2,016,844	1,439,396
Assigned	-	-	-	-	-
Unassigned	-	-	(396,366)	-	(465,042)
Total all other governmental funds	\$ 22,479,233	\$ 18,299,148	\$ 18,275,259	\$ 33,015,153	\$ 19,226,449

(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				
	2014	2015	2016	2017	2018
General fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	144,011	742,419	132,955	140,429	505,737
Restricted	1,995,638	1,845,524	1,768,991	1,803,344	2,108,511
Committed	485,101	601,469	3,435,096	584,870	657,696
Assigned	2,267,631	2,519,307	2,219,967	1,712,310	3,756,456
Unassigned	6,131,325	5,980,799	8,855,189	11,213,217	10,030,526
Total general fund	\$ 11,023,706	\$ 11,689,518	\$ 16,412,198	\$ 15,454,170	\$ 17,058,926
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	32,669,312	31,552,813	27,129,795	21,941,251	22,717,278
Committed	7,225,718	10,871,980	17,980,162	17,732,624	18,410,977
Assigned	-	-	-	-	-
Unassigned	3,963,802	(27,746)	(22,358)	(293,544)	(28,831)
Total all other governmental funds	\$ 43,858,832	\$ 42,397,047	\$ 45,087,599	\$ 39,380,331	\$ 41,099,424

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 47,986,366	\$ 45,799,281	\$ 47,782,458	\$ 47,822,765	\$ 48,702,710
Licenses and permits	2,903,728	4,402,801	3,508,681	3,462,423	3,445,677
Intergovernmental	5,743,213	6,825,921	5,519,796	9,840,654	7,039,477
Charges for services	3,653,004	4,408,484	4,657,430	4,272,206	4,619,331
Fines and forfeitures	1,844,873	2,124,594	2,602,543	2,885,847	2,322,357
Interest	265,958	13,201	27,253	5,188	15,273
Miscellaneous	2,001,135	1,458,777	869,151	853,842	746,692
Total revenues	64,398,277	65,033,059	64,967,312	69,142,925	66,891,517
Expenditures					
General government	11,210,646	10,457,451	10,490,966	10,874,488	11,700,333
Public safety	25,057,413	24,891,692	24,859,654	26,418,059	26,629,412
Public works	19,521,070	17,940,695	20,653,967	18,150,570	14,657,352
Health and welfare	741,978	684,543	611,230	384,177	398,757
Culture and recreation	6,286,562	8,564,497	5,668,520	4,575,485	6,094,878
Transit and urban development	1,604,607	1,858,565	1,451,668	5,044,566	2,086,908
Debt Service					
Principal	5,562,517	5,946,595	4,580,965	5,944,643	5,483,832
Interest and fiscal charges	2,114,697	1,924,444	1,711,023	1,611,510	1,794,687
Agent fees	-	-	-	-	-
Debt issuance costs	-	-	-	417,120	166,797
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	72,135,490	72,304,482	70,063,993	73,456,618	69,048,956
Excess (deficiency) of revenues over (under) expenditures	(7,737,213)	(7,271,423)	(5,096,681)	(4,313,693)	(2,157,439)
Other financing sources (uses)					
Proceeds from sale of property	-	-	-	-	-
Transfers in	24,007,673	19,826,803	16,071,100	21,195,128	19,747,075
Transfers out	(24,515,984)	(19,608,479)	(14,867,006)	(20,803,921)	(19,771,811)
Premium on bonds issued	-	-	-	190,707	-
Long-term debt issued	-	-	-	-	424,838
Payment to refunded bonds escrow agent	-	-	-	-	(8,725,000)
Proceeds of refunding bonds and other debt	-	2,032,646	8,459,187	19,603,953	9,205,000
Total other financing sources (uses)	(508,311)	2,250,970	9,663,281	20,185,867	880,102
Special item					
Proceeds from BP settlement	-	-	-	-	-
Net change in fund balances	\$ (8,245,524)	\$ (5,020,453)	\$ 4,566,600	\$ 15,872,174	\$ (1,277,337)
Capital expenditures	9,630,535	3,681,029	6,586,341	2,476,948	1,147,333
Non-capital expenditures	62,504,955	68,623,453	63,477,652	70,979,670	67,901,623
Debt service, (interest and principal only) as a percentage of noncapital expenditures	12.69%	11.22%	11.98%	10.67%	10.36%

(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				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 48,328,061	\$ 50,058,106	\$ 51,327,286	\$ 52,588,514	\$ 52,841,647
Licenses and permits	3,191,259	3,896,737	7,027,733	3,897,098	5,314,977
Intergovernmental	4,871,406	5,745,262	4,769,560	7,501,068	7,433,369
Charges for services	4,716,197	4,466,196	4,680,205	4,857,515	4,764,982
Fines and forfeitures	2,187,652	2,119,325	1,894,829	2,165,691	2,421,112
Interest	15,647	99,612	333,946	414,856	520,678
Miscellaneous	955,303	1,004,101	1,389,177	1,128,366	1,200,392
Total revenues	64,265,525	67,389,339	71,422,736	72,553,108	74,497,157
Expenditures					
General government	12,403,699	11,509,666	12,118,543	13,462,653	12,475,852
Public safety	26,234,628	26,400,885	28,579,578	28,772,959	29,989,256
Public works	14,971,997	15,328,831	21,777,427	21,073,634	14,995,569
Health and welfare	404,803	844,481	507,252	647,243	774,831
Culture and recreation	7,009,417	5,171,902	5,327,908	8,372,602	5,825,754
Transit and urban development	1,721,693	1,860,824	2,796,924	1,509,933	1,378,299
Debt Service					
Principal	18,569,019	4,987,765	5,109,170	4,620,744	4,808,892
Interest and fiscal charges	1,975,501	2,103,841	1,987,594	1,934,814	1,875,997
Agent fees	-	-	-	-	4,000
Debt issuance costs	699,366	-	-	-	-
Miscellaneous	36,000	36,000	36,000	36,000	36,000
Total expenditures	84,026,123	68,244,195	78,240,396	80,430,582	72,164,450
Excess (deficiency) of revenues over (under) expenditures	(19,760,598)	(854,856)	(6,817,660)	(7,877,474)	2,332,707
Other financing sources (uses)					
Proceeds from sale of property	-	-	700,894	773,000	-
Transfers in	19,523,670	20,233,048	18,273,409	22,248,288	20,441,257
Transfers out	(21,657,755)	(20,513,113)	(18,282,837)	(21,809,110)	(20,122,709)
Premium on bonds issued	1,156,726	-	-	-	-
Long-term debt issued	44,272,081	38,947	-	-	-
Increase in obligations under capital lease	-	-	-	-	672,594
Proceeds of refunding bonds and other debt	-	-	-	-	-
Total other financing sources (uses)	43,294,722	(241,118)	691,466	1,212,178	991,142
Special item					
Proceeds from BP settlement	-	-	6,960,079	-	-
Net change in fund balances	\$ 23,534,124	\$ (1,095,974)	\$ (6,126,194)	\$ (6,665,296)	\$ 3,323,849
Capital expenditures	2,295,433	2,573,386	5,036,558	10,251,979	4,816,430
Non-capital expenditures	81,730,690	65,670,809	73,203,838	70,178,603	67,348,020
Debt service, (interest and principal only) as a percentage of noncapital expenditures	25.14%	10.80%	9.69%	9.34%	9.93%

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>
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%
2018	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>
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%
2018	499,462,920	88,393,308	3,005,720	37,530,201	102,820	628,494,969	101,101,420	527,393,549	17.17	6,234,949,690	8.46%

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, 2016. 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)	
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
2018	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)

Taxpayer	June 30, 2018			June 30, 2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Entergy Services	\$ 9,318,663	1	1.48%			
Five Properties	9,291,940	2	1.48%			
Entergy Louisiana	7,628,114	3	1.21%			
Southwest Airlines	7,335,960	4	1.17%	7,050,760	2	4.31%
Pellerin Milnor	6,329,430	5	1.01%			
Esplanade Realty LP	4,111,258	6	0.65%	7,299,900	1	4.46%
Wal Mart	4,075,200	7	0.65%	3,288,400	5	2.01%
Treasure Check Casino	3,741,111	8	0.60%	2,720,613	8	1.66%
Oschner Community Hospitals	3,646,880	9	0.58%			
Atmos Energy Corp.	3,298,899	10	0.52%			
Westport Petroleum				6,981,958	3	4.27%
Sprint Spectrum				2,999,417	6	1.83%
Sterik Pavillion, LP				2,450,300	10	1.50%
Continental Airlines				2,811,260	7	1.72%
AT&T Inc				4,167,180	4	2.55%
Village Road Properties LLC				2,598,860	9	1.59%
Total	\$ 58,777,455		9.35%	\$ 42,368,648		25.90%

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
2009	8,418,398	7,954,419	94.49%	170,973	8,125,392	96.52%
2010	8,483,637	8,141,338	95.97%	192,562	8,333,900	98.23%
2011	8,314,639	7,974,603	95.91%	178,123	8,152,726	98.05%
2012	8,449,463	8,134,682	96.27%	155,592	8,290,274	98.12%
2013	8,459,927	8,076,814	95.47%	180,240	8,257,054	97.60%
2014	8,458,230	8,150,033	96.36%	103,885	8,253,918	97.58%
2015	8,733,871	8,417,971	96.38%	155,299	8,573,270	98.16%
2016	8,787,704	8,488,335	96.59%	123,603	8,611,938	98.00%
2017	8,737,422	8,456,190	96.78%	109,905	8,566,095	98.04%
2018	8,865,327	8,551,461	96.46%	N/A	8,551,461	96.46%

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			
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	17,134,822	1,889,435	-	32,817,905	90,742,544	5.15%	1,353
2018	35,312,546	-	-	16,065,822	1,786,355	-	34,913,002	88,077,725	4.81%	1,306

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		
2009	\$ -	\$ -	\$ -	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

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, 2018
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 375,005,000	17.27%	\$ 64,763,364
Jefferson Parish Public School System	\$ 206,431,000	14.51%	<u>29,953,138</u>
Subtotal, overlapping debt			94,716,502
City direct debt			<u>53,164,723</u>
Total direct and overlapping debt			<u><u>\$ 147,881,225</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>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>	<u>2018</u>
Debt Limit	\$ 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	\$ 219,973,239
Total net debt applicable to limit	608,953	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 219,973,239</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.30%</u>	<u>0.00%</u>								

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	<u>\$ 628,494,969</u>
Debt limit -- 35% of assessed value	219,973,239
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>\$ 219,973,239</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 NINE 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
2018	12,872,530	1,650,000	1,546,219	4.03

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)

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>Personal Income</u>	<u>(2) (4) Per Capita Personal Income</u>	<u>(3) Unemployment Rate</u>
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%
2018	67,451	1,832,508,768	27,168	5.7%

- (1) Source: American Community Survey Estimate for 2007-2010; July 2017 population estimates for 2011-2017. Except for 2009-2010, 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) 2009 figure used for 2009, 2010, and 2011; 2012 figure used for 2012 and 2013; annual figures used for each subsequent year.

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

Employer	June 30, 2018			June 30, 2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ochsner Medical Center	775	1	2.41%	426	6	1.20%
Treasure Chest Casino	725	2	2.25%	780	1	2.30%
Pellerin Milnor Corp	700	3	2.17%	525	5	1.50%
Cross Road Centers	600	4	1.86%	600	3	1.80%
City of Kenner	574	5	1.78%	737	2	2.20%
Altus Global Trade Solutions	207	6	0.64%			
St. Theresa's Medical Center	168	7	0.52%			
Cycle Reconstruction	109	8	0.34%			
Revolution Foods	85	9	0.26%			
Crowne Plaza Hotel	80	10	0.25%			
Wal Mart				557	4	1.60%
Dillard's				200	8	0.60%
Home Depot				221	7	0.60%
Xerox Corp				200	10	0.60%
Macy's Inc				200	9	0.60%
Total	4,023		12.48%	4,446		13.00%

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	83	96	92	87	86	89	86	85	88	83
Public safety	354	331	332	324	333	328	326	324	318	311
Public works	114	73	72	72	73	73	69	68	69	73
Health and welfare	20	61	53	36	36	36	35	34	38	34
Culture and recreation	134	78	69	78	79	75	68	64	69	54
Transit and urban development	32	16	13	15	14	14	14	14	12	19
Miscellaneous										
Total	737	655	631	612	621	615	598	589	594	574

Source: City of Kenner payroll department.

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

Function	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	Fiscal Year 2018
Police										
Physical arrests	6,812	8,815	9,393	8,990	7,767	7,573	7,625	7,333	6,134	5,692
Parking violations	750	467	449	496	928	447	470	418	471	384
Traffic violations	14,391	17,692	20,242	26,201	19,973	17,397	18,568	17,139	15,292	15,586
Fire										
Emergency responses	3,705	3,588	3,454	2,555	1,662	1,366	1,504	1,728	1,706	2,044
Fires extinguished	191	137	186	120	190	136	189	146	113	203
Refuse collection										
Refuse collected (tons per month)	150	160	160	3,065	3,314	3,129	3,254	2,908	2,914	3,049
Recyclables collected (tons per month)	N/A	N/A	N/A	N/A	4	11.15	11.00	30.00	80.15	74.85
Other public works										
Street resurfacing (sq. ft.)	26,000	8,000	488,735	117,972	285,813	39,609	124,569	3,705	3,890	3,890
Potholes repaired	91	163	130	484	527	1,123	1,153	1,154	2,017	855
Wastewater										
Average daily sewage treatment (mil per day)	11.0	12.2	10.7	10.7	10.5	9.1	9.5	10.6	11.8	10.6

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>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>	<u>Fiscal Year</u> <u>2018</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	221	204	201	204	210	201	182	181	180	191
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Pieces of equipment	23	23	23	21	20	19	19	18	18	20
Water										
Water mains (miles)	***	264	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	2,919
Storage capacity (thousands of gallons)	***	***	***	***	***	***	***	***	***	***
Other public works										
Streets (miles)	396	300	300	300	300	300	300	300	300	300
(1) Highways (miles)	***	10	10	10	10	10	10	10	10	10
Bridges	27	33	33	33	33	33	33	33	33	33
Streetlights	6,992	6,992	6,992	6,992	6,992	6,995	7,000	7,000	7,000	7,060
Traffic signals	19	19	19	19	19	19	20	20	20	20
Health and welfare	**	**	**	**	**	**	**	**	**	**
Culture and recreation										
Parks	3	3	3	4	4	4	4	4	4	4
Playgrounds	12	12	12	11	11	11	11	11	11	11
Art Galleries and Museums	10	6	6	7	7	7	5	5	5	5
Gymnasiums	11	11	11	10	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	11.288 MGD	13.5 MGD	13.5 MGD	13.5 MGD	13.5 MGD	15.2 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 21, 2018

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, 2018, 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 21, 2018.

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2018-01.

City of Kenner, Louisiana's Response to Findings

City of Kenner, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Kenner, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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



Duplantier
Hrapmann
Hogan &
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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

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December 21, 2018

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, 2018. 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, 2018.

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, 2018**

<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>2018 FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Community Development Block Grant	14.218	B-14-MC-22-0008		\$ 42,208
Community Development Block Grant	14.218	B-15-MC-22-0008		137,351
Community Development Block Grant	14.218	B-16-MC-22-0008		18,587
	14.218	B-17-MC-22-0008		169,131
			Total 14.218	<u>367,277</u>
Passed through Jefferson Parish:				
Home Investment Partnership Program (HOME)	14.239	Unavailable		<u>17,980</u>
Emergency Shelter Grants Program	14.231	CFMS#716255		<u>8,120</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u><u>393,377</u></u>
DEPARTMENT OF JUSTICE				
Direct				
Edward Byrne Memorial Justice Assistance Grant Program:	16.738	2016-DJ-BX-0277		<u>5,882</u>
				5,882
Passed Through Louisiana Commission Law Enforcement:				
Criminal Justice Technology Program	16.738	3509		<u>6,819</u>
				Total 16.738
				<u>12,701</u>
Passed Through Louisiana Commission Law Enforcement:				
Crime Victim Assistance Program	16.575	3812/2841		<u>20,304</u>
Direct				
Bulletproof Vest Partnership Grant Program	16.607	Unavailable		<u>11,375</u>
TOTAL DEPARTMENT OF JUSTICE				<u><u>44,380</u></u>
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION				
Passed through Louisiana Highway Safety Commission				
Traffic Safety Overtime Enforcement Program	20.601	2017-30-31		8,484
Traffic Safety Overtime Enforcement Program	20.601	2018-30-31		<u>12,198</u>
TOTAL NATIONAL HIGHWAY SAFETY ADMINISTRATION				Total 20.601
				<u><u>20,682</u></u>

CITY OF KENNER, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2018
 (CONTINUED)

OFFICE OF NATIONAL DRUG CONTROL POLICY

Passed Through Jefferson Parish Sheriff's Office

Gulf Coast High Intensity Drug Trafficking Areas	95.001	G16GC0001A	5,760
Gulf Coast High Intensity Drug Trafficking Areas	95.001	G17GC0001A	<u>15,930</u>
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			Total 95.001 <u><u>21,690</u></u>

DEPARTMENT OF TRANSPORTATION

Passed Through Louisiana Department of Transportation and Development

Veterans Boulevard Lighting Airport	20.205	H010973	8,160
Aberdeen Street Improvemets	20.205	H011276	1,032,098
Traffic Signals Upgrade	20.205	H011463	232,679
Chateau Boulevard Resurfacing	20.205	H011007	626,260
Williams/US 61 Intersection Improvements	20.205	H011457	<u>34,607</u>
			Total 20.205 <u><u>1,933,804</u></u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u><u>1,933,804</u></u>

TOTAL FEDERAL ASSISTANCE \$ 2,413,933

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, 2018**

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, 2018. 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, 2018. Loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2018 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
66.458	LDEQ #3	\$16,065,822
66.458	LDEQ #4	18,614,000
66.458	LDEQ #5	2,614,002

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

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
- One instance of noncompliance was noted that was not material to the financial statements. See Current Year Audit Finding 2018-01.

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 program:

	<u>CFDA Number</u>	<u>Expenditures</u>
Federal Aid Highway Planning and Construction Program	20.205	\$ 1,933,804
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, 2018

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

2018-01: Amended Budget

Condition

The City did not submit a revised amended budget for the Fire Protection Fund, a special revenue fund, which had actual expenditures exceeding budgeted expenditures by more than 5%.

Criteria

A revised amended budget is required to reflect a change in operations when actual expenditures exceed budgeted expenditures by more than 5%.

Effect

A revised amended budget has not been submitted as required.

Cause

The excess expenditures were primarily due to a shortage of fire personnel, which required additional overtime to be worked in order to satisfy the needs of the City.

Recommendation

We recommend the City more closely-monitor the budget and actual expenditures of all special revenue funds so that the budget can be amended in a timely manner if necessary.

Management's Corrective Action Plan

The City will monitor the budget more closely and submit amended budgets in a timely manner. An additional staff member was added to the Fire Administration staff to assist in better monitoring.

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, 2018**

A. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

No prior year audit findings.

CITY OF KENNER, LOUISIANA
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES
FOR THE PERIOD JULY 1, 2017
THROUGH JUNE 30, 2018



Duplantier
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

December 14, 2018

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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, 2017 through June 30, 2018. 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:

Bank Reconciliations

- 1) We obtained a listing of the City's bank accounts from management and management's representation that the listing is complete. We also asked management to identify the City's main operating account.

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Bank Reconciliations (Continued)

- 2) Using the listing provided by management, we selected the main operating account and four additional accounts. For each of the bank accounts selected, we obtained bank statements and reconciliations for one month in the fiscal year and determined whether:
 - a) Bank reconciliations were prepared within two months of the related statement closing date;
 - b) Bank reconciliations included evidence that a member of management or a board member who does not handle cash, post ledgers, or issue cash had reviewed each bank reconciliation; and
 - c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than twelve months as of the end of the fiscal period.

Results:

Upon applying the procedures above, we noted that the City does not have evidence that the main operating account bank reconciliation has 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 twelve months were researched as of the end of the fiscal year for two of the five accounts selected for testing.

Collections

- 3) We obtained a listing of cash/check/money order (cash) deposit sites and collection locations and management's representation that the listing is complete.
- 4) Using the cash collection listing provided by management, we selected one cash collection location for each deposit site. For each cash location selected, we obtained existing written policies and procedures relating to job duties at each cash location and observed that job duties were properly segregated at each location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits unless another employee/official is responsible for reconciling collection documentation to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger posting to each other and to the deposit, and

Collections (Continued)

- d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers by revenue source and/or fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results:

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

- 5) We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results:

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

- 6) Using the collection locations selected for testing, we randomly selected two deposit dates for two of the bank accounts selected from procedure number 2 above. For each deposit date selected, we obtained supporting documentation and:

- a) Observed that receipts are sequentially pre-numbered.
- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Traced the deposit slip total to the actual deposit per the bank statement.
- d) Observed that the deposit was made within one business day of receipt at the collection location (or within one week of the depository is more than 10 miles from the collection location or the deposit is less than \$100), and
- e) Traced the actual deposit per the bank statement to the general ledger.

Results:

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

Disbursements – General (excluding credit card purchases or payments)

- 7) We obtained a listing of locations that process payments for the fiscal year. We also obtained management's representation that the listing or general ledger population was complete.

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

- 8) For each location selected under procedure number 7 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We also obtained written policies and procedures relating to employee job duties and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results:

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

- 9) For each location selected under procedure number 7 above, we obtained the City's non-payroll disbursement transaction population and obtained management's representation that the population is complete. We randomly selected five disbursements for each location, obtained supporting documentation for each transaction, and:
 - a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observed that the disbursement documentation included evidence of segregation of duties tested under procedure number 8 above, as applicable.

Results:

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

Travel and Expense Reimbursement

- 10) We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger was complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Travel and Expense Reimbursement (Continued)

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy, and
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

Upon applying the procedures noted above, we noted there were two instances in which an incorrect per diem rate for meals was used to calculate an employee's reimbursement. The rate used was the Jefferson Parish rate per the www.gsa.gov website, but they should have been based on the location the expenses were incurred. Also, there was one instance noted in which an employee reviewed and approved their own reimbursement.

Contracts

- 11) We obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We also obtained management's representation that the listing was complete. Using the listing, we randomly selected five contracts from the listing, excluding the practitioner's contract, and:
 - a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g. solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the governing body/board if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agree to the terms and conditions of the contract.

Contracts (Continued)

Results:

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

Other

- 12) 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.

- 13) 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:

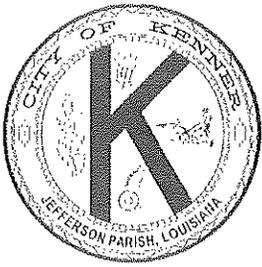
No findings were noted as a result of applying the procedures above.

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

DEPARTMENT OF FINANCE

E. "BEN" ZAHN, III
MAYOR

MICHAEL T. WETZEL
CHIEF FINANCIAL OFFICER

December 14, 2018

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

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 informed all staff involved in bank reconciliation that a member of management with no involvement in the transactions associated with the bank account has to review all reconciliations.

Travel and Expense Reimbursement

Findings:

Upon performing travel & expense reimbursement procedures, there were two instances noted in which an incorrect per diem rate for meals was used to calculate an employee's reimbursement. The rate used was the Jefferson Parish rate per the www.gsa.gov website, but should have been based on the location the expenses were incurred.

Upon performing travel & expense reimbursement procedures, there was one instance in which an employee reviewed and approved their own reimbursement.

Response:

In regards to the per diem rate issue, the City has made note of the correction and has emailed the information to all departments.

The one instance of an employee approving their own reimbursements, was the Chief of Police.

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.

Michael T. Wetzel
Chief Financial Officer