

**CITY OF GRETNA, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2018**

**PREPARED BY:
THE FINANCE DEPARTMENT**

CITY OF GRETNA, LOUISIANA
Basic Financial Statements
Year Ended March 31, 2018
With Supplemental Information Schedules
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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gretna, Louisiana, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Gretna, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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.

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 opinions.

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 Gretna, Louisiana, as of March 31, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of funding progress, net pension liability and employer's contributions on pages 4-16 and 66-80 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 Gretna, Louisiana's basic financial statements. The combining and individual non-major fund financial statements, the Schedule of Compensation of Paid Elected Officials, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and 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*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the Schedule of Compensation of Paid Elected Officials, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, 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 combining and individual non-major fund financial statements, the Schedule of Compensation of Paid Elected Officials, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, 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.

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The statistical section has 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 September 28, 2018, on our consideration of the City of Gretna, 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 the effectiveness of the City of Gretna, Louisiana's 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 Gretna, Louisiana's internal control over financial reporting and compliance.

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Gretna, Louisiana
September 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

As management of the City of Gretna, Louisiana (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2018. The purpose of this management discussion and analysis ("MD&A") is to provide an objective and easy to read analysis of the City's financial activities based on currently known facts, decisions, or conditions. Therefore, readers should consider the information presented here in conjunction with the City's Financial Statements and Notes to the Financial Statements.

Financial Highlights

- The City's total net position increased by \$8,499,907 which represents a 12.95 percent increase from fiscal year 2017. This increase can be attributed to the increase in Net Investment in Capital Assets of \$9,897,415 or 16.14 percent due to the completion of phase II of the Gretna Police Complex and the construction in progress of the LA18 4th Street Extension Richard – Burmaster project. The 4th Street Extension project is 100 percent federally and locally funded. Governmental liabilities decreased by \$1,284,016 or 2.69 percent due to the decrease in pension liability and debt repayment. The net position of the governmental activities increased by \$7,050,009 and the net position of the business-type activities increased by \$1,449,900.
- Assets of the City's governmental activities exceeded its liabilities at the close of fiscal year ending 2018 by \$50,087,416 (*net position*). Of this amount \$54,674,544 or 109.16 percent is invested in capital assets, such as facilities, vehicles and equipment, net of accumulated depreciation and related debt. An additional \$13,155,564 or 26.27 percent is restricted for building renovations, contingencies, and emergency preparedness.
- At the end of fiscal year 2018, the City's total general fund balance was \$7,896,996 compared to \$8,576,325 in fiscal year 2017. This decrease of \$679,329 or 7.92 percent is attributed to a transfer to the Capital Projects Fund of sales tax revenue dedicated to the renovation of City Hall and a sharp decline in public safety revenues.
- The Riverboat Casino Fund was eliminated in fiscal year 2018. The fund balance was transferred to the Capital Projects Fund. The sole purpose of the fund was to collect state gaming revenues dedicated to the City of Gretna. These funds are budgeted and spent on public works and capital projects. To eliminate the transferring of funds and in an effort to enhance transparency, the revenue will be recognized in the General Fund and Capital Projects Fund monthly to match the expenditures for public works and capital projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's basic financial statements consist of the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements themselves.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all the City's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening. The causes of the change in net position may be the result of many factors, both financial and non-financial in nature. Non-financial factors, which may have an impact on the City's financial condition include the property and sales tax base.

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of the City that are principally supported by taxes and intergovernmental revenues ("*governmental activities*") from other functions that are intended to recover a significant portion of their cost through user fees and charges ("*business-type activities*"). The business-type activities of the City consist of the Municipal Water and Sewer System.

The following is the City's government-wide financial information for the current and prior years in condensed form. Further details regarding these statements may be found on pages 17 and 18 of this financial report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, *it is useful to compare the information presented for governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues,

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These reconciliations are located on pages 20 and 22.

The City adopts an annual appropriated budget for its General Fund and Other Funds. A budgetary comparison statement for the General Fund and all major funds to demonstrate compliance with the budget is presented on pages 66 through 77.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary funds. The proprietary funds consist of the Municipal Water & Sewer Funds which are also presented as the business-type activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 23 through 25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 26 of this report.

Other information. The *combining statements* referred to earlier in connection with non-major governmental funds are presented immediately following the Required Supplemental Information. Combining statements for non-major governmental funds can be found on pages 81 and 82 of this report. The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Protection Fund, Ambulance Fund, Capital Projects Fund, Debt Service Fund, and the Grant Fund all of which are major funds. Data from the other governmental funds (Garbage Fund, Parks and Recreation Fund, Social Services For The Aged Fund, Street Lights Fund, Tourism Fund, Home Incarceration Fund, Court Security Fund, and Court Security Fund 2nd) are combined into a single, aggregated presentation.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$74,112,661 (*net position*). The City's net position is comprised of \$50,087,416 from governmental activities and \$24,025,246 from business-type activities as shown on page 17.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

CITY OF GRETNA, LOUISIANA
Net Position
March 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 19,361,597	\$ 19,952,562	\$ 1,428,042	\$ 1,003,555	\$ 20,789,639	\$ 20,956,117
Capital assets(net)	66,078,544	57,083,129	26,910,360	26,256,267	92,988,904	83,339,396
Total assets	85,440,141	77,035,691	28,338,402	27,259,822	113,778,543	104,295,513
Deferred outflows of resources	6,211,410	8,536,406	1,193,998	1,312,616	7,405,408	9,849,022
Total assets and deferred outflows of resources	91,651,551	85,572,097	29,532,400	28,572,438	121,183,951	114,144,535
Current and other liabilities	4,529,036	3,454,835	1,200,938	1,603,739	5,729,974	5,058,574
Long-term liabilities	36,448,770	38,317,715	4,197,969	4,284,440	40,646,739	42,602,155
Total liabilities	40,977,806	41,772,550	5,398,907	5,888,179	46,376,713	47,660,729
Deferred inflows of resources	586,332	762,139	108,246	108,913	694,578	871,052
Total liabilities and deferred inflows of resources	41,564,138	42,534,689	5,507,153	5,997,092	47,071,291	48,531,781
NET POSITION						
Net investment in capital assets	54,674,544	44,777,129	16,544,576	16,544,576	71,219,120	61,321,705
Restricted	13,155,564	14,587,783	76,734	64,234	13,232,298	14,652,017
Unrestricted	(17,742,692)	(16,327,504)	7,403,936	5,966,535	(10,338,756)	(10,360,969)
Total net position	\$ 50,087,416	\$ 43,037,408	\$ 24,025,246	\$ 22,575,345	\$ 74,112,662	\$ 65,612,753

A large portion of the City's governmental activities' net position (\$54,674,544 or 109.16 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure, acquired since April 1, 2003) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. While bonds payable are associated with the capital expenditures for purposes of categorizing net position, the capital assets themselves are not a source of repayment of the bonds. The bonds are serviced primarily by dedicated sales taxes.

Governmental restricted net position decreased to \$13,155,564 from \$14,587,783 resulting in a decrease of \$1,432,219 or 9.82 percent. This decrease is due to the elimination of the Riverboat Casino Fund and the resulting transfer of fund balance to the Capital Project Fund for the completion of capital projects. While the Capital Projects Fund received previously classified other restricted funds, the Capital Projects Fund expended restricted capital funds for the completion of phase II of the Gretna Police Complex. This resulted in an increase to the restricted capital net position of \$358,424. The City's governmental unrestricted net position was (\$17,742,692).

Governmental total net position increased to \$50,087,416 from \$43,037,408 representing an increase of \$7,050,008 or 16.38 percent during the current fiscal year. This is primarily attributed to the increase in net investment in capital assets.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

Changes in Net Position

The following table presents a summary of the changes in net position for 2018, with comparative figures from 2017. Governmental activities increased the City's net position by \$7,050,009.

CITY OF GREINA, LOUISIANA
CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
March 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues:						
Charges for services	\$ 4,031,110	\$ 3,731,852	\$ 6,441,075	\$ 6,391,910	\$10,472,185	\$10,123,762
Operating grants and contributions	1,005,284	1,380,407	-	-	1,005,284	1,380,407
Capital grants and contributions	9,243,359	3,460,629	-	-	9,243,359	3,460,629
General revenues:						
Ad valorem	7,714,156	6,939,897	586,119	545,984	8,300,275	7,485,881
Sales	8,453,220	7,960,175	-	-	8,453,220	7,960,175
Franchise	688,198	710,653	-	-	688,198	710,653
Intergovernmental	5,811,976	5,699,349	-	-	5,811,976	5,699,349
Fines and forfeitures	3,298,652	4,809,719	-	-	3,298,652	4,809,719
Licenses and permits	405,612	396,581	-	-	405,612	396,581
Miscellaneous	92,330	36,191	58,815	71,144	151,145	107,335
Gain/Loss on disposal of assets	292,107	56,938	3,010	5,605	295,117	62,543
Total revenues	41,036,004	35,182,391	7,089,019	7,014,643	48,125,023	42,197,034
EXPENSES						
Governmental activities:						
General government	3,523,454	3,540,469	-	-	3,523,454	3,540,469
Public safety	19,485,234	20,220,044	-	-	19,485,234	20,220,044
Public works	6,794,738	6,837,253	-	-	6,794,738	6,837,253
Culture and recreation	2,654,110	2,340,042	-	-	2,654,110	2,340,042
Cemetery	73,576	71,694	-	-	73,576	71,694
Interest & issue cost on long-term debt	224,482	949,171	-	-	224,482	949,171
Business-Type activities:						
Water Utility	-	-	3,323,990	3,173,731	3,323,990	3,173,731
Sewer Utility	-	-	3,545,529	3,386,026	3,545,529	3,386,026
Total expenses	32,755,594	33,958,673	6,869,519	6,559,757	39,625,113	40,518,430
Change in net position before special items and transfers	8,280,410	1,223,718	219,500	454,886	8,499,910	1,678,604
Transfers	(1,230,401)	(12,288)	1,230,401	12,288	-	-
Change in net position	7,050,009	1,211,430	1,449,901	467,174	8,499,910	1,678,604
Net position - April 1, 2017	43,037,407	41,825,977	22,575,345	22,108,171	65,612,752	63,934,148
Net position - March 31, 2018	\$50,087,416	\$43,037,407	\$24,025,246	\$22,575,345	\$74,112,662	\$65,612,752

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

The City's total revenues for the fiscal year 2018 were \$48,125,022 compared to \$42,197,035 for the fiscal year 2017 or an increase in 14.05 percent.

Total program revenue for charges for services represents funds received from the public for garbage fees, licenses and permits, ambulance services, and water and sewer utility fees. Charges for services increased to \$10,472,185 from \$10,123,762 or 3.44 percent. The service charges for the Water and Sewer Utility Funds are up a modest \$49,165 or 0.77 percent.

Capital grants and contributions experienced an increase of \$5,782,730 or 167.10 percent. The City embarked on a fully federally funded highway project to improve drainage facilities, lighting systems and the construction of infrastructure to connect an abandoned stretch of Union Pacific Railroad right of way from Downtown Gretna to the Crescent City Connection and Downtown New Orleans. The project is funded through the Federal Highway Administration's (FHWA) Urban Systems, which is allocated to the New Orleans regional metropolitan planning organization, the Regional Planning Commission (RPC).

Sales taxes increased to \$8,453,220 from \$7,960,175 resulting in an increase of \$493,045 or 6.19 percent. The increase in sales tax is a result of several new businesses that opened in the City during the fiscal year.

Ad valorem taxes increased to \$8,300,275 from \$7,485,881 resulting in an increase of \$814,394 or 10.88 percent due to the "roll forward" of millage rates for the 2017 tax roll.

Fines and forfeitures revenues decreased to \$3,298,652 from \$4,809,719 resulting in a decrease of \$1,511,067 or 31.42 percent. This is attributed to the reduction of income generated by the speed camera enforcement system. Moving traffic accidents, fatalities, and infractions have declined since the implementation of speed cameras throughout the City. Through the enforcement of speed control, revenues have naturally declined.

The remaining revenues remained relatively flat.

The City's total expenses decreased to \$39,625,113 from \$40,518,430 resulting in a decrease of \$893,317 or 2.20 percent. This is due to the extra pay period which cost an extra \$800,000 in the prior year. This anomaly may occur during a leap year when payroll checks are issued bi-weekly.

Governmental Activities

The Governmental Activities of the City include General Government, Public Safety, Public Works, Cemetery, Culture and Recreation, and Miscellaneous Programs. Sales taxes, ad valorem taxes, franchise taxes, and intergovernmental revenues as well as occupational licenses and fines fund most of these governmental activities.

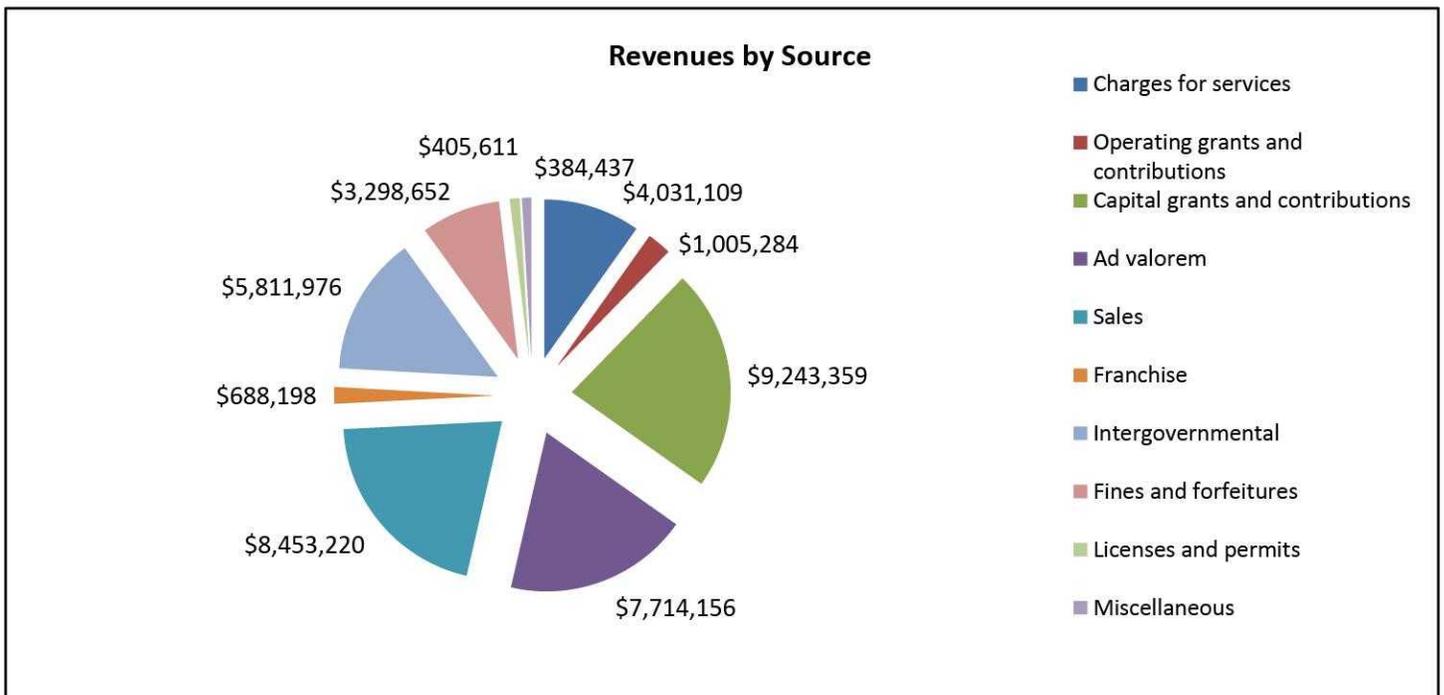
**City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018**

General Revenues and Program Revenues

General revenues and program revenues are those available for the City to use to pay for the governmental activities described above. The following chart shows the City's general revenues:

**CITY OF GRETNA, LOUISIANA
Revenues by Source
Governmental Activities
For the Year Ended March 31, 2018**

<u>Revenues Source</u>	<u>2018</u>	<u>% of Total</u>	<u>Increase (Decrease) from 2017</u>	<u>Percentage Change</u>
Charges for services	\$ 4,031,109	9.82%	\$ 299,257	8.02%
Operating grants and contributions	1,005,284	2.45%	(375,123)	-27.17%
Capital grants and contributions	9,243,359	22.52%	5,782,730	167.10%
Ad valorem	7,714,156	18.80%	774,259	11.16%
Sales	8,453,220	20.60%	493,045	6.19%
Franchise	688,198	1.68%	(22,455)	-3.16%
Intergovernmental	5,811,976	14.16%	112,627	1.98%
Fines and forfeitures	3,298,652	8.04%	(1,511,067)	-31.42%
Licenses and permits	405,611	0.99%	9,030	2.28%
Miscellaneous	384,437	0.94%	291,308	312.80%
Total	\$ 41,036,002	100.00%	\$ 5,853,611	16.64%



**City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018**

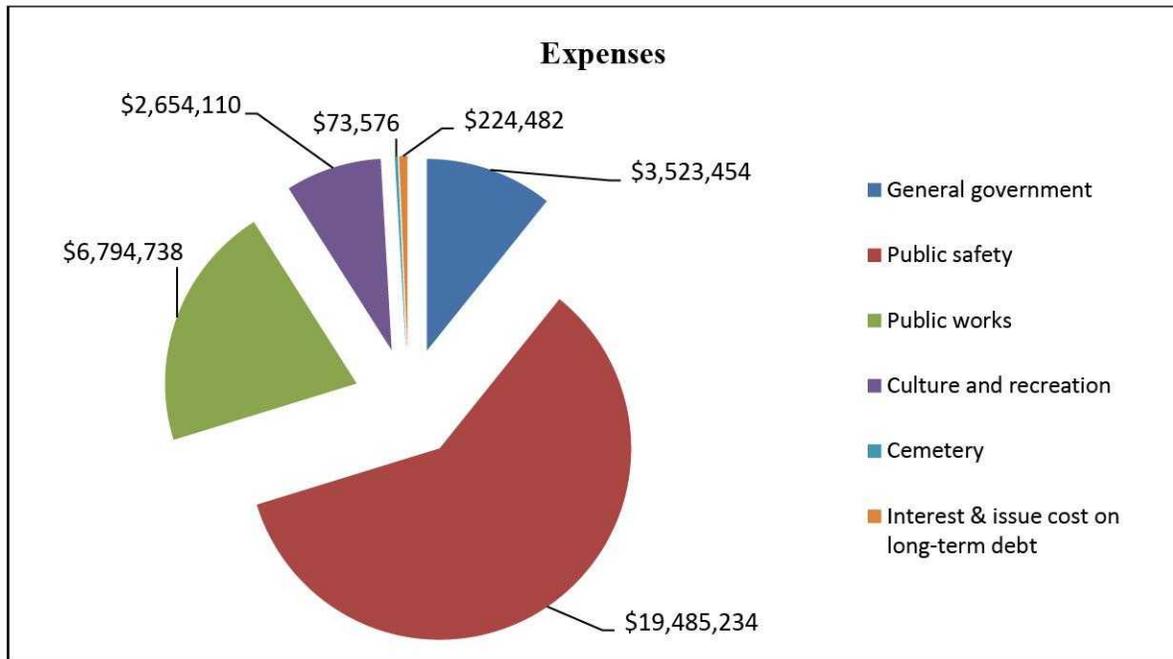
Sales Taxes

Sales taxes are the largest recurring revenue source for the City comprising 20.60 percent of total governmental revenue.

Property Taxes

Property taxes are the second largest recurring revenue source for the City comprising 18.80 percent of governmental revenue. For the year ended March 31, 2018, taxes of 52.52 mills were levied on property inside of the City limits.

General Program Expenses



Major Funds

The City has presented the following as major funds.

- General Fund
- Fire Protection Fund
- Ambulance Fund
- Capital Projects Fund
- Debt Service Fund
- Grant Fund

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

All other governmental funds are presented in one column, titled Total Nonmajor Funds.

- The General Fund is the chief operating fund of the City. The General Fund ended fiscal year March 31, 2018, with an unassigned fund balance of \$3,764,363. This represents an increase of the unassigned fund balance of \$171,116 or 4.76 percent. The fund balance of the City's General Fund decreased by \$679,329 or 7.92 percent during the current fiscal year. The following factors highlight the changes.

Fines and forfeitures revenues decreased by \$1,511,067 due to a decrease in moving violation revenues.

Funds were transferred out to the Capital Projects Fund for earmarked sales tax revenue dedicated for City Hall renovations.

- The Fire Protection Fund reported a fund balance of \$2,344,880 compared to \$2,149,486 in 2017 representing a \$195,394 increase or 9.09 percent.
- The Ambulance Fund reported a fund balance of \$1,055,248 compared to \$740,998 in 2017 representing a \$314,251 increase or 42.41 percent. This increase is due to an increase in charges for services.
- The Capital Projects Fund reported a fund balance of \$1,272,100 compared to \$913,676 in 2017 representing a \$358,424 increase or 39.23 percent. This is due to the net effect of the completion of the phase II of the Gretna Police Complex and the transfer of the Riverboat Casino Fund balance.
- The Debt Service Fund reported a fund balance of \$1,523,882 compared to \$1,527,524 in 2017 representing a \$3,642 decrease or 0.24 percent.
- The Grant Fund reported a fund balance of \$290,288 compared to \$391,559 in 2017 representing a \$101,271 decrease or 25.86 percent. These funds represent unspent grant revenues to be expended in future years.

Business-Type Activities

The Business-Type Activities of the City are those that the City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer departments are reported here.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

General Fund Budgetary Highlights

In accordance with the provisions of the Lawrason Act, the City Administration submits the annual budget for the City by the end of the prior year. The budget is adopted by Councilmanic action.

Over the course of the year, the City Council revises the City's budget numerous times. These amendments are based on changing needs and additional information to prevent budget overruns and better meet the needs of the City.

The following table presents the favorable variance for the General Fund as compared to the revised budget.

CITY OF GRETNA, LOUISIANA
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended March 31, 2018

	Original Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
Revenue	\$ 16,924,893	\$ 16,455,660	\$ 16,797,494	\$ 341,834
Expenditures	18,490,670	18,575,479	18,648,985	(73,506)
Other Financing Sources (Uses)	1,566,200	1,566,200	1,188,134	(378,066)
Net change in fund balance	423	(553,619)	(663,357)	(109,738)
Fund balance - beginning	8,576,325	8,576,325	8,483,492	(92,833)
Fund balance - ending	<u>\$ 8,576,748</u>	<u>\$ 8,022,706</u>	<u>\$ 7,820,135</u>	<u>\$ (202,571)</u>

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of March 31, 2018, amounts to \$92,988,904 (net of accumulated depreciation) compared to \$83,339,398 at March 31, 2017, representing an increase of \$9,649,506 or 11.58 percent. This investment in capital assets includes land, buildings and system improvements, machinery, vehicles and equipment, park facilities, etc. and infrastructure assets.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

The following is the City's capital assets (net of accumulated depreciation) for the years ended March 31, 2018 and 2017.

CITY OF GRETNA, LOUISIANA
Comparative Statement of Capital Assets
March 31, 2018 and 2017

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,608,117	\$ 3,608,117	\$ 299,988	\$ 299,988	\$ 3,908,105	\$ 3,908,105
Construction in process	13,669,915	3,261,568	1,196,704	947,832	14,866,619	4,209,400
Building and improvements	49,398,235	49,398,236	16,762,716	16,762,716	66,160,951	66,160,952
Equipment and furniture, fixtures	11,262,904	11,193,112	25,951	25,951	11,288,855	11,219,063
Vehicles and road machinery	6,896,814	6,042,639	33,773,451	32,099,674	40,670,265	38,142,313
Historical Infrastructure	17,273,617	17,273,617	-	-	17,273,617	17,273,617
	<u>102,109,602</u>	<u>90,777,289</u>	<u>52,058,810</u>	<u>50,136,161</u>	<u>154,168,412</u>	<u>140,913,450</u>
Less: accumulated depreciation	<u>(36,031,058)</u>	<u>(33,694,160)</u>	<u>(25,148,450)</u>	<u>(23,879,892)</u>	<u>(61,179,508)</u>	<u>(57,574,052)</u>
Capital assets, net	<u>\$ 66,078,544</u>	<u>\$ 57,083,129</u>	<u>\$ 26,910,360</u>	<u>\$ 26,256,269</u>	<u>\$ 92,988,904</u>	<u>\$ 83,339,398</u>

Additional information on the City's capital assets can be found in Note C-3 on pages 39 through 41 of this financial report.

Long-Term Debt

Total long-term debt for the year ended March 31, 2018, is \$42,702,441 compared to \$44,883,805 for the year ended March 31, 2017. Long-term debt decreased by \$2,181,364 or 4.86 percent during this fiscal year. The decrease of \$958,043 can be attributed to the decrease in net pension liability as required by the GASB 68 and 71. Tax bonds indebtedness for governmental activities was \$11,404,000 compared to \$12,306,000 in fiscal year 2017. This decrease of \$902,000 can be attributed to the annual scheduled debt payment requirements.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

The following table presents a summary comparison of the outstanding long-term obligations for the fiscal years ended March 31, 2018 and 2017.

CITY OF GRETNA, LOUISIANA
Comparative Statement of Long-Term Debt
March 31, 2018 and 2017

Governmental Activity	2018	2017
Tax Bonds	\$ 11,404,000	\$ 12,306,000
EPA Brownsfield Loan	488,500	488,500
Compensated Absences	2,095,667	2,003,958
Other Post Employment Benefits OPEB	567,479	586,150
Pension Liability	23,608,160	24,566,203
Promissory Note	129,668	194,501
	38,293,474	40,145,312
Business Type Activity		
Water Fund Participation Notes	27,080	150,871
Sewer Fund Participation Notes	41,608	231,816
Water fund 2015 Bond Issue	365,000	412,500
Sewer Fund 2015 Bond Issue	365,000	412,500
Compensated Absences	152,033	154,982
Pension Liability	3,458,246	3,375,824
	4,408,967	4,738,493
Total Long-term Debt	\$ 42,702,441	\$ 44,883,805

Additional information on long-term debt can be found in Note C-4 on pages 41 through 44 of this financial report.

Economic Factors and Next Year's Budget

Economic Factors

The City is finalizing its first Comprehensive Plan which will provide a roadmap for public sector decisions and guidance for private sector development over the next 20-30 years. As for the public sector, the Plan focuses on ensuring the City continues to build capacity around core governance – including, comprehensive capital improvement planning, development codes that shape a stronger community, resource conservation and waste reduction programs and other administrative tools that will enhance our City. The contents of the Plan are actionable but require fiscal stability and strong administrative coordination to achieve. Already, we have used the Plan to attract external funding. Increasingly, our State and Federal partners see Gretna as a community that is confronting the challenges of the 21st Century. We are serious about resiliency and sustainability. Even though we have embarked on several large infrastructure projects, these are almost exclusively supported by external Federal resources, and do not impact current funding levels for other public services. We continue to position for external assistance to drive major projects, but we must not lose focus on our core mission of basic public service delivery.

City of Gretna, Louisiana
Management's Discussion and Analysis
(Unaudited)
March 31, 2018

Despite continued State fiscal challenges, the City remains competitively positioned within the Greater New Orleans Region to attract new residents and improve the quality of life for existing residents. Much of our current success relies upon our ability to maintain and improve basic public service delivery, requiring long-term fiscal stability. The projected General Fund Deficit jeopardizes our fiscal stability and could impact public services, including public safety, without the addition of more reliable revenue streams. The current administration is committed to ensuring the fiscal stability of the City while proactively confronting the future.

The citizens of the City of Gretna passed a new 8 mill ad valorem in April of 2018. This new tax is solely dedicated for law enforcement in the City. The tax is to provide funding for competitive salaries for law enforcement officers in an effort to attract and maintain officers in the competitive greater New Orleans area. The remaining tax revenue will be critical to offset deficit spending in the General Fund.

Budgets

The City's budget for the fiscal year April 1, 2018, to March 31, 2019, was introduced in open session on February 14, 2018, and adopted by Ordinance 4818 on March 14, 2018. The total City Budget anticipates revenues of \$35,840,047 and expenditures of \$35,345,521.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Raylyn Stevens, CPA, Finance Director, P.O. Box 404, Gretna, Louisiana 70054-0404

BASIC FINANCIAL STATEMENTS

CITY OF GRETNA, LOUISIANA
STATEMENT OF NET POSITION
March 31, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,282,749	\$ 354,348	\$ 12,637,097
Investments	558,248	-	558,248
Receivables, net	1,012,038	736,881	1,748,919
Due from other governments	3,643,239	-	3,643,239
Prepaid expenditures	291,554	-	291,554
Restricted Cash	1,437,134	336,813	1,773,947
Unamortized bond cost	136,636	-	136,636
Capital Assets (net)	66,078,544	26,910,360	92,988,904
Total current assets	<u>85,440,142</u>	<u>28,338,402</u>	<u>113,778,544</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	6,211,410	1,193,998	7,405,408
Total deferred outflows of resources	<u>6,211,410</u>	<u>1,193,998</u>	<u>7,405,408</u>
LIABILITIES			
Accounts payable	2,278,435	339,412	2,617,847
Accrued liabilities:			
Customer deposits	-	533,055	533,055
General liabilities	405,897	117,475	523,372
Other post employment benefits:			
Due in more than one year	567,479	-	567,479
Net pension liability	23,608,160	3,458,246	27,066,406
Compensated absences:			
Due within one year	294,393	47,309	341,702
Due in more than one year	1,801,275	104,723	1,905,998
Bonds payable/other borrowing:			
Due within one year	982,833	163,687	1,146,520
Due in more than one year	11,039,335	635,000	11,674,335
Total liabilities	<u>40,977,807</u>	<u>5,398,908</u>	<u>46,376,714</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	586,332	108,246	694,578
Total deferred inflows of resources	<u>586,332</u>	<u>108,246</u>	<u>694,578</u>
NET POSITION			
Net investment in capital assets	54,674,544	16,544,576	71,219,120
Restricted for:			
Capital projects	1,272,100	23,984	1,296,084
Debt service	1,523,882	-	1,523,882
Other purposes	10,359,582	-	10,359,582
Water Tower Maintenance	-	52,750	52,750
Unrestricted	(17,742,692)	7,403,936	(10,338,756)
Total net position	<u>\$ 50,087,416</u>	<u>\$ 24,025,246</u>	<u>\$ 74,112,662</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,523,454	\$ 1,077,851	\$ -	\$ -	\$ (2,445,603)	\$ -	\$ (2,445,603)
Public safety	19,485,234	1,194,706	241,504	-	(18,049,024)	-	(18,049,024)
Public works	6,794,738	1,573,769	272,754	9,243,359	4,295,144	-	4,295,144
Culture and recreation	2,654,110	184,784	491,026	-	(1,978,300)	-	(1,978,300)
Cemetery	73,576	-	-	-	(73,576)	-	(73,576)
Interest & issue cost on long-term debt	224,482	-	-	-	(224,482)	-	(224,482)
Total governmental activities	<u>32,755,594</u>	<u>4,031,110</u>	<u>1,005,284</u>	<u>9,243,359</u>	<u>(18,475,841)</u>	<u>-</u>	<u>(18,475,841)</u>
Business-type activities:							
Water	3,323,990	3,324,876	-	-	-	886	886
Sewer	3,545,529	3,116,200	-	-	-	(429,329)	(429,329)
Total business-type activities	<u>6,869,519</u>	<u>6,441,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(428,443)</u>	<u>(428,443)</u>
Total primary government	<u>\$ 39,625,113</u>	<u>\$ 10,472,186</u>	<u>\$ 1,005,284</u>	<u>\$ 9,243,359</u>	<u>(18,475,841)</u>	<u>(428,443)</u>	<u>(18,904,284)</u>
General revenues:							
Taxes:							
Ad valorem taxes					7,714,156	586,119	8,300,275
Franchise taxes					688,198	-	688,198
Sales taxes					8,453,220	-	8,453,220
Occupational licenses					405,612	-	405,612
Intergovernmental revenues					5,811,976	-	5,811,976
Fines and forfeitures					3,298,652	-	3,298,652
Investment earnings					87,238	102	87,340
Gain (loss) on sale of capital assets					292,107	3,010	295,117
Miscellaneous					5,092	58,712	63,804
Transfers					(1,230,401)	1,230,401	-
Total general revenues, special items, and transfers					<u>25,525,850</u>	<u>1,878,344</u>	<u>27,404,194</u>
Change in net position					7,050,009	1,449,901	8,499,910
Net position - beginning					43,037,407	22,575,345	65,612,752
Net position - ending					<u>\$ 50,087,416</u>	<u>\$ 24,025,246</u>	<u>\$ 74,112,662</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
Balance Sheet
Governmental Funds
March 31, 2018

	<u>GENERAL FUND</u>	<u>FIRE PROTECTION</u>	<u>AMBULANCE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>GRANT FUND</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 6,244,071	\$ 2,305,450	\$ 853,590	\$ 858,595	\$ -	\$ -	\$ 2,021,043	\$ 12,282,749
Investments	120,095	-	-	-	-	438,153	-	558,248
Receivables, net	625,822	46,312	20,902	-	92,014	-	226,990	1,012,040
Due from other funds	655,532	-	-	-	-	-	-	655,532
Due from other governments	1,040,597	-	240,272	1,470,962	-	168,032	723,374	3,643,237
Restricted assets: Cash and cash equivalents	-	-	-	-	1,437,134	-	-	1,437,134
Prepaid items (principally insurance)	289,532	-	-	-	-	-	2,021	291,553
Total assets	<u>\$ 8,975,649</u>	<u>\$ 2,351,762</u>	<u>\$ 1,114,764</u>	<u>\$ 2,329,557</u>	<u>\$ 1,529,148</u>	<u>\$ 606,185</u>	<u>\$ 2,973,428</u>	<u>\$ 19,880,493</u>
LIABILITIES								
Accounts payable	\$ 817,590	\$ 6,882	\$ 59,516	\$ 912,623	\$ 5,266	\$ 81,914	\$ 394,642	\$ 2,278,433
Accrued liabilities	261,063	-	-	144,834	-	-	-	405,897
Due to other funds	-	-	-	-	-	233,983	421,549	655,532
Total liabilities	<u>1,078,653</u>	<u>6,882</u>	<u>59,516</u>	<u>1,057,457</u>	<u>5,266</u>	<u>315,897</u>	<u>816,191</u>	<u>3,339,862</u>
FUND BALANCES (DEFICITS)								
Nonspendable								
Prepaid expenditures	289,532	-	-	-	-	-	-	289,532
Restricted								
Debt service	-	-	-	-	1,523,882	-	-	1,523,882
Committed								
Capital projects fund	-	-	-	1,272,100	-	-	-	1,272,100
Encumbrances	76,861	-	173,526	-	-	-	258,958	509,345
Emergency preparation	271,908	-	-	-	-	-	-	271,908
Contingencies	954,954	-	-	-	-	-	-	954,954
Assigned								
Court management	234,737	-	-	-	-	-	-	234,737
Economic Investment	1,896,894	-	-	-	-	-	-	1,896,894
Property seizure	407,747	-	-	-	-	-	-	407,747
Culture & Recreation	-	-	-	-	-	-	459,042	459,042
Public safety	-	2,344,880	881,722	-	-	-	375,518	3,602,120
Public works	-	-	-	-	-	-	1,063,719	1,063,719
Subsequent year expenditures	-	-	-	-	-	290,288	-	290,288
Unassigned	3,764,363	-	-	-	-	-	-	3,764,363
Total fund balances (deficits)	<u>7,896,996</u>	<u>2,344,880</u>	<u>1,055,248</u>	<u>1,272,100</u>	<u>1,523,882</u>	<u>290,288</u>	<u>2,157,237</u>	<u>16,540,631</u>
Total liabilities and fund balances (deficits)	<u>\$ 8,975,649</u>	<u>\$ 2,351,762</u>	<u>\$ 1,114,764</u>	<u>\$ 2,329,557</u>	<u>\$ 1,529,148</u>	<u>\$ 606,185</u>	<u>\$ 2,973,428</u>	<u>\$ 19,880,493</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
March 31, 2018

Fund balances of governmental funds		<u>\$ 16,540,631</u>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Governmental capital assets	102,109,602	
Less: accumulated depreciation	<u>(36,031,058)</u>	66,078,544
<p>The deferred outflows of contributions for the City's employees' retirement systems are not available resources and, therefore, are not reported in the governmental funds.</p>		
		6,211,410
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Bonds payable	(11,892,500)	
Net pension liability	(23,608,160)	
Unamortized bond cost	136,638	
Post employment benefit obligation	(567,479)	
Accrued compensated absences	(2,095,668)	
Promissory Note	<u>(129,668)</u>	(38,156,837)
<p>The deferred inflows of contributions for the City's employees' retirement systems are not payable from current expendable resources and, therefore, are not reported in the governmental funds.</p>		
		<u>(586,332)</u>
Net position of governmental activities		<u>\$ 50,087,416</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended March 31, 2018

	<u>GENERAL FUND</u>	<u>FIRE PROTECTION</u>	<u>AMBULANCE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>GRANT FUND</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES								
Ad valorem	\$ 2,635,857	\$ 2,525,036	\$ 1,088,814	\$ -	\$ -	\$ -	\$ 1,464,449	\$ 7,714,156
Sales	7,303,140	-	-	-	1,104,162	-	45,918	8,453,220
Franchise	688,198	-	-	-	-	-	-	688,198
Intergovernmental	679,050	107,587	-	9,243,359	-	704,258	5,285,338	16,019,592
Charges for services	388,173	-	1,194,706	-	-	-	1,758,553	3,341,432
Fines and forfeitures	3,298,652	-	-	-	-	-	-	3,298,652
Licenses and permits	1,095,288	-	-	-	-	-	-	1,095,288
Miscellaneous	709,137	-	5,357	508	11,018	7,165	70,578	803,763
Total revenues	<u>16,797,495</u>	<u>2,632,623</u>	<u>2,288,877</u>	<u>9,243,867</u>	<u>1,115,180</u>	<u>711,423</u>	<u>8,624,836</u>	<u>41,414,301</u>
EXPENDITURES								
Current:								
General government	2,898,149	-	-	-	-	273,634	-	3,171,783
Public safety	11,480,927	1,216,049	1,929,627	-	-	560,670	2,243,970	17,431,243
Public works	3,613,989	-	-	509	-	-	1,852,903	5,467,401
Culture and recreation	-	-	-	32,667	-	-	2,168,459	2,201,126
Cemetery	73,576	-	-	-	-	-	-	73,576
Debt service:								
Principal retirement	-	-	-	-	902,000	-	-	902,000
Interest	-	-	-	-	216,822	-	-	216,822
Capital outlay:								
Capital Outlay	598,317	1,221,180	44,762	10,323,845	-	-	172,241	12,360,345
Total expenditures	<u>18,664,958</u>	<u>2,437,229</u>	<u>1,974,389</u>	<u>10,357,021</u>	<u>1,118,822</u>	<u>834,304</u>	<u>6,437,573</u>	<u>41,824,296</u>
Excess (deficiency) of revenues over expenditures	<u>(1,867,463)</u>	<u>195,394</u>	<u>314,488</u>	<u>(1,113,154)</u>	<u>(3,642)</u>	<u>(122,881)</u>	<u>2,187,263</u>	<u>(409,995)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	1,670,000	-	-	2,701,979	-	21,610	150,000	4,543,589
Transfers out	(481,866)	-	(237)	(1,230,401)	-	-	(4,061,487)	(5,773,991)
Total other financing sources (uses)	<u>1,188,134</u>	<u>-</u>	<u>(237)</u>	<u>1,471,578</u>	<u>-</u>	<u>21,610</u>	<u>(3,911,487)</u>	<u>(1,230,402)</u>
Net change in fund balances	(679,329)	195,394	314,251	358,424	(3,642)	(101,271)	(1,724,224)	(1,640,397)
Fund balances - beginning	8,576,325	2,149,486	740,997	913,676	1,527,524	391,559	3,881,461	18,181,028
Fund balances - ending	<u>\$ 7,896,996</u>	<u>\$ 2,344,880</u>	<u>\$ 1,055,248</u>	<u>\$ 1,272,100</u>	<u>\$ 1,523,882</u>	<u>\$ 290,288</u>	<u>\$ 2,157,237</u>	<u>\$ 16,540,631</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, 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 March 31, 2018

Net change in fund balances - total governmental funds (\$1,640,397)

Amounts reported for governmental activities in the statement of net position 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 useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation charged in the current period.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance	12,360,345	
Depreciation expense for the year ended March 31, 2018	(3,280,910)	
Disposition of assets, net	<u>(19,186)</u>	9,060,249

Some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.

Non-employer pension contributions	466,810
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase (decrease) net position.

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds because:

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	894,340
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Increase in compensated absences	(91,709)	
Decrease in post employment benefits obligation	18,671	
Pension Expense	<u>(1,657,956)</u>	<u>(1,730,994)</u>

Change in net position of governmental activities	<u>\$7,050,008</u>
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The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
March 31, 2018

	Business-type Activities		Total Enterprise Funds
	WATER UTILITY	SEWER UTILITY	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 354,348	\$ -	\$ 354,348
Receivables, net	377,008	359,872	736,880
Due from other funds	208,473	-	208,473
Restricted assets: Cash and cash equivalents	168,407	168,407	336,814
Total current assets	<u>1,108,236</u>	<u>528,279</u>	<u>1,636,515</u>
Noncurrent assets:			
Capital assets, net	9,181,705	17,728,655	26,910,360
Total noncurrent assets	<u>9,181,705</u>	<u>17,728,655</u>	<u>26,910,360</u>
Total assets	<u>10,289,941</u>	<u>18,256,934</u>	<u>28,546,875</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	718,689	475,309	1,193,998
Total deferred outflows of resources	<u>718,689</u>	<u>475,309</u>	<u>1,193,998</u>
LIABILITIES			
Current liabilities:			
Current portion of long-term debt	27,079	41,608	68,687
Accounts payable	118,452	220,960	339,412
Accrued liabilities	36,124	81,352	117,476
Accrued compensated absences	24,309	23,001	47,310
Due to other funds	-	208,473	208,473
Bonds Payable	47,500	47,500	95,000
Total current liabilities	<u>253,464</u>	<u>622,894</u>	<u>876,358</u>
Noncurrent liabilities:			
Customer deposits	533,055	-	533,055
Accrued compensated absences	39,210	65,514	104,724
Bonds Payable	317,500	317,500	635,000
Pension Liability	2,066,894	1,391,352	3,458,246
Total noncurrent liabilities	<u>2,956,659</u>	<u>1,774,366</u>	<u>4,731,025</u>
Total liabilities	<u>3,210,123</u>	<u>2,397,260</u>	<u>5,607,383</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	63,586	44,660	108,246
Total deferred inflows of resources	<u>63,586</u>	<u>44,660</u>	<u>108,246</u>
NET POSITION			
Net investment in capital assets	6,693,960	9,850,616	16,544,576
Restricted for:			
Capital projects	-	23,984	23,984
Water Tower Maintenance	52,750	-	52,750
Unrestricted	988,211	6,415,725	7,403,936
Total net position	<u>\$ 7,734,921</u>	<u>\$ 16,290,325</u>	<u>\$ 24,025,246</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended March 31, 2018

	Business-type Activities		
	Enterprise Funds		
	WATER UTILITY	SEWER UTILITY	Total Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 3,324,876	\$ 3,116,199	\$ 6,441,075
Miscellaneous	29,332	17,380	46,712
Total operating revenues	<u>3,354,208</u>	<u>3,133,579</u>	<u>6,487,787</u>
OPERATING EXPENSES			
Personnel expense	1,528,377	1,197,150	2,725,527
Operating supplies and purchases	316,521	226,317	542,838
Building and maintenance expenses	249,758	240,367	490,125
Outside service	299,513	873,783	1,173,296
Transportation	56,048	29,144	85,192
General expenses	349,285	194,237	543,522
Depreciation	514,191	773,246	1,287,437
Total operating expenses	<u>3,313,693</u>	<u>3,534,244</u>	<u>6,847,937</u>
Operating income (loss)	<u>40,515</u>	<u>(400,665)</u>	<u>(360,150)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	51	51	102
Interest expense	(10,297)	(11,284)	(21,581)
Loss on disposal of assets	3,010	-	3,010
Ad valorem	-	586,119	586,119
Rental Income	12,000	-	12,000
Total nonoperating revenues (expenses)	<u>4,764</u>	<u>574,886</u>	<u>579,650</u>
Income (loss) before contributions and transfers	<u>45,279</u>	<u>174,221</u>	<u>219,500</u>
Transfers in	265,430	964,971	1,230,401
Change in net position	310,709	1,139,192	1,449,901
Total net position - beginning	7,424,212	15,151,134	22,575,346
Total net position - ending	<u>\$ 7,734,921</u>	<u>\$ 16,290,326</u>	<u>\$ 24,025,247</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended March 31, 2018

	Business-type Activities - Enterprise Funds		Total Enterprise Funds
	WATER UTILITY	SEWER UTILITY	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ 3,294,051	\$ 3,081,999	\$ 6,376,050
Payments to employees	(1,412,702)	(1,095,783)	(2,508,485)
Payments to suppliers	(1,244,685)	(1,354,386)	(2,599,071)
Other payments	2,772	-	2,772
Refunds of customer meter deposits	16,107	-	16,107
Net cash provided (used) by operating activities	<u>655,543</u>	<u>631,830</u>	<u>1,287,373</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	-	586,119	586,119
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>586,119</u>	<u>586,119</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds for sale of capital assets	3,010	-	3,010
Increase (decrease) in compensated absences	(7,906)	2,700	(5,206)
Operating transfers in	265,430	964,971	1,230,401
Purchases of capital assets	(634,197)	(1,307,333)	(1,941,530)
Loans and loan repayments received from other funds	242,058	-	242,058
Loans to and repayments of loans to other funds	-	(629,296)	(629,296)
Interest paid on capital debt	(10,297)	(11,284)	(21,581)
Principal paid on capital debt	(171,292)	(237,708)	(409,000)
Rental Income	12,000	-	12,000
Net cash provided (used) by capital and related financing activities	<u>(301,194)</u>	<u>(1,217,950)</u>	<u>(1,519,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	51	51	102
Net cash provided (used) by investing activities	<u>51</u>	<u>51</u>	<u>102</u>
Net increase (decrease) in cash and cash equivalents	354,400	50	354,450
Balances - beginning of year	168,356	168,356	336,712
Balances - end of the year	<u>\$ 522,756</u>	<u>\$ 168,406</u>	<u>\$ 691,162</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 40,515	\$ (400,665)	\$ (360,150)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	514,191	773,246	\$ 1,287,437
Pension related expenses	116,865	83,508	\$ 200,373
Changes in assets and liabilities:			
Accounts Payable - Supplier	26,440	209,462	235,902
Accounts Payable - Other	2,772	-	2,772
Customer Receivables	(35,837)	(34,200)	(70,037)
Customer meter deposits payable	16,107	-	16,107
Accrued expenses	(25,510)	479	(25,031)
Net cash provided (used) by operating activities	<u>\$ 655,543</u>	<u>\$ 631,830</u>	<u>\$ 1,287,373</u>

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Statement

The City of Gretna, Louisiana (the City) was incorporated in June 1913, under the provisions of the Lawrason Act. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the City conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidelines set forth in the *Louisiana Municipal Audit and Accounting Guide*, and the industry audit guide, *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The accompanying basic financial statements have been prepared in conformity with GASB 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The more significant accounting policies of the City are described below.

2. Financial 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 has no component units.

3. Basis of Presentation

The government-wide financial statements (the statement of net position) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. 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.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Fire Protection Fund

The Fire Protection Fund is used to account for 17.36 mills in ad valorem tax specifically dedicated for the purchase and maintenance of fire fighting equipment and to provide for payment of contractual obligations to the City's volunteer fire company to provide fire protection to the City and its citizens.

Ambulance Fund

The Ambulance Fund is used to account for 6.69 mills in ad valorem tax specifically dedicated for the salaries and purchases of medical supplies and equipment necessary to operate the City's EMT department which provides emergency medical services to the City and its citizens.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Basis of Presentation (Continued)

Capital Projects Fund

The Capital Projects Fund is used to account for all resources and expenditures in connection with the acquisition of capital facilities and major capital improvements.

Debt Service Fund

The Debt Service Fund is used to account for the collection of Sales Tax revenues and the payment of principal and interest on the Series 2009A and 2009B Sales Tax Bonds and 2014 and 2016 Refunding Bonds.

Grant Fund

The Grant Fund is used to account for grant revenues and expenses received by both City services as well as the Gretna Police Department. Any fund balances represent grant revenues to be expended in future years.

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Municipal Waterworks System Fund

The Municipal Waterworks System Fund is used to account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Municipal Sewer System Fund

The Municipal Sewer System Fund is used to account for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service billing.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the Parish at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

5. Budgets and Budgetary Accounting

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

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the City Council a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted through Councilmanic ordinance.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Budgets and Budgetary Accounting (Continued)

- d. Any revisions that alter the total expenditures of a department or line item changes within the department greater than \$10,000 must be approved by the City Council. Any revisions less than \$10,000 can be changed by the finance director for city departments with approval of the Mayor or for police department with approval of the Chief of Police.
- e. The level of budget control is at the division, department, or project level; and expenditures/encumbrances may not exceed appropriations until additional appropriations have been provided. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds. Effective control of cost is, therefore, maintained by Councilmanic action that approves a budget for each project and is controlled on a project life basis.
- f. Budgets for the General Fund, Special Revenue Funds 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. Budgetary comparisons presented for the General Fund, Major Special Revenue Funds, and Capital Projects Fund (for presentation purposes only) in the accompanying financial statements are on this non-GAAP budgetary basis. Budgeted amounts are as originally adopted or as finally amended by the City Council.
- g. All unencumbered appropriations lapse at the end of each fiscal year.

6. Cash and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the City may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

The City maintains a cash investment pool (Central Depository Account) that is used by all of the City's funds. Each fund's portion of this cash pool is displayed on the combined balance sheet as cash. Investments are separately held by several of the City's funds.

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

7. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “due from or to other funds”.

9. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

10. Restricted Assets

Restricted Assets include cash and investments in the General, Capital Projects, Sales Tax and Proprietary Funds which are restricted as to their use. These restrictions are principally related to requirements of bond issues, utility meter deposits, and funds dedicated for future needs or obligations. It is the City’s policy to use restricted assets before unrestricted assets for their intended purpose.

11. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Description</u>	<u>Life In Years</u>
Buildings	25-40
Water and Sewer Systems	40
Infrastructure	20-40
Machinery and Equipment	5-20
Improvements	20-30

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Compensated Absences

Employees are allowed to accrue annual leave. In addition, employees are allowed to accrue up to 45 days of sick leave. The balance accumulated is paid to employees upon termination. The current and non-current portion of this obligation in the governmental funds is recorded in the government-wide financial statements. The current and non-current balance of this obligation in the proprietary funds is recorded in the fund financial statements.

13. Long Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are recognized as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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. Payments of principal and interest are recorded as expenditures only when due.

14. Fund Equity

Equity Classifications

Government-Wide Financial Statements

In the Government-Wide Financial Statements equity is classified as net position and displayed in three components:

- a. **Invested in capital assets, net of related debt** – 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 assets 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 position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Proprietary fund equity is classified the same as in the government-wide statements.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Equity (Continued)

Fund Financial Statements

During the fiscal year ended March 31, 2013, the City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- a. **Nonspendable** – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. **Restricted** – This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legal requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- c. **Committed** – This component consists of amounts that can only be used for specific purposes determined by a formal decision of the City Council, which is the highest level of decision making authority for the City. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to commit those amounts.
- d. **Assigned** – This component consists of amounts that are constrained by the City Council Members' intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the City Council.
- e. **Unassigned** – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then unassigned as they are needed. The City does not have a formal minimum fund balance policy.

15. Revenues and Expenditure Recognition

- a. **Ad Valorem Taxes.** Ad Valorem taxes are recognized in the fiscal year in which the taxes are levied. Taxes are due and become an enforceable lien on 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 1). City taxes are billed and collected by the City.

**CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Revenues and Expenditure Recognition (Continued)

a. Ad Valorem Taxes. (Continued)

Taxes become delinquent on January 1st in the year after levy. Taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of its fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City and are distributed to its funds as follows:

<u>FUND</u>	2017	
	MILLAGE	
	City of Gretna	Timberlane Subdivision
General Fund	15.44	15.44
Fire Protection Fund	17.36	
Recreation Fund	4.50	4.50
Street Light Improvements Fund	4.00	4.00
Ambulance Fund	6.69	6.69
Social Services For The Aged Fund	0.50	0.50
Municipal Sewer System Fund	4.03	
	52.52	31.13

b. Sales and Use Tax. For the year ended March 31, 2018, a 4.75% local sales and use tax was levied and collected within the City of Gretna by the Jefferson Parish Sheriff's Office of which 3.25% was received by the City of Gretna and dedicated for the following purposes:

1/4 percent is levied by law enforcement

1954 ½ percent sales tax collected solely for the purpose of constructing and maintaining public roads, highways and bridges within the city

1966 ½ percent sales tax collected for general purposes determined by the Council

1981 ½ percent sales tax is collected and distributed as follows:

1/3 of ½ percent collected parishwide is dedicated for operation and maintenance of city drainage facilities

2/3 of ½ percent collected for operation, maintenance, and capital improvements of drainage and sewerage facilities

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Revenues and Expenditure Recognition (Continued)

b. Sales and Use Tax. (Continued)

1984 1 percent sales tax is collected and distributed as follows:

7/8 percent was dedicated to the purchase, construction, acquisition and improvement of the Sewer Capital Program. In 1998, a rededication and extension of this tax was approved to dedicate revenues to the cost of maintenance and replacement of sewerage facilities, and the construction, improvement or maintenance of public roads, streets, or highways located in the city, including the cost of reconstruction, rehabilitation, base stabilization, drainage, adjustments and related sidewalks and curbs. The proceeds of the tax collected within the boundaries, as presently constituted, of each municipality within the Parish shall be returned to each municipality to be used for any lawful purpose. The remaining 1/8 percent of tax collected is to provide funds for law enforcement purposes.

c. Revenues Susceptible to Accrual. Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are property taxes, sales taxes, franchise fees, charges for services, and certain state shared revenues such as beer tax.

16. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred Outflows of Resources* represent a consumption of net position that applies to a future period and so it will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred Inflows of Resources* represent an acquisition of net position that is applicable to a future reporting period and so it will not be recognized as an inflow of resources (revenue) until then. The City currently reports a deferred inflow on deferred revenue as well as deferred outflows and inflows related to its participation in a defined pension plan.

Deferred Inflows-Deferred Revenue. The city reports deferred inflows of resources when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources 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 incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, deferred inflows of resources are removed and revenues are recognized.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Deferred Outflows and Inflows of Resources (Continued)

Deferred Outflows and Deferred Inflows-Pension Related. 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) and Municipal Police Employees' Retirement System (MPERS) and additions to/deductions from MERS and MPERS fiduciary net position have been determined on the same basis as they are reported by MERS and MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE B – STEWARDSHIP AND ACCOUNTABILITY

1. Budgets and Budget Monitoring

The City adopts annual budgets for its governmental and enterprise funds on a basis consistent with generally accepted accounting principles. Details of the budget adoption process are presented at Note A-5.

The City was in compliance with Louisiana Revised Statute 39:1301 in regards to the adoption of its budget.

- a. The Capital Projects Fund is presented with budgetary information for presentation purposes only. Capital projects are budgeted on a project basis as opposed to a fiscal year basis.

2. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note C-1 regarding cash, cash equivalents, and investments, the City was in compliance with the deposits and investments laws and regulations.

3. Deficit Fund Equity

As of March 31, 2018, no City funds had deficit fund equities.

4. Compliance With Bond and Other Debt Covenants

As of March 31, 2018, the City was in compliance in all material respects with its various bond and debt covenants.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS

a. Cash and Cash Equivalents.

At March 31, 2018, the City's cash and cash equivalents (book balances) total \$14,411,045 of which \$14,402,458 is in interest-bearing demand deposits, \$0 is in non-interest bearing demand deposits and cash on hand is \$8,587. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually agreeable to both parties.

Custodial Credit Risk – Deposits. At March 31, 2018, the City had \$14,883,117 in deposits (collected bank balances). These deposits were fully secured from risk by \$531,916 of federal deposit insurance and \$15,781,851 pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3) and therefore not exposed to custodial credit risk.

Even though the deposits are considered uncollateralized (Category 3) under the provisions of GASB Statement 3 since the pledged securities are held, LSA-R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the city that the fiscal agent bank has failed to pay deposited funds upon demand.

b. Investments

The City's investments in the Louisiana Asset Management Pool (LAMP) total \$558,248. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no security with a maturity in excess of 397 days. The fair value of a share in LAMP is the same as the book value (i.e., a share in the pool is always worth \$1.00 per share). LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

1. Cash, Cash Equivalents and Investments (Continued)

Interest Rate Risk - Interest Rate Risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to fully recover the value of the investment. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

A copy of the LAMP's audited financial report can be obtained on the LAMP website, www.lamppool.com.

2. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include ad valorem, sales taxes, franchise taxes, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as ad valorem, sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

The following is a summary of receivables for March 31, 2018, net of allowances for uncollectible amounts where applicable:

Class of Receivable	General Fund	Special Revenue Funds	Proprietary Funds
Taxes:			
Ad valorem	\$ 48,243	\$ 95,267	\$ 10,749
Sales and use	577,579	97,609	-
Intergovernmental			
Federal-grant	3,964	726,653	-
State-grant	-	1,032,770	-
Other	442,254	843,218	-
Other:			
Accounts	-	193,340	726,131
Other	594,381	-	-
Total	<u>\$ 1,666,421</u>	<u>\$ 2,988,857</u>	<u>\$ 736,881</u>

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

2. Receivables (Continued)

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The following details the description and amount of the allowance for uncollectible accounts at March 31, 2018.

Class of Receivable	General Fund	Special Revenue Funds	Proprietary Funds
Taxes:			
Ad valorem	\$ 84,939	\$ 173,137	\$ 20,584
Other:			
Accounts	-	45,809	132,088
 Total	 \$ 84,939	 \$ 218,946	 \$ 152,672

3. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended March 31, 2018:

Governmental Activities:	Balance March 31, 2017	Increases	Decreases	Balance March 31, 2018
Capital Assets Not Depreciated				
Land	\$ 3,608,117	-	-	\$ 3,608,117
Other Capital Assets:				
Buildings & improvements	\$ 49,398,236	-	-	\$ 49,398,237
Furniture, fixtures and equipment	11,193,112	254,624	184,831	11,262,905
Vehicles and road machinery	6,042,639	1,632,541	778,366	6,896,814
Construction in progress	3,261,568	10,408,346	-	13,669,914
Historical Infrastructure	17,273,617	-	-	17,273,617
Total Other Capital Assets	\$ 87,169,172	\$ 12,295,511	\$ 963,197	\$ 98,501,487
Less Accumulated Depreciation:				
Buildings & improvements	\$ 10,632,143	\$ 1,774,482	-	\$ 12,406,625
Furniture, fixtures and equipment	8,547,640	577,023	184,831	8,939,832
Vehicles and road machinery	3,971,221	512,139	759,180	3,724,180
Construction in progress	-	-	-	-
Historical Infrastructure	10,543,157	417,266	-	10,960,423
Total Accumulated Depreciation	\$ 33,694,160	\$ 3,280,910	\$ 944,011	\$ 36,031,060
Other Capital Assets Net	\$ 53,475,012	\$ 9,014,601	\$ 19,186	\$ 62,470,427
Totals	\$ 57,083,129	\$ 9,014,601	\$ 19,186	\$ 66,078,544

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

3. Capital Assets (Continued)

Governmental activities capital assets net of accumulated depreciation at March 31, 2018, are comprised of the following:

General Capital Assets, Net	\$ <u>66,078,544</u>
Total	\$ <u>66,078,544</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 351,670
Public Safety	1,148,920
Public Works	1,327,336
Culture and Recreation	452,984
Total	<u>\$ 3,280,910</u>

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended March 31, 2018:

	<u>March 31, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>March 31, 2018</u>
Business-Type Activities:				
Land	\$ 299,988	\$ -	\$ -	\$ 299,988
Buildings	16,762,716	-	-	16,762,716
Furniture and fixtures	25,951	-	-	25,951
Equipment and vehicles	32,099,673	1,692,658	18,880	33,773,451
Construction in progress	947,831	1,595,766	1,346,893	1,196,704
	<u>\$ 50,136,159</u>	<u>\$ 3,288,424</u>	<u>\$ 1,365,773</u>	<u>\$ 52,058,810</u>
Less: Accumulated Depreciation for:				
Buildings and equipment	<u>23,879,893</u>	<u>1,287,437</u>	<u>18,880</u>	<u>25,148,450</u>
Total	<u>\$ 26,256,266</u>	<u>\$ 2,000,987</u>	<u>\$ 1,346,893</u>	<u>\$ 26,910,360</u>

Property, plant, and equipment are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	25-40 years
Equipment	5-20 years
Infrastructure	20-40 years

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

3. Capital Assets (Continued)

Capital outlays are reported as expenditures in the governmental funds; however, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The adjustment from governmental funds to the government-wide statements is summarized as follows:

Primary Government

Capital outlay	\$ 12,360,345
Gain on sale of assets	(19,186)
Depreciation expense	<u>(3,280,910)</u>
Total Adjustment	<u>\$ 9,060,249</u>

4. Long-Term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

The following is a summary of changes in long-term debt for the year ended March 31, 2018:

Type of Debt	March 31, 2017	Additions	Reductions	March 31, 2018	Due Within One Year
Governmental Activities, net:					
Tax Bonds	\$ 12,306,000	\$ -	\$ 902,000	\$ 11,404,000	\$ 918,000
Promissory Note	194,501	-	64,833	129,668	64,833
EPA Brownsfield Loan	488,500	-	-	488,500	-
Net Pension Liability	24,566,203	-	958,043	23,608,160	-
Other Post Employment Benefits OPEB	586,150	-	18,671	567,479	-
Compensated Absences	<u>2,003,958</u>	<u>91,710</u>	<u>-</u>	<u>2,095,668</u>	<u>294,393</u>
Total General Long-Term Debt	<u>\$ 40,145,312</u>	<u>\$ 91,710</u>	<u>\$ 1,943,547</u>	<u>\$ 38,293,475</u>	<u>\$ 1,277,226</u>
Business-Type Activities:					
Water Fund Participation Notes	\$ 150,871	\$ -	\$ 123,791	\$ 27,080	\$ 27,080
Sewer Fund Participation Notes	231,816	-	190,208	41,608	41,608
Water Fund 2015 Bond Issue	412,500	-	47,500	365,000	47,500
Sewer Fund 2015 Bond Issue	412,500	-	47,500	365,000	47,500
Net Pension Liability	3,375,824	82,422	-	3,458,246	-
Compensated Absences	<u>154,982</u>	<u>-</u>	<u>2,950</u>	<u>152,032</u>	<u>47,310</u>
Total Business Type Activities Debt	<u>\$ 4,738,493</u>	<u>\$ 82,422</u>	<u>\$ 411,949</u>	<u>\$ 4,408,966</u>	<u>\$ 210,998</u>

**CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

4. Long-Term Debt (Continued)

Bonded debt as of March 31, 2018, is comprised of the following governmental activities serial bond issues:

Description	Interest Rates	Final Maturity Date	Range of Annual Principal Payment		Amount Outstanding
			From	To	
Sales tax bonds:					
2/25/2010 issue of \$5,270,000	2.50-4.75	2/1/2029	\$ 45,000	\$ 45,000	\$ 90,000
6/8/2010 issue of \$3,228,000	0.45	2/1/2029	168,000	185,000	1,939,000
11/13/2014 refunding of \$6,085,000	2.05	2/1/2024	645,000	715,000	4,075,000
12/16/2016 refunding of \$5,025,000	1.7	2/1/2029	60,000	980,000	5,300,000
Subtotal					11,404,000
EPA Brownsfield Loan	0.00	n/a	-	-	488,500
Promissory Note	0.00	9/1/2019	64,833	64,833	129,668
Total					<u>\$ 12,022,168</u>

Governmental Activities:

Sales Tax Bonds:

In 2010, the City issued \$5,270,000 of Sales Tax Bonds Series 2009B for the purpose of Public Buildings project. The bonds are secured by an irrevocable pledge and dedication of the proceeds of the City's 1955 1% and 1966 ½% Sales and Use Tax.

In 2010, the City issued \$3,228,000 of Sales Tax Bonds Series 2009A-State Revolving Fund purchased by "DEQ" for the purpose of wastewater treatment plant upgrades and rehabilitation. The bonds are secured by an irrevocable pledge and dedication of the proceeds of the City's 1955 1% and 1966 ½% Sales and Use Tax.

In 2014, the City issued \$6,085,000 of Sales Tax Refunding Bonds Series 2014 with a 2.05% interest rate. The City issued the bonds for the purpose of refunding \$6,375,000 aggregate principal amount of the Series 2004 Sales Tax Bonds. The advance refunding reduced total debt service payments over the next 10 years by \$640,679 or an annual average reduction of \$56,699. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$579,689. The refunded bonds are secured by an irrevocable pledge and dedication of the proceeds of the City's 1955 1% and 1966 ½% Sales and Use Tax.

In 2016, the City issued \$5,360,000 of Sales Tax Refunding Bonds Series 2016 with a 1.70% interest rate. The City issued the bonds for the purpose of refunding \$4,890,000 aggregate principal amount of the Series 2009B Sales Tax Bonds. The advance refunding reduced total debt service payments over the next 13 years by \$751,302 or an annual average reduction of \$57,793. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$620,255. The refunded bonds are secured by an irrevocable pledge and dedication of the proceeds of the City's 1955 1% and 1966 ½% Sales and Use Tax.

At March 31, 2018, \$1,523,882 was available in the debt service fund for servicing of these bonds.

Promissory Note:

In 2013, the City executed a non-interest bearing promissory note for \$389,000 with the Parish of Jefferson, payable in 6 annual installment payments of \$64,833. The purpose of the promissory note was for the purchase of 327 Huey P. Long Avenue, Gretna, Louisiana.

**CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

4. Long-Term Debt (Continued)

Compensated Absences:

Effective December 12, 2012, the City's annual (vacation) and sick leave policy was revised. Each employee shall earn and accumulate sick leave with pay at the rate of 6.5 days per year. After the completion of 3 years of continuous employment each employee shall earn 13 days per year. Employees may never accrue more than 45 days of sick leave.

Full Time employees of the City with less than 5 years of continuous service shall accumulate vacation time at the rate of 10.4 days per year. An employee with more than 5 but less than 10 years of continuous service shall accumulate vacation time at the rate of 13 days per year. Employees with 10 or more years of continuous service shall accumulate vacation time at the rate of 15.6 days per year. Employees having 20 years of continuous service shall accumulate vacation time at the rate of 19.5 days per year. Employees may never accrue more than 60 days of vacation. Therefore, once an employee has accrued 60 days of vacation, vacation hours must be used in order to accrue more hours. Employees may elect an option to sell days at a rate of 50% of their current rate of pay.

Full Time employees of the Police Department with less than 10 years of continuous service shall accumulate vacation time at the rate of 15 days per year. Police Department employees with at least 11 years but less than 15 years shall accumulate vacation time at a rate of 18 days per year. Police Department employees with at least 16 years accumulate vacation time at a rate of 21 days per year. Employees may elect an option to sell days at a rate of 50% of their current rate of pay.

At March 31, 2018, the amount of accumulated annual and sick leave and salary-related cost was \$2,095,668 for all governmental funds with a current liability of \$294,393 and \$152,032 for the proprietary funds with a current liability of \$47,309.

Business-Type Activities:

Participation Notes:

In 1999, the City borrowed a \$4,000,000 line of credit made available by the Louisiana Local Government Environmental Facilities and Community Development Authority. These Notes carry an adjustable rate of interest at 1% over the "Bond Market Association Index". Final payment is due May 31, 2018. This debt is reflected as a liability in the City's Municipal Water and Sewer System Fund. As of March 31, 2018, \$129,668 remains outstanding with \$64,833 reported as current liabilities.

Limited Tax Bonds:

In 2015, the City issued \$1,000,000 of Limited Tax Revenue Bonds Series 2016 for the purpose of making capital improvements and acquiring equipment, including water meter upgrades. The bonds are secured by an irrevocable pledge and dedication of the proceeds derived from the levy and collection of a special tax of 4.03 mills which the Issuer is authorized to impose and collect in each year through the year 2025.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

4. Long-Term Debt (Continued)

Annual debt service to maturity on bonds and notes, including interest of \$1,240,901 are as follows:

Year Ending Date	Sales Tax	Sales Tax	Sales Tax	Sales Tax	Promissory Note	Utility	Utility	Total
	Bonds Series 2009A	Bonds Series 2009B	Refunding Bonds Series 2014	Refunding Bonds Series 2016		Participation Notes	Limited Tax Bond Series 2015	
3/31/2019	\$ 186,421	\$ 48,487	\$ 728,537	\$ 150,100	\$ 64,833	\$ 68,688	\$ 109,965	\$ 1,357,031
3/31/2020	186,825	46,800	730,315	149,080	64,835	-	113,018	1,290,873
3/31/2021	186,210	-	726,785	198,060	-	-	110,968	1,222,023
3/31/2022	186,585	-	728,050	196,190	-	-	113,918	1,224,743
3/31/2023	186,942	-	729,008	194,320	-	-	111,765	1,222,034
3/31/24-3/31/28	931,514	-	729,658	4,179,995	-	-	231,970	6,073,136
3/31/2029	186,758	-	-	996,660	-	-	-	1,183,418
Total debt service to maturity	\$ 2,051,254	\$ 95,287	\$ 4,372,352	\$ 6,064,405	\$ 129,668	\$ 68,688	\$ 791,603	\$ 13,573,256
Less amounts representing interest:								
3/31/2019	\$ 18,421	\$ 3,488	\$ 83,538	\$ 90,100	\$ -	\$ -	\$ 14,965	\$ 210,511
3/31/2020	16,825	1,800	70,315	89,080	-	-	13,018	191,038
3/31/2021	15,210	-	56,785	88,060	-	-	10,968	171,023
3/31/2022	13,585	-	43,050	86,190	-	-	8,918	151,743
3/31/2023	11,942	-	29,008	84,320	-	-	6,765	132,034
3/31/24-3/31/28	34,514	-	14,658	309,995	-	-	6,970	366,136
3/31/2029	1,758	-	-	16,660	-	-	-	18,418
Total interest	112,254	5,288	297,353	764,405	-	-	61,603	1,240,901
Total principal	\$ 1,939,000	\$ 90,000	\$ 4,075,000	\$ 5,300,000	\$ 129,668	\$ 68,688	\$ 730,000	\$ 12,332,355

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

5. Segments of Enterprise Activities

Some services provided by the City of Gretna, Louisiana, are financed by user charges, specifically the City's Municipal Waterworks and Sewer Systems. The significant financial data for these enterprises are as follows:

	Water System	Sewerage	Total
Operating Revenues	\$ 3,354,208	\$ 3,133,579	\$ 6,487,787
Operating Expenses			
Depreciation	514,191	773,246	1,287,437
Other Expenses	2,799,502	2,760,998	5,560,500
Total Operating Expenses	3,313,693	3,534,244	6,847,937
Operating Income (Loss)	40,515	(400,665)	(360,150)
Nonoperating Revenues (Expense)	270,194	1,539,857	2,384,937
Net Income (Loss)	310,709	1,139,192	1,449,901
Change in Net Position	310,709	1,139,192	1,449,901
Beginning Net Position	7,424,213	15,151,134	22,575,347
Ending Net Position	\$ 7,734,922	\$ 16,290,326	\$ 24,025,248

A single revenue stream is not dedicated for the repayment of debt; therefore, the condensed financial information for the statement of net position and cash flows is not presented.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

6. Interfund Transfers

The following is a summary of the operating transfers between funds during the fiscal year ended March 31, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Capital Projects Fund	\$ -	\$ 310,493
Grant Fund	-	21,373
Riverboat Casino Fund	1,670,000	-
Tourism Fund	-	150,000
Total General Fund	<u>1,670,000</u>	<u>481,866</u>
Special Revenue Funds:		
Riverboat Casino Fund	-	4,061,487
Ambulance Fund	-	237
Capital Projects Fund	2,701,979	1,230,401
Grant Fund	21,610	-
Tourism Fund	150,000	-
Total Special Revenue Funds	<u>2,873,589</u>	<u>5,292,125</u>
Enterprise Fund:		
Water	265,430	-
Sewer	964,971	-
Total Enterprise Funds	<u>1,230,401</u>	<u>-</u>
Total All Funds	<u>\$ 5,773,991</u>	<u>\$ 5,773,991</u>

The General Fund transfers funds earmarked in prior years and budgeted for specific construction and tourism related activities. The Riverboat Casino Fund allocates funds for Louisiana Capital Outlay matching construction projects. The Riverboat Casino Fund and the Capital Projects Fund also allocated district specific funds for public works projects to the General Fund.

7. Interfund Receivables and Payable

The following is a summary of the Governmental Funds Balance Sheet interfund receivables and payables at March 31, 2018:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Home Incarceration	\$ 29,706	\$ -
Grant Fund	233,983	-
Tourism Fund	391,843	-
Total General Fund	655,532	-
Special Revenue Funds:		
Home Incarceration	-	29,706
Grant Fund	-	233,983
Tourism Fund	-	391,842
Total Special Revenue Funds	<u>-</u>	<u>655,532</u>
Enterprise Funds:		
Water	208,473	-
Sewer	-	208,473
Total Enterprise Funds	<u>208,473</u>	<u>208,473</u>
Total All Funds	<u>\$ 864,005</u>	<u>\$ 864,005</u>

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE C – NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

7. Interfund Receivables and Payable (Continued)

The special revenue fund balances represent short-term receivables and payables incurred in the normal course of the City operations. The enterprise fund balances represent loans made by the general fund to the utility funds over several years when utility rates were insufficient to cover recurring utility cost in order to fund operations. In 2011, water and sewer rates were increased to cover the cost of operations and repay the general fund over a ten year period. These funds were repaid in the current fiscal year ahead of schedule. Additionally, an automatic adjustment is made annually based on the percentage change in the CPI in an effort to raise and maintain revenues necessary for operations and to fund necessary infrastructure improvements.

8. Fund Balances

The following illustrates the specific purposes of each classification of fund balance in the financial statements:

	General Fund	Major Governmental Funds	Other Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 289,532	\$ -	\$ -	\$ 289,532
Restricted:				
Debt service	-	1,523,882	-	1,523,882
Committed:				
Capital projects fund	-	1,272,100	-	1,272,100
Encumbrances	76,861	173,526	258,958	509,345
Emergency preparation	271,908	-	-	271,908
Contingencies	954,954	-	-	954,954
Total Committed:	<u>1,303,723</u>	<u>1,445,626</u>	<u>258,958</u>	<u>3,008,307</u>
Assigned:				
Court management	234,737	-	-	234,737
Culture & recreation	-	-	459,042	459,042
Economic Investment	1,896,894	-	-	1,896,894
Property Seizure	407,747	-	-	407,747
Public works	-	-	1,063,719	1,063,719
Public safety	-	3,226,602	375,518	3,602,120
Subsequent year expenditures	-	290,288	-	290,288
Total Assigned:	<u>2,539,378</u>	<u>3,516,890</u>	<u>1,898,279</u>	<u>7,954,547</u>
Unassigned:	<u>3,764,363</u>	<u>-</u>	<u>-</u>	<u>3,764,363</u>
Total Fund Balance	<u>\$ 7,896,996</u>	<u>\$ 6,486,398</u>	<u>\$ 2,157,237</u>	<u>\$ 16,540,631</u>

**CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE D – TAX ABATEMENTS

As of March 31, 2018, the City provides tax abatement through one program – the River Express Development Zone 1. This is a local sales tax increments and local ad valorem (property) tax economic development incentive program. The program is authorized under Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended (LA. R.S. 33:9038.31, *et seq.*) (the “EDD Act”). Therefore, the City created such a program for the furtherance of economic development projects funded through the incremental increases in such sales taxes with a sales tax match from the City and property taxes collected in the designated district. The qualification requires infrastructure improvements within the district to be reimbursed at a maximum of \$2,000,000 within eight years from the certificate of occupancy of the first develop on site of the district.

The amount of tax abatements granted during 2018 under this program is as follows:

Sales Tax \$168,264

NOTE E – OTHER NOTES

1. Retirement Plans

Substantially all employees of the City are required by State law to belong to retirement plans administered by the Municipal Employees’ Retirement System of Louisiana (MERS) or the Municipal Police Employees’ Retirement System of Louisiana (MPERS), both of which are administered on a statewide basis. Each plan issues a separate financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the plan.

Municipal Employees’ Retirement System of Louisiana
7937 Office Park Boulevard
Baton Rouge, LA 70809
(225) 925-4810
www.mersla.com

Municipal Police Employees’ Retirement System of Louisiana
7722 Office Park Boulevard, Suite 200
Baton Rouge, LA 70809-7601
(225) 929-7411
www.lampers.org

Disclosures relating to these plans follow:

Municipal Employees’ Retirement System of Louisiana (MERS)

Plan Description. Municipal Employees’ Retirement System of Louisiana (the System) is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended June 30, 2017, there were 84 contributing municipalities in Plan A.

Eligibility Requirements. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Benefits Provided. The following is a description of the plan and its benefits, and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Any member of Plan A who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with five (5) years of creditable services eligible for disability benefits.
4. Survivor's benefits require five (5) or more years creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).
5. Any age with twenty (20) years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Eligibility for retirement for Plan A members hired on or after January 1, 2013, is as follows:

1. Age 67 with seven (7) or more years of creditable service.
2. Age 62 with ten (10) or more years of creditable service.
3. Age 55 with thirty (30) or more years of creditable service.
4. Any age with twenty-five (25) years of creditable service with an actuarially reduced early benefit.
5. Survivor's benefits require five or more years of creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits of the surviving spouse and/or minor children as outlined in the statutes.

Any Plan A member who is eligible for normal retirement at the time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments in the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to this earliest normal retirement age.

Cost of Living Increases

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefit

The plan provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits will become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions. According to State Statute, contribution requirements for all employers are actuarially determined each year. For the System's year ending June 30, 2017, the actual employer contribution rate was 22.75% and the actual employee rate was 9.5% for Plan A. The City contributes both the employee and employer amounts and takes no deductions from the employees' pay for employees hired prior to April 1, 2013.

In accordance with State Statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The City's proportionate share of these non-employer contributions totaled \$171,398 during the measurement period, of which \$129,697 is for governmental activities and \$41,701 is for business-type activities.

**CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2018, the City reported a liability of \$11,649,378 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year actuarially determined. At June 30, 2017, the City's proportion was 2.784653%, which was an increase of 0.025100% from its proportion measured as of June 30, 2016.

For the year ended March 31, 2018, the City recognized pension expense of \$2,525,343 plus employers' amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$89,218.

At March 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 354,792
Changes in assumptions	194,789	-
Differences between projected and actual investment earnings	2,349,119	-
Changes in proportionate share of the NPL	83,252	-
Differences between the City's contributions and its proportionate share of contributions	111,995	-
City's contributions subsequent to the measurement date	1,189,635	-
Total	\$ 3,928,790	\$ 354,792

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Deferred outflows of resources of \$1,89,635 related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending March 31</u>	<u>Amount of Amortization</u>
2019	\$ 781,097
2020	988,224
2021	509,693
2022	105,399
	<u>\$ 2,384,413</u>

Actuarial Methods and Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years-Plan
Investment Rate of Return	7.4% net of investment expense
Inflation Rate	2.775%
Salary Increases	5.0%
Annuitant and Beneficiary Mortality	RP-2000 Healthy Sex Distinct Mortality set forward 2 years for males and set forward 1 year for females projected to 2028 using scale AA
Employee Mortality	RP-2000 Disabled Lives Mortality Table for disabled annuitants setback 2 years for males and females
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Table for disabled annuitants setback 5 years for males and 3 years for females

Discount Rate

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 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.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	50%	2.30%
Public Fixed Income	35%	1.60%
Alternatives	15%	0.70%
Totals	100%	4.60%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.20%

The expected discount rate used to measure the total pension liability was 7.4%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current 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 to Changes in the Discount Rate

The following presents the Net Pension Liability of the City calculated using the discount rate of 7.4%, as well as what the City's Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.4%) or one percentage point higher (8.4%) than the current rate calculated at June 30, 2017.

	Changes in Discount Rate-Plan A		
	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
City's proportionate share of the Net Pension Liability	\$ 14,845,179	\$ 11,649,378	\$ 8,923,453

Payables to the Pension Plan

At March 31, 2018, the City had no payables due to MERS.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (MPERS)

Plan Description. The Municipal Police Employees' Retirement System of Louisiana (the System) is a cost-sharing, multiple-employer defined benefit plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefits Provided. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits

Membership prior to January 1, 2013 – A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013 – Member eligibility for regular retirement, early retirement, disability and survivor benefits are 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 System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System for 30 years of creditable services 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 System for 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost-of-Living Adjustments

The MPERS Board of Trustees is authorized to provide annual cost of living adjustments computed on the amount of the current regular retirement, disability, beneficiary, or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors, and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor, or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.

Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan (DROP)

A member is eligible to elect to enter the Deferred Retirement Option Plan (DROP) when he is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at the date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or by a true annuity.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option (IBO) program. IBO is available to members who are eligible for regular retirement and have not participated in DROP. The IBO program provides both a one-time single lump sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Contributions. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2017, total contributions for the System due from employers and employees were 41.75%. The employer and employee contribution rates for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013, were 31.75% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013, were 33.75% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.25% and 7.5%, respectively.

Non-Employer Contributions

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the Legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2016, and excluded from pension expense. The City's proportionate share of these non-employer contributions totaled \$337,113 during the measurement period.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

The City's contractually required composite contribution rate for the year ended March 31, 2018, was 31.75% of annual payroll from April 1, 2017, to June 30, 2017, and 30.75% from July 1, 2017, to March 31, 2018, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Additionally, the City contributes both the employee and employer amounts and takes no deductions from the employees' pay for employees hired prior to April 1, 2013.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At March 31, 2018, the City reported a liability of \$15,417,028 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's projected contribution effort to the plan for the next fiscal year as compared to the total of all employers' projected contribution effort to the plan for the next fiscal year, actuarially determined. At June 30, 2017, the City's proportion was 1.765897%, which is a decrease of -0.008534% from its proportion measure as of June 30, 2016.

For the year ended March 31, 2018, the City's recognized pension expense of \$2,887,160 plus the City's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$(49,151).

At March 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 100,950	\$ 118,498
Changes in assumptions	1,097,007	-
Differences between projected and actual investment earnings	2,559,135	-
Changes in proportionate share of the NPL	-	180,022
Differences between the City's contributions and its proportionate share of contributions	61,178	-
City's contributions subsequent to the measurement date		
City's contributions subsequent to the March 31, 2018 measurement date	1,501,297	-
Total	\$ 3,435,331	\$ 298,500

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Deferred outflows of resources of \$1,501,297 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending March 31</u>	<u>Amount of Amortization</u>
2019	\$ 563,866
2020	911,600
2021	521,805
2022	(361,737)
	<u>\$ 1,635,534</u>

Actuarial Methods and Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017, are as follows:

Valuation Date	June 30, 2017	
Actuarial Cost Method	Entry Age Normal	
Investment Rate of Return	7.325% net of investment expense	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.70% per annum	
Salary Increases, including Inflation and Merit	Years of	Salary Growth
	<u>Service</u>	<u>Rate</u>
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%
Mortality	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (setback 1 year for females) for healthy annuitants and beneficiaries RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants RP-2000 Employee Table set back 4 years for males and 3 years for females active members	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009, through June 30, 2014, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target allocation as of June 30, 2017, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	53%	3.66%
Fixed Income	21%	0.52%
Alternatives	20%	1.10%
Other	6%	0.16%
Totals	100%	5.44%
Inflation		2.75%
Expected Arithmetic Nominal Return		8.19%

The discount rate used to measure the total pension liability was 7.325%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current 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 to Changes in the Discount Rate.

The following presents the Net Pension Liability of the City calculated using the discount rate of 7.325%, as well as what the City's Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.325%) or one percentage point higher (8.325%) than the current rate calculated at June 30, 2017.

	1% Decrease 6.325%	Current Discount Rate 7.325%	1% Increase 8.325%
City's proportionate share of the Net Pension Liability	\$21,300,111	\$15,417,028	\$10,481,545

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E - OTHER NOTES (Continued)

1. Retirement Plans (Continued)

Payables to the Pension Plan

At March 31, 2018, the City had no payables due to MPERS.

2. On Behalf Payments for Salaries

Supplemental pay which is paid directly to employees of the City of Gretna by the State of Louisiana, Department of Public Safety, is recognized as intergovernmental revenue and salaries expenditure in the year in which paid. For the year ended March 31, 2018, the amount recognized as revenue and expenditure was \$590,082.

3. Post Employment Health Care Benefits

Cobra Benefits. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the first day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the City under the program, and there is one participant in the program as of March 31, 2018.

Plan Description – The City of Gretna’s medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by two retirement systems whose retirement eligibility (D.R.O.P. entry) provisions are similar. We have used the following as representative of that eligibility: 25 years of service at any age, or age 60 and 10 years of service; for Police, 25 years of service at any age; age 50 and 20 years of service; age 55 and 12 years of service.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the City of Gretna recognized the cost of providing post-employment medical benefits (the City of Gretna’s portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2018 and 2017, the City of Gretna’s portion of health care funding cost for retired employees totaled \$80,268 and \$74,322, respectively.

Effective April 1, 2008, the City of Gretna implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E – OTHER NOTES (Continued)

3. Post Employment Health Care Benefits (Continued)

Annual Required Contribution – The City of Gretna’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2018</u>	<u>2017</u>
Normal cost	\$ 25,257	\$ 24,286
30-year UAL amortization amount	46,791	44,991
Annual required contribution (ARC)	<u>\$ 72,048</u>	<u>\$ 69,277</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the City of Gretna’s Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending March 31:

	<u>2018</u>	<u>2017</u>
Beginning Net OPEB Obligation	\$ 586,150	\$ 601,927
Annual required contribution	72,048	69,277
Interest on Net OPEB Obligation	23,446	24,077
ARC Adjustment	<u>(33,897)</u>	<u>(34,810)</u>
OPEB Cost	61,597	58,545
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(80,268)</u>	<u>(74,322)</u>
Change in Net OPEB Obligation	<u>(18,671)</u>	<u>(15,777)</u>
Ending Net OPEB Obligation	<u>\$ 567,479</u>	<u>\$ 586,150</u>

The following table shows the City of Gretna’s annual other post employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post employment benefits (OPEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
March 31, 2018	\$ 61,597	130.31%	\$ 567,479
March 31, 2017	\$ 58,545	126.95%	\$ 586,150

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E – OTHER NOTES (Continued)

3. Post Employment Health Care Benefits (Continued)

Funded Status and Funding Progress – In 2018 and 2017, the City of Gretna made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the April 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year March 31, 2018 was \$841,505 which is defined as that portion, as determined by a particular actuarial cost method (the City of Gretna uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2018</u>	<u>2017</u>
Actuarial Accrued Liability (AAL)	\$ 841,505	\$ 809,140
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 841,505</u>	<u>\$ 809,140</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 12,414,603	\$ 12,713,779
UAAL as a percentage of covered payroll	6,78%	6.36%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment 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 to 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 Gretna and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Gretna 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 Gretna 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 liabilities and the actuarial value of assets.

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

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E – OTHER NOTES (Continued)

3. Post Employment Health Care Benefits (Continued)

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 11%. Based on past experience, we have also assumed that 80% of future retirees decline coverage at retirement because of the substantial premiums required of the retiree.

Post employment Benefit Plan Eligibility Requirements – Based on past experience, it has been assumed that entitlement to benefits will commence three years after the earliest retirement (D.R.O.P. entry) eligibility, as described above under "Plan Description". The three years represents the three years in the D.R.O.P. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. Retirees are not covered for health insurance after age 65. Under the former "cost sharing" retiree medical coverage program, the employer paid for a percentage of the retiree premiums before age 65 based on length of service at retirement: 3 1/3 % (later reduced to 2.5%) for each year of service for twenty or more years of service, to a maximum of 100%. The former program was temporarily extended to certain eligible retired and active employees and has since been terminated with eleven retirees still eligible under the program and for whom the employer pays the appropriate "cost sharing" percentage. For current active employees retiring in the future, the retiree pays the entire premium. However, these premiums are based on a variation of the blended active/retired rate before Medicare eligibility (age 65). Since GASB Statement 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used, we have estimated the

CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE E – OTHER NOTES (Continued)

3. Post Employment Health Care Benefits (Continued)

total "unblended" rates for retirees before Medicare eligibility to be 130% of the total blended active/retired rate, with the employer assumed to pay also the additional implied subsidy representing the difference between the unblended rate and the amount paid by the retiree, if any, based on the blended rate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

OPEB Costs and Contributions						
		FY 2016		FY 2017		FY 2018
OPEB Cost	\$	65,521	\$	58,545	\$	61,597
Contribution		0		0		0
Retiree premium		78,618		74,322		80,268
Total contribution and premium		78,618		74,322		80,268
Change in net OPEB obligation	\$	-13,097	\$	-15,777	\$	-18,671
% of contribution to cost		0.00%		0.00%		0.00%
% of contribution plus premium to cost		119.99%		126.95%		130.31%

4. Operating Leases

The City entered into an operating lease agreement for the lease of four vehicles for the Police Department. The lease term is for four years, which commenced in September 2017. The monthly lease payment beginning October 2017, is \$1,897. Rent expense for the year ended March 31, 2018, was \$11,380.

The City entered into an operating lease agreement for a variety of vehicles. The lease term is for five years which commenced at various periods beginning with August 2016. The total monthly lease payments are \$4,945. Rent expense for the year ended March 31, 2018, was \$59,149.

**CITY OF GRETNA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE E – OTHER NOTES (Continued)

4. Operating Leases (Continued)

The City’s future minimum lease commitment under these operating leases as of March 31, 2018, is as follows:

<u>March 31</u>	<u>Amount Due</u>
2019	\$ 82,101
2020	82,101
2021	82,101
2022	56,920
Total	<u>\$ 303,223</u>

5. Contingencies and Commitments

The City is a defendant in several lawsuits including claims for damages from wrongful deaths, civil rights violations, injuries, property damage and other actions. The City’s attorneys have evaluated the open claims for the likelihood of an unfavorable outcome to the City and an amount of potential loss. In most instances neither the outcome nor the amount of a potential loss could be estimated.

The City carries insurance for general liability coverage in the amount of \$3,000,000, wrongful act liability coverage in the amount of \$3,000,000, auto liability coverage in the amount of \$3,000,000, and excess liability coverage in the amount of \$10,000,000.

Deductibles under these coverage’s are \$100,000 per occurrence. The City’s third party administrator has actuarially computed the City’s liability in all cases as of March 31, 2018, to be \$734,018. The city has not accrued a liability on its financial statements to provide for the estimated amount nor has it provided a reserve for fund balance.

6. Subsequent Events

Management of the City of Gretna has evaluated subsequent events through September 28, 2018, the date which the financial statements were available to be issued. The city is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF GRETN, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes	\$ 9,884,127	\$ 10,478,761	\$ 10,627,193	\$ -	\$ 10,627,193	\$ 148,432
Intergovernmental	659,580	670,580	679,050	-	679,050	8,470
Charges for services	355,300	347,000	388,173	-	388,173	41,173
Fines and forfeitures	4,501,650	3,447,000	3,298,653	-	3,298,653	(148,347)
Licenses and permits	1,107,350	1,080,819	1,095,289	-	1,095,289	14,470
Miscellaneous	416,886	431,500	709,137	-	709,137	277,637
Total revenues	<u>16,924,893</u>	<u>16,455,660</u>	<u>16,797,494</u>	<u>-</u>	<u>16,797,494</u>	<u>341,834</u>
EXPENDITURES						
Current:						
General government	2,875,550	2,907,906	2,898,149	(5,727)	2,892,423	15,483
Public safety	11,532,879	11,651,869	11,480,926	36,488	11,517,414	134,455
Public works	3,643,175	3,626,182	3,613,989	(25,296)	3,588,693	37,489
Cemetery	70,700	71,963	73,576	-	73,576	(1,613)
Capital outlay	368,366	317,559	598,317	(21,438)	576,879	(259,320)
Total expenditures	<u>18,490,670</u>	<u>18,575,479</u>	<u>18,664,958</u>	<u>(15,973)</u>	<u>18,648,985</u>	<u>(73,506)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,565,777)</u>	<u>(2,119,819)</u>	<u>(1,867,464)</u>	<u>15,973</u>	<u>(1,851,491)</u>	<u>268,328</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,716,200	1,716,200	1,670,000	-	1,670,000	(46,200)
Transfers out	(150,000)	(150,000)	(481,866)	-	(481,866)	(331,866)
Total other financing sources (uses)	<u>1,566,200</u>	<u>1,566,200</u>	<u>1,188,134</u>	<u>-</u>	<u>1,188,134</u>	<u>(378,066)</u>
Net change in fund balances	423	(553,619)	(679,329)	15,973	(663,357)	(109,738)
Fund balances - beginning	<u>8,576,325</u>	<u>8,576,325</u>	<u>8,576,325</u>	<u>(92,833)</u>	<u>8,483,492</u>	<u>(92,833)</u>
Fund balances - ending	<u>\$ 8,576,748</u>	<u>\$ 8,022,706</u>	<u>\$ 7,896,996</u>	<u>\$ (76,860)</u>	<u>\$ 7,820,135</u>	<u>\$ (202,571)</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual	Adjustment	Actual	Variance with
	Original	Final	GAAP Basis	To Budget Basis	Budget Basis	Final Budget Favorable/ (Unfavorable)
Taxes:						
Ad valorem	\$ 2,450,600	\$ 2,515,762	\$ 2,635,857	\$ -	\$ 2,635,857	\$ 120,095
Sales	6,718,900	7,267,999	7,303,138	-	7,303,138	35,139
Franchises						
Entergy	300,000	300,000	300,598	-	300,598	598
Atmos Energy Company	59,626	60,000	63,959	-	63,959	3,959
Cable Television	240,000	220,000	220,905	-	220,905	905
Off Track Betting	115,000	115,000	102,736	-	102,736	(12,264)
Total taxes	9,884,126	10,478,761	10,627,193	-	10,627,193	148,432
Licenses and permits:						
Occupational licenses	412,000	400,000	405,611	-	405,611	5,611
Alcoholic beverage	55,900	53,900	52,495	-	52,495	(1,405)
Chain store	15,000	17,000	14,377	-	14,377	(2,623)
Plumbing	4,200	4,700	4,625	-	4,625	(75)
Electrical	6,000	6,000	7,550	-	7,550	1,550
Taxi cab	16,000	16,000	13,560	-	13,560	(2,440)
Recreational	14,000	14,000	14,170	-	14,170	170
Insurance	450,000	430,000	428,093	-	428,093	(1,907)
Fireworks	44,250	43,500	43,500	-	43,500	-
Uber Fees	-	719	3,026	-	3,026	2,307
Issuance fee	5,000	5,000	5,100	-	5,100	100
Building	85,000	90,000	103,181	-	103,181	13,181
Total licenses and permits	1,107,350	1,080,819	1,095,289	-	1,095,289	14,470
Intergovernmental:						
Grants-Matching Funds	-	-	-	-	-	-
911 fees	47,580	47,580	47,580	-	47,580	-
Federal grant	-	-	-	-	-	-
State grant	-	-	-	-	-	-
Beer tax	44,000	43,000	40,682	-	40,682	(2,318)
State video poker	400,000	415,000	431,579	-	431,579	16,579
Jefferson parish council	-	-	-	-	-	-
Parish road tax	168,000	165,000	159,208	-	159,208	(5,792)
Total intergovernmental	659,580	670,580	679,050	-	679,050	8,470
Charges for services:						
Inspection fees						
Electrical	28,000	25,000	23,206	-	23,206	(1,794)
Plumbing	29,000	33,000	31,865	-	31,865	(1,135)
Resubdivision fees	8,000	8,000	15,031	-	15,031	7,031
Parking meter	238,000	238,000	222,516	-	222,516	(15,484)
Magistrate fees	1,000	5,000	9,438	-	9,438	4,438
Grass cutting fees	18,500	10,000	61,245	-	61,245	51,245
Other	32,800	28,000	24,872	-	24,872	(3,128)
Total charges for services	355,300	347,000	388,173	-	388,173	41,173

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustment To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final				
Fines and forfeitures:						
Fines	1,776,650	1,522,000	1,614,130	-	1,614,130	92,130
Speed enforcement program	2,600,000	1,800,000	1,579,494	-	1,579,494	(220,506)
Court cost	125,000	125,000	105,029	-	105,029	(19,971)
Total fines and forfeitures	<u>4,501,650</u>	<u>3,447,000</u>	<u>3,298,653</u>	<u>-</u>	<u>3,298,653</u>	<u>(148,347)</u>
Miscellaneous:						
Interest on invested funds	8,000	55,000	70,689	-	70,689	15,689
Rents	35,117	20,000	32,416	-	32,416	12,416
Insurance claims	22,034	-	93,962	-	93,962	93,962
Sale of assets	48,135	52,000	201,681	-	201,681	149,681
Other	303,600	304,500	310,389	-	310,389	5,889
Total miscellaneous	<u>416,886</u>	<u>431,500</u>	<u>709,137</u>	<u>-</u>	<u>709,137</u>	<u>277,637</u>
Total revenues	<u>\$ 16,924,892</u>	<u>\$ 16,455,660</u>	<u>\$ 16,797,494</u>	<u>\$ -</u>	<u>\$ 16,797,494</u>	<u>\$ 341,834</u>

The notes to financial statements are an integral part of this statement.

**CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2018**

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final				
General government:						
City administration:						
Personnel expenses	\$ 496,070	\$ 496,287	\$ 503,482	\$ 229	\$ 503,710	\$ (7,423)
Supplies	8,600	7,600	5,926	100	6,026	1,574
Service charges	685,950	713,375	667,963	(6,055)	661,908	51,467
Capital outlay	15,000	-	68,314	-	68,314	(68,314)
Total city administration	1,205,620	1,217,262	1,245,686	(5,727)	1,239,959	(22,697)
Elected officials:						
Personnel expenses	129,454	128,758	129,756	-	129,756	(998)
Supplies	1,100	1,100	1,808	-	1,808	(708)
Service charges	55,500	48,000	50,332	-	50,332	(2,332)
Capital outlay	-	-	-	-	-	-
Total elected officials	186,054	177,858	181,897	-	181,897	(4,039)
City attorney:						
Personnel expenses	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	580,193	630,183	648,187	-	648,187	(18,004)
Capital outlay	-	-	-	-	-	-
Total city attorney	580,193	630,183	648,187	-	648,187	(18,004)
Department of finance:						
Personnel expenses	621,325	578,888	573,728	-	573,728	5,160
Supplies	10,100	7,800	5,702	-	5,702	2,098
Service charges	133,480	140,908	136,646	-	136,646	4,262
Capital outlay	-	-	-	-	-	-
Total department of finance	764,905	727,596	716,076	-	716,076	11,520
Tax collection:						
Personnel expenses	118,203	122,200	122,164	-	122,164	36
Supplies	11,500	6,200	11,096	-	11,096	(4,896)
Service charges	24,075	26,607	41,358	-	41,358	(14,751)
Capital outlay	-	-	-	-	-	-
Total tax collection	153,778	155,007	174,618	-	174,618	(19,611)
Total general government	2,890,550	2,907,906	2,966,464	(5,727)	2,960,737	(52,831)
Less capital outlay	15,000	-	68,314	-	68,314	(68,314)
Total general government, net capital outlay	\$ 2,875,550	\$ 2,907,906	\$ 2,898,149	\$ (5,727)	\$ 2,892,423	\$ 15,483

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final				
Public safety:						
City court:						
Personnel expenses	\$ 778,050	\$ 771,693	\$ 765,785	\$ -	\$ 765,785	\$ 5,908
Supplies	32,200	32,500	38,068	(280)	37,788	(5,288)
Service charges	177,650	177,852	177,445	-	177,445	407
Capital outlay	64,833	65,990	64,833	-	64,833	1,157
Total city court	<u>1,052,733</u>	<u>1,048,035</u>	<u>1,046,131</u>	<u>(280)</u>	<u>1,045,850</u>	<u>2,185</u>
City police:						
Personnel expenses	6,283,670	6,449,564	6,225,903	-	6,225,903	223,661
Supplies	446,000	488,000	536,912	2,091	539,003	(51,003)
Service charges	2,274,157	2,229,864	2,203,114	34,159	2,237,274	(7,410)
Capital outlay	268,000	231,569	448,669	(21,438)	427,231	(195,662)
Total city police	<u>9,271,827</u>	<u>9,398,997</u>	<u>9,414,598</u>	<u>14,812</u>	<u>9,429,411</u>	<u>(30,414)</u>
Zoning & code enforcement:						
Personnel expenses	489,253	480,571	474,833	-	474,833	5,738
Supplies	22,045	23,050	22,188	519	22,707	343
Service charges	116,600	121,790	141,782	-	141,782	(19,992)
Capital outlay	-	-	-	-	-	-
Total zoning & code enforcement	<u>627,898</u>	<u>625,411</u>	<u>638,804</u>	<u>519</u>	<u>639,323</u>	<u>(13,912)</u>
Building official:						
Personnel expenses	267,167	266,654	270,109	-	270,109	(3,455)
Supplies	9,151	9,057	15,582	-	15,582	(6,525)
Service charges	73,800	59,900	64,181	-	64,181	(4,281)
Capital outlay	-	-	-	-	-	-
Total building official	<u>350,118</u>	<u>335,611</u>	<u>349,873</u>	<u>-</u>	<u>349,873</u>	<u>(14,262)</u>
Communication:						
Personnel expenses	518,136	506,378	506,789	-	506,789	(411)
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total communication	<u>518,136</u>	<u>506,378</u>	<u>506,789</u>	<u>-</u>	<u>506,789</u>	<u>(411)</u>
Emergency preparedness:						
Personnel expenses	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	45,000	35,000	38,234	-	38,234	(3,234)
Capital outlay	-	-	-	-	-	-
Total emergency preparedness	<u>45,000</u>	<u>35,000</u>	<u>38,234</u>	<u>-</u>	<u>38,234</u>	<u>(3,234)</u>
Total public safety	<u>11,865,712</u>	<u>11,949,432</u>	<u>11,994,429</u>	<u>15,050</u>	<u>12,009,481</u>	<u>(60,049)</u>
Less capital outlay	<u>332,833</u>	<u>297,559</u>	<u>513,503</u>	<u>(21,438)</u>	<u>492,065</u>	<u>(194,506)</u>
Total public safety, net capital outlay	<u>\$ 11,532,879</u>	<u>\$ 11,651,873</u>	<u>\$ 11,480,926</u>	<u>\$ 36,488</u>	<u>\$ 11,517,416</u>	<u>\$ 134,457</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final				
Public works:						
Engineering:						
Personnel expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	125,000	125,000	130,312	(1,637)	128,675	(3,675)
Capital outlay	-	-	-	-	-	-
Total engineering	<u>125,000</u>	<u>125,000</u>	<u>130,312</u>	<u>(1,637)</u>	<u>128,675</u>	<u>(3,675)</u>
Streets:						
Personnel expenses	1,313,275	1,293,783	1,360,347	174	1,360,521	(66,738)
Supplies	188,000	196,500	180,749	(16,341)	164,408	32,092
Service charges	1,652,100	1,677,202	1,625,276	1,044	1,626,320	50,882
Capital outlay	20,533	20,000	16,500	-	16,500	3,500
Total streets	<u>3,173,908</u>	<u>3,187,485</u>	<u>3,182,873</u>	<u>(15,123)</u>	<u>3,167,750</u>	<u>19,735</u>
Drainage:						
Personnel expenses	160,800	125,997	90,073	-	90,073	35,924
Supplies	25,000	21,500	26,101	(8,536)	17,565	3,935
Service charges	179,000	186,200	201,128	-	201,128	(14,928)
Capital outlay	-	-	-	-	-	-
Total drainage	<u>364,800</u>	<u>333,697</u>	<u>317,304</u>	<u>(8,536)</u>	<u>308,767</u>	<u>24,930</u>
Total public works	<u>3,663,708</u>	<u>3,646,182</u>	<u>3,630,489</u>	<u>(25,296)</u>	<u>3,605,192</u>	<u>40,990</u>
Less capital outlay	<u>20,533</u>	<u>20,000</u>	<u>16,500</u>	<u>-</u>	<u>16,500</u>	<u>3,500</u>
Total public works, net capital outlay	<u>\$ 3,643,175</u>	<u>\$ 3,626,182</u>	<u>\$ 3,613,989</u>	<u>\$ (25,296)</u>	<u>\$ 3,588,692</u>	<u>\$ 37,490</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final				
Cemetery:						
Personnel expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	70,700	71,963	73,576	-	73,576	(1,613)
Capital outlay	-	-	-	-	-	-
Total cemetery	<u>70,700</u>	<u>71,963</u>	<u>73,576</u>	<u>-</u>	<u>73,576</u>	<u>(1,613)</u>
Less capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cemetery, net capital outlay	<u>70,700</u>	<u>71,963</u>	<u>73,576</u>	<u>-</u>	<u>73,576</u>	<u>(1,613)</u>
Total expenditures	<u>\$ 18,490,670</u>	<u>\$ 18,575,483</u>	<u>\$ 18,664,957</u>	<u>\$ (15,973)</u>	<u>\$ 18,648,985</u>	<u>\$ (73,502)</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual	Adjustments	Actual	Variance with
	Original	Final	GAAP	To Budget	Budget	Final Budget
			Basis	Basis	Basis	Favorable (Unfavorable)
REVENUES						
Taxes						
Ad valorem	\$ 2,375,000	\$ 2,532,833	\$ 2,525,036	\$ -	\$ 2,525,036	\$ (7,797)
Intergovernmental	-	-	-	-	-	-
Fire insurance tax	99,540	107,587	107,587	-	107,587	0
Total revenues	<u>2,474,540</u>	<u>2,640,420</u>	<u>2,632,624</u>	<u>-</u>	<u>2,632,624</u>	<u>(7,797)</u>
EXPENDITURES						
Public safety						
Personnel expenses	205,700	199,831	191,399	-	191,399	8,432
Supplies	-	-	-	-	-	-
Service charges	880,266	1,025,107	1,024,651	-	1,024,651	456
Capital Outlay	-	1,221,417	1,221,180	-	1,221,180	237
Total expenditures	<u>1,085,966</u>	<u>2,446,355</u>	<u>2,437,230</u>	<u>-</u>	<u>2,437,230</u>	<u>9,125</u>
Excess (deficiency) of revenues over expenditures	<u>1,388,574</u>	<u>194,065</u>	<u>195,394</u>	<u>-</u>	<u>195,394</u>	<u>1,329</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	2,349	-	-	-	(2,349)
Total other financing sources (uses)	<u>-</u>	<u>2,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,349)</u>
Net change in fund balances	1,388,574	196,414	195,394	-	195,394	(1,020)
Fund balances - beginning	2,149,486	2,149,486	2,149,486	-	2,149,486	-
Fund balances - ending	<u>\$ 3,538,060</u>	<u>\$ 2,345,900</u>	<u>\$ 2,344,880</u>	<u>\$ -</u>	<u>\$ 2,344,880</u>	<u>\$ (1,020)</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
AMBULANCE
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Ad valorem	\$ 1,060,000	\$ 1,095,000	\$ 1,088,814	\$ -	\$ 1,088,814	\$ (6,186)
Intergovernmental						
State grants	-	-	-	-	-	-
Jefferson parish	15,000	25,000	43,414	-	43,414	18,414
Charges for services	645,000	894,241	1,151,292	-	1,151,292	257,051
Miscellaneous	200	280	5,357	-	5,357	5,077
Total revenues	<u>1,720,200</u>	<u>2,014,521</u>	<u>2,288,877</u>	<u>-</u>	<u>2,288,877</u>	<u>274,356</u>
EXPENDITURES						
Culture and recreation						
Personnel expenses	1,469,952	1,542,932	1,576,978	-	1,576,978	(34,046)
Supplies	77,000	92,000	109,207	4,124	113,331	(21,331)
Service charges	203,000	241,076	243,443	-	243,443	(2,367)
Capital Outlay	196,000	227,000	44,762	169,144	213,906	13,094
Total expenditures	<u>1,945,952</u>	<u>2,103,008</u>	<u>1,974,390</u>	<u>173,268</u>	<u>2,147,658</u>	<u>(44,650)</u>
Excess (deficiency) of revenues over expenditures	<u>(225,752)</u>	<u>(88,487)</u>	<u>314,487</u>	<u>(173,268)</u>	<u>141,219</u>	<u>229,706</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(237)	-	(237)	(237)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(237)</u>	<u>-</u>	<u>(237)</u>	<u>(237)</u>
Net change in fund balances	(225,752)	(88,487)	314,250	(173,268)	140,982	229,469
Fund balances - beginning	740,998	740,998	740,998	(258)	740,740	(258)
Fund balances - ending	<u>\$ 515,246</u>	<u>\$ 652,511</u>	<u>\$ 1,055,248</u>	<u>\$ (173,526)</u>	<u>\$ 881,722</u>	<u>\$ 229,211</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Intergovernmental						
Jefferson parish council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal grant	3,633,000	3,000,000	5,383,112	-	5,383,112	2,383,112
State grant	2,860,960	7,300,000	3,860,247	-	3,860,247	(3,439,753)
Community development	-	-	-	-	-	-
Miscellaneous						
Interest	-	409	508	-	508	99
Other	-	-	-	-	-	-
Total revenues	<u>6,493,960</u>	<u>10,300,409</u>	<u>9,243,867</u>	<u>-</u>	<u>9,243,867</u>	<u>(1,056,542)</u>
EXPENDITURES						
Public works	48,107	48,607	509	-	509	48,098
Culture & recreation	55,533	125	32,667	-	32,667	(32,542)
Capital outlay	6,390,320	11,693,610	10,323,845	154,354	10,478,199	1,215,411
Total expenditures	<u>6,493,960</u>	<u>11,742,342</u>	<u>10,357,021</u>	<u>153,740</u>	<u>10,511,375</u>	<u>1,230,967</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,441,933)</u>	<u>(1,113,154)</u>	<u>(153,740)</u>	<u>(1,267,507)</u>	<u>174,426</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,530,000	3,406,357	2,701,979	-	2,701,979	(704,378)
Transfers out	<u>(1,530,000)</u>	<u>(1,530,000)</u>	<u>(1,230,401)</u>	<u>-</u>	<u>(1,230,401)</u>	<u>299,599</u>
Total other financing sources (uses)	<u>-</u>	<u>1,876,357</u>	<u>1,471,578</u>	<u>-</u>	<u>1,471,578</u>	<u>(404,779)</u>
Net change in fund balances	-	434,424	358,424	(153,740)	204,684	(230,353)
Fund balances - beginning	<u>913,676</u>	<u>913,676</u>	<u>913,676</u>	<u>(614)</u>	<u>913,676</u>	<u>-</u>
Fund balances - ending	<u>\$ 913,676</u>	<u>\$ 1,348,100</u>	<u>\$ 1,272,100</u>	<u>\$ (154,354)</u>	<u>\$ 1,118,360</u>	<u>\$ (230,353)</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Taxes						
Sales	\$ 1,104,162	\$ 1,104,162	\$ 1,104,162	\$ -	\$ 1,104,162	\$ -
Miscellaneous						
Interest on invested funds	1,500	8,500	11,018	-	11,018	2,518
Total revenues	<u>1,105,662</u>	<u>1,112,662</u>	<u>1,115,180</u>	<u>-</u>	<u>1,115,180</u>	<u>2,518</u>
EXPENDITURES						
Debt service:						
Principal retirement	902,000	902,000	902,000	-	902,000	-
Interest	212,748	225,665	216,822	-	216,822	8,843
Cost of issuance	-	-	-	-	-	-
Total expenditures	<u>1,114,748</u>	<u>1,127,665</u>	<u>1,118,822</u>	<u>-</u>	<u>1,118,822</u>	<u>8,843</u>
Excess (deficiency) of revenues over expenditures	<u>(9,086)</u>	<u>(15,003)</u>	<u>(3,642)</u>	<u>-</u>	<u>(3,642)</u>	<u>11,361</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,086)	(15,003)	(3,642)	-	(3,642)	11,361
Fund balances - beginning	1,527,524	1,527,524	1,527,524	-	1,527,524	-
Fund balances - ending	<u>\$ 1,518,438</u>	<u>\$ 1,512,521</u>	<u>\$ 1,523,882</u>	<u>\$ -</u>	<u>\$ 1,523,882</u>	<u>\$ 11,361</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GRANT FUND
For the Year Ended March 31, 2018

	Budgeted Amounts		Actual GAAP Basis	Adjustments To Budget Basis	Actual Budget Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final				
REVENUES						
Intergovernmental						
Jefferson parish	\$ 261,000	\$ -	\$ 190,000	\$ -	\$ 190,000	\$ 190,000
Federal grant	117,227	312,039	422,195	-	422,195	110,156
State grant	-	4,000	79,136	-	79,136	75,136
Community development	-	-	-	-	-	-
Miscellaneous						
Interest	-	5,000	7,165	-	7,165	2,165
Other	-	14,204	12,927	-	12,927	(1,277)
Total revenues	<u>378,227</u>	<u>335,243</u>	<u>711,423</u>	<u>-</u>	<u>711,423</u>	<u>376,180</u>
EXPENDITURES						
General government	106,227	400,000	273,634	-	273,634	126,366
Public safety	266,985	578,862	560,670	-	560,670	18,192
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>373,212</u>	<u>978,862</u>	<u>834,304</u>	<u>-</u>	<u>834,304</u>	<u>144,558</u>
Excess (deficiency) of revenues over expenditures	<u>5,015</u>	<u>(643,619)</u>	<u>(122,881)</u>	<u>-</u>	<u>(122,881)</u>	<u>520,738</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	160,553	-	21,610	-	21,610	21,610
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>160,553</u>	<u>-</u>	<u>21,610</u>	<u>-</u>	<u>21,610</u>	<u>21,610</u>
Net change in fund balances	165,568	(643,619)	(101,271)	-	(101,271)	542,348
Fund balances - beginning	391,559	391,559	391,559	-	391,559	-
Fund balances - ending	<u>\$ 557,127</u>	<u>\$ (252,060)</u>	<u>\$ 290,288</u>	<u>\$ -</u>	<u>\$ 290,288</u>	<u>\$ 542,348</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETN, LOUISIANA
SCHEDULE OF FUNDING PROGRESS
FOR OTHER POSTEMPLOYMENT BENEFITS PLAN
For The Year Ended March 31, 2018

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL As A Percentage of Covered Payroll
Medical	March 31, 2018	\$ -	\$ 841,505	\$ 841,505	0.00%	\$ 12,414,603	6.78%
Medical	March 31, 2017	\$ -	\$ 809,140	\$ 809,140	0.00%	\$ 12,713,779	6.36%
Medical	March 31, 2016	\$ -	\$ 962,532	\$ 962,532	0.00%	\$ 12,646,401	7.61%

The notes to financial statements are an integral part of this statement

CITY OF GRETNA, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
Year Ended March 31, 2018*

Year Ended June 30,	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Fiduciary Net Position As a Percentage of the Total Pension Liability
2017	MERS	2.784653%	\$11,649,378	\$5,057,190	230.35%	62.49%
2016	MERS	2.759553%	\$11,310,609	\$4,929,524	229.45%	62.11%
2015	MERS	2.728560%	\$ 9,746,844	\$4,656,998	209.29%	66.18%
2017	MPERS	1.774431%	\$15,417,028	\$5,270,319	292.53%	70.08%
2016	MPERS	1.774431%	\$16,631,418	\$4,872,952	341.30%	66.04%
2015	MPERS	1.788425%	\$14,010,440	\$4,719,875	296.84%	70.73%

*The amounts presented have a measurement date of June 30, 2017

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

CITY OF GRETNA, LOUISIANA
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
Year Ended March 31, 2018

Year Ended March 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2018	MERS	\$ 1,244,310	\$ 1,244,310	\$ -	\$ 5,140,022	24.21%
2017	MERS	\$ 1,143,736	\$ 1,143,736	\$ -	\$ 5,231,646	21.86%
2016	MERS	\$ 961,580	\$ 961,580	\$ -	\$ 4,869,129	19.75%
2018	MPERS	\$ 1,625,751	\$ 1,625,751	\$ -	\$ 5,246,699	30.99%
2017	MPERS	\$ 1,670,238	\$ 1,670,238	\$ -	\$ 5,094,098	32.79%
2016	MPERS	\$ 1,490,376	\$ 1,490,376	\$ -	\$ 4,852,165	30.72%

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

OTHER SUPPLEMENTAL INFORMATION

**CITY OF GRETNA, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
March 31, 2018**

	Special Revenue									Total Nonmajor fund
	GARBAGE	RECREATION	SOCIAL SERV FOR THE AGED	STREET LIGHTS	RIVERBOAT CASINO	TOURISM	HOME INCARCERATION	COURT SECURITY 24TH JDC	COURT SECURITY 2ND PARISH	
ASSETS										
Cash and cash equivalents	\$ 270,141	\$ 404,150	\$ 157,586	\$ 1,013,441	\$ -	\$ -	\$ -	\$ 84,532	\$ 91,194	\$ 2,021,044
Receivables, net	193,340	14,059	1,561	12,433	-	5,596	-	-	-	226,989
Due from other governments	-	5,744	-	-	-	413,488	134,338	122,659	47,145	723,374
Prepaid items (principally insurance)	2,021	-	-	-	-	-	-	-	-	2,021
Total assets	\$ 465,502	\$ 423,953	\$ 159,147	\$ 1,025,874	\$ -	\$ 419,084	\$ 134,338	\$ 207,191	\$ 138,339	\$ 2,973,428
LIABILITIES										
Accounts payable	\$ 258,117	\$ 26,477	\$ -	\$ 31,659	\$ -	\$ 3,745	\$ 30,279	\$ 37,227	\$ 7,138	\$ 394,642
Due to other funds	-	-	-	-	-	391,842	29,706	-	-	421,549
Total liabilities	258,117	26,477	-	31,659	-	395,587	59,985	37,227	7,138	816,191
FUND BALANCES (DEFICITS)										
Committed										
Encumbrances	-	121,078	-	137,880	-	-	-	-	-	258,958
Assigned										
Culture & Recreation	-	276,399	159,147	-	-	23,496	-	-	-	459,042
Public safety	-	-	-	-	-	-	74,352	169,964	131,202	375,518
Public works	207,384	-	-	856,335	-	-	-	-	-	1,063,719
Total fund balances (deficits)	207,384	397,477	159,147	994,215	-	23,496	74,352	169,964	131,202	2,157,237
Total liabilities and fund balances (deficits)	\$ 465,501	\$ 423,954	\$ 159,147	\$ 1,025,874	\$ -	\$ 419,083	\$ 134,337	\$ 207,191	\$ 138,340	\$ 2,973,428

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended March 31, 2018

	Special Revenue									Total Nonmajor fund
	GARBAGE	RECREATION	SOCIAL SERV FOR THE AGED	STREET LIGHTS	RIVERBOAT CASINO	TOURISM	HOME INCARCERATION	COURT SECURITY 24TH JDC	COURT SECURITY 2ND PARISH	
REVENUES										
Ad valorem	\$ -	\$ 732,382	\$ 81,359	\$ 650,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,464,449
Sales	-	-	-	-	-	45,918	-	-	-	45,918
Intergovernmental	-	-	-	-	1,979,062	1,028,511	802,925	1,199,272	275,569	5,285,339
Charges for services	1,573,769	181,734	-	-	-	8,700	-	-	-	1,764,203
Miscellaneous	1,200	42,554	7,250	-	-	13,923	-	-	-	64,927
Total revenues	<u>1,574,969</u>	<u>956,670</u>	<u>88,609</u>	<u>650,708</u>	<u>1,979,062</u>	<u>1,097,052</u>	<u>802,925</u>	<u>1,199,272</u>	<u>275,569</u>	<u>8,624,836</u>
EXPENDITURES										
Current										
Public safety	-	-	-	-	-	-	804,887	1,177,278	261,805	2,243,970
Public works	1,519,726	-	-	333,177	-	-	-	-	-	1,852,903
Culture and recreation	-	881,133	55,795	-	-	1,231,531	-	-	-	2,168,459
Debt service										
Capital outlay										
Capital Outlay	-	22,795	-	53,171	-	-	52,102	44,172	-	172,240
Total expenditures	<u>1,519,726</u>	<u>903,928</u>	<u>55,795</u>	<u>386,348</u>	<u>-</u>	<u>1,231,531</u>	<u>856,989</u>	<u>1,221,450</u>	<u>261,805</u>	<u>6,437,572</u>
Excess (deficiency) of revenues over expenditures	<u>55,243</u>	<u>52,742</u>	<u>32,814</u>	<u>264,360</u>	<u>1,979,062</u>	<u>(134,479)</u>	<u>(54,064)</u>	<u>(22,178)</u>	<u>13,764</u>	<u>2,187,264</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	150,000	-	-	-	150,000
Transfers out	-	-	-	-	(4,061,487)	-	-	-	-	(4,061,487)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,061,487)</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,911,487)</u>
Net change in fund balances	55,243	52,742	32,814	264,360	(2,082,425)	15,521	(54,064)	(22,178)	13,764	(1,724,223)
Fund balances - beginning	152,142	344,735	126,333	729,855	2,082,425	7,975	128,417	192,143	117,437	3,881,462
Fund balances - ending	<u>\$ 207,385</u>	<u>\$ 397,477</u>	<u>\$ 159,147</u>	<u>\$ 994,215</u>	<u>\$ -</u>	<u>\$ 23,496</u>	<u>\$ 74,353</u>	<u>\$ 169,965</u>	<u>\$ 131,201</u>	<u>\$ 2,157,239</u>

The notes to financial statements are an integral part of this statement

SCHEDULE OF COMPENSATION OF ELECTED OFFICIALS

**CITY OF GRETNA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO
CITY COUNCIL
For The Year Ended March 31, 2018**

<u>COUNCILMAN</u>	<u>SALARY</u>
Wayne A. Rau	\$ 17,000
Mark Miller	\$ 17,000
Milton Crosby, Sr.	\$ 17,000
Jackie J Berthelot	\$ 17,000
Mike Hinyub	\$ 17,000

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
For The Year Ended March 31, 2018

Agency Head: Mayor Belinda Constant	AMOUNT
Salary	\$ 90,000
Benefits - insurance	7,482
Benefits - retirement	21,790
Benefits - other	350
Travel	2,759
Registration fees	1,106
Total	\$ 123,486

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED MARCH 31, 2018

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	TOTAL EXPENDITURES
DEPARTMENT OF TRANSPORTATION				
Passed Through Louisiana Department of Transportation and Development				
4th Street Extension Project	20.205	H.001413	\$ 7,585,503	\$ 5,383,112
Passed Through Louisiana Department of Public Safety and Corrections				
Special Enforcement Waves	20.616	2017-35-34	4,000	3,864
TOTAL DEPARTMENT OF TRANSPORTATION			7,589,503	5,386,976
DEPARTMENT OF JUSTICE				
Direct Awards				
Bullet Proof Vest Partnership	16.607	-	5,983	5,983
Passed Through Louisiana Commission on Law Enforcement				
Victim Assistance	16.575	2016-VA-03/04/3842	163,934	102,772
Street Sales Disruption	16.738	2016-DJ-01-3602	20,408	11,314
Multi Jurisdiction Task Force	16.738	2016-DJ-01-3501	26,930	18,067
Passed Through Jefferson Parish Sheriff's Office				
Human Trafficking Grant	16.320	2015-VT-BX-K057	5,224	5,224
High Intensity Drug Trafficking Areas Program	95.001	G16GC0001A	16,280	16,280
TOTAL DEPARTMENT OF JUSTICE			238,759	159,640
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Jefferson Parish Office of Community Development				
Gretna Comprehensive Development Code	14.228	B-OG-DG-22-0001	540,000	197,483
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			540,000	197,483
DEPARTMENT OF HOMELAND SECURITY				
Direct Award				
Port Security Grant (Night Vision Goggles)	97.056	EMW-2016-PU-00324-S01	22,463	22,463
Passed Through Jefferson Parish				
Mobile Command Center Upgrade	97.067	EMW-2016-SS-00018-501	17,000	11,284
LPR Camera Project	97.067	EMW-2015-SS-0043-S01	29,194	29,194
TOTAL DEPARTMENT OF HOMELAND SECURITY			68,657	62,941
DEPARTMENT OF ENVIRONMENTAL QUALITY				
Passed Through Louisiana Department of Environmental Quality				
1430 Franklin Street Environmental Cleanup	66.817	RP000F90801	85,000	76,151
TOTAL DEPARTMENT OF ENVIRONMENTAL QUALITY			85,000	76,151
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Health and Hospitals				
National Bioterrorism Hospital Preparedness Program	93.889	HHS-2016-17	2,131	2,131
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,131	2,131
TOTAL			<u>\$ 8,524,050</u>	<u>\$ 5,885,322</u>

CITY OF GRETNA, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
MARCH 31, 2018

NOTE A - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended March 31, 2018. Federal financial assistance received during the year did meet the criteria set forth in the Single Audit Act and Uniform Guidance. Grant terms are indicated in the Schedule of Federal Financial Assistance.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation

The accompanying Schedule of Federal Financial Assistance has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

STATISTICAL SECTION
(Unaudited)

CITY OF GRETNA, LOUISIANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 27,837,124	\$ 30,595,192	\$ 24,420,663	\$ 24,364,442	\$ 26,779,995	\$ 29,203,707	\$ 35,809,790	\$ 41,067,410	\$ 44,777,129	\$ 54,674,544
Restricted	8,459,030	9,641,647	9,455,335	20,322,958	16,754,364	17,082,957	14,926,857	15,146,697	14,587,783	13,155,564
Unrestricted	(1,585,130)	(3,365,112)	7,111,800	(1,190,269)	668,506	1,353,769	1,682,356	(14,388,130)	(16,327,504)	(17,742,692)
Total governmental net position	<u>\$ 34,711,024</u>	<u>\$ 36,871,727</u>	<u>\$ 40,987,798</u>	<u>\$ 43,497,131</u>	<u>\$ 44,202,865</u>	<u>\$ 47,640,433</u>	<u>\$ 52,419,003</u>	<u>\$ 41,825,977</u>	<u>\$ 43,037,408</u>	<u>\$ 50,087,416</u>
 Business-type activities										
Net investment in capital assets	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576	\$ 16,544,576
Restricted	23,984	23,984	23,984	23,984	23,984	23,984	38,234	53,234	64,234	76,734
Unrestricted	(2,323,937)	(3,101,948)	(1,940,796)	166,077	5,553,149	6,695,968	7,081,525	5,510,361	5,966,536	7,403,936
Total business-type net position	<u>\$ 14,244,623</u>	<u>\$ 13,466,612</u>	<u>\$ 14,627,764</u>	<u>\$ 16,734,637</u>	<u>\$ 22,121,709</u>	<u>\$ 23,264,528</u>	<u>\$ 23,664,335</u>	<u>\$ 22,108,171</u>	<u>\$ 22,575,346</u>	<u>\$ 24,025,246</u>
 Primary governmental										
Net investment in capital assets	\$ 44,381,700	\$ 47,139,768	\$ 40,965,239	\$ 40,909,018	\$ 43,324,571	\$ 45,748,283	\$ 52,354,366	\$ 57,611,986	\$ 61,321,705	\$ 71,219,120
Restricted	8,483,014	9,665,631	9,479,319	20,346,942	16,778,348	17,106,941	14,965,091	15,199,931	14,652,017	13,232,298
Unrestricted	(3,909,067)	(6,467,060)	5,171,004	(1,024,192)	6,221,655	8,049,737	8,763,880	(8,877,769)	(10,360,968)	(10,338,756)
Total primary governmental net position	<u>\$ 48,955,647</u>	<u>\$ 50,338,339</u>	<u>\$ 55,615,562</u>	<u>\$ 60,231,768</u>	<u>\$ 66,324,574</u>	<u>\$ 70,904,961</u>	<u>\$ 76,083,337</u>	<u>\$ 63,934,148</u>	<u>\$ 65,612,754</u>	<u>\$ 74,112,662</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 3,001,460	\$ 3,641,524	\$ 3,500,801	\$ 3,088,124	\$ 3,474,521	\$ 3,139,827	\$ 3,429,621	\$ 4,360,216	\$ 3,540,469	\$ 3,523,454
Public safety	14,984,231	15,418,423	16,311,339	16,075,617	17,504,187	16,909,669	17,718,839	18,188,685	20,220,044	19,485,234
Public works	6,619,077	7,451,392	6,398,406	6,060,430	6,106,102	6,237,424	6,820,303	6,505,554	6,837,253	6,794,738
Culture and recreation	853,756	1,004,906	965,395	1,188,598	1,267,932	1,695,193	2,000,082	2,361,037	2,340,042	2,654,110
Cemetery	51,931	61,490	55,184	62,017	59,584	97,490	70,678	69,781	71,694	73,576
Interest & issue cost on long-term debt	382,764	445,775	642,152	578,319	567,553	562,594	697,456	378,523	949,172	224,482
Total governmental activities expenses	25,893,219	28,023,510	27,873,277	27,053,105	28,979,879	28,642,197	30,736,979	31,863,796	33,958,674	32,755,594
Business-type activities:										
Water	2,399,868	2,687,791	2,330,034	2,629,276	2,729,306	2,888,865	2,920,161	2,992,061	3,173,731	3,323,990
Sewer	2,378,391	2,556,184	2,317,007	2,667,194	2,816,378	3,012,882	3,242,600	3,217,817	3,386,025	3,545,529
Interest on long-term debt	69,522	30,184	26,690	21,505	23,292	-	-	-	-	-
Total business-type activities expenses	4,847,781	5,274,159	4,673,731	5,317,975	5,568,976	5,901,747	6,162,761	6,209,878	6,559,756	6,869,519
Total primary government expenses	\$ 30,741,000	\$ 33,297,669	\$ 32,547,008	\$ 32,371,080	\$ 34,548,855	\$ 34,543,944	\$ 36,899,740	\$ 38,073,674	\$ 40,518,430	\$ 39,625,113
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 856,100	\$ 855,034	\$ 1,011,869	\$ 857,870	\$ 826,637	\$ 915,467	\$ 1,051,029	\$ 1,200,523	\$ 1,219,636	\$ 1,077,851
Public safety	230,858	278,600	343,510	425,809	403,267	559,976	464,590	578,065	815,594	1,194,706
Public works	1,327,803	1,387,430	1,403,799	1,392,692	1,462,770	1,503,310	1,507,094	1,496,519	1,589,914	1,573,769
Culture and recreation	29,083	24,360	34,009	59,517	64,353	90,098	72,370	96,291	106,708	184,784
Operating grants and contributions	2,025,373	1,387,879	1,394,054	2,188,342	1,990,912	1,120,057	610,272	1,200,154	1,380,407	1,005,284
Capital grants and contributions	1,334,725	1,625,277	1,830,599	1,398,757	4,509,133	1,382,092	5,041,121	2,673,217	3,460,629	9,243,359
Total governmental activities program revenues	5,803,942	5,558,580	6,017,840	6,322,987	9,257,072	5,571,000	8,746,476	7,244,769	8,572,888	14,279,753
Business-type activities:										
Charges for services										
Water	1,872,427	2,001,384	2,632,538	2,851,937	2,839,228	2,877,894	3,052,024	3,106,997	3,288,338	3,324,876
Sewer	1,157,982	1,199,805	2,296,784	2,570,332	2,549,630	2,650,978	2,859,960	2,955,240	3,103,572	3,116,200
Operating grants and contributions	-	-	-	-	-	28,976	-	-	-	-
Capital grants and contributions	-	-	-	-	-	50,000	-	50,000	-	-
Total business-type activities program revenues	3,030,409	3,201,189	4,929,322	5,422,269	5,388,858	5,607,848	5,911,984	6,112,237	6,391,910	6,441,076
Total primary government program revenues	\$ 8,834,351	\$ 8,759,769	\$ 10,947,162	\$ 11,745,256	\$ 14,645,930	\$ 11,178,848	\$ 14,658,460	\$ 13,357,006	\$ 14,964,798	\$ 20,720,829
Net (Expense) Revenue										
Government activities	\$ (20,089,277)	\$ (22,464,930)	\$ (21,855,437)	\$ (20,730,118)	\$ (19,722,807)	\$ (23,071,197)	\$ (21,990,503)	\$ (24,619,027)	\$ (25,385,786)	\$ (18,475,841)
Business-type activities	(1,817,372)	(2,072,970)	255,591	104,294	(180,118)	(293,899)	(250,777)	(97,641)	(167,846)	(428,443)
Total primary government net expense	\$ (21,906,649)	\$ (24,537,900)	\$ (21,599,846)	\$ (20,625,824)	\$ (19,902,925)	\$ (23,365,096)	\$ (22,241,280)	\$ (24,716,668)	\$ (25,553,632)	\$ (18,904,284)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad valorem taxes	\$ 4,612,740	\$ 5,166,613	\$ 5,419,688	\$ 5,619,215	\$ 6,413,093	\$ 6,735,794	\$ 7,022,225	\$ 7,137,305	\$ 6,939,897	\$ 7,714,156
Franchise taxes	928,886	770,048	812,960	745,519	682,007	730,981	754,657	744,777	710,653	688,198
Sales taxes	7,049,215	6,413,552	7,091,683	6,813,376	6,740,890	7,022,652	7,241,356	7,635,462	7,960,175	8,453,220
Occupational licenses	373,740	398,205	385,383	409,527	380,622	385,704	416,090	412,586	396,581	405,611

CITY OF GRETNA, LOUISIANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Intergovernmental revenues	6,426,348	5,616,507	5,271,722	5,479,299	5,625,899	5,487,177	5,321,766	5,398,168	5,699,349	5,811,977
Fines and forfeitures	1,781,515	3,551,533	5,431,403	4,428,144	5,307,249	5,776,364	5,722,108	5,330,652	4,809,719	3,298,652
Investment earnings	224,896	25,069	21,171	18,766	14,930	7,367	8,667	7,723	25,601	87,238
Gain (loss) on sale of capital assets	-	706,477	-	-	111,111	(73,362)	100,679	60,523	56,938	292,107
Miscellaneous	664,796	2,690,837	1,995,513	1,223,217	342,992	1,475,421	265,378	3,980,095	10,590	5,092
Transfers	(30,167)	(713,208)	(458,012)	(1,497,612)	(5,190,252)	(1,039,330)	(83,851)	-	(12,288)	(1,230,401)
Total governmental activities	<u>22,031,969</u>	<u>24,625,633</u>	<u>25,971,511</u>	<u>23,239,451</u>	<u>20,428,541</u>	<u>26,508,768</u>	<u>26,769,075</u>	<u>30,707,291</u>	<u>26,597,215</u>	<u>25,525,850</u>
Business-type activities:										
Ad valorem taxes	415,025	480,600	395,226	451,068	482,934	490,093	512,019	528,859	545,984	586,119
Investment earnings	9,257	703	819	884	473	132	23	223	134	102
Gain (loss) on sale of capital assets	-	-	-	-	(163,470)	(105,968)	35,304	-	5,605	3,010
Miscellaneous	125,498	100,447	51,504	53,015	57,001	13,129	19,386	78,812	71,010	58,712
Transfers	30,167	713,208	458,012	1,497,612	5,190,252	1,039,330	83,851	-	12,288	1,230,401
Total business-type activities	<u>579,947</u>	<u>1,294,958</u>	<u>905,561</u>	<u>2,002,579</u>	<u>5,567,190</u>	<u>1,436,716</u>	<u>650,583</u>	<u>607,894</u>	<u>635,021</u>	<u>1,878,344</u>
Total primary government	<u>\$ 22,611,916</u>	<u>\$ 25,920,591</u>	<u>\$ 26,877,072</u>	<u>\$ 25,242,030</u>	<u>\$ 25,995,731</u>	<u>\$ 27,945,484</u>	<u>\$ 27,419,658</u>	<u>\$ 31,315,185</u>	<u>\$ 27,232,236</u>	<u>\$ 27,404,194</u>
Change in Net Position										
Government activities	\$ 1,942,692	\$ 2,160,703	\$ 4,116,074	\$ 2,509,333	\$ 705,734	\$ 3,437,571	\$ 4,778,572	\$ 6,088,264	\$ 1,211,429	\$ 7,050,009
Business-type activities	(1,237,425)	(778,012)	1,161,152	2,106,873	5,387,072	1,142,817	399,806	510,253	467,175	1,449,901
Total primary government	<u>\$ 705,267</u>	<u>\$ 1,382,691</u>	<u>\$ 5,277,226</u>	<u>\$ 4,616,206</u>	<u>\$ 6,092,806</u>	<u>\$ 4,580,388</u>	<u>\$ 5,178,378</u>	<u>\$ 6,598,517</u>	<u>\$ 1,678,604</u>	<u>\$ 8,499,910</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 40,334	\$ 53,617	\$ 177,871	\$ 192,330	\$ 205,282	\$ 279,070	\$ 289,532
Restricted	2,000,000	2,000,000	2,000,000	1,047,247	1,047,247	-	-	-	-	-
Committed	3,051,689	4,346,310	4,954,800	6,097,956	6,715,313	4,893,152	4,941,943	2,868,786	2,275,474	1,303,723
Assigned	327,643	374,158	200,424	444,124	480,807	2,207,677	981,955	3,079,275	2,428,534	2,539,378
Unassigned	1,831,909	1,308,196	3,345,466	4,391,194	3,679,035	4,167,193	4,746,951	5,104,992	3,593,247	3,764,363
Total general fund	<u>\$ 7,211,241</u>	<u>\$ 8,028,664</u>	<u>\$ 10,500,690</u>	<u>\$ 12,020,855</u>	<u>\$ 11,976,019</u>	<u>\$ 11,445,893</u>	<u>\$ 10,863,179</u>	<u>\$ 11,258,335</u>	<u>\$ 8,576,325</u>	<u>\$ 7,896,996</u>
All other governmental funds										
Restricted	\$ 1,589,999	\$ 2,012,316	\$ 2,005,719	\$ 2,033,391	\$ 1,599,709	\$ 1,600,426	\$ 1,584,217	\$ 1,570,371	\$ 1,527,524	\$ 1,523,882
Committed	5,964,444	9,224,072	9,075,616	7,176,439	2,848,681	2,767,869	2,119,796	3,007,780	2,312,759	1,704,584
Assigned	3,705,038	3,466,329	3,492,404	3,483,467	4,008,990	3,542,383	5,106,615	4,415,206	5,764,422	5,415,169
Unassigned	-	-	-	-	-	1,893,579	-	-	-	-
Total other governmental funds	<u>\$ 11,259,481</u>	<u>\$ 14,702,717</u>	<u>\$ 14,573,739</u>	<u>\$ 12,693,297</u>	<u>\$ 8,457,380</u>	<u>\$ 9,804,257</u>	<u>\$ 8,810,628</u>	<u>\$ 8,993,357</u>	<u>\$ 9,604,705</u>	<u>\$ 8,643,635</u>

The notes to financial statements are an integral part of this statement.

CITY OF GRETNA, LOUISIANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Ad valorem	\$ 4,612,740	\$ 5,166,613	\$ 5,419,688	\$ 5,619,215	\$ 6,413,093	\$ 6,735,794	\$ 7,022,225	\$ 7,137,305	\$ 6,939,897	\$ 7,714,156
Sales	7,049,215	6,413,552	7,091,683	6,813,376	6,740,890	7,022,652	7,241,356	7,635,462	7,960,174	8,453,220
Franchise	928,886	770,048	812,960	745,519	682,007	730,981	754,657	744,777	710,653	688,198
Intergovernmental	9,786,446	8,629,663	8,496,375	9,032,913	12,111,324	7,963,595	10,967,159	9,268,539	9,834,487	16,019,592
Charges for services	1,817,871	1,957,340	2,133,581	2,125,615	2,147,800	2,323,201	2,276,954	2,575,328	3,065,633	3,341,432
Fines and forfeitures	1,781,515	3,551,533	5,431,403	4,428,144	5,307,249	5,776,364	5,722,108	5,330,652	4,809,721	3,298,652
Licenses and permits	999,713	986,289	1,044,989	1,019,800	989,849	1,131,354	1,234,219	1,208,656	1,062,801	1,095,288
Miscellaneous	842,970	2,958,438	2,138,178	588,203	515,185	666,785	575,099	3,912,824	1,238,491	803,763
Total revenues	<u>27,819,356</u>	<u>30,433,476</u>	<u>32,568,857</u>	<u>30,372,785</u>	<u>34,907,397</u>	<u>32,350,726</u>	<u>35,793,777</u>	<u>37,813,543</u>	<u>35,621,857</u>	<u>41,414,301</u>
EXPENDITURES										
Current:										
General government	2,701,207	3,216,543	3,008,318	2,585,755	2,979,284	2,662,325	3,034,070	3,966,374	3,150,509	3,171,783
Public safety	14,100,533	14,458,941	15,317,039	15,080,152	16,473,836	15,968,495	16,868,129	17,194,215	19,143,503	17,431,243
Public works	5,712,193	6,553,676	5,475,124	5,017,737	5,072,309	4,992,126	5,547,027	5,201,842	5,554,050	5,467,401
Culture and recreation	765,947	913,366	873,232	1,087,239	1,167,243	1,393,277	1,678,855	1,966,406	1,899,752	2,201,126
Cemetery	51,931	61,490	55,184	62,017	59,584	97,490	70,678	69,781	71,694	73,576
Debt service:										
Principal retirement	435,000	450,000	671,000	686,236	701,282	783,134	357,000	808,000	830,000	902,000
Interest	362,358	425,369	613,694	549,861	539,095	534,136	485,337	364,520	832,000	216,822
Cost of issuance	-	-	-	-	-	-	89,020	1,500	64,178	-
Capital outlay:										
Capital Outlay	4,529,398	5,154,191	4,094,238	4,385,255	9,603,505	4,234,233	8,866,154	7,663,023	6,649,543	12,360,345
Total expenditures	<u>28,658,567</u>	<u>31,233,576</u>	<u>30,107,829</u>	<u>29,454,252</u>	<u>36,596,138</u>	<u>30,665,216</u>	<u>36,996,270</u>	<u>37,235,661</u>	<u>38,195,229</u>	<u>41,824,296</u>
Excess (deficiency) of revenues over expenditures	<u>(839,211)</u>	<u>(800,100)</u>	<u>2,461,028</u>	<u>918,533</u>	<u>(1,688,741)</u>	<u>1,685,510</u>	<u>(1,202,493)</u>	<u>577,882</u>	<u>(2,573,372)</u>	<u>(409,995)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	3,400,299	2,672,000	2,706,474	3,326,774	2,527,700	4,199,506	2,752,591	3,520,480	3,296,251	4,543,589
Transfers out	(3,430,466)	(3,385,208)	(3,164,490)	(4,824,387)	(7,717,952)	(5,238,836)	(2,836,443)	(3,520,480)	(3,308,540)	(5,773,991)
Sale of Assets	-	665,000	-	-	-	-	-	-	-	-
Proceeds of 2009A Bonds	-	-	-	-	2,578,829	170,574	-	-	-	-
Proceeds of 2009B Bonds	-	5,108,968	-	-	-	-	-	-	-	-
Proceeds from loans	-	-	340,035	218,804	19,410	-	-	-	-	-
Refunding 2014 Bonds	-	-	-	-	-	-	6,085,000	-	-	-
Refunding 2016 Bonds	-	-	-	-	-	-	-	-	5,360,000	-
Payment to refund 2014 bonds	-	-	-	-	-	-	(6,375,000)	-	-	-
Payment to refund 2016 bonds	-	-	-	-	-	-	-	-	(4,845,000)	-
Total other financing sources (uses)	<u>(30,167)</u>	<u>5,060,760</u>	<u>(117,981)</u>	<u>(1,278,809)</u>	<u>(2,592,013)</u>	<u>(868,756)</u>	<u>(373,852)</u>	<u>-</u>	<u>502,711</u>	<u>(1,230,402)</u>
Net change in fund balances	(869,378)	4,260,660	2,343,047	(360,276)	(4,280,754)	816,754	(1,576,345)	577,882	(2,070,661)	(1,640,397)
Fund balances - beginning	19,340,099	18,470,721	22,731,381	25,074,428	24,714,152	20,433,398	21,250,152	19,673,807	20,251,689	18,181,028
Fund balances - ending	<u>\$ 18,470,721</u>	<u>\$ 22,731,381</u>	<u>\$ 25,074,428</u>	<u>\$ 24,714,152</u>	<u>\$ 20,433,398</u>	<u>\$ 21,250,152</u>	<u>\$ 19,673,807</u>	<u>\$ 20,251,689</u>	<u>\$ 18,181,028</u>	<u>\$ 16,540,631</u>
Debt service as a percentage of noncapital expenditures	3.30%	3.36%	4.94%	4.93%	4.60%	4.98%	2.99%	3.96%	5.27%	3.80%

The notes to financial statements are an integral part of this statement.

**OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS AND RECOMMENDATIONS**

**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***

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gretna, Louisiana, (the City) as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

September 28, 2018

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

**Honorable Mayor and Members of the City Council
City of Gretna, Louisiana**

Report on Compliance for Each Major Federal Program

We have audited the City of Gretna, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended March 31, 2018. The City'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 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 the City'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). 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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City 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 March 31, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City'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 the City'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 weakness 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 the Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana
September 28, 2018

FINDINGS AND RECOMMENDATIONS

**CITY OF GRETNA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2018**

We have audited the general purpose financial statements of the City of Gretna, Louisiana as of and for the year ended March 31, 2018, and have issued our report thereon dated September 28, 2018. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance. Our audit of the financial statements as of March 31, 2018, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements.

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Type of Opinion On Compliance
For Major Programs

Unqualified Qualified
Disclaimer Adverse

Are their findings required to be reported in accordance with Uniform Guidance?

Yes No

Was a management letter issued?

Yes No

c. Identification of Major Programs:

4th Street Extension Project CFDA 20.205

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a "low-risk" auditee?

Yes No

**CITY OF GRETNA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED MARCH 31, 2018**

Section II Financial Statement Findings

A – Issues of Noncompliance

NONE

B – Significant Deficiencies

NONE

Section III Federal Award Findings and Questioned Costs

NONE

SCHEDULE OF PRIOR YEAR FINDINGS

**CITY OF GRETNA, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED MARCH 31, 2018**

**SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL
STATEMENTS**

NONE

**SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
FUNDS**

NONE

SECTION III - MANAGEMENT LETTER

NONE

**CORRECTIVE ACTION PLAN
FOR
CURRENT YEAR AUDIT FINDINGS**

**CITY OF GRETNA, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED MARCH 31, 2018**

Section I - Internal Control And Compliance Material To The Financial Statement

NONE

Section II - Internal Control And Compliance Material To Federal Awards

NONE

Section III - Management Letter

NONE

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Honorable Belinda Constant, Mayor and City Council Members of the City of Gretna, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the City of Gretna, Louisiana (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period April 1, 2017 through March 31, 2018. The entity's management 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 the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above.

- c) **Disbursements**, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were obtained and address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the functions noted above.

Reviewed polices, no exceptions noted.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The council met with a quorum on a frequency in accordance with the Entity's by-laws.

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

No exceptions noted.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

No exceptions noted.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

***Obtained a listing of client bank accounts from management and management's representation that the listing is complete.
No exceptions noted.***

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

***Obtained bank statements and reconciliations for all months in the fiscal period noting that reconciliations have been prepared for all months.
No exceptions noted.***

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

***Bank reconciliations obtained include evidence that a member of management had reviewed each bank reconciliation.
No exceptions noted.***

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Bank reconciliations obtained include evidence that any items outstanding for more than 6 months as of the end of the fiscal period have been researched.

No exceptions noted.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

***Obtained a listing of the cash collection locations and management's representation that the listing is complete.
No exceptions noted.***

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:*

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

No exceptions noted.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

No exceptions noted.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

No exceptions noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.

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

Written policies and procedures were obtained and address the functions noted above.

No exceptions noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management’s representation that the listing or general ledger population is complete.

Obtained a listing of disbursements and management’s representation that the listing is complete.

No exceptions noted.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

No exceptions noted.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

No exceptions noted.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

No exceptions noted.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

No exceptions noted.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

No exceptions noted.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

No exceptions noted.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Listing of credit cards and the name of the person who maintained possession of the card and management's representation that the listing was complete was obtained.

No exceptions noted.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

No exceptions noted.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed.

No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

No exceptions noted.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Policies were obtained.

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Expenses were paid in accordance with written policy.

No exceptions noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

No exceptions noted.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

No exceptions noted.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

No exceptions noted.

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No exceptions noted.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

No exceptions noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Minutes show board approval contracts and personal service arrangements.

No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

No exceptions noted.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All selected employees had daily attendance and leave documented.

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

All attendance was documented and approved by supervisors.

For the date selected two employees were documented as taking sick leave with no electronic or written approval from supervisor of time taken.

Management's Response: Management is aware of the situation and has taken steps to ensure all vacation and sick time request are documented by the timekeeper and approved by the supervisor. The timekeepers have been instructed to document when employees leave work due to illness and when employees call in requesting sick time.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

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

No exceptions noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

No exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No ethics violations were reported to the entity.

No exceptions noted.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

No exceptions noted.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The Entity made the required debt service payments and maintained debt serves as required by the debt covenants.

No exceptions noted.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

No exceptions noted.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

***The Entity had no misappropriation of public funds or assets.
No exceptions noted.***

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

***The Entity has posted on its premises and on its website the notice required by R.S. 24:523.1
No exceptions noted.***

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

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.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
September 28, 2018