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**CITY OF KENNER, LOUISIANA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended June 30, 2004**

Submitted by:

Department of Finance

**DUKE P. McCONNELL, CPA**  
Chief Financial Officer

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-19-05

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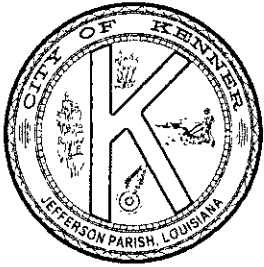
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## **INTRODUCTORY SECTION**



# CITY OF KENNER

## DEPARTMENT OF FINANCE

**PHILIP L. CAPITANO**  
MAYOR

**DUKE P. MCCONNELL**  
CHIEF FINANCIAL OFFICER

December 28, 2004

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

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2004 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the most recent GFOA Certificate, the City's organizational chart, a list of principal officials and a map of the City. The financial section includes management's discussion and analysis, basic financial statements, required supplemental information and other supplemental information, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

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

### CITY OF KENNER

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

### REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

**1801 WILLIAMS BOULEVARD – BUILDING A – SUITE 106 – KENNER, LOUISIANA 70062**  
**OFFICE – 504-468-4049 FACSIMILE – 504-468-6632**  
**FINANCE@KENNER.LA.US**





This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and its component unit. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Firemen's Pension and Relief Fund is included in the City's reporting entity as a blended component unit because of its operational relationship with the City and because its exclusion would render the financial statements incomplete or misleading.

## THE REPORT FORM

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

## FINANCIAL INFORMATION

### Internal Accounting Control

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

### Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2004 are included in the Single Audit Section of this report.

### Budgetary Control

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

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

#### CASH MANAGEMENT

The City has a fiscal agent contract to handle its operating accounts. Transaction balances are kept in sweep accounts, where balances are swept into interest bearing accounts and overnight repurchase agreements earning Federal Funds rates less 15 and 50 basis points, respectively and investable balances are kept in money market accounts. The City, however, still reserves the right to remove investable funds and invest them at other institutions. The balances in the money market accounts and the repurchase agreements are reported on the balance sheet as "investments".

Funds being held as reserves on bonds and amounts being accumulated to pay principal and interest on bonds are held in trust accounts. The trustee invests the funds under the direction of the City.

Bond proceeds being used for construction are invested in U. S. Government Securities for terms based on the draw down schedules of the projects. The investments are made using the services of a financial investment advisory company with which the City has an agreement to provide these services.

#### RISK MANAGEMENT

To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each general liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; coverage for up to a maximum of \$250,000 for each auto liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and coverage for up to a maximum of \$300,000 for each worker's compensation claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000.

The Self-Insurance Fund also provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Self-Insurance Fund.

#### LEGAL COMPLIANCE

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

#### STATUS OF LOCAL ECONOMY

The City continues to attract new businesses and the City's sales tax is growing, although modestly, and is expected to continue growing in the coming year. Property taxes continue to grow as several subdivisions in north Kenner continue to be developed.

The Treasure Chest Casino continues to provide funds for capital outlay which is being used for infrastructure improvements and to buy needed equipment for departments. The new Planetarium opened in December 2004 and is expected to significantly increase the number of visitors to the City's Rivertown area and give a boost to south Kenner.

## INDEPENDENT AUDIT

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

## AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2003. This was the ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

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

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

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

Sincerely,



DUKE P. McCONNELL, CPA  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kenner,  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zelle*

President

*Jeffrey R. Emer*

Executive Director

CURRENT SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Councilman at Large	Terry McCarthy
Councilman at Large	Dominic O. Weilbaecher
District No. 1	Marc E. Johnson
District No. 2	John T. Lavarine, III
District No. 3	Jeannie M. Black
District No. 4	Michele Branigan
District No. 5	Kent Denapolis

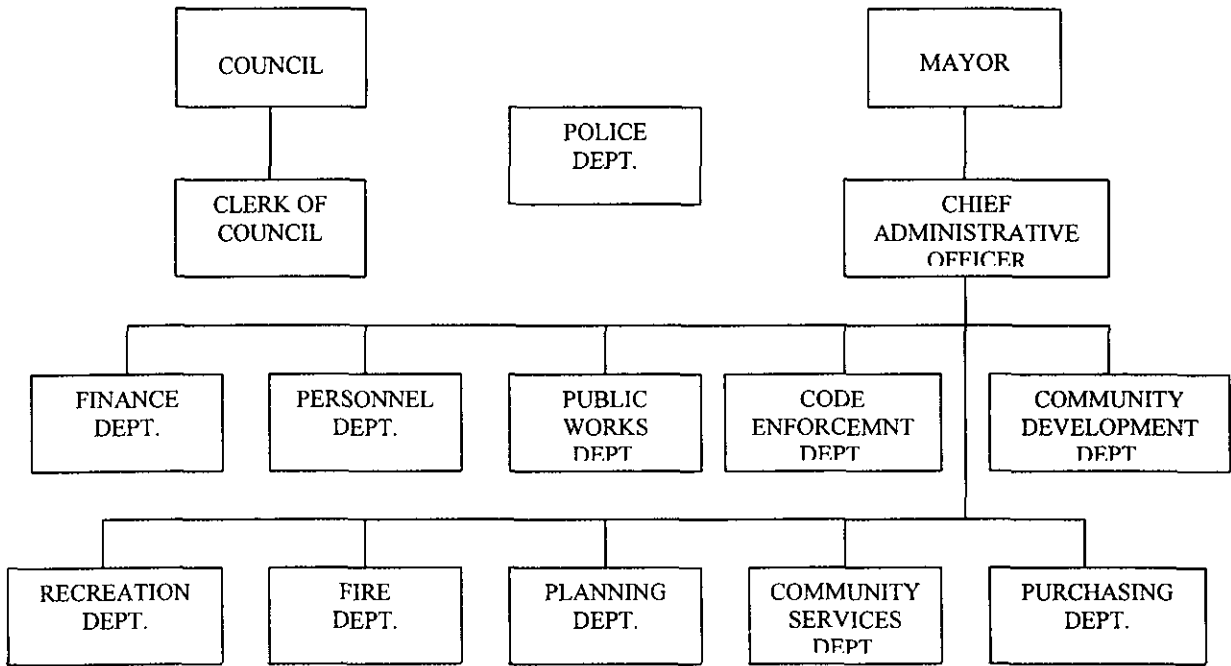
EXECUTIVE STAFF

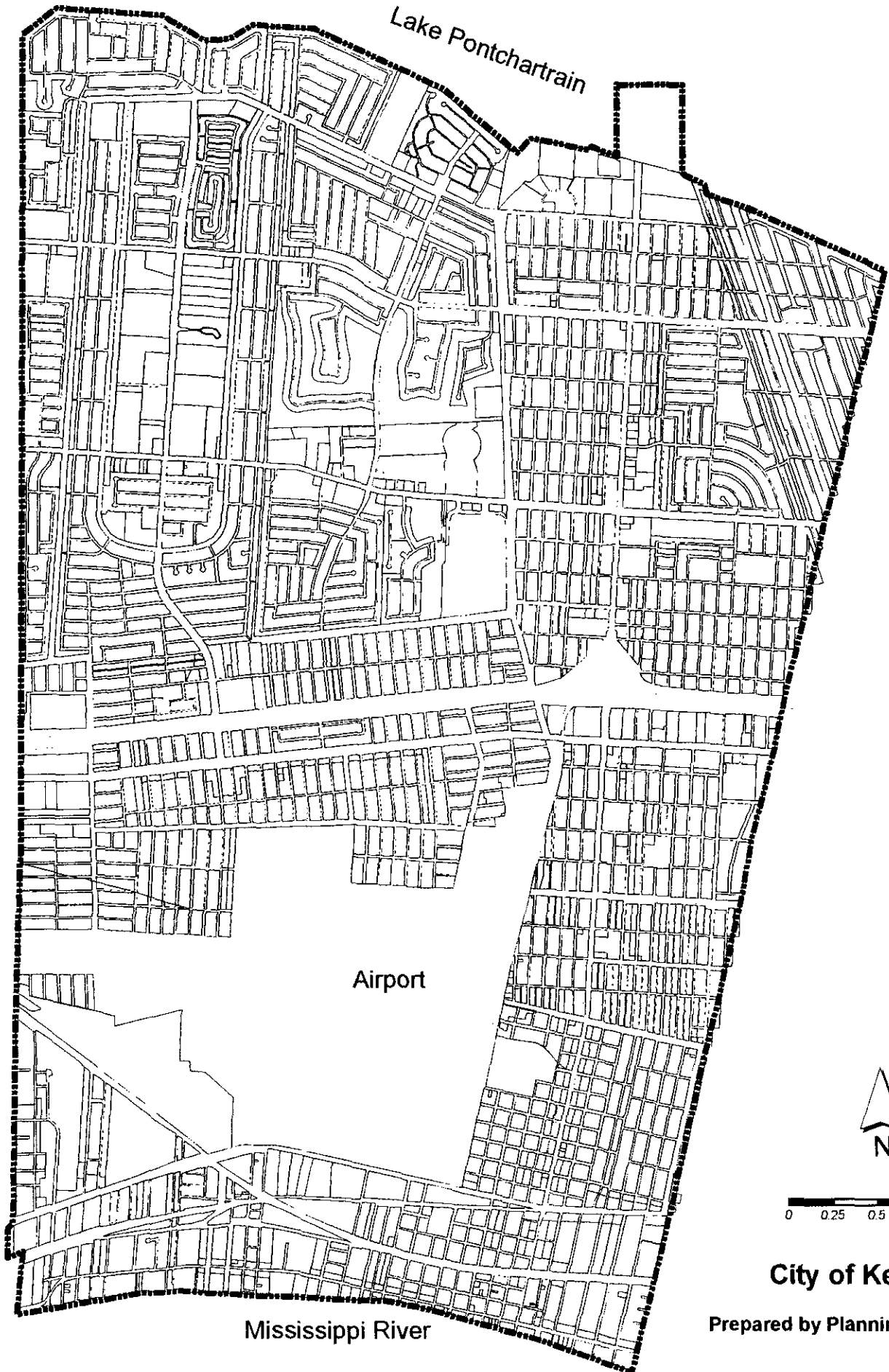
Mayor	Honorable Philip L. Capitano
Chief Administrative Officer	Cedric Floyd
Deputy Chief Administrative Officer	Carol Luna
Chief of Staff	Phil Ramon

DEPARTMENT HEADS

City Attorney	James Maxwell
Department of Code Enforcement	Bob LaGrange
Department of Community Development	Alfreda Rogers
Department of Community Services	Edgar Bernard
Department of Finance	Duke P. McConnell
Department of Parks and Recreation	Larry Beattencourt
Department of Personnel	Beverly Nicolosi
Department of Planning	Randy Clement
Department of Public Works	Keith Chiro
Department of Purchasing	Charlie Sulzer
Fire Chief	Mike Zito
Police Chief	Nick A. Congemi

ORGANIZATIONAL CHART OF THE CITY OF KENNER

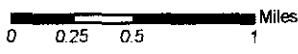




Lake Pontchartrain

Airport

Mississippi River

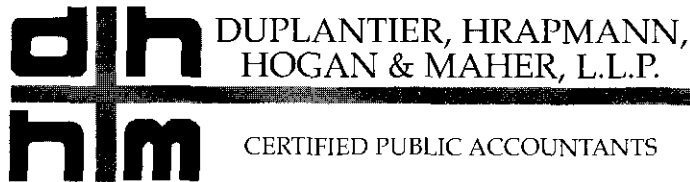


**City of Kenner**

Prepared by Planning Department

## **FINANCIAL SECTION**





MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.  
DAVID A. BURGARD, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.

ANN M. HARGES, C.P.A.  
ROBIN A. STROHMEYER, C.P.A.

KENNETH J. BROOKS, C.P.A., ASSOCIATE

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A.J. DUPLANTIER, JR., C.P.A.  
(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
JAMES MAHER, JR., C.P.A.  
(1921-1999)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA. C.P.A.s

## INDEPENDENT AUDITOR'S REPORT

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

December 28, 2004

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 City of Kenner, Louisiana as of and for the year ended June 30, 2004 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kenner, Louisiana, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 13 through 18 and 68 through 70 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2004 on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion of the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Kenner, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Duplantier, Hugmann, Hogan & Meher LLP

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2004. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

### FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities by approximately \$388 million at June 30, 2004. Of this amount approximately \$336 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately \$9 million.

Business type activities unrestricted net assets are a deficit of approximately \$28 million due to depreciation taken on assets acquired through grants and bond proceeds.

The City's total net assets decreased by approximately \$19.3 million due to depreciation. Net assets of governmental activities decreased by approximately \$18.6 million and net assets of business type activities decreased by approximately \$.7 million.

The City's governmental funds reported combined unreserved undesignated fund balances of approximately \$6.5 million with approximately \$6.3 million in the general fund. The general fund portion increased by approximately \$4.5 million due to unexpended funds in departmental budgets reverting to the general fund, where as in prior years, they were dedicated to capital expenditures in those departments. *The general funds total fund balance decreased by approximately \$.6 million due to surplus funds allocated to the Police department to cover Police department expenditures in excess of the Police departments share of current year revenues.*

The unreserved undesignated fund balance of the governmental funds represents 11.5% of the City's operating expenditures.

The City's total debt decreased by approximately \$4.8 million. The decrease was due to scheduled payments made during the year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities)

from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

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

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

Twelve governmental funds are used by the City. The City has six major governmental funds which have separately presented information in the governmental fund Balance Sheet and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the general fund, one percent sales tax fund, fire protection fund, general debt fund, general capital projects fund, and capital projects funded with bond proceed fund. The six non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the capital projects funded with bond proceeds fund. Budgetary comparison statements have been provided for these funds.

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

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

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

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

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

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

**Government-wide Financial Analysis**

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

NET ASSETS						
June 30						
(in thousands)						
	Governmental	Business-type		Governmental	Business-type	
	Activities	Activities	Total	Activities	Activities	Total
	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>	<u>2003</u>
Current and other assets	\$ 60,260	\$ 4,212	\$ 64,472	\$ 65,750	\$ 4,129	\$ 69,879
Capital assets	<u>348,848</u>	<u>61,818</u>	<u>410,666</u>	<u>366,087</u>	<u>62,653</u>	<u>428,740</u>
Total assets	<u>409,108</u>	<u>66,030</u>	<u>475,138</u>	<u>431,837</u>	<u>66,782</u>	<u>498,619</u>
Long-term outstanding debt	78,636	11	78,647	83,430	14	83,444
Other liabilities	<u>8,335</u>	<u>400</u>	<u>8,735</u>	<u>8,422</u>	<u>441</u>	<u>8,863</u>
Total liabilities	<u>86,971</u>	<u>411</u>	<u>87,382</u>	<u>91,852</u>	<u>455</u>	<u>92,307</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	274,890	61,818	336,708	287,195	62,653	349,848
Restricted	38,375	32,273	70,648	49,914	31,438	81,352
Unrestricted	<u>8,872</u>	<u>(28,472)</u>	<u>(19,600)</u>	<u>2,876</u>	<u>(27,764)</u>	<u>(24,888)</u>
Total net assets	<u>\$ 322,137</u>	<u>\$ 65,619</u>	<u>\$ 387,756</u>	<u>\$ 339,985</u>	<u>\$ 66,327</u>	<u>\$ 406,312</u>

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

**CHANGES IN NET ASSETS**

June 30

(in thousands)

	Governmental			Business-type		
	Activities <u>2004</u>	Activities <u>2004</u>	Total <u>2004</u>	Activities <u>2003</u>	Activities <u>2003</u>	Total <u>2003</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 13,672	\$ 5,102	\$ 18,774	\$ 13,318	\$ 5,643	\$ 18,961
Operating grants & contributions	1,510	-	1,510	1,998	-	1,998
Capital grants & contributions	1,573	1,310	2,883	1,017	1,156	2,173
General revenues:						
Property taxes	8,421	552	8,973	5,285	446	5,731
Sales taxes	30,685	429	31,114	29,421	324	29,745
Other taxes	10,938	760	11,698	10,583	706	11,289
Grants & contributions not restricted to specific programs	95	-	95	536	13	549
Other	<u>677</u>	<u>49</u>	<u>726</u>	<u>758</u>	<u>48</u>	<u>806</u>
Total revenues	<u>67,571</u>	<u>8,202</u>	<u>75,773</u>	<u>62,916</u>	<u>8,336</u>	<u>71,252</u>
<b>Program expenses:</b>						
General government	\$ 10,107	\$ -	10,107	\$ 10,598	\$ -	\$ 10,598
Public safety	29,638	-	29,638	26,395	-	26,395
Public works	35,091	-	35,091	23,670	-	23,670
Health and welfare	731	-	731	911	-	911
Culture and recreation	5,174	-	5,174	5,096	-	5,096
Transit and urban development	1,386	-	1,386	1,072	-	1,072
Miscellaneous	1,110	-	1,110	1,275	-	1,275
Interest on long-term debt	2,969	-	2,969	3,897	-	3,897
Sewer operations	-	6,649	6,649	-	6,579	6,579
Civic center operations	<u>-</u>	<u>2,260</u>	<u>2,260</u>	<u>-</u>	<u>2,554</u>	<u>2,554</u>
Total Expenses	<u>86,206</u>	<u>8,909</u>	<u>95,115</u>	<u>72,914</u>	<u>9,133</u>	<u>82,047</u>
<b>Change in net assets</b>	<u>(18,635)</u>	<u>(707)</u>	<u>(19,342)</u>	<u>(9,998)</u>	<u>(797)</u>	<u>(10,795)</u>
Net assets-beginning of year, as previously reported	339,986	66,326	406,312	349,984	67,123	417,107
Prior period adjustment	<u>786</u>	<u>-</u>	<u>786</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets-beginning of year, as restated	<u>340,772</u>	<u>66,326</u>	<u>407,098</u>	<u>349,984</u>	<u>67,123</u>	<u>417,107</u>
<b>Net assets-end of year</b>	<u>\$ 322,137</u>	<u>\$ 65,619</u>	<u>\$ 387,756</u>	<u>\$ 339,986</u>	<u>\$ 66,326</u>	<u>\$ 406,312</u>

The City's overall revenues increased by approximately \$4.5 million from the previous year due to modest growth in sales taxes, increased revenue from licenses, parking taxes and revenue from the river boat. In addition, the City started receiving property taxes from the road millage which was transferred from Jefferson Parish to the City. Intergovernmental revenues and revenues from the court showed a slight decline.

The City's total expenditures excluding depreciation increased by approximately \$12 million. The increase was due to capital outlay as well as increased personnel expenditures due to cost of living increases for employees and due to increased employee benefits such as retirement and health insurance costs. Debt service increased due to the LCDA loans issued in the latter part fiscal year ended June 30, 2003. However service charges decreased due to engineering costs on projects being included in the capital project funds as well as a reduction in other professional fees.

### BUDGETARY HIGHLIGHTS

General fund revenues were over budget due to reasons noted earlier.

General fund expenditures were under budget by approximately \$.6 million due to savings in various departments.

Expenditures in the fire department were under budget due to funds being accumulated for subsequent years capital expenditures.

Expenses for the waste water operations fund were under budget due to funds being reserved for contingency and emergency repairs to the system.

### Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets as of June 30, 2004 for its governmental and business-type activities was approximately \$411 million, net of depreciation as reflected in the schedule below:

	Capital Assets June 30, 2004 (net of depreciation in thousands)		
	Governmental Activities	Business-type Activities	Total
Land	\$ 9,549	\$ 3,799	\$ 13,348
Construction in progress	9,052	2,492	11,544
Buildings	24,493	48,164	72,657
Improvements other than buildings	1,562	795	2,357
Equipment	7,992	6,568	14,560
Infrastructure	<u>296,200</u>	<u>-</u>	<u>296,200</u>
Total	<u>\$ 348,848</u>	<u>\$ 61,818</u>	<u>\$ 410,666</u>

The majority of the capital additions for the year were for infrastructure as the City continued a major program of infrastructure improvements including roads, drainage and sewerage. For additional information on capital asset activity see note "G" in the Notes to the Financial Statements section.



**Long-term debt.** At year end, the City had approximately \$79 million in long-term debt as shown in the table below.

	Outstanding long-term debt June 30, 2004 (in thousands)		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General obligation bonds	\$ 258	\$ -	\$ 258
Revenue bonds	43,879	-	43,879
Certificates of indebtedness	7,305	-	7,305
Note payable	23,864	-	23,864
Mortgage payable	-	11	11
Other	<u>3,330</u>	<u>-</u>	<u>3,330</u>
Total	<u>\$ 78,636</u>	<u>\$ 11</u>	<u>\$ 78,647</u>

The City's total long-term debt decreased by approximately 4.8 million which was explained earlier.

The City's general obligation bonds continued to maintain a Baa rating and the City's revenue bonds continued to maintain an AAA rating.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately, \$140 million of additional general obligation bonded debt is available for issuance. See note "H" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt

## **ECONOMIC OUTLOOK**

The City's primary revenues continue to grow as noted earlier. However, the growth is not sufficient to cover continued increases in the cost of providing services such as personal cost, including employee benefits, and the cost of goods and services.

The City will have to continue to find ways to operate more efficiently to hold down the City's operating costs.

As noted earlier, the City will continue to improve its infrastructure and acquire needed equipment from gaming revenues.

While the general funds unreserved, undesignated fund balance has increased, we want to continue to add to it to protect the City against the possibility of unexpected events such as natural disasters or a downturn in the economy.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2004**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 26,282,846	\$ 476,987	\$ 26,759,833
Equity in pooled cash and investments	1,894,960	308,718	2,203,678
Investments	17,193,293	1,710,560	18,903,853
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	5,707,774	242	5,708,016
Intergovernmental	6,581,244	314,947	6,896,191
Special assessments - delinquent	476	-	476
Interest	6,238	-	6,238
Service charges	-	1,106,799	1,106,799
Other	29,883	185,102	214,985
Due from other entities	1,242,057	91,472	1,333,529
Inventory, at cost	99,411	-	99,411
Prepaid items	6,886	13,204	20,090
Deferred charges	1,215,265	-	1,215,265
Refundable deposits	-	3,669	3,669
Capital Assets (net, of accumulated depreciation)	<u>348,847,658</u>	<u>61,818,200</u>	<u>410,665,858</u>
Total assets	<u>409,107,991</u>	<u>66,029,900</u>	<u>475,137,891</u>
<b>LIABILITIES</b>			
Accounts payable	2,334,314	248,314	2,582,628
Estimated claims payable	2,606,938	-	2,606,938
Retainages payable	70,617	-	70,617
Accrued liabilities	1,915,301	19,343	1,934,644
Deposits on future events	-	107,442	107,442
Due to other governments	1,046,999	-	1,046,999
Deferred revenues	130,711	24,083	154,794
Other liabilities	230,274	-	230,274
Non-current liabilities:			
Due within one year	7,424,028	3,194	7,427,222
Due in more than one year	<u>71,212,221</u>	<u>8,271</u>	<u>71,220,492</u>
Total liabilities	<u>86,971,403</u>	<u>410,647</u>	<u>87,382,050</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	274,889,538	61,818,200	336,707,738
Restricted for:			
Capital projects	27,038,670	-	27,038,670
Debt service	4,226,085	-	4,226,085
Other purposes	7,110,117	32,272,705	39,382,822
Unrestricted	<u>8,872,178</u>	<u>(28,471,652)</u>	<u>(19,599,474)</u>
Total net assets	<u>\$ 322,136,588</u>	<u>\$ 65,619,253</u>	<u>\$ 387,755,841</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 10,106,706	\$ 5,575,455	\$ -	\$ 51,779	\$ (4,479,472)	\$ -	\$ (4,479,472)
Public safety	29,638,690	3,128,651	626,016	630	(25,883,393)	-	(25,883,393)
Public works	35,090,785	3,989,015	-	632,517	(30,469,253)	-	(30,469,253)
Health and welfare	731,349	94,561	-	-	(636,788)	-	(636,788)
Culture and recreation	5,173,813	780,183	-	888,400	(3,505,230)	-	(3,505,230)
Transit and urban development	1,385,637	98,148	883,738	-	(403,751)	-	(403,751)
Miscellaneous	1,110,104	6,001	-	-	(1,104,103)	-	(1,104,103)
Interest on long-term debt and other charges	2,969,250	-	-	-	(2,969,250)	-	(2,969,250)
<b>Total Governmental Activities</b>	<u>86,206,334</u>	<u>13,672,014</u>	<u>1,509,754</u>	<u>1,573,326</u>	<u>(69,451,240)</u>	<u>-</u>	<u>(69,451,240)</u>
<b>Business-type Activities</b>							
Wastewater Operations	6,649,060	3,932,758	-	1,309,657	-	(1,406,645)	(1,406,645)
Civic Center Operations	2,260,446	1,168,806	-	-	-	(1,091,640)	(1,091,640)
<b>Total Business-type Activities</b>	<u>8,909,506</u>	<u>5,101,564</u>	<u>-</u>	<u>1,309,657</u>	<u>-</u>	<u>(2,498,285)</u>	<u>(2,498,285)</u>
<b>Total</b>	<u>\$ 95,115,840</u>	<u>\$ 18,773,578</u>	<u>\$ 1,509,754</u>	<u>\$ 2,882,983</u>	<u>(69,451,240)</u>	<u>(2,498,285)</u>	<u>(71,949,525)</u>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Ad valorem					8,420,830	552,763	8,973,593
Sales and use					30,685,123	428,898	31,114,021
Beer tax					75,950	-	75,950
Parking					1,490,617	-	1,490,617
Franchise					9,371,889	760,031	10,131,920
Grants and contributions not restricted to specific programs					95,113	-	95,113
Investment earnings					285,266	27,142	312,408
Miscellaneous					391,399	22,117	413,516
<b>Total general revenues</b>					<u>50,816,187</u>	<u>1,790,951</u>	<u>52,607,138</u>
<b>Change in Net Assets</b>					<u>(18,635,053)</u>	<u>(707,334)</u>	<u>(19,342,387)</u>
<b>Net assets - beginning of year, as previously reported</b>					339,985,260	66,326,587	406,311,847
<b>Prior period adjustment</b>					786,381	-	786,381
<b>Net assets - beginning of year, as restated</b>					<u>340,771,641</u>	<u>66,326,587</u>	<u>407,098,228</u>
<b>Net assets - end of year</b>					<u>\$ 322,136,588</u>	<u>\$ 65,619,253</u>	<u>\$ 387,755,841</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2004**

<b>ASSETS</b>	<b>GENERAL</b>	<b>ONE PERCENT SALES TAX OF 1984</b>	<b>FIRE PROTECTION</b>
Cash	\$ 1,438,995	\$ -	\$ -
Equity in pooled cash and investments	268,731	-	-
Investments	3,372,326	-	2,107,675
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	4,819,493	-	-
Intergovernmental	3,097,373	1,856,424	-
Special assessments - delinquent	476	-	-
Interest	-	-	-
Other	-	-	-
Due from other funds	3,809,381	250,315	624,040
Inventory, at cost	99,411	-	-
Prepaid items	6,886	-	-
<b>Total assets</b>	<b>\$ 16,913,072</b>	<b>\$ 2,106,739</b>	<b>\$ 2,731,715</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 656,058	\$ -	\$ 343,295
Retainages payable	-	-	-
Accrued liabilities	1,043,556	-	201,395
Due to other funds	1,228,015	2,106,739	623,733
Due to other governments	1,046,999	-	-
Deferred revenues	1,981,228	-	554,212
Other liabilities	230,274	-	-
Total liabilities	<u>6,186,130</u>	<u>2,106,739</u>	<u>1,722,635</u>
 <b>Fund balances:</b>			
<b>Reserved for:</b>			
Encumbrances	236,073	-	23,072
Inventory	99,411	-	-
Prepaid items	6,886	-	-
Restricted expenditures	1,191,666	-	-
Debt service	-	-	-
<b>Unreserved, designated for:</b>			
Subsequent year's expenditures	2,939,643	-	873,968
Capital additions and improvements	-	-	-
<b>Unreserved, undesignated:</b>			
General fund	6,253,263	-	-
Special revenue funds	-	-	112,040
Total fund balances	<u>10,726,942</u>	<u>-</u>	<u>1,009,080</u>
<b>Total liabilities and fund balances</b>	<b>\$ 16,913,072</b>	<b>\$ 2,106,739</b>	<b>\$ 2,731,715</b>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 1,702,603	\$ 12,860,604	\$ 9,090,780	\$ 156,460	\$ 25,249,442
-	603,638	872,180	150,411	1,894,960
870,096	4,121,222	3,106,102	118,339	13,695,760
-	-	-	835,825	5,655,318
673,176	267,617	582,559	104,095	6,581,244
-	-	-	-	476
518	1,121	4,599	-	6,238
-	-	-	29,883	29,883
662,875	427,068	122,005	588,995	6,484,679
-	-	-	-	99,411
-	-	-	-	6,886
<u>\$ 3,909,268</u>	<u>\$ 18,281,270</u>	<u>\$ 13,778,225</u>	<u>\$ 1,984,008</u>	<u>\$ 59,704,297</u>
\$ -	\$ 264,909	\$ 734,908	\$ 311,436	\$ 2,310,606
-	51,748	18,869	-	70,617
-	-	-	36,030	1,280,981
-	89,229	662,875	1,011,555	5,722,146
-	-	-	-	1,046,999
-	-	109,747	193,549	2,838,736
-	-	-	-	230,274
-	405,886	1,526,399	1,552,570	13,500,359
-	920,292	2,168,248	32,198	3,379,883
-	-	-	-	99,411
-	-	-	-	6,886
-	-	-	-	1,191,666
3,909,268	-	-	316,817	4,226,085
-	-	-	-	3,813,611
-	16,955,092	10,083,578	-	27,038,670
-	-	-	-	6,253,263
-	-	-	82,423	194,463
<u>3,909,268</u>	<u>17,875,384</u>	<u>12,251,826</u>	<u>431,438</u>	<u>46,203,938</u>
<u>\$ 3,909,268</u>	<u>\$ 18,281,270</u>	<u>\$ 13,778,225</u>	<u>\$ 1,984,008</u>	<u>\$ 59,704,297</u>

**CITY OF KENNER, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2004**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund balances - total governmental funds	\$ 46,203,938
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	348,847,658
<i>Internal services funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.</i>	2,432,271
Certain revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	2,708,026
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(634,320)
Compensated absences	(3,121,477)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	<u>(74,299,508)</u>
Net assets of governmental activities	<u>\$ 322,136,588</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>FIRE PROTECTION</u>
<b>REVENUES</b>			
Taxes	\$ 26,622,750	\$ 10,788,619	\$ 3,521,120
Licenses and permits	2,687,581	-	-
Intergovernmental	1,832,676	-	-
Charges for services	495,438	-	630
Fines and forfeitures	2,472,038	-	-
Interest	26,417	-	11,077
Miscellaneous	512,574	-	3,974
	<u>34,649,474</u>	<u>10,788,619</u>	<u>3,536,801</u>
<b>EXPENDITURES</b>			
Current:			
General government	7,823,987	-	-
Public safety	17,908,920	-	5,461,116
Public works	5,141,579	-	-
Health and welfare	675,729	-	-
Culture and recreation	3,659,958	-	-
Transit and urban development	446,310	-	-
Miscellaneous	1,103,691	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Agent fees	-	-	-
Miscellaneous	-	-	-
	<u>36,760,174</u>	<u>-</u>	<u>5,461,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,110,700)</u>	<u>10,788,619</u>	<u>(1,924,315)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	7,595,749	-	2,306,729
Transfers out	(6,075,023)	(10,788,619)	-
	<u>1,520,726</u>	<u>(10,788,619)</u>	<u>2,306,729</u>
Net change in fund balances	<u>(589,974)</u>	<u>-</u>	<u>382,414</u>
Fund balances - beginning of year, as previously reported	11,316,916	-	626,666
Prior period adjustment	-	-	-
Fund balances - beginning of year, as restated	<u>11,316,916</u>	<u>-</u>	<u>626,666</u>
Fund balances - end of year	<u>\$ 10,726,942</u>	<u>\$ -</u>	<u>\$ 1,009,080</u>

The accompanying notes are an integral part of this statement.



<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 3,981,235	\$ -	\$ -	\$ 3,358,550	\$ 48,272,274
-	-	-	-	2,687,581
-	298,242	968,976	815,102	3,914,996
-	-	-	2,954,523	3,450,591
-	-	-	-	2,472,038
52,200	34,466	97,107	8,233	229,500
100,613	237,847	526,158	179,014	1,560,180
<u>4,134,048</u>	<u>570,555</u>	<u>1,592,241</u>	<u>7,315,422</u>	<u>62,587,160</u>
-	1,622,210	-	-	9,446,197
-	42,478	-	-	23,412,514
-	2,802,566	2,609,467	6,216,636	16,770,248
-	-	-	-	675,729
-	1,470,963	1,436,904	211,186	6,779,011
-	-	-	887,030	1,333,340
-	-	-	-	1,103,691
3,413,104	-	-	1,520,835	4,933,939
1,991,088	-	-	975,362	2,966,450
-	32,526	16,379	1,000	49,905
34,500	-	-	-	34,500
<u>5,438,692</u>	<u>5,970,743</u>	<u>4,062,750</u>	<u>9,812,049</u>	<u>67,505,524</u>
<u>(1,304,644)</u>	<u>(5,400,188)</u>	<u>(2,470,509)</u>	<u>(2,496,627)</u>	<u>(4,918,364)</u>
1,523,684	6,826,955	772,134	2,527,003	21,552,254
(2,301,571)	(2,331,405)	(55,636)	-	(21,552,254)
<u>(777,887)</u>	<u>4,495,550</u>	<u>716,498</u>	<u>2,527,003</u>	<u>-</u>
<u>(2,082,531)</u>	<u>(904,638)</u>	<u>(1,754,011)</u>	<u>30,376</u>	<u>(4,918,364)</u>
5,991,799	17,993,641	14,005,837	401,062	50,335,921
-	786,381	-	-	786,381
<u>5,991,799</u>	<u>18,780,022</u>	<u>14,005,837</u>	<u>401,062</u>	<u>51,122,302</u>
<u>\$ 3,909,268</u>	<u>\$ 17,875,384</u>	<u>\$ 12,251,826</u>	<u>\$ 431,438</u>	<u>\$ 46,203,938</u>

**CITY OF KENNER, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances, total governmental funds	\$ (4,918,364)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(17,239,552)
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	537,474
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,706,546
Internal services funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	<u>(1,721,157)</u>
Change in net assets of governmental activities	<u><u>\$ (18,635,053)</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2004**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u> <u>WASTEWATER</u> <u>OPERATIONS</u>	<u>CIVIC</u> <u>CENTER</u> <u>OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES</u> <u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>
<b>ASSETS</b>				
Current assets:				
Cash	\$ 148,641	\$ 328,346	\$ 476,987	\$ 1,033,404
Equity in pooled cash	652	308,066	308,718	-
Investments	-	1,710,560	1,710,560	3,497,533
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	242	-	242	52,456
Intergovernmental	34,661	280,286	314,947	-
Service charges	948,621	158,178	1,106,799	-
Other	-	185,102	185,102	-
Due from other funds	91,472	-	91,472	481,803
Prepaid expenses	-	13,204	13,204	-
Refundable deposits	3,669	-	3,669	-
	<u>1,227,958</u>	<u>2,983,742</u>	<u>4,211,700</u>	<u>5,065,196</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	65,652,240	16,705,647	82,357,887	-
Improvements other than buildings	-	1,688,932	1,688,932	-
Furniture and fixtures	12,278,170	3,841,726	16,119,896	-
Vehicles and field equipment	1,334,338	-	1,334,338	-
Construction in progress	2,492,177	-	2,492,177	-
Less: accumulated depreciation	<u>(38,968,336)</u>	<u>(7,005,420)</u>	<u>(45,973,756)</u>	<u>-</u>
Total capital assets, net	<u>42,788,589</u>	<u>19,029,611</u>	<u>61,818,200</u>	<u>-</u>
Total noncurrent assets	<u>42,788,589</u>	<u>19,029,611</u>	<u>61,818,200</u>	<u>-</u>
Total assets	<u>\$ 44,016,547</u>	<u>\$ 22,013,353</u>	<u>\$ 66,029,900</u>	<u>\$ 5,065,196</u>

(Continued)

CITY OF KENNER, LOUISIANA  
STATEMENT OF NET ASSETS (CONTINUED)  
PROPRIETARY FUNDS  
JUNE 30, 2004

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 182,820	\$ 65,494	\$ 248,314	\$ 23,708
Estimated claims payable	-	-	-	2,606,938
Current portion of mortgage payable	3,194	-	3,194	-
Accrued liabilities	-	19,343	19,343	-
Deposits on future events	-	107,442	107,442	-
Due to other funds	-	-	-	2,279
Deferred revenue	-	24,083	24,083	-
Total current liabilities	<u>186,014</u>	<u>216,362</u>	<u>402,376</u>	<u>2,632,925</u>
Noncurrent liabilities:				
Mortgage payable (net of current portion)	<u>8,271</u>	<u>-</u>	<u>8,271</u>	<u>-</u>
Total noncurrent liabilities	<u>8,271</u>	<u>-</u>	<u>8,271</u>	<u>-</u>
Total liabilities	<u>194,285</u>	<u>216,362</u>	<u>410,647</u>	<u>2,632,925</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	42,788,589	19,029,611	61,818,200	-
Restricted	27,114,556	5,158,149	32,272,705	2,432,271
Unrestricted	<u>(26,080,883)</u>	<u>(2,390,769)</u>	<u>(28,471,652)</u>	<u>-</u>
Total net assets	<u>\$ 43,822,262</u>	<u>\$ 21,796,991</u>	<u>\$ 65,619,253</u>	<u>\$ 2,432,271</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,932,758	\$ 1,168,806	\$ 5,101,564	\$ 4,390,876
Miscellaneous	953	21,164	22,117	-
Total operating revenues	<u>3,933,711</u>	<u>1,189,970</u>	<u>5,123,681</u>	<u>4,390,876</u>
<b>OPERATING EXPENSES</b>				
Supplies and other expenses	2,706	13,248	15,954	-
Building and maintenance expenses	27,184	369,338	396,522	-
Outside services	4,696,255	1,165,044	5,861,299	294,232
Insurance claims	-	-	-	1,701,051
Insurance premiums	-	97,845	97,845	4,172,516
Depreciation	1,891,081	570,341	2,461,422	-
Other	31,834	44,630	76,464	-
Total operating expenses	<u>6,649,060</u>	<u>2,260,446</u>	<u>8,909,506</u>	<u>6,167,799</u>
Operating income (loss)	<u>(2,715,349)</u>	<u>(1,070,476)</u>	<u>(3,785,825)</u>	<u>(1,776,923)</u>
<b>NON-OPERATING REVENUES</b>				
<b>(EXPENSES)</b>				
Ad valorem taxes	552,763	-	552,763	-
Hotel/motel taxes	-	428,898	428,898	-
Cable television franchise fees	-	760,031	760,031	-
Intergovernmental	-	-	-	-
Interest income	2,405	26,010	28,415	55,766
Gain on fair market value of investments	-	-	-	-
Interest expense	(1,273)	-	(1,273)	-
Total non-operating revenues	<u>553,895</u>	<u>1,214,939</u>	<u>1,768,834</u>	<u>55,766</u>
Income (loss) before contributions	<u>(2,161,454)</u>	<u>144,463</u>	<u>(2,016,991)</u>	<u>(1,721,157)</u>
Capital contributions	<u>1,309,657</u>	<u>-</u>	<u>1,309,657</u>	<u>-</u>
Change in net assets	<u>(851,797)</u>	<u>144,463</u>	<u>(707,334)</u>	<u>(1,721,157)</u>
Net assets - beginning of year	<u>44,674,059</u>	<u>21,652,528</u>	<u>66,326,587</u>	<u>4,153,428</u>
Net assets - end of year	<u>\$ 43,822,262</u>	<u>\$ 21,796,991</u>	<u>\$ 65,619,253</u>	<u>\$ 2,432,271</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 4,105,682	\$ 964,882	\$ 5,070,564	\$ 4,338,420
Payments to suppliers	(4,759,705)	(1,619,833)	(6,379,538)	(5,773,277)
Internal activity - receipts from (payments to) other funds	(17,243)	-	(17,243)	(181,880)
Net cash provided by (used for) operating activities	<u>(671,266)</u>	<u>(654,951)</u>	<u>(1,326,217)</u>	<u>(1,616,737)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Ad valorem taxes	552,763	-	552,763	-
Hotel/motel taxes	-	428,898	428,898	-
Cable television franchise fees	-	760,031	760,031	-
Net cash provided by (used for) noncapital financing activities	<u>552,763</u>	<u>1,188,929</u>	<u>1,741,692</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal payments - mortgage payable	(2,899)	-	(2,899)	-
Interest payments	(1,273)	-	(1,273)	-
Purchase of capital assets	-	(317,418)	(317,418)	-
Net cash provided by (used for) capital and related financing activities	<u>(4,172)</u>	<u>(317,418)</u>	<u>(321,590)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	-	3,245,755	3,245,755	16,972,463
Purchase of investments	-	(3,665,851)	(3,665,851)	(15,915,062)
Interest and dividends received	2,405	26,010	28,415	55,766
Net cash provided by (used for) investing activities	<u>2,405</u>	<u>(394,086)</u>	<u>(391,681)</u>	<u>1,113,167</u>
Net increase (decrease) in cash and cash equivalents	(120,270)	(177,526)	(297,796)	(503,570)
Cash and cash equivalents, beginning of year	269,563	813,938	1,083,501	1,536,974
Cash and cash equivalents, end of year	<u>\$ 149,293</u>	<u>\$ 636,412</u>	<u>\$ 785,705</u>	<u>\$ 1,033,404</u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
<b>Reconciliation to Statement of Net Assets:</b>				
Cash	\$ 148,641	\$ 328,346	\$ 476,987	1,033,404
Equity in pooled cash and investments	652	308,066	308,718	-
Cash and cash equivalents, end of year	<u>\$ 149,293</u>	<u>\$ 636,412</u>	<u>\$ 785,705</u>	<u>\$ 1,033,404</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	(2,715,349)	(1,070,476)	(3,785,825)	(1,776,923)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,891,081	570,341	2,461,422	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	171,971	(177,890)	(5,919)	(52,456)
Decrease (increase) in due from other funds	(17,243)	-	(17,243)	(183,433)
Decrease (increase) in prepaid expenses	-	62,804	62,804	-
Decrease (increase) in refundable deposits	-	-	-	-
Increase (decrease) in accounts payable	118,684	6,791	125,475	(239,385)
Increase (decrease) in deferred revenue	-	3,258	3,258	-
Increase (decrease) in accrued liabilities	(120,410)	677	(119,733)	-
Increase (decrease) in estimated claims payable	-	-	-	633,907
Increase (decrease) in due to other funds	-	-	-	1,553
Increase (decrease) in deposits on future events	-	(50,456)	(50,456)	-
Total adjustments	<u>2,044,083</u>	<u>415,525</u>	<u>2,459,608</u>	<u>160,186</u>
Net cash provided by (used for) operating activities	<u>(671,266)</u>	<u>(654,951)</u>	<u>(1,326,217)</u>	<u>(1,616,737)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital	\$ 1,309,657	\$ -	\$ 1,309,657	-
Acquisitions of property, plant and equipment through capital contributions	(1,309,657)	-	(1,309,657)	-
Gain on fair market value of investments	-	4,973	4,973	3,858
(Increase) in fair market value of investments	-	(4,973)	(4,973)	(3,858)
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**June 30, 2004**

	<u>PENSION TRUST FUND</u>		
	<u>FIREMEN'S PENSION AND RELIEF</u>	<u>AGENCY FUNDS</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 325,406	\$ 129,402	\$ 454,808
Investments	399,543	-	399,543
Receivables (net, where applicable, of allowance for uncollectibles)			
Ad valorem taxes	-	1,089,907	1,089,907
Intergovernmental	-	514,221	514,221
Other	60	-	60
	<u>725,009</u>	<u>1,733,530</u>	<u>2,458,539</u>
<b>LIABILITIES</b>			
Plan merger payable	-	926	926
Due to other funds	-	1,333,529	1,333,529
Due to other governments	-	342,814	342,814
Accrued expenses	300	-	300
Refunds payable	-	56,261	56,261
	<u>300</u>	<u>1,733,530</u>	<u>1,733,830</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	<u>\$ 724,709</u>	<u>\$ -</u>	<u>\$ 724,709</u>

The accompanying notes are an integral part of this statement.



**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**Year Ended June 30, 2004**

	<u><b>FIREMEN'S PENSION AND RELIEF</b></u>
<b>ADDITIONS</b>	
Investment Income:	
Net depreciation in fair value	\$ 54,658
Interest	82
Dividends	<u>7,704</u>
Total investment income (loss)	62,444
Less: investment expense	<u>2,910</u>
Net Investment Income (Loss)	<u>59,534</u>
<b>DEDUCTIONS</b>	
Administrative expenses	<u>10,513</u>
Total deductions	<u>10,513</u>
Change in net assets	49,021
Net assets - beginning of year	<u>675,688</u>
Net assets - end of year	<u><u>\$ 724,709</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. REPORTING ENTITY**

Under Governmental Accounting Standards Board (GASB) Statement No. 14, the financial statements of the reporting entity present the primary government (the "City") and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government (the City) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are included in the City's reporting entity either as a blended component unit or as a discretely presented component unit because of the significance of its operational or financial relationship with the City.

The Firemen's Pension and Relief Fund is a legally separate entity from the City. It is governed by a five member *Board of Trustees of which three of these members include the City's Mayor and two members of the City's Council*. For financial reporting purposes, the Firemen's Pension and Relief Fund is reported as if it were a part of the City's operations (blended) because its purpose is to finance and provide a retirement system for the fire department employees of the City and because its exclusion would render the financial statements incomplete or misleading. See footnote R for information on how to obtain the separately issued financial statements of the Firemen's Pension and Relief Fund.

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

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2004

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

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

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

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

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

- Sales Tax Bonds Series 1994
- Sales Tax Bonds Series 1995A
- Sales Tax Bonds Series 2003
- Excess Revenue Bonds Series 2000
- Excess Revenue Bonds Series 2001

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Wastewater Operations Fund. Also included are projects funded by riverboat fees.

The *Capital Projects Funded with Bond Proceeds* accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) and proceeds from the Excess Revenue Bonds Series 2000 and 2001.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner. Effective July 1, 1995, this department was privatized.

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

Additionally, the City reports the following fund types:

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

The pension trust fund accounts for the activities of the Firemen's Pension and Relief Fund, which accumulates resources for pension benefit payments.

Agency funds account for assets held by the City in a fiduciary capacity for individuals, organizations and others.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. BUDGETARY ACCOUNTING**

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

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Roads and Bridges
- Street Lighting
- Fire Protection

Debt Service Funds

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

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

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

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

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

**5. CASH, INVESTMENTS AND POOLED ASSETS**

The City maintains three cash and investment pools as follows:

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

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.

**6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

**7. INVENTORIES**

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

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond June 30, 2004 are recorded as prepaid items in both government-wide and fund financial statements.

**9. CAPITAL ASSETS**

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$100 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

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

**10. COMPENSATED ABSENCES**

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

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**11. LONG-TERM OBLIGATIONS**

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

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

**12. FUND EQUITY**

In the government-wide financial statements, equity is classified as net assets 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 assets - consists of net 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 assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**13. INTERFUND TRANSACTIONS**

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**14. ACCOUNTING ESTIMATES**

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

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. BUDGET**

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

- a. Not less than 60 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 budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, within 30 days thereafter, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance prior to June 1.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

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

The Schedules of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget (Budgetary Basis) - General, One Percent Sales Tax of 1984 Fund, Fire Protection Fund and General Debt Fund presents comparisons of the legally adopted budget, with actual data on the budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differs from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2004, is presented below:

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

1. BUDGET (CONTINUED)

	<u>General</u>	<u>One Percent Sales Tax of 1984 Fund</u>	<u>Fire Protection Fund</u>	<u>General Debt Fund</u>
Net change in fund balances (budgetary basis) \$	(884,219)	\$ -	\$ 388,573	\$ (2,082,531)
Adjustments:				
Timing differences:				
To adjust for encumbrances	(15,979)	-	(6,159)	-
Entity differences:				
To adjust for funds not budgeted	<u>310,224</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (GAAP basis) \$	<u>\$ (589,974)</u>	<u>\$ -</u>	<u>\$ 382,414</u>	<u>\$ (2,082,531)</u>

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the year ended June 30, 2004.

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
Miscellaneous Department	<u>\$ 1,088,562</u>	<u>\$ 1,074,294</u>	<u>\$ (14,268)</u>
Special Revenue Funds:			
Roads and Bridges Fund	<u>\$ 992,486</u>	<u>\$ 955,780</u>	<u>\$ (36,706)</u>
Garbage Collection and Disposal Fund	<u>\$ 4,127,981</u>	<u>\$ 4,017,191</u>	<u>\$ (110,790)</u>

Budgetary control is maintained at the department level for the General Fund. Certain sections within departments of the General Fund reported expenditures in excess of appropriations. Except for the Miscellaneous Department, no other department's expenditures exceeded appropriations. Certain expenditures were accrued for financial statement purposes resulting in expenditures exceeding appropriations for the Miscellaneous Department.

Expenditures exceeded appropriation in the Roads and Bridges Fund and Garbage Collection and Disposal Fund. The City's budget is prepared on a cash basis, however, certain expenditures were accrued for financial statement purposes resulting in expenditures exceeding appropriations.

**NOTE C - DEPOSITS AND INVESTMENTS**

At June 30, 2004, the City of Kenner has cash (book balances) totaling \$28,963,511, as follows:

Governmental Funds:	
Petty cash	\$ 4,325
Demand deposits	4,766,903
Money market funds	22,373,174
Proprietary Funds:	
Enterprise Fund	
Petty cash	500
Demand deposits	707,802
Advance to manager	77,403
Internal Service Fund:	
Demand deposits	<u>1,033,404</u>
	<u>\$ 28,963,511</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)**

At June 30, 2004, the City of Kenner has \$31,629,301 in deposits (collected bank balances). The demand deposits are entirely secured from risk by federal deposit insurance and pledged securities held by the City's agent in the City's name. The money market funds are invested in U.S. Treasury securities held by the City's agent in the City's name.

The City's investments at year-end are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	Category			Fair Value
	1	2	3	
U.S. Instrumentality Securities (FNMA, FHLB, etc.)	\$ 18,903,853	\$ -	\$ -	\$ 18,903,853
Stocks	<u>339,543</u>	<u>-</u>	<u>-</u>	<u>339,543</u>
Total investments	<u>\$ 19,243,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,243,396</u>

The stocks are owned by the Firemen's Pension and Relief Fund.

**NOTE D - EQUITY IN POOLED CASH AND INVESTMENTS**

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

	General Pool	Paving Assessments Pool	Sewerage Assessments Pool	Total
<u>Equity in Pooled Cash and Investment</u>				
Cash	\$ 1,943,894	\$ 254,514	\$ 5,270	\$ 2,203,678
Total Equity in Pooled Cash and Investments	<u>\$ 1,943,894</u>	<u>\$ 254,514</u>	<u>\$ 5,270</u>	<u>\$ 2,203,678</u>
<u>Equity in Pool</u>				
General	\$ 8,947	\$ 254,514	\$ 5,270	\$ 268,731
General Capital Projects	603,638	-	-	603,638
Capital Projects Funded with Bond Proceeds	872,180	-	-	872,180
Wastewater Operations	652	-	-	652
Civic Center Operations	308,066	-	-	308,066
Nonmajor	<u>150,411</u>	<u>-</u>	<u>-</u>	<u>150,411</u>
Total Equity in Pool	<u>\$ 1,943,894</u>	<u>\$ 254,514</u>	<u>\$ 5,270</u>	<u>\$ 2,203,678</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2004, consists of the following amounts:

General Fund	<u>\$ 681,369</u>
Proprietary Funds:	
Department of Wastewater Operations	<u>\$ 60,101</u>
Fiduciary Funds:	
Ad Valorem Tax Collection	<u>\$ 84,000</u>

**NOTE F - SALES TAX**

A sales tax of 8.75% for the period of July 1, 2003 through June 30, 2004 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes 1/6% retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

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

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

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

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE G - CAPITAL ASSETS**

1. Capital asset activity for the fiscal year ended June 30, 2004 was as follows:

	<u>June 30, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2004</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 9,549,153	\$ -	\$ -	\$ -	\$ 9,549,153
Construction-in-progress	<u>6,322,212</u>	<u>4,287,991</u>	<u>-</u>	<u>(1,557,837)</u>	<u>9,052,366</u>
Total capital assets not being depreciated	<u>15,871,365</u>	<u>4,287,991</u>	<u>-</u>	<u>(1,557,837)</u>	<u>18,601,519</u>
Capital assets being depreciated:					
Buildings and building improvements					
	48,316,823	289,547	-	-	48,606,370
Improvements other than buildings					
	873,532	788,524	-	-	1,662,056
Street system	268,625,248	696,476	-	-	269,321,724
Drainage system	369,656,467	-	-	-	369,656,467
Furniture, Fixtures and Equipment					
	11,637,433	438,315	-	-	12,075,748
Vehicles	9,571,773	204,033	-	-	9,775,806
Bridges	<u>913,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>913,337</u>
Total capital assets being depreciated	<u>709,594,613</u>	<u>2,416,895</u>	<u>-</u>	<u>-</u>	<u>712,011,508</u>
Less accumulated depreciation for:					
Buildings and building improvements					
	23,358,941	754,400	-	-	24,113,341
Improvements other than buildings					
	30,574	69,869	-	-	100,443
Street system	111,044,331	8,836,235	-	-	119,880,566
Drainage system	213,405,254	10,139,519	-	-	223,544,773
Furniture, fixtures and equipment					
	5,817,674	1,446,742	-	-	7,264,416
Vehicles	5,474,029	1,121,289	-	-	6,595,318
Bridges	<u>247,965</u>	<u>18,547</u>	<u>-</u>	<u>-</u>	<u>266,512</u>
Total accumulated depreciation	<u>359,378,768</u>	<u>22,386,601</u>	<u>-</u>	<u>-</u>	<u>381,765,369</u>
Total capital assets being depreciated, net	<u>350,215,845</u>	<u>(19,969,706)</u>	<u>-</u>	<u>-</u>	<u>330,246,139</u>
Governmental activities capital assets net	<u>\$366,087,210</u>	<u>\$(15,681,715)</u>	<u>\$ -</u>	<u>\$(1,557,837)</u>	<u>\$348,847,658</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE G - CAPITAL ASSETS (CONTINUED)**

	<u>June 30, 2003</u>	<u>Additions</u>	<u>Reductions/ Transfers</u>	<u>Completed Construction</u>	<u>June 30, 2004</u>
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Construction-in-progress	<u>1,324,002</u>	<u>1,309,657</u>	<u>-</u>	<u>(141,482)</u>	<u>2,492,177</u>
Total capital assets not being depreciated	<u>5,122,728</u>	<u>1,309,657</u>	<u>-</u>	<u>(141,482)</u>	<u>6,290,903</u>
Capital assets being depreciated:					
Buildings and building improvements					
	61,359,926	12,150	20,844,329	141,482	82,357,887
Improvements other than buildings					
	22,533,261	-	(20,844,329)	-	1,688,932
Furniture, fixtures and equipment					
	15,814,627	305,269	-	-	16,119,896
Vehicles	<u>1,334,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334,338</u>
Total capital assets being depreciated	<u>101,042,152</u>	<u>317,419</u>	<u>-</u>	<u>141,482</u>	<u>101,501,053</u>
Less accumulated depreciation for:					
Buildings and building Improvements					
	22,703,744	1,776,242	9,714,257	-	34,194,243
Improvements other than buildings					
	10,523,351	84,447	(9,714,257)	-	893,541
Furniture, fixtures and equipment					
	9,133,678	522,401	-	-	9,656,079
Vehicles	<u>1,151,560</u>	<u>78,333</u>	<u>-</u>	<u>-</u>	<u>1,229,893</u>
Total accumulated depreciation	<u>43,512,333</u>	<u>2,461,423</u>	<u>-</u>	<u>-</u>	<u>45,973,756</u>
Total capital assets being depreciated, net	<u>57,529,819</u>	<u>(2,144,004)</u>	<u>-</u>	<u>141,482</u>	<u>55,527,297</u>
Business-type activities capital assets, net	<u>\$ 62,652,547</u>	<u>\$ (834,347)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,818,200</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE G - CAPITAL ASSETS (CONTINUED)**

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

<b>Governmental activities:</b>	
General government	\$ 410,480
Public safety	2,730,732
Public works	18,776,035
Culture and recreation	<u>469,354</u>
Total depreciation expense - governmental activities	<u>\$ 22,386,601</u>
<b>Business-type activities:</b>	
Wastewater Operations	\$ 1,891,081
Civic Center Operations	<u>570,341</u>
Total depreciation expense - business-type activities	<u>\$ 2,461,422</u>

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

	<u>Project/Contract Authorization June 30, 2004</u>	<u>Expended to June 30, 2004</u>	<u>Committed</u>	<u>Required Future Financing</u>
General government	\$ 203,267	\$ 59,965	\$ 143,302	\$ 143,302
Public safety	273,473	78,222	195,251	195,251
Public works	3,308,890	2,493,624	815,266	815,266
Culture and recreation	<u>7,143,048</u>	<u>6,420,555</u>	<u>722,493</u>	<u>722,493</u>
Total	<u>\$ 10,928,678</u>	<u>\$ 9,052,366</u>	<u>\$ 1,876,312</u>	<u>\$ 1,876,312</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT**

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

Long-term debt at June 30, 2004 includes the following serial bonds and certificates:

	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Issued	Amount Outstanding
			From	To		
General Obligation Refunding Bonds, Series 1992	5.75%	3/01/2005	\$ 260,000	\$ 260,000	\$ 2,595,000	\$ 260,000
Sales Tax Bond, Series 2003	1.3 - 5.0%	6/01/2018	\$ 1,960,000	\$ 3,055,000	35,895,000	34,085,000
Sales Tax Bonds, Series 1994	2.95%	6/01/2016	\$ 540,000	\$ 740,000	11,427,803	7,620,000
Sales Tax Bonds, Series 1995A	2.95%	6/01/2016	\$ 65,000	\$ 90,000	1,462,875	930,000
Certificates of Indebtedness, Series 2000	5.375%	1/01/2010	\$ 860,000	\$ 1,155,000	9,000,000	6,010,000
Certificates of Indebtedness, Series 2001	3.25 - 4.10%	7/01/2011	\$ 130,000	\$ 200,000	<u>1,500,000</u>	<u>1,295,000</u>
<b>Total Bonds and Certificates</b>					<b><u>\$ 61,880,678</u></b>	<b><u>\$ 50,200,000</u></b>

Additional information pertaining to the foregoing bonds and certificates is as follows:

a. General Obligation Refunding Bonds

These bonds are secured by, and payable from ad valorem taxes collected in the Ad Valorem Tax Bonds Fund. At June 30, 2004, \$260,000 of such bonds were outstanding and \$126,956 was available in the Debt Service Funds.

b. Sales Tax Bonds

The Sales Tax Bonds, Series 2003 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by, and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2004, bonds outstanding were \$34,085,000, \$7,620,000 and \$930,000, respectively. The amount available in the Debt Service Funds was \$2,364,675.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2004 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT (CONTINUED)**

**1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)**

b. Sales Tax Bonds (Continued)

the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2004, the loan had an outstanding balance of \$7,620,000. Total interest and administrative fees paid during the year ended June 30, 2004 were \$199,430 and \$40,700, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2004, the loan had an outstanding balance of \$930,000. Total interest and administrative fees paid during the year ended June 30, 2004 were \$24,378 and \$4,975, respectively.

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

c. Excess Revenue Bonds

Certificates of Indebtedness Series 2000 were issued for the purpose of refunding the outstanding Certificates of Indebtedness, Series 1996A and 1996B, and providing funds to match certain grants for capital improvements to the City's sewer system and planetarium in Rivertown. At June 30, 2004, bonds outstanding were \$6,010,000.

Certificates of Indebtedness Series 2001 were issued for the purchase of land in the Laketown area. At June 30, 2004, bonds outstanding were \$1,295,000.

*These certificates are collateralized by a pledge of the excess revenues from the General Fund. The amount available in the Debt Service Funds was 1,529,133.*

**2. FIREMEN'S PENSION MERGER PAYABLE**

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

At June 30, 2004, \$167,825 was available in the Firemen's Pension Merger Fund (Debt Service Fund). The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. The monthly payments including interest are \$7,917. At June 30, 2004, the merger payable for this component had a total outstanding balance of \$1,115,999.

\$1,770,738 of the liability is payable annually at a rate of 7%. The annual payments including interest are \$142,697. At June 30, 2004, the merger payable for this component had a total outstanding balance of \$1,662,935.

**CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT (CONTINUED)**

**2. FIREMEN'S PENSION MERGER PAYABLE (CONTINUED)**

The funding necessary to service this merger payable was obtained from the dedication of the fire insurance tax received from the State of Louisiana and the reduction in the City's contribution rate under the Statewide Plan.

**3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN**

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City. The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000. Loan Proceeds of \$22,000,000 were received in April 2003. As of June 30, 2004, \$20,770,000 of such loans were outstanding and \$22,036 was available in Debt Service Funds.

**4. MORTGAGE PAYABLE**

In June 1978, City of Kenner obtained a loan in the amount of \$40,000 at an interest rate of 9.75% for the purchase of land and an existing building. This loan is accounted for in the Wastewater Operations Enterprise Fund. At June 30, 2004, the mortgage payable had an outstanding balance of \$11,465.

**5. GENERAL DEBT**

**a. Capital Lease Obligations**

The City has capital lease obligations on various facilities and equipment. See Note O - Lease Commitments - General.

**b. Compensated Absences**

General

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

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

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

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

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

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT (CONTINUED)**

5. GENERAL DEBT (CONTINUED)

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

For governmental activities, compensated absences are generally liquidated by the general fund, community development fund, roads and bridges fund, street lighting fund, and fire department fund.

Fire Department

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

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Employees receive 365 days of sick leave with medical determination.

Police Department

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

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

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

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

Police personnel earn sick leave at the following rates:

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

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

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT (CONTINUED)**

**6. CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2004:

	<u>Balance</u> <u>6/30/2003</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditure</u>	<u>Discount/</u> <u>(Premium)</u>	<u>Balance</u> <u>6/30/2004</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities</b>						
General Obligation Bonds	\$ 506,042	\$ -	\$ 250,000	\$ 1,827	\$ 257,869	\$ 257,869
Sales Tax Revenue Bonds	46,414,026	-	2,395,000	(140,223)	43,878,803	2,853,605
Certificate of Indebtedness	8,240,000	-	935,000	-	7,305,000	990,000
Note Payable	2,819,769	-	40,835	-	2,778,934	43,730
LCDA Series 2003 Loan	22,345,146	-	1,230,000	(30,165)	21,084,981	1,158,904
Capital Lease Obligations	292,289	-	83,104	-	209,185	89,001
Compensated Absences	<u>2,812,479</u>	<u>308,998</u>	<u>-</u>	<u>-</u>	<u>3,121,477</u>	<u>2,030,919</u>
Total Government Activities	<u>83,429,751</u>	<u>308,998</u>	<u>4,933,939</u>	<u>(168,561)</u>	<u>78,636,249</u>	<u>7,424,028</u>
<b>Business-Type Activities</b>						
Mortgage Payable	<u>14,364</u>	<u>-</u>	<u>2,899</u>	<u>-</u>	<u>11,465</u>	<u>3,194</u>
Total Business-Type Activities	<u>14,364</u>	<u>-</u>	<u>2,899</u>	<u>-</u>	<u>11,465</u>	<u>3,194</u>
<b>Total Governmental and Business-Type Activities</b>	<u>\$ 83,444,115</u>	<u>\$ 308,998</u>	<u>\$ 4,936,838</u>	<u>\$ (168,561)</u>	<u>\$ 78,647,714</u>	<u>\$ 7,427,222</u>

The annual requirements to maturity for general obligation bonds as of June 30, 2004 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	<u>\$ 260,000</u>	<u>\$ 14,950</u>
	<u>\$ 260,000</u>	<u>\$ 14,950</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2004 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 2,705,000	\$ 1,546,533
2006	2,585,000	1,465,885
2007	2,695,000	1,353,893
2008	2,820,000	1,232,263
2009	2,905,000	1,147,264
2010-2014	15,850,000	4,404,116
2015-2018	<u>13,075,000</u>	<u>1,408,818</u>
	<u>\$ 42,635,000</u>	<u>\$ 12,558,772</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT (CONTINUED)**

6. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for certificates of indebtedness as of June 30, 2004 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 990,000	\$ 367,738
2006	1,055,000	317,125
2007	1,115,000	263,131
2008	1,180,000	205,705
2009	1,250,000	144,890
2010-2012	<u>1,715,000</u>	<u>96,106</u>
	<u>\$ 7,305,000</u>	<u>\$ 1,394,695</u>

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2004 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 43,730	\$ 193,973
2006	46,831	190,872
2007	50,152	187,551
2008	53,709	183,994
2009	57,517	180,186
2010-2014	354,876	833,657
2015-2019	499,885	688,673
2020-2024	704,156	484,347
2025-2029	<u>968,078</u>	<u>196,697</u>
	<u>\$ 2,778,934</u>	<u>\$ 3,139,950</u>

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2004 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 1,120,000	\$ 856,150
2006	1,175,000	801,845
2007	1,235,000	746,845
2008	1,295,000	691,158
2009	1,350,000	642,358
2010-2014	7,480,000	2,411,928
2015-2018	<u>7,115,000</u>	<u>781,405</u>
	<u>\$ 20,770,000</u>	<u>\$ 6,931,689</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE H - LONG-TERM DEBT (CONTINUED)**

6. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the mortgage payable as of June 30, 2004 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 3,194	\$ 978
2006	3,520	652
2007	3,879	190
2008	<u>872</u>	<u>-</u>
	<u>\$ 11,465</u>	<u>\$ 1,820</u>

7. COMPLIANCE

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

**NOTE I - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE**

The nature and purpose of the reserves and designations as presented in the fund financial statements are as follows:

Reserved for Encumbrances

This reserve was established for outstanding purchase orders and other commitments for unperformed contracts for goods and services which the City intends to honor.

Reserved for Inventory

This reserve was established as an offset against the asset, inventory, because it does not constitute an available spendable resource of the General Fund.

Reserved for Prepaid Items

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available spendable resource of the General Fund.

Reserved for Restricted Expenditures

This reserve was created to restrict the use of all resources remaining in the Special Assessment Funds included in the General Fund. The restriction is mandated by the terms of the bond indentures in that the amounts on hand are to be used only for similar projects in the assessment area.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE I - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE (CONTINUED)**

Reserved for Debt Service

This reserve represents the amounts reserved for payment of principal and interest maturing in future years.

Designated for Subsequent Years' Expenditures

This designation represents the expenditures budgeted in 2004-2005, paid from funds remaining in 2003-2004.

Designated for Capital Additions and Improvements

The proceeds of various bond issues and the interest earned on the investment thereof are designated for capital projects in the various capital projects funds to the extent that such amount has not been reserved for encumbrances.

**NOTE J - INTEREST COST**

Interest expense incurred in the business-type activities during the year was as follows:

	DEPARTMENT OF WASTEWATER <u>OPERATIONS</u>	CIVIC CENTER <u>OPERATIONS</u>
Interest expense	\$ <u>1,273</u>	\$ <u>-</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE K - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2004, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 2,031,787
	Fire Protection Fund	572,442
	General Capital Projects	82,898
	Nonmajor Governmental Funds	761,005
	Internal Service Funds	2,279
	Fiduciary Funds	358,970
One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	250,315
Fire Protection Fund	General Fund	75
	One Percent Sales Tax of 1984 Fund	59,244
	Fiduciary Funds	564,721
General Debt Fund	Capital Projects Funded with Bond Proceeds	662,875
General Capital Projects	General Fund	426,833
	Nonmajor Governmental Funds	235
Capital Projects Funded with Bond Proceeds	Fiduciary Funds	122,005
Wastewater Operations	Fiduciary Funds	91,472
Nonmajor Governmental Funds	General Fund	370,595
	One Percent Sales Tax of 1984 Fund	15,708
	General Capital Projects	6,331
	Fiduciary Funds	196,361
Internal Service Funds	General Fund	430,512
	Fire Protection Fund	<u>51,291</u>
		<u>\$ 7,057,954</u>

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



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE K - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

A summary of interfund transfers at June 30, 2004 are as follows:

	<i>Transfer In:</i>						<u>Total</u>
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>General Debt</u>	<u>General Capital Projects</u>	<u>Capital Projects Funded with Bond Proceeds</u>	<u>Nonmajor Governmental</u>	
<b>Transfer Out:</b>							
General Fund	\$ -	\$ 256,729	\$ 176,820	\$ 5,297,518	\$ -	\$ 343,956	\$ 6,075,023
One Percent Sales Tax of 1984 Fund	7,577,991	1,050,000	-	-	-	2,160,628	10,788,619
General Debt	-	-	-	1,529,437	772,134	-	2,301,571
General Capital Projects	17,758	1,000,000	1,291,265	-	-	22,382	2,331,405
General Projects Funded with Bond Proceeds	-	-	55,599	-	-	37	55,636
<b>Total</b>	<u>\$7,595,749</u>	<u>\$2,306,729</u>	<u>\$1,523,684</u>	<u>\$6,826,955</u>	<u>\$ 772,134</u>	<u>\$ 2,527,003</u>	<u>\$ 21,552,254</u>

Transfers are primarily used to move funds from:

General Fund -to the Fire Protection Fund for communication expenditures, to the General Debt Fund for debt service on the certificates of indebtedness, and to the General Capital Projects gaming revenues dedicated for capital projects.

One Percent Sales Tax of 1984 Fund - to the General, Garbage Collection & Disposal, and Fire Protection Funds to reimburse losses from homestead exemption and to pay expenditures for the Roads & Bridges and Street Lighting Funds.

General Debt - to the Capital Projects Funds the available reserve funds rebudgeted for various capital projects.

General Capital Projects- to the General Debt Fund the 25% of riverboat revenues dedicated to debt service and a one-time purchase of equipment in the Fire Protection Fund.

**NOTE L - AD VALOREM TAX**

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2003, which are collected and reported as revenue for the fiscal year ended June 30, 2004 is as follows:

<u>FUND</u>	<u>2003 MILLS</u>
General Fund	3.11
Garbage Collection and Disposal Fund	2.40
Fire Department Fund	11.02
Ad Valorem Tax Bonds Fund	0.75
Department of Wastewater Operations Fund	1.71
Capital Projects for Road Bonds Fund	<u>8.80</u>
<b>Total</b>	<u>27.79</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE M - TREASURE CHEST RIVERBOAT CASINO AGREEMENT**

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

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

In September 1994, the riverboat casino began operations.

**NOTE N - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$250,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and \$300,000 for each worker's compensation claim with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$2,606,938 (which includes claims incurred but not reported in the Fund at June 30, 2004) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Governmental Accounting Standards Board Statement No. 30, "Risk Financing Omnibus - An Amendment of GASB Statement No. 10", requires that specific, incremental claim adjustment expenses and estimated recoveries be considered in calculating the claims liability.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE N - RISK MANAGEMENT (CONTINUED)**

Changes in the balances of claims liabilities during fiscal years 2002, 2003, and 2004 were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2001 - 2002	2,563,575	228,665	(338,379)	2,453,861
2002 - 2003	2,453,861	707,174	(1,188,004)	1,973,031
2003 - 2004	1,973,031	1,651,425	(1,017,518)	2,606,938

**HEALTH INSURANCE**

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

**NOTE O - COMMITMENTS AND CONTINGENCIES**

**LITIGATION**

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to range from \$35,000 to \$45,000, which has not been accrued in these financial statements. All probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

**WASTEWATER LITIGATION**

Former City of Kenner Wastewater Department employees filed a wrongful termination lawsuit on August 1, 2000, naming the City and Professional Services Group, Inc. as defendants. The plaintiffs filed a motion for summary judgment and were awarded the summary judgment. However, on appeal the Court removed the City of Kenner from the judgment. US Filter Operating Services, Inc., successor to Professional Services Group, Inc., appealed this decision and the 5<sup>th</sup> Circuit Court of Appeals reversed the summary judgment. The case has been remanded to trial court for further proceedings, but the City has not been notified of any court proceedings.

**FEDERALLY ASSISTED PROGRAMS**

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

**EPA ADMINISTRATIVE ORDER**

On November 30, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. As a result, the City has initiated a sewer rehabilitation project for which costs are approximately \$15 million. Failure to comply with the provisions of the Order could result in monetary fines or an EPA administrative penalty. See Note H for additional information regarding the financing of the sewer rehabilitation project.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE O - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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

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

**CITY OF KENNER FIREFIGHTERS**

A class-action lawsuit was filed on behalf of all firefighters employed by the City from 1981 through the present. The suit asserts that over the years the City improperly calculated longevity pay and seeks to recover back pay for the class, including costs and attorney's fees. The City plans a vigorous defense. To date, no class has been certified. An adverse judgement in this matter could have a material adverse impact on the city's financial position; however, *outside counsel is unable to give an opinion on the outcome of this lawsuit at this time.*

The City is one of approximately forty plaintiffs in a lawsuit filed by the Louisiana Municipal Association of behalf of its members with firefighters who participate in the Firefighters' Retirement System (FRS). The suit seeks to nullify a directive by the governing board of the FRS ordering member parishes, cities, towns and fire protection districts to increase employer contributions to the system in order to cover projected shortfalls in available revenues. The effect on the City would have initially increased its annual contribution by approximately \$500,000 as of July 1, 2003, with likely future substantial increases. A judgement favorable to the plaintiff was appealed to the State Supreme Court and is still under consideration by the Court at this time. The City is currently following a court-approved mutual agreement that allows each System member to continue paying employer contributions at the pre-2003 rate (9%) and in the event a final, non-appealable judgment is rendered against the plaintiffs, the excess amount shall be paid with interest. An adverse judgment in this matter could have a material adverse impact on the City's financial position.

**CONSTRUCTION**

Construction commitments are discussed in Note G.

**LEASE COMMITMENTS - GENERAL**

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements.

Capital Lease

The City entered into a Municipal Lease and Option Agreement for the purchase of various equipment to be leased/purchased by the City. On September 11, 1996, a lease/purchase and escrow addendum was made to the original lease/purchase agreement dated December 7, 1995. Monthly payments began in October 1996 for a term of 10 years with payments of \$8,384 per month. Funding for the lease payments will result from the energy savings derived from the installation of such equipment. The cost and accumulated depreciation of the asset held under the lease are \$722,005 and \$649,805, respectively, at June 30, 2004.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE O - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the minimum lease payments as of June 30, 2004.

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental</u> <u>Funds</u>
2005	\$ 100,613
2006	100,613
2007	<u>25,153</u>
Total minimum lease payments	226,379
Less amount representing interest	<u>17,194</u>
Present value of future minimum lease payments	<u>\$ 209,185</u>

Operating leases

The City is committed under various leases for buildings. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2004 amounted to \$174,932. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amounts</u>
2005	<u>\$ 66,300</u>

**NOTE P - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. *The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.*

In 1996, the U.S. Congress passed the Small Business Job Protection Act of 1996, which requires that employer governments place all amounts deferred under IRC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. In previous years, these assets were solely the property of the City and subject to claims of the City's general creditors, and were reported in the City's financial statements. In a prior year, the City amended its plan to comply with the requirements of the Act. Thus, the City no longer has ownership of the Plan assets and they are no longer reported in the City's financial statements.

**NOTE Q - POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note R, the City provides postretirement health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees under age 70. These benefits are authorized by City resolution. Expenditures for postretirement health care and life insurance benefits are recognized as the premiums are paid by the City, which is required to pay only the retirees' portion. The retiree must pay the portion of the premium related to any dependents. At June 30, 2004, 73 retirees were eligible and were receiving such health care benefits. Total health care premiums amounted to \$198,163, of which \$104,608 (53%) was paid by the City and \$93,555 (47%) was paid by the retirees for the year ended June 30, 2004. Life insurance premiums paid by the City for 88 eligible retirees amounted to \$3,874 for the year-ended June 30, 2004. These post retirement health care and life insurance benefits are not accounted for as a defined benefit pension plan thus Governmental Accounting Standards Board Statement No. 26 "*Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*" does not apply.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE R - PENSION PLANS**

**GENERAL**

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

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

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

All full-time classified employees of the Fire Department of the City are participants in the Statewide Firefighters Retirement System ("SFRS"). Prior to the merger with SFRS as of March 27, 1999, the classified employees of the Fire Department of the City were participants in the Firemen's Pension and Relief Fund (The Firemen's Plan), a single-employer defined benefit plan administered by a five member Board of Trustees. A contingency fund remains to handle members who could retire after twenty (20) years of service if hired before April 1, 1978 under the Firemen's Plan. Upon these members meeting the qualifications for retirement under the Statewide Plan, no further benefits would be liable from the contingency fund. At June 30, 2004, all members qualified for the Statewide Plan; therefore, the contingency fund is no longer necessary and is in the process of being liquidated.

**PLAN DESCRIPTIONS**

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse. The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2004. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court. Effective July 1, 2004, the employer's contribution rate was increased to 15%.

Municipal Police Employees Retirement System (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan for one year, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to 3 1/3 percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2004. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court. As of July 1, 2004, the employer's contribution rate increased to 21.5%.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE R - PENSION PLANS (CONTINUED)**

Firemen's Pension and Relief Fund (The Firemen's Plan) and the Statewide Firefighters Retirement System (SFRS)

Prior to the merger with the Statewide Plan, all permanent active employees of the Fire Department were eligible for participation in the *Firemen's Plan*. All members have reached the qualifications for retirement under the Statewide Plan. Therefore, contributions are no longer made to the Firemen's Plan.

Under SFRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children.

The Firemen's Plan retirement information in this note is provided as of the latest actuarial valuation, June 30, 2002. The Firemen's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the City of Kenner, Louisiana. The Statewide Firefighters Retirement System also issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Statewide Firefighters Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

The employer's contribution rate for SRFS was 21 % for July 1, 2003 through June 30, 2004. However, the City is currently following a court-approved mutual agreement that allows each System member to continue paying employer contributions at the pre-2003 rate (9%). (See Note O, "City of Kenner Firefighters" for additional details). As of July 1, 2004, the employer's contribution rate remained at 21%.

**BASIS OF ACCOUNTING**

The City's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

**METHOD USED TO VALUE INVESTMENTS**

As required by Governmental Accounting Standards Board Statement No. 25, "*Financial Reporting for Defined Benefit Pension Plans and Note Disclosure for Defined Contribution Plans*", investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings. Investments that do not have an established market are reported at estimated fair value.

Besides investments in U.S. Government obligations, the Firemen's Plan had no investments in any one organization which represented more than 5% of the net assets available for benefits.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE R - PENSION PLANS (CONTINUED)**

**COVERED PAYROLL**

The total payroll and the covered payroll, for each of the plans for the year ended June 30, 2004 were as follows:

	<u>Total</u>	<u>Covered</u>
Municipal Plan	\$ 10,230,594	\$ 10,072,420
Police Plan	10,038,794	7,625,932
Statewide Firefighters Retirement System	3,659,260	3,347,364
Firemen's Plan	N/A	N/A

**CURRENT MEMBERSHIP**

At June 30, 2004 the plan membership of the Firemen's Plan consisted of:

Active members	-
Current retirees and beneficiaries	-
Drop participants	-
Terminated vested participants	-
Terminated due a refund	<u>-</u>
Total employee members	<u><u>-</u></u>

Total membership data for the Municipal Plan, Police Plan and Statewide Firefighters Retirement System plans, are available in the separately issued reports, but is not available by individual employer.

**CONTRIBUTIONS REQUIRED AND MADE**

Member contributions are established by state statute for all plans.

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows:

Year Ended <u>June 30,</u>	Annual <u>Required Contribution</u>	<u>City</u>		<u>Employees</u>		<u>Total</u>
		<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>% Contributed</u>
2002	\$ 1,471,286	\$ 649,065	7.00	\$ 822,221	9.25	100%
2003	1,638,952	770,526	8.00	868,426	9.25	100%
2004	2,016,382	1,105,919	11.00	910,463	9.25	100%

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows:

Year Ended <u>June 30,</u>	Annual <u>Required Contribution</u>	<u>City</u>		<u>Employees</u>		<u>Total</u>
		<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>% Contributed</u>
2002	\$ 999,881	\$ 546,299	9.00	\$ 453,582	7.50	100%
2003	1,157,580	632,703	9.00	524,877	7.50	100%
2004	1,726,136	1,162,612	15.25	563,524	7.50	100%



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2004**

**NOTE R - PENSION PLANS (CONTINUED)**

Contributions required and made for the Statewide Firefighters Retirement System, a cost-sharing multiple-employer plan were as follows:

Year Ended June 30,	Annual Required Contribution	City		Employees		Total
		Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
2002	\$ 461,148	\$ 244,135	9.00	\$ 217,013	8.00	100%
2003	575,601	326,877	9.00-18.25	248,724	8.00	100%
2004	569,052	301,263	9.00	267,789	8.00	100%

**TREND INFORMATION**

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become due.

Six-year historical trend information is presented in the Required Supplementary Information Section of this report for the Firemen's Plan. Six-year historical trend information for the Municipal Plan, the Police Plan and the Statewide Firefighters Retirement System is available in the separately issued reports.

**NOTE S - AVAILABILITY OF SEPARATE FINANCIAL REPORTS**

Separate audited financial reports for the year ended June 30, 2004, containing more detailed information regarding operating results, are available from the City for the following fund:

Pension Trust Fund:

Firemen's Pension and Relief Fund

Auditors:

Duplantier, Hrapmann, Hogan & Maher, L.L.P  
 Certified Public Accountants

**NOTE T - PRIOR PERIOD ADJUSTMENT**

Net assets in the government-wide financial statements and fund balances in the governmental funds financial statements as of July 1, 2003 have been adjusted to correct an error for grant revenue not recorded in the prior fiscal year. Had the error not been made, the change in net assets in the government-wide financial statements and the change in fund balances in the governmental funds financial statements would have been increased by \$786,381 for the year ended June 30, 2003.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes	\$ 26,622,750	\$ -	\$ 26,622,750	\$ 25,734,847	\$ 25,718,347	\$ 904,403
Licenses and permits	2,687,581	-	2,687,581	2,620,617	2,620,617	66,964
Intergovernmental	1,832,676	(350,818)	1,481,858	1,526,842	1,526,842	(44,984)
Charges for services	495,438	-	495,438	643,057	718,457	(223,019)
Fines and forfeitures	2,472,038	-	2,472,038	2,253,918	2,255,418	216,620
Interest on invested funds	26,417	(9,984)	16,433	198,437	138,437	(122,004)
Miscellaneous	512,574	(192,470)	320,104	276,874	320,974	(870)
<b>Total revenues</b>	<b>34,649,474</b>	<b>(553,272)</b>	<b>34,096,202</b>	<b>33,254,592</b>	<b>33,299,092</b>	<b>797,110</b>
<b>EXPENDITURES</b>						
General government	7,823,987	(296,405)	7,527,582	7,747,359	7,700,302	172,720
Public safety	17,908,920	57,159	17,966,079	16,256,347	18,061,061	94,982
Public works	5,141,579	(5,810)	5,135,769	4,968,901	5,217,646	81,877
Health and welfare	675,729	190	675,919	656,601	699,343	23,424
Culture and recreation	3,659,958	968	3,660,926	3,904,606	3,894,838	233,912
Transit and urban development	446,310	-	446,310	483,869	483,869	37,559
Miscellaneous	1,103,691	(15,129)	1,088,562	1,169,238	1,074,294	(14,268)
<b>Total expenditures</b>	<b>36,760,174</b>	<b>(259,027)</b>	<b>36,501,147</b>	<b>35,186,921</b>	<b>37,131,353</b>	<b>630,206</b>
Excess (deficiency) of revenues over (under) expenditures	(2,110,700)	(294,245)	(2,404,945)	(1,932,329)	(3,832,261)	1,427,316
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	7,595,749	-	7,595,749	7,878,669	8,022,783	(427,034)
Operating transfers out	(6,075,023)	-	(6,075,023)	(5,946,340)	(5,987,522)	(87,501)
<b>Total other financing sources (uses)</b>	<b>1,520,726</b>	<b>-</b>	<b>1,520,726</b>	<b>1,932,329</b>	<b>2,035,261</b>	<b>(514,535)</b>
Net change in fund balance	(589,974)	(294,245)	(884,219)	-	(1,797,000)	912,781
Fund balance - beginning of year	11,316,916	2,933,055	14,249,971	14,249,971	14,249,971	-
Fund balance - end of year	\$ 10,726,942	\$ 2,638,810	\$ 13,365,752	\$ 14,249,971	\$ 12,452,971	\$ 912,781

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ONE PERCENT SALES TAX OF 1984 FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ 10,788,619	\$ -	\$ 10,788,619	\$ 11,246,031	\$ 11,246,031	\$ (457,412)
Total revenues	10,788,619	-	10,788,619	11,246,031	11,246,031	(457,412)
<b>EXPENDITURES</b>						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	10,788,619	-	10,788,619	11,246,031	11,246,031	(457,412)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(10,788,619)	-	(10,788,619)	(11,246,031)	(11,246,031)	457,412
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE PROTECTION FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 3,438,545	\$ -	\$ 3,438,545	\$ 3,285,368	\$ 3,285,368	\$ 153,177
Parking	82,575	-	82,575	400,000	400,000	(317,425)
Intergovernmental	-	-	-	-	-	-
Charges for services:						
Fire reports	630	-	630	-	750	(120)
Interest	11,077	-	11,077	-	12,154	(1,077)
Miscellaneous	3,974	-	3,974	16,904	4,000	(26)
Total revenues	<u>3,536,801</u>	<u>-</u>	<u>3,536,801</u>	<u>3,702,272</u>	<u>3,702,272</u>	<u>(165,471)</u>
<b>EXPENDITURES</b>						
Public safety:						
Personnel	4,519,744	-	4,519,744	4,597,201	4,725,923	206,179
Supplies	50,798	-	50,798	66,500	66,500	15,702
Service charges	513,761	9,194	522,955	685,500	736,780	213,825
Capital outlay	376,813	(15,353)	361,460	1,008,477	877,908	516,448
Total expenditures	<u>5,461,116</u>	<u>(6,159)</u>	<u>5,454,957</u>	<u>6,357,678</u>	<u>6,407,111</u>	<u>952,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,924,315)</u>	<u>6,159</u>	<u>(1,918,156)</u>	<u>(2,655,406)</u>	<u>(2,704,839)</u>	<u>786,683</u>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	2,306,729	-	2,306,729	2,257,296	2,306,729	-
Net change in fund balance	382,414	6,159	388,573	(398,110)	(398,110)	786,683
Fund balance - beginning of year	626,666	(29,231)	597,435	597,435	597,435	-
Fund balance - end of year	<u>\$ 1,009,080</u>	<u>\$ (23,072)</u>	<u>\$ 986,008</u>	<u>\$ 199,325</u>	<u>\$ 199,325</u>	<u>\$ 786,683</u>

**CITY OF KENNER, LOUISIANA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
(In thousands of dollars)  
**FIREMEN'S PENSION AND RELIEF FUND**  
**June 20, 2004**

Actuarial Valuation Date <u>June 30,</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) Entry Age <u>(b)</u>	Funded Ratio <u>(a/b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
2004	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
2003	*	*	*	*	*	*
2002	822	-	N/A	-	-	N/A
2001	950	-	N/A	-	-	N/A
2000	1,003	-	N/A	-	-	N/A
1999	*	*	*	*	*	*

Analysis of the dollar amounts of actuarial assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Fund's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Fund is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Fund. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids in the analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Fund. The above information is reported as of the latest date for which such information was available at the date of this report. The actuarial valuation as of June 30, 2002 reflects the changes to the plan as a result of the merger with the SFERS in March 1999.

\* An actuarial valuation report was not prepared for the years ended June 30, 1999, 2003, and 2004.

**CITY OF KENNER**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS AND TREND INFORMATION**  
**FIREMEN'S PENSION AND RELIEF FUND**  
**June 30, 2004**

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)*</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2004	\$ -	\$ -	\$ -
2003	-	-	-
2002	-	-	-
2001	-	-	-
2000	-	-	-
1999	271,425	100%	-

\* The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2002
Actuarial cost method	Aggregate
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Accrual method of accounting and recording investments at fair market value
Actuarial assumptions:	
Investment rate of return:	7%
Projected salary increases	None
Inflation rate	None

The actuarial valuation as of June 30, 2002 reflects the changes to the Plan as a result of the merger with the SFRS in March 1999. An actuarial valuation report was not prepared as of June 30, 2004.

## **OTHER SUPPLEMENTARY INFORMATION**



**CITY OF KENNER, LOUISIANA  
NONMAJOR FUND DESCRIPTIONS  
JUNE 30, 2004**

**SPECIAL REVENUE FUNDS**

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

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

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

**GARBAGE COLLECTION AND DISPOSAL, ROADS AND BRIDGES, AND STREET LIGHTING FUNDS**

The Garbage Collection and Disposal, Roads and Bridges, and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

**DEBT SERVICE FUNDS**

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

**AD VALOREM TAX BOND FUND**

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements of the bond indenture for the General Obligation Refunding Bonds Series 1992 and the loan agreement for the LCDA loan.

**FIREMEN'S PENSION MERGER FUND**

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

**CITY OF KENNER, LOUISIANA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2004**

	SPECIAL REVENUE			
	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING
<b>ASSETS</b>				
Cash	\$ 15,740	\$ -	\$ -	\$ -
Equity in pooled cash and investments	93,056	-	-	-
Investments	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	835,825	-	-
Intergovernmental	104,095	-	-	-
Interest	-	-	-	-
Other	29,883	-	-	-
Due from other funds	6,331	144,072	234,915	144,668
<b>Total assets</b>	<b>\$ 249,105</b>	<b>\$ 979,897</b>	<b>\$ 234,915</b>	<b>\$ 144,668</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 72,411	\$ 163,490	\$ 7,271	\$ 68,264
Accrued liabilities	20,641	-	11,221	4,168
Due to other funds	70,814	690,352	184,081	66,234
Deferred revenues	-	126,055	2,960	6,002
<b>Total liabilities</b>	<b>163,866</b>	<b>979,897</b>	<b>205,533</b>	<b>144,668</b>
<b>Fund balances:</b>				
Reserved for:				
Encumbrances	2,816	-	29,382	-
Debt service	-	-	-	-
Unreserved:				
Undesignated	82,423	-	-	-
<b>Total fund balances</b>	<b>85,239</b>	<b>-</b>	<b>29,382</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 249,105</b>	<b>\$ 979,897</b>	<b>\$ 234,915</b>	<b>\$ 144,668</b>

<u>SPECIAL REVENUE</u>		<u>DEBT SERVICE</u>			<u>TOTAL</u>
	<u>AD VALOREM</u>	<u>FIREMEN'S</u>		<u>TOTAL</u>	<u>NONMAJOR</u>
<u>TOTAL</u>	<u>TAX BONDS</u>	<u>PENSION MERGER</u>			<u>GOVERNMENTAL</u>
		<u>FUND</u>			<u>FUNDS</u>
\$ 15,740	\$ 140,720	\$ -	\$ 140,720	\$ 156,460	
93,056	7,869	49,486	57,355	150,411	
-	-	118,339	118,339	118,339	
835,825	-	-	-	835,825	
104,095	-	-	-	104,095	
-	-	-	-	-	
29,883	-	-	-	29,883	
529,986	59,009	-	59,009	588,995	
<u>\$ 1,608,585</u>	<u>\$ 207,598</u>	<u>\$ 167,825</u>	<u>\$ 375,423</u>	<u>\$ 1,984,008</u>	
\$ 311,436	\$ -	\$ -	\$ -	\$ 311,436	
36,030	-	-	-	36,030	
1,011,481	74	-	74	1,011,555	
135,017	58,532	-	58,532	193,549	
1,493,964	58,606	-	58,606	1,552,570	
32,198	-	-	-	32,198	
-	148,992	167,825	316,817	316,817	
82,423	-	-	-	82,423	
114,621	148,992	167,825	316,817	431,438	
<u>\$ 1,608,585</u>	<u>\$ 207,598</u>	<u>\$ 167,825</u>	<u>\$ 375,423</u>	<u>\$ 1,984,008</u>	

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED 30, 2004**

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING
<b>REVENUES</b>				
Taxes	\$ -	\$ 749,399	\$ 215,066	\$ 133
Intergovernmental	815,102	-	-	-
Charges for services	-	2,954,523	-	-
Interest	649	-	-	-
Miscellaneous	71,531	-	-	(130)
<b>Total Revenues</b>	<b>887,282</b>	<b>3,703,922</b>	<b>215,066</b>	<b>3</b>
<b>EXPENDITURES</b>				
Current:				
Public works	-	4,127,981	963,447	1,125,208
Culture and recreation	211,186	-	-	-
Transit and urban development	887,030	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Agent fees	-	-	-	-
<b>Total Expenditures</b>	<b>1,098,216</b>	<b>4,127,981</b>	<b>963,447</b>	<b>1,125,208</b>
Excess (deficiency) of revenues over (under) expenditures	(210,934)	(424,059)	(748,381)	(1,125,205)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	202,871	424,059	777,420	1,122,616
<b>Total other financing sources (uses)</b>	<b>202,871</b>	<b>424,059</b>	<b>777,420</b>	<b>1,122,616</b>
Net change in fund balances	(8,063)	-	29,039	(2,589)
Fund balances - beginning of year	93,302	-	343	2,589
Fund balances - end of year	<b>\$ 85,239</b>	<b>\$ -</b>	<b>\$ 29,382</b>	<b>\$ -</b>

SPECIAL REVENUE	DEBT SERVICE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	
\$ 964,598	\$ 2,213,852	\$ 180,100	\$ 2,393,952	\$ 3,358,550
815,102	-	-	-	815,102
2,954,523	-	-	-	2,954,523
649	3,398	4,186	7,584	8,233
71,401	-	107,613	107,613	179,014
<u>4,806,273</u>	<u>2,217,250</u>	<u>291,899</u>	<u>2,509,149</u>	<u>7,315,422</u>
6,216,636	-	-	-	6,216,636
211,186	-	-	-	211,186
887,030	-	-	-	887,030
-	-	-	-	-
-	1,480,000	40,835	1,520,835	1,520,835
-	778,494	196,868	975,362	975,362
-	1,000	-	1,000	1,000
<u>7,314,852</u>	<u>2,259,494</u>	<u>237,703</u>	<u>2,497,197</u>	<u>9,812,049</u>
<u>(2,508,579)</u>	<u>(42,244)</u>	<u>54,196</u>	<u>11,952</u>	<u>(2,496,627)</u>
<u>2,526,966</u>	<u>37</u>	<u>-</u>	<u>37</u>	<u>2,527,003</u>
<u>2,526,966</u>	<u>37</u>	<u>-</u>	<u>37</u>	<u>2,527,003</u>
18,387	(42,207)	54,196	11,989	30,376
96,234	191,199	113,629	304,828	401,062
<u>\$ 114,621</u>	<u>\$ 148,992</u>	<u>\$ 167,825</u>	<u>\$ 316,817</u>	<u>\$ 431,438</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>TAXES</b>						
Ad valorem tax	\$ 970,584	\$ -	\$ 970,584	\$ 927,177	\$ 927,177	\$ 43,407
Sales tax	15,231,903	-	15,231,903	14,558,646	14,542,146	689,757
Beer tax	75,950	-	75,950	83,627	83,627	(7,677)
Parking tax	1,408,042	-	1,408,042	1,393,653	1,393,653	14,389
Franchises						
Electricity service	1,577,484	-	1,577,484	1,394,388	1,394,388	183,096
Gas service	198,146	-	198,146	157,087	157,087	41,059
Off-track wagering	181,001	-	181,001	214,991	214,991	(33,990)
Hotel/motel tax	92,646	-	92,646	97,196	97,196	(4,550)
Telephone	368,344	-	368,344	464,893	464,893	(96,549)
Riverboat	6,518,650	-	6,518,650	6,443,189	6,443,189	75,461
Total taxes	26,622,750	-	26,622,750	25,734,847	25,718,347	904,403
<b>LICENSES AND PERMITS</b>						
Business:						
Occupational	1,965,500	-	1,965,500	1,882,547	1,882,547	82,953
Alcoholic beverage	68,350	-	68,350	68,500	68,500	(150)
Chain store	68,173	-	68,173	74,019	74,019	(5,846)
Plumbing	33,220	-	33,220	31,242	31,242	1,978
Electrical	21,790	-	21,790	20,176	20,176	1,614
Taxi cab	45,515	-	45,515	45,580	45,580	(65)
Air conditioning	16,050	-	16,050	15,358	15,358	692
Bingo	250	-	250	1,125	375	(125)
Animal control	837	-	837	-	750	87
Total business	2,219,685	-	2,219,685	2,138,547	2,138,547	81,138
Non-business:						
Building	121,542	-	121,542	143,726	143,726	(22,184)
Garage sales	4,050	-	4,050	3,800	3,800	250
Brake tags	342,304	-	342,304	334,544	334,544	7,760
Total non-business	467,896	-	467,896	482,070	482,070	(14,174)
Total licenses and permits	2,687,581	-	2,687,581	2,620,617	2,620,617	66,964
<b>INTERGOVERNMENTAL</b>						
Federal Grants	327,019	(313,982)	13,037	-	-	13,037
From state:						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	362,780	-	362,780	399,591	399,591	(36,811)
Parish road fund	180,103	-	180,103	184,766	184,766	(4,663)
Video poker	683,366	-	683,366	690,485	690,485	(7,119)
Other state grants	36,836	(36,836)	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	31,572	-	31,572	41,000	41,000	(9,428)
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	1,832,676	(350,818)	1,481,858	1,526,842	1,526,842	(44,984)

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>CHARGES FOR SERVICES</b>						
Zoning fees	\$ 8,055	\$ -	\$ 8,055	\$ 10,600	\$ 10,600	\$ (2,545)
Inspection fees						
Electrical	52,254	-	52,254	58,646	58,646	(6,392)
Plumbing	44,344	-	44,344	42,876	42,876	1,468
Air conditioning, heating, and other	37,872	-	37,872	41,065	41,065	(3,193)
Maps and document sales	1,600	-	1,600	1,500	1,500	100
Tax research fees	18,798	-	18,798	18,841	18,841	(43)
Police reports	38,134	-	38,134	38,000	38,000	134
Weed cutting fees	100,479	-	100,479	95,000	95,000	5,479
Recreation department						
Participation fees	12,239	-	12,239	15,000	15,000	(2,761)
Admission fees	118,338	-	118,338	321,479	335,879	(217,541)
Identification and other fees	2,325	-	2,325	-	-	2,325
Community service fees	-	-	-	50	50	(50)
Administrative charges	61,000	-	61,000	-	61,000	-
Total charges for services	<u>495,438</u>	<u>-</u>	<u>495,438</u>	<u>643,057</u>	<u>718,457</u>	<u>(223,019)</u>
<b>FINES AND FORFEITURES</b>						
Fines	2,035,062	-	2,035,062	1,922,014	1,923,514	111,548
Forfeitures	370,923	-	370,923	307,956	307,956	62,967
DWI fines	1,111	-	1,111	2,948	2,948	(1,837)
Reinstatement fees	64,942	-	64,942	21,000	21,000	43,942
Total fines and forfeitures	<u>2,472,038</u>	<u>-</u>	<u>2,472,038</u>	<u>2,253,918</u>	<u>2,255,418</u>	<u>216,620</u>
<b>INTEREST ON INVESTED FUNDS</b>	<u>26,417</u>	<u>(9,984)</u>	<u>16,433</u>	<u>198,437</u>	<u>138,437</u>	<u>(122,004)</u>
<b>MISCELLANEOUS</b>						
Donations	120	(120)	-	-	-	-
Rents	199,597	-	199,597	195,574	193,174	6,423
Other investment income	64,508	(15,129)	49,379	-	60,000	(10,621)
Other	248,349	(177,221)	71,128	81,300	67,800	3,328
Total miscellaneous	<u>512,574</u>	<u>(192,470)</u>	<u>320,104</u>	<u>276,874</u>	<u>320,974</u>	<u>(870)</u>
<b>Total revenues</b>	<u>\$ 34,649,474</u>	<u>\$ (553,272)</u>	<u>\$ 34,096,202</u>	<u>\$ 33,254,592</u>	<u>\$ 33,299,092</u>	<u>\$ 797,110</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>GENERAL GOVERNMENT</b>						
Personnel	\$ 3,833,877	\$ -	\$ 3,833,877	\$ 3,841,455	\$ 3,845,811	\$ 11,934
Supplies	135,503	12,901	148,404	127,371	181,348	32,944
Service charges	3,775,554	(299,453)	3,476,101	3,628,533	3,601,263	125,162
Capital outlay	79,053	(9,853)	69,200	150,000	71,880	2,680
Total general government	\$ 7,823,987	\$ (296,405)	\$ 7,527,582	\$ 7,747,359	\$ 7,700,302	\$ 172,720
<b>PUBLIC SAFETY</b>						
Personnel	\$ 14,033,535	\$ -	\$ 14,033,535	\$ 13,038,603	\$ 13,963,308	\$ (70,227)
Supplies	668,514	(14,142)	654,372	626,605	665,205	10,833
Service charges	2,792,196	439	2,792,635	2,591,139	2,853,948	61,313
Capital outlay	414,675	70,862	485,537	-	578,600	93,063
Total public safety	\$ 17,908,920	\$ 57,159	\$ 17,966,079	\$ 16,256,347	\$ 18,061,061	\$ 94,982
<b>PUBLIC WORKS</b>						
Personnel	\$ 3,663,395	\$ -	\$ 3,663,395	\$ 3,803,449	\$ 3,726,944	\$ 63,549
Supplies	1,255,215	17,612	1,272,827	965,813	1,283,863	11,036
Service charges	199,242	305	199,547	199,639	206,839	7,292
Capital outlay	23,727	(23,727)	-	-	-	-
Total public works	\$ 5,141,579	\$ (5,810)	\$ 5,135,769	\$ 4,968,901	\$ 5,217,646	\$ 81,877
<b>HEALTH AND WELFARE</b>						
Personnel	\$ 511,407	\$ -	\$ 511,407	\$ 513,980	\$ 509,764	\$ (1,643)
Supplies	162,913	190	163,103	125,319	173,845	10,742
Service charges	1,409	-	1,409	17,302	15,734	14,325
Capital outlay	-	-	-	-	-	-
Total health and welfare	\$ 675,729	\$ 190	\$ 675,919	\$ 656,601	\$ 699,343	\$ 23,424

(Continued)



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
*Year Ended June 30, 2004*

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>CULTURE AND RECREATION</b>						
Personnel	\$ 2,430,470	\$ -	\$ 2,430,470	\$ 2,418,213	\$ 2,482,608	\$ 52,138
Supplies	216,085	119	216,204	280,671	232,832	16,628
Service charges	1,012,411	849	1,013,260	1,205,722	1,178,398	165,138
Capital outlay	992	-	992	-	1,000	8
Total culture and recreation	\$ 3,659,958	\$ 968	\$ 3,660,926	\$ 3,904,606	\$ 3,894,838	\$ 233,912
<b>TRANSIT</b>						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	446,310	-	446,310	483,869	483,869	37,559
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	\$ 446,310	\$ -	\$ 446,310	\$ 483,869	\$ 483,869	\$ 37,559
<b>MISCELLANEOUS</b>						
Personnel	\$ 104,650	\$ -	\$ 104,650	\$ 152,551	\$ 106,607	\$ 1,957
Supplies	-	-	-	-	-	-
Service charges	999,041	(15,129)	983,912	1,016,687	967,687	(16,225)
Capital outlay	-	-	-	-	-	-
TOTAL MISCELLANEOUS	\$ 1,103,691	\$ (15,129)	\$ 1,088,562	\$ 1,169,238	\$ 1,074,294	\$ (14,268)
<b>TOTAL EXPENDITURES</b>						
Personnel	\$ 24,577,334	\$ -	\$ 24,577,334	\$ 23,768,251	\$ 24,635,042	\$ 57,708
Supplies	2,438,230	16,680	2,454,910	2,125,779	2,537,093	82,183
Service charges	9,226,163	(312,989)	8,913,174	9,142,891	9,307,738	394,564
Capital outlay	518,447	37,282	555,729	150,000	651,480	95,751
TOTAL EXPENDITURES	\$ 36,760,174	\$ (259,027)	\$ 36,501,147	\$ 35,186,921	\$ 37,131,353	\$ 630,206

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION**  
**Year Ended June 30, 2004**

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 658,058	\$ -	\$ 658,058	\$ 672,643	\$ 680,177	\$ 22,119
Supplies	26,787	(2,052)	24,735	42,800	43,200	18,465
Service charges	100,300	-	100,300	159,900	156,175	55,875
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 785,145</b>	<b>\$ (2,052)</b>	<b>\$ 783,093</b>	<b>\$ 875,343</b>	<b>\$ 879,552</b>	<b>\$ 96,459</b>

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 254,623	\$ -	\$ 254,623	\$ 253,531	\$ 248,487	\$ (6,136)
Supplies	14,374	(58)	14,316	10,500	15,494	1,178
Service charges	16,927	-	16,927	26,422	22,145	5,218
Capital outlay	5,802	(211)	5,591	-	6,000	409
<b>Total expenditures</b>	<b>\$ 291,726</b>	<b>\$ (269)</b>	<b>\$ 291,457</b>	<b>\$ 290,453</b>	<b>\$ 292,126</b>	<b>\$ 669</b>

CHIEF ADMINISTRATIVE OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 374,176	\$ -	\$ 374,176	\$ 372,845	\$ 372,380	\$ (1,796)
Supplies	6,828	(551)	6,277	5,045	6,045	(232)
Service charges	8,986	-	8,986	12,222	11,222	2,236
Capital outlay	5,699	(1,039)	4,660	-	4,660	-
<b>Total expenditures</b>	<b>\$ 395,689</b>	<b>\$ (1,590)</b>	<b>\$ 394,099</b>	<b>\$ 390,112</b>	<b>\$ 394,307</b>	<b>\$ 208</b>

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 484,872	\$ -	\$ 484,872	\$ 462,190	\$ 481,888	\$ (2,984)
Supplies	19,461	-	19,461	23,000	20,000	539
Service charges	30,272	-	30,272	45,600	36,400	6,128
Capital outlay	1,913	-	1,913	-	2,000	87
<b>Total expenditures</b>	<b>\$ 536,518</b>	<b>\$ -</b>	<b>\$ 536,518</b>	<b>\$ 530,790</b>	<b>\$ 540,288</b>	<b>\$ 3,770</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

**PURCHASING**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
				Personnel	\$ 242,433	
Supplies	4,928	(405)	4,523	4,500	6,672	2,149
Service charges	13,072	-	13,072	26,374	20,254	7,182
Capital outlay	3,095	(1,266)	1,829	-	1,828	(1)
<b>Total expenditures</b>	<b>\$ 263,528</b>	<b>\$ (1,671)</b>	<b>\$ 261,857</b>	<b>\$ 273,903</b>	<b>\$ 276,183</b>	<b>\$ 14,326</b>

**PERSONNEL**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
				Personnel	\$ 241,194	
Supplies	4,432	(357)	4,075	4,560	4,560	485
Service charges	26,944	-	26,944	34,577	34,442	7,498
Capital outlay	4,082	(3,951)	131	-	135	4
<b>Total expenditures</b>	<b>\$ 276,652</b>	<b>\$ (4,308)</b>	<b>\$ 272,344</b>	<b>\$ 276,763</b>	<b>\$ 279,199</b>	<b>\$ 6,855</b>

**PLANNING**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
				Personnel	\$ 227,498	
Supplies	3,856	-	3,856	2,770	4,076	220
Service charges	17,940	(393)	17,547	16,902	17,898	351
Capital outlay	5,362	(3,970)	1,392	-	1,157	(235)
<b>Total expenditures</b>	<b>\$ 254,656</b>	<b>\$ (4,363)</b>	<b>\$ 250,293</b>	<b>\$ 245,554</b>	<b>\$ 247,932</b>	<b>\$ (2,361)</b>

**DATA PROCESSING**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
				Personnel	\$ 153,822	
Supplies	3,874	13	3,887	6,721	7,021	3,134
Service charges	174,098	-	174,098	213,650	198,750	24,652
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 331,794</b>	<b>\$ 13</b>	<b>\$ 331,807</b>	<b>\$ 360,549</b>	<b>\$ 357,210</b>	<b>\$ 25,403</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 57,745	\$ -	\$ 57,745	\$ 64,168	\$ 64,795	\$ 7,050
Supplies	1,744	26	1,770	1,895	1,895	125
Service charges	10,544	-	10,544	15,620	15,620	5,076
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 70,033</b>	<b>\$ 26</b>	<b>\$ 70,059</b>	<b>\$ 81,683</b>	<b>\$ 82,310</b>	<b>\$ 12,251</b>

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 390,577	\$ -	\$ 390,577	\$ 384,436	\$ 381,540	\$ (9,037)
Supplies	26,087	11,050	37,137	10,000	40,000	2,863
Service charges	3,306,506	(299,060)	3,007,446	3,012,299	3,004,990	(2,456)
Capital outlay	52,560	584	53,144	150,000	53,500	356
<b>Total expenditures</b>	<b>\$ 3,775,730</b>	<b>\$ (287,426)</b>	<b>\$ 3,488,304</b>	<b>\$ 3,556,735</b>	<b>\$ 3,480,030</b>	<b>\$ (8,274)</b>

EMERGENCY RESERVE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

MAGISTRATE'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 748,879	\$ -	\$ 748,879	\$ 784,927	\$ 752,813	\$ 3,934
Supplies	23,132	5,235	28,367	15,580	32,385	4,018
Service charges	69,965	-	69,965	64,967	83,367	13,402
Capital outlay	540	-	540	-	2,600	2,060
<b>Total expenditures</b>	<b>\$ 842,516</b>	<b>\$ 5,235</b>	<b>\$ 847,751</b>	<b>\$ 865,474</b>	<b>\$ 871,165</b>	<b>\$ 23,414</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

TOTAL - GENERAL GOVERNMENT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,833,877	\$ -	\$ 3,833,877	\$ 3,841,455	\$ 3,845,811	\$ 11,934
Supplies	135,503	12,901	148,404	127,371	181,348	32,944
Service charges	3,775,554	(299,453)	3,476,101	3,628,533	3,601,263	125,162
Capital outlay	79,053	(9,853)	69,200	150,000	71,880	2,680
Total expenditures	<u>\$ 7,823,987</u>	<u>\$ (296,405)</u>	<u>\$ 7,527,582</u>	<u>\$ 7,747,359</u>	<u>\$ 7,700,302</u>	<u>\$ 172,720</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION**  
**Year Ended June 30, 2004**

POLICE ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,780,399	\$ -	\$ 1,780,399	\$ 1,612,994	\$ 1,771,694	\$ (8,705)
Supplies	54,453	(3,258)	51,195	61,000	54,200	3,005
Service charges	698,803	(779)	698,024	657,000	710,100	12,076
Capital outlay	36,200	(6,383)	29,817	-	31,500	1,683
<b>Total expenditures</b>	<b>\$ 2,569,855</b>	<b>\$ (10,420)</b>	<b>\$ 2,559,435</b>	<b>\$ 2,330,994</b>	<b>\$ 2,567,494</b>	<b>\$ 8,059</b>

ROAD POLICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 6,867,480	\$ -	\$ 6,867,480	\$ 6,981,037	\$ 6,827,037	\$ (40,443)
Supplies	373,860	(5,918)	367,942	280,000	362,100	(5,842)
Service charges	1,687,691	3,434	1,691,125	1,554,000	1,774,500	83,375
Capital outlay	111,990	(21,117)	90,873	-	159,000	68,127
<b>Total expenditures</b>	<b>\$ 9,041,021</b>	<b>\$ (23,601)</b>	<b>\$ 9,017,420</b>	<b>\$ 8,815,037</b>	<b>\$ 9,122,637</b>	<b>\$ 105,217</b>

POLICE DETECTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,473,396	\$ -	\$ 1,473,396	\$ 886,547	\$ 1,444,047	\$ (29,349)
Supplies	36,414	(2,675)	33,739	24,000	35,600	1,861
Service charges	33,642	(2,291)	31,351	40,000	31,500	149
Capital outlay	13,583	(340)	13,243	-	15,100	1,857
<b>Total expenditures</b>	<b>\$ 1,557,035</b>	<b>\$ (5,306)</b>	<b>\$ 1,551,729</b>	<b>\$ 950,547</b>	<b>\$ 1,526,247</b>	<b>\$ (25,482)</b>

POLICE COMMUNICATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 752,404	\$ -	\$ 752,404	\$ 622,713	\$ 752,913	\$ 509
Supplies	10,285	84	10,369	6,000	11,000	631
Service charges	149	-	149	-	200	51
Capital outlay	192,139	160,154	352,293	-	357,000	4,707
<b>Total expenditures</b>	<b>\$ 954,977</b>	<b>\$ 160,238</b>	<b>\$ 1,115,215</b>	<b>\$ 628,713</b>	<b>\$ 1,121,113</b>	<b>\$ 5,898</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

JAIL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 919,316	\$ -	\$ 919,316	\$ 782,384	\$ 926,284	\$ 6,968
Supplies	145,536	(1,874)	143,662	177,500	144,200	538
Service charges	20,151	-	20,151	13,500	20,700	549
Capital outlay	2,853	-	2,853	-	3,000	147
<b>Total expenditures</b>	<b>\$ 1,087,856</b>	<b>\$ (1,874)</b>	<b>\$ 1,085,982</b>	<b>\$ 973,384</b>	<b>\$ 1,094,184</b>	<b>\$ 8,202</b>

POLICE RANGE/SWAT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	10,061	-	10,061	22,000	11,000	939
Service charges	2,874	-	2,874	2,000	3,600	726
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 12,935</b>	<b>\$ -</b>	<b>\$ 12,935</b>	<b>\$ 24,000</b>	<b>\$ 14,600</b>	<b>\$ 1,665</b>

POLICE TRAFFIC AND RESCUE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 970,401	\$ -	\$ 970,401	\$ 880,464	\$ 966,864	\$ (3,537)
Supplies	6,291	(49)	6,242	21,000	10,000	3,758
Service charges	145,510	75	145,585	155,500	143,500	(2,085)
Capital outlay	13,346	(878)	12,468	-	13,000	532
<b>Total expenditures</b>	<b>\$ 1,135,548</b>	<b>\$ (852)</b>	<b>\$ 1,134,696</b>	<b>\$ 1,056,964</b>	<b>\$ 1,133,364</b>	<b>\$ (1,332)</b>

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,069,297	\$ -	\$ 1,069,297	\$ 1,066,541	\$ 1,067,093	\$ (2,204)
Supplies	19,358	(273)	19,085	19,048	21,048	1,963
Service charges	200,576	-	200,576	164,913	165,314	(35,262)
Capital outlay	44,564	(60,574)	(16,010)	-	-	16,010
<b>Total expenditures</b>	<b>\$ 1,333,795</b>	<b>\$ (60,847)</b>	<b>\$ 1,272,948</b>	<b>\$ 1,250,502</b>	<b>\$ 1,253,455</b>	<b>\$ (19,493)</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

CODE ENFORCEMENT - INSPECTIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
				Personnel	\$ 200,842	
Supplies	12,256	(179)	12,077	16,057	16,057	3,980
Service charges	2,800	-	2,800	4,226	4,534	1,734
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 215,898</b>	<b>\$ (179)</b>	<b>\$ 215,719</b>	<b>\$ 226,206</b>	<b>\$ 227,967</b>	<b>\$ 12,248</b>

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
				Personnel	\$ 14,033,535	
Supplies	668,514	(14,142)	654,372	626,605	665,205	10,833
Service charges	2,792,196	439	2,792,635	2,591,139	2,853,948	61,313
Capital outlay	414,675	70,862	485,537	-	578,600	93,063
<b>Total expenditures</b>	<b>\$ 17,908,920</b>	<b>\$ 57,159</b>	<b>\$ 17,966,079</b>	<b>\$ 16,256,347</b>	<b>\$ 18,061,061</b>	<b>\$ 94,982</b>



**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC WORKS FUNCTION**  
**Year Ended June 30, 2004**

TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 218,151	\$ -	\$ 218,151	\$ 206,734	\$ 217,122	\$ (1,029)
Supplies	111,541	409	111,950	134,500	116,050	4,100
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 329,692</b>	<b>\$ 409</b>	<b>\$ 330,101</b>	<b>\$ 341,234</b>	<b>\$ 333,172</b>	<b>\$ 3,071</b>

PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,465,495	\$ -	\$ 1,465,495	\$ 1,350,321	\$ 1,522,173	\$ 56,678
Supplies	250,492	15,805	266,297	138,141	256,491	(9,806)
Service charges	6,706	-	6,706	13,568	13,568	6,862
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,722,693</b>	<b>\$ 15,805</b>	<b>\$ 1,738,498</b>	<b>\$ 1,502,030</b>	<b>\$ 1,792,232</b>	<b>\$ 53,734</b>

DRAINAGE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 326,796	\$ -	\$ 326,796	\$ 479,278	\$ 326,363	\$ (433)
Supplies	82,098	3,041	85,139	88,625	88,625	3,486
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 408,894</b>	<b>\$ 3,041</b>	<b>\$ 411,935</b>	<b>\$ 567,903</b>	<b>\$ 414,988</b>	<b>\$ 3,053</b>

PUBLIC WORKS - VEHICLE MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 306,195	\$ -	\$ 306,195	\$ 308,103	\$ 316,507	\$ 10,312
Supplies	449,046	465	449,511	338,500	452,300	2,789
Service charges	108,637	305	108,942	65,000	105,500	(3,442)
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 863,878</b>	<b>\$ 770</b>	<b>\$ 864,648</b>	<b>\$ 711,603</b>	<b>\$ 874,307</b>	<b>\$ 9,659</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC WORKS FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

PUBLIC WORKS - BUILDING MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 865,317	\$ -	\$ 865,317	\$ 986,927	\$ 867,456	\$ 2,139
Supplies	268,827	466	269,293	142,550	276,050	6,757
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,134,144</b>	<b>\$ 466</b>	<b>\$ 1,134,610</b>	<b>\$ 1,129,477</b>	<b>\$ 1,143,506</b>	<b>\$ 8,896</b>

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 481,441	\$ -	\$ 481,441	\$ 472,086	\$ 477,323	\$ (4,118)
Supplies	93,211	(2,574)	90,637	123,497	94,347	3,710
Service charges	83,899	-	83,899	121,071	87,771	3,872
Capital outlay	23,727	(23,727)	-	-	-	-
<b>Total expenditures</b>	<b>\$ 682,278</b>	<b>\$ (26,301)</b>	<b>\$ 655,977</b>	<b>\$ 716,654</b>	<b>\$ 659,441</b>	<b>\$ 3,464</b>

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,663,395	\$ -	\$ 3,663,395	\$ 3,803,449	\$ 3,726,944	\$ 63,549
Supplies	1,255,215	17,612	1,272,827	965,813	1,283,863	11,036
Service charges	199,242	305	199,547	199,639	206,839	7,292
Capital outlay	23,727	(23,727)	-	-	-	-
<b>Total expenditures</b>	<b>\$ 5,141,579</b>	<b>\$ (5,810)</b>	<b>\$ 5,135,769</b>	<b>\$ 4,968,901</b>	<b>\$ 5,217,646</b>	<b>\$ 81,877</b>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**HEALTH AND WELFARE FUNCTION**  
**Year Ended June 30, 2004**

CODE ENFORCEMENT - HUMANE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 104,857	\$ -	\$ 104,857	\$ 97,489	\$ 106,938	\$ 2,081
Supplies	1,428	-	1,428	2,849	2,903	1,475
Service charges	802	-	802	2,869	1,851	1,049
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 107,087</b>	<b>\$ -</b>	<b>\$ 107,087</b>	<b>\$ 103,207</b>	<b>\$ 111,692</b>	<b>\$ 4,605</b>

FOOD BANK

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 108,038	\$ -	\$ 108,038	\$ 138,396	\$ 106,872	\$ (1,166)
Supplies	153	-	153	1,025	305	152
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 108,191</b>	<b>\$ -</b>	<b>\$ 108,191</b>	<b>\$ 139,421</b>	<b>\$ 107,177</b>	<b>\$ (1,014)</b>

COUNCIL ON AGING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 298,512	\$ -	\$ 298,512	\$ 278,095	\$ 295,954	\$ (2,558)
Supplies	19,533	-	19,533	17,730	19,729	196
Service charges	607	-	607	13,633	13,883	13,276
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 318,652</b>	<b>\$ -</b>	<b>\$ 318,652</b>	<b>\$ 309,458</b>	<b>\$ 329,566</b>	<b>\$ 10,914</b>

HANDICAPPED SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**HEALTH AND WELFARE FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	141,799	190	141,989	103,715	150,908	8,919
Service charges	-	-	-	800	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 141,799</u>	<u>\$ 190</u>	<u>\$ 141,989</u>	<u>\$ 104,515</u>	<u>\$ 150,908</u>	<u>\$ 8,919</u>

TOTAL - HEALTH AND WELFARE FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 511,407	\$ -	\$ 511,407	\$ 513,980	\$ 509,764	\$ (1,643)
Supplies	162,913	190	163,103	125,319	173,845	10,742
Service charges	1,409	-	1,409	17,302	15,734	14,325
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 675,729</u>	<u>\$ 190</u>	<u>\$ 675,919</u>	<u>\$ 656,601</u>	<u>\$ 699,343</u>	<u>\$ 23,424</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION**  
**Year Ended June 30, 2004**

LEISURE SERVICES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
EXPENDITURES						
Personnel	\$ 99,620	\$ -	\$ 99,620	\$ 97,858	\$ 99,093	\$ (527)
Supplies	12,366	166	12,532	10,500	13,500	968
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 111,986	\$ 166	\$ 112,152	\$ 108,358	\$ 112,593	\$ 441

CULTURAL AFFAIRS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	4,071	-	4,071	3,203	4,072	1
Service charges	31,176	-	31,176	18,200	32,500	1,324
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 35,247	\$ -	\$ 35,247	\$ 21,403	\$ 36,572	\$ 1,325

HUMANITIES AND MUSEUMS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
EXPENDITURES						
Personnel	\$ 311,392	\$ -	\$ 311,392	\$ 367,437	\$ 320,922	\$ 9,530
Supplies	964	-	964	34,135	8,635	7,671
Service charges	144,784	-	144,784	171,561	167,931	23,147
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 457,140	\$ -	\$ 457,140	\$ 573,133	\$ 497,488	\$ 40,348

TOURISM

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
EXPENDITURES						
Personnel	\$ 201,487	\$ -	\$ 201,487	\$ 257,470	\$ 259,868	\$ 58,381
Supplies	2,958	200	3,158	14,950	9,950	6,792
Service charges	1,218	-	1,218	63,680	60,180	58,962
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 205,663	\$ 200	\$ 205,863	\$ 336,100	\$ 329,998	\$ 124,135

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

RECREATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 1,353,645	\$ -	\$ 1,353,645	\$ 1,237,122	\$ 1,339,964	\$ (13,681)
Supplies	117,186	1,289	118,475	158,987	117,973	(502)
Service charges	550,346	-	550,346	596,973	548,583	(1,763)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 2,021,177	\$ 1,289	\$ 2,022,466	\$ 1,993,082	\$ 2,006,520	\$ (15,946)

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	849	849	-	-	(849)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ 849	\$ 849	\$ -	\$ -	\$ (849)

RECREATION LEISURE SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	10,352	(1,536)	8,816	9,896	9,502	686
Service charges	-	-	-	2,368	2,368	2,368
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 10,352	\$ (1,536)	\$ 8,816	\$ 12,264	\$ 11,870	\$ 3,054

COMMUNITY SERVICE - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 352,687	\$ -	\$ 352,687	\$ 346,141	\$ 349,756	\$ (2,931)
Supplies	63,347	-	63,347	44,500	64,328	981
Service charges	266,044	-	266,044	312,440	329,708	63,664
Capital outlay	992	-	992	-	1,000	8
Total expenditures	\$ 683,070	\$ -	\$ 683,070	\$ 703,081	\$ 744,792	\$ 61,722

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION (CONTINUED)**  
**Year Ended June 30, 2004**

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 111,639	\$ -	\$ 111,639	\$ 112,185	\$ 113,005	\$ 1,366
Supplies	4,841	-	4,841	4,500	4,872	31
Service charges	18,843	-	18,843	40,500	37,128	18,285
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 135,323</b>	<b>\$ -</b>	<b>\$ 135,323</b>	<b>\$ 157,185</b>	<b>\$ 155,005</b>	<b>\$ 19,682</b>

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 2,430,470	\$ -	\$ 2,430,470	\$ 2,418,213	\$ 2,482,608	\$ 52,138
Supplies	216,085	119	216,204	280,671	232,832	16,628
Service charges	1,012,411	849	1,013,260	1,205,722	1,178,398	165,138
Capital outlay	992	-	992	-	1,000	8
<b>Total expenditures</b>	<b>\$ 3,659,958</b>	<b>\$ 968</b>	<b>\$ 3,660,926</b>	<b>\$ 3,904,606</b>	<b>\$ 3,894,838</b>	<b>\$ 233,912</b>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**TRANSIT FUNCTION**  
**Year Ended June 30, 2004**

TOTAL - TRANSIT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	446,310	-	446,310	483,869	483,869	37,559
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 446,310</b>	<b>\$ -</b>	<b>\$ 446,310</b>	<b>\$ 483,869</b>	<b>\$ 483,869</b>	<b>\$ 37,559</b>



**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**MISCELLANEOUS FUNCTION**  
**Year Ended June 30, 2004**

INSURANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 91,412	\$ -	\$ 91,412	\$ 90,000	\$ 91,500	\$ 88
Supplies	-	-	-	-	-	-
Service charges	983,912	-	983,912	1,016,687	967,687	(16,225)
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,075,324</b>	<b>\$ -</b>	<b>\$ 1,075,324</b>	<b>\$ 1,106,687</b>	<b>\$ 1,059,187</b>	<b>\$ (16,137)</b>

PAY INCENTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 13,238	\$ -	\$ 13,238	\$ 62,551	\$ 15,107	\$ 1,869
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 13,238</b>	<b>\$ -</b>	<b>\$ 13,238</b>	<b>\$ 62,551</b>	<b>\$ 15,107</b>	<b>\$ 1,869</b>

BAD DEBT

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

TOTAL - MISCELLANEOUS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 104,650	\$ -	\$ 104,650	\$ 152,551	\$ 106,607	\$ 1,957
Supplies	-	-	-	-	-	-
Service charges	999,041	(15,129)	983,912	1,016,687	967,687	(16,225)
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,103,691</b>	<b>\$ (15,129)</b>	<b>\$ 1,088,562</b>	<b>\$ 1,169,238</b>	<b>\$ 1,074,294</b>	<b>\$ (14,268)</b>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>						
Intergovernmental	\$ 815,102	\$ (89,016)	\$ 726,086	\$ 1,524,964	\$ 2,767,574	\$ (2,041,488)
Interest	649		649	-	-	649
Miscellaneous	71,531		71,531	341,070	-	71,531
Total revenues	887,282	(89,016)	798,266	1,866,034	2,767,574	(1,969,308)
<b>EXPENDITURES</b>						
Public works	-		-	-	-	-
Culture and recreation	211,186		211,186	465,909	545,723	334,537
Urban development	887,030	(89,016)	798,014	1,665,406	2,487,607	1,689,593
Total Expenditures	1,098,216	(89,016)	1,009,200	2,131,315	3,033,330	2,024,130
Excess (deficiency) of revenues over (under) expenditures	(210,934)	-	(210,934)	(265,281)	(265,756)	54,822
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	202,871	-	202,871	265,281	265,756	(62,885)
Total other financing sources (uses)	202,871	-	202,871	265,281	265,756	(62,885)
Net change in fund balance	(8,063)	-	(8,063)	-	-	(8,063)
Fund balance - beginning of year	93,302	(38,475)	54,827	54,827	54,827	-
Fund balance - end of year	\$ 85,239	\$ (38,475)	\$ 46,764	\$ 54,827	\$ 54,827	\$ (8,063)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
Year Ended June 30, 2004

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>EXPENDITURES</b>						
Public works:						
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total public works	-	-	-	-	-	-
Culture and recreation:						
Capital outlay	211,186	-	211,186	465,909	545,723	334,537
Total culture and recreation	211,186	-	211,186	465,909	545,723	334,537
Urban development:						
Personnel	366,559	-	366,559	426,565	426,277	59,718
Supplies	5,511	-	5,511	3,500	6,303	792
Service charges	75,713	-	75,713	46,125	80,119	4,406
Capital Outlay	439,247	(89,016)	350,231	1,189,216	1,974,908	1,624,677
Total urban development	887,030	(89,016)	798,014	1,665,406	2,487,607	1,689,593
Total expenditures	\$ 1,098,216	\$ (89,016)	\$ 1,009,200	\$ 2,131,315	\$ 3,033,330	\$ 2,024,130

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GARBAGE COLLECTION AND DISPOSAL FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 749,399	\$ -	\$ 749,399	\$ 715,507	\$ 715,507	\$ 33,892
Intergovernmental	-	-	-	-	-	-
Charges for services:						
Garbage fees and penalties	2,954,523	-	2,954,523	2,824,515	2,824,515	130,008
Interest	-	-	-	-	-	-
Total revenues	3,703,922	-	3,703,922	3,540,022	3,540,022	163,900
<b>EXPENDITURES</b>						
Public works:						
Contractual services	4,127,981	-	4,127,981	3,987,191	4,017,191	(110,790)
Total expenditures	4,127,981	-	4,127,981	3,987,191	4,017,191	(110,790)
Excess (deficiency) of revenues over (under) expenditures	(424,059)	-	(424,059)	(447,169)	(477,169)	53,110
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	424,059	-	424,059	447,169	477,169	(53,110)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	424,059	-	424,059	447,169	477,169	(53,110)
Net change in fund balances	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROADS AND BRIDGES FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 215,066	-	\$ 215,066	\$ 215,000	\$ 215,000	\$ 66
Interest	-	-	-	-	-	-
Total revenues	215,066	-	215,066	215,000	215,000	66
<b>EXPENDITURES</b>						
Public works:						
Personnel	632,631	(344)	632,287	759,625	632,368	81
Supplies	238,473	29,383	267,856	337,912	250,212	(17,644)
Service charges	92,343	-	92,343	73,200	73,200	(19,143)
Total expenditures	963,447	29,039	992,486	1,170,737	955,780	(36,706)
Excess (deficiency) of revenues over (under) expenditures	(748,381)	(29,039)	(777,420)	(955,737)	(740,780)	(36,640)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	777,420	-	777,420	955,737	740,780	36,640
Net change in fund balance	29,039	(29,039)	-	-	-	-
Fund balance - beginning of year	343	(343)	-	-	-	-
Fund balance - end of year	\$ 29,382	\$ (29,382)	\$ -	\$ -	\$ -	\$ -

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET LIGHTING FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 133	\$ -	\$ 133	\$ -	\$ -	\$ 133
Miscellaneous	(130)	-	(130)	-	-	(130)
Total revenues	3	-	3	-	-	3
<b>EXPENDITURES</b>						
Public works:						
Personnel	139,568	-	139,568	134,342	144,909	5,341
Supplies	84,950	(2,589)	82,361	68,170	86,270	3,909
Service charges	900,690	-	900,690	980,936	923,386	22,696
Total expenditures	1,125,208	(2,589)	1,122,619	1,183,448	1,154,565	31,946
Excess (deficiency) of revenues over (under) expenditures	(1,125,205)	2,589	(1,122,616)	(1,183,448)	(1,154,565)	31,949
<b>OTHER FINANCING SOURCES</b>						
Transfers in	1,122,616	-	1,122,616	1,183,448	1,154,565	(31,949)
Net change in fund balance	(2,589)	2,589	-	-	-	-
Fund balance - beginning of year	2,589	(2,589)	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**AD VALOREM TAX BONDS FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	2,213,852	\$ -	\$ 2,213,852	\$ 2,202,765	\$ 2,202,765	\$ 11,087
Interest on invested funds	3,398	-	3,398	893	893	2,505
Total revenues	2,217,250	-	2,217,250	2,203,658	2,203,658	13,592
<b>EXPENDITURES</b>						
Debt service:						
Principal	1,480,000	-	1,480,000	1,480,000	1,480,000	-
Interest and fiscal charges	778,494	-	778,494	778,494	778,494	-
Agent fees	1,000	-	1,000	2,000	2,000	1,000
Total expenditures	2,259,494	-	2,259,494	2,260,494	2,260,494	1,000
Excess (deficiency) of revenues over (under) expenditures	(42,244)	-	(42,244)	(56,836)	(56,836)	12,592
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	37	-	37	-	-	37
Total other financing sources (uses)	37	-	37	-	-	37
Net change in fund balance	(42,207)	-	(42,207)	(56,836)	(56,836)	12,629
Fund balance - beginning of year	191,199	-	191,199	191,199	191,199	-
Fund balance - end of year	\$ 148,992	\$ -	\$ 148,992	\$ 134,363	\$ 134,363	\$ 12,629

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIREMEN'S PENSION MERGER FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes						
Fire insurance premium	\$ 180,100	\$ -	\$ 180,100	\$ 170,505	\$ 170,505	\$ 9,595
Interest on invested funds	4,186	-	4,186	2,834	2,834	1,352
Miscellaneous	107,613	-	107,613	64,364	64,364	43,249
Total revenues	291,899	-	291,899	237,703	237,703	54,196
<b>EXPENDITURES</b>						
Debt service:						
Principal	40,835	-	40,835	40,834	40,834	(1)
Interest and fiscal charges	196,868	-	196,868	196,869	196,869	1
Total expenditures	237,703	-	237,703	237,703	237,703	-
Excess (deficiency) of revenues over (under) expenditures	54,196	-	54,196	-	-	54,196
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	54,196	-	54,196	-	-	54,196
Fund balance - beginning of year	113,629	-	113,629	113,629	113,629	-
Fund balance - end of year	\$ 167,825	\$ -	\$ 167,825	\$ 113,629	\$ 113,629	\$ 54,196



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL DEBT FUND**  
**Year Ended June 30, 2004**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ 3,981,235	\$ -	\$ 3,981,235	\$ 3,921,314	\$ 3,937,814	\$ 43,421
Interest on invested funds	52,200	-	52,200	86,471	86,471	(34,271)
Miscellaneous	100,613	(100,613)	-	-	-	-
Total revenues	4,134,048	(100,613)	4,033,435	4,007,785	4,024,285	9,150
<b>EXPENDITURES</b>						
Debt service:						
Principal	3,413,104	(83,104)	3,330,000	3,405,000	3,330,000	-
Interest	1,991,088	(17,509)	1,973,579	1,928,496	2,003,496	29,917
Miscellaneous	34,500	-	34,500	18,000	34,500	-
Total expenditures	5,438,692	(100,613)	5,338,079	5,351,496	5,367,996	29,917
Excess (deficiency) of revenues over (under) expenditures	(1,304,644)	-	(1,304,644)	(1,343,711)	(1,343,711)	39,067
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,523,684	-	1,523,684	1,343,711	1,343,711	179,973
Transfers out	(2,301,571)	-	(2,301,571)	-	(2,301,571)	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-
Total other financing sources (uses)	(777,887)	-	(777,887)	1,343,711	(957,860)	179,973
Net change in fund balance	(2,082,531)	-	(2,082,531)	-	(2,301,571)	219,040
Fund balance - beginning of year	5,991,799	-	5,991,799	5,991,799	5,991,799	-
Fund balance - end of year	\$ 3,909,268	\$ -	\$ 3,909,268	\$ 5,991,799	\$ 3,690,228	\$ 219,040

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL**  
**WASTEWATER OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OPERATING REVENUES</b>						
Charges for services						
Sewerage service charges	\$ 3,932,758	\$ -	\$ 3,932,758	\$ 4,340,475	\$ 4,340,475	\$ (407,717)
Miscellaneous	953	-	953	1,000	1,000	(47)
Total operating revenues	<u>3,933,711</u>	<u>-</u>	<u>3,933,711</u>	<u>4,341,475</u>	<u>4,341,475</u>	<u>(407,764)</u>
<b>OPERATING EXPENSES</b>						
Supplies and other expenses	2,706	-	2,706	-	300	(2,406)
Building and maintenance expenses	27,184	-	27,184	568,774	27,500	316
Outside services	4,696,255	-	4,696,255	4,522,560	4,727,560	31,305
Insurance claims	-	-	-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	1,891,081	(1,891,081)	-	-	-	-
Other	31,834	(36,831)	(4,997)	375,000	710,974	715,971
Total operating expenses	<u>6,649,060</u>	<u>(1,927,912)</u>	<u>4,721,148</u>	<u>5,466,334</u>	<u>5,466,334</u>	<u>745,186</u>
Operating income (loss)	<u>(2,715,349)</u>	<u>1,927,912</u>	<u>(787,437)</u>	<u>(1,124,859)</u>	<u>(1,124,859)</u>	<u>337,422</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Ad valorem taxes	552,763	-	552,763	509,798	509,798	42,965
Hotel/motel taxes	-	-	-	-	-	-
Cable television franchise fees	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	2,405	-	2,405	2,598	2,598	(193)
Gain on fair market value of investments	-	-	-	-	-	-
Interest expense	(1,273)	-	(1,273)	(4,172)	(4,172)	2,899
Total non-operating revenues (expenses)	<u>553,895</u>	<u>-</u>	<u>553,895</u>	<u>508,224</u>	<u>508,224</u>	<u>45,671</u>
Income (loss) before contributions	<u>(2,161,454)</u>	<u>1,927,912</u>	<u>(233,542)</u>	<u>(616,635)</u>	<u>(616,635)</u>	<u>383,093</u>
Capital contributions	<u>1,309,657</u>	<u>(1,309,657)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(851,797)</u>	<u>618,255</u>	<u>(233,542)</u>	<u>(616,635)</u>	<u>(616,635)</u>	<u>383,093</u>
Net assets - beginning of year	<u>44,674,059</u>	<u>22,961,538</u>	<u>67,635,597</u>	<u>67,635,597</u>	<u>67,635,597</u>	<u>-</u>
Net assets - end of year	<u>\$ 43,822,262</u>	<u>\$ 23,579,793</u>	<u>\$ 67,402,055</u>	<u>\$ 67,018,962</u>	<u>\$ 67,018,962</u>	<u>\$ 383,093</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL**  
**CIVIC CENTER OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OPERATING REVENUES</b>						
Charges for services:						
Rental charges	\$ 732,332	\$ -	\$ 732,332	\$ 715,000	\$ 715,000	\$ 17,332
Parking	51,656	-	51,656	55,000	55,000	(3,344)
Concessions	63,571	-	63,571	82,000	82,000	(18,429)
Catering	107,426	-	107,426	110,000	110,000	(2,574)
Miscellaneous	14,974	-	14,974	29,000	29,000	(14,026)
Electrical	112,959	-	112,959	100,000	100,000	12,959
Reimbursed services	12,722	279,064	291,786	200,000	200,000	91,786
Advertising	42,852	-	42,852	55,000	55,000	(12,148)
Security	30,314	-	30,314	77,000	77,000	(46,686)
Total charges for services	1,168,806	279,064	1,447,870	1,423,000	1,423,000	24,870
Miscellaneous	21,164	-	21,164	7,000	7,000	14,164
Total operating revenues	1,189,970	279,064	1,469,034	1,430,000	1,430,000	39,034
<b>OPERATING EXPENSES</b>						
Supplies and other expenses	13,248	-	13,248	23,250	23,250	10,002
Building and maintenance expense	369,338	226,573	595,911	670,363	670,363	74,452
Outside services	1,165,044	-	1,165,044	1,427,700	1,427,700	262,656
Insurance premiums	97,845	-	97,845	108,500	108,500	10,655
General expenses:						
Depreciation	570,341	(570,341)	-	-	-	-
Other	44,630	-	44,630	-	-	(44,630)
Total operating expenses	2,260,446	(343,768)	1,916,678	2,229,813	2,229,813	313,135
Operating Income (loss)	(1,070,476)	622,832	(447,644)	(799,813)	(799,813)	352,169
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Ad valorem taxes	-	-	-	-	-	-
Hotel/motel taxes	428,898	-	428,898	395,273	395,273	33,625
Cable television franchise fees	760,031	-	760,031	704,431	704,431	55,600
Interest income	26,010	-	26,010	32,752	32,752	(6,742)
Gain on fair market value of investments	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total non-operating revenues (expenses)	1,214,939	-	1,214,939	1,132,456	1,132,456	82,483
Change in net assets	144,463	622,832	767,295	332,643	332,643	434,652
Net assets - beginning of year	21,652,528	6,382,587	28,035,115	28,035,115	28,035,115	-
Net assets - end of year	\$ 21,796,991	\$ 7,005,419	\$ 28,802,410	\$ 28,367,758	\$ 28,367,758	\$ 434,652

**CITY OF KENNER, LOUISIANA**  
**INTERNAL SERVICE FUND DESCRIPTIONS**  
**JUNE 30, 2004**

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

**SELF-INSURANCE FUND**

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

**HEALTH INSURANCE FUND**

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

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2004**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>ASSETS</b>			
Cash	\$ 575,725	\$ 457,679	\$ 1,033,404
Investments	3,497,533	-	3,497,533
Accounts receivable	-	52,456	52,456
Due from other funds	481,803	-	481,803
Prepaid Expenses	-	-	-
	<u>4,555,061</u>	<u>510,135</u>	<u>5,065,196</u>
<b>LIABILITIES</b>			
Accounts payable	23,708	-	23,708
Estimated claims payable	2,606,938	-	2,606,938
Due to other funds	-	2,279	2,279
	<u>2,630,646</u>	<u>2,279</u>	<u>2,632,925</u>
<b>NET ASSETS</b>			
Restricted	<u>\$ 1,924,415</u>	<u>\$ 507,856</u>	<u>\$ 2,432,271</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2004**

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Charges for services	<u>\$ 481,803</u>	<u>\$ 3,909,073</u>	<u>\$ 4,390,876</u>
<b>OPERATING EXPENSES</b>			
Outside services	294,232	-	294,232
Insurance claims	1,701,051	-	1,701,051
Insurance premiums	<u>-</u>	<u>4,172,516</u>	<u>4,172,516</u>
Total operating expenses	<u>1,995,283</u>	<u>4,172,516</u>	<u>6,167,799</u>
Operating income (loss)	<u>(1,513,480)</u>	<u>(263,443)</u>	<u>(1,776,923)</u>
<b>NON-OPERATING REVENUE</b>			
Interest revenue	50,110	5,656	55,766
Gain on fair market value of investments	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenue	<u>50,110</u>	<u>5,656</u>	<u>55,766</u>
Change in net assets	(1,463,370)	(257,787)	(1,721,157)
Net assets - beginning of year	<u>3,387,785</u>	<u>765,643</u>	<u>4,153,428</u>
Net assets - end of year	<u>\$ 1,924,415</u>	<u>\$ 507,856</u>	<u>\$ 2,432,271</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2004**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>Cash flows from operating activities:</b>			
Receipts from insured	\$ 481,803	\$ 3,856,617	\$ 4,338,420
Payments to suppliers	(1,600,761)	(4,172,516)	(5,773,277)
Internal activity - receipts from (payments to) other funds	(183,433)	1,553	(181,880)
Net cash provided by (used for) operating activities	<u>(1,302,391)</u>	<u>(314,346)</u>	<u>(1,616,737)</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sales and maturities of investments	16,972,463	-	16,972,463
Purchase of investments	(15,915,062)	-	(15,915,062)
Interest and dividends received	50,110	5,656	55,766
Net cash provided by (used for) investing activities	<u>1,107,511</u>	<u>5,656</u>	<u>1,113,167</u>
Net increase (decrease) in cash and cash equivalents	(194,880)	(308,690)	(503,570)
Cash and cash equivalents, beginning of year	<u>770,605</u>	<u>766,369</u>	<u>1,536,974</u>
Cash and cash equivalents, end of year	<u>\$ 575,725</u>	<u>\$ 457,679</u>	<u>\$ 1,033,404</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>			
Operating income	<u>\$ (1,513,480)</u>	<u>\$ (263,443)</u>	<u>\$ (1,776,923)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	-	(52,456)	(52,456)
Decrease (increase) in due from other funds	(183,433)	-	(183,433)
Increase (decrease) in accounts payable	(239,385)	-	(239,385)
Increase (decrease) in estimated claims payable	633,907	-	633,907
Increase (decrease) in due to other funds	-	1,553	1,553
Total adjustments	<u>211,089</u>	<u>(50,903)</u>	<u>160,186</u>
Net cash provided by (used for) operating activities	<u>\$ (1,302,391)</u>	<u>\$ (314,346)</u>	<u>\$ (1,616,737)</u>
<b>Noncash investing, capital, and financing activities:</b>			
Gain on fair market value of investments	\$ 3,858	\$ -	\$ 3,858
(Increase) in fair market value of investments	<u>(3,858)</u>	<u>-</u>	<u>(3,858)</u>
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF KENNER, LOUISIANA  
AGENCY FUND DESCRIPTIONS  
JUNE 30, 2004**

Agency funds are used to account for the collection and remittance of resources for other governments or funds collected on their behalf.

**AD VALOREM TAX COLLECTION FUND**

The Ad Valorem Tax Collection Fund accounts for property taxes billed and collected on behalf of all funds of the City.

**AIRPORT SALES TAX FUND**

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



**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**June 30, 2004**

	<u>AD VALOREM TAX COLLECTION</u>	<u>AIRPORT SALES TAX FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 129,402	\$ -	\$ 129,402
Receivables (net, where applicable, of allowance for uncollectibles)			
Ad valorem taxes	1,089,907	-	1,089,907
Intergovernmental	<u>-</u>	<u>514,221</u>	<u>514,221</u>
Total assets	<u>\$ 1,219,309</u>	<u>\$ 514,221</u>	<u>\$ 1,733,530</u>
<b>LIABILITIES</b>			
Plan merger payable	\$ 926	\$ -	\$ 926
Due to other funds	1,162,122	171,407	1,333,529
Due to other governments	-	342,814	342,814
Refunds payable	<u>56,261</u>	<u>-</u>	<u>56,261</u>
Total liabilities	<u>\$ 1,219,309</u>	<u>\$ 514,221</u>	<u>\$ 1,733,530</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended June 30, 2004**

**AD VALOREM TAX COLLECTION FUND**

	<u>BALANCE</u> <u>JULY 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2004</u>
<b>ASSETS</b>				
Cash	\$ 145,557	\$ 9,003,779	\$ 9,019,934	\$ 129,402
Equity in pooled cash and investments	-	8,864,110	8,864,110	-
Ad valorem taxes receivable	793,606	9,152,811	8,856,510	1,089,907
Total assets	<u>\$ 939,163</u>	<u>\$ 27,020,700</u>	<u>\$ 26,740,554</u>	<u>\$ 1,219,309</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,703	\$ 237,180	\$ 238,957	\$ 926
Due to other funds	936,460	1,396,406	1,170,744	1,162,122
Refunds payable	-	169,964	113,703	56,261
Total liabilities	<u>\$ 939,163</u>	<u>\$ 1,803,550</u>	<u>\$ 1,523,404</u>	<u>\$ 1,219,309</u>

**AIRPORT SALES TAX FUND**

	<u>BALANCE</u> <u>JULY 1, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2004</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 1	\$ 481,463	\$ 481,464	\$ -
Ad valorem taxes receivable	259,020	514,220	259,019	514,221
Total assets	<u>\$ 259,021</u>	<u>\$ 995,683</u>	<u>\$ 740,483</u>	<u>\$ 514,221</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 86,340	\$ 171,407	\$ 86,340	\$ 171,407
Due to other governments	172,681	342,813	172,680	342,814
Total liabilities	<u>\$ 259,021</u>	<u>\$ 514,220</u>	<u>\$ 259,020</u>	<u>\$ 514,221</u>

## **STATISTICAL SECTION**

**CITY OF KENNER, LOUISIANA  
 GOVERNMENT-WIDE EXPENSES BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>HEALTH AND WELFARE</u>	<u>CULTURE AND RECREATION</u>
2003	\$ 10,598,042	\$ 26,394,699	\$ 23,669,806	\$ 911,318	\$ 5,096,004
2004	10,106,706	29,638,690	35,090,785	731,349	5,173,813

Note: The provisions of GASB were adopted in fiscal year 2003, and thus information included in this schedule is available only for fiscal years since implementation.

<u>TRANSIT AND URBAN DEVELOPMENT</u>	<u>MISCELLANEOUS</u>	<u>INTEREST ON LONG-TERM DEBT AND OTHER CHARGES</u>	<u>WASTEWATER OPERATINGS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
\$ 1,072,363	\$ 1,274,825	\$ 3,896,539	\$ 6,578,598	\$ 2,554,315	\$ 82,046,509
1,385,637	1,110,104	2,969,250	6,649,060	2,260,446	95,115,840

**CITY OF KENNER, LOUISIANA  
 GOVERNMENT-WIDE REVENUES  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

<u>FISCAL YEAR</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>TAXES</u>
2003	\$ 18,960,880	\$ 1,997,317	\$ 2,173,076	\$ 46,764,547
2004	18,773,578	1,509,754	2,882,983	51,786,101

Note: The provisions of GASB were adopted in fiscal year 2003, and thus information included in this schedule is available only for fiscal years since implementation.

<u>GRANTS AND CONTRIBUTIONS NON RESTRICTED TO SPECIFIC PROGRAMS</u>	<u>INVESTMENT EARNINGS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
\$ 549,067	\$ 501,001	\$ 305,530	\$ 71,251,418
95,113	312,408	413,516	75,773,453

**CITY OF KENNER, LOUISIANA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PERCENT OF TOTAL</u>	<u>PUBLIC SAFETY</u>	<u>PERCENT OF TOTAL</u>	<u>PUBLIC WORKS</u>	<u>PERCENT OF TOTAL</u>	<u>HEALTH AND WELFARE</u>	<u>PERCENT OF TOTAL</u>
1995	7,355,756	21.0	12,406,268	35.5	5,868,997	16.8	609,811	1.7
1996	8,772,634	21.4	15,896,297	38.7	6,206,314	15.1	701,860	1.7
1997	8,282,770	18.2	17,268,441	38.0	6,933,135	15.3	764,698	1.7
1998	8,148,929	18.4	16,539,725	37.3	6,862,236	15.5	769,305	1.7
1999	7,718,928	16.1	20,823,712	43.3	7,062,176	14.7	789,516	1.6
2000	8,007,147	14.7	24,260,970	44.5	10,457,925	19.2	562,850	1.0
2001	8,956,405	17.4	19,049,353	37.0	10,894,139	21.2	641,597	1.2
2002	9,338,960	16.5	24,044,200	42.4	10,999,235	19.4	731,436	1.3
2003	8,825,651	15.9	23,103,465	41.5	11,620,451	20.9	762,666	1.4
2004	7,823,987	13.9	23,370,036	41.5	11,358,215	20.1	675,729	1.2

(1) Includes General, Special Revenue Funded with Taxes and Debt Service Funds.



<u>CULTURE AND RECREATION</u>	<u>PERCENT OF TOTAL</u>	<u>TRANSIT</u>	<u>PERCENT OF TOTAL</u>	<u>DEBT SERVICE</u>	<u>PERCENT OF TOTAL</u>	<u>MISCEL- LANEOUS</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
2,992,872	8.6	391,628	1.1	3,903,810	11.2	1,450,042	4.1	34,979,184	100.0
3,170,484	7.7	344,149	.9	4,319,384	10.5	1,628,349	4.0	41,039,471	100.0
3,332,990	7.3	408,919	.9	6,878,206	15.1	1,566,591	3.4	45,435,750	100.0
3,859,815	8.7	408,806	.9	5,814,389	13.1	1,944,224	4.4	44,347,429	100.0
3,862,742	8.0	436,047	.9	5,825,965	12.1	1,546,418	3.2	48,065,504	100.0
3,151,513	5.8	398,474	.7	6,030,438	11.1	1,674,621	3.1	54,543,938	100.0
3,051,478	5.9	454,501	.9	6,735,050	13.1	1,639,556	3.2	51,422,079	100.0
3,626,002	6.4	492,494	.9	5,823,884	10.3	1,666,603	2.9	56,722,814	100.0
3,661,141	6.6	463,890	.8	5,971,667	10.7	1,236,095	2.2	55,645,026	100.0
3,659,958	6.5	446,310	.8	7,935,889	14.1	1,103,691	2.0	56,373,815	100.0

**CITY OF KENNER, LOUISIANA  
GENERAL GOVERNMENT EXPENDITURES BY OBJECT CLASS (1)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>PERSONNEL SERVICES</u>	<u>PERCENT OF TOTAL</u>	<u>SUPPLIES</u>	<u>PERCENT OF TOTAL</u>	<u>SERVICE CHARGES</u>	<u>PERCENT OF TOTAL</u>
1995	15,531,624	44.4	1,600,026	4.6	11,876,714	34.0
1996	17,085,934	41.6	1,785,418	4.4	13,245,138	32.3
1997	18,224,696	40.1	1,971,065	4.3	13,036,954	28.7
1998	19,721,760	44.5	2,062,214	4.7	13,540,666	30.5
1999	20,457,895	42.6	2,122,520	4.4	13,854,259	28.8
2000	21,292,115	39.0	2,415,603	4.4	15,254,497	28.0
2001	22,149,652	43.1	2,610,917	5.1	15,909,663	30.9
2002	26,751,807	47.2	2,825,053	5.0	17,021,810	30.0
2003	28,604,063	51.4	2,976,155	5.3	16,409,402	29.5
2004	29,869,277	53.0	2,812,451	5.0	14,860,938	26.4

(1) Includes General, Special Revenue Funded with Taxes and Debt Service Funds.

<u>CAPITAL OUTLAY</u>	<u>PERCENT OF TOTAL</u>	<u>DEBT SERVICE</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
2,067,010	5.9	3,903,810	11.2	34,979,184	100.0
4,603,597	11.2	4,319,384	10.5	41,039,471	100.0
5,324,829	11.7	6,878,206	15.1	45,435,750	100.0
3,208,400	7.2	5,814,389	13.1	44,347,429	100.0
5,804,865	12.1	5,825,965	12.1	48,065,504	100.0
9,551,285	17.5	6,030,438	11.1	54,543,938	100.0
4,016,797	7.8	6,735,050	13.1	51,422,079	100.0
4,300,260	7.6	5,823,884	10.2	56,722,814	100.0
1,683,739	3.0	5,971,667	10.8	55,645,026	100.0
895,260	1.6	7,935,889	14.1	56,373,815	100.0

**CITY OF KENNER, LOUISIANA**  
**GENERAL GOVERNMENT REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>PERCENT OF TOTAL</u>	<u>LICENSES AND PERMITS</u>	<u>PERCENT OF TOTAL</u>	<u>INTER-GOVERNMENTAL</u>	<u>PERCENT OF TOTAL</u>	<u>CHARGES FOR SERVICES</u>	<u>PERCENT OF TOTAL</u>
1995	38,610,266	84.1	2,226,695	4.9	1,754,334	3.8	1,289,866	2.8
1996	41,195,517	83.0	2,371,946	4.8	1,856,581	3.7	1,484,513	3.0
1997	40,676,884	82.1	2,341,273	4.7	2,286,365	4.6	1,627,833	3.3
1998	41,957,832	81.5	2,363,845	4.6	2,623,098	5.1	1,646,482	3.2
1999	44,617,388	82.0	2,399,576	4.4	2,366,336	4.3	1,736,289	3.2
2000	45,269,789	80.6	2,444,269	4.4	2,181,274	3.9	2,385,983	4.2
2001	46,105,721	80.9	2,542,202	4.5	1,698,301	3.0	3,052,493	5.4
2002	45,272,888	81.2	2,526,009	4.5	1,903,434	3.4	3,190,453	5.7
2003	44,303,236	79.5	2,618,274	4.7	2,228,562	4.0	3,356,027	6.0
2004	48,272,274	81.1	2,687,581	4.5	1,832,676	3.1	3,450,591	5.8

(1) Includes General, Special Revenue Funded with Taxes and Debt Service Funds.

<u>FINES AND FORFEITURES</u>	<u>PERCENT OF TOTAL</u>	<u>SPECIAL ASSESSMENTS</u>	<u>PERCENT OF TOTAL</u>	<u>INTEREST</u>	<u>PERCENT OF TOTAL</u>	<u>MISCELLANEOUS</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
1,127,429	2.5	39,539	.1	639,073	1.4	199,797	.4	45,886,999	100.0
1,121,222	2.3	29,271	.1	1,155,874	2.3	426,601	.9	49,641,525	100.0
1,304,823	2.6	29,271	.1	1,106,980	2.2	166,871	.3	49,540,300	100.0
1,506,680	2.9	29,271	.1	1,123,888	2.2	243,822	.5	51,494,918	100.0
1,846,210	3.4	29,272	.1	1,185,654	2.2	263,410	.5	54,444,135	100.0
2,135,780	3.8	29,271	.1	1,341,532	2.4	369,250	.7	56,157,148	100.0
1,845,159	3.2	-	-	1,221,222	2.1	505,191	.9	56,970,289	100.0
1,842,280	3.3	-	-	423,022	.8	592,647	1.1	55,750,733	100.0
2,613,318	4.7	-	-	137,208	.2	459,246	.8	55,715,871	100.0
2,472,038	4.2	-	-	97,278	.2	724,644	1.2	59,537,082	100.0

**CITY OF KENNER, LOUISIANA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>TOTAL MILLAGES</u>	<u>NON- HOMESTEAD EXEMPT TAX LEVY</u>	<u>TAX COLLECTIONS AND ADJUSTMENTS</u>	<u>PERCENT OF LEVY COLLECTED &amp; ADJUSTED</u>	<u>TOTAL OUTSTANDING DELINQUENT TAXES RECEIVABLE</u>
1995	23.36	\$ 4,680,143	\$ 4,430,768	94.67	\$ 1,396,007
1996	23.36	4,945,611	4,768,588	96.42	1,372,837
1997	21.87	5,077,528	4,918,121	96.86	1,210,252
1998	21.70	5,143,207	5,005,049	97.31	1,222,334
1999	21.70	5,262,573	5,040,482	95.78	1,306,050
2000	21.70	5,503,590	5,312,280	96.52	1,351,566
2001	19.24	5,569,405	5,441,556	97.70	1,400,171
2002	19.24	5,655,345	5,455,652	96.47	1,520,715
2003	18.99	5,816,207	5,587,414	96.07	793,606
2004	27.79	9,042,453	8,675,012	95.94	903,292

**CITY OF KENNER, LOUISIANA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (2)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>TAX SALE</u>	<u>PUBLIC SERVICE CORPORATIONS</u>
1995	\$ 214,213,110	\$ 43,253,948	\$ 5,271,656	\$ 29,250,567
1996	220,803,770	50,596,941	3,990,386	28,614,918
1997	237,074,541	58,195,479	4,257,761	30,995,528
1998	241,398,331	60,938,732	3,699,541	30,195,387
1999	245,918,850	62,500,241	4,820,151	28,922,196
2000	254,284,120	65,933,841	4,459,761	30,302,781
2001	291,404,556	68,936,961	2,799,070	32,836,974
2002	301,464,836	64,234,420	3,064,840	31,651,971
2003	311,030,813	68,166,379	3,464,023	30,730,166
2004	322,026,628	77,645,279	1,989,158	31,033,936

(1) Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December 2000.

(2) Source: Jefferson Parish Assessor's Office.

<u>RAILWAY ROLLING STOCK</u>	<u>(1) TOTAL ASSESSMENTS</u>	<u>HOMESTEAD EXEMPT</u>	<u>NON-HOMESTEAD EXEMPT</u>	<u>TOTAL ESTIMATED ACTUAL VALUE</u>
\$ 42,600	\$ 292,031,881	\$ 91,683,350	\$ 200,348,531	\$ 2,678,495,093
46,390	304,052,405	92,339,680	211,712,725	2,776,329,887
42,070	330,565,379	98,398,673	232,166,706	3,008,210,200
44,920	336,276,911	99,263,364	237,013,547	3,058,838,980
43,660	342,205,098	99,690,817	242,514,281	3,117,163,990
58,630	355,039,133	101,418,082	253,621,051	3,229,407,157
59,320	396,036,881	106,566,854	289,470,027	3,620,924,627
54,620	400,470,687	106,533,925	293,936,762	3,684,903,500
60,770	413,452,151	107,177,755	306,274,396	3,804,663,793
57,070	432,752,071	107,368,993	325,383,078	3,965,066,427



**CITY OF KENNER, LOUISIANA**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**PER \$100 OF ASSESSED VALUE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

COLLECTION YEAR	LEVY YEAR	CITY OF KENNER						PARISH	
		GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	WASTEWATER OPERATIONS FUND	TOTAL	(1) POLITICAL SUBDIVISIONS	TOTAL
1995	1994	3.75	16.16	1.39	-	2.06	23.36	72.85	96.21
1996	1995	3.75	16.16	1.39	-	2.06	23.36	67.62	90.98
1997	1996	3.51	15.13	1.30	-	1.93	21.87	67.62	89.49
1998	1997	3.51	15.13	1.13	-	1.93	21.70	68.86	90.56
1999	1998	3.51	15.13	1.13	-	1.93	21.70	69.29	90.99
2000	1999	3.51	15.13	1.13	-	1.93	21.70	69.29	90.99
2001	2000	3.11	13.42	1.00	-	1.71	19.24	61.36	80.60
2002	2001	3.11	13.42	1.00	-	1.71	19.24	67.75	86.99
2003	2002	3.11	13.42	0.75	-	1.71	18.99	68.99	87.98
2004	2003	3.11	13.42	0.75	8.80	1.71	27.79	69.82	97.61

(1) Source: Jefferson Parish Assessor.

**CITY OF KENNER, LOUISIANA  
PRINCIPAL TAXPAYERS OF AD VALOREM TAXES  
YEAR ENDED JUNE 30, 2003  
(UNAUDITED)**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>2003 ASSESSED VALUATION</u>	<u>2003 TAX AMOUNT</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Southwest Airlines	Air Carrier	\$ 9,434,620	\$ 262,188	2.3
Esplanade Mall Ltd. Partnership	Retail (Mall)	8,600,450	239,007	2.1
Bell South Telecommunicatons	Telephone Utility	4,792,540	133,185	1.2
Entergy Services	Energy Provider	3,508,784	97,509	0.8
Treasure Chest Casino	Casino	3,448,773	95,841	0.8
Continental Airlines	Air Carrier	2,692,800	74,833	0.7
Sprint Spectrum LP	Telecommunications	2,608,972	72,503	0.6
United Airlines	Air Carrier	2,585,370	71,847	0.6
Pellerin Milnor Corp	Laundry Machinery Manufacturer	2,321,749	64,521	0.6
Kenner Hotel Ltd. Partnership	Hotel	<u>2,283,010</u>	<u>63,445</u>	0.6
		<u>\$ 42,277,068</u>	<u>\$ 1,174,879</u>	

**CITY OF KENNER, LOUISIANA**  
**SPECIAL ASSESSMENT LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>CURRENT AND DELIQUENT ASSESSMENTS DUE AT BEGINNING OF YEAR</u>	<u>ASSESSMENTS LEVIED DURING YEAR</u>	<u>(1) CURRENT AND DELIQUENT ASSESSMENTS COLLECTED DURING YEAR</u>	<u>RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>(2) TOTAL ASSESSMENTS OUTSTANDING AT END OF YEAR</u>
PAVING ASSESSMENTS					
1995	410,602	-	37,352	9.10	373,250
1996	373,250	-	29,271	7.84	343,979
1997	343,979	-	29,271	8.51	314,708
1998	314,708	-	39,258	12.47	275,450
1999	275,450	-	29,273	10.63	246,177
2000	246,177	-	33,312	13.53	212,865
2001	212,865	-	5,958	2.80	206,907
2002	206,907	-	-	0.00	206,907
2003	206,907	-	-	0.00	206,907
2004	206,907	-	-	0.00	206,907
SEWERAGE ASSESSMENTS					
1995	59,495	-	1,582	2.66	57,913
1996	57,913	-	-	0.00	57,913
1997	57,913	-	-	0.00	57,913
1998	57,913	-	3,089	5.33	54,824
1999	54,824	-	423	0.77	54,401
2000	54,401	-	340	0.62	54,061
2001	54,061	-	-	0.00	54,061
2002	54,061	-	-	0.00	54,061
2003	54,061	-	-	0.00	54,061
2004	54,061	-	-	0.00	54,061

(1) Collections include total payouts of individual assessments.

(2) Balance outstanding does not include interest receivable on delinquent assessments.

**CITY OF KENNER, LOUISIANA  
 COMPUTATION OF LEGAL DEBT MARGIN  
 JUNE 30, 2004  
 (UNAUDITED)**

Assessed value		\$ 432,752,071
Debt limit - 35% of assessed value (1)		\$ 151,463,225
Total bonds payable	\$ 50,200,000	
Less: Sales tax bonds	(42,635,000)	
Amount available for repayment of general obligation and excess revenue bonds	(1,656,089)	
Total debt applicable to limitation		5,908,911
Legal debt margin		\$ 145,554,314

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

**CITY OF KENNER, LOUISIANA**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>ASSESSED VALUE (IN THOUSANDS)</u>	<u>(2) GROSS BONDED DEBT</u>	<u>(2) DEBT SERVICE MONIES AVAILABLE</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1995	72,300	\$ 292,032	\$ 2,140,000	\$ 220,839	\$ 1,919,161	0.66 %	27
1996	73,765	304,052	1,965,000	230,650	1,734,350	0.57 %	24
1997	74,002	330,565	1,785,000	253,567	1,531,433	0.46 %	21
1998	74,180	336,277	1,595,000	236,258	1,358,742	0.40 %	18
1999	74,220	342,205	1,395,000	219,095	1,175,905	0.34 %	16
2000	75,054	355,039	1,190,000	220,821	969,179	0.27 %	13
2001	70,517	396,037	975,000	220,448	754,552	0.19 %	11
2002	70,517	400,471	750,000	226,621	523,379	0.13 %	7
2003	70,517	413,452	510,000	170,992	339,008	0.08 %	5
2004	70,517	432,752	260,000	126,956	133,044	0.03 %	2

(1) Source: Louisiana Tech University for 1995-2000; U.S. Census Bureau 2000 Census for 2001-2004. Except for 2002-2004, the figures represent the City's population for the preceeding calendar year. At the time of report issuance, the 2000 Census was the most current population information available.

(2) Includes only Ad Valorem Tax Bonds.

**CITY OF KENNER, LOUISIANA**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL BONDED DEBT TO GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	(2) <u>INTEREST AND FEES</u>	<u>TOTAL DEBT SERVICE</u>	(1) <u>TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1995	1,729,405	2,174,405	3,903,810	34,979,184	11.16
1996	2,010,033	2,309,351	4,319,384	41,039,471	10.52
1997	4,155,441	2,722,764	6,878,205	45,435,750	15.14
1998	3,200,029	2,614,360	5,814,389	44,347,429	13.11
1999	3,346,203	2,479,762	5,825,965	48,065,504	12.12
2000	3,528,492	2,489,949	6,018,441	54,543,938	11.03
2001	3,140,898	2,416,622	5,557,520	51,422,079	10.81
2002	3,324,903	2,480,981	5,805,884	56,722,814	10.24
2003	3,579,096	2,374,571	5,953,667	55,645,026	10.70
2004	4,933,938	2,967,451	7,901,389	56,373,815	14.02

(1) Includes General, Special Revenue Funded with Taxes and Debt Service Funds.

(2) Excludes bond issuance costs.

**CITY OF KENNER, LOUISIANA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2004**  
**(UNAUDITED)**

	<u>INDEBTEDNESS AS OF</u>	<u>NET AD VALOREM TAX BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO THE CITY (1)</u>	<u>AMOUNT APPLICABLE TO THE CITY</u>
City of Kenner	6/30/2004	\$ 133,044	100.0%	<u>\$ 133,044</u>
Total direct debt				<u>133,044</u>
Jefferson Parish	12/31/2003	34,055,000	15.71%	5,350,041
Jefferson Parish Public School System	6/30/2004	10,468,965	17.84%	<u>1,867,663</u>
Total overlapping debt				<u>7,217,704</u>
Total direct and overlapping debt				<u>\$ 7,350,748</u>
Taxable assessed valuation				\$ 432,752,071
Ratio of direct and overlapping debt to taxable assessed valuation				1.7%
Direct and overlapping debt per capita				\$ 104

(1) The percentage of indebtedness of the City's overlapping political subdivisions was determined by dividing the City's assessed valuation subject to taxation by the total assessed valuation subject to taxation of the overlapping subdivision.

**CITY OF KENNER, LOUISIANA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>(2) PER CAPITA PERSONAL INCOME</u>	<u>(3) UNEMPLOYMENT RATES</u>
1995	72,300	\$ 22,868	5.0%
1996	73,765	23,607	4.6%
1997	74,002	25,094	3.8%
1998	74,180	26,251	3.3%
1999	74,220	27,100	2.9%
2000	75,054	27,100	3.9%
2001	70,517	27,100	4.6%
2002	70,517	27,180	4.6%
2003	70,517	29,613	4.9%
2004	70,517	(4)	(4)

- (1) Source: Louisiana Tech University for 1993-2000; U.S. Census Bureau 2000 Census for
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (4) Information not yet available.



**CITY OF KENNER, LOUISIANA  
PROPERTY VALUE AND PRIVATE CONSTRUCTION PERMITS AND VALUE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>FISCAL YEAR</u>	<u>(1) ASSESSED PROPERTY VALUE</u>	<u>CONSTRUCTION PERMITS (2)</u>	
		<u>NUMBER OF BUILDING PERMITS</u>	<u>VALUE</u>
1995	292,031,881	605	36,140,565
1996	304,052,405	695	74,900,927
1997	330,565,379	636	32,283,893
1998	336,276,911	693	66,281,179
1999	342,205,098	627	38,348,546
2000	355,039,133	631	53,729,587
2001	396,036,881	547	62,614,267
2002	400,470,687	596	66,767,144
2003	413,452,151	654	40,877,475
2004	432,752,071	654	39,211,485

(1) Assessed values from the fifth table presented.

(2) Source: City of Kenner Code Enforcement Department.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF COUNCILPERSONS' COMPENSATION**  
**YEAR ENDED JUNE 30, 2004**  
**(UNAUDITED)**

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Dominic O. Weilbaecher	366	30,342
Terry McCarthy	366	30,041
Marc E. Johnson	366	23,408
John T. Lavarine, III	366	24,706
Jeannie M. Black	366	23,408
Michelle Branigan	366	23,408
Phil Capitano	275	17,953
Don Delaune (1)	91	3,172

(1) Interim Councilperson.

**CITY OF KENNER, LOUISIANA  
MISCELLANEOUS STATISTICS  
JUNE 30, 2004  
(UNAUDITED)**

General Information:

Date of Incorporation: December 13, 1913

Form of Government: Home Rule Charter;  
Mayor-Council Form

Average Elevation: -5 Feet

Area: 15 square miles

Number of Street Lights: 6,987

Number of Housing Units: 25,652

Fire Protection:

Rating: 2 on a scale of 1 to 10 with 1 being the highest  
(Louisiana Property Insurance Association)

Number of Stations: 6

Number of Commissioned Firemen: 88

Number of Pieces of Equipment: 20

Police Protection:

Number of Stations: 1

Number of Commissioned Policemen: 174

Number of Training Facilities: 1

Sewerage Treatment:

Treatment Capacity: 13.5 MGD

Number of Treatment Plants: 2

Number of Low Lift Stations: 76

Number of Miles on Collection System: 391

Discharge Point: Mississippi River

Culture and Recreation:

Art Gallery: 1

Number of Museums: 9

Number of Theatres: 3

Number of Parks: 3

Number of Gymnasiums: 10

Number of Playgrounds: 11

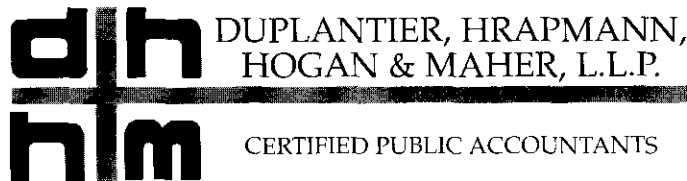
Number of Tot-Lots: 20

Number of Wheelchair Tracks: 3

Number of Employees:

Civil Service: 263

Unclassified: 522



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**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 Council  
City of Kenner, Louisiana

December 28, 2004

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Kenner, Louisiana as of and for the year ended June 30, 2004, which collectively comprise the City of Kenner, Louisiana's basic financial statements and have issued our report thereon dated December 28, 2004. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect City of Kenner, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-03.

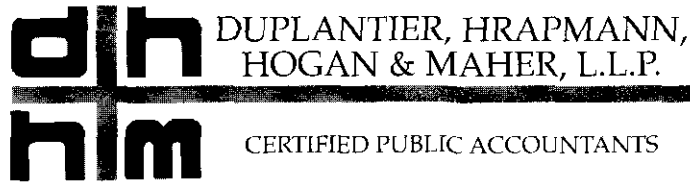
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We noted other matters involving the internal control over financial reporting that we have reported to management of the City of Kenner, Louisiana in a separate letter dated December 28, 2004.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the City of Kenner's financial statements are free of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2004-02. We also noted an additional matter that we have reported to management of the City of Kenner, Louisiana in a separate letter dated December 28, 2004.

This report is intended solely for the information of management, the City Council, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Duplantier, Haysmann, Hogan & Mober LLP*



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

December 28, 2004

Compliance

We have audited the compliance of the City of Kenner, Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The City of Kenner's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Kenner's management. Our responsibility is to express an opinion on the City of Kenner's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 of Kenner'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. Our audit does not provide a legal determination on the City of Kenner's compliance with those requirements.

In our opinion, the City of Kenner, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2004-01.

Internal Control Over Compliance

The management of the City of Kenner, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Kenner's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the City Council, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Duplantis, Hopmann, Hogan & Meier LLP

**CITY OF KENNER, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct Programs:			
Community Development Block Grant *	14.218	B-02-MC-22-008	<u>\$ 619,273</u>
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)	14.239	M98-DC-22-0207	133,529
Home Investment Partnership Program (HOME)	14.239	M01-DC-22-0207	17,378
Home Investment Partnership Program (HOME)	14.239	M02-DC-22-0207	<u>18,656</u>
			<u>169,563</u>
Passed through Louisiana Department of Social Services:			
Emergency Shelter Grants Program	14.231	584117	<u>26,266</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u><u>\$ 815,102</u></u>
<b>DEPARTMENT OF JUSTICE</b>			
Passed Through Louisiana Commission Law Enforcement:			
After School Drug and Alcohol Prevention Program	16.579	B03-7-018	\$ 49,260
Municipal Narcotics Task Force Grant	16.579	-	64,036
Law Enforcement Response to Domestic Violence	16.579	B02-7-005	6,242
Law Enforcement Response to Domestic Violence	16.579	B03-7-020	13,090
Integrated Criminal Apprehension	16.579	B03-7-019	<u>42,698</u>
			<u>175,326</u>
Passed through Office of Justice Programs:			
Bulletproof Vest Partnership Grant Program	16.607		9,938
Local Law Enforcement Block Grant	16.592	01-LB-BX-2199	89,710
Local Law Enforcement Block Grant	16.592	02-LB-BX-0681	<u>28,990</u>
			<u>128,638</u>
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<u><u>\$ 303,964</u></u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
Direct Programs:			
Assistance to Firefighters Grant Program	83.554	EMW-02 FG-06099	<u>\$ 85,262</u>
Passed through Louisiana Office of Emergency Preparedness:			
Disaster #1437 Relief (Hurricane Lili)	83.544	1437-DR-LA	<u>62,024</u>
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u><u>\$ 147,286</u></u>

(Continued)



**CITY OF KENNER, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2004**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Direct Programs:			
Wastewater Operations Consolidation	66.606	XP-98617701-0	<u>\$ 80,576</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u><u>\$ 80,576</u></u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Louisiana Department of Transportation and Development:			
Highway Planning and Construction - Loyola Drive Impr - Veterans to E/W Loyola	20.205	STP-2601(517)	<u>27,161</u>
Passed Through Louisiana Highway Safety Commission:			
Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	PT 04-14-00	21,167
Police Patrols Over Safe Streets Everywhere (POSSE) - Safe and Sober Driver	20.600	P3 04-17-32	<u>3,900</u>
			<u>25,067</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u><u>\$ 52,228</u></u>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>			
Direct Programs:			
Kenner Planetarium and Space Theater *	N/A	NCC5-419	<u>\$ 888,400</u>
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			<u><u>\$ 888,400</u></u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$ 2,287,556</u></u>

\* This program is considered a "major" program under OMB Circular A-133.

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES**  
**JUNE 30, 2004**

**NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS**

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

1. **Department of Housing and Urban Development**  
Community Development Block Grant
2. **National Aeronautics and Space Administration**  
Cooperative Agreement

**NOTE B - FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2004. Revenues and expenditures recorded prior to July 1, 1986 for programs with contractual reimbursement periods commencing prior to that date were outside the scope of the single audit. These prior period revenues and expenditures are subject to the audit requirements of the applicable federal funding sources. Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

**NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards 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. Several programs are funded jointly by State of Louisiana appropriations and federal funds. 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.

2. **Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2004**

**A. SUMMARY OF AUDIT'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Kenner, Louisiana.
2. Reportable conditions relating to the audit of the financial statements are reported in the *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*.
3. An instance of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. No reportable conditions relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unqualified opinion on all major federal programs.
6. An audit finding relative to the major federal award programs for the City of Kenner, Louisiana is reported in this schedule.

7. The programs tested as major programs include:

CFDA Number/Grant Number

Community Development Block Grants	14.218
National Aeronautics and Space Administration	NCC5-419

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Kenner, Louisiana did not qualify as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2004-02 Laws and Regulations**

The Legislative Auditor has performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.lla.state.la.us](http://www.lla.state.la.us). The agency ID number is 2181 and the report ID number is 04300914. Issues related to prohibited use of city funds, related parties, public records, asset management laws and the homestead exemptions were addressed in the report. Management provided responses to the issues which were included in the report. It was stated that the report was being delivered to the Louisiana Board of Ethics and other authorities as required by state law. Additionally, it was indicated that the Legislative Auditor would continue to monitor the findings until resolved.

The current administration has implemented many of the recommendation and is still in the process of addressing any remaining issues. Management has not been contacted and is not aware of any follow up actions by any agencies or authorities. Management has indicated they will continually strive to address compliance with all applicable laws and regulations.

We recommend that management continue the process of addressing all issues in the Legislative Auditor's report and adhere to the applicable laws and regulations.

**CITY OF KENNER, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2004**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**2004-03 Policies and Procedures**

The Legislative Auditor has performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.la.state.la.us](http://www.la.state.la.us). The agency ID number is 2181 and the report ID number is 04300914.

Areas related to strategic planning, controls over contracts, comparison of costs and operations, controls over purchasing and disbursements, controls over payroll, internal auditing, financial management and written policies and procedures were addressed in the report. Management provided responses to the areas which were included in the report.

The current administration has implemented many of the recommendation and is still in the process of evaluating existing operations. Management has indicated that they are continually evaluating their policies and procedures to maintain and improve efficiencies.

We recommend that management continue the process of evaluating their policies and procedures to maintain and improve efficiencies.

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

**2004-01 Community Development Block Grant (CDBG) - CFDA No. 14.218**

**Condition** - Failure to maintain an updated property listing on equipment and real property acquired and used in the program.

**Criteria** - The A-102 Common Rule and OMB Circular A-110 require property records to be maintained and a physical inventory be reconciled to the property records.

**Effect** - An updated property listing is not maintained.

**Cause** - The grant clerk failed to periodically update the property listing.

**Recommendation** - Procedures should be implemented to assure a complete and accurate property listing is maintained.

**Corrective Action** - The City will review the current procedures with the appropriate personnel and emphasize the importance of maintaining a complete and accurate property listing. In addition, procedures will be implemented to monitor updating of the property listing on an on-going basis.

**Implementation** - January 1, 2005

**Contact** - Alfreda Rogers, Director of Community Development Department, (504) 468-7588.

**CITY OF KENNER, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2004**

**A. INTERNAL CONTROL FINDINGS**

None

**B. FINDINGS RELATED TO FEDERAL AWARD PROGRAMS**

**03-01** Community Development Block Grant (CDBG) – CFDA No. 14.218

**Condition** - Failure to report program income and offsetting expenditures on the Quarterly Federal Cash Transactions Reports (SF-272) for the period April 1, 2001 to June 30, 2003.

**Current Status** - This finding has been resolved during the current year.

**03-02** Community Development Block Grant (CDBG) – CFDA No. 14.218

**Condition** - Failure to maintain an updated property listing on equipment and real property acquired and used in the program.

**Current Status** - An updated property listing has not yet been prepared. This issue remains unresolved at June 30, 2004 and is further discussed as Finding No. 2004-01 in the accompanying schedule of findings and questioned costs.

**03-03** Community Development Block Grant (CDBG) – CFDA No. 14.218

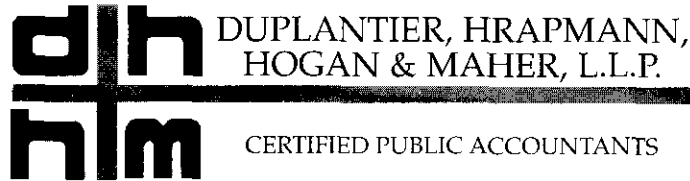
**Condition** - Failure to monitor three sub-recipients on an annual basis.

**Current Status** - This finding has been resolved during the current year.

**03-04** Community Development Block Grant (CDBG) – CFDA No. 14.218

**Condition** - Failure to complete investigation reports on one construction contractor to verify compliance with Davis-Bacon Act.

**Current Status** - This finding has been resolved during the current year.



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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA. C.P.A.s

December 28, 2004

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

In planning and performing our audit of the financial statements of the City of Kenner for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect City of Kenner's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, the following reportable conditions are not believed to be material weaknesses:

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – CFDA NO. 14.218: (2004-01)

The A-102 Common Rule and OMB Circular A-110 require property records to be maintained and a physical inventory to be reconciled to the property records. An updated property listing on equipment and real property acquired that was used in the program was not maintained.

We recommend that procedures are implemented to assure a complete and accurate property listing is maintained.

The City will review the current procedures with the appropriate personnel and emphasize the importance of maintaining a complete and accurate property listing. In addition, procedures will be implemented to monitor the updating of the property listing on an on-going basis.

LAWS AND REGULATIONS: (2004-02)

The Legislative Auditor has performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.lia.state.la.us](http://www.lia.state.la.us). The agency ID number is 2181 and the report ID number is 04300914. Issues related to prohibited use of city funds, related parties, public records, asset management laws and the homestead exemption were addressed in the report. Management provided responses to the issues which were included in the report. It was stated that the report was being delivered to the Louisiana Board of Ethics and other authorities as required by state law. Additionally, it was indicated that the Legislative Auditor would continue to monitor the findings until resolved.

*The current administration has implemented many of the recommendations and is still in the process of addressing any remaining issues. Management has not been contacted and is not aware of any follow up actions by any agencies or authorities. Management has indicated they will continually strive to address compliance with all applicable laws and regulations.*

We recommend that management continue the process of addressing all issues in the Legislative Auditor's report and adhere to all applicable laws and regulations.

As previously mentioned, management will continue to address any remaining issues and continually strive to adhere to all applicable laws and regulations.

POLICIES AND PROCEDURES: (2004-03)

The Legislative Auditor has performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.lia.state.la.us](http://www.lia.state.la.us). The agency number is 2181 and the report ID number is 04300914.

Areas related to strategic planning, controls over contracts, comparison of costs and operations, controls over purchasing and disbursements, controls over payroll, internal auditing, financial management and written policies and procedures were addressed in the report. Management provided responses to the areas which were included in the report.

The current administration has implemented many of the recommendations and is still in the process of evaluating existing operations. Management has indicated that they are continually evaluating their policies and procedures to maintain and improve upon efficiencies.

We recommend that management continue their process of evaluating their policies and procedures to maintain and improve upon efficiencies.

As previously mentioned, management is still in the process of evaluating operations. As part of this process, management is developing policies and procedures to maintain and improve upon efficiencies.

We noted the following instance of immaterial noncompliance:

USE OF PUBLIC FUNDS: (2004-04)

During the year, the City of Kenner held an annual volunteer coaches party. The private use of public funds is prohibited.

Management believes that the Kenner Volunteer Coaches Crawfish Boil serves many important purposes that are instrumental to successful citywide youth recreational involvement. First, it serves as a (successful) recruiting tool – these coaches serve on a purely volunteer basis and devote a considerable amount of their personal time. The Crawfish Boil is a perfect opportunity for coaches, present and past, to welcome those interested and, secondly, this naturally leads to discourse about what the Recreation Department does and how it benefits the children of Kenner. It facilitates open discussion about the previous season – the pros/cons of the program and ideas about how to improve things to better serve the children involved for the next year. At the event, the administration and volunteers air out opinions/differences (if any) and set goals for the future. The event serves as a mini “think-tank” where new ideas and improvements can be fully realized.

We recommend that management review all activities and determine that payments are not prohibited. Additionally, the city should implement accounting procedures and controls to ensure that activities that are paid for serve a public purpose.

Management will review all activities and determine that the City only pays for activities that serve a public purpose.

The following are matters that are opportunities for strengthening internal controls and operating efficiency:

OUTSTANDING COURT BONDS: (2004-05)

The clerk of court is responsible for the preparation of monthly bond reconciliation worksheets which are used to reconcile the outstanding bonds per the clerk’s log books to the general ledger balances. Monthly reconciliations were not performed in a timely manner.

We recommend that policies and procedures are established and followed to ensure that the monthly court bond reconciliation worksheets are completed and reconciled to the general ledger in a timely manner.

Management will review the existing policies and procedures and meet with the appropriate personnel to ensure that the proper reconciliations are done in a timely manner.

TRAVEL – CREDIT CARD PAYMENT POLICIES: (2004-06)

The elected officials and the CAO have City of Kenner credit cards for use in official City business. On a monthly basis, they submit their credit card statements to the finance department for payment. Each official reviews and approves the charges appearing on the credit card statement. However, they do not consistently submit the supporting receipts or invoices, nor do they consistently indicate the business purpose of each charge appearing on the statement. The finance department pays the credit card balance based solely on the statement details and the approval of each City official.



We recommend that every City official using a City issued credit card should submit all supporting *documentation for all credit card charges*. This supporting documentation should also include the underlying business purpose.

The current administration has implemented credit card policies where all credit card charges are supported by the appropriate documentation along with a proper description indicating the underlying business purpose. The new credit card policies were implemented in April 2004.

#### POLICE DEPARTMENT EQUIPMENT ADDITIONS: (2004-07)

The Police Department movable equipment is not tracked by item on the City's fixed asset inventory system. The City uses annual totals instead of individual equipment amounts to categorize Police Department additions and calculate depreciation and the related accumulated depreciation.

We recommend that the City should specifically identify Police Department equipment additions that have been added to the City's fixed asset inventory list and depreciation schedules.

Management will obtain details of equipment additions and individual amounts will be recorded to the City's fixed asset inventory list and depreciation schedules.

#### CAPITAL ASSETS: (2004-08)

Louisiana Revised Statute 24:515(B) requires every public entity to maintain records of all capital assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition and recipients of disposed assets.

The City took a physical inventory of all capital assets for the year ended June 30, 2003. The amounts from the inventory were not properly reconciled to the general ledger. Adjustments were made during the current year to reconcile the beginning balances to the physical inventory. Also during the current year, the property records were not updated and reconciled on a timely basis. The infrastructure that has been identified should be maintained on the City's capital asset system.

We recommend that procedures are implemented to maintain the inventory of capital assets on an on-going basis and on their capital asset system. Additionally, all amounts should be reconciled with the general ledger on a timely basis.

Management will implement procedures where capital assets are maintained on their capital asset system on an on-going basis and all amounts are reconciled timely to the general ledger.

## STATUS OF PRIOR YEAR COMMENTS:

DUPLICATE PAYMENTS ON INVOICES: (2003-05)

On two occasions during the year, the City overpaid a vendor. The cause of the overpayments was a lag in the vendor's posting of payments and issuing subsequent invoices indicating a prior period balance due that, in reality, had already been paid. City personnel paid the total due on each subsequent invoice which included a beginning balance that had been paid but not yet credited to the City's account by the vendor. These instances were isolated occurrences and caused by clerical misinterpretation of data.

For the current year ended June 30, 2004 there were no similar findings.

OUTSTANDING COURT BONDS: (2003-06)

The clerk of court is responsible for the preparation of monthly bond reconciliation worksheets which are used to reconcile the outstanding bonds per the clerk's log books to the general ledger balances. Clerk of court personnel were not diligent in maintaining the monthly reconciliation worksheets and comparing the balances to the general ledger. Worksheets for two months, December 2002 and January 2003, could not be located. Because of the large number of court bonds issued, forfeited and refunded during the year, and the propensity for any differences to quickly grow beyond a reasonable limit, it is important that the monthly reconciliation be maintained.

For the year ended June 30, 2004, there was a similar finding. See 2004-05.

TRAVEL – CREDIT CARD PAYMENT POLICIES: (2003-07)

The elected officials and the CAO have City of Kenner credit cards for use in official City business. On a monthly basis, they submit their credit card statements to the finance department for payment. Each official reviews and approves the charges appearing on the credit card statement. However, they do not consistently submit the supporting receipts or invoices, nor do they consistently indicate the business purpose of each charge appearing on the statement. The finance department pays the credit card balance based solely on the statement details and the approval of each City official.

For the year ended June 30, 2004, there was a similar finding. See 2004-06.

AUTOMOBILE USE POLICY: (2003-08)

The elected officials, certain department heads and various other employees are provided vehicles for use in official City business. The City of Kenner has a policy which prohibits personal use of all city-owned vehicles.

It was recommended that the City monitor personal use of the vehicles by having the employees report on a monthly basis any personal use which may have occurred. In the event that there was personal use, it was recommended that the City seek mileage reimbursement from the employee. Additionally, the employee should be reminded of the prohibition of personal use of city-owned vehicles.

While the City's policy expressly prohibits the personal use of vehicles, the City acknowledges that it would be a good business practice to implement a procedure whereby employees would be required to report any personal use of vehicles. In the event of any personal use, the City will seek reimbursement and remind the employee of the prohibition on personal use of vehicles.

For the year ended June 30, 2004, the City was not informed of any personal use of vehicles. Accordingly, there were no reimbursements.

POLICE DEPARTMENT EQUIPMENT ADDITIONS: (2003-09)

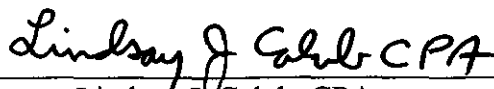
Police Department movable equipment is not tracked by item on the City's fixed asset inventory system. In compiling the information necessary for the GASB 34 conversion, the City used annual totals in lieu of individual equipment amounts to categorize Police Department additions and calculate accumulated depreciation.

For the year ended June 30, 2004, there was a similar finding. See 2004-07.

This report is intended for the information and use of the City, its management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN, & MAHER, L.L.P.



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Lindsay J. Calub, CPA  
Partner

LJC/fk