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CITY OF KENNER, LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2005

Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA
Chief Financial Officer

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CITY OF KENNER

PHILIP L. CAPITANO
MAYOR

December 22, 2005

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, 2005 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.

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. Unencumbered appropriations in any year are dedicated to capital outlay of the department and budgeted in the following year.

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.

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, 2004. This was the tenth 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.

The Government Finance Officers Association of the United States (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual financial report for the fiscal year ended June 30, 2004. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Reporting is valid for a period of one year only.

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, 2004

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

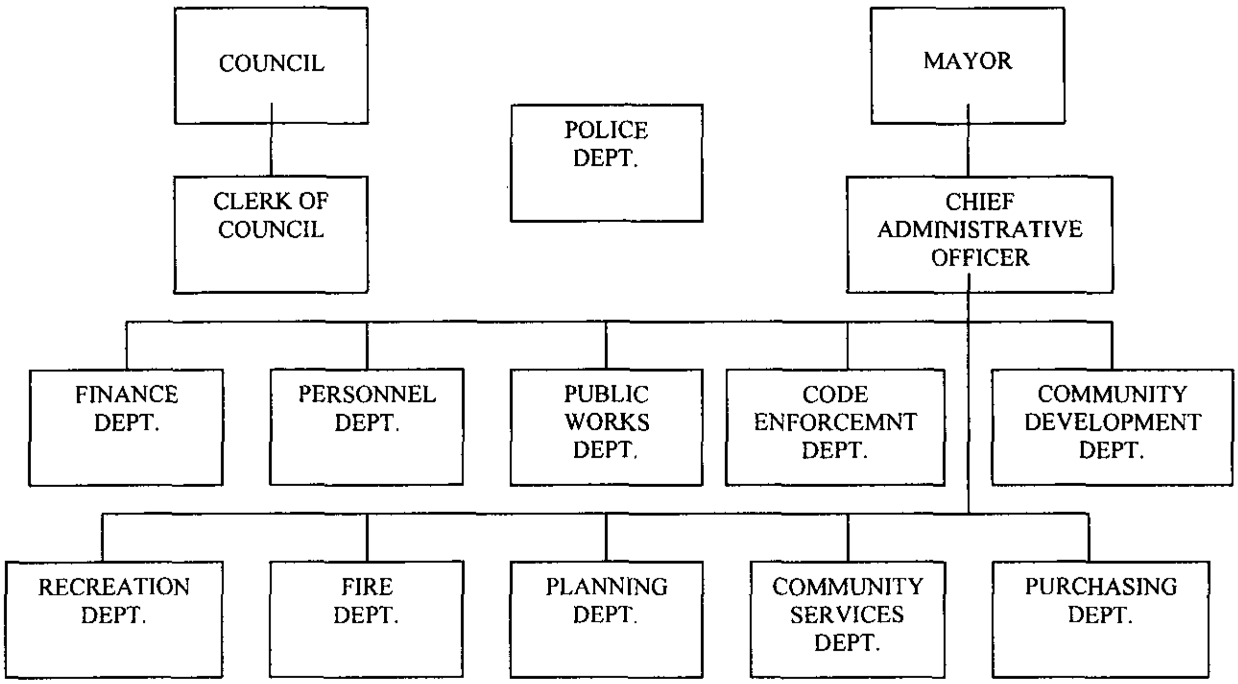
President

Executive Director

CURRENT SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL	
Councilman at Large	John T. Lavarine, III
Councilman at Large	Dominic O. Weilbaecher
District No. 1	Marc E. Johnson
District No. 2 (Interim)	Michael McMyne
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	Tim Walker
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



City of Kenner

Prepared by Planning Department

FINANCIAL SECTION

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

CERTIFIED PUBLIC ACCOUNTANTS

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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 22, 2005

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, 2005 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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, 2005, 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 11 through 16 and 63 through 65 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.

The Schedule of Funding Progress and Schedule of Employer Contributions and Trend Information of the Firemen's Pension and Relief Fund on pages 66 through 67 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. The schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion are fairly stated in all material respects in relation to the financial statements taken as a whole.

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 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 combining and individual fund schedules, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2005 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 opinions on the financial statements that collectively comprise the City of Kenner, Louisiana basic financial statements. 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, Hrapmann, Hogan & Maher LLP

REQUIRED SUPPLEMENTARY INFORMATION - PART I

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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, 2005. 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 $375 million at June 30, 2005. Of this amount approximately $333 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately $11.1 million.

Business type activities unrestricted net assets are approximately $4 million.

The City's total net assets decreased by approximately $13 million. Net assets of governmental activities decreased by approximately $19 million due to $21million in depreciation and net assets of business type activities increased by approximately $6 million due to $8 million in capital additions less $2 million in depreciation.

The City's governmental funds reported combined unreserved undesignated fund balances of approximately $5.8 million with approximately $5.4 million in the general fund. The general fund portion decreased by approximately $.9 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 10% of the City's operating expenditures.

The City's total debt decreased by approximately $5.2 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 balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near- or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has 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 it's 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 Activities 2005	Business-type Activities 2005	Total 2005	Governmental Activities 2004	Business-type Activities 2004	Total 2004
Assets:						
Current and other assets	$ 52,108	$ 5,140	$ 57,248	$ 60,260	$ 4,212	$ 64,472
Capital assets	334,032	67,666	401,698	348,848	61,818	410,666
Total assets	386,140	72,806	458,946	409,108	66,030	475,138
Liabilities:						
Long-term outstanding debt	9,859	975	10,834	78,636	11	78,647
Other liabilities	73,416	8	73,424	8,335	400	8,735
Total liabilities	83,275	983	84,258	86,971	411	87,382
Net assets:						
Invested in capital assets, net of related debt	265,282	67,666	332,948	274,890	61,818	336,708
Restricted	26,478	-	26,478	38,375	32,273	70,648
Unrestricted	11,105	4,156	15,261	8,872	(28,472)	(19,600)
Total net assets	$ 302,865	$ 71,822	$ 374,687	$ 322,137	$ 65,619	$ 387,756

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 Activities 2005	Business-type Activities 2005	Total 2005	Governmental Activities 2004	Business-type Activities 2004	Total 2004
Revenues:						
Program revenues:						
Charges for services	$ 14,269	$ 5,286	$ 19,555	$ 13,672	$ 5,102	$ 18,774
Operating grants & Contributions	1,539	-	1,539	1,510	-	1,510
Capital grants & Contributions	3,145	8,124	11,269	1,573	1,310	8,973
General revenues:						
Property taxes	8,203	536	8,739	8,421	552	31,114
Sales taxes	31,509	493	32,002	30,685	429	11,698
Other taxes	11,107	727	11,834	10,938	760	
Grants & contributions not restricted to specific program	207	-	207	95	-	95
Other	1,244	60	1,304	677	49	726
Total revenues	71,223	15,226	86,449	67,571	8,202	75,773
Program expenses:						
General government	11,136	-	11,136	10,107	-	10,107
Public safety	27,037	-	27,037	29,638	-	29,638
Public works	40,350	-	40,357	35,091	-	35,091
Health and welfare	832	-	832	731	-	731
Culture and recreation	5,599	-	5,599	5,174	-	5,174
Transit & urban development	1,406	-	1,406	1,386	-	1,386
Miscellaneous	1,244	-	1,244	1,110	-	1,110
Interest on long term debt	2,891	-	2,884	2,969	-	2,969
Sewer operations	-	6,725	6,725	-	6,649	6,649
Civic center operations	-	2,298	2,298	-	2,260	2,260
Total expenses	90,495	9,023	99,518	86,206	8,909	95,115
Change in net assets	(19,272)	6,203	(13,069)	(18,635)	(707)	(19,342)
Net assets-beginning of year, as previously reported	322,137	65,619	387,756	339,986	66,326	406,312
Prior period adjustment	-	-	-	786	-	786
Net assets-beginning of year	322,137	65,619	387,756	340,772	66,326	407,098
Net assets-end of year	$ 302,865	$ 71,822	$ 374,687	$ 322,137	$ 65,619	$ 387,756

The City's overall revenues increased by approximately $10.6 million from the previous year primarily due to $8.1 million in capital contributed to the Proprietary funds. The City also received revenue from the EPA Grant for sewerage improvements in the current year. Sales taxes and property taxes increased while revenues from court fines and the riverboat decreased.

The City's total expenditures increased by approximately $4.4 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.

BUDGETARY HIGHLIGHTS

General fund revenues were under budget due to court fines and riverboat revenues noted earlier and due to a decline in franchise fees.

General fund expenditures were under budget by approximately $1.6 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, 2005 for its governmental and business-type activities was approximately $402 million, net of depreciation as reflected in the schedule below:

Capital Assets
June 30, 2005
(net of depreciation in thousands)

	Governmental Activities	Business-type Activities	Total
Land	$ 9,549	$ 3,799	$ 13,348
Construction in progress	13,927	9,313	23,240
Buildings	24,034	48,013	72,047
Improvements other than buildings	1,530	724	2,254
Equipment	6,502	5,817	12,319
Infrastructure	278,490	-	278,490
Total	$ 334,032	$ 67,666	$ 401,698

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 "H" in the Notes to the Financial Statements section.

Long-term debt. At year end, the City had approximately $73 million in long-term debt as shown in the table below.

Outstanding long-term debt
June 30, 2005
(in thousands)

	Governmental Activities	Business-type Activities	Total
Revenue bonds	$ 41,025	$ -	$ 41,025
Certificates of indebtedness	6,315	-	6,315
Note payable	22,662	-	22,662
Mortgage payable	-	8	8
Other	3,414	-	3,414
Total	$ 73,416	$ 8	$ 73,424

The City's total long-term debt decreased by approximately 5.2 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 "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt

ECONOMIC OUTLOOK

In August of 2005, Hurricane Katrina caused damage to the majority of property in the City of Kenner and caused wide spread flooding. It also left the entire City without electricity, gas, telephone, water and sewer services. All businesses in the City were shut down and the majority of citizens evacuated.

The City immediately began the recovery process by working with our utility suppliers to restore basic services to businesses and homes in the City. Within a couple of months a majority of businesses within the city reopened and more businesses continue to reopen. Residents continue to return to the City and are in the process of repairing their property.

The short term impact will be a significant loss of revenue for the City primarily in sales taxes and property taxes. The general funds unreserved undesignated fund balance which had been increased to $5.4 million in order to protect the City from any unforeseen events is being used to cover the short term revenue loss. As an added precaution the City has applied for and has been approved for a special community disaster loan of $5.2 million through the Federal Emergency Management Agency (FEMA) under the provisions of the Community Disaster Loan Act of 2005. This loan is intended to replace lost revenue due to the hurricane and has to be paid back within three years. The City will only draw on this loan if it is needed. We are hoping that legislation will be passed to allow forgiveness of the loan if revenues are not sufficient to pay it back.

The long term prospects for the City remain very good. Business in the City appears to be recovering quickly and we hope that revenues will be back to pre-Katrina levels by the end of the 2005-2006 fiscal year.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 19,439,256	$ 721,732	$ 20,160,988
Equity in pooled cash	3,173,784	247,877	3,421,661
Investments	13,472,420	2,074,230	15,546,650
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	5,534,841	36,742	5,571,583
Intergovernmental	7,385,232	242,377	7,627,609
Special assessments - delinquent	477	-	477
Interest	25,163	-	25,163
Service charges	-	1,112,322	1,112,322
Other	15,679	122,686	138,365
Due from other funds	1,818,742	85,640	1,904,382
Inventory, at cost	99,070	-	99,070
Prepaid items	28,820	492,504	521,324
Deferred charges	1,114,991	-	1,114,991
Refundable deposits	-	3,668	3,668
Capital Assets (net, of accumulated depreciation)	334,032,204	67,666,013	401,698,217
Total assets	386,140,679	72,805,791	458,946,470
LIABILITIES			
Accounts payable	3,144,821	173,081	3,317,902
Estimated claims payable	2,984,334	-	2,984,334
Retainages payable	71,911	-	71,911
Accrued liabilities	2,219,057	20,939	2,239,996
Deposits on future events	-	121,864	121,864
Due to other funds	-	627,457	627,457
Due to other governments	1,157,566	-	1,157,566
Deferred revenues	50,209	31,875	82,084
Other liabilities	231,299	-	231,299
Non-current liabilities:			
Due within one year	7,242,538	3,520	7,246,058
Due in more than one year	66,173,613	4,751	66,178,364
Total liabilities	83,275,348	983,487	84,258,835
NET ASSETS			
Invested in capital assets, net of related debt	265,281,815	67,666,013	332,947,828
Restricted for:			
Capital projects	22,340,098	-	22,340,098
Debt service	4,138,306	-	4,138,306
Unrestricted	11,105,112	4,156,291	15,261,403
Total net assets	$ 302,865,331	$ 71,822,304	$ 374,687,635

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities							
General government	$ 11,136,386	$ 5,292,167	$ -	$ 69,403	$ (5,774,816)	$ -	$ (5,774,816)
Public safety	27,037,221	3,807,737	529,974	858	(22,698,652)	-	(22,698,652)
Public works	40,350,132	4,068,182	1,778	3,074,394	(33,205,778)	-	(33,205,778)
Health and welfare	832,148	86,840	-	-	(745,308)	-	(745,308)
Culture and recreation	5,599,300	904,571	-	-	(4,694,729)	-	(4,694,729)
Transit and urban development	1,405,662	100,115	1,007,454	-	(298,093)	-	(298,093)
Miscellaneous	1,243,559	9,769	-	-	(1,233,790)	-	(1,233,790)
Interest on long-term debt and other charges	2,890,988				(2,890,988)	-	(2,890,988)
Total Governmental Activities	90,495,396	14,269,381	1,539,206	3,144,655	(71,542,154)	-	(71,542,154)
Business-type Activities							
Wastewater Operations	6,724,642	4,108,180	-	8,123,606	-	5,507,144	5,507,144
Civic Center Operations	2,297,633	1,177,791	-	-	-	(1,119,842)	(1,119,842)
Total Business-type Activities	9,022,275	5,285,971	-	8,123,606	-	4,387,302	4,387,302
Total	$ 99,517,671	$ 19,555,352	$ 1,539,206	$ 11,268,261	(71,542,154)	4,387,302	(67,154,852)
General Revenues:							
Taxes:							
Ad valorem					8,202,464	535,700	8,738,164
Sales and use					31,510,382	493,112	32,003,494
Beer tax					70,958	-	70,958
Parking					1,627,788	-	1,627,788
Franchise					9,408,622	726,550	10,135,172
Grants and contributions not restricted to specific programs					206,922	-	206,922
Investment earnings					925,014	47,724	972,738
Miscellaneous					318,747	12,663	331,410
Transfers					-	-	-
Total general revenues and transfers					52,270,897	1,815,749	54,086,646
Change in Net Assets					(19,271,257)	6,203,051	(13,068,206)
Net assets - beginning of year					322,136,588	65,619,253	387,755,841
Net assets - end of year					$ 302,865,331	$ 71,822,304	$ 374,687,635

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	GENERAL	ONE PERCENT SALES TAX OF 1984	FIRE PROTECTION
ASSETS			
Cash	$ 1,753,219	$ -	$ 76,420
Equity in pooled cash	266,870	-	302,829
Investments	1,782,790	-	534,951
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	4,777,283	-	-
Intergovernmental	3,062,980	1,891,947	28,548
Special assessments - delinquent	477	-	-
Interest	-	-	-
Other	-	-	196
Due from other funds	4,141,564	55,162	620,669
Inventory, at cost	99,070	-	-
Prepaid items	28,820	-	-
Total assets	$ 15,913,073	$ 1,947,109	$ 1,563,613
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 594,079	$ -	$ 12,924
Retainages payable	-	-	-
Accrued liabilities	1,280,238	-	283,101
Due to other funds	235,882	1,947,109	-
Due to other governments	*1,157,566*	-	-
Deferred revenues	2,040,144	-	512,706
Other liabilities	231,299	-	-
Total liabilities	5,539,208	1,947,109	808,731
Fund balances:			
Reserved for:			
Encumbrances	471,026	-	1,909
Inventory	99,070	-	-
Prepaid items	28,820	-	-
Restricted expenditures	1,208,397	-	-
Debt service	-	-	-
Unreserved, designated for:			
Subsequent year's expenditures	3,173,040	-	403,020
Capital additions and improvements	-	-	-
Unreserved, undesignated:			
General fund	5,393,512	-	-
Special revenue funds	-	-	349,953
Total fund balances	10,373,865	-	754,882
Total liabilities and fund balances	$ 15,913,073	$ 1,947,109	$ 1,563,613

The accompanying notes are an integral part of this statement.

GENERAL DEBT	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 1,028,704	$ 11,444,128	$ 3,779,027	$ 58,048	$ 18,139,546
-	2,059,581	265,141	261,690	3,156,111
1,541,182	4,583,255	2,139,457	1	10,581,636
-	-	-	757,558	5,534,841
681,148	259,510	1,353,102	107,997	7,385,232
-	-	-	-	477
6,127	3,492	15,544	-	25,163
-	-	-	15,483	15,679
625,710	26,883	197,795	372,815	6,040,598
-	-	-	-	99,070
-	-	-	-	28,820
$ 3,882,871	$ 18,376,849	$ 7,750,066	$ 1,573,592	$ 51,007,173
$ -	$ 779,756	$ 1,479,010	$ 258,269	$ 3,124,038
-	22,667	49,244	-	71,911
-	-	-	72,261	1,635,600
-	647,626	625,710	720,887	4,177,214
-	-	-	-	1,157,566
-	-	182,804	164,020	2,899,674
-	-	-	-	231,299
-	1,450,049	2,336,768	1,215,437	13,297,302
-	4,245,322	4,221,664	5,358	8,945,279
-	-	-	-	99,070
-	-	-	-	28,820
-	-	-	-	1,208,397
3,882,871	-	-	255,435	4,138,306
-	-	-	-	3,576,060
-	12,681,478	1,191,634	-	13,873,112
-	-	-	-	5,393,512
-	-	-	97,362	447,315
3,882,871	16,926,800	5,413,298	358,155	37,709,871
$ 3,882,871	$ 18,376,849	$ 7,750,066	$ 1,573,592	$ 51,007,173

CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005

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

Fund balances - total governmental funds	$ 37,709,871
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	334,032,204
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.	1,158,408
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.	2,849,466
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	(583,457)
Compensated absences	(3,294,488)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	(69,006,673)
Net assets of governmental activities	$ 302,865,331

The accompanying notes are an integral part of this statement.

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CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	GENERAL	ONE PERCENT SALES TAX OF 1984	FIRE PROTECTION
REVENUES			
Taxes	$ 27,084,728	$ 11,057,336	$ 3,751,707
Licenses and permits	2,823,174	-	-
Intergovernmental	1,856,707	-	28,548
Charges for services	610,989	-	740,468
Fines and forfeitures	1,922,748	-	-
Interest	86,607	-	29,298
Miscellaneous	345,211	-	3,332
Total revenues	34,730,164	11,057,336	4,553,353
EXPENDITURES			
Current:			
General government	8,363,806	-	-
Public safety	16,180,745	-	6,668,073
Public works	5,510,738	-	-
Health and welfare	736,402	-	-
Culture and recreation	3,850,747	-	-
Transit and urban development	396,438	-	-
Miscellaneous	1,232,809	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Miscellaneous	-	-	-
Total expenditures	36,271,685	-	6,668,073
Excess (deficiency) of revenues over (under) expenditures	(1,541,521)	11,057,336	(2,114,720)
OTHER FINANCING SOURCES (USES)			
Transfers in	7,899,824	-	1,860,522
Transfers out	(6,711,380)	(11,057,336)	-
Total other financing sources and uses	1,188,444	(11,057,336)	1,860,522
Net change in fund balances	(353,077)	-	(254,198)
Fund balances - beginning of year	10,726,942	-	1,009,080
Fund balances - end of year	$ 10,373,865	$ -	$ 754,882

The accompanying notes are an integral part of this statement.

GENERAL DEBT	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 4,051,012	$ -	$ -	$ 3,300,024	$ 49,244,807
-	-	-	-	2,823,174
-	476,856	2,409,150	959,303	5,730,564
-	-	-	2,973,018	4,324,475
-	-	-	-	1,922,748
133,408	380,776	185,336	13,480	828,905
100,857	272,620	601,113	158,846	1,481,979
4,285,277	1,130,252	3,195,599	7,404,671	66,356,652
-	962,282	-	-	9,326,088
-	6,791	-	-	22,855,609
-	3,874,586	9,362,014	6,418,097	25,165,435
-	-	-	-	736,402
-	1,282,790	669,845	155,561	5,958,943
-	-	-	944,309	1,340,747
-	-	-	-	1,232,809
3,784,001	-	-	1,423,730	5,207,731
1,925,882	-	-	1,065,073	2,990,955
36,000	-	-	-	36,000
5,745,883	6,126,449	10,031,859	10,006,770	74,850,719
(1,460,606)	(4,996,197)	(6,836,260)	(2,602,099)	(8,494,067)
1,434,562	5,292,855	30,375	2,558,838	19,076,976
(353)	(1,245,242)	(32,643)	(30,022)	(19,076,976)
1,434,209	4,047,613	(2,268)	2,528,816	-
(26,397)	(948,584)	(6,838,528)	(73,283)	(8,494,067)
3,909,268	17,875,384	12,251,826	431,438	46,203,938
$ 3,882,871	$ 16,926,800	$ 5,413,298	$ 358,155	$ 37,709,871

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, 2005

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

Net change in fund balances, total governmental funds	$ (8,494,067)
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.	(14,815,454)
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	141,440
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.	5,170,687
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.	(1,273,863)
Change in net assets of governmental activities	$ (19,271,257)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	INTERNAL SERVICE FUNDS
ASSETS				
Current assets:				
Cash	$ 152,783	$ 568,949	$ 721,732	$ 1,299,710
Equity in pooled cash	-	247,877	247,877	17,673
Investments	-	2,074,230	2,074,230	2,890,784
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	36,742	-	36,742	-
Intergovernmental	-	242,377	242,377	-
Service charges	946,845	165,477	1,112,322	-
Other	-	122,686	122,686	-
Due from other funds	85,640	-	85,640	-
Prepaid expenses	322,057	170,447	492,504	-
Refundable deposits	3,668	-	3,668	-
Total current assets	1,547,735	3,592,043	5,139,778	4,208,167
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	66,954,498	16,756,647	83,711,145	-
Improvements other than buildings	-	1,702,498	1,702,498	-
Furniture and fixtures	12,278,170	3,971,997	16,250,167	-
Vehicles and field equipment	1,334,338	-	1,334,338	-
Construction in progress	9,313,525	-	9,313,525	-
Less: accumulated depreciation	(40,857,730)	(7,586,656)	(48,444,386)	-
Total capital assets, net	49,022,801	18,643,212	67,666,013	-
Total noncurrent assets	49,022,801	18,643,212	67,666,013	-
Total assets	$ 50,570,536	$ 22,235,255	$ 72,805,791	$ 4,208,167

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	INTERNAL SERVICE FUNDS
LIABILITIES				
Current liabilities:				
Accounts payable	$ 68,696	$ 104,385	$ 173,081	$ 20,783
Estimated claims payable	-	-	-	2,984,334
Current portion of mortgage payable	3,520	-	3,520	-
Accrued liabilities	-	20,939	20,939	-
Deposits on future events	-	121,864	121,864	-
Due to other funds	627,457	-	627,457	44,642
Deferred revenue	-	31,875	31,875	-
Total current liabilities	699,673	279,063	978,736	3,049,759
Noncurrent liabilities:				
Mortgage payable (net of current portion)	4,751	-	4,751	-
Total noncurrent liabilities	4,751	-	4,751	-
Total liabilities	704,424	279,063	983,487	3,049,759
NET ASSETS				
Invested in capital assets, net of related debt	49,022,801	18,643,212	67,666,013	-
Unrestricted	843,311	3,312,980	4,156,291	1,158,408
Total net assets	$ 49,866,112	$ 21,956,192	$ 71,822,304	$ 1,158,408

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, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES				
Charges for services	$ 4,108,180	$ 1,177,791	$ 5,285,971	$ 4,643,158
Miscellaneous	-	12,663	12,663	-
Total operating revenues	4,108,180	1,190,454	5,298,634	4,643,158
OPERATING EXPENSES				
Supplies and other expenses	406	13,320	13,726	-
Building and maintenance expenses	46,142	399,224	445,366	-
Outside services	4,676,803	1,107,195	5,783,998	178,742
Insurance claims	-	-	-	1,387,381
Insurance premiums	-	121,558	121,558	4,433,789
Depreciation	1,889,395	581,236	2,470,631	-
Other	111,896	75,100	186,996	-
Total operating expenes	6,724,642	2,297,633	9,022,275	5,999,912
Operating income (loss)	(2,616,462)	(1,107,179)	(3,723,641)	(1,356,754)
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	535,700	-	535,700	-
Hotel/motel taxes	-	493,112	493,112	-
Cable television franchise fees	-	726,550	726,550	-
Interest income	1,984	46,718	48,702	82,891
Interest expense	(978)	-	(978)	-
Total non-operating revenues	536,706	1,266,380	1,803,086	82,891
Income (loss) before contributions	(2,079,756)	159,201	(1,920,555)	(1,273,863)
Capital contributions	8,123,606	-	8,123,606	-
Change in net assets	6,043,850	159,201	6,203,051	(1,273,863)
Net assets - beginning of year	43,822,262	21,796,991	65,619,253	2,432,271
Net assets - end of year	$ 49,866,112	$ 21,956,192	$ 71,822,304	$ 1,158,408

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, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 4,108,117	$ 1,305,694	$ 5,413,811	$ 4,695,614
Payments to suppliers	(5,271,428)	(1,833,153)	(7,104,581)	(5,625,440)
Internal activity - receipts from other funds	633,289	-	633,289	526,445
Internal activity - payments to other funds	-	-	-	(2,279)
Net cash provided by (used for) operating activities	(530,022)	(527,459)	(1,057,481)	(405,660)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Ad valorem taxes	535,700	-	535,700	-
Hotel/motel taxes	-	493,112	493,112	-
Cable television franchise fees	-	726,550	726,550	-
Net cash provided by (used for) noncapital financing activities	535,700	1,219,662	1,755,362	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal payments - mortgage payable	(3,194)	-	(3,194)	-
Interest payments	(978)	-	(978)	-
Purchase of capital assets	-	(194,837)	(194,837)	-
Net cash provided by (used for) capital and related financing activities	(4,172)	(194,837)	(199,009)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	-	3,970,312	3,970,312	13,461,921
Purchase of investments	-	(4,333,982)	(4,333,982)	(12,855,173)
Interest and dividends received	1,984	46,718	48,702	82,891
Net cash provided by (used for) investing activities	1,984	(316,952)	(314,967)	689,639
Net increase (decrease) in cash and cash equivalents	3,490	180,414	183,904	283,979
Cash and cash equivalents, beginning of year	149,293	636,412	785,705	1,033,404
Cash and cash equivalents, end of year	$ 152,783	$ 816,826	$ 969,609	$ 1,317,383

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL	INTERNAL SERVICE FUNDS
Reconciliation to Statement of Net Assets:				
Cash	$ 152,783	$ 568,949	$ 721,732	$ 1,299,710
Equity in pooled cash	-	247,877	247,877	17,673
Cash and cash equivalents, end of year	$ 152,783	$ 816,826	$ 969,609	$ 1,317,383
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (2,616,462)	$ (1,107,179)	$ (3,723,641)	$ (1,356,754)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,889,395	581,236	2,470,631	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(63)	93,026	92,963	52,456
Decrease (increase) in due from other funds	5,832	-	5,832	481,803
Decrease (increase) in prepaid expenses	(322,057)	(157,243)	(479,300)	-
Increase (decrease) in accounts payable	(114,124)	38,891	(75,233)	(2,924)
Increase (decrease) in deferred revenue	-	7,792	7,792	-
Increase (decrease) in accrued liabilities	-	1,596	1,596	-
Increase (decrease) in estimated claims payable	-	-	-	377,396
Increase (decrease) in due to other funds	627,457	-	627,457	42,363
Increase (decrease) in deposits on future events	-	14,422	14,422	-
Total adjustments	2,086,440	579,720	2,666,160	951,094
Net cash provided by (used for) operating activities	$ (530,022)	$ (527,459)	$ (1,057,481)	$ (405,660)
Noncash investing, capital, and financing activities:				
Contributions of capital	$ 8,123,606	$ -	$ 8,123,606	$ -
Acquisitions of property, plant and equipment through capital contributions	(8,123,606)	-	(8,123,606)	-
Gain on fair market value of investments	-	11,466	11,466	11,106
(Increase) in fair market value of investments	-	(11,466)	(11,466)	(11,106)
Net effect of noncash activities	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2005

	PENSION TRUST FUND	
	FIREMEN'S PENSION AND RELIEF	AGENCY FUNDS
ASSETS		
Cash	$ 7,086	$ 151,861
Receivables (net, where applicable, of allowance for uncollectibles)		
Ad valorem taxes	-	1,072,109
Intergovernmental	-	354,927
Other	60	-
Total assets	$ 7,146	$ 1,578,897
LIABILITIES		
Accounts payable	$ -	$ 1,500
Due to other funds	-	1,276,924
Due to other governments	-	236,618
Accrued expenses	7,146	-
Refunds payable	-	63,855
Total liabilities	$ 7,146	$ 1,578,897

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, 2005

	FIREMEN'S PENSION AND RELIEF
ADDITIONS	
Investment Income:	
Net appreciation in fair value of investments	$ 20,819
Interest	267
Dividends	13,201
Total investment income	34,287
Less: investment expense	3,285
Net investment income	31,002
DEDUCTIONS	
Transfer to City of Kenner	739,610
Administrative expenses	16,101
Total deductions	755,711
Change in net assets	(724,709)
Net assets - beginning of year	724,709
Net assets - end of year	$ -

The accompanying notes are an integral part of this statement.

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.

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.

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.

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 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds 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") 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 loses 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2005 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:

Asset Description	Asset Life
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.

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 SERVICES

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

All other interfund services are reported as transfers. 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.

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, 2005, is presented below:

	General	One Percent Sales Tax of 1984 Fund	Fire Protection Fund	General Debt Fund
Net change in fund balances (budgetary basis)	$ (662,766)	$ -	$ (233,035)	$ (26,397)
Adjustments:				
Timing differences:				
To adjust for encumbrances	234,952	-	(21,163)	-
Entity differences:				
To adjust for funds not budgeted	74,737	-	-	-
Net change in fund balances (GAAP basis)	$ (353,077)	$ -	$ (254,198)	$ (26,397)

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the year ended June 30, 2005.

	Expenditures	Appropriations	Excess
Special Revenue Fund:			
Garbage Collection and Disposal Fund	$ 4,156,879	$ 4,153,006	$ (3,873)
Enterprise Fund:			
Civic Center Operations	$ 2,089,926	$ 1,931,901	$ (158,025)

Expenditures exceeded appropriation in the Garbage Collection and Disposal Fund and the Civic Center Operations. 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

Deposits

At June 30, 2005, the City of Kenner has cash (book balances) totaling $23,582,649, as follows:

Governmental Funds:	
Petty cash	$ 4,825
Demand deposits	5,146,085
Money market funds	16,144,769
Proprietary Funds:	
Enterprise Fund	
Petty cash	500
Demand deposits	651,384
Advance to manager	317,724
Internal Service Fund:	
Demand deposits	1,317,362
	$ 23,582,649

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2005, the City's demand deposit bank balances of $11,190,461 were entirely secured 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.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2005 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2005, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

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

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2005, the City had the following investment in debt securities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
Obligations of Federally Sponsored Entities	$ 15,546,650	$ 15,546,650	$ -	$ -	$ -

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federally sponsored entities in the amount of $15,546,650, which are not rated. The type of investment allowed by state law ensures that the City is not exposed to credit risk.

NOTE D - EQUITY IN POOLED CASH

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

	General Pool	Paving Assessments Pool	Sewerage Assessments Pool	Total
Equity in Pooled Cash				
Cash	$ 3,160,505	$ 255,865	$ 5,291	$ 3,421,661
Total Equity in Pooled Cash	$ 3,160,505	$ 255,865	$ 5,291	$ 3,421,661
Equity in Pool				
General	$ 5,714	$ 255,865	$ 5,291	$ 266,870
Fire Protection	302,829	-	-	302,829
General Capital Projects	2,059,581	-	-	2,059,581
Capital Projects Funded with Bond Proceeds	265,141	-	-	265,141
Civic Center Operations	247,877	-	-	247,877
Nonmajor	261,690	-	-	261,690
Internal Service Funds	17,673	-	-	17,673
Total Equity in Pool	$ 3,160,505	$ 255,865	$ 5,291	$ 3,421,661

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, 2005, consists of the following amounts:

General Fund	$ 696,499
Proprietary Funds:	
Department of Wastewater Operations	$ 60,101
Fiduciary Funds:	
Ad Valorem Tax Collection	$ 84,000

NOTE F - SALES TAX

A sales tax of 8.75% for the period of July 1, 2004 through June 30, 2005 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.

Effective Date	Parish-Wide Rate	School Board Rate	City Rate
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	1/4%	-	1/4%
TOTAL	4 3/4%	2%	2 7/12%

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

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

NOTE G - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per $1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2004, which are collected and reported as revenue for the fiscal year ended June 30, 2005 is as follows:

FUND	2004 MILLS
General Fund	2.75
Garbage Collection and Disposal Fund	2.12
Fire Department Fund	9.76
Ad Valorem Tax Bonds Fund	0.41
Department of Wastewater Operations Fund	1.51
Capital Projects for Road Bonds Fund	7.79
Total	24.34

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2005 was as follows:

	June 30, 2004	Additions	Reductions	Completed Construction	June 30, 2005
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 9,549,153	$ -	$ -	$ -	$ 9,549,153
Construction-in-progress	9,052,366	4,893,862	-	(18,516)	13,927,712
Total capital assets not being depreciated	18,601,519	4,893,862	-	(18516)	23,476,865
Capital assets being depreciated:					
Buildings and building improvements	48,606,370	407,299	-	-	49,013,669
Improvements other than buildings	1,662,056	43,223	-	18,516	1,723,795
Street system	269,321,724	-	-	-	269,321,724
Drainage system	369,656,467	-	-	-	369,656,467
Furniture, Fixtures and Equipment	12,075,748	193,066	-	-	12,268,814
Vehicles	9,775,806	308,896	-	-	10,084,702
Bridges	913,337	-	-	-	913,337
Total capital assets being depreciated	712,011,508	952,484	-	18,516	712,982,508
Less accumulated depreciation for:					
Buildings and building improvements	24,113,341	866,507	-	-	24,979,848
Improvements other than buildings	100,443	93,994	-	-	194,437
Street system	119,880,566	7,551,039	-	-	127,431,605
Drainage system	223,544,773	10,139,519	-	-	233,684,292
Furniture, fixtures and equipment	7,264,416	1,001,492	-	-	8,265,908
Vehicles	6,595,318	990,702	-	-	7,586,020
Bridges	266,512	18,547	-	-	285,059
Total accumulated depreciation	381,765,369	20,661,800	-	-	402,427,169
Total capital assets being depreciated, net	330,246,139	(19,709,316)	-	18,516	310,555,339
Governmental activities capital assets net	$348,847,658	$(14,815,454)	$ -	$ -	$334,032,204

NOTE H - CAPITAL ASSETS (CONTINUED)

	June 30, 2004	Additions	Reductions/ Transfers	Completed Construction	June 30, 2005
Business-Type Activities					
Capital assets not being depreciated:					
Land	$ 3,798,726	$ -	$ -	$ -	$ 3,798,726
Construction-in-progress	2,492,177	8,078,898	-	(1,257,550)	9,313,525
Total capital assets not being depreciated	6,290,903	8,078,898	-	(1,257,550)	13,112,251
Capital assets being depreciated:					
Buildings and building improvements	82,357,887	95,708	-	1,257,550	83,711,145
Improvements other than buildings	1,688,932	13,566	-	-	1,702,498
Furniture, fixtures and equipment	16,119,896	130,271	-	-	16,250,167
Vehicles	1,334,338	-	-	-	1,334,338
Total capital assets being depreciated	101,501,053	239,545	-	1,257,550	102,998,148
Less accumulated depreciation for:					
Buildings and building Improvements	34,194,243	1,503,988	-	-	35,698,231
Improvements other than buildings	893,541	84,909	-	-	978,450
Furniture, fixtures and equipment	9,656,078	910,240	-	-	10,566,318
Vehicles	1,229,893	(28,506)	-	-	1,201,387
Total accumulated depreciation	45,973,755	2,470,631	-	-	48,444,386
Total capital assets being depreciated, net	55,527,298	(2,231,086)	-	1,257,550	54,553,762
Business-type activities capital assets, net	$ 61,818,201	$ 5,847,812	$ -	$ -	$ 67,666,013

NOTE H - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	$ 241,486
Public safety	1,761,963
Public works	18,131,706
Culture and recreation	524,012
Health and Welfare	2,633
Total depreciation expense - governmental activities	$ 20,661,800
Business-type activities:	
Wastewater Operations	$ 1,889,395
Civic Center Operations	581,236
Total depreciation expense - business-type activities	$ 2,470,631

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

	Project/Contract Authorization June 30, 2005	Expended to June 30, 2005	Committed	Required Future Financing
General government	$ 184,751	$ 44,278	$ 140,473	$ 140,473
Public works	7,291,744	6,100,502	1,191,242	1,191,242
Public safety	893,819	344,717	549,102	549,102
Culture and recreation	9,508,404	7,438,215	2,070,189	2,070,189
Total	$ 17,878,718	$ 13,927,712	$ 3,951,006	$ 3,951,006

NOTE I - LONG-TERM DEBT

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2005 includes the following serial bonds and certificates:

	Interest Rates	Final Maturity Date	Range of Annual Principal Payments From	To	Amount Issued	Amount Outstanding
General Obligation Refunding Bonds, Series 1992	5.75%	3/01/2005	$ 260,000	$ 260,000	$ 2,595,000	$ -
Sales Tax Bond, Series 2003	1.3 - 5.0%	6/01/2018	$ 1,960,000	$ 3,055,000	35,895,000	31,985,000
Sales Tax Bonds, Series 1994	2.95%	6/01/2016	$ 540,000	$ 740,000	11,427,803	7,080,000
Sales Tax Bonds, Series 1995A	2.95%	6/01/2016	$ 65,000	$ 90,000	1,462,875	865,000
Certificates of Indebtedness, Series 2000	5.375%	1/01/2010	$ 860,000	$ 1,155,000	9,000,000	5,150,000
Certificates of Indebtedness, Series 2001	3.25 - 4.10%	7/01/2011	$ 130,000	$ 200,000	1,500,000	1,165,000
Total Bonds and Certificates					$ 61,880,678	$ 46,245,000

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

a. General Obligation Refunding Bonds

These bonds were secured by, and payable from ad valorem taxes collected in the Ad Valorem Tax Bonds Fund. Such bonds were paid off as of June 30, 2005 and $3,351 remains in the Debt Service Fund.

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, 2005, bonds outstanding were $31,985,000, $7,080,000 and $865,000, respectively. The amount available in the Debt Service Funds was $2,294,905.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2005 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

NOTE I - 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, 2005, the loan had an outstanding balance of $7,080,000. Total interest and administrative fees paid during the year ended June 30, 2005 were $186,690 and $38,100, 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, 2005, the loan had an outstanding balance of $865,000. Total interest and administrative fees paid during the year ended June 30, 2005 were $22,785 and $4,650, 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, 2005, bonds outstanding were $5,150,000.

Certificates of Indebtedness Series 2001 were issued for the purchase of land in the Laketown area. At June 30, 2005, bonds outstanding were $1,165,000.

These certificates are collateralized by a pledge of the excess revenues from the General Fund. The amount available in the Debt Service Funds was 1,572,327.

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, 2005, $240,974 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, 2005, the merger payable for this component had a total outstanding balance of $1,098,561.

$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, 2005, the merger payable for this component had a total outstanding balance of $1,636,643.

NOTE I - 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, 2005, $19,650,000 of such loans were outstanding and $11,110 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, 2005, the mortgage payable had an outstanding balance of $8,271.

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:

Service (years)	Amount
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.

NOTE I - 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:

Years Service	Civil Service Amount
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.

NOTE I - 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, 2005:

	Balance 6/30/2004	Issues or Additions	Payments or Expenditure	Discount/ (Premium)	Balance 6/30/2005	Due within One Year
Governmental Activities						
General Obligation Bonds	$ 257,869	$ -	$ 260,000	$ 2,131	$ -	$ -
Sales Tax Revenue Bonds	43,878,803	-	2,705,000	(148,605)	41,025,198	2,726,395
Certificate of Indebtedness	7,305,000	-	990,000	-	6,315,000	1,055,000
Note Payable	2,778,934	-	43,730	-	2,735,204	46,831
LCDA Series 2003 Loan	21,084,981	-	1,120,000	(38,904)	19,926,077	1,211,436
Capital Lease Obligations	209,185	-	89,001	-	120,184	95,316
Compensated Absences	3,121,477	173,011	-	-	3,294,488	2,107,560
Total Government Activities	78,636,249	173,011	5,207,731	(185,378)	73,416,151	7,242,538
Business-Type Activities						
Mortgage Payable	11,465	-	3,194	-	8,271	3,520
Total Business-Type Activities	11,465	-	3,194	-	8,271	3,520
Total Governmental and Business-Type Activities	$ 78,647,714	$ 173,011	$ 5,210,925	$ (185,378)	$ 73,424,422	$7,246,058

The annual requirements to maturity for sales tax bonds as of June 30, 2005 are as follows:

Year Ending June 30,	Principal	Interest
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	2,980,000	1,066,616
2011-2015	16,340,000	3,915,489
2016-2018	9,605,000	830,829
	$ 39,930,000	$ 11,012,239

NOTE I - LONG-TERM DEBT (CONTINUED)

6. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for certificates of indebtedness as of June 30, 2005 are as follows:

Year Ending June 30,	Principal	Interest
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	1,330,000	80,374
2011-2012	385,000	15,733
	$ 6,315,000	$ 1,026,958

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2005 are as follows:

Year Ending June 30,	Principal	Interest
2006	$ 46,831	$ 190,872
2007	50,152	187,551
2008	53,709	183,994
2009	57,517	180,186
2010	61,596	176,109
2011-2015	380,045	808,469
2016-2020	535,340	653,173
2021-2025	754,114	434,398
2026-2029	795,900	131,163
	$ 2,735,204	$ 2,945,915

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2005 are as follows:

Year Ending June 30,	Principal	Interest
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	1,390,000	593,833
2011-2015	7,760,000	2,120,850
2016-2018	5,445,000	478,650
	$ 19,650,000	$ 6,075,539

NOTE I - LONG-TERM DEBT (CONTINUED)

6. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the mortgage payable as of June 30, 2005 are as follows:

Year Ending June 30,	Principal	Interest
2006	$ 3,520	$ 652
2007	3,879	190
2008	872	-
	$ 8,271	$ 842

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 J - 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.

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 2005-2006, paid from funds remaining in 2004-2005.

NOTE J - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE (CONTINUED)

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 K - INTEREST COST

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

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS
Interest expense	$ 978	$ -

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund transfers at June 30, 2005 are as follows:

Transfer Out:	Transfer In: General Fund	Fire Protection Fund	General Debt	General Capital Projects	Capital Projects Funded with Bond Proceeds	Nonmajor Governmental	Total
General Fund	$ -	$ 810,522	$ 182,580	$5,292,855	$ -	$ 425,423	$ 6,711,380
One Percent Sales Tax of 1984 Fund	7, 899,824	1,050,000	-	-	-	2,107,512	11,057,336
General Debt	-	-	-	-	353	-	353
General Capital Projects	-	-	1,235,194	-	-	10,048	1,245,242
General Projects Funded with Bond Proceeds	-	-	16,788	-	-	15,855	32,643
Nonmajor governmental	-	-	-	-	30,022	-	30,022
Total	$7,899,824	$1,860,522	$1,434,562	$5,292,855	$ 30,375	$ 2,558,838	$ 19,076,976

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.

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

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	One Percent Sales Tax of 1984 Fund	$ 1,872,974
	General Capital Projects	647,626
	Wastewater	627,457
	Nonmajor Governmental Funds	665,726
	Internal Service Funds	44,642
	Fiduciary Funds	283,139
One Percent Sales Tax of 1984 Fund	Nonmajor Governmental Funds	55,162
Fire Protection Fund	General Fund	22,862
	One Percent Sales Tax of 1984 Fund	59,244
	Fiduciary Funds	538,563
General Debt Fund	Capital Projects Funded with Bond Proceeds	625,710
General Capital Projects	General Fund	26,883
Capital Projects Funded with Bond Proceeds	Fiduciary Funds	197,795
Wastewater Operations	Fiduciary Funds	85,640
Nonmajor Governmental Funds	General Fund	186,138
	One Percent Sales Tax of 1984 Fund	14,891
	Fiduciary Funds	171,786
		$ 6,126,238

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

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 $2,984,334 (which includes claims incurred but not reported in the Fund at June 30, 2005) 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.

NOTE N - RISK MANAGEMENT (CONTINUED)

Changes in the balances of claims liabilities during fiscal years 2003, 2004, and 2005 were as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
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
2004 - 2005	2,606,938	1,385,009	(1,007,613)	2,984,334

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 $330,000 to $360,000, which has not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note 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 5th Circuit Court of Appeals reversed the summary judgment. The case has been remanded to trial court for further proceedings, and a status hearing has been set for January 2006.

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 I for additional information regarding the financing of the sewer rehabilitation project.

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.

CONSTRUCTION

Construction commitments are discussed in Note I.

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.

<u>Capital Lease</u>

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 at June 30, 2005.

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, 2005.

Year Ending June 30,	Governmental Funds
2006	$ 100,613
2007	25,153
Total minimum lease payments	125,766
Less amount representing interest	5,582
Present value of future minimum lease payments	$ 120,184

Operating leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2005 amounted to $187,803. Future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amounts
2006	$ 188,308
2007	144,823
2008	33,948
Total minimum lease payments	$ 367,079

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, 2005, 81 retirees were eligible and were receiving such health care benefits. Total health care premiums amounted to $413,813, of which $296,205 (72%) was paid by the City and $117,608 (28%) was paid by the retirees for the year ended June 30, 2005. Life insurance premiums paid by the City for 92 eligible retirees amounted to $4,127 for the year-ended June 30, 2005. 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.

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, 2005, 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, 2005. 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. For the year ended June 30, 2005, the employer's contribution rate was 15%. Effective July 1, 2005, the employer's contribution rate increased to 16%.

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, 2005. 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. For the year ended June 30, 2005, the employer's contribution rate was 21.5%. Effective July 1, 2005, the employer's contribution rate decreased to 16.25%.

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 SFRS was 21% for July 1, 2004 through February 28, 2005. However, the City was following a court-approved mutual agreement that allows each System member to continue paying employer contributions at the pre-2003 rate (9%). As of March 1, 2005, the employer's contribution rate increased to 24%. Effective July 1, 2005, the employer's contribution rate decreased to 18%.

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.

COVERED PAYROLL

The total payroll and the covered payroll, for each of the plans for the year ended June 30, 2005 were as follows:

	Total	*Covered*
Municipal Plan	$ 11,131,047	$ 10,635,968
Police Plan	8,972,763	7,017,700
Statewide Firefighters Retirement System	4,109,047	3,850,105
Firemen's Plan	N/A	N/A

NOTE R - PENSION PLANS (CONTINUED)

CURRENT MEMBERSHIP

At June 30, 2005 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	-
Total employee members	-

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:

		City		Employees		Total
Year Ended June 30,	Annual Required Contribution	Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
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%
2005	2,548,739	1,595,398	15.00	953,341	9.25	100%

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

		City		Employees		Total
Year Ended June 30,	Annual Required Contribution	Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
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%
2005	2,020,777	1,507,757	21.50	513,020	7.50	100%

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

		City		Employees		Total
Year Ended June 30,	Annual Required Contribution	Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
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%
2005	833,534	525,526	9.00-24.00	308,008	8.00	100%

NOTE R - PENSION PLANS (CONTINUED)

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, 2005, containing more detailed information regarding operating results, are available from the City for the following fund:

Pension Trust Fund:	Auditors:
Firemen's Pension and Relief Fund	Duplantier, Hrapmann, Hogan & Maher, L.L.P Certified Public Accountants

NOTE T - SUBSEQUENT EVENT

On August 29, 2005, Hurricane Katrina struck the State of Louisiana, causing significant damage to property in the City of Kenner. The City's property losses resulting from this damage are expected to be covered by insurance. The future economic impact of Hurricane Katrina on the City of Kenner cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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CITY OF KENNER, LOUSIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes	$ 27,084,728	$ -	$ 27,084,728	$ 26,448,871	$ 26,566,664	$ 518,064
Licenses and permits	2,823,174	-	2,823,174	2,731,527	2,731,527	91,647
Intergovernmental	1,856,707	(406,257)	1,450,450	1,499,367	1,499,367	(48,917)
Charges for services	610,989	-	610,989	743,089	743,089	(132,100)
Fines and forfeitures	1,922,748	-	1,922,748	2,568,354	2,568,354	(645,606)
Interest on invested funds	86,607	(13,646)	72,961	25,000	25,000	47,961
Miscellaneous	345,211	(51,135)	294,076	329,299	329,299	(35,223)
Total revenues	34,730,164	(471,038)	34,259,126	34,345,507	34,463,300	(204,174)
EXPENDITURES						
General government	8,363,806	(151,016)	8,212,790	7,920,860	8,497,484	284,694
Public safety	16,180,745	(8,874)	16,171,871	15,219,011	17,012,801	840,930
Public works	5,510,738	8,636	5,519,374	5,322,922	5,576,987	57,613
Health and welfare	736,402	(184)	736,218	729,205	768,367	32,149
Culture and recreation	3,850,747	5,218	3,855,965	4,230,693	4,209,346	353,381
Transit and urban development	396,438	-	396,438	552,935	552,936	156,498
Miscellaneous	1,232,809	(15,129)	1,217,680	1,806,551	1,352,420	134,740
Total expenditures	36,271,685	(161,349)	36,110,336	35,782,177	37,970,341	1,860,005
Excess (deficiency) of revenues over (under) expenditures	(1,541,521)	(309,689)	(1,851,210)	(1,436,670)	(3,507,041)	1,655,831
OTHER FINANCING SOURCES (USES)						
Operating transfers in	7,899,824	-	7,899,824	7,799,352	8,084,771	(184,947)
Operating transfers out	(6,711,380)	-	(6,711,380)	(6,362,682)	(6,692,770)	(18,610)
Total other financing sources (uses)	1,188,444	-	1,188,444	1,436,670	1,392,001	(203,557)
Net change in fund balance	(353,077)	(309,689)	(662,766)	-	(2,115,040)	1,452,274
Fund balance - beginning of year	10,726,942	2,933,055	13,659,997	13,659,997	13,659,997	-
Fund balance - end of year	$ 10,373,865	$ 2,623,366	$ 12,997,231	$ 13,659,997	$ 11,544,957	$ 1,452,274

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, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Sales tax	$ 11,057,336	$ -	$ 11,057,336	$ 11,338,248	$ 11,338,248	$ (280,912)
Total revenues	11,057,336	-	11,057,336	11,338,248	11,338,248	(280,912)
EXPENDITURES						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	11,057,336	-	11,057,336	11,338,248	11,338,248	(280,912)
OTHER FINANCING SOURCES (USES)						
Transfers out	(11,057,336)	-	(11,057,336)	(11,338,248)	(11,338,248)	280,912
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, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	$ 3,517,572	$ -	$ 3,517,572	$ 3,511,161	$ 3,511,161	$ 6,411
Parking	234,135	-	234,135	216,640	216,640	17,495
Intergovernmental	28,548	-	28,548	-	-	28,548
Charges for services:						
Fire reports	740,468	-	740,468	654	744,780	(4,312)
Interest	29,298	-	29,298	6,000	6,000	23,298
Miscellaneous	3,332	-	3,332	4,150	4,150	(818)
Total revenues	4,553,353	-	4,553,353	3,738,605	4,482,731	70,622
EXPENDITURES						
Public safety:						
Personnel	6,082,001	-	6,082,001	5,144,540	6,135,325	53,324
Supplies	44,209	-	44,209	100,500	104,000	59,791
Service charges	501,600	(15,538)	486,062	715,600	777,847	291,785
Capital outlay	40,263	(5,625)	34,638	213,721	200,049	165,411
Total expenditures	6,668,073	(21,163)	6,646,910	6,174,361	7,217,221	570,311
Excess (deficiency) of revenues over (under) expenditures	(2,114,720)	21,163	(2,093,557)	(2,435,756)	(2,734,490)	640,933
OTHER FINANCING SOURCES						
Transfers in	1,860,522	-	1,860,522	1,561,788	1,860,522	-
Net change in fund balance	(254,198)	21,163	(233,035)	(873,968)	(873,968)	640,933
Fund balance - beginning of year	1,009,080	(23,072)	986,008	986,008	986,008	-
Fund balance - end of year	$ 754,882	$ (1,909)	$ 752,973	$ 112,040	$ 112,040	$ 640,933

CITY OF KENNER, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(In thousands of dollars)
FIREMEN'S PENSION AND RELIEF FUND
June 30, 2005

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Surplus) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2005	$ *	$ *	$ *	$ *	$ *	$ *
2004	*	*	*	*	*	*
2003	*	*	*	*	*	*
2002	822	-	-	N/A	-	N/A
2001	950	-	-	N/A	-	N/A
2000	1,003	-	-	N/A	-	N/A

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 SFRS in March 1999.

* An actuarial valuation report was not prepared for the years ended June 30, 2003, 2004 and 2005.

CITY OF KENNER
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND TREND INFORMATION
FIREMEN'S PENSION AND RELIEF FUND
June 30, 2005

Year Ended June 30,	Annual Pension Cost (APC)*	Percentage of APC Contributed	Net Pension Obligation
2005	$ -	$ -	$ -
2004	-	-	-
2003	-	-	-
2002	-	-	-
2001	-	-	-
2000	-	-	-

* 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:

Last valuation date	June 30, 2002
Actuarial cost method	Aggregate
Amortization valuation 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, 2005.

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OTHER SUPPLEMENTARY INFORMATION

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CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
JUNE 30, 2005

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, 2005

	SPECIAL REVENUE			
	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING
ASSETS				
Cash	$ 34,423	$ -	$ 13,758	$ 1,749
Equity in pooled cash	9,607	-	-	-
Investments	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	757,558	-	-
Intergovernmental	106,219	-	1,099	679
Other	15,427	-	-	56
Due from other funds	3,905	135,108	57,972	129,429
Total assets	$ 169,581	$ 892,666	$ 72,829	$ 131,913
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 45,672	$ 119,000	$ 18,977	$ 74,620
Accrued liabilities	26,547	-	39,103	6,611
Due to other funds	-	659,230	8,065	47,097
Deferred revenues	-	114,436	1,622	3,289
Total liabilities	72,219	892,666	67,767	131,617
Fund balances:				
Reserved for:				
Encumbrances	-	-	5,062	296
Debt service	-	-	-	-
Unreserved, undesignated	97,362	-	-	-
Total fund balances	97,362	-	5,062	296
Total liabilities and fund balances	$ 169,581	$ 892,666	$ 72,829	$ 131,913

SPECIAL REVENUE	DEBT SERVICE			TOTAL
TOTAL	AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	NONMAJOR GOVERNMENTAL FUNDS
$ 49,930	$ 8,118	$ -	$ 8,118	$ 58,048
9,607	11,110	240,973	252,083	261,690
-	-	1	1	1
757,558	-	-	-	757,558
107,997	-	-	-	107,997
15,483	-	-	-	15,483
326,414	46,401	-	46,401	372,815
$ 1,266,989	$ 65,629	$ 240,974	$ 306,603	$ 1,573,592
$ 258,269	$ -	$ -	$ -	$ 258,269
72,261	-	-	-	72,261
714,392	6,495	-	6,495	720,887
119,347	44,673	-	44,673	164,020
1,164,269	51,168	-	51,168	1,215,437
5,358	-	-	-	5,358
-	14,461	240,974	255,435	255,435
97,362	-	-	-	97,362
102,720	14,461	240,974	255,435	358,155
$ 1,266,989	$ 65,629	$ 240,974	$ 306,603	$ 1,573,592

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED 30, 2005

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES	STREET LIGHTING
REVENUES				
Taxes	$ -	$ 764,241	$ 215,095	$ 193
Intergovernmental	957,525	-	1,099	679
Charges for services	-	2,973,018	-	-
Interest	-	-	-	-
Miscellaneous	51,232	-	-	1
Total Revenues	1,008,757	3,737,259	216,194	873
EXPENDITURES				
Current:				
Public works	149,850	4,156,879	954,271	1,157,097
Culture and recreation	155,561	-	-	-
Transit and urban development	944,309	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,249,720	4,156,879	954,271	1,157,097
Excess (deficiency) of revenues over (under) expenditures	(240,963)	(419,620)	(738,077)	(1,156,224)
OTHER FINANCING SOURCES (USES)				
Transfers in	253,086	419,620	713,757	1,156,520
Transfers out	-	-	-	-
Total other financing sources (uses)	253,086	419,620	713,757	1,156,520
Net change in fund balances	12,123	-	(24,320)	296
Fund balances - beginning of year	85,239	-	29,382	-
Fund balances - end of year	$ 97,362	$ -	$ 5,062	$ 296

SPECIAL REVENUE	DEBT SERVICE FUNDS			TOTAL
		FIREMEN'S		NONMAJOR
	AD VALOREM	PENSION MERGER		GOVERNMENTAL
TOTAL	TAX BONDS	FUND	TOTAL	FUNDS
$ 979,529	$ 2,125,806	$ 194,689	$ 2,320,495	$ 3,300,024
959,303	-	-	-	959,303
2,973,018	-	-	-	2,973,018
-	4,930	8,550	13,480	13,480
51,233	-	107,613	107,613	158,846
4,963,083	2,130,736	310,852	2,441,588	7,404,671
6,418,097	-	-	-	6,418,097
155,561	-	-	-	155,561
944,309	-	-	-	944,309
-				
-	1,380,000	43,730	1,423,730	1,423,730
-	871,100	193,973	1,065,073	1,065,073
7,517,967	2,251,100	237,703	2,488,803	10,006,770
(2,554,884)	(120,364)	73,149	(47,215)	(2,602,099)
2,542,983	15,855	-	15,855	2,558,838
-	(30,022)	-	(30,022)	(30,022)
2,542,983	(14,167)	-	(14,167)	2,528,816
(11,901)	(134,531)	73,149	(61,382)	(73,283)
114,621	148,992	167,825	316,817	431,438
$ 102,720	$ 14,461	$ 240,974	$ 255,435	$ 358,155

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
TAXES						
Ad valorem tax	$ 991,487	$ -	$ 991,487	$ 990,899	$ 990,899	$ 588
Sales tax	15,724,981	-	15,724,981	14,711,242	14,711,242	1,013,739
Beer tax	70,958	-	70,958	74,000	74,000	(3,042)
Parking tax	1,393,653	-	1,393,653	1,393,653	1,393,653	-
Franchises						
Electricity service	1,604,693	-	1,604,693	1,811,616	1,811,616	(206,923)
Gas service	197,138	-	197,138	195,398	195,398	1,740
Off-track wagering	185,021	-	185,021	178,687	178,687	6,334
Hotel/motel tax	225,176	-	225,176	94,243	212,036	13,140
Telephone	314,345	-	314,345	388,635	388,635	(74,290)
Riverboat	6,377,276	-	6,377,276	6,610,498	6,610,498	(233,222)
Total taxes	27,084,728	-	27,084,728	26,448,871	26,566,664	518,064
LICENSES AND PERMITS						
Business:						
Occupational	2,080,288	-	2,080,288	1,994,231	1,994,231	86,057
Alcoholic beverage	73,162	-	73,162	65,515	65,515	7,647
Chain store	71,951	-	71,951	71,990	71,990	(39)
Plumbing	30,790	-	30,790	32,590	32,590	(1,800)
Electrical	22,190	-	22,190	23,144	23,144	(954)
Taxi cab	44,171	-	44,171	47,940	47,940	(3,769)
Air conditioning	15,340	-	15,340	16,642	16,642	(1,302)
Bingo	300	-	300	-	400	(100)
Animal control	703	-	703	1,100	700	3
Total business	2,338,895	-	2,338,895	2,253,152	2,253,152	85,743
Non-business:						
Building	140,376	-	140,376	130,900	130,900	9,476
Garage sales	4,000	-	4,000	3,720	3,720	280
Brake tags	339,903	-	339,903	343,755	343,755	(3,852)
Total non-business	484,279	-	484,279	478,375	478,375	5,904
Total licenses and permits	2,823,174	-	2,823,174	2,731,527	2,731,527	91,647
INTERGOVERNMENTAL						
Federal Grants	406,257	(406,257)	-	-	-	-
From state:						
Tobacco tax	-	-	-	-	-	-
Parish transportation fund	337,056	-	337,056	375,098	375,098	(38,042)
Parish road fund	173,222	-	173,222	180,103	180,103	(6,881)
Video poker	677,053	-	677,053	693,829	693,829	(16,776)
Other state grants	-	-	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	52,119	-	52,119	39,337	39,337	12,782
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	1,856,707	(406,257)	1,450,450	1,499,367	1,499,367	(48,917)

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CHARGES FOR SERVICES						
Zoning fees	$ 18,222	$ -	$ 18,222	$ 8,850	$ 8,850	$ 9,372
Inspection fees						
Electrical	57,301	-	57,301	50,942	50,942	6,359
Plumbing	48,539	-	48,539	43,494	43,494	5,045
Air conditioning, heating, and other	39,543	-	39,543	35,946	35,946	3,597
Maps and document sales	1,279	-	1,279	1,600	1,600	(321)
Tax research fees	19,635	-	19,635	19,316	19,316	319
Police reports	37,529	-	37,529	36,877	36,877	652
Weed cutting fees	55,445	-	55,445	99,903	99,903	(44,458)
Recreation department						
Participation fees	39,816	-	39,816	16,500	16,500	23,316
Admission fees	230,785	-	230,785	368,661	368,661	(137,876)
Identification and other fees	1,875	-	1,875	-	-	1,875
Community service fees	20	-	20	-	-	20
Administrative charges	61,000	-	61,000	61,000	61,000	-
Total charges for services	610,989	-	610,989	743,089	743,089	(132,100)
FINES AND FORFEITURES						
Fines	1,471,778	-	1,471,778	2,108,462	2,108,462	(636,684)
Forfeitures	330,388	-	330,388	356,192	356,192	(25,804)
DWI fines	1,824	-	1,824	1,300	1,300	524
Reinstatement fees	118,758	-	118,758	102,400	102,400	16,358
Total fines and forfeitures	1,922,748	-	1,922,748	2,568,354	2,568,354	(645,606)
INTEREST ON INVESTED FUNDS	86,607	(13,646)	72,961	25,000	25,000	47,961
MISCELLANEOUS						
Donations	250	(250)	-	-	-	-
Rents	207,139	-	207,139	207,740	207,740	(601)
Other investment income	52,197	(15,129)	37,068	60,000	60,000	(22,932)
Other	85,625	(35,756)	49,869	61,559	61,559	(11,690)
Total miscellaneous	345,211	(51,135)	294,076	329,299	329,299	(35,223)
Total revenues	$ 34,730,164	$ (471,038)	$ 34,259,126	$ 34,345,507	$ 34,463,300	$ (204,174)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL GOVERNMENT						
Personnel	$ 4,328,107	$ -	$ 4,328,107	$ 4,635,936	$ 4,477,814	$ 149,707
Supplies	178,022	(9,426)	168,596	147,270	196,103	27,507
Service charges	3,803,643	(129,956)	3,673,687	3,125,214	3,760,807	87,120
Capital outlay	54,034	(11,633)	42,401	12,440	62,760	20,359
Total general government	$ 8,363,806	$ (151,016)	$ 8,212,790	$ 7,920,860	$ 8,497,484	$ 284,694
PUBLIC SAFETY						
Personnel	$ 13,263,561	$ (192,408)	$ 13,071,153	$ 12,216,780	$ 13,485,818	$ 414,665
Supplies	595,722	(1,481)	594,241	516,076	653,914	59,673
Service charges	2,294,163	(21,407)	2,272,756	2,486,155	2,635,069	362,313
Capital outlay	27,299	206,422	233,721	-	238,000	4,279
Total public safety	$ 16,180,745	$ (8,874)	$ 16,171,872	$ 15,219,011	$ 17,012,801	$ 840,929
PUBLIC WORKS						
Personnel	$ 4,062,098	$ -	$ 4,062,098	$ 4,140,606	$ 4,034,093	$ (28,005)
Supplies	1,275,870	9,134	1,285,004	974,677	1,352,129	67,125
Service charges	171,912	(498)	171,414	207,639	189,907	18,493
Capital outlay	858	-	858	-	858	-
Total public works	$ 5,510,738	$ 8,636	$ 5,519,374	$ 5,322,922	$ 5,576,987	$ 57,613
HEALTH AND WELFARE						
Personnel	$ 577,364	$ -	$ 577,364	$ 587,814	$ 594,905	$ 17,541
Supplies	147,272	(184)	147,088	123,189	155,260	8,172
Service charges	11,766	-	11,766	18,202	18,202	6,436
Capital outlay	-	-	-	-	-	-
Total health and welfare	$ 736,402	$ (184)	$ 736,218	$ 729,205	$ 768,367	$ 32,149

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
CULTURE AND RECREATION						
Personnel	$ 2,644,837	$ -	$ 2,644,837	$ 2,706,392	$ 2,681,561	$ 36,724
Supplies	226,739	1,146	227,885	297,696	315,159	87,274
Service charges	969,728	4,072	973,800	1,226,605	1,203,183	229,383
Capital outlay	9,443	-	9,443	-	9,443	-
Total culture and recreation	$ 3,850,747	$ 5,218	$ 3,855,965	$ 4,230,693	$ 4,209,346	$ 353,381
TRANSIT						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	-	-	-	-	-	-
Service charges	396,438	-	396,438	552,935	552,936	156,498
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	$ 396,438	$ -	$ 396,438	$ 552,935	$ 552,936	$ 156,498
MISCELLANEOUS						
Personnel	$ 309,823	$ -	$ 309,823	$ 691,551	$ 314,420	$ 4,597
Supplies	-	-	-	-	-	-
Service charges	922,986	(15,129)	907,857	1,115,000	1,038,000	130,143
Capital outlay	-	-	-	-	-	-
TOTAL MISCELLANEOUS	$ 1,232,809	$ (15,129)	$ 1,217,680	$ 1,806,551	$ 1,352,420	$ 134,740
TOTAL EXPENDITURES						
Personnel	$ 25,185,790	$ (192,408)	$ 24,993,382	$ 24,979,079	$ 25,588,611	$ 595,229
Supplies	2,423,625	(811)	2,422,814	2,058,908	2,672,565	249,751
Service charges	8,570,636	(162,918)	8,407,718	8,731,750	9,398,104	990,386
Capital outlay	91,634	194,789	286,423	12,440	311,061	24,638
TOTAL EXPENDITURES	$ 36,271,685	$ (161,349)	$ 36,110,337	$ 35,782,177	$ 37,970,341	$ 1,860,004

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION
Year Ended June 30, 2005

COUNCIL OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 695,346	$ -	$ 695,346	$ 720,049	$ 727,692	$ 32,346
Supplies	35,220	3,982	39,202	36,670	44,419	5,217
Service charges	87,601	449	88,050	152,300	124,908	36,858
Capital outlay	-	-	-	-	12,000	12,000
Total expenditures	$ 818,167	$ 4,431	$ 822,598	$ 909,019	$ 909,019	$ 86,421

MAYOR'S OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 338,605	$ -	$ 338,605	$ 394,246	$ 362,146	$ 23,541
Supplies	17,063	478	17,541	9,400	18,900	1,359
Service charges	28,458	-	28,458	23,927	32,127	3,669
Capital outlay	1,270	341	1,611	-	1,400	(211)
Total expenditures	$ 385,396	$ 819	$ 386,215	$ 427,573	$ 414,573	$ 28,358

CHIEF ADMINISTRATIVE OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 282,434	$ -	$ 282,434	$ 292,667	$ 291,967	$ 9,533
Supplies	17,041	-	17,041	6,045	17,545	504
Service charges	13,658	-	13,658	11,222	14,422	764
Capital outlay	-	3,420	3,420	-	3,700	280
Total expenditures	$ 313,133	$ 3,420	$ 316,553	$ 309,934	$ 327,634	$ 11,081

FINANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 561,475	$ -	$ 561,475	$ 575,223	$ 564,223	$ 2,748
Supplies	20,423	237	20,660	24,000	22,200	1,540
Service charges	35,588	-	35,588	41,200	37,000	1,412
Capital outlay	6,738	-	6,738	-	7,000	262
Total expenditures	$ 624,224	$ 237	$ 624,461	$ 640,423	$ 630,423	$ 5,962

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
Year Ended June 30, 2005

PURCHASING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 250,745	$ -	$ 250,745	$ 271,854	$ 271,854	$ 21,109
Supplies	4,481	61	4,542	4,500	4,875	333
Service charges	15,887	-	15,887	19,374	18,999	3,112
Capital outlay	3,267	(840)	2,427	2,440	2,440	13
Total expenditures	$ 274,380	$ (779)	$ 273,601	$ 298,168	$ 298,168	$ 24,567

PERSONNEL

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 263,330	$ -	$ 263,330	$ 264,940	$ 264,940	$ 1,610
Supplies	3,963	75	4,038	4,560	4,560	522
Service charges	28,018	-	28,018	34,577	34,577	6,559
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 295,311	$ 75	$ 295,386	$ 304,077	$ 304,077	$ 8,691

PLANNING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 318,549	$ -	$ 318,549	$ 377,448	$ 343,623	$ 25,074
Supplies	7,136	-	7,136	5,070	7,670	534
Service charges	22,981	-	22,981	20,937	27,862	4,881
Capital outlay	15,620	1,775	17,395	-	24,300	6,905
Total expenditures	$ 364,286	$ 1,775	$ 366,061	$ 403,455	$ 403,455	$ 37,394

DATA PROCESSING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 186,062	$ -	$ 186,062	$ 156,244	$ 184,444	$ (1,618)
Supplies	5,173	(13)	5,160	5,850	6,250	1,090
Service charges	199,895	12	199,907	221,865	201,265	1,358
Capital outlay	1,907	-	1,907	-	2,000	93
Total expenditures	$ 393,037	$ (1)	$ 393,035	$ 383,959	$ 393,959	$ 924

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
Year Ended June 30, 2005

CIVIL SERVICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 60,623	$ -	$ 60,623	$ 73,051	$ 73,051	$ 12,428
Supplies	1,440	316	1,756	1,895	1,895	139
Service charges	13,462	-	13,462	15,620	15,620	2,158
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 75,525	$ 316	$ 75,841	$ 90,566	$ 90,566	$ 14,725

GENERAL MUNICIPAL EXPENSE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 559,083	$ -	$ 559,083	$ 672,586	$ 561,586	$ 2,503
Supplies	40,055	(9,782)	30,273	30,500	32,500	2,227
Service charges	3,315,791	(130,417)	3,185,374	2,521,593	3,209,517	24,143
Capital outlay	18,312	(16,329)	1,983	10,000	3,000	1,017
Total expenditures	$ 3,933,241	$ (156,529)	$ 3,776,712	$ 3,234,679	$ 3,806,603	$ 29,891

EMERGENCY RESERVE

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

MAGISTRATE'S COURT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 811,855	$ -	$ 811,855	$ 837,628	$ 832,288	$ 20,433
Supplies	26,027	(4,780)	21,247	18,780	35,289	14,042
Service charges	42,304	-	42,304	62,599	44,510	2,206
Capital outlay	6,920	-	6,920	-	6,920	-
Total expenditures	$ 887,106	$ (4,780)	$ 882,326	$ 919,007	$ 919,007	$ 36,681

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
Year Ended June 30, 2005

TOTAL - GENERAL GOVERNMENT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 4,328,107	$ -	$ 4,328,107	$ 4,635,936	$ 4,477,814	$ 149,707
Supplies	178,022	(9,426)	168,596	147,270	196,103	27,507
Service charges	3,803,643	(129,956)	3,673,687	3,125,214	3,760,807	87,120
Capital outlay	54,034	(11,633)	42,401	12,440	62,760	20,359
Total expenditures	$ 8,363,806	$ (151,016)	$ 8,212,790	$ 7,920,860	$ 8,497,484	$ 284,694

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION
Year Ended June 30, 2005

POLICE ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 1,279,132	$ (1,500)	$ 1,277,632	$ 585,368	$ 1,309,070	$ 31,438
Supplies	20,749	1,277	22,026	13,500	23,000	974
Service charges	749,343	1,272	750,615	623,000	786,500	35,886
Capital outlay	2,779	(2,215)	564	-	-	(564)
Total expenditures	$ 2,052,003	$ (1,167)	$ 2,050,837	$ 1,221,868	$ 2,118,570	$ 67,734

ROAD POLICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 6,970,590	$ (61,700)	$ 6,908,890	$ 6,668,417	$ 7,087,682	$ 178,792
Supplies	363,668	(7,463)	356,205	261,600	372,000	15,795
Service charges	1,377,485	(6,527)	1,370,958	1,551,500	1,567,000	196,042
Capital outlay	12,444	218,684	231,128	-	235,500	4,372
Total expenditures	$ 8,724,187	$ 142,994	$ 8,867,181	$ 8,481,517	$ 9,262,182	$ 395,001

POLICE DETECTIVES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 1,687,459	$ (123,208)	$ 1,564,251	$ 1,283,242	$ 1,620,608	$ 56,357
Supplies	23,089	(341)	22,748	29,000	26,500	3,752
Service charges	11,102	1,420	12,522	26,000	14,000	1,478
Capital outlay	2,029	-	2,029	-	2,500	471
Total expenditures	$ 1,723,679	$ (122,129)	$ 1,601,550	$ 1,338,242	$ 1,663,608	$ 62,058

POLICE COMMUNICATIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 599,745	$ (2,000)	$ 597,745	$ 628,078	$ 599,636	$ 1,891
Supplies	2,759	930	3,689	8,500	5,000	1,311
Service charges	-	-	-	-	-	-
Capital outlay	8,600	(8,600)	-	-	-	-
Total expenditures	$ 611,104	$ (9,670)	$ 601,434	$ 636,578	$ 604,636	$ 3,202

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
Year Ended June 30, 2005

JAIL

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 590,126	$ -	$ 590,126	$ 791,136	$ 605,460	$ 15,334
Supplies	122,756	652	123,408	144,500	122,000	(1,408)
Service charges	15,829	-	15,829	15,000	20,000	4,171
Capital outlay	347	(347)	0	-	-	(0)
Total expenditures	$ 729,058	$ 305	$ 729,363	$ 950,636	$ 747,460	$ 18,097

POLICE RANGE/SWAT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	-	-	-	12,000	-	-
Service charges	-	-	-	2,000	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ -	$ -	$ -	$ 14,000	$ -	$ -

POLICE TRAFFIC AND RESCUE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 839,559	$ (4,000)	$ 835,559	$ 841,195	$ 892,885	$ 57,326
Supplies	20,847	-	20,847	14,500	28,000	7,153
Service charges	21,517	(17,581)	3,936	78,500	76,000	72,064
Capital outlay	1,100	(1,100)	-	-	-	-
Total expenditures	$ 883,023	$ (22,681)	$ 860,342	$ 934,195	$ 996,885	$ 136,543

CODE ENFORCEMENT - ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 1,107,791	$ -	$ 1,107,791	$ 1,189,454	$ 1,157,587	$ 49,796
Supplies	25,556	1,765	27,321	16,419	58,357	31,036
Service charges	116,790	10	116,800	185,929	167,343	50,543
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 1,250,137	$ 1,775	$ 1,251,912	$ 1,391,802	$ 1,383,287	$ 131,375

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
Year Ended June 30, 2005

CODE ENFORCEMENT - INSPECTIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 189,159	$ -	$ 189,159	$ 229,890	$ 212,890	$ 23,731
Supplies	16,298	1,700	17,998	16,057	19,057	1,059
Service charges	2,097	-	2,097	4,226	4,226	2,129
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 207,554	$ 1,700	$ 209,254	$ 250,173	$ 236,173	$ 26,919

TOTAL - PUBLIC SAFETY FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 13,263,561	$ (192,408)	$ 13,071,153	$ 12,216,780	$ 13,485,818	$ 414,665
Supplies	595,722	(1,481)	594,241	516,076	653,914	59,673
Service charges	2,294,163	(21,407)	2,272,756	2,486,155	2,635,069	362,313
Capital outlay	27,299	206,422	233,721	-	238,000	4,279
Total expenditures	$ 16,180,745	$ (8,874)	$ 16,171,872	$ 15,219,011	$ 17,012,801	$ 840,929

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION
Year Ended June 30, 2005

TRAFFIC

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 234,933	$ -	$ 234,933	$ 234,038	$ 231,297	$ (3,636)
Supplies	61,382	32,707	94,089	134,500	99,245	5,156
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 296,315	$ 32,707	$ 329,022	$ 368,538	$ 330,542	$ 1,520

PARKWAYS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 1,535,715	$ -	$ 1,535,715	$ 1,498,002	$ 1,535,500	$ (215)
Supplies	325,166	(15,104)	310,062	138,141	327,077	17,015
Service charges	(800)	-	(800)	13,568	-	800
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 1,860,081	$ (15,104)	$ 1,844,977	$ 1,649,711	$ 1,862,577	$ 17,600

DRAINAGE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 444,129	$ -	$ 444,129	$ 527,368	$ 432,037	$ (12,092)
Supplies	39,976	(3,041)	36,935	88,625	40,955	4,020
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 484,105	$ (3,041)	$ 481,064	$ 615,993	$ 472,992	$ (8,072)

PUBLIC WORKS - VEHICLE MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 341,849	$ -	$ 341,849	$ 346,977	$ 333,851	$ (7,998)
Supplies	473,542	(6,081)	467,461	338,500	479,016	11,555
Service charges	102,696	(498)	102,198	73,000	105,006	2,808
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 918,087	$ (6,579)	$ 911,508	$ 758,477	$ 917,873	$ 6,365

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)
Year Ended June 30, 2005

PUBLIC WORKS - BUILDING MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 1,025,695	$ -	$ 1,025,695	$ 1,067,235	$ 1,018,035	$ (7,660)
Supplies	269,990	(839)	269,151	142,550	277,550	8,399
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 1,295,685	$ (839)	$ 1,294,846	$ 1,209,785	$ 1,295,585	$ 739

PUBLIC WORKS ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 479,777	$ -	$ 479,777	$ 466,986	$ 483,373	$ 3,596
Supplies	105,814	1,492	107,306	132,361	128,286	20,980
Service charges	70,016	-	70,016	121,071	84,901	14,885
Capital outlay	858	-	858	-	858	-
Total expenditures	$ 656,465	$ 1,492	$ 657,957	$ 720,418	$ 697,418	$ 39,461

TOTAL - PUBLIC WORKS FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 4,062,098	$ -	$ 4,062,098	$ 4,140,606	$ 4,034,093	$ (28,005)
Supplies	1,275,870	9,134	1,285,004	974,677	1,352,129	67,125
Service charges	171,912	(498)	171,414	207,639	189,907	18,493
Capital outlay	858	-	858	-	858	-
Total expenditures	$ 5,510,738	$ 8,636	$ 5,519,374	$ 5,322,922	$ 5,576,987	$ 57,613

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION
Year Ended June 30, 2005

CODE ENFORCEMENT - HUMANE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 124,192	$ -	$ 124,192	$ 109,922	$ 127,937	$ 3,745
Supplies	2,670	-	2,670	2,849	7,349	4,679
Service charges	411	-	411	4,569	4,569	4,158
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 127,273	$ -	$ 127,273	$ 117,340	$ 139,855	$ 12,582

FOOD BANK

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 116,123	$ -	$ 116,123	$ 155,474	$ 130,124	$ 14,001
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 116,123	$ -	$ 116,123	$ 155,474	$ 130,124	$ 14,001

COUNCIL ON AGING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 337,049	$ -	$ 337,049	$ 322,418	$ 336,844	$ (205)
Supplies	13,251	-	13,251	15,000	15,000	1,749
Service charges	11,355	-	11,355	13,633	13,633	2,278
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 361,655	$ -	$ 361,655	$ 351,051	$ 365,477	$ 3,822

HANDICAPPED SERVICES

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

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION (CONTINUED)
Year Ended June 30, 2005

MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	131,351	(184)	131,167	105,340	132,911	1,744
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 131,351	$ (184)	$ 131,167	$ 105,340	$ 132,911	$ 1,744

TOTAL - HEALTH AND WELFARE FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 577,364	$ -	$ 577,364	$ 587,814	$ 594,905	$ 17,541
Supplies	147,272	(184)	147,088	123,189	155,260	8,172
Service charges	11,766	-	11,766	18,202	18,202	6,436
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 736,402	$ (184)	$ 736,218	$ 729,205	$ 768,367	$ 32,149

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION
Year Ended June 30, 2005

LEISURE SERVICES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 110,999	$ -	$ 110,999	$ 110,583	$ 110,583	$ (416)
Supplies	8,801	(166)	8,635	10,500	10,500	1,865
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 119,800	$ (166)	$ 119,634	$ 121,083	$ 121,083	$ 1,449

CULTURAL AFFAIRS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	5,343	-	5,343	3,203	4,977	(366)
Service charges	30,940	-	30,940	18,200	30,940	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 36,283	$ -	$ 36,283	$ 21,403	$ 35,917	$ (366)

HUMANITIES AND MUSEUMS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 319,342	$ -	$ 319,342	$ 392,833	$ 354,532	$ 35,190
Supplies	23,379	-	23,379	32,660	32,660	9,281
Service charges	39,845	-	39,845	171,561	171,061	131,216
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 382,566	$ -	$ 382,566	$ 597,054	$ 558,253	$ 175,687

TOURISM

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 281,390	$ -	$ 281,390	$ 301,152	$ 301,553	$ 20,163
Supplies	9,510	(148)	9,362	13,650	11,890	2,528
Service charges	19,667	-	19,667	59,680	60,608	40,941
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 310,567	$ (148)	$ 310,419	$ 374,482	$ 374,051	$ 63,632

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
Year Ended June 30, 2005

RECREATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 1,377,175	$ -	$ 1,377,175	$ 1,397,806	$ 1,407,021	$ 29,846
Supplies	109,893	1,727	111,620	163,987	173,944	62,324
Service charges	553,664	-	553,664	621,973	602,801	49,137
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 2,040,732	$ 1,727	$ 2,042,459	$ 2,183,766	$ 2,183,766	$ 141,307

RECREATION MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	-	-	-	-	-	-
Service charges	-	4,072	4,072	-	-	(4,072)
Capital outlay	-	-	-	-	-	-
Total expenditures	$ -	$ 4,072	$ 4,072	$ -	$ -	$ (4,072)

RECREATION LEISURE SERVICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 52,336	$ -	$ 52,336	$ -	$ -	$ (52,336)
Supplies	4,911	(267)	4,644	9,896	9,896	5,252
Service charges	-	-	-	2,368	2,368	2,368
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 57,247	$ (267)	$ 56,980	$ 12,264	$ 12,264	$ (44,716)

COMMUNITY SERVICE - ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 386,454	$ -	$ 386,454	$ 378,868	$ 384,922	$ (1,532)
Supplies	60,915	-	60,915	59,300	66,792	5,877
Service charges	293,371	-	293,371	312,240	297,322	3,951
Capital outlay	9,443	-	9,443	-	9,443	-
Total expenditures	$ 750,183	$ -	$ 750,183	$ 750,408	$ 758,479	$ 8,296

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
Year Ended June 30, 2005

CITY PARK OPERATIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 117,141	$ -	$ 117,141	$ 125,150	$ 122,950	$ 5,809
Supplies	3,987	-	3,987	4,500	4,500	513
Service charges	32,241	-	32,241	40,583	38,083	5,842
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 153,369	$ -	$ 153,369	$ 170,233	$ 165,533	$ 12,164

TOTAL - CULTURE AND RECREATION FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 2,644,837	$ -	$ 2,644,837	$ 2,706,392	$ 2,681,561	$ 36,724
Supplies	226,739	1,146	227,885	297,696	315,159	87,274
Service charges	969,728	4,072	973,800	1,226,605	1,203,183	229,383
Capital outlay	9,443	-	9,443	-	9,443	-
Total expenditures	$ 3,850,747	$ 5,218	$ 3,855,965	$ 4,230,693	$ 4,209,346	$ 353,381

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION
Year Ended June 30, 2005

TOTAL - TRANSIT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	-	-	-	-	-	-
Service charges	396,438	-	396,438	552,935	552,936	156,498
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 396,438	$ -	$ 396,438	$ 552,935	$ 552,936	$ 156,498

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
MISCELLANEOUS FUNCTION
Year Ended June 30, 2005

INSURANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 97,370	$ -	$ 97,370	$ 91,500	$ 101,500	$ 4,130
Supplies	-	-	-	-	-	-
Service charges	907,857	-	907,857	1,115,000	1,038,000	130,143
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 1,005,227	$ -	$ 1,005,227	$ 1,206,500	$ 1,139,500	$ 134,273

PAY INCENTIVES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 212,453	$ -	$ 212,453	$ 600,051	$ 212,920	$ 467
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 212,453	$ -	$ 212,453	$ 600,051	$ 212,920	$ 467

BAD DEBT

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

TOTAL - MISCELLANEOUS FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Personnel	$ 309,823	$ -	$ 309,823	$ 691,551	$ 314,420	$ 4,597
Supplies	-	-	-	-	-	-
Service charges	922,986	(15,129)	907,857	1,115,000	1,038,000	130,143
Capital outlay	-	-	-	-	-	-
Total expenditures	$ 1,232,809	$ (15,129)	$ 1,217,680	$ 1,806,551	$ 1,352,420	$ 134,740

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, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Intergovernmental	$ 957,525	$ (2,816)	$ 954,709	$ 2,063,039	$ 2,553,136	$ (1,598,427)
Interest	-		-	-	-	-
Miscellaneous	51,232		51,232	-	-	51,232
Total revenues	1,008,757	(2,816)	1,005,941	2,063,039	2,553,136	(1,547,195)
EXPENDITURES						
Public works	149,850		149,850	153,931	153,931	4,081
Culture and recreation	155,561		155,561	408,187	285,439	129,878
Urban development	944,309	(2,816)	941,493	1,805,396	2,418,241	1,476,748
Total Expenditures	1,249,720	(2,816)	1,246,904	2,367,514	2,857,611	1,610,707
Excess (deficiency) of revenues over (under) expenditures	(240,963)	-	(240,963)	(304,475)	(304,475)	63,512
OTHER FINANCING SOURCES (USES)						
Transfers in	253,086	-	253,086	304,475	304,475	(51,389)
Total other financing sources (uses)	253,086	-	253,086	304,475	304,475	(51,389)
Net change in fund balance	12,123	-	12,123	-	-	12,123
Fund balance - beginning of year	85,239	(38,475)	46,764	46,764	46,764	-
Fund balance - end of year	$ 97,362	$ (38,475)	$ 58,887	$ 46,764	$ 46,764	$ 12,123

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES						
Public works:						
Capital outlay	$ 149,850	$ -	$ 149,850	$ 153,931	$ 153,931	$ 4,081
Total public works	149,850	-	149,850	153,931	153,931	4,081
Culture and recreation:						
Capital outlay	155,561	-	155,561	408,187	285,439	129,878
Total culture and recreation	155,561	-	155,561	408,187	285,439	129,878
Urban development:						
Personnel	432,365	-	432,365	452,610	460,448	28,083
Supplies	(5,228)	-	(5,228)	5,500	4,566	9,794
Service charges	53,383	-	53,383	76,707	69,803	16,420
Capital Outlay	463,789	(2,816)	460,973	1,270,579	1,883,424	1,422,451
Total urban development	944,309	(2,816)	941,493	1,805,396	2,418,241	1,476,748
Total expenditures	$ 1,249,720	$ (2,816)	$ 1,246,904	$ 2,367,514	$ 2,857,611	$ 1,610,707

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, 2005

				BUDGETARY AMOUNTS		
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	$ 764,241	$ -	$ 764,241	$ 764,681	$ 764,681	$ (440)
Intergovernmental	-	-	-	-	-	-
Charges for services:						
Garbage fees and penalties	2,973,018	-	2,973,018	2,946,512	2,946,512	26,506
Interest	-	-	-	-	-	-
Total revenues	3,737,259	-	3,737,259	3,711,193	3,711,193	26,066
EXPENDITURES						
Public works:						
Contractual services	4,156,879	-	4,156,879	4,121,652	4,153,006	(3,873)
Total expenditures	4,156,879	-	4,156,879	4,121,652	4,153,006	(3,873)
Excess (deficiency) of revenues over (under) expenditures	(419,620)	-	(419,620)	(410,459)	(441,813)	22,193
OTHER FINANCING SOURCES (USES)						
Transfers in	419,620	-	419,620	410,459	441,813	(22,193)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	419,620	-	419,620	410,459	441,813	(22,193)
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, 2005

				BUDGETARY AMOUNTS		
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	$ 215,095	$ -	$ 215,095	$ 215,000	$ 215,000	$ 95
Intergovernmental	1,099	-	1,099	-	-	1,099
Interest	-	-	-	-	-	-
Total revenues	216,194	-	216,194	215,000	215,000	1,194
EXPENDITURES						
Public works:						
Personnel	768,426	-	768,426	827,993	742,239	(26,187)
Supplies	171,161	(24,320)	146,841	329,048	188,877	42,036
Service charges	14,684	-	14,684	65,200	5,706	(8,978)
Total expenditures	954,271	(24,320)	929,951	1,222,241	936,822	6,871
Excess (deficiency) of revenues over (under) expenditures	(738,077)	24,320	(713,757)	(1,007,241)	(721,822)	8,065
OTHER FINANCING SOURCES						
Transfers in	713,757	-	713,757	1,007,241	721,822	(8,065)
Net change in fund balance	(24,320)	24,320	-	-	-	-
Fund balance - beginning of year	29,382	(29,382)	-	-	-	-
Fund balance - end of year	$ 5,062	$ (5,062)	$ -	$ -	$ -	$ -

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	$ 193	$ -	$ 193	$ -	$ -	$ 193
Intergovernmental	679	-	679	-	-	679
Miscellaneous	1	-	1	-	-	1
Total revenues	873	-	873	-	-	873
EXPENDITURES						
Public works:						
Personnel	144,375	-	144,375	154,511	154,586	10,211
Supplies	96,428	296	96,724	68,170	98,035	1,311
Service charges	916,294	-	916,294	980,936	950,996	34,702
Total expenditures	1,157,097	296	1,157,393	1,203,617	1,203,617	46,224
Excess (deficiency) of revenues over (under) expenditures	(1,156,224)	(296)	(1,156,520)	(1,203,617)	(1,203,617)	47,097
OTHER FINANCING SOURCES						
Transfers in	1,156,520	-	1,156,520	1,203,617	1,203,617	(47,097)
Net change in fund balance	296	(296)	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	$ 296	$ (296)	$ -	$ -	$ -	$ -

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, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	$ 2,125,806	$ -	$ 2,125,806	$ 2,215,113	$ 2,215,113	$ (89,307)
Interest on invested funds	4,930	-	4,930	1,000	1,000	3,930
Total revenues	2,130,736	-	2,130,736	2,216,113	2,216,113	(85,377)
EXPENDITURES						
Debt service:						
Principal	1,380,000	-	1,380,000	1,380,000	1,380,000	-
Interest and fiscal charges	871,100	-	871,100	871,100	871,100	-
Agent fees	-	-	-	2,000	2,000	2,000
Total expenditures	2,251,100	-	2,251,100	2,253,100	2,253,100	2,000
Excess (deficiency) of revenues over (under) expenditures	(120,364)	-	(120,364)	(36,987)	(36,987)	(87,377)
OTHER FINANCING SOURCES (USES)						
Transfers in	15,855	-	15,855	-	-	15,855
Transfers out	(30,022)	-	(30,022)	-	-	(30,022)
Total other financing sources (uses)	(14,167)	-	15,855	-	-	(14,167)
Net change in fund balance	(134,531)	-	(104,509)	(36,987)	(36,987)	(101,544)
Fund balance - beginning of year	148,992	-	148,992	148,992	148,992	-
Fund balance - end of year	$ 14,461	$ -	$ 44,483	$ 112,005	$ 112,005	$ (101,544)

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, 2005

				BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	ORIGINAL BUDGET	FINAL BUDGET	POSITIVE (NEGATIVE)
REVENUES						
Taxes						
Fire insurance premium	$ 194,689	$ -	$ 194,689	$ 189,105	$ 189,105	$ 5,584
Interest on invested funds	8,550	-	8,550	5,043	5,043	3,507
Miscellaneous	107,613	-	107,613	43,555	43,555	64,058
Total revenues	310,852	-	310,852	237,703	237,703	73,149
EXPENDITURES						
Debt service:						
Principal	43,730	-	43.730	43,730	43,730	-
Interest and fiscal charges	193,973	-	193,973	193,973	193,973	-
Total expenditures	237,703	-	237,703	237,703	237,703	-
Excess (deficiency) of revenues over (under) expenditures	73,149	-	73,149	-	-	73,149
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	73,149	-	73,149	-	-	73,149
Fund balance - beginning of year	167,825	-	167,825	167,825	167,825	-
Fund balance - end of year	$ 240,974	$ -	$ 240,974	$ 167,825	$ 167,825	$ 73,149

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
Year Ended June 30, 2005

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Sales tax	$ 4,051,012	$ -	$ 4,051,012	$ 3,970,242	$ 3,970,242	$ 80,770
Interest on invested funds	133,408	-	133,408	72,138	72,138	61,270
Miscellaneous	100,857	(100,613)	244	-	-	244
Total revenues	4,285,277	(100,613)	4,184,664	4,042,380	4,042,380	142,284
EXPENDITURES						
Debt service:						
Principal	3,784,001	(89,001)	3,695,000	3,695,000	3,695,000	-
Interest	1,925,882	(11,612)	1,914,270	1,914,271	1,914,271	1
Miscellaneous	36,000	-	36,000	36,000	36,000	-
Total expenditures	5,745,883	(100,613)	5,645,270	5,645,271	5,645,271	1
Excess (deficiency) of revenues over (under) expenditures	(1,460,606)	-	(1,460,606)	(1,602,891)	(1,602,891)	142,285
OTHER FINANCING SOURCES (USES)						
Transfers in	1,434,562	-	1,434,562	1,354,413	1,354,413	80,149
Transfers out	(353)	-	(353)	-	-	(353)
Total other financing sources (uses)	1,434,209	-	1,434,209	1,354,413	1,354,413	79,796
Net change in fund balance	(26,397)	-	(26,397)	(248,478)	(248,478)	222,081
Fund balance - beginning of year	3,909,268	-	3,909,268	3,909,268	3,909,268	-
Fund balance - end of year	$ 3,882,871	$ -	$ 3,882,871	$ 3,660,790	$ 3,660,790	$ 222,081

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2005

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES						
Charges for services						
Sewerage service charges	$ 4,108,180	$ -	$ 4,108,180	$ 4,395,708	$ 4,395,708	$ (287,528)
Miscellaneous	-	-	-	953	953	(953)
Total operating revenues	4,108,180	-	4,108,180	4,396,661	4,396,661	(288,481)
OPERATING EXPENSES						
Supplies and other expenses	406	-	406	-	500	94
Building and maintenance expenses	46,142	-	46,142	580,253	46,400	258
Outside services	4,676,803	-	4,676,803	4,639,940	4,689,940	13,137
Insurance claims	-		-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	1,889,395	(1,889,395)	-	-	-	-
Other	111,896	(10,399)	101,497	125,000	608,353	506,856
Total operating expenes	6,724,642	(1,899,794)	4,824,848	5,345,193	5,345,193	520,345
Operating income (loss)	(2,616,462)	1,899,794	(716,668)	(948,532)	(948,532)	231,864
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	535,700	-	535,700	544,835	544,835	(9,135)
Interest income	1,984	-	1,984	2,251	2,251	(267)
Interest expense	(978)	-	(978)	(4,172)	(4,172)	3,194
Total non-operating revenues (expenses)	536,706	-	536,706	542,914	542,914	(6,208)
Income (loss) before contributions	(2,079,756)	1,899,794	(179,962)	(405,618)	(405,618)	225,656
Capital contributions	8,123,606	(8,123,606)	-	-	-	-
Change in net assets	6,043,850	(6,223,812)	(179,962)	(405,618)	(405,618)	225,656
Net assets - beginning of year	43,822,262	23,579,793	67,402,055	67,402,055	67,402,055	-
Net assets - end of year	$ 49,866,112	$ 17,355,981	$ 67,222,093	$ 66,996,437	$ 66,996,437	$ 225,656

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, 2005

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	BUDGETARY AMOUNTS FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUES						
Charges for services:						
Rental charges	$ 723,120	$ -	$ 723,120	$ 648,000	$ 648,000	$ 75,120
Parking	50,342	-	50,342	62,000	62,000	(11,658)
Concessions	69,659	-	69,659	65,500	65,500	4,159
Catering	140,921	-	140,921	108,000	108,000	32,921
Reimbursed services	126,473	333,522	459,995	194,000	194,000	265,995
Advertising	51,288	-	51,288	57,000	57,000	(5,712)
Miscellaneous	15,988	-	15,988	8,800	8,800	7,188
Total charges for services	1,177,791	333,522	1,511,313	1,143,300	1,143,300	368,013
Miscellaneous	12,663	-	12,663	18,200	18,200	(5,537)
Total operating revenues	1,190,454	333,522	1,523,976	1,161,500	1,161,500	362,476
OPERATING EXPENSES						
Supplies and other expenses	13,320	-	13,320	26,230	26,230	12,910
Building and maintenance expense	399,224	333,522	732,746	636,175	636,175	(96,571)
Outside services	1,107,195		1,107,195	1,131,436	1,131,436	24,241
Insurance premiums	121,558	-	121,558	127,060	127,060	5,502
General expenses:						
Depreciation	581,236	(581,236)	-	-	-	-
Other	75,100	40,007	115,107	11,000	11,000	(104,107)
Total operating expenses	2,297,633	(207,707)	2,089,926	1,931,901	1,931,901	(158,025)
Operating Income (loss)	(1,107,179)	541,229	(565,950)	(770,401)	(770,401)	204,451
NON-OPERATING REVENUES						
Hotel/motel taxes	493,112	-	493,112	369,417	369,417	123,695
Cable television franchise fees	726,550	-	726,550	752,545	752,545	(25,995)
Interest income	46,718	-	46,718	26,440	26,440	20,278
Total non-operating revenues	1,266,380	-	1,266,380	1,148,402	1,148,402	117,978
Change in net assets	159,201	541,229	700,430	378,001	378,001	322,429
Net assets - beginning of year	21,796,991	7,005,419	28,802,410	28,802,410	28,802,410	-
Net assets - end of year	$ 21,956,192	$ 7,546,648	$ 29,502,840	$ 29,180,411	$ 29,180,411	$ 322,429

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
JUNE 30, 2005

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, 2005

	SELF-INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
ASSETS			
Cash	$ 1,207,432	$ 92,278	$ 1,299,710
Equity in pooled cash	-	17,673	17,673
Investments	2,890,784	-	2,890,784
Total assets	4,098,216	109,951	4,208,167
LIABILITIES			
Accounts payable	19,119	1,664	20,783
Estimated claims payable	2,984,334	-	2,984,334
Due to other funds	44,642	-	44,642
Total liabilities	3,048,095	1,664	3,049,759
NET ASSETS			
Restricted	$ 1,050,121	$ 108,287	$ 1,158,408

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2005

	SELF-INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
OPERATING REVENUES			
Charges for services	$ 615,000	$ 4,028,158	$ 4,643,158
OPERATING EXPENSES			
Outside services	178,742	-	178,742
Insurance claims	1,387,381	-	1,387,381
Insurance premiums	-	4,433,789	4,433,789
Total operating expenses	1,566,123	4,433,789	5,999,912
Operating loss	(951,123)	(405,631)	(1,356,754)
NON-OPERATING REVENUE			
Interest revenue	76,829	6,062	82,891
Total non-operating revenue	76,829	6,062	82,891
Change in net assets	(874,294)	(399,569)	(1,273,863)
Net assets - beginning of year	1,924,415	507,856	2,432,271
Net assets - end of year	$ 1,050,121	$ 108,287	$ 1,158,408

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2005

	SELF-INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	$ 615,000	$ 4,080,614	$ 4,695,614
Payments to suppliers	(1,193,315)	(4,432,125)	(5,625,440)
Internal activity - receipts from other funds	526,445	-	526,445
Internal activity - payments to other funds	-	(2,279)	(2,279)
Net cash provided by (used for) operating activities	(51,870)	(353,790)	(405,660)
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	13,461,921	-	13,461,921
Purchase of investments	(12,855,173)	-	(12,855,173)
Interest and dividends received	76,829	6,062	82,891
Net cash provided by (used for) investing activities	683,577	6,062	689,639
Net increase (decrease) in cash and cash equivalents	631,707	(347,728)	283,979
Cash and cash equivalents, beginning of year	575,725	457,679	1,033,404
Cash and cash equivalents, end of year	$ 1,207,432	$ 109,951	$ 1,317,383
Reconciliation to Statement of Net Assets:			
Cash	$ 1,207,432	$ 92,278	$ 1,299,710
Equity in pooled cash	-	17,673	17,673
Cash and cash equivalents, end of year	$ 1,207,432	$ 109,951	$ 1,317,383
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating loss	$ (951,123)	$ (405,631)	$ (1,356,754)
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	481,803	-	481,803
Increase (decrease) in accounts payable	(4,588)	1,664	(2,924)
Increase (decrease) in estimated claims payable	377,396	-	377,396
Increase (decrease) in due to other funds	44,642	(2,279)	42,363
Total adjustments	899,253	51,841	951,094
Net cash provided by (used for) operating activities	$ (51,870)	$ (353,790)	$ (405,660)

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
Year Ended June 30, 2005

	SELF-INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Noncash investing, capital, and financing activities:			
Gain on fair market value of investments	$ 11,106	$ -	$ 11,106
(Increase) in fair market value of investments	(11,106)	-	(11,106)
Net effect of noncash activities	$ -	$ -	$ -

CITY OF KENNER, LOUISIANA
AGENCY FUND DESCRIPTIONS
JUNE 30, 2005

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, 2005

	AD VALOREM TAX COLLECTION	AIRPORT SALES TAX FUND	TOTAL
ASSETS			
Cash	$ 151,861	$ -	$ 151,861
Receivables (net, where applicable, of allowance for uncollectibles)			
Ad valorem taxes	1,072,109	-	1,072,109
Intergovernmental	-	354,927	354,927
Total assets	$ 1,223,970	$ 354,927	$ 1,578,897
LIABILITIES			
Accounts payable	$ 1,500	$ -	$ 1,500
Due to other funds	1,158,615	118,309	1,276,924
Due to other governments	-	236,618	236,618
Refunds payable	63,855	-	63,855
Total liabilities	$ 1,223,970	$ 354,927	$ 1,578,897

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2005

AD VALOREM TAX COLLECTION FUND

	BALANCE JULY 1, 2004	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005
ASSETS				
Cash	$ 129,402	$ 8,992,211	$ 8,969,752	$ 151,861
Equity in pooled cash	-	8,953,755	8,953,755	-
Ad valorem taxes receivable	1,089,907	9,176,273	9,194,071	1,072,109
Total assets	$ 1,219,309	$ 27,122,239	$ 27,117,578	$ 1,223,970
LIABILITIES				
Accounts payable	$ 926	$ 18,856	$ 18,282	$ 1,500
Due to other funds	1,162,122	373,249	376,756	1,158,615
Refunds payable	56,261	103,213	95,619	63,855
Total liabilities	$ 1,219,309	$ 495,318	$ 490,657	$ 1,223,970

AIRPORT SALES TAX FUND

	BALANCE JULY 1, 2004	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2005
ASSETS				
Equity in pooled cash	$ -	$ 689,161	$ 689,161	$ -
Intergovernmental	514,221	354,926	514,220	354,927
Total assets	$ 514,221	$ 1,044,087	$ 1,203,381	$ 354,927
LIABILITIES				
Due to other funds	$ 171,407	$ 118,309	$ 171,407	$ 118,309
Due to other governments	342,814	236,618	342,814	236,618
Total liabilities	$ 514,221	$ 354,927	$ 514,221	$ 354,927

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STATISTICAL SECTION

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

FISCAL YEAR	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	HEALTH AND WELFARE	CULTURE AND RECREATION
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
2005	11,136,386	27,037,221	40,357,077	832,148	5,599,300

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.

TRANSIT AND URBAN DEVELOPMENT	MISCELLANEOUS	INTEREST ON LONG-TERM DEBT AND OTHER CHARGES	WASTEWATER OPERATINGS	CIVIC CENTER OPERATIONS	TOTAL
$ 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
1,405,662	1,243,559	2,884,043	6,724,642	2,297,633	99,517,671

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

FISCAL YEAR	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TAXES
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
2005	19,555,352	1,539,206	11,268,261	52575576

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.

GRANTS AND CONTRIBUTIONS NON RESTRICTED TO SPECIFIC PROGRAMS	INVESTMENT EARNINGS	MISCELLANEOUS	TOTAL
$ 549,067	$ 501,001	$ 305,530	$ 71,251,418
95,113	312,408	413,516	75,773,453
206,922	972,738	331,410	86,449,465

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

FISCAL YEAR	GENERAL GOVERNMENT	PERCENT OF TOTAL	PUBLIC SAFETY	PERCENT OF TOTAL	PUBLIC WORKS	PERCENT OF TOTAL	HEALTH AND WELFARE	PERCENT OF TOTAL
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
2005	8,363,806	14.6	22,848,818	39.8	11,778,985	20.5	736,402	1.3

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

CULTURE AND RECREATION	PERCENT OF TOTAL	TRANSIT	PERCENT OF TOTAL	DEBT SERVICE	PERCENT OF TOTAL	MISCEL-LANEOUS	PERCENT OF TOTAL	TOTAL	PERCENT OF TOTAL
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
3,850,747	6.7	396,438	.7	8,234,686	14.3	1,232,809	2.1	57,442,691	100.0

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

FISCAL YEAR	PERSONNEL SERVICES	PERCENT OF TOTAL	SUPPLIES	PERCENT OF TOTAL	SERVICE CHARGES	PERCENT OF TOTAL
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
2005	32,180,592	56.0	2,735,423	4.8	14,160,093	24.7

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

CAPITAL OUTLAY	PERCENT OF TOTAL	DEBT SERVICE	PERCENT OF TOTAL	TOTAL	PERCENT OF TOTAL
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
131,897	0.2	8,234,686	14.3	57,442,691	100.0

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

FISCAL YEAR	TAXES	PERCENT OF TOTAL	LICENSES AND PERMITS	PERCENT OF TOTAL	INTER-GOVERNMENTAL	PERCENT OF TOTAL	CHARGES FOR SERVICES	PERCENT OF TOTAL
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
2005	45,193,795	79.7	2,823,174	5.0	1,887,033	3.3	4,324,475	7.6

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

FINES AND FORFEITURES	PERCENT OF TOTAL	SPECIAL ASSESSMENTS	PERCENT OF TOTAL	INTEREST	PERCENT OF TOTAL	MISCEL-LANEOUS	PERCENT OF TOTAL	TOTAL	PERCENT OF TOTAL
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
1,922,748	3.4	-	-	129,385	.2	456,157	.8	56,736,767	100.0

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

FISCAL YEAR	TOTAL MILLAGES	NON-HOMESTEAD EXEMPT TAX LEVY	TAX COLLECTIONS AND ADJUSTMENTS	PERCENT OF LEVY COLLECTED & ADJUSTED	TOTAL OUTSTANDING DELINQUENT TAXES RECEIVABLE
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
2005	24.34	9,118,769	8,781,235	96.30	813,616

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

FISCAL YEAR	REAL ESTATE	PERSONAL PROPERTY	TAX SALE	PUBLIC SERVICE CORPORATIONS
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
2005	369,431,810	79,188,729	3,320,253	32,768,233

(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 2004.

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

RAILWAY ROLLING STOCK	(1) TOTAL ASSESSMENTS	HOMESTEAD EXEMPT	NON-HOMESTEAD EXEMPT	TOTAL ESTIMATED ACTUAL VALUE
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
57,790	484,766,815	110,125,676	374,641,139	4,474,285,643

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

		CITY OF KENNER						PARISH	
COLLECTION YEAR	LEVY YEAR	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	WASTEWATER OPERATIONS FUND	TOTAL	(1) POLITICAL SUBDIVISIONS	TOTAL
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
2005	2004	2.75	11.88	0.41	7.79	1.51	24.34	67.25	91.59

(1) Source: Jefferson Parish Assessor.

CITY OF KENNER, LOUISIANA
PRINCIPAL TAXPAYERS OF AD VALOREM TAXES
YEAR ENDED JUNE 30, 2005
(UNAUDITED)

TAXPAYER	TYPE OF BUSINESS	2004 ASSESSED VALUATION	2005 TAX AMOUNT	PERCENTAGE OF TOTAL ASSESSED VALUATION
Esplanade Mall Ltd. Partnership	Retail (Mall)	$ 9,849,550	$ 239,738	2.0
Southwest Airlines	Air Carrier	9,076,980	220,934	1.9
Bell South Telecommunicatons	Telephone Utility	4,642,430	112,997	1.0
Treasure Chest Casino	Gaming	3,445,393	83,861	0.7
Entergy Services	Energy Provider	3,222,775	78,442	0.7
Alltell Rash & Associates	Telecommunications	2,993,028	72,850	0.6
Continental Airlines	Air Carrier	2,711,290	65,993	0.6
United Airlines	Air Carrier	2,297,700	55,926	0.5
Sprint Spectrum LP	Telecommunications	2,209,514	53,780	0.5
Pellerin Milnor Corp	Laundry Machinery Manufacturer	2,147,162	52,262	0.4
		$ 42,595,822	$ 1,036,783	

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

FISCAL YEAR	CURRENT AND DELIQUENT ASSESSMENTS DUE AT BEGINNING OF YEAR	ASSESSMENTS LEVIED DURING YEAR	(1) CURRENT AND DELIQUENT ASSESSMENTS COLLECTED DURING YEAR	RATIO OF COLLECTIONS TO AMOUNT DUE	(2) TOTAL ASSESSMENTS OUTSTANDING AT END OF YEAR
		PAVING ASSESSMENTS			
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	-	-	-	206,907
2003	206,907	-	-	-	206,907
2004	206,907	-	-	-	206,907
2005	206,907	-	-	-	206,907
		SEWERAGE ASSESSMENTS			
1996	57,913	-	-	-	57,913
1997	57,913	-	-	-	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	-	-	-	54,061
2002	54,061	-	-	-	54,061
2003	54,061	-	-	-	54,061
2004	54,061	-	-	-	54,061
2005	54,061	-	-	-	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, 2005
(UNAUDITED)

Assessed value		$ 432,752,071
Debt limit - 35% of assessed value (1)		$ 151,463,225
Total bonds payable	$ 46,245,000	
Less: Sales tax bonds	(39,930,000)	
Amount available for repayment of general obligation and excess revenue bonds	(1,575,678)	
Total debt applicable to limitation		4,739,322
Legal debt margin		$ 146,723,903

(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)

FISCAL YEAR	(1) POPULATION	ASSESSED VALUE (IN THOUSANDS)	(2) GROSS BONDED DEBT	(2) DEBT SERVICE MONIES AVAILABLE	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
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
2005	70,252	484,767	-	-	-	0.00 %	-

(1) Source: Louisiana Tech University for 1996-2000; U.S. Census Bureau 2000 Census for 2001-2004; U.S. Census Bureau 2004 Population Estimate for 2005. Except for 2002-2005, the figures represent the City's population for the preceeding calendar year. At the time of report issuance, the 2004 Population Estimate 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)

FISCAL YEAR	PRINCIPAL	(2) INTEREST AND FEES	TOTAL DEBT SERVICE	(1) TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
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
2005	5,207,731	3,020,010	8,227,741	57,442,691	14.32

(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, 2005
(UNAUDITED)

	INDEBTEDNESS AS OF	NET AD VALOREM TAX BONDED DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO THE CITY (1)	AMOUNT APPLICABLE TO THE CITY
City of Kenner	6/30/2005	$ -	0.0%	$ -
Total direct debt				-
Jefferson Parish	12/31/2004	37,245,000	17.02%	6,339,099
Jefferson Parish Public School System	6/30/2005	7,861,738	23.23%	1,826,282
Total overlapping debt				8,165,381
Total direct and overlapping debt				$ 8,165,381
Taxable assessed valuation				$ 432,752,071
Ratio of direct and overlapping debt to taxable assessed valuation				1.9%
Direct and overlapping debt per capita				$ 116

(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)

FISCAL YEAR	(1) POPULATION	(2) PER CAPITA PERSONAL INCOME	(3) UNEMPLOYMENT RATES
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	31,585	5.0%
2005	70,252	(4)	(4)

(1) Source: Louisiana Tech University for 1996-2000; U.S. Census Bureau 2000 Census for 2001-2004; U.S. Census Bureau 2004 Population Estimate for 2005. Except for 2002-2005, the figures represent the City's population for the preceeding calendar year. At the time of report issuance, the 2004 Population Estimate was the most current population information available.

(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)

		CONSTRUCTION PERMITS (2)	
FISCAL YEAR	(1) ASSESSED PROPERTY VALUE	NUMBER OF BUILDING PERMITS	VALUE
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
2005	484,766,815	626	52,270,993

(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, 2005
(UNAUDITED)

COUNCILPERSON	NUMBER OF DAYS SERVED	COMPENSATION
Dominic O. Weilbaecher	365	30,491
Terry McCarthy	275	25,259
Marc E. Johnson	365	24,239
John T. Lavarine, III	365	25,561
Jeannie M. Black	365	25,137
Michelle Branigan	365	24,538
Kent Denapolis	275	17,124
Michael McMyne (1)	60	2,797
Donald DeLaune (1)	90	7,729

(1) Interim Councilperson.

CITY OF KENNER, LOUISIANA
MISCELLANEOUS STATISTICS
JUNE 30, 2005
(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: 26,940

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: 21

Police Protection:

Number of Stations: 1

Number of Commissioned Policemen: 172

Number of Training Facilities: 1

Sewerage Treatment:

Treatment Capacity: 13.5 MGD

Number of Treatment Plants: 2

Number of Low Lift Stations: 77

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: 257

Unclassified: 508

SINGLE AUDIT

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

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS
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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 22, 2005

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, 2005, which collectively comprise the City of Kenner, Louisiana's basic financial statements and have issued our report thereon dated December 22, 2005. 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 2005-02.

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 maters 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 22, 2005.

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 2005-01. We also noted an additional matter that we have reported to management of the City of Kenner, Louisiana in a separate letter dated December 22, 2005.

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, Hrapmann, Hogan & Maher LLP

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

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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 22, 2005

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, 2005. 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, 2005.

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.

Duplantier, Hrapmann, Hogan & Maher LLP

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	FEDERAL EXPENDITURES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant *	14.218	B-02-MC-22-008	$ 229,415
Community Development Block Grant *	14.218	B-03-MC-22-008	627,997
			857,412
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)	14.239	M98-DC-22-0207	38,871
Home Investment Partnership Program (HOME)	14.239	M99-DC-22-0207	15,000
Home Investment Partnership Program (HOME)	14.239	M02-DC-22-0207	1,320
Home Investment Partnership Program (HOME)	14.239	M03-DC-22-0207	18,258
			73,449
Passed through Louisiana Deptartment of Social Services:			
Emergency Shelter Grants Program	14.231	584117	5,959
Emergency Shelter Grants Program	14.231	598120	20,705
			26,664
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			$ 957,525
DEPARTMENT OF JUSTICE			
Direct Programs:			
Organized Crime Drug Enforcement Task Force (OCDETF)	n/a	n/a	$ 2,463
High Intensity Drug Traffic Area Grant	n/a	n/a	47,410
			49,873
Passed Through Louisiana Commission Law Enforcement:			
After School Drug and Alcohol Prevention Program	16.579	B03-7-018	-
Municipal Narcotics Task Force Grant	16.579	-	5,009
Law Enforcement Response to Domestic Violence	16.579	B03-7-020	13,219
Law Enforcement Response to Domestic Violence	16.579	B04-7-005	13,154
Integrated Criminal Apprehension Program	16.579	B03-7-019	19,317
Integrated Criminal Apprehension Program	16.579	B04-7-004	52,660
			103,359
Passed through Office of Justice Programs:			
Bulletproof Vest Partnership Grant Program	16.607	-	4,295
Local Law Enforcement Block Grant	16.592	01-LB-BX-2199	46,010
Local Law Enforcement Block Grant	16.592	02-LB-BX-0681	62,176
			112,481
TOTAL DEPARTMENT OF JUSTICE			$ 265,713

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2005

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	FEDERAL EXPENDITURES
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed through Louisiana Office of Emergency Preparedness:			
Disaster #1548 Relief (Hurricane Ivan)	83.544	1437-DR-LA	$ 153,365
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			$ 153,365
ENVIRONMENTAL PROTECTION AGENCY			
Direct Programs:			
Wastewater Operations Consolidation*	66.606	XP-98617701-0	$ 2,433,199
TOTAL ENVIRONMENTAL PROTECTION AGENCY			$ 2,433,199
DEPARTMENT OF TRANSPORTATION			
Passed Through Louisiana Highway Safety Commission:			
Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	PT 04-14-00	$ 12,623
Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	PT 05-23-00	4,883
TOTAL DEPARTMENT OF TRANSPORTATION			$ 17,506
TOTAL FEDERAL ASSISTANCE			$ 3,827,308

* 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, 2005

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. **Environmental Protection Agency**
   Wastewater Operations Consolidation

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2005.

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, 2005

A. SUMMARY OF AUDITOR'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. The audit disclosed no findings which are required to be reported by OMB Circular A-133.

7. The programs tested as major programs include:

	CFDA Number/Grant Number
Community Development Block Grants	14.218
Wastewater Operations Consolidation	66.606

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

2005-01 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. The agency ID number is 2181 and the report ID number is 04300914. Issues related to asset management laws 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.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

2005-02 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.lla.state.la.us. The agency ID number is 2181 and the report ID number is 04300914.

Areas related to controls over purchasing and disbursements, 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 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

No findings noted.

CITY OF KENNER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

A. FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

2004-02 Laws and Regulations

Condition - 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. 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.

Current Status - 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. A similar comment is included in the current year as finding 2005-01.

2004-03 Policies and Procedures

Condition - 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. 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, 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.

Current Status - 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 efficiencies. A similar comment is included in the current year as finding 2005-02.

B. FINDINGS RELATED TO FEDERAL AWARD PROGRAMS

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.

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

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

CERTIFIED PUBLIC ACCOUNTANTS

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

December 22, 2005

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, 2005, 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:

LAWS AND REGULATIONS: (2005-01)

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. The agency ID number is 2181 and the report ID number is 04300914. Issues related to asset management laws 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: (2005-02)

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.lla.state.la.us. The agency number is 2181 and the report ID number is 04300914.

Areas related to controls over purchasing and disbursements, 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 instances of immaterial noncompliance:

USE OF PUBLIC FUNDS: (2005-03)

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.

During the year, the City of Kenner held an annual employee meeting. The private use of public funds is prohibited.

Management believes that the annual employee meeting serves many important purposes. The meeting is an opportunity for the Mayor to discuss issues regarding City workers. For example, the Mayor had the director of Human Resources update the employees on insurance. Additionally, this meeting allows the Mayor to directly communicate with all employees and update them on the state of the City. Management believes that the use of public funds may be utilized to enlighten personnel with regard to City matters. As such, management believes the employee business meeting does serve a public purpose.

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:

TRAVEL – CREDIT CARD PAYMENT POLICIES: (2005-04)

The elected officials and the CAO have City of Kenner credit cards for use in official City business. Each official reviews and approves the charges appearing on the credit card statement. After the official's approve their statements, all credit card statements along with supporting documentation are submitted to the administration for approval before being submitted to the finance department for payment. In some instances receipts were not submitted, however, the business purpose of the charge was documented and authorized.

We recommend that every City official using a City issued credit card should continue to 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.

CAPITAL ASSETS: (2005-05)

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:

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.

For the year ended June 30, 2005, there was no similar comment.

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.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 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.

The issues related to the prohibited use of City funds were for payments made for Christmas turkeys for City employees, a Christmas luncheon for police department employees and a monthly retainer for the police department's legal counsel.

For the year ended June 30, 2005, there were no similar findings.

The issue for related parties was that the Council awarded contracts to a company whose owner was an immediate family member of a City employee. Also, the City employee received income from the company during her employment with the City.

For the year ended June 30, 2005, there were no similar findings.

The issues for public records was that the City's computer hard drives were destroyed by an employee without consideration of the Louisiana Public Records law. Also, the City does not have a formal record retention policy for preserving public records.

For the year ended June 30, 2005, there were no similar findings.

The issues related to asset management laws was that the City's listing of fixed assets was not complete because it did not include the assets of the police department. Also, the City does not have a fleet management policy and certain City vehicles are not properly marked in accordance with state law.

For the year ended June 30, 2005, there was a similar finding. The City has obtained a list of police department assets, however the listing does not have all of the information needed to be included in the City's inventory. Management is working to obtain the needed information. Additionally, the City is continuing to address its vehicle policies. See 2005-01.

The issue is that the City is providing property owners a homestead exemption in calculating their municipal property tax in violation of Louisiana's constitution. Louisiana's constitution prohibits the City from extending the homestead exemption to municipal taxes.

For the year ended June 30, 2005, there was no similar finding.

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.lla.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.

For the area related to strategic planning the comment was that the City did not have a formal strategic plan for both short-term and long-range goals of the City.

For the year ended June 30, 2005, there was no similar comment.

For controls over contracts, it was noted that the City needed to improve controls over contracts. Sound business practices dictate that appropriate checks and balances be put in place to ensure that contracted services are necessary and that they are performed at the most cost-efficient manner. In addition, sound business judgment dictates that all contracts are in writing and reviewed by legal counsel.

For the year ended June 30, 2005, there was no similar comment.

For comparison of costs and operations, the comment was that costs of legal and accounting services, audit fees and benefits for council members with a similar sized city in Louisiana were higher. Management has a fiduciary responsibility to apply sound business practices in managing City funds in the most cost-effective manner possible.

For the year ended June 30, 2005, there was no similar comment.

For controls over purchasing and disbursements, there were general observations and inquiries regarding disbursements such as the following:

1) Purchasing is not centralized because the police department maintains a separate purchasing department from the City.

2) Vendor numbers are assigned by the City's purchasing department and the finance department. The review of the vendor listing revealed numerous vendors with the same address that have different vendor numbers.

3) The accounting system allows purchase orders to be created and invoices to be paid when an account is over budget.

4) Purchase orders are not sent to the finance department when the purchase order is issued by the purchasing department.

5) Receiving reports are not sent to the finance department upon receipt of the items by the receiving department.

6) Invoices are not received directly by the finance department from the vendor. The purchasing department receives the invoices directly from the vendors, matches the purchase orders and receiving reports, and sends these to the finance department for payment.

7) The same employee performs a variety of duties relating to cash disbursements that are incompatible for a proper system of checks and balances. The accounts payable clerk prepares and prints the checks, uses the check-signing machine to sign the checks, and mails/distributes the checks.

8) Signed checks and supporting documentation are not reviewed by the Director of Finance or his designee.

9) The department submitting the check request form has the option of having the signed check mailed to the vendor or having the check returned directly to them.

10) The check-signing machine, printer and copier are located in the finance department's employee break room.

11) Documentation supporting certain police department expenditures is maintained at the police department instead of the City's finance department.

12) The City paid $4,400 a month for office rental for six units located at the Rivertown Square Shopping Center – 2100 Third Street without a written agreement.

13) Our review of certain contracts and related vendor invoices revealed that the invoices were very general and did not contain sufficient details as to the work actually performed (e.g., project name itemizing the dates the work was performed, hours required to complete and rate per hour or an itemization of the work performed). Thus, we could not determine the services provided or whether the vendor was fulfilling its contract with the City.

14) There is no written policy for the use of credit cards and filing expense reports supporting credit card charges.

15) Our review of credit card charges from September through November 2003 revealed that the business purpose and support for credit card charges by City officials was not documented. For example, during this period the chief administrative officer charged $467 at restaurants on eight different occasions (aver of $58 charged at each restaurant) for which the business purpose was not documented nor were the names of the persons participating in the meals documented. A councilperson charged $228 at one restaurant for which the business purpose was not documented nor were the names of the persons participating in the meal documented. In addition, the restaurant receipts of food and beverages consumed for these restaurant charges were not included to allow for verification of the propriety of the charges.

16) The City has a travel policy and the police department has its own separate travel policy. Although the City has a travel policy, it does not provide specific guidance for lodging or renting vehicles and does not distinguish between routine travel and conference travel.

17) Two citywide mailings in March 2004, costing $8,010 (postage and printing costs), included information from the acting mayor that gives the appearance of manipulating public opinion on public issues rather than providing unbiased public information. Louisiana Attorney General Opinion 93-78 provides that the use of public funds to finance public relations techniques to manipulate public opinion on public issues to create a body of public opinion favorable to a public official or entity is not permitted.

18) The police chief's name is included on certain promotional items purchased by the police department which is generally prohibited by R.S. 43:111.1. These promotional items were ball point pens, a ruler, a coloring book for children and a refrigerator magnet. The Attorney General has opined (AG No. 98-201) that while advertising is not prohibited, inclusion of the name of a public official therein is prohibited by R.S. 43:111.1.

19) Employee personal checks are cashed from the finance department's cash drawer.

For the year ended June 30, 2005, a number of the comments have been addressed and the Administration is continuing to address the remaining comments. As such, there were some of these comments that were still applicable. See 2005-02.

The comment for internal auditing was that the internal audit function was needed to assess and evaluate the City's operations for risks, controls, compliance, ethics, economies, efficiencies and safeguarding of assets. An internal audit function would provide management with an independent, objective assessment of whether city policies and procedures are being followed and provide guidance in ensuring that proper controls are in place and working as intended for the safeguarding of assets. In addition, an internal audit function could aid management in reviewing operations and programs for economical and efficient use of resources.

For the year ended June 30, 2005, there was a similar comment.

The comments for financial management and written policies and procedures were as follows:

For the comment for financial management, the council is not reviewing the financial operations of the City on a monthly basis. The council has a fiduciary responsibility to monitor current financial information compared to the budgeted amounts to properly manage the City's fiscal operations.

The City's monthly budget and actual financial results are not presented and discussed in council meetings which indicate that the council is not using the budget as a management tool.

The council should be provided with the financial statements and budget comparisons for all funds each month. In addition, a concise summary and guide to the key issues and aspects of the operating and capital components of the financial statements and budget comparisons should be provided to the council. Also, a written policy should be adopted that provides the nature, extent and frequency of financial reporting information that should be provided to management and the council.

For the comment for written policies and procedures, the City's policy and procedure manuals are not complete. Formal/written policies and procedures are necessary as a clear understanding of what should be done, how, who and when it should be done, and that the procedures followed meet management's expectations. Also, written procedures aid in continuity of operation and for cross-training of staff.

The City does not maintain written policies and/or detailed procedures for the following:

1. Retention of public records, including electronic communications (e-mail)

2. Nature, extent and frequency of financial reporting information provided to council

3. Processing, reviewing and approving payroll

4. Use of credit cards and filing expense reports supporting credit card charges

5. Recording, tagging and safeguarding fixed assets

6. Accounting for the business and personal use of cellular telephones

7. Fleet (vehicle) management

8. Monitoring bank balances and investments to ensure that funds are fully secured

9. Storing, issuing and accounting for traffic tickets and summonses

10. Periodic testing of the computer contingency and recovery plan

11. Operating the recreational leagues and all-star programs, including the specific policies and procedures for allowing participation by all children of the City.

For the year ended June 30, 2005, there were some of these comments that were still applicable. While some of these comments are still being addressed by the Administration, the Administration is now providing reports to the Council. The Council does receive monthly reports that provide a revenue summary, departmental expenditures, list of contracts signed, line item changes and quarterly information on capital projects. Also, while some of the policy and procedures still have not been formally written, many of these functions are being performed by the Administration on a regular basis. See 2005-02.

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.

For the year ended June 30, 2005, there was a similar comment. See 2005-03.

<u>OUTSTANDING COURT BONDS</u>: (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.

The reconciliations are now being done by the finance department. There was no similar comment for the year ended June 30, 2005.

<u>TRAVEL – CREDIT CARD PAYMENT POLICIES</u>: (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.

For the year ended June 30, 2005, there was a similar comment. The City's controls of credit cards have been strengthened. The credit card charges are reviewed by the Administration prior to being submitted to the finance department for payment. Additionally, all credit card charge receipts and a description of the business purpose has to be submitted. See 2005-04.

<u>POLICE DEPARTMENT EQUIPMENT ADDITIONS</u>: (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.

For the year ended June 30, 2005, there was no similar comment.

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.

For the year ended June 30, 2005, there was a similar comment. See 2005-05.

In summary, many of the prior comments have been addressed. The Administration is still in the process of addressing remaining issues that they believe will improve the City's operations. In addition to these management comments, the Administration plans on thoroughly reviewing all policies and procedures to maintain and improve efficiencies. The goal of the Administration is to implement a monitoring system that will strengthen the operational system and allow the Administration to address issues on a continual basis.

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.

Lindsay J Calub CPA

Lindsay J. Calub, CPA
Partner

LJC/ckr