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INTRODUCTORY SECTION



CITY OF KENNER

Louis J. Congemi
MAYOR

December 16, 1996

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, 1996 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 aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups 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 the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. 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-128, "Audits of State and Local Governments". Information related to this single audit, including the Schedule of Federal Financial Assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, 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 all funds and account groups 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. As outlined in these promulgations, the City's funds are grouped into three broad fund types (governmental, proprietary, and fiduciary) and two account groups (general fixed assets and general long-term debt). In general, governmental funds measure income (the flow of current financial resources), whereas proprietary funds measure wealth (the preservation and changes to capital).

This report is prepared in a pyramid form whereby at the base are statements on individual funds. Next the combining statements combine each fund of the same type to give totals for each of the seven generic fund types. Finally, the five statements under the heading "General Purpose Financial Statements" summarize these seven generic fund types and two account groups, and other significant accounting information.

MAJOR INITIATIVES AND ECONOMIC OUTLOOK

For the Year

Sales taxes continued on its steady growth pattern which offset continued cost increases for employee benefits, insurance, and the cost of goods and services.

The Treasure Chest Riverboat Casino, which opened in September 1994, provided the City with its first major source of funds for capital outlay in years. Funds from the riverboat are being used to provide new equipment for various departments through an equipment lease started in late 1995, to make improvements to the City's playgrounds and gymnasiums, to repair streets and drainage throughout the City and various other capital improvements.

In January, 1996, the City issued two certificates of indebtedness (excess revenue bonds) to fund several major capital projects. The first issue is to fund an expansion of the City's civic center. The second issue is to fund the construction of two new gyms in North Kenner. The certificates are being repaid with excess revenues.

The development of two new subdivisions in North Kenner continued. These developments, which are being built on the largest piece of undeveloped land in the City, are providing a boost to the City's ad valorem tax base.

Improvements to the City's Sewerage System, which is mandated by an Administrative Order from the Environmental Protection Agency continued. The improvements are being funded by a loan from the Louisiana Department of Environmental Quality. The loan is being paid with funds provided from previous debt refinancing.

Effective July 1, 1995, the operation and maintenance of the City's wastewater function was contracted to a private company. This will make the system more efficient as well as reduce the City's potential liability. Savings from the privatization are being used to purchase new equipment for the wastewater system.

For the Future

The City's sales tax growth is expected to continue to offset increases in the cost of providing goods and services.

The riverboat casino, noted previously, is expected to continue to provide significant funds for capital outlay.

The City Council has authorized the Mayor to sign an agreement for a new hotel to be built near the City's Civic Center on City land. There are also several other new hotels being proposed by developers on private property.

The budget approved for the 1996/97 fiscal year contains funds for the early replacement of the City's outstanding debt on equipment leases as well as setting funds aside for emergency needs.

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, 1996 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.

GENERAL GOVERNMENT FUNCTIONS

Legal restrictions and generally accepted accounting principles require the operations of recurring governmental functions to be presented in separate funds. However, it has been found that it is much easier to grasp the state of governmental finances when data from different funds is consolidated on one report. The General Fund, special revenue funds receiving resources from taxes (specifically, the One Percent Sales Tax of 1984, the Garbage Collection, Roads and Bridges, Street Lighting and Fire Department Funds), and debt service funds each contain part of the entire scope of recurring governmental operations. Special revenue funds receiving resources from intergovernmental or miscellaneous revenue and capital improvements funds are used for non-recurring outlays of the City.

The following schedule presents a summary of revenues of funds used to report recurring governmental operations for the fiscal year ended June 30, 1996 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 41,195,517	82.99	\$ 2,585,251	6.70
Licenses and permits	2,371,946	4.78	145,251	6.52
Intergovernmental	1,856,581	3.74	102,247	5.83
Charges for services	1,484,513	2.99	194,647	15.09
Fines and forfeitures	1,121,222	2.26	(6,207)	(.55)
Special assessments	29,271	.06	(10,268)	(25.97)
Interest	1,155,874	2.32	516,801	80.87
Miscellaneous	<u>426,601</u>	<u>.86</u>	<u>226,804</u>	113.52
Total	<u>\$ 49,641,525</u>	<u>100.00</u>	<u>\$ 3,754,526</u>	

The increase in taxes was due to continued growth in sales taxes.

Licenses and permits increased due to increased occupational licenses.

Intergovernmental revenues increased due to an increase in video poker funds received from the state.

Charges for services increased due to recycling fees which were implemented in the latter part of the 94/95 fiscal year.

Interest income increased due to increases in the funds available for investment as well as rising interest rates.

Miscellaneous revenue increased due to charges to the Capital Projects Fund for the 1995 equipment lease.

The following schedule presents a summary of expenditures of funds used to report recurring governmental operations for the fiscal year ended June 30, 1996 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1995</u>	<u>Percent of Increase (Decrease)</u>
Current:				
General government	\$ 8,772,634	21.38	\$ 1,416,878	19.26
Public safety	15,896,297	38.73	3,490,029	28.13
Public works	6,206,314	15.12	337,317	5.75
Health and welfare	701,860	1.71	92,049	15.09
Culture and recreation	3,170,484	7.73	177,612	5.93
Transit and urban development	344,149	.84	(47,479)	(12.12)
Miscellaneous	1,640,349	4.00	190,307	13.12
Debt service:				
Principal	2,010,033	4.90	280,628	16.23
Interest and fiscal charges	2,295,851	5.59	122,146	5.62
Agent fees	1,500	.00	800	114.29
Total	\$ 41,039,471	100.00	\$ 6,060,287	

General government expenditures increased due to increased legal fees in connection with various litigation and increased expenditures to promote the City and develop increased tourism in the City. Expenditures also increased due to cost of living increases for employees.

Public safety expenditures increased due to increased resources in the Police Department being used to hire additional police officers and buy new cars and equipment.

Debt service expenditures increased due to payments on the loan from the Department of Environmental Quality and payments on the 1995 equipment lease.

General Fund

The following table summarizes the changes in fund balance of the General Fund compared to the prior fiscal year.

	<u>1995</u>	<u>1996</u>	<u>FUND BALANCE INCREASE (DECREASE)</u>
Revenues	\$ 28,296,447	\$30,410,169	\$ 2,113,722
Expenditures	(24,034,725)	(29,259,295)	(5,224,570)
Net other financing sources (uses)	<u>4,446,230</u>	<u>2,522,480</u>	<u>(1,923,750)</u>
Excess	8,707,952	3,673,354	(5,034,598)
Beginning fund balance, as restated for 1995	<u>7,111,200</u>	<u>15,819,152</u>	<u>8,707,952</u>
Ending fund balance	\$ 15,819,152	\$19,492,506	\$ 3,673,354

The reasons for the changes in the general fund revenues and expenditures are the same as the changes in revenues and expenditures for recurring governmental operations which were explained earlier.

The decrease in net other financing sources is due to transfers of funds from the riverboat to capital project funds.

The significant increase in the General Fund fund balance reserved for capital expenditures is due to funds remaining in department budgets, which by ordinance are dedicated to those departments for future capital outlay.

The majority of the funds are in the Police Department. The General Fund fund balance designated for subsequent year expenditures is primarily for funds accrued from the riverboat in the year ended June 30, 1996 but budgeted for expenditures in the subsequent year when they are received.

Focusing on the General Fund alone does not present a complete picture of the City's expenditures for recurring government functions. Part of the expenditures for this purpose are accounted for in selected special revenue and debt service funds and are included on the schedule of expenditures shown previously.

Special Revenue Funds

The fund balance of the Special Revenue Funds did not change significantly, although the Community Development Block Grant funds decreased due to making the current year payments on the Section 108 loans. The Fire Department funds increased as we are in the early years of a ten year millage approved by the voters in 1992 and revenues in excess of expenditures in the early years must be retained to cover expenditures, which will be in excess of revenues in the later years.

Debt Service Funds

The fund balance of the General Debt Fund increased due to reserve and sinking funds established in connection with the issuance of the two certificates of indebtedness (excess revenue bonds) to fund various capital projects noted earlier.

Capital Project Funds

The fund balance of the General Capital Projects Fund increased due to projects being funded by the revenues from the riverboat. The fund balance in the Capital Projects Funded With Bond Proceeds fund increased due to the proceeds of the two certificates of indebtedness (excess revenue bonds).

Enterprise Funds

As noted earlier, effective July 1, 1995, the City contracted with a private company for the operation and maintenance of the Wastewater Department.

The Department of Wastewater Operations has a deficit in retained earnings due to depreciation taken on assets which were purchased through EPA grants under which the majority of the funds were provided by the EPA.

The Civic Center Operations Fund also has a deficit in retained earnings due to depreciation taken on assets acquired through bond proceeds.

Internal Service Funds

The retained earnings in the Self-Insurance Fund increased due to increased contributions as well as better experience with claims in the current year.

Fiduciary Funds

The Firemen's Pension and Relief Fund fund balance increased due to contributions and other revenues for the current year in excess of operating expenses and the Deferred Compensation Fund increased due to contributions in excess of withdrawals.

DEBT

The following table summarizes the changes in the City's bonds and certificates outstanding, notes and other debt during the fiscal year:

<u>Outstanding July 1, 1995</u>	<u>Issued During Year</u>	<u>Paid During Year</u>	<u>Outstanding June 30, 1996</u>
\$41,385,000	\$13,268,000	\$2,010,000	\$52,643,000

Of the total amount outstanding, \$1,965,000 was in General Obligation Refunding Bonds, \$32,145,000 was in Sales Tax Refunding Bonds, \$10,015,000 was in sales tax bonds, \$6,900,000 was in excess revenue bonds, \$117,000 was in Paving Certificates, \$470,000 was in notes, and \$1,031,000 was in capital leases. Please see Note G in the Notes to Financial Statements for details of changes in long term debt. The ratio of net long-term debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position. This data for the current fiscal year and the prior fiscal year is as follows:

<u>Fiscal Year</u>	<u>Net Long-Term Debt</u>	<u>Ratio of Net Long-Term Debt to Assessed Value</u>	<u>Net Long-Term Debt Per Capital</u>
1996	\$45,029,848	14.81%	\$610.45
1995	\$36,261,544	12.42%	\$501.54

Net long-term debt includes general obligation bonds, special tax bonds, and special assessment debt with governmental commitment less amounts available in the Debt Service Funds.

The ratio of net long-term debt to assessed value and net long-term debt per capita increased due to drawdowns on the loan from the Louisiana Department of Environmental Quality, the two certificates of indebtedness and the 1995 equipment lease.

The City's ad valorem debt is rated Baa by Moody's Investors Service. This rating was changed from Baa1 in 1988. The City's sales tax debt is rated "AAA" by Standard & Poor's Ratings Group.

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 overnight repurchase agreements earning Federal Funds rates less 150 basis points, 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.

Total interest earnings for all the governmental fund types and expendable trust funds of the City increased to \$1,387,718 this year from \$708,476 last year. The increase is due to higher interest rates and the higher available cash balances during the current year. Sinking funds increased due to the new certificates of indebtedness. Construction funds increased due to proceeds of the new certificates of indebtedness and riverboat revenue budgeted for capital projects. Other funds increased due to the increase in the General Fund's fund balance.

The following table shows the changes in total cash and investments for those funds by purpose, during the fiscal year:

	Balance on <u>6/30/95</u>	Balance on <u>6/30/96</u>	Increase <u>(Decrease)</u>
Sinking funds	\$ 3,640,209	\$ 5,518,588	\$1,878,379
Construction funds	\$ 245,262	\$ 7,889,866	\$7,644,604
All other funds	\$ 9,897,456	\$14,284,718	\$4,387,262

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 \$750,000; 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 \$750,000; 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. See Note P in the Notes to Financial Statements for additional details.

LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) requires reports by the Auditors on the internal control structure in accordance with Government Auditing Standards, the City's compliance with laws and regulations, the Schedule of Federal Financial Assistance, the internal control structure used in administering Federal Financial Assistance Programs, compliance with the General Requirements Applicable to Major Federal Financial Assistance Programs, and compliance with Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions. 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 Rebowe & Company, Certified Public Accountants - A Professional Corporation 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, 1995. This was the third 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.

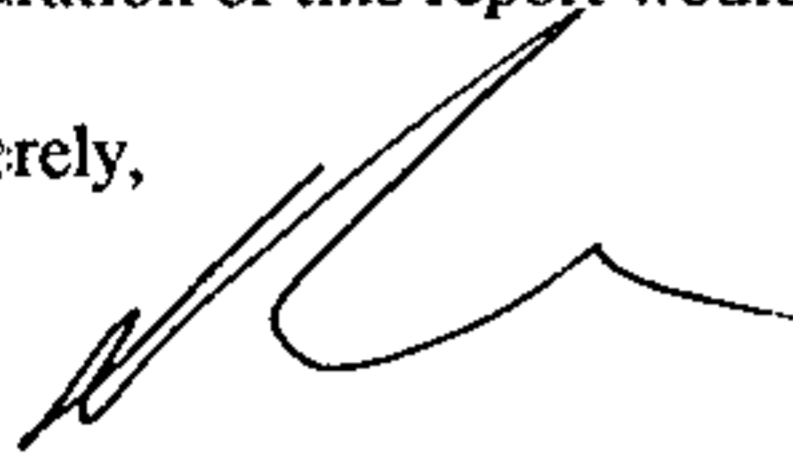
ACKNOWLEDGEMENTS

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 Rebowe & Company, Certified Public Accountants - A Professional Corporation, for their invaluable assistance in compiling 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,

A handwritten signature in black ink, appearing to read 'Duke P. McConnell', written over a horizontal line.

DUKE P. McCONNELL, CPA
Director of Finance

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, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Esser
Executive Director

SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

Councilman at Large
Councilman at Large
District No. 1
District No. 2
District No. 3
District No. 4
District No. 5

Terry McCarthy
Betty Bonura
Marc E. Johnson
John T. Lavarine, III
Jeannie M. Black
Michele Branigan
Philip L. Capitano

EXECUTIVE STAFF

Mayor
Chief Administrative Officer

Honorable Louis J. Congemi
Charlotte Burnell

DEPARTMENT HEADS

City Attorney
Department of Code Enforcement
Department of Community Services
Department of Finance
Department of Personnel
Department of Planning
Department of Public Works
Department of Wastewater Operations
Fire Chief
Police Chief
Department of Community Development
Department of Recreation
Department of Purchasing

James Maxwell
Keith Chiro
Carol Luna
Duke P. McConnell
Beverly Nicolosi
William McWilliams
Joseph Nicolosi
John Grove
Mike Zito
Nick Congemi
Edgar Bernard
Larry Bettencourt
Charlie Sulzer

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE O - TREASURE CHEST RIVERBOAT CASINO AGREEMENT (CONTINUED)

City a minimum annual rent ("Base Rent"). The Base Rent for the first year of the Primary Term shall be \$1,600,000. The Base Rent shall be determined for each subsequent lease fiscal year of the lease by multiplying the actual number of passengers during the first three quarters of the lease fiscal year by \$2.50. The Base Rent for the first year of the Primary Term has been calculated based upon 640,000 passengers. Commencing with the Primary Term, in addition to the Base Rent above, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers per lease fiscal year used to determine the Base Rent for that particular year ("Per Capita Rent"). In accordance with the "Initial Improvement Plan", the Lessee shall pay to the City a "Lump Sum Advanced Payment" in the amount set forth in the Initial Improvement Plan, the proceeds of which shall be used by the City to make certain infrastructure improvements. The Lessee has agreed to make certain leasehold improvements at pre-approved costs and is entitled to recapture the Lump Sum Advanced Payment and that portion of the costs of the leasehold improvements by means of credits against the rent. The Lessee shall be entitled to deduct from its monthly rent payments 25% of such payments until the lessee has received a credit equal to the cost of the rent credit improvements. Commencing on the opening date, in addition to the Initial Rent, Base Rent and Per Capita Rent, the Lessee shall pay to 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". There will be no Minimum Rent during the Initial Term. The Minimum Percentage Rent for the first year of the Primary Term shall be \$312,853, and for each subsequent base fiscal year, an amount equal to 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, and shall not be subject to any Rent Credits. During the Initial Term of the lease, the sum of \$100,000 was paid within seven days after the signing of the lease, the sum of \$100,000 was paid on January 1, 1994, and the sum of \$100,000 was paid on April 1, 1994, all to the Kenner Police Department. The total amount of \$300,000 has been received by the Kenner Police Department. During the Primary Term of this lease and each Renewal Term, 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.

The City is currently in dispute with the Parish of Jefferson over the right of Jefferson Parish to levy a \$2.50 admission fee upon the patrons of the Treasure Chest Riverboat Casino. The City and the Treasure Chest Casino, L.L.C. have joined together in a lawsuit against the Parish of Jefferson and the Louisiana Riverboat Gaming Commission to contest the right of Jefferson Parish to levy a \$2.50 admission fee upon the patrons of the riverboat casino. Also, the Parish of Jefferson has filed a lawsuit against the City contesting the annexation by the City of Kenner of a portion of Lake Pontchartrain where the Williams Boulevard Boat Launch and the Treasure Chest Riverboat Casino are located. While the City is not being sued for a sum of money, these lawsuits could affect the City's right to collect revenue from the Treasure Chest Riverboat Casino. Management and its outside legal counsel are of the opinion that the possibility of losing these lawsuits is remote.

In July 1995, the City invoiced the Treasure Chest Casino, L.L.C. seeking rent payment pursuant to Section VII Subsection (A)(i) of the Lease. A dispute arose as to the number of cruises for which passengers stayed on board. Specifically, Treasure Chest argued that they were overbilled for 892,534 passengers for which they were charged an additional \$2.50 each because the Treasure Chest vessel did not leave the dock when those passengers were aboard. Despite the dispute, Treasure Chest paid the City \$1,998,763 under protest for these 892,534 passengers. This dispute was settled during the year ended June 30, 1996. As a result of the settlement, it was agreed that the funds belonged to the City.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE P - 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 \$750,000; \$250,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$750,000; 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 Civic Center Operations Fund, participate in the program and make payments to the fund based on an actuarial valuation dated May 1991 adjusted by the actual performance of the programs using historical experience. The claims liability of \$1,687,231 (which includes claims incurred but not reported of \$458,849) reported in the Fund at June 30, 1996 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the balances of claims liabilities during fiscal 1996 and 1995 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
1994-1995	\$1,733,464	\$536,702	\$(429,060)	\$1,841,106
1995-1996	\$1,841,106	\$541,457	\$(695,332)	\$1,687,231

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 Q - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, and excessive assessment claims. 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 at June 30, 1996, for which an amount of liability can be estimated, approximates \$1,380,000 and are not reflected in these financial statements. All probable claims have been accrued as liabilities in the City's Self-Insurance Fund. See Note P for additional details.

The City is also currently in dispute with the Parish of Jefferson over the right of Jefferson Parish to levy a \$2.50 admission fee upon the patrons of the Treasure Chest Riverboat Casino. See Note O for additional details.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE Q - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

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 Professional Services Group, Inc. ("PSG") 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. The term of the agreement is for five years commencing on July 1, 1995. The City has the option to terminate the agreement at the end of the third contract year by notifying PSG of its election at any time prior to April 1998. PSG's compensation under the agreement consists of an annual fee. For the first four years of the agreement, PSG's annual fee is \$4,409,261. The annual fee will be adjusted at the end of the fourth contract year in accordance with the CPI Adjustment Formula as stipulated in the agreement.

LEASE COMMITMENTS - GENERAL

Leases are accounted for in accordance with G.A.S.B. Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the General Fixed Assets Account Group and the lease obligations are recorded in the General Long-Term Debt Account Group.

Capital leases

The City has entered into a Municipal Lease and Option Agreement which provides for future purchases of equipment to be leased/purchased by the City. The lease term began July 1, 1991 for a term of 60 months with payments of \$18,849 per month. On March 1, 1994, the lease agreement was refinanced. A prepayment of the principal was made in the amount of \$352,196, resulting in remaining payments of \$6,208 per month.

The City entered into a Municipal Lease and Option Agreement for the purchase of a bulldozer to be leased/purchased by the City. The lease term began April 15, 1995 for a term of 60 months with payments of \$2,435 per month.

The City entered into a Municipal Lease and Option Agreement for the purchase of various equipment to be leased/purchased by the City. The lease term began August 15, 1995 for a term of 60 months with payments of \$20,809 per month.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE Q - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following is a schedule of the future minimum lease payments under all of the capital leases together with the present value of the minimum lease payments as of June 30, 1996.

<u>Year Ending June 30th</u>	<u>Governmental Funds</u>
1997	\$ 278,930
1998	278,930
1999	278,930
2000	274,059
2001	<u>41,618</u>
Total minimum lease payments	1,152,467
Less amount representing interest	<u>122,476</u>
Present value of future minimum lease payments	<u>\$ 1,029,991</u>

NOTE Q - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating leases

The City is committed under various leases for buildings. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 1996 amounted to \$93,327. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30th</u>	<u>Amounts</u>
1997	\$ 47,532
1998	47,532
1999	47,532
2000	47,532
2001	47,532
Thereafter	<u>154,479</u>
TOTAL	<u>\$392,139</u>

NOTE R - 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE R - DEFERRED COMPENSATION PLAN (CONTINUED)

The City's legal counsel believes that the City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Investments are managed by PEBSCO. The choice of the investment option(s) is made by the participant.

NOTE S - POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note T, the City provides postretirement health care and life insurance benefits, authorized by City resolution, to all retirees with 20 years or more of service. 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, 1996, fifty-three retirees were eligible and were receiving such health care benefits. Total health care premiums amounted to \$150,342, of which \$110,736 (74%) was paid by the City and \$39,606 (26%) was paid by the retirees for the year ended June 30, 1996. Life insurance premiums paid by the City for fifty-one eligible retirees amounted to \$2,351 for the year ended June 30, 1996.

NOTE T - PENSION PLANS

PLAN MEMBERSHIP

Substantially all of the City's full-time, permanent employees, other than those employed by 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 officers 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.

The employees of the Fire Department of the City are participants in the Firemen's Pension and Relief Fund (The Firemen's Plan), a single-employer defined benefit plan.

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, employees with 25 years of service may retire at age 55, and employees with 30 years of service may retire regardless of age. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of 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.

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. 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 member's final compensation. 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.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE T - PENSION PLANS (CONTINUED)

Firemen's Pension and Relief Fund (The Firemen's Plan)

All permanent active employees of the Fire Department are eligible for participation. Under the Firemen's Plan, members prior to April 1, 1978, with 20 years of service may retire. Members after March 31, 1978 and on or before September 30, 1995 with 30 years of service are eligible to retire. Members after September 30, 1995 with 30 years of service and upon reaching age 55 are eligible to retire. Retirement benefits for members prior to April 1, 1978, are 66 2/3 percent of monthly salary at the time of retirement for 20 to 24 years of service, 75 percent of salary for 25 to 29 years of service, and 85 percent of salary for 30 or more years of service. Retirement benefit for members after March 31, 1978, is 85 percent of the monthly salary received at time of retirement. 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.

COVERED PAYROLL

The total payroll, as well as the covered payroll, for each of the plans for the year ended June 30, 1996 were as follows:

	<u>TOTAL</u>	<u>COVERED</u>
Municipal Plan	\$7,076,145	\$6,532,647
Police Plan	4,942,901	3,413,143
Firemen's Plan	2,270,590	2,220,798

CURRENT MEMBERSHIP

At June 30, 1995 (latest date for which such information was available at the date of this report), the plan membership of the Firemen's Plan consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees who are entitled to receive benefits but are not yet receiving benefits:	26
Active plan participants:	
Fully vested	4
Partially vested	<u>71</u>
Total	<u>101</u>

Membership data for the Municipal Plan and Police Plan, cost-sharing multiple-employer plans, are not available by individual employer.

FUNDING STATUS AND PROGRESS

The amount shown below as the "pension benefit obligation" is based on a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to (I) help users assess the Plan's funding status on a going-concern basis, (II) assess progress made in accumulating sufficient assets to pay benefits when due and (III) allow for comparisons among public employee retirement plans.

Because the standardized measurement is used only for disclosure purposes, the measurement is independent of the methods used to determine contributions to the Plan. The pension benefit obligation for the Firemen's Plan, single-employer plan, was determined as part of an actuarial valuation made as of June 30, 1995 (the latest date for which such information was available).

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE T - PENSION PLANS (CONTINUED)

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation. The assumptions for the single-employer plan are summarized as follows:

	<u>FIREMEN'S PLAN</u>
Rate of return on the investment of present and future assets	7.50%
Projected salary increases due to:	
Inflation	3.00%
Merit or seniority	3.00-6.40%
Post-retirement benefit increases	-

The standardized measure of the pension benefit obligation for the single-employer plan is comprised of the following as of June 30, 1995 (the latest date for which such information was available):

	<u>FIREMEN'S PLAN</u>
Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 7,461,492
Current employees:	
Accumulated employee contributions and employer-financed vested	2,980,564
Employer-financed non-vested	<u>4,071,928</u>
Total pension benefit obligation	14,513,984
Net assets available for benefits, at cost or amortized cost	<u>6,554,129</u>
Unfunded pension benefit obligation	<u>\$ 7,959,855</u>

Market value of the net assets available for the plan at June 30, 1995 was \$7,116,941.

The Municipal Plan and the Police Plan, cost-sharing multiple-employer plans, do not conduct separate measurements of assets and pension benefit obligations for individual employers. The benefit obligations at June 30, 1995 (the latest date for which such information was available), for the Municipal Plan and at June 30, 1995 for the Police Plan as a whole, determined through actuarial valuations performed as of that date, were \$321,901,732 and \$736,846,804, respectively. The Municipal Plan and the Police Plan's net assets available for benefits on that date were \$276,390,971 and \$755,464,738 respectively, resulting in an unfunded (assets in excess of) pension benefit obligations of \$45,510,761 and \$(18,617,934), respectively. The City's contributions to the Municipal and Police Plans represented 7.3 and 3.0 percent, respectively, of total contributions required of all employers. No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligations occurred during the fiscal year, for the Municipal Plan. The total actuarial present value of credited projected benefits increased by \$37,099,136 from June 30, 1994 to June 30, 1995, for the Police Plan. This increase was due to the June 30, 1994 cost of living allowance granted to retirees.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE T - PENSION PLANS (CONTINUED)

CONTRIBUTIONS REQUIRED AND MADE

The funding policy for the Firemen's Plan provides for employer contributions of 13.0 percent and employee contributions of 9.0 percent of the gross salary of participating employees. These rates were established by state statutes and adopted by the City. Contributions rates are not actuarially determined. In addition, the employer also contributes the fire insurance tax it receives from the State of Louisiana which makes the effective employer contribution percentage 19.40%. The Plan further provides that the City of Kenner shall replenish the Fund in amounts equivalent to any deficit resulting from the payment of the benefits provided by the Plan.

Contributions required and made for the single-employer plan is comprised of the following as of June 30, 1996:

	<u>FIREMEN'S PLAN</u>
Contributions required and made:	
Employer	\$430,767
Employee	<u>200,180</u>
	<u>\$630,947</u>
Contributions made as a percentage of covered payroll:	
Employer	19.40%
Employee	9.00%

The funding policies for the Municipal Plan and the Police Plan provide for contributions at actuarially determined rates. The contribution rates of the Municipal Plan are determined using the frozen attained age normal cost method, with the unfunded accrued liability being funded over a 40 year period. Member contributions are established by state statute and are 9.25% of covered payroll. The contribution rates of the Police Plan are determined using the entry age normal cost method, with the unfunded accrued liability being funded over a 40 year period. Member contributions are established by state statute at 7.5% of covered payroll.

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan, for the year ended June 30, 1996 were \$1,032,832, which consisted of \$440,889 (6.75 percent of covered payroll) from the City and \$591,943 (9.0 percent of covered payroll) from employees.

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan, for the year ended June 30, 1996 were \$563,170, which consisted of \$307,184 (9.0 percent of covered payroll) from the City and \$255,986 (7.5 percent of covered payroll) from employees.

TREND INFORMATION

Three-year historical trend information for the single-employer plan for the fiscal years ending June 30 is as follows:

	<u>FIREMEN'S PLAN</u>
Net assets available for benefits as a percentage of the pension benefit obligation:	
1995	45.2%
1994	44.5%
1993	44.3%

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE T - PENSION PLANS (CONTINUED)

Unfunded pension benefit obligation as a percentage of covered payroll:

1995	388.5%
1994	393.9%
1993	362.8%

Employer contributions to the pension plan as a percentage of covered payroll:

1995	20.0%
1994	19.6%
1993	19.0%

Showing the unfunded pension benefit obligation as a percentage of covered payroll approximately adjusts for the effects of inflation for analytical purposes.

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.

Ten-year historical trend information is presented in the Supplementary Information Section of this report for the Firemen's Plan. Ten year historical trend information for the Municipal plan and the Police plan is available in the separately issued reports.

NOTE U - APPROPRIATION OF STATE MONIES

Appropriation of State Monies from Refinancing of Louisiana Superdome

A sports and entertainment package was approved by the Louisiana Legislature on June 9, 1994 and signed into law. This package involves new bond financing and the refinancing of existing debt on the Louisiana Superdome. One project included in this package is a \$1.5 million grant to the City of Kenner for expansion of the Pontchartrain Center.

On December 15, 1994, a resolution was passed by the City of Kenner Council, whereby the City would provide additional funds to the Louisiana Stadium and Exposition District that could be added to the \$1.5 million of state monies presently dedicated for the expansion of the Center. This additional financing was a result of the City's issuance of Certificate of Indebtedness Series 1996B.

On January 4, 1996, the City of Kenner entered into a Cooperative Endeavor Agreement with the Louisiana Stadium and Exposition District (the "District") for expansion of the Center. The District has issued \$48,000,000 of Hotel Occupancy Tax Bonds, Series 1995-B and has allocated an amount not to exceed \$1,500,000 from the proceeds of the bonds for the expansion of the Center. The City of Kenner has contributed \$2,430,453 of proceeds from its issuance of Certificate Indebtedness Series 1996B for the remainder of the construction contract, including contingencies of the Project.

The District awarded a construction contract, including contingencies, in the amount of \$3,730,453 which will be paid in part by a contribution from the City of \$2,430,453 and the remainder by a contribution from the District of \$1,300,000. The remaining allocation of District monies will be used for professional fees, soil boring and other "soft" costs relating to the Project.

Construction has commenced on the Project. As of June 30, 1996, \$266,814 had been expended on the Project.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE V - SUBSEQUENT EVENTS

Equipment Lease-Purchase Agreement

On December 7, 1995, the City authorized the negotiation, execution, and delivery of a lease/purchase agreement with Banc One Leasing Corporation for various equipment totalling \$695,523. The terms of the agreement provide a lease term of ten years with monthly payments of \$8,262. Funding for the lease payments will result from the energy savings derived from the installation of such equipment.

On September 11, 1996, a lease/purchase and escrow addendum was made to the original lease/purchase agreement dated December 7, 1995. This amendment included additional equipment to be installed resulting in an increase in total equipment to \$722,005. As a consequence, Exhibit A was revised to amend the description of the equipment and Exhibit B was revised to amend the payment schedule. As of September 30, 1996, all equipment has been installed and accepted by the City. Monthly payments will begin in October 1996 in the amount of \$8,384.

On May 4, 1995, the City entered into a management agreement with Energy Masters Corporation ("Service Company") who will design and manage the installation of such equipment. The Service Company guarantees that the City will realize aggregate energy savings equal to at least the lease payments. In the event the energy savings realized by the City are less than the required lease payments, the Service Company shall remit the deficiency to the City. The Service Company shall be entitled to receive a portion of the energy savings experienced each year less the required lease payments.

Retirement of Municipal Lease and Option Agreements

On July 15, 1996, the City opted to pay off the two outstanding Municipal Lease and Option Agreements for the bulldozer and for various other equipment. The total principal paid was \$99,136 and \$935,541, respectively.

Development of Hotel

In July 1996, the City Council passed an ordinance authorizing the Mayor to sign a memorandum of understanding to provide for the development of a hotel at the Ponchartrain Civic Center. The developer proposes to finance the construction of the hotel on City owned property. The hotel will be physically connected with the Ponchartrain Civic Center. The Hotel will have a minimum of 180 rooms and will be affiliated with a recognized national or international hotel chain.

NOTE W - AVAILABILITY OF SEPARATE FINANCIAL REPORTS

Separate audited financial reports for the year ended June 30, 1996, containing additional information as required by the revenue bond indentures, and more detailed information regarding operating results, are available from the City for the following funds:

Enterprise Funds	Auditors
Ponchartrain Center Operations	Rebowe & Company
Pension Trust Funds	
Firemen's Pension and Relief Fund	Rebowe & Company

**COMBINING AND INDIVIDUAL FUND
AND ACCOUNT GROUP STATEMENTS**

GENERAL FUND

The General Fund is the principal operating fund of the City of Kenner, and accounts for the financial resources and expenditures not accounted for in any other fund.

CITY OF KENNER, LOUISIANA
GENERAL FUND
BALANCE SHEET
June 30, 1996

ASSETS		
Cash	\$ 338,743	
Equity in pooled cash and investments	1,514,161	
Investments	10,254,740	
Receivables (net, where applicable, of allowances for uncollectibles)		
Accounts	4,276,287	
Intergovernmental	2,943,926	
Special assessments - delinquent	469,191	
Interest	158,585	
Due from other funds	2,870,947	
Inventory	69,968	
Prepaid items	35,641	
	<hr/>	
TOTAL ASSETS	\$ 22,932,189	
	<hr/> <hr/>	
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 711,321	
Accrued liabilities	227,503	
Due to other funds	784,978	
Due to other governments	568,295	
Deferred revenue	1,036,331	
Other liabilities	111,255	
	<hr/>	
TOTAL LIABILITIES	3,439,683	
	<hr/>	
Fund balance		
Reserved for encumbrances	55,635	
Reserved for inventory	69,968	
Reserved for prepaid items	35,641	
Reserved for restricted expenditures	1,044,106	
Reserved for capital expenditures	7,548,857	
Unreserved		
Designated for subsequent years' expenditures	5,899,513	
Undesignated	4,838,786	
	<hr/>	
TOTAL FUND BALANCE	19,492,506	
	<hr/>	
TOTAL LIABILITIES AND FUND BALANCE	\$ 22,932,189	
	<hr/> <hr/>	

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes	\$ 23,822,845	\$ -	\$23,822,845	\$ 22,817,096	\$ 1,005,749
Licenses and permits	2,371,946	-	2,371,946	2,249,242	122,704
Intergovernmental	1,856,581	-	1,856,581	1,430,117	426,464
Charges for services	347,909	-	347,909	311,048	36,861
Fines and forfeitures	1,121,222	-	1,121,222	1,052,702	68,520
Interest on invested funds	781,605	-	781,605	200,000	581,605
Miscellaneous	108,061	-	108,061	77,000	31,061
TOTAL REVENUES	<u>30,410,169</u>	<u>-</u>	<u>30,410,169</u>	<u>28,137,205</u>	<u>2,272,964</u>
EXPENDITURES					
General government	8,772,634	(29,681)	8,742,953	9,586,876	843,923
Public safety	12,206,912	(30,846)	12,176,066	16,919,102	4,743,036
Public works	2,434,907	(11,940)	2,422,967	2,669,360	246,393
Health and welfare	701,860	(1,808)	700,052	688,984	(11,068)
Culture and recreation	3,170,484	3,319	3,173,803	3,470,205	296,402
Transit and urban development	344,149	-	344,149	377,453	33,304
Miscellaneous	1,628,349	-	1,628,349	1,630,500	2,151
TOTAL EXPENDITURES	<u>29,259,295</u>	<u>(70,956)</u>	<u>29,188,339</u>	<u>35,342,480</u>	<u>6,154,141</u>
EXCESS OF (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,150,874</u>	<u>70,956</u>	<u>1,221,830</u>	<u>(7,205,275)</u>	<u>8,427,105</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	6,981,341	-	6,981,341	5,843,994	1,137,347
Operating transfers out	(5,558,861)	-	(5,558,861)	(4,441,786)	(1,117,075)
Proceeds from leases	1,100,000	-	1,100,000	1,100,000	-
TOTAL OTHER FINANCING SOURCES	<u>2,522,480</u>	<u>-</u>	<u>2,522,480</u>	<u>2,502,208</u>	<u>20,272</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>3,673,354</u>	<u>70,956</u>	<u>3,744,310</u>	<u>(4,703,067)</u>	<u>8,447,377</u>
FUND BALANCE					
AT BEGINNING OF YEAR,	<u>15,819,152</u>	<u>(126,585)</u>	<u>15,692,567</u>	<u>15,692,567</u>	<u>-</u>
AT END OF YEAR	<u>\$ 19,492,506</u>	<u>\$ (55,629)</u>	<u>\$19,436,877</u>	<u>\$ 10,989,500</u>	<u>\$ 8,447,377</u>

CITY OF KENNER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
TAXES					
Ad valorem tax	\$ 789,870	\$ -	\$ 789,870	\$ 737,983	\$ 51,887
Sales tax	13,286,488	-	13,286,488	11,996,012	1,290,476
Beer tax	89,949	-	89,949	84,000	5,949
Parking tax	996,291	-	996,291	947,407	48,884
Franchises:					
Electricity service	1,118,337	-	1,118,337	1,055,116	63,221
Gas service	140,000	-	140,000	140,000	-
Off-track wagering	284,424	-	284,424	269,069	15,355
Hotel/motel tax	92,371	-	92,371	81,279	11,092
Telephone	423,141	-	423,141	422,421	720
Riverboat	6,576,974	-	6,576,974	7,083,809	(506,835)
Telecommunication	25,000	-	25,000	-	25,000
TOTAL TAXES	23,822,845	-	23,822,845	22,817,096	1,005,749
LICENSES AND PERMITS					
Business					
Occupational	1,641,027	-	1,641,027	1,496,921	144,106
Alcoholic beverage	73,339	-	73,339	65,278	8,061
Chain store	65,769	-	65,769	63,028	2,741
Plumbing	25,900	-	25,900	31,669	(5,769)
Electrical	17,160	-	17,160	21,506	(4,346)
Taxi cab	26,170	-	26,170	31,431	(5,261)
Air conditioning	10,440	-	10,440	16,044	(5,604)
Bingo	250	-	250	290	(40)
Animal control	600	-	600	707	(107)
TOTAL BUSINESS	1,860,655	-	1,860,655	1,726,874	133,781
Non-business					
Building	91,972	-	91,972	77,735	14,237
Garage sales	6,119	-	6,119	6,474	(355)
Brake tags	413,200	-	413,200	438,159	(24,959)
TOTAL NON-BUSINESS	511,291	-	511,291	522,368	(11,077)
TOTAL LICENSES AND PERMITS	2,371,946	-	2,371,946	2,249,242	122,704
INTERGOVERNMENTAL					
From state					
Tobacco tax	321,647	-	321,647	322,331	(684)
Parish transportation fund	365,288	-	365,288	352,386	12,902
Parish road fund	223,514	-	223,514	194,467	29,047
Video poker	638,440	-	638,440	425,000	213,440
Other state grants	239,633	-	239,633	-	239,633
From other local government subdivisions					
Jefferson Council on Aging	32,892	-	32,892	30,000	2,892
Parish grants	-	-	-	85,933	(85,933)
Jefferson Parish	35,167	-	35,167	-	35,167
Aviation board	-	-	-	20,000	(20,000)
TOTAL INTERGOVERNMENTAL	1,856,581	-	1,856,581	1,430,117	426,464

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
CHARGES FOR SERVICES					
Zoning fees	\$ 12,480	\$ -	\$ 12,480	\$ 8,150	\$ 4,330
Inspection fees					
Electrical	38,927	-	38,927	34,525	4,402
Plumbing	20,236	-	20,236	19,848	388
Air conditioning heating, and other	17,389	-	17,389	21,425	(4,036)
Maps and document sales	2,225	-	2,225	1,500	725
Tax research fees	16,450	-	16,450	12,000	4,450
Police reports	46,903	-	46,903	42,000	4,903
Weed cutting fees	49,408	-	49,408	35,000	14,408
Recreation department					
Participation fees	14,791	-	14,791	13,000	1,791
Admission fees	63,033	-	63,033	32,600	30,433
Identification and other fees	4,395	-	4,395	-	4,395
Community service fees	672	-	672	-	672
Administrative charges	61,000	-	61,000	91,000	(30,000)
TOTAL CHARGES FOR SERVICES	<u>347,909</u>	<u>-</u>	<u>347,909</u>	<u>311,048</u>	<u>36,861</u>
FINES AND FORFEITURES					
Fines	957,082	-	957,082	936,202	20,880
Forfeitures	138,190	-	138,190	95,000	43,190
DWI fines	18,288	-	18,288	15,000	3,288
Reinstatement fees	7,662	-	7,662	6,500	1,162
TOTAL FINES AND FORFEITURES	<u>1,121,222</u>	<u>-</u>	<u>1,121,222</u>	<u>1,052,702</u>	<u>68,520</u>
INTEREST ON INVESTED FUNDS	<u>781,605</u>	<u>-</u>	<u>781,605</u>	<u>200,000</u>	<u>581,605</u>
MISCELLANEOUS					
Donations	3,202	-	3,202	-	3,202
Rents	9,009	-	9,009	7,000	2,009
Other investment income	75,747	-	75,747	50,000	25,747
Other	20,103	-	20,103	20,000	103
TOTAL MISCELLANEOUS	<u>108,061</u>	<u>-</u>	<u>108,061</u>	<u>77,000</u>	<u>31,061</u>
TOTAL REVENUES	<u>\$30,410,169</u>	<u>\$ -</u>	<u>\$ 30,410,169</u>	<u>\$ 28,137,205</u>	<u>\$ 2,272,964</u>

CITY OF KENNER, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT					
Personnel	\$ 2,571,096	\$ -	\$ 2,571,096	\$ 2,628,260	\$ 57,164
Supplies	120,077	(1,074)	119,003	133,569	14,566
Service charges	4,938,660	(4,835)	4,933,825	4,903,261	(30,564)
Capital outlay	1,142,801	(23,772)	1,119,029	1,921,786	802,757
TOTAL GENERAL GOVERNMENT	\$ 8,772,634	\$ (29,681)	\$ 8,742,953	\$ 9,586,876	\$ 843,923
PUBLIC SAFETY					
Personnel	\$ 6,623,282	\$ -	\$ 6,623,282	\$ 7,862,111	\$ 1,238,829
Supplies	458,392	(4,637)	453,755	501,267	47,512
Service charges	2,080,518	(2,403)	2,078,115	2,165,732	87,617
Capital outlay	3,044,720	(23,806)	3,020,914	6,389,992	3,369,078
TOTAL PUBLIC SAFETY	\$12,206,912	\$ (30,846)	\$12,176,066	\$16,919,102	\$ 4,743,036
PUBLIC WORKS					
Personnel	\$ 1,674,842	\$ -	\$ 1,674,842	\$ 1,736,543	\$ 61,701
Supplies	584,266	(1,256)	583,010	642,645	59,635
Service charges	116,281	2,411	118,692	140,621	21,929
Capital outlay	59,518	(13,095)	46,423	149,551	103,128
TOTAL PUBLIC WORKS	\$ 2,434,907	\$ (11,940)	\$ 2,422,967	\$ 2,669,360	\$ 246,393
HEALTH AND WELFARE					
Personnel	\$ 562,781	\$ -	\$ 562,781	\$ 565,164	\$ 2,383
Supplies	104,023	(1,358)	102,665	86,292	(16,373)
Service charges	35,056	(450)	34,606	37,528	2,922
Capital outlay	-	-	-	-	-
TOTAL HEALTH AND WELFARE	\$ 701,860	\$ (1,808)	\$ 700,052	\$ 688,984	\$ (11,068)
CULTURE AND RECREATION					
Personnel	\$ 2,140,808	\$ -	\$ 2,140,808	\$ 2,138,819	\$ (1,989)
Supplies	241,047	(617)	240,430	251,773	11,343
Service charges	787,563	3,936	791,499	1,055,948	264,449
Capital outlay	1,066	-	1,066	23,665	22,599
TOTAL CULTURE AND RECREATION	\$ 3,170,484	\$ 3,319	\$ 3,173,803	\$ 3,470,205	\$ 296,402

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TRANSIT					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	344,149	-	344,149	377,453	33,304
Capital outlay	-	-	-	-	-
TOTAL TRANSIT	<u>\$ 344,149</u>	<u>\$ -</u>	<u>\$ 344,149</u>	<u>\$ 377,453</u>	<u>\$ 33,304</u>
MISCELLANEOUS					
Personnel	\$ 75,342	\$ -	\$ 75,342	\$ 77,500	\$ 2,158
Supplies	-	-	-	-	-
Service charges	1,553,007	-	1,553,007	1,553,000	(7)
Capital outlay	-	-	-	-	-
TOTAL MISCELLANEOUS	<u>\$ 1,628,349</u>	<u>\$ -</u>	<u>\$ 1,628,349</u>	<u>\$ 1,630,500</u>	<u>\$ 2,151</u>
TOTAL EXPENDITURES					
Personnel	\$13,648,151	\$ -	\$ 13,648,151	\$ 15,008,397	\$ 1,360,246
Supplies	1,507,805	(8,942)	1,498,863	1,615,546	116,683
Service charges	9,855,234	(1,341)	9,853,893	10,233,543	379,650
Capital outlay	4,248,105	(60,673)	4,187,432	8,484,994	4,297,562
TOTAL EXPENDITURES	<u>\$29,259,295</u>	<u>\$ (70,956)</u>	<u>\$ 29,188,339</u>	<u>\$ 35,342,480</u>	<u>\$ 6,154,141</u>

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL GOVERNMENT FUNCTION
Year Ended June 30, 1996

COUNCIL OFFICE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 427,650	\$ -	\$ 427,650	\$ 438,273	\$ 10,623
Supplies	37,060	(613)	36,447	42,367	5,920
Service charges	74,349	-	74,349	97,068	22,719
Capital outlay	2,609	-	2,609	29,014	26,405
TOTAL EXPENDITURES	\$ 541,668	\$ (613)	\$ 541,055	\$ 606,722	\$ 65,667

MAYOR'S OFFICE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 145,784	\$ -	\$ 145,784	\$ 152,294	\$ 6,510
Supplies	13,140	-	13,140	15,271	2,131
Service charges	15,020	-	15,020	20,585	5,565
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 173,944	\$ -	\$ 173,944	\$ 188,150	\$ 14,206

CHIEF ADMINISTRATIVE OFFICE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 200,825	\$ -	\$ 200,825	\$ 200,911	\$ 86
Supplies	4,272	-	4,272	4,695	423
Service charges	12,489	-	12,489	14,360	1,871
Capital outlay	-	-	-	18,771	18,771
TOTAL EXPENDITURES	\$ 217,586	\$ -	\$ 217,586	\$ 238,737	\$ 21,151

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL GOVERNMENT FUNCTION (CONTINUED)
Year Ended June 30, 1996

FINANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 323,490	\$ -	\$ 323,490	\$ 323,919	\$ 429
Supplies	22,497	267	22,764	23,000	236
Service charges	21,235	330	21,565	34,100	12,535
Capital outlay	5,259		5,259	6,500	1,241
TOTAL EXPENDITURES	<u>\$ 372,481</u>	<u>\$ 597</u>	<u>\$ 373,078</u>	<u>\$ 387,519</u>	<u>\$ 14,441</u>

PURCHASING

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 165,947	\$ -	\$ 165,947	\$ 172,327	\$ 6,380
Supplies	3,345	(132)	3,213	4,600	1,387
Service charges	17,281	-	17,281	19,825	2,544
Capital outlay	2,832	691	3,523	22,633	19,110
TOTAL EXPENDITURES	<u>\$ 189,405</u>	<u>\$ 559</u>	<u>\$ 189,964</u>	<u>\$ 219,385</u>	<u>\$ 29,421</u>

PERSONNEL

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 173,494	\$ -	\$ 173,494	\$ 180,215	\$ 6,721
Supplies	2,945	172	3,117	3,706	589
Service charges	21,010	15	21,025	23,705	2,680
Capital outlay	-	-	-	14,115	14,115
TOTAL EXPENDITURES	<u>\$ 197,449</u>	<u>\$ 187</u>	<u>\$ 197,636</u>	<u>\$ 221,741</u>	<u>\$ 24,105</u>

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL GOVERNMENT FUNCTION (CONTINUED)
Year Ended June 30, 1996

PLANNING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 162,047	\$ -	\$ 162,047	\$ 161,973	\$ (74)
Supplies	2,232	-	2,232	2,435	203
Service charges	15,765	-	15,765	17,975	2,210
Capital outlay	1,168	120	1,288	1,464	176
TOTAL EXPENDITURES	\$ 181,212	\$ 120	\$ 181,332	\$ 183,847	\$ 2,515

DATA PROCESSING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 39,582	\$ -	\$ 39,582	\$ 39,789	\$ 207
Supplies	4,431	(768)	3,663	3,900	237
Service charges	180,120	-	180,120	183,032	2,912
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 224,133	\$ (768)	\$ 223,365	\$ 226,721	\$ 3,356

CIVIL SERVICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 28,198	\$ -	\$ 28,198	\$ 28,214	\$ 16
Supplies	1,715	-	1,715	1,895	180
Service charges	5,411	-	5,411	7,021	1,610
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 35,324	\$ -	\$ 35,324	\$ 37,130	\$ 1,806

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL GOVERNMENT FUNCTION (CONTINUED)
Year Ended June 30, 1996

GENERAL MUNICIPAL EXPENSE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 415,362	\$ -	\$ 415,362	\$ 426,777	\$ 11,415
Supplies	19,652	-	19,652	17,700	(1,952)
Service charges	4,546,365	(5,180)	4,541,185	4,446,576	(94,609)
Capital outlay	1,107,311	(12,921)	1,094,390	1,772,991	678,601
TOTAL EXPENDITURES	\$ 6,088,690	\$ (18,101)	\$ 6,070,589	\$ 6,664,044	\$ 593,455

MAGISTRATE'S COURT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 488,717	\$ -	\$ 488,717	\$ 503,568	\$ 14,851
Supplies	8,788	-	8,788	14,000	5,212
Service charges	29,615	-	29,615	39,014	9,399
Capital outlay	23,622	(11,662)	11,960	56,298	44,338
TOTAL EXPENDITURES	\$ 550,742	\$ (11,662)	\$ 539,080	\$ 612,880	\$ 73,800

TOTAL - GENERAL GOVERNMENT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 2,571,096	\$ -	\$ 2,571,096	\$ 2,628,260	\$ 57,164
Supplies	120,077	(1,074)	119,003	133,569	14,566
Service charges	4,938,660	(4,835)	4,933,825	4,903,261	(30,564)
Capital outlay	1,142,801	(23,772)	1,119,029	1,921,786	802,757
TOTAL EXPENDITURES	\$ 8,772,634	\$ (29,681)	\$ 8,742,953	\$ 9,586,876	\$ 843,923

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
PUBLIC SAFETY FUNCTION
Year Ended June 30, 1996

POLICE ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 582,420	\$ -	\$ 582,420	\$ 578,763	\$ (3,657)
Supplies	61,954	(110)	61,844	64,750	2,906
Service charges	761,211	(923)	760,288	748,000	(12,288)
Capital outlay	758,156	(3,108)	755,048	999,179	244,131
TOTAL EXPENDITURES	\$ 2,163,741	\$ (4,141)	\$ 2,159,600	\$ 2,390,692	\$ 231,092

ROAD POLICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 3,394,249	\$ -	\$ 3,394,249	\$ 4,554,048	\$ 1,159,799
Supplies	213,924	(3,552)	210,372	217,350	6,978
Service charges	1,120,153	(1,447)	1,118,706	1,118,935	229
Capital outlay	1,735,361	7,749	1,743,110	2,810,000	1,066,890
TOTAL EXPENDITURES	\$ 6,463,687	\$ 2,750	\$ 6,466,437	\$ 8,700,333	\$ 2,233,896

POLICE DETECTIVES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 724,741	\$ -	\$ 724,741	\$ 730,478	\$ 5,737
Supplies	14,789	(940)	13,849	32,450	18,601
Service charges	28,224	(33)	28,191	88,000	59,809
Capital outlay	210,608	-	210,608	345,000	134,392
TOTAL EXPENDITURES	\$ 978,362	\$ (973)	\$ 977,389	\$ 1,195,928	\$ 218,539

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
PUBLIC SAFETY FUNCTION (CONTINUED)
Year Ended June 30, 1996

POLICE COMMUNICATIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 248,707	\$ -	\$ 248,707	\$ 262,059	\$ 13,352
Supplies	1,398	-	1,398	4,500	3,102
Service charges	-	-	-	-	-
Capital outlay	335,259	(26,960)	308,299	410,000	101,701
TOTAL EXPENDITURES	\$ 585,364	\$ (26,960)	\$ 558,404	\$ 676,559	\$ 118,155

JAIL

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 349,961	\$ -	\$ 349,961	\$ 402,699	\$ 52,738
Supplies	105,054	1,459	106,513	111,100	4,587
Service charges	5,731	-	5,731	19,650	13,919
Capital outlay	-	-	-	1,040,000	1,040,000
TOTAL EXPENDITURES	\$ 460,746	\$ 1,459	\$ 462,205	\$ 1,573,449	\$ 1,111,244

POLICE RANGE/SWAT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	18,189	(1,826)	16,363	22,000	5,637
Service charges	873	-	873	3,000	2,127
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 19,062	\$ (1,826)	\$ 17,236	\$ 25,000	\$ 7,764

(Continued)

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 PUBLIC SAFETY FUNCTION (CONTINUED)
 Year Ended June 30, 1996

POLICE TRAFFIC AND RESCUE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 504,424	\$ -	\$ 504,424	\$ 507,209	\$ 2,785
Supplies	12,896	-	12,896	14,750	1,854
Service charges	19,069	-	19,069	31,500	12,431
Capital outlay	4,027	(4,027)	-	750,000	750,000
TOTAL EXPENDITURES	\$ 540,416	\$ (4,027)	\$ 536,389	\$ 1,303,459	\$ 767,070

CODE ENFORCEMENT - ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 682,907	\$ -	\$ 682,907	\$ 689,515	\$ 6,608
Supplies	18,582	345	18,927	20,064	1,137
Service charges	144,510	-	144,510	152,621	8,111
Capital outlay	1,309	2,540	3,849	35,813	31,964
TOTAL EXPENDITURES	\$ 847,308	\$ 2,885	\$ 850,193	\$ 898,013	\$ 47,820

CODE ENFORCEMENT - INSPECTIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 135,873	\$ -	\$ 135,873	\$ 137,340	\$ 1,467
Supplies	11,606	(13)	11,593	14,303	2,710
Service charges	747	-	747	4,026	3,279
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 148,226	\$ (13)	\$ 148,213	\$ 155,669	\$ 7,456

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
PUBLIC SAFETY FUNCTION (CONTINUED)
Year Ended June 30, 1996

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Personnel	\$ 6,623,282	\$ -	\$ 6,623,282	\$ 7,862,111	\$ 1,238,829
Supplies	458,392	(4,637)	453,755	501,267	47,512
Service charges	2,080,518	(2,403)	2,078,115	2,165,732	87,617
Capital outlay	3,044,720	(23,806)	3,020,914	6,389,992	3,369,078
TOTAL EXPENDITURES	<u>\$ 12,206,912</u>	<u>\$ (30,846)</u>	<u>\$ 12,176,066</u>	<u>\$ 16,919,102</u>	<u>\$ 4,743,036</u>

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
PUBLIC WORKS FUNCTION
Year Ended June 30, 1996

TRAFFIC

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 144,427	\$ -	\$ 144,427	\$ 145,769	\$ 1,342
Supplies	34,454	-	34,454	35,815	1,361
Service charges	6,759	-	6,759	11,275	4,516
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 185,640	\$ -	\$ 185,640	\$ 192,859	\$ 7,219

PARKWAYS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 482,781	\$ -	\$ 482,781	\$ 499,125	\$ 16,344
Supplies	41,466	(85)	41,381	45,913	4,532
Service charges	3,823	-	3,823	4,490	667
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 528,070	\$ (85)	\$ 527,985	\$ 549,528	\$ 21,543

DRAINAGE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 327,122	\$ -	\$ 327,122	\$ 345,595	\$ 18,473
Supplies	75,557	(65)	75,492	75,875	383
Service charges	1,788	-	1,788	900	(888)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 404,467	\$ (65)	\$ 404,402	\$ 422,370	\$ 17,968

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
PUBLIC WORKS FUNCTION (CONTINUED)
Year Ended June 30, 1996

PUBLIC WORKS - VEHICLE MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 219,422	\$ -	\$ 219,422	\$ 229,408	\$ 9,986
Supplies	345,453	(2,222)	343,231	363,660	20,429
Service charges	49,802	2,225	52,027	56,850	4,823
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 614,677	\$ 3	\$ 614,680	\$ 649,918	\$ 35,238

PUBLIC WORKS - BUILDING MAINTENANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 278,126	\$ -	\$ 278,126	\$ 301,685	\$ 23,559
Supplies	64,688	551	65,239	81,050	15,811
Service charges	6,594	-	6,594	7,500	906
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 349,408	\$ 551	\$ 349,959	\$ 390,235	\$ 40,276

PUBLIC WORKS ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 222,964	\$ -	\$ 222,964	\$ 214,961	\$ (8,003)
Supplies	22,648	565	23,213	40,332	17,119
Service charges	47,515	186	47,701	59,606	11,905
Capital outlay	59,518	(13,095)	46,423	149,551	103,128
TOTAL EXPENDITURES	\$ 352,645	\$ (12,344)	\$ 340,301	\$ 464,450	\$ 124,149

(Continued)

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 PUBLIC WORKS FUNCTION (CONTINUED)
 Year Ended June 30, 1996

TOTAL - PUBLIC WORKS FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 1,674,842	\$ -	\$ 1,674,842	\$ 1,736,543	\$ 61,701
Supplies	584,266	(1,256)	583,010	642,645	59,635
Service charges	116,281	2,411	118,692	140,621	21,929
Capital outlay	59,518	(13,095)	46,423	149,551	103,128
	<u>\$ 2,434,907</u>	<u>\$ (11,940)</u>	<u>\$ 2,422,967</u>	<u>\$ 2,669,360</u>	<u>\$ 246,393</u>

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 HEALTH AND WELFARE FUNCTION
 Year Ended June 30, 1996

CODE ENFORCEMENT - HUMANE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 62,839	\$ -	\$ 62,839	\$ 65,430	\$ 2,591
Supplies	1,984	(262)	1,722	3,044	1,322
Service charges	948	(450)	498	2,869	2,371
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 65,771	\$ (712)	\$ 65,059	\$ 71,343	\$ 6,284

FOOD BANK

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 52,304	\$ -	\$ 52,304	\$ 52,491	\$ 187
Supplies	-	-	-	-	-
Service charges	806	-	806	813	7
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 53,110	\$ -	\$ 53,110	\$ 53,304	\$ 194

COUNCIL ON AGING

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 161,706	\$ -	\$ 161,706	\$ 161,597	\$ (109)
Supplies	12,489	-	12,489	12,465	(24)
Service charges	23,639	-	23,639	23,677	38
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 197,834	\$ -	\$ 197,834	\$ 197,739	\$ (95)

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
HEALTH AND WELFARE FUNCTION (CONTINUED)
Year Ended June 30, 1996

HANDICAPPED SERVICES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 72,005	\$ -	\$ 72,005	\$ 71,973	\$ (32)
Supplies	942	-	942	942	-
Service charges	3,459	-	3,459	3,634	175
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 76,406	\$ -	\$ 76,406	\$ 76,549	\$ 143

MAINTENANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 209,727	\$ -	\$ 209,727	\$ 209,473	\$ (254)
Supplies	87,558	(1,096)	86,462	68,791	(17,671)
Service charges	6,204	-	6,204	6,535	331
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 303,489	\$ (1,096)	\$ 302,393	\$ 284,799	\$ (17,594)

CEMETERIES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 4,200	\$ -	\$ 4,200	\$ 4,200	\$ -
Supplies	1,050	-	1,050	1,050	-
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 5,250	\$ -	\$ 5,250	\$ 5,250	\$ -

(Continued)

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 HEALTH AND WELFARE FUNCTION (CONTINUED)
 Year Ended June 30, 1996

TOTAL - HEALTH AND WELFARE FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 562,781	\$ -	\$ 562,781	\$ 565,164	\$ 2,383
Supplies	104,023	(1,358)	102,665	86,292	(16,373)
Service charges	35,056	(450)	34,606	37,528	2,922
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 701,860</u>	<u>\$ (1,808)</u>	<u>\$ 700,052</u>	<u>\$ 688,984</u>	<u>\$ (11,068)</u>

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
CULTURE AND RECREATION FUNCTION
Year Ended June 30, 1996

LEISURE SERVICES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 64,120	\$ -	\$ 64,120	\$ 63,978	\$ (142)
Supplies	10,143	365	10,508	10,509	1
Service charges	46	-	46	46	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 74,309	\$ 365	\$ 74,674	\$ 74,533	\$ (141)

CULTURAL AFFAIRS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 32,912	\$ -	\$ 32,912	\$ 32,786	\$ (126)
Supplies	7,288	-	7,288	7,437	149
Service charges	52,062	-	52,062	44,566	(7,496)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 92,262	\$ -	\$ 92,262	\$ 84,789	\$ (7,473)

HUMANITIES AND MUSEUMS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 61,878	\$ -	\$ 61,878	\$ 62,728	\$ 850
Supplies	2,220	-	2,220	2,220	-
Service charges	2,325	-	2,325	2,305	(20)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 66,423	\$ -	\$ 66,423	\$ 67,253	\$ 830

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
CULTURE AND RECREATION FUNCTION (CONTINUED)
Year Ended June 30, 1996

CITY MUSEUM

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	4,146	-	4,146	4,111	(35)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,146	\$ -	\$ 4,146	\$ 4,111	\$ (35)

RAILROAD MUSEUM

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 20	\$ -	\$ 20	\$ 20	\$ -
Supplies	-	-	-	-	-
Service charges	33,617	-	33,617	32,920	(697)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 33,637	\$ -	\$ 33,637	\$ 32,940	\$ (697)

WILDLIFE MUSEUM

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 48,005	\$ -	\$ 48,005	\$ 47,944	\$ (61)
Supplies	6,797	-	6,797	6,797	-
Service charges	84,195	-	84,195	85,599	1,404
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 138,997	\$ -	\$ 138,997	\$ 140,340	\$ 1,343

(Continued)

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 CULTURE AND RECREATION FUNCTION (CONTINUED)
 Year Ended June 30, 1996

MARDI GRAS MUSEUM

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 47,518	\$ -	\$ 47,518	\$ 48,368	\$ 850
Supplies	-	-	-	-	-
Service charges	27,111	-	27,111	26,854	(257)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 74,629	\$ -	\$ 74,629	\$ 75,222	\$ 593

VARIANCE

SAINTS MUSEUM

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	1,581	-	1,581	1,546	(35)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,581	\$ -	\$ 1,581	\$ 1,546	\$ (35)

TOURISM

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 94,855	\$ -	\$ 94,855	\$ 94,622	\$ (233)
Supplies	1,995	(90)	1,905	2,237	332
Service charges	18,623	-	18,623	18,548	(75)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 115,473	\$ (90)	\$ 115,383	\$ 115,407	\$ 24

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
CULTURE AND RECREATION FUNCTION (CONTINUED)
Year Ended June 30, 1996

RECREATION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 837,041	\$ -	\$ 837,041	\$ 834,353	\$ (2,688)
Supplies	136,892	(489)	136,403	145,260	8,857
Service charges	280,642	-	280,642	279,274	(1,368)
Capital outlay	-	-	-	1	1
TOTAL EXPENDITURES	\$ 1,254,575	\$ (489)	\$ 1,254,086	\$ 1,258,888	\$ 4,802

COMMUNITY SERVICE - CITY PARK

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 6,701	\$ -	\$ 6,701	\$ 6,817	\$ 116
Supplies	-	-	-	-	-
Service charges	4,884	-	4,884	4,855	(29)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 11,585	\$ -	\$ 11,585	\$ 11,672	\$ 87

RECREATION MAINTENANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 663,936	\$ -	\$ 663,936	\$ 663,895	\$ (41)
Supplies	61,492	(403)	61,089	62,708	1,619
Service charges	109,391	4,846	114,237	367,950	253,713
Capital outlay	-	-	-	6	6
TOTAL EXPENDITURES	\$ 834,819	\$ 4,443	\$ 839,262	\$ 1,094,559	\$ 255,297

(Continued)

CITY OF KENNER, LOUISIANA
GENERAL FUND
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
CULTURE AND RECREATION FUNCTION (CONTINUED)
Year Ended June 30, 1996

RECREATION LEISURE SERVICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	7,331	-	7,331	7,692	361
Service charges	1,602	-	1,602	1,568	(34)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 8,933	\$ -	\$ 8,933	\$ 9,260	\$ 327

COMMUNITY SERVICE - ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 258,631	\$ -	\$ 258,631	\$ 258,166	\$ (465)
Supplies	3,837	-	3,837	3,837	-
Service charges	44,002	(735)	43,267	60,122	16,855
Capital outlay	1,066	-	1,066	23,658	22,592
TOTAL EXPENDITURES	\$ 307,536	\$ (735)	\$ 306,801	\$ 345,783	\$ 38,982

TOTAL - CULTURE AND RECREATION FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 2,140,808	\$ -	\$ 2,140,808	\$ 2,138,819	\$ (1,989)
Supplies	241,047	(617)	240,430	251,773	11,343
Service charges	787,563	3,936	791,499	1,055,948	264,449
Capital outlay	1,066	-	1,066	23,665	22,599
TOTAL EXPENDITURES	\$ 3,170,484	\$ 3,319	\$ 3,173,803	\$ 3,470,205	\$ 296,402

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 TRANSIT FUNCTION
 Year Ended June 30, 1996

TOTAL - TRANSIT FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	344,149	-	344,149	377,453	33,304
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ 344,149</u>	<u>\$ -</u>	<u>\$ 344,149</u>	<u>\$ 377,453</u>	<u>\$ 33,304</u>

CITY OF KENNER, LOUISIANA
 GENERAL FUND
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
 MISCELLANEOUS FUNCTION
 Year Ended June 30, 1996

INSURANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 66,147	\$ -	\$ 66,147	\$ 67,000	\$ 853
Supplies	-	-	-	-	-
Service charges	1,553,007	-	1,553,007	1,553,000	(7)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,619,154	\$ -	\$ 1,619,154	\$ 1,620,000	\$ 846

PAY INCENTIVES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 9,195	\$ -	\$ 9,195	\$ 10,500	\$ 1,305
Supplies	-	-	-	-	-
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 9,195	\$ -	\$ 9,195	\$ 10,500	\$ 1,305

TOTAL - MISCELLANEOUS FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 75,342	\$ -	\$ 75,342	\$ 77,500	\$ 2,158
Supplies	-	-	-	-	-
Service charges	1,553,007	-	1,553,007	1,553,000	(7)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,628,349	\$ -	\$ 1,628,349	\$ 1,630,500	\$ 2,151

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.

ONE PERCENT SALES TAX OF 1984 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.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

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

GARBAGE COLLECTION AND DISPOSAL, ROADS AND BRIDGES, STREET LIGHTING, AND FIRE DEPARTMENT FUNDS

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

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1996

	ONE PERCENT SALES TAX OF 1984	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL
ASSETS			
Cash	\$ -	\$ 37,767	\$ -
Equity in pooled cash and investments	-	-	42,100
Investments	-	434,819	-
Receivables			
Intergovernmental	1,647,617	353,376	-
Interest	-	10,427	-
Other	-	12,568	201,833
Due from other funds	557,813	-	209,794
Prepaid items	-	1,400	-
	<u>\$ 2,205,430</u>	<u>\$ 850,357</u>	<u>\$ 453,727</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ -	\$ 12,657	\$ 34,805
Contracts payable	-	16,891	-
Accrued liabilities	-	3,257	-
Due to other funds	2,205,430	232,238	-
Deferred revenue	-	12,625	171,941
	<u>2,205,430</u>	<u>277,668</u>	<u>206,746</u>
TOTAL LIABILITIES			
Fund balance			
Reserved for encumbrances	-	6,915	-
Reserved for prepaid items	-	1,400	-
Reserved for Section 108 loans	-	470,000	-
Unreserved			
Designated for subsequent year expenditures	-	-	243,981
Undesignated	-	94,374	3,000
	<u>-</u>	<u>572,689</u>	<u>246,981</u>
TOTAL FUND BALANCE			
TOTAL LIABILITIES AND FUND BALANCE			
	<u>\$ 2,205,430</u>	<u>\$ 850,357</u>	<u>\$ 453,727</u>

The accompanying notes are an integral part of this statement.

<u>ROADS AND BRIDGES</u>	<u>STREET LIGHTING</u>	<u>FIRE DEPARTMENT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 37,767
-	-	231,863	273,963
-	-	1,017,925	1,452,744
-	-	-	2,000,993
-	-	17,375	27,802
-	-	-	214,401
566,654	192,369	806,196	2,332,826
-	-	-	1,400
<u>\$ 566,654</u>	<u>\$ 192,369</u>	<u>\$ 2,073,359</u>	<u>#VALUE!</u>
\$ 84,282	\$ 67,123	\$ 44,556	\$ 243,423
-	-	-	16,891
9,494	649	48,341	61,741
459,787	98,026	-	2,995,481
13,091	26,571	671,596	895,824
<u>566,654</u>	<u>192,369</u>	<u>764,493</u>	<u>4,213,360</u>
-	-	285,334	292,249
-	-	-	1,400
-	-	-	470,000
-	-	885,572	1,129,553
-	-	137,960	235,334
-	-	1,308,866	2,128,536
<u>\$ 566,654</u>	<u>\$ 192,369</u>	<u>\$ 2,073,359</u>	<u>\$ 6,341,896</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1996

	ONE PERCENT SALES TAX OF 1984	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL
REVENUES			
Taxes	\$ 9,985,699	\$ -	\$ 608,757
Intergovernmental	-	779,291	-
Charges for services	-	-	1,135,848
Interest	-	25,585	7,757
Miscellaneous	-	76,446	-
TOTAL REVENUES	9,985,699	881,322	1,752,362
EXPENDITURES			
Public safety	-	-	-
Public works	-	-	1,942,485
Culture and recreation	-	155,024	-
Urban development	-	695,271	-
TOTAL EXPENDITURES	-	850,295	1,942,485
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,985,699	31,027	(190,123)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	51,818	276,860
Operating transfers out	(9,985,699)	(336,040)	-
TOTAL OTHER FINANCING SOURCES (USES)	(9,985,699)	(284,222)	276,860
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(253,195)	86,737
FUND BALANCE			
AT BEGINNING OF YEAR	-	825,884	160,244
AT END OF YEAR	<u>\$ -</u>	<u>\$ 572,689</u>	<u>\$ 246,981</u>

The accompanying notes are an integral part of this statement.

<u>ROADS AND BRIDGES</u>	<u>STREET LIGHTING</u>	<u>FIRE DEPARTMENT</u>	<u>TOTAL</u>
\$ 471	\$ 954	\$ 2,791,766	\$ 13,387,647
-	-	-	779,291
-	-	756	1,136,604
-	-	75,305	108,647
-	-	6,885	83,331
<u>471</u>	<u>954</u>	<u>2,874,712</u>	<u>15,495,520</u>
-	-	3,689,385	3,689,385
957,438	871,484	-	3,771,407
-	-	-	155,024
-	-	-	695,271
<u>957,438</u>	<u>871,484</u>	<u>3,689,385</u>	<u>8,311,087</u>
<u>(956,967)</u>	<u>(870,530)</u>	<u>(814,673)</u>	<u>7,184,433</u>
956,967	870,530	900,000	3,056,175
-	-	-	(10,321,739)
<u>956,967</u>	<u>870,530</u>	<u>900,000</u>	<u>(7,265,564)</u>
-	-	85,327	(81,131)
-	-	1,223,539	2,209,667
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,308,866</u>	<u>\$ 2,128,536</u>

CITY OF KENNER
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES					
Taxes	\$ 13,387,647	\$ -	\$ 13,387,647	\$ 12,577,609	\$ 810,038
Intergovernmental	779,291	-	779,291	1,859,337	(1,080,046)
Charges for services	1,136,604	-	1,136,604	1,249,615	(113,011)
Interest	108,647	-	108,647	63,540	45,107
Miscellaneous	83,331	-	83,331	25,881	57,450
TOTAL REVENUES	15,495,520	-	15,495,520	15,775,982	(280,462)
EXPENDITURES					
Public safety	3,689,385	(339,684)	3,349,701	4,557,398	1,207,697
Public works	3,771,407	7,302	3,778,709	4,600,084	821,375
Culture and recreation	155,024	(2,143)	152,881	375,919	223,038
Urban development	695,271	(238)	695,033	1,467,299	772,266
TOTAL EXPENDITURES	8,311,087	(334,763)	7,976,324	11,000,700	3,024,376
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,184,433	334,763	7,519,196	4,775,282	2,743,914
OTHER FINANCING SOURCES (USES)					
Operating transfers in	3,056,175	-	3,056,175	3,561,288	(505,113)
Operating transfers out	(10,321,739)	-	(10,321,739)	(9,741,322)	(580,417)
TOTAL OTHER FINANCING SOURCES (USES)	(7,265,564)	-	(7,265,564)	(6,180,034)	(1,085,530)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(81,131)	334,763	253,632	(1,404,752)	1,658,384
FUND BALANCE					
AT BEGINNING OF YEAR	2,209,667	(356,366)	1,853,301	1,853,301	-
AT END OF YEAR	\$ 2,128,536	\$ (21,603)	\$ 2,106,933	\$ 448,549	\$ 1,658,384

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - ONE PERCENT SALES TAX OF 1984 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Sales tax	<u>\$9,985,699</u>	<u>\$ -</u>	<u>\$ 9,985,699</u>	<u>\$9,405,282</u>	<u>\$ 580,417</u>
TOTAL REVENUES	<u>9,985,699</u>	<u>-</u>	<u>9,985,699</u>	<u>9,405,282</u>	<u>580,417</u>
EXPENDITURES					
Personnel expense	-	-	-	-	-
Supplies	-	-	-	-	-
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>9,985,699</u>	<u>-</u>	<u>9,985,699</u>	<u>9,405,282</u>	<u>580,417</u>
OTHER FINANCING USES					
Operating transfers out	<u>(9,985,699)</u>	<u>-</u>	<u>(9,985,699)</u>	<u>(9,405,282)</u>	<u>(580,417)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Intergovernmental					
Community development block grants	\$ 558,345	\$ -	\$ 558,345	\$ 1,374,236	\$ (815,891)
Home program	220,946	-	220,946	485,101	(264,155)
Interest	25,585	-	25,585	11,040	14,545
Miscellaneous	76,446	-	76,446	13,881	62,565
TOTAL REVENUES	<u>881,322</u>	<u>-</u>	<u>881,322</u>	<u>1,884,258</u>	<u>(1,002,936)</u>
EXPENDITURES					
Culture and recreation	155,024	(2,143)	152,881	375,919	223,038
Urban development	695,271	(238)	695,033	1,467,299	772,266
TOTAL EXPENDITURES	<u>850,295</u>	<u>(2,381)</u>	<u>847,914</u>	<u>1,843,218</u>	<u>995,304</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>31,027</u>	<u>2,381</u>	<u>33,408</u>	<u>41,040</u>	<u>(7,632)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	51,818	-	51,818	-	51,818
Operating transfers out	(336,040)	-	(336,040)	(336,040)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(284,222)</u>	<u>-</u>	<u>(284,222)</u>	<u>(336,040)</u>	<u>51,818</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(253,195)</u>	<u>2,381</u>	<u>(250,814)</u>	<u>(295,000)</u>	<u>44,186</u>
FUND BALANCE					
AT BEGINNING OF YEAR	<u>825,884</u>	<u>(9,296)</u>	<u>816,588</u>	<u>816,588</u>	<u>-</u>
AT END OF YEAR	<u>\$ 572,689</u>	<u>\$ (6,915)</u>	<u>\$ 565,774</u>	<u>\$ 521,588</u>	<u>\$ 44,186</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 1996

EXPENDITURES	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Culture and recreation					
Service charge	\$ 27,334	\$ -	\$ 27,334	\$ -	\$ (27,334)
Capital outlay	127,690	(2,143)	125,547	375,919	250,372
TOTAL CULTURE AND RECREATION	<u>155,024</u>	<u>(2,143)</u>	<u>152,881</u>	<u>375,919</u>	<u>223,038</u>
Urban development					
Personnel expense	160,049	-	160,049	162,472	2,423
Supplies	11,608	(8)	11,600	11,766	166
Service charges	503,468	(230)	503,238	1,182,787	679,549
Capital outlay	20,146	-	20,146	110,274	90,128
TOTAL URBAN DEVELOPMENT	<u>695,271</u>	<u>(238)</u>	<u>695,033</u>	<u>1,467,299</u>	<u>772,266</u>
TOTAL EXPENDITURES	<u>\$ 850,295</u>	<u>\$ (2,381)</u>	<u>\$ 847,914</u>	<u>\$ 1,843,218</u>	<u>\$ 995,304</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - GARBAGE COLLECTION AND DISPOSAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Ad valorem tax	\$ 608,757	\$ -	\$ 608,757	\$ 568,700	\$ 40,057
Charges for services					
Garbage fees and penalties	1,135,848	-	1,135,848	1,248,715	(112,867)
Interest	7,757	-	7,757	2,500	5,257
TOTAL REVENUES	<u>1,752,362</u>	<u>-</u>	<u>1,752,362</u>	<u>1,819,915</u>	<u>(67,553)</u>
EXPENDITURES					
Public works					
Personnel	16,809	-	16,809	32,949	16,140
Contractual services	1,925,676	-	1,925,676	2,177,642	251,966
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,942,485</u>	<u>-</u>	<u>1,942,485</u>	<u>2,210,591</u>	<u>268,106</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(190,123)</u>	<u>-</u>	<u>(190,123)</u>	<u>(390,676)</u>	<u>200,553</u>
OTHER FINANCING SOURCES					
Operating transfers in	276,860	-	276,860	275,978	882
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	86,737	-	86,737	(114,698)	201,435
FUND BALANCE					
AT BEGINNING OF YEAR	<u>160,244</u>	<u>-</u>	<u>160,244</u>	<u>160,244</u>	<u>-</u>
AT END OF YEAR	<u>\$ 246,981</u>	<u>\$ -</u>	<u>\$ 246,981</u>	<u>\$ 45,546</u>	<u>\$ 201,435</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - ROADS AND BRIDGES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Ad valorem tax	\$ 471	\$ -	\$ 471	\$ 1,381	\$ (910)
TOTAL REVENUES	<u>471</u>	<u>-</u>	<u>471</u>	<u>1,381</u>	<u>(910)</u>
EXPENDITURES					
Public works					
Personnel expense	607,812	-	607,812	642,947	35,135
Supplies	214,850	224	215,074	275,313	60,239
Service charges	134,776	6,734	141,510	499,875	358,365
TOTAL EXPENDITURES	<u>957,438</u>	<u>6,958</u>	<u>964,396</u>	<u>1,418,135</u>	<u>453,739</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(956,967)</u>	<u>(6,958)</u>	<u>(963,925)</u>	<u>(1,416,754)</u>	<u>452,829</u>
OTHER FINANCING SOURCES					
Operating transfers in	956,967	-	956,967	1,416,754	(459,787)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	-	(6,958)	(6,958)	-	(6,958)
FUND BALANCE					
AT BEGINNING OF YEAR	-	(506)	(506)	(506)	-
AT END OF YEAR	<u>\$ -</u>	<u>\$ (7,464)</u>	<u>\$ (7,464)</u>	<u>\$ (506)</u>	<u>\$ (6,958)</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - STREET LIGHTING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Ad valorem tax	\$ 954	\$ -	\$ 954	\$ 2,802	\$ (1,848)
TOTAL REVENUES	<u>954</u>	<u>-</u>	<u>954</u>	<u>2,802</u>	<u>(1,848)</u>
EXPENDITURES					
Public works					
Personnel expense	100,188	-	100,188	102,752	2,564
Supplies	31,553	344	31,897	47,300	15,403
Service charges	739,743	-	739,743	821,306	81,563
TOTAL EXPENDITURES	<u>871,484</u>	<u>344</u>	<u>871,828</u>	<u>971,358</u>	<u>99,530</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>#####</u>	<u>(344)</u>	<u>(870,874)</u>	<u>(968,556)</u>	<u>97,682</u>
OTHER FINANCING SOURCES					
Operating transfers in	<u>870,530</u>	<u>-</u>	<u>870,530</u>	<u>968,556</u>	<u>(98,026)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(344)</u>	<u>(344)</u>	<u>-</u>	<u>(344)</u>
FUND BALANCE					
AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
AT END OF YEAR	<u>\$ -</u>	<u>\$ (344)</u>	<u>\$ (344)</u>	<u>\$ -</u>	<u>\$ (344)</u>

CITY OF KENNER, LOUISIANA
SPECIAL REVENUE FUNDS - FIRE DEPARTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Ad valorem tax	\$ 2,791,766	\$ -	\$ 2,791,766	\$ 2,599,444	\$ 192,322
Service charges					
Fire reports	756	-	756	900	(144)
Interest	75,305	-	75,305	50,000	25,305
Miscellaneous	6,885	-	6,885	12,000	(5,115)
TOTAL REVENUES	<u>2,874,712</u>	<u>-</u>	<u>2,874,712</u>	<u>2,662,344</u>	<u>212,368</u>
EXPENDITURES					
Public safety					
Personnel expenses	2,712,974	-	2,712,974	2,780,788	67,814
Supplies	31,210	(910)	30,300	65,937	35,637
Service charges	589,709	(220)	589,489	623,669	34,180
Capital outlay	355,492	(338,554)	16,938	1,087,004	1,070,066
TOTAL EXPENDITURES	<u>3,689,385</u>	<u>(339,684)</u>	<u>3,349,701</u>	<u>4,557,398</u>	<u>1,207,697</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(814,673)</u>	<u>339,684</u>	<u>(474,989)</u>	<u>(1,895,054)</u>	<u>1,420,065</u>
OTHER FINANCING SOURCES					
Operating transfers in	900,000	-	900,000	900,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	85,327	339,684	425,011	(995,054)	1,420,065
FUND BALANCE					
AT BEGINNING OF YEAR	<u>1,223,539</u>	<u>(346,564)</u>	<u>876,975</u>	<u>876,975</u>	<u>-</u>
AT END OF YEAR	<u>\$ 1,308,866</u>	<u>\$ (6,880)</u>	<u>\$ 1,301,986</u>	<u>\$ (118,079)</u>	<u>\$ 1,420,065</u>

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, special tax bonds, and special assessment debt with governmental commitment.

GENERAL DEBT FUND

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

- Series A of 1990 - Paving Certificates
- Sales Tax Refunding Bonds Series 1992
- Sales Tax Bonds Series 1994
- Sales Tax Bonds Series 1995A
- Excess Revenue Bonds Series 1996A and 1996B

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 bond indentures for the following bonds:

- 1972 Consolidated Sewer District
- 1980 Consolidated Sewer District
- General Obligation Refunding Bonds Series 1992

CITY OF KENNER, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 1996

	GENERAL DEBT	AD VALOREM TAX BONDS	TOTAL
ASSETS			
Current assets			
Cash	\$ -	\$ 221,019	\$ 221,019
Equity in pooled cash and investments	11,455	1,452	12,907
Investments	5,284,662	-	5,284,662
Intergovernmental	525,415	-	525,415
Special assessments receivable	117,086	-	117,086
Accrued interest receivable	61,503	-	61,503
Due from other funds	984	122,736	123,720
	<u>\$ 6,001,105</u>	<u>\$ 345,207</u>	<u>\$ 6,346,312</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ -	\$ 750	\$ 750
Accrued interest	2,969	-	2,969
Deferred revenue	117,086	113,807	230,893
	<u>120,055</u>	<u>114,557</u>	<u>234,612</u>
Fund balance			
Reserved for debt service	5,881,050	230,650	6,111,700
	<u>5,881,050</u>	<u>230,650</u>	<u>6,111,700</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,001,105</u>	<u>\$ 345,207</u>	<u>\$ 6,346,312</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1996

	GENERAL DEBT	AD VALOREM TAX BONDS	TOTAL
REVENUES			
Taxes	\$ 3,689,988	\$ 295,037	\$ 3,985,025
Special assessments	29,271	-	29,271
Interest on invested funds	283,854	7,353	291,207
Miscellaneous	311,655	-	311,655
TOTAL REVENUES	4,314,768	302,390	4,617,158
EXPENDITURES			
Debt service			
Principal	1,835,033	175,000	2,010,033
Interest and fiscal charges	2,179,772	116,079	2,295,851
Agent fees	-	1,500	1,500
Miscellaneous	12,000	-	12,000
TOTAL EXPENDITURES	4,026,805	292,579	4,319,384
EXCESS OF REVENUES OVER EXPENDITURES	287,963	9,811	297,774
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,642,819	-	1,642,819
Operating transfers out	(234)	-	(234)
TOTAL OTHER FINANCING SOURCES	1,642,585	-	1,642,585
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	1,930,548	9,811	1,940,359
FUND BALANCE			
AT BEGINNING OF YEAR	3,950,502	220,839	4,171,341
AT END OF YEAR	<u>\$ 5,881,050</u>	<u>\$ 230,650</u>	<u>\$ 6,111,700</u>

The accompanying notes are an integral part of this statement.

CITY OF KENER, LOUISIANA
DEBT SERVICE FUNDS - GENERAL DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes			
Sales tax	\$ 3,689,988	\$ 3,349,292	\$ 340,696
Special assessments	29,271	-	29,271
Interest on invested funds	283,854	170,000	113,854
Miscellaneous	311,655	-	311,655
	<u>4,314,768</u>	<u>3,519,292</u>	<u>795,476</u>
EXPENDITURES			
Debt service			
Principal	1,835,033	1,811,683	(23,350)
Interest	2,179,772	2,349,621	169,849
Miscellaneous	12,000	12,000	-
	<u>4,026,805</u>	<u>4,173,304</u>	<u>146,499</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>287,963</u>	<u>(654,012)</u>	<u>941,975</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,642,819	654,012	988,807
Operating transfers out	(234)	-	(234)
	<u>1,642,585</u>	<u>654,012</u>	<u>988,573</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	1,930,548	-	1,930,548
FUND BALANCE			
AT BEGINNING OF YEAR	<u>3,950,502</u>	<u>3,950,502</u>	<u>-</u>
AT END OF YEAR	<u>\$ 5,881,050</u>	<u>\$ 3,950,502</u>	<u>\$ 1,930,548</u>

CITY OF KENNER, LOUISIANA
DEBT SERVICE FUNDS - AD VALOREM TAX BONDS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes			
Ad Valorem tax	\$ 295,037	\$ 278,888	\$ 16,149
Interest on invested funds	7,353	9,500	(2,147)
TOTAL REVENUES	302,390	288,388	14,002
EXPENDITURES			
Debt service			
Principal	175,000	175,000	-
Interest and fiscal charge	116,079	116,079	-
Agent fees	1,500	1,500	-
TOTAL EXPENDITURES	292,579	292,579	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,811	(4,191)	14,002
FUND BALANCE			
AT BEGINNING OF YEAR	220,839	220,839	-
AT END OF YEAR	<u>\$ 230,650</u>	<u>\$ 216,648</u>	<u>\$ 14,002</u>

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources and expenditures in connection with the acquisition, renovation and improvements of capital facilities other than those financed by proprietary funds.

GENERAL CAPITAL PROJECT FUNDS

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.

CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS

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. Also included are projects funded by loans from LDEQ and by proceeds from the Excess Revenue Bonds Series 1996A and 1996B.

CITY OF KENNER, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 June 30, 1996

	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ -	\$ 2,712,892	\$ 2,712,892
Equity in pooled cash and investments	933,382	40,484	973,866
Investments	1,548,990	2,654,118	4,203,108
Receivables			
Intergovernmental	92,700	1,557,789	1,650,489
Interest	23,337	6,607	29,944
Other	2,218	-	2,218
Due from other funds	-	75,395	75,395
TOTAL ASSETS	<u>\$ 2,600,627</u>	<u>\$ 7,047,285</u>	<u>\$ 9,647,912</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 227,518	\$ 1,363,641	\$ 1,591,159
Contracts payable	13,124	-	13,124
Retainages payable	12,686	249,692	262,378
Due to other funds	29,296	984	30,280
TOTAL LIABILITIES	<u>282,624</u>	<u>1,614,317</u>	<u>1,896,941</u>
Fund balance			
Reserved for encumbrances	127,310	816,416	943,726
Unreserved			
Designated for capital additions and improvements	2,171,360	4,616,552	6,787,912
Undesignated	19,333	-	19,333
TOTAL FUND BALANCE	<u>2,318,003</u>	<u>5,432,968</u>	<u>7,750,971</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,600,627</u>	<u>\$ 7,047,285</u>	<u>\$ 9,647,912</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Year Ended June 30, 1996

	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	TOTAL
REVENUES			
Intergovernmental	\$ 135,000	\$ 17,396	\$ 152,396
Interest	70,880	123,777	194,657
Miscellaneous	55,000	-	55,000
TOTAL REVENUES	260,880	141,173	402,053
EXPENDITURES			
Capital outlay			
General government	294,038	285,512	579,550
Public safety	374,820	-	374,820
Public works	409,109	5,995,996	6,405,105
Health and welfare	248	-	248
Culture and recreation	1,737,484	1,088,022	2,825,506
TOTAL EXPENDITURES	2,815,699	7,369,530	10,185,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,554,819)	(7,228,357)	(9,783,176)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	4,513,075	294,619	4,807,694
Operating transfers out	(51,323)	(691,551)	(742,874)
Bond Proceeds	-	6,900,000	6,900,000
Proceeds from LDEQ loan	-	5,995,997	5,995,997
TOTAL OTHER FINANCING SOURCES	4,461,752	12,499,065	16,960,817
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,906,933	5,270,708	7,177,641
FUND BALANCE			
AT BEGINNING OF YEAR	411,070	162,260	573,330
AT END OF YEAR	\$ 2,318,003	\$ 5,432,968	\$ 7,750,971

The accompanying notes are an integral part of this statement.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

DEPARTMENT OF WASTEWATER OPERATIONS FUND

The Department of Wastewater Operations Fund accounts for the sewer services provided to the residents of the City of Kenner. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing. Effective July 1, 1995, this department was privatized.

CIVIC CENTER OPERATIONS FUND

The Civic Center Operations Fund accounts for the operations of the Pontchartrain Center. Principal revenues of the fund are rental charges, commissions and governmental subsidies (hotel/motel taxes and cable television franchise fees).

CITY OF KENNER, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
June 30, 1996

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
ASSETS			
Current assets			
Cash	\$ 115,348	\$ 302,369	\$ 417,717
Equity in pooled cash	-	15,529	15,529
Receivables (net, where applicable, of allowances for uncollectibles)			
Intergovernmental	-	148,047	148,047
Service charges	1,192,868	98,948	1,291,816
Other	-	111,104	111,104
Due from other funds	134,819	-	134,819
Prepaid expenses	357,761	42,449	400,210
Refundable deposits	3,734	-	3,734
	<u>1,804,530</u>	<u>718,446</u>	<u>2,522,976</u>
TOTAL CURRENT ASSETS			
Property, plant, and equipment			
Land and improvements	1,825,937	5,311,741	7,137,678
Buildings and improvements	59,211,630	12,255,869	71,467,499
Furniture and fixtures	148,597	2,570,838	2,719,435
Vehicles and field equipment	839,148	-	839,148
Construction in progress	12,010,406	-	12,010,406
	<u>74,035,718</u>	<u>20,138,448</u>	<u>94,174,166</u>
Less: accumulated depreciation	<u>21,354,219</u>	<u>2,534,546</u>	<u>23,888,765</u>
	<u>52,681,499</u>	<u>17,603,902</u>	<u>70,285,401</u>
NET PROPERTY, PLANT AND EQUIPMENT			
TOTAL ASSETS	<u>\$ 54,486,029</u>	<u>\$ 18,322,348</u>	<u>\$ 72,808,377</u>

The accompanying notes are an integral part of this statement.

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
LIABILITIES AND FUND EQUITY			
Liabilities			
Current liabilities			
Accounts payable	\$ 146,341	\$ 43,016	\$ 189,357
Current portion of mortgage payable	1,338	-	1,338
Current portion of notes payable	-	7,160	7,160
Accrued liabilities	1,803	20,520	22,323
Deposits on future events	-	55,824	55,824
Due to other funds	114,642	-	114,642
Deferred revenue	122,716	-	122,716
TOTAL CURRENT LIABILITIES	386,840	126,520	513,360
Long-term liabilities			
Compensated absences	7,718	-	7,718
Notes payable (net of current portion)	-	11,588	11,588
Mortgage payable (net of current portion)	27,047	-	27,047
TOTAL LONG TERM LIABILITIES	34,765	11,588	46,353
TOTAL LIABILITIES	421,605	138,108	559,713
Fund equity			
Contributed capital			
Ad valorem tax bonds	6,346,000	-	6,346,000
Sales tax bonds	12,010,406	19,506,320	31,516,726
Federal government	32,416,765	-	32,416,765
State government	3,900,000	466,379	4,366,379
Municipal government	2,998,850	-	2,998,850
Rate payers	7,863,943	-	7,863,943
TOTAL CONTRIBUTED CAPITAL	65,535,964	19,972,699	85,508,663
Retained earnings (deficit)	(11,471,540)	(1,788,459)	(13,259,999)
TOTAL FUND EQUITY	54,064,424	18,184,240	72,248,664
TOTAL LIABILITIES AND FUND EQUITY	\$ 54,486,029	\$ 18,322,348	\$ 72,808,377

CITY OF KENNER, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
Year Ended June 30, 1996

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
OPERATING REVENUES			
Charges for services	\$ 4,476,298	\$ 957,824	\$ 5,434,122
Miscellaneous	1,450	2,818	4,268
TOTAL OPERATING REVENUES	<u>4,477,748</u>	<u>960,642</u>	<u>5,438,390</u>
OPERATING EXPENSES			
Personnel expenses	120,301	-	120,301
Supplies and other expenses	4,666	13,245	17,911
Operating supplies and purchases	4,646	-	4,646
Building and maintenance expenses	58,643	285,313	343,956
Outside services	4,426,545	1,134,119	5,560,664
Transportation	652	-	652
Insurance premiums	-	57,620	57,620
General expenses			
Depreciation	1,446,323	507,065	1,953,388
Other	94,129	33,459	127,588
TOTAL OPERATING EXPENSES	<u>6,155,905</u>	<u>2,030,821</u>	<u>8,186,726</u>
OPERATING LOSS	<u>(1,678,157)</u>	<u>(1,070,179)</u>	<u>(2,748,336)</u>
NON-OPERATING REVENUES (EXPENSES)			
Ad valorem taxes	434,058	-	434,058
Hotel/motel taxes	-	341,120	341,120
Cable television franchise fees	-	433,042	433,042
Interest income	3,761	7,884	11,645
Interest expense	(15,827)	(2,295)	(18,122)
TOTAL NON-OPERATING REVENUES	<u>421,992</u>	<u>779,751</u>	<u>1,201,743</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(1,256,165)</u>	<u>(290,428)</u>	<u>(1,546,593)</u>
OPERATING TRANSFERS			
Transfers in	130,930	-	130,930
NET LOSS	<u>(1,125,235)</u>	<u>(290,428)</u>	<u>(1,415,663)</u>
RETAINED EARNINGS (DEFICIT)			
AT BEGINNING OF YEAR	<u>(10,346,305)</u>	<u>(1,498,031)</u>	<u>(11,844,336)</u>
AT END OF YEAR	<u>\$ (11,471,540)</u>	<u>\$ (1,788,459)</u>	<u>\$ (13,259,999)</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
ENTERPRISE FUND - WASTEWATER OPERATIONS
SCHEDULE OF REVENUES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES					
Charges for services					
Sewerage service charges	\$ 4,391,579	\$ -	\$ 4,391,579	\$ 4,306,500	\$ 85,079
Tie in fees	66,810	-	66,810	59,965	6,845
Inspection fees	7,550	-	7,550	3,000	4,550
Industrial pretreatment fees	10,359	-	10,359	-	10,359
TOTAL CHARGES FOR SERVICES	4,476,298	-	4,476,298	4,369,465	106,833
Miscellaneous	1,450	-	1,450	-	1,450
TOTAL OPERATING REVENUES	4,477,748	-	4,477,748	4,369,465	108,283
OPERATING EXPENSES					
Personnel expenses	120,301	-	120,301	173,734	53,433
Supplies and other expense	4,666	(835)	3,831	7,606	3,775
Operating supplies and purchases	4,646	-	4,646	4,287	(359)
Building and maintenance expenses	58,643	(10,406)	48,237	47,931	(306)
Outside services	4,426,545	-	4,426,545	4,480,634	54,089
Transportation	652	(189)	463	2,900	2,437
Insurance premiums	-	-	-	-	-
General expenses					
Depreciation	1,446,323	(1,446,323)	-	-	-
Other	94,129	-	94,129	630,972	536,843
TOTAL OPERATING EXPENSES	6,155,905	(1,457,753)	4,698,152	5,348,064	649,912
OPERATING LOSS	(1,678,157)	1,457,753	(220,404)	(978,599)	758,195
NON-OPERATING REVENUES (EXPENSES)					
Ad valorem taxes	434,058	-	434,058	405,506	28,552
Interest income	3,761	-	3,761	20,000	(16,239)
Interest expense	(15,827)	-	(15,827)	(4,520)	(11,307)
TOTAL NON-OPERATING REVENUES	421,992	-	421,992	420,986	1,006
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	(1,256,165)	1,457,753	201,588	(557,613)	759,201
OPERATING TRANSFERS					
Transfers from other funds	130,930	-	130,930	-	130,930
NET INCOME (LOSS)	(1,125,235)	1,457,753	332,518	(557,613)	890,131
RETAINED EARNINGS (DEFICIT)					
AT BEGINNING OF YEAR	(10,346,305)	11,064,380	718,075	718,075	-
AT END OF YEAR	\$ (11,471,540)	\$ 12,522,133	\$ 1,050,593	\$ 160,462	\$ 890,131

CITY OF KENNER
ENTERPRISE FUND - CIVIC CENTER OPERATIONS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
- BUDGET AND ACTUAL
Year Ended June 30, 1996

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES					
Charges for services					
Rental charges	\$ 552,415	\$ -	\$ 552,415	\$ 533,000	\$ 19,415
Parking	68,657	-	68,657	97,000	(28,343)
Concessions	64,148	-	64,148	71,000	(6,852)
Catering	36,376	-	36,376	48,000	(11,624)
Miscellaneous	16,811	-	16,811	15,500	1,311
Electrical	45,684	-	45,684	38,000	7,684
Reimbursed services	119,523	-	119,523	79,000	40,523
Advertising	9,475	-	9,475	8,200	1,275
Security	44,735	-	44,735	500	44,235
TOTAL CHARGES FOR SERVICES	957,824	-	957,824	890,200	67,624
Miscellaneous	2,818	-	2,818	2,700	118
TOTAL OPERATING REVENUES	960,642	-	960,642	892,900	67,742
OPERATING EXPENSES					
Supplies and other expenses	13,245	-	13,245	22,300	9,055
Building and maintenance expense	285,313	-	285,313	291,000	5,687
Outside services	1,134,119	-	1,134,119	1,126,322	(7,797)
Insurance premiums	57,620	-	57,620	52,500	(5,120)
General expenses					
Depreciation	507,065	(507,065)	-	-	-
Other	33,459	-	33,459	-	(33,459)
TOTAL OPERATING EXPENSES	2,030,821	(507,065)	1,523,756	1,492,122	(31,634)
OPERATING LOSS	(1,070,179)	507,065	(563,114)	(599,222)	36,108
NON-OPERATING REVENUES (EXPENSES)					
Hotel/motel taxes	341,120	-	341,120	271,248	69,872
Cable television franchise fees	433,042	-	433,042	415,567	17,475
Interest income	7,884	-	7,884	12,500	(4,616)
Interest expense	(2,295)	-	(2,295)	-	(2,295)
TOTAL NON-OPERATING REVENUES	779,751	-	779,751	699,315	80,436
NET INCOME (LOSS)	(290,428)	507,065	216,637	100,093	116,544
RETAINED EARNINGS (DEFICIT)					
AT BEGINNING OF YEAR	(1,498,031)	2,027,481	529,450	529,450	-
AT END OF YEAR	\$(1,788,459)	\$ 2,534,546	\$ 746,087	\$ 629,543	\$ 116,544

CITY OF KENNER, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Operating income (loss)	\$ (1,678,157)	\$ (1,070,179)	\$ (2,748,336)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,446,323	507,065	1,953,388
Change in current assets (increase) decrease:			
Receivables	(91,795)	(31,833)	(123,628)
Due from other funds	(6,646)	-	(6,646)
Intergovernmental	3,438	24,356	27,794
Prepaid expenses	(357,761)	(4,773)	(362,534)
Change in current liabilities increase (decrease):			
Accounts payable	(73,906)	(20,701)	(94,607)
Deferred revenue	(1,755)	-	(1,755)
Accrued liabilities	(64,361)	5,119	(59,242)
Due to other funds	114,642	(273,096)	(158,454)
Deposits on future events	-	1,544	1,544
Compensated absences	(148,515)	-	(148,515)
Retainage payable	(5,350)	-	(5,350)
TOTAL ADJUSTMENTS	814,314	207,681	1,021,995
Net cash provided by (used for) operating activities	<u>(863,843)</u>	<u>(862,498)</u>	<u>(1,726,341)</u>
Cash flows from noncapital financing activities:			
Ad valorem taxes	434,058	-	434,058
Hotel/motel taxes	-	341,120	341,120
Cable television franchise fees	-	433,042	433,042
Operating transfers in	130,930	-	130,930
Net cash provided by noncapital financing activities	<u>564,988</u>	<u>774,162</u>	<u>1,339,150</u>

(Continued)

CITY OF KENNER, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
Year Ended June 30, 1996

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
Cash flows from capital and related financing activities:			
Principal payments - note payable	\$ -	\$ (9,913)	\$ (9,913)
Principal payments - mortgage payable	(1,227)	-	(1,227)
Principal payments - capital lease payable	(5,922)	-	(5,922)
Interest payments	(15,827)	(2,295)	(18,122)
Acquisition of property, plant, and equipment	(1,752)	(17,365)	(19,117)
Net cash provided by (used for) capital and related financing activities	<u>(24,728)</u>	<u>(29,573)</u>	<u>(54,301)</u>
Cash flows from investing activities:			
Interest received	3,761	7,884	11,645
Net cash provided by investing activities	<u>3,761</u>	<u>7,884</u>	<u>11,645</u>
Net increase in cash and cash equivalents	(319,822)	(110,025)	(429,847)
Cash and cash equivalents, beginning of year	<u>435,170</u>	<u>427,923</u>	<u>863,093</u>
Cash and cash equivalents, end of year	<u>\$ 115,348</u>	<u>\$ 317,898</u>	<u>\$ 433,246</u>
Reconciliation to balance sheet accounts:			
Cash	\$ 115,348	\$ 317,898	\$ 433,246
Equity in pooled cash and investments	-	-	-
Cash and cash equivalents, end of year	<u>\$ 115,348</u>	<u>\$ 317,898</u>	<u>\$ 433,246</u>
Noncash investing, capital, and financing activities:			
Contributions of capital	\$ 12,010,406	\$ 11,988	\$ 12,022,394
Acquisitions of property, plant, and equipment through capital contributions	(12,010,406)	(11,988)	(12,022,394)
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

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

SELF-INSURANCE FUND

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

HEALTH INSURANCE FUND

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

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 1996

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 509,982	\$ 37,607	\$ 547,589
Investments	2,778,066	-	2,778,066
Receivable - interest	4,100	-	4,100
	<u>4,100</u>	<u>-</u>	<u>4,100</u>
TOTAL ASSETS	<u>\$ 3,292,148</u>	<u>\$ 37,607</u>	<u>\$ 3,329,755</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 777,456	\$ -	\$ 777,456
Estimated claims payable	1,687,231	-	1,687,231
Due to other funds	-	37,607	37,607
	<u>-</u>	<u>37,607</u>	<u>37,607</u>
TOTAL LIABILITIES	<u>2,464,687</u>	<u>37,607</u>	<u>2,502,294</u>
Fund equity			
Retained earnings	827,461	-	827,461
	<u>827,461</u>	<u>-</u>	<u>827,461</u>
TOTAL FUND EQUITY	<u>827,461</u>	<u>-</u>	<u>827,461</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,292,148</u>	<u>\$ 37,607</u>	<u>\$ 3,329,755</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1996

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
OPERATING REVENUES			
Charges for services	\$ 1,854,423	\$ 2,204,234	\$ 4,058,657
OPERATING EXPENSES			
Outside services	954,430	-	954,430
Insurance claims	555,844	-	555,844
Insurance premiums	-	2,225,087	2,225,087
TOTAL OPERATING EXPENSES	1,510,274	2,225,087	3,735,361
OPERATING INCOME (LOSS)	344,149	(20,853)	323,296
NON-OPERATING REVENUE			
Interest revenue	114,029	729	114,758
TOTAL NON-OPERATING REVENUE	114,029	729	114,758
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	458,178	(20,124)	438,054
OPERATING TRANSFERS			
Transfers in	-	4,749	4,749
NET INCOME (LOSS)	458,178	(15,375)	442,803
RETAINED EARNINGS			
AT BEGINNING OF YEAR	369,283	15,375	384,658
AT END OF YEAR	<u>\$ 827,461</u>	<u>\$ -</u>	<u>\$ 827,461</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1996

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:			
Cash flows from operating activities:			
Operating income (loss)	\$ 344,149	\$ (20,853)	\$ 323,296
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in assets and liabilities:			
Decrease in prepaid expenses	-	1,300	1,300
Increase in accounts payable	83,475	-	83,475
Increase in accrued expenses	(153,875)	-	(153,875)
Increase in due to other funds	-	18,042	18,042
Total adjustments	(70,400)	19,342	(51,058)
Net cash provided by (used for) operating activities	273,749	(1,511)	272,238
Cash flows from noncapital financing activities:			
Operating transfers in	-	4,749	4,749
Net cash provided by noncapital financing activities	-	4,749	4,749
Cash flows from investing activities:			
Purchases of investment securities	(17,788,024)	-	(17,788,024)
Proceeds from maturities of investments	17,334,130	-	17,334,130
Interest received	115,927	729	116,656
Net cash provided by (used for) investing activities	(337,967)	729	(337,238)
Net increase (decrease) in cash and cash equivalents	(64,218)	3,967	(60,251)
Cash and cash equivalents, at beginning of year	574,200	33,640	607,840
Cash and cash equivalents, at end of year	\$ 509,982	\$ 37,607	\$ 547,589
RECONCILIATION TO BALANCE SHEET ACCOUNTS:			
Cash	\$ 509,982	\$ 37,607	\$ 547,589

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

DRUG ENFORCEMENT FORFEITURE FUND

The Drug Enforcement Forfeiture Fund accounts for funds received from the federal government related to property seized in drug arrests to be used for police purposes.

FIREMEN'S PENSION AND RELIEF FUND

The Firemen's Pension and Relief Fund accounts for the accumulation of resources to be used for the retirement annuity payments at appropriate amounts and times in the future.

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.

DEFERRED COMPENSATION FUND

The Deferred Compensation Fund accounts for the employees' tax deferred compensation plan consisting of optional investment funds.

CITY OF KENNER, LOUISIANA
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEET
 June 30, 1996

	<u>EXPENDABLE TRUST FUNDS</u>	<u>PENSION TRUST FUND</u>
	<u>DRUG ENFORCEMENT FORFEITURE FUND</u>	<u>FIREMEN'S PENSION AND RELIEF</u>
ASSETS		
Cash	\$ 412,600	\$ 25,780
Equity in pooled cash and investments	-	-
Investments	-	6,739,383
Receivables (net, where applicable, of allowance for uncollectibles)		
Ad valorem taxes	-	-
Intergovernmental	549	-
Interest	-	85,210
Other	-	149,692
Prepaid expenses	-	48,606
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 413,149</u>	<u>\$ 7,048,671</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 6,626
Deferred compensation benefits payable	-	-
Due to other funds	14,890	-
Due to other governments	-	-
Refunds payable	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>14,890</u>	<u>6,626</u>
 Fund balance		
Reserved for firemen's retirement system	-	7,042,045
Unreserved - designated for subsequent year expenditures	398,259	-
	<hr/>	<hr/>
TOTAL FUND BALANCE	<u>398,259</u>	<u>7,042,045</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 413,149</u>	<u>\$ 7,048,671</u>

The accompanying notes are an integral part of this statement.

AGENCY FUNDS

AD VALOREM TAX COLLECTION	AIRPORT SALES TAX FUND	DEFERRED COMPENSATION FUND	TOTAL
\$ 125,336	\$ -	\$ -	\$ 563,716
3,235	1	-	3,236
-	-	628,389	7,367,772
1,372,837	-	-	1,372,837
-	227,719	-	228,268
-	-	-	85,210
-	-	-	149,692
-	-	-	48,606
<u>\$ 1,501,408</u>	<u>\$ 227,720</u>	<u>\$ 628,389</u>	<u>\$ 9,819,337</u>
\$ -	\$ -	\$ -	\$ 6,626
-	-	628,389	628,389
1,483,923	75,907	-	1,574,720
-	151,813	-	151,813
17,485	-	-	17,485
<u>1,501,408</u>	<u>227,720</u>	<u>628,389</u>	<u>2,379,033</u>
-	-	-	7,042,045
-	-	-	398,259
-	-	-	7,440,304
<u>\$ 1,501,408</u>	<u>\$ 227,720</u>	<u>\$ 628,389</u>	<u>\$ 9,819,337</u>

CITY OF KENNER, LOUISIANA
EXPENDABLE TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 1996

	DRUG ENFORCEMENT FORFEITURE FUND
REVENUES	
Interest	\$ 11,602
Collections in trust	38,115
	49,717
 TOTAL REVENUES	 49,717
EXPENDITURES	
Trust agreement expenditures	1,633
Capital outlay	93,931
	95,564
 TOTAL EXPENDITURES	 95,564
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (45,847)
FUND BALANCE	
AT BEGINNING OF YEAR	444,106
	444,106
AT END OF YEAR	\$ 398,259
	398,259

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
PENSION TRUST FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
Year Ended June 30, 1996

	<u>FIREMEN'S PENSION AND RELIEF</u>
OPERATING REVENUES	
Contributions	
Participants	\$ 200,180
City of Kenner	300,103
State of Louisiana - fire insurance tax	130,664
Interest	422,308
Gain on sale of investments	41,590
	<u>1,094,845</u>
TOTAL OPERATING REVENUES	<u>1,094,845</u>
OPERATING EXPENSES	
Members' benefits	525,453
Refunds to terminated employees	2,872
Continued service incentive	24,060
Administrative expenses	54,544
	<u>606,929</u>
TOTAL OPERATING EXPENSES	<u>606,929</u>
NET INCOME FROM OPERATIONS	487,916
FUND BALANCE	
AT BEGINNING OF YEAR	<u>6,554,129</u>
AT END OF YEAR	<u>\$ 7,042,045</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITES - ALL AGENCY FUNDS
 Year Ended June 30, 1996

AD VALOREM TAX COLLECTION FUND

	<u>BALANCE JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1996</u>
ASSETS				
Cash	\$ 83,333	\$ 4,919,078	\$ 4,877,075	\$ 125,336
Equity in pooled cash and investments	-	3,235	-	3,235
Ad valorem taxes receivable	<u>1,396,007</u>	<u>4,945,611</u>	<u>4,968,781</u>	<u>1,372,837</u>
TOTAL ASSETS	<u>\$ 1,479,340</u>	<u>\$ 9,867,924</u>	<u>\$ 9,845,856</u>	<u>\$ 1,501,408</u>
LIABILITIES				
Due to other funds	\$ 1,437,241	\$ 4,899,833	\$ 4,853,151	\$ 1,483,923
Refunds payable	<u>42,099</u>	<u>1,469</u>	<u>26,083</u>	<u>17,485</u>
TOTAL LIABILITIES	<u>\$ 1,479,340</u>	<u>\$ 4,901,302</u>	<u>\$ 4,879,234</u>	<u>\$ 1,501,408</u>

AIRPORT SALES TAX FUND

	<u>BALANCE JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1996</u>
ASSETS				
Equity in pooled cash and investments	\$ 1	\$ -	\$ -	\$ 1
Due from other governments	<u>233,300</u>	<u>227,719</u>	<u>233,300</u>	<u>227,719</u>
TOTAL ASSETS	<u>\$ 233,301</u>	<u>\$ 227,719</u>	<u>\$ 233,300</u>	<u>\$ 227,720</u>
LIABILITIES				
Due to other funds	\$ 77,767	\$ 75,907	\$ 77,767	\$ 75,907
Due to other governments	<u>155,534</u>	<u>151,813</u>	<u>155,534</u>	<u>151,813</u>
TOTAL LIABILITIES	<u>\$ 233,301</u>	<u>\$ 227,720</u>	<u>\$ 233,301</u>	<u>\$ 227,720</u>

(Continued)

CITY OF KENNER, LOUISIANA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (CONTINUED)
 Year Ended June 30, 1996

DEFERRED COMPENSATION FUND

	<u>BALANCE JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1996</u>
ASSETS				
Investments	\$ 484,952	\$ 196,601	\$ 53,164	\$ 628,389
LIABILITIES				
Deferred compensation benefits payable	\$ 484,952	\$ 196,601	\$ 53,164	\$ 628,389

TOTALS - ALL AGENCY FUNDS

	<u>BALANCE JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1996</u>
ASSETS				
Cash	\$ 83,333	\$ 4,919,078	\$ 4,877,075	\$ 125,336
Investments	484,952	196,601	53,164	628,389
Equity in pooled cash and investments	1	3,235	-	3,236
Ad valorem taxes receivable	1,396,007	4,945,611	4,968,781	1,372,837
Due from other governments	233,300	227,719	233,300	227,719
TOTAL ASSETS	\$ 2,197,593	\$ 10,292,244	\$ 10,132,320	\$ 2,357,517
LIABILITIES				
Deferred compensation benefits payable	\$ 484,952	\$ 196,601	\$ 53,164	\$ 628,389
Due to other funds	1,515,008	4,975,740	4,930,918	1,559,830
Due to other governments	155,534	151,813	155,534	151,813
Refunds payable	42,099	1,469	26,083	17,485
TOTAL LIABILITIES	\$ 2,197,593	\$ 5,325,623	\$ 5,165,699	\$ 2,357,517

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS

ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets which are not used in Proprietary Fund operations or accounted for in Trust Funds.

CITY OF KENNER, LOUISIANA
 SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES
 June 30, 1996

GENERAL FIXED ASSETS

Land	\$ 8,252,855
Buildings	10,189,887
Improvements other than buildings	33,059,841
Furniture, fixtures and equipment	8,035,025
Vehicles	7,663,433
Construction in progress	4,670,320

TOTAL GENERAL FIXED ASSETS	\$ <u>71,871,361</u>
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INVESTMENT IN GENERAL FIXED ASSETS FROM

General fund revenues	\$ 26,639,904
General obligation bonds and notes	15,663,870
Federal grants	9,689,397
State grants	1,123,682
Parish grants	263,000
Gifts	638,662
Special assessments	15,072,274
Riverboat fees	2,780,572

TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ <u>71,871,361</u>
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CITY OF KENNER, LOUISIANA
 SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
 June 30, 1996

FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	FURNITURE FIXTURES & EQUIPMENT	VEHICLES	TOTAL
General government:						
Administration	\$ 1,340,948	\$ 1,584,021	\$ 2,200,715	\$ 1,146,947	\$ 315,388	\$ 6,588,019
Elected officials	-	12,500	-	152,833	40,036	205,369
Clerk of court	-	-	1,224	43,407	-	44,631
Planning and zoning	-	-	5,189	19,295	-	24,484
TOTAL GENERAL GOVERNMENT	<u>1,340,948</u>	<u>1,596,521</u>	<u>2,207,128</u>	<u>1,362,482</u>	<u>355,424</u>	<u>6,862,503</u>
Public safety						
Police	-	1,546,209	329,330	3,032,983	4,605,972	9,514,494
Regulatory inspection	-	-	-	37,943	73,941	111,884
Civil defense	-	-	-	5,869	-	5,869
Brake tag	-	-	47,394	10,671	-	58,065
Fire department	380,996	589,381	54,602	765,862	1,335,797	3,126,638
Traffic	-	171,679	3,969	1,234	-	176,882
Code enforcement	-	-	-	616	74,758	75,374
TOTAL PUBLIC SAFETY	<u>380,996</u>	<u>2,307,269</u>	<u>435,295</u>	<u>3,855,178</u>	<u>6,090,468</u>	<u>13,069,206</u>
Public works						
Beautification	-	-	462,765	188,548	112,732	764,045
Garbage	-	-	-	111,252	-	111,252
Roads and bridges	216,664	120,810	22,465,104	1,075,109	548,032	24,425,719
Street lighting	-	-	177,778	16,748	-	194,526
Drainage	-	-	718,279	27,050	131,844	877,173
Vehicle and building maintenance	-	95,252	22,270	308,127	37,658	463,307
TOTAL PUBLIC WORKS	<u>216,664</u>	<u>216,062</u>	<u>23,846,196</u>	<u>1,726,834</u>	<u>830,266</u>	<u>26,836,022</u>
Health and welfare						
Humane	-	-	-	-	21,945	21,945
Council on aging	146,950	218,470	53,132	8,658	68,411	495,621
Removal of architectural barriers	-	-	183,205	-	-	183,205
Housing authority	-	-	18,350	-	-	18,350
TOTAL HEALTH AND WELFARE	<u>146,950</u>	<u>218,470</u>	<u>254,687</u>	<u>8,658</u>	<u>90,356</u>	<u>719,121</u>
Culture and recreation						
Administration and maintenance	20,409	254,000	29,606	192,714	145,024	641,753
Recreation	4,399,403	3,756,484	5,390,208	508,913	92,382	14,147,390
Museums	1,328,757	1,694,534	346,328	360,706	-	3,730,325
TOTAL CULTURE AND RECREATION	<u>5,748,569</u>	<u>5,705,018</u>	<u>5,766,142</u>	<u>1,062,333</u>	<u>237,406</u>	<u>18,519,468</u>
Transit and urban development						
Community development	141,097	146,547	550,393	19,540	59,513	917,090
Transit	277,631	-	-	-	-	277,631
TOTAL TRANSIT AND URBAN DEVELOPMENT	<u>418,728</u>	<u>146,547</u>	<u>550,393</u>	<u>19,540</u>	<u>59,513</u>	<u>1,194,721</u>
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 8,252,855</u>	<u>\$ 10,189,887</u>	<u>\$ 33,059,841</u>	<u>\$ 8,035,025</u>	<u>\$ 7,663,433</u>	<u>67,201,041</u>
Construction in progress						<u>4,670,320</u>
TOTAL GENERAL FIXED ASSETS						<u>\$ 71,871,361</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
Year Ended June 30, 1996

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS 7/01/95	ADDITIONS	DEDUCTIONS & DEPARTMENTAL TRANSFERS	GENERAL FIXED ASSETS 6/30/96
General government				
Administration	\$ 5,819,955	\$ 768,065	\$ -	\$ 6,588,020
Elected officials	202,734	2,635	-	205,369
Clerk of court	22,082	22,549	-	44,631
Planning and zoning	23,369	1,115	-	24,484
TOTAL GENERAL GOVERNMENT	6,068,140	794,364	-	6,862,504
Public safety				
Police	6,675,495	2,838,999	-	9,514,494
Regulatory inspection	111,884	-	-	111,884
Civil defense	5,869	-	-	5,869
Brake tag	58,065	-	-	58,065
Fire department	2,653,933	516,839	(44,135)	3,126,637
Traffic	176,882	-	-	176,882
Code enforcement	60,999	14,375	-	75,374
TOTAL PUBLIC SAFETY	9,743,127	3,370,213	(44,135)	13,069,205
Public works				
Beautification	764,045	-	-	764,045
Garbage	111,252	-	-	111,252
Roads and bridges	23,938,957	486,762	-	24,425,719
Street lighting	194,526	-	-	194,526
Drainage	877,173	-	-	877,173
Vehicle and building maintenance	463,307	-	-	463,307
TOTAL PUBLIC WORKS	26,349,260	486,762	-	26,836,022
Health and welfare				
Humane	21,945	-	-	21,945
Council on aging	495,621	-	-	495,621
Removal of architectural barriers	183,205	-	-	183,205
Housing authority	18,350	-	-	18,350
TOTAL HEALTH AND WELFARE	719,121	-	-	719,121
Culture and recreation				
Administration and maintenance	556,445	85,308	-	641,753
Recreation	13,163,757	983,633	-	14,147,390
Museums	3,022,026	708,299	-	3,730,325
TOTAL CULTURE AND RECREATION	16,742,228	1,777,240	-	18,519,468
Transit and urban development				
Community development	888,724	28,366	-	917,090
Transit	277,631	-	-	277,631
TOTAL TRANSIT AND URBAN DEVELOPMENT	1,166,355	28,366	-	1,194,721
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	60,788,231	6,456,945	(44,135)	67,201,041
Construction in progress	2,627,626	2,093,721	(51,027)	4,670,320
TOTAL GENERAL FIXED ASSETS	\$ 63,415,857	\$ 8,550,666	\$ (95,162)	\$ 71,871,361

**GENERAL LONG - TERM DEBT
ACCOUNT GROUP**

The General Long-Term Debt Account Group records the general obligation bonds and other forms of long-term debt supported by general revenues that are obligations of a governmental unit as a whole and not its individual constituent funds.

CITY OF KENNER, LOUISIANA
 SCHEDULE OF GENERAL LONG-TERM DEBT
 June 30, 1996

Amount Available and to be Provided
 for the Payment of Long-Term Debt

SERIAL BONDS	
Amount available in Debt Service Funds	\$ 6,111,699
Amount to be provided for retirement of general obligation, special tax bonds, and special assessment debt with governmental commitment	45,029,848
Total available and to be provided for serial bond retirement	51,141,547
NOTES PAYABLE	
Amount available in Special Revenue Funds	470,000
COMPENSATED ABSENCES PAYABLE	
Amount to be provided from governmental funds	1,379,489
CAPITAL LEASES PAYABLE	
Amount to be provided from governmental funds	1,029,991
Total amount available and to be provided	\$ 54,021,027

General Long-Term Debt Payable

SERIAL BONDS PAYABLE	
General obligation and special tax bonds	\$ 51,024,459
Special assessment debt with governmental commitment	117,088
Total serial bonds payable	51,141,547
NOTES PAYABLE	
	470,000
COMPENSATED ABSENCES PAYABLE	
	1,379,489
CAPITAL LEASES PAYABLE	
	1,029,991
Total general long-term debt payable	\$ 54,021,027

SUPPLEMENTARY INFORMATION

CITY OF KENNER, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 ANALYSIS OF FUNDING PROGRESS
 (In thousands of dollars)
 FIREMEN'S PENSION AND RELIEF FUND
 June 30, 1996

Fiscal Year	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1996	\$ 7,042	*	*	*	\$ 2,224	*
1995	6,554	\$ 14,514	45.16%	\$ 7,960	2,049	388.48%
1994	6,128	13,769	44.51%	7,641	1,940	393.87%
1993	5,676	12,801	44.34%	7,125	1,964	362.78%
1992	5,192	11,862	43.77%	6,670	1,959	340.48%
1991	4,701	11,358	41.39%	6,657	1,897	350.92%
1990	4,217	10,075	41.86%	5,858	1,801	325.26%
1989	3,896	9,561	40.75%	5,665	1,772	319.70%
1988	3,591	9,273	38.73%	5,682	1,728	328.82%
1987	3,246	8,322	39.01%	5,076	1,817	279.36%

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Fund's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Fund. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Fund.

* - Amounts not available as of the date of this report.

CITY OF KENNER, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 COMPARATIVE SUMMARY OF OPERATING REVENUES BY SOURCE AND OPERATING EXPENSES BY TYPE
 FIREMEN'S PENSION AND RELIEF FUND
 June 30, 1996

Operating Revenues By Source

Fiscal Year	Contributions					Total
	Employee Amount	Employer		Investment Income	Other	
		Amount	% of Annual Covered Payroll			
1996	\$ 200,180	\$ 430,767	19.37%	\$ 422,308	\$ -	\$ 1,053,255
1995	185,097	410,377	20.03%	412,337	408	1,008,219
1994	174,639	380,186	19.60%	550,061	60	1,104,946
1993	176,764	373,215	19.00%	462,419	34,651	1,047,049
1992	176,272	368,492	18.81%	460,947	550	1,006,261
1991	170,653	351,076	18.51%	404,661	13,985	940,375
1990	135,776	259,256	14.40%	356,555	6,475	758,062
1989	128,812	271,578	15.33%	352,131	12,740	765,261
1988	120,969	236,696	13.70%	327,426	9,823	694,914
1987	127,201	239,665	13.19%	337,443	7,914	712,223

Operating Expenses by Type

Fiscal Year	Benefits	Administrative Expenses	Refunds	Continued Service Incentive	Total
1996	\$ 525,453	\$ 54,544	\$ 2,872	\$ 24,060	\$606,929
1995	512,965	42,601	2,652	23,512	581,730
1994	507,725	49,933	73,755	22,755	654,168
1993	448,663	70,962	32,773	11,153	563,551
1992	399,696	45,592	45,518	22,890	513,696
1991	381,132	36,071	24,163	15,371	456,737
1990	365,840	41,996	18,951	14,908	441,695
1989	310,777	46,270	38,612	11,395	407,054
1988	305,236	39,065	4,755	14,421	363,477
1987	280,094	46,149	9,818	13,393	349,454

CITY OF KENNER, LOUISIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNCILPERSON'S COMPENSATION
 Year Ended June 30, 1996

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Betty Bonura	365	\$ 23,600
Claude Todaro	97 (1)	5,838
Terry McCarthy	365	23,373
Marc Johnson	365	18,953
John T. Lavarine, Jr.	188 (2)	11,917
Wesley Goodman	75 (3)	3,375
John T. Lavarine, III	102 (4)	4,819
Jeannie Black	365	19,776
Louis J. Congemi	264 (5)	14,668
Blaine Gahagan	81 (6)	3,722
William D'Aunoy, Sr.	176 (7)	8,817
Philip L. Capitano	65 (8)	2,916

- (1) Replaced vacant position due to Nicholas J. Baroni's resignation on March 3, 1995. Interim period ended on October 5, 1995 when newly elected councilperson took office.
- (2) Resigned January 4, 1996.
- (3) Replaced vacant position due to John T. Lavarine, Jr.'s resignation on January 4, 1996. Interim period ended on March 21, 1996 when newly elected councilperson took office.
- (4) Newly elected councilperson effective March 21, 1996.
- (5) Newly elected Mayor effective March 21, 1996.
- (6) Replaced vacant position due to Louis J. Congemi becoming Mayor effective March 21, 1996.
- (7) Replaced vacant position due to Terry McCarthy becoming Council-at-Large effective October 5, 1995. Interim period ended on April 26, 1996 when newly elected councilperson took office.
- (8) Newly elected councilperson effective April 26, 1996.

STATISTICAL SECTION

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

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PERCENT OF TOTAL</u>	<u>PUBLIC SAFETY</u>	<u>PERCENT OF TOTAL</u>	<u>PUBLIC WORKS</u>	<u>PERCENT OF TOTAL</u>	<u>HEALTH AND WELFARE</u>	<u>PERCENT OF TOTAL</u>
1987	\$ 3,645,311	15.4	\$8,247,709	34.9	\$3,722,300	15.7	\$ 252,755	1.1
1988	4,421,862	18.9	8,594,070	36.7	3,976,112	17.0	427,896	1.8
1989	6,476,557	23.5	8,730,769	31.6	4,205,497	15.2	449,632	1.6
1990	4,859,487	17.5	9,575,704	34.4	4,334,817	15.6	467,559	1.7
1991	5,424,682	18.3	9,744,152	32.9	4,467,740	15.1	547,913	1.8
1992	6,959,069	21.9	9,494,864	29.9	4,741,457	14.9	609,521	1.9
1993	6,052,019	18.8	10,004,115	31.1	5,083,300	15.8	634,838	2.0
1994	6,150,179	19.2	11,342,251	35.4	5,432,066	16.9	626,316	2.0
1995	7,355,756	21.0	12,406,268	35.5	5,868,997	16.8	609,811	1.7
1996	8,772,634	21.4	15,896,297	38.7	6,206,314	15.1	701,860	1.7

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

<u>CULTURE AND RECREATION</u>	<u>PERCENT OF TOTAL</u>	<u>TRANSIT</u>	<u>PERCENT OF TOTAL</u>	<u>DEBT SERVICE</u>	<u>PERCENT OF TOTAL</u>	<u>MISCEL- LANEOUS</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
\$ 2,192,920	9.3	\$ 82,977	.4	\$ 4,629,874	19.6	\$ 865,697	3.7	\$ 23,639,543	100.0
2,085,549	8.9	73,557	.3	2,927,077	12.5	883,481	3.8	23,389,604	100.0
2,178,591	7.9	154,814	.6	4,366,446	15.8	1,050,624	3.8	27,612,930	100.0
2,506,347	9.0	430,186	1.5	4,601,989	16.5	1,069,870	3.8	27,845,959	100.0
3,131,412	10.6	370,830	1.3	4,687,944	15.8	1,287,275	4.3	29,661,948	100.0
3,422,618	10.8	447,001	1.4	4,836,827	15.2	1,215,427	3.8	31,726,784	100.0
2,808,260	8.7	386,300	1.2	5,914,097	18.4	1,296,067	4.0	32,178,996	100.0
2,664,041	8.3	352,921	1.1	4,172,086	13.0	1,325,103	4.1	32,064,963	100.0
2,992,872	8.6	391,628	1.1	3,903,810	11.2	1,450,042	4.1	34,979,184	100.0
3,170,484	7.7	344,149	.9	4,319,384	10.5	1,628,349	4.0	41,039,471	100.0

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

<u>FISCAL YEAR</u>	<u>PERSONNEL SERVICES</u>	<u>PERCENT OF TOTAL</u>	<u>SUPPLIES</u>	<u>PERCENT OF TOTAL</u>	<u>SERVICE CHARGES</u>	<u>PERCENT OF TOTAL</u>
1987	\$ 10,772,157	45.6	\$ 1,019,251	4.3	\$ 6,209,596	26.3
1988	11,516,986	49.2	1,135,252	4.9	7,147,870	30.6
1989	11,903,631	43.1	1,192,271	4.3	7,866,771	28.5
1990	12,337,347	44.3	1,106,030	4.0	9,341,758	33.5
1991	13,184,843	44.5	1,182,805	4.0	9,885,847	33.3
1992	13,531,586	42.7	1,189,214	3.7	11,281,678	35.6
1993	13,856,231	43.1	1,612,958	5.0	9,907,774	30.8
1994	14,359,353	44.8	1,466,075	4.6	10,097,822	31.5
1995	15,531,624	44.4	1,600,026	4.6	11,876,714	34.0
1996	17,085,934	41.6	1,785,418	4.4	13,245,138	32.3

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

<u>CAPITAL OUTLAY</u>	<u>PERCENT OF TOTAL</u>	<u>DEBT SERVICE</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
\$ 1,008,665	4.3	\$ 4,629,874	19.6	\$ 23,639,543	100.0
662,419	2.8	2,927,077	12.5	23,389,604	100.0
2,283,811	8.3	4,366,446	15.8	27,612,930	100.0
458,835	1.6	4,601,989	16.5	27,845,959	100.0
720,509	2.4	4,687,944	15.8	29,661,948	100.0
887,479	2.8	4,836,827	15.2	31,726,784	100.0
887,936	2.8	5,914,097	18.4	32,178,996	100.0
1,969,627	6.1	4,172,086	13.0	32,064,963	100.0
2,067,010	5.9	3,903,810	11.2	34,979,184	100.0
4,603,597	11.2	4,319,384	10.5	41,039,471	100.0

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

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>PERCENT OF TOTAL</u>	<u>LICENSES AND PERMITS</u>	<u>PERCENT OF TOTAL</u>	<u>INTER-GOVERNMENTAL</u>	<u>PERCENT OF TOTAL</u>	<u>CHARGES FOR SERVICES</u>	<u>PERCENT OF TOTAL</u>
1987	\$ 16,989,573	79.0	\$ 1,315,239	6.1	\$ 2,074,067	9.6	\$ 220,467	1.0
1988	18,557,955	78.4	1,532,261	6.5	2,067,038	8.7	189,921	.8
1989	19,847,221	77.9	1,347,595	5.3	2,059,051	8.1	812,988	3.2
1990	20,839,453	76.3	1,436,385	5.3	2,345,398	8.6	962,361	3.5
1991	21,466,867	75.3	1,698,454	6.0	2,298,138	8.1	1,173,057	4.1
1992	23,441,033	81.2	1,848,219	6.4	891,987	3.1	1,172,666	4.1
1993	24,967,084	80.8	1,963,613	6.4	1,402,234	4.5	1,181,214	3.8
1994	27,960,448	81.7	2,183,193	6.4	1,252,423	3.7	1,200,022	3.5
1995	38,610,266	84.1	2,226,695	4.9	1,754,334	3.8	1,289,866	2.8
1996	41,195,517	82.9	2,371,946	4.8	1,856,581	3.7	1,484,513	3.0

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

(2) Interest prior to 1991 is included in miscellaneous.

<u>FINES AND FORFEITURES</u>	<u>PERCENT OF TOTAL</u>	<u>SPECIAL ASSESSMENTS</u>	<u>PERCENT OF TOTAL</u>	<u>(2) INTEREST</u>	<u>PERCENT OF TOTAL</u>	<u>MISCELLANEOUS</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
\$ 628,386	2.9	\$ -	-	\$ -	-	\$ 269,824	1.3	\$ 21,497,556	100.0
569,869	2.4	-	-	-	-	751,567	3.2	23,668,611	100.0
532,231	2.1	-	-	-	-	891,994	3.5	25,491,080	100.0
600,562	2.2	-	-	-	-	1,128,995	4.1	27,313,154	100.0
875,569	3.1	29,271	.1	782,331	2.7	187,850	.7	28,511,937	100.0
808,182	2.8	29,271	.1	432,255	1.5	239,447	.8	28,863,060	100.0
911,586	3.0	29,271	.1	201,374	.7	228,736	.7	30,885,112	100.0
1,011,839	3.0	39,527	.1	311,346	.9	278,366	.8	34,237,164	100.0
1,127,429	2.5	39,539	.1	639,073	1.4	199,797	.4	45,886,999	100.0
1,121,222	2.3	29,271	.1	1,155,874	2.3	426,601	.9	49,641,525	99.9

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

<u>FISCAL YEAR</u>	<u>TOTAL MILLAGES</u>	<u>(1) NON-HOMESTEAD EXEMPT TAX LEVY</u>	<u>TAX COLLECTIONS AND ADJUSTMENTS</u>	<u>PERCENT OF LEVY COLLECTED & ADJUSTED</u>	<u>TOTAL OUTSTANDING DELINQUENT TAXES RECEIVABLE</u>
1987	21.17	\$ 3,708,780	\$ 3,617,231	97.53	\$ 614,958
1988	22.72	4,220,721	4,106,429	97.29	639,166
1989	22.23	4,291,457	4,170,735	97.19	712,951
1990	22.23	4,322,962	4,207,072	97.32	1,034,706
1991	22.23	4,332,967	4,103,848	94.71	1,207,600
1992	22.23	4,420,417	4,167,543	94.28	1,083,950
1993	24.22	4,788,328	4,332,766	90.49	1,314,752
1994	23.36	4,725,618	4,488,199	94.98	1,279,679
1995	23.36	4,680,143	4,430,768	94.67	1,396,007
1996	23.36	4,945,611	4,768,588	96.42	1,372,837

(1) The City Council implemented a \$7,500 Homestead Exemption beginning with fiscal year 1986.

CITY OF KENNER, LOUISIANA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (3)
 LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>FISCAL YEAR</u>	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>TAX SALE</u>	<u>PUBLIC SERVICE CORPORATIONS</u>
1987	\$ 213,757,004	\$24,713,451	\$ 3,807,885	\$ 24,268,884
1988	208,347,723	26,406,471	9,741,151	23,905,854
1989	219,817,716	29,256,713	9,605,186	22,823,461
1990	224,009,875	30,829,750	7,849,376	22,358,090
1991	216,726,680	33,932,081	6,176,486	27,102,242
1992	215,215,880	35,140,599	7,222,086	30,361,071
1993	214,287,450	37,366,492	5,379,716	29,995,049
1994	214,159,570	41,904,031	5,224,996	31,279,553
1995	214,213,110	43,253,948	5,271,656	29,250,567
1996	220,803,770	50,596,941	3,990,386	28,614,918

NOTES:

- (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 1992.
- (2) The City Council implemented a \$7,500 homestead exemption beginning with the fiscal year 1986.
- (3) Source: Jefferson Parish Assessor's Office

<u>RAILWAY ROLLING STOCK</u>	<u>(1) TOTAL ASSESSMENTS</u>	<u>(2) HOMESTEAD EXEMPT</u>	<u>NON-HOMESTEAD EXEMPT</u>	<u>TOTAL ESTIMATED ACTUAL VALUE</u>
\$ 14,860	\$ 266,562,084	\$ 84,763,700	\$ 181,798,384	\$ 2,502,296,857
18,840	268,420,039	82,649,115	185,770,924	2,516,429,840
23,310	281,526,386	88,477,675	193,048,711	2,641,585,580
17,200	285,064,291	90,599,205	194,465,086	2,673,292,777
22,930	283,960,419	89,045,160	194,915,259	2,636,080,013
36,940	287,976,576	89,127,460	198,849,116	2,661,303,727
35,490	287,064,197	89,362,880	197,701,317	2,645,985,200
36,450	292,604,600	90,309,400	202,295,200	2,681,979,220
42,600	292,031,881	91,683,350	200,348,531	2,678,495,093
46,390	304,052,405	92,339,680	211,712,725	2,776,329,887

CITY OF KENNER, LOUISIANA
 PRINCIPAL TAXPAYERS OF AD VALOREM TAXES
 June 30, 1996
 (UNAUDITED)

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>1995 ASSESSED VALUATION</u>	<u>1995 TAX AMOUNT</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
South Central Bell	Telephone Utility	\$ 7,893,800	\$ 184,399	2.6
Freeport McMoran	Oil & Gas Exploration	6,282,112	146,750	2.1
Southwest Airlines	Air Carrier	5,299,840	123,804	1.7
CF Kenner Associates	Retail (Mall)	4,881,130	118,044	1.6
Treasure Chest Casino	Casino	4,168,866	97,385	1.4
Delta Airlines	Air Carrier	2,918,230	68,170	1.0
Lifemark Hospitals of Louisiana, Inc.	Health Care	2,828,210	66,067	0.9
Sterik Company	Shopping Center	2,807,060	65,573	0.9
Kenner Hotel Ltd. Partnership	Hotel	2,044,970	47,770	0.7
MESA Airlines Inc. D/B/A Florida Gulf Air	Air Carrier	<u>1,686,740</u>	<u>44,074</u>	0.6
		<u>\$ 40,810,958</u>	<u>\$ 962,036</u>	

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					
1987	\$ 1,061,407	\$ -	\$ 355,371	33.48	\$ 706,036
1988	706,036	-	178,649	25.30	527,387
1989	527,387	-	168,218	31.90	359,169
1990	359,169	292,714	54,070	8.29	597,813
1991	597,813	-	45,911	7.68	551,902
1992	551,902	-	48,407	8.77	503,495
1993	503,495	-	50,999	10.13	452,496
1994	452,496	-	41,894	9.26	410,602
1995	410,602	-	37,352	9.10	373,250
1996	373,250	-	29,271	7.84	343,979
SEWERAGE ASSESSMENTS					
1987	\$ 300,057	\$ -	\$ 105,982	35.32	\$ 194,075
1988	194,075	-	54,261	27.96	139,814
1989	139,814	-	51,813	37.06	88,001
1990	88,001	-	10,412	11.83	77,589
1991	77,589	-	4,972	6.41	72,617
1992	72,617	-	7,601	10.47	65,016
1993	65,016	-	2,500	3.85	62,516
1994	62,516	-	3,021	4.83	59,495
1995	59,495	-	1,582	2.66	57,913
1996	57,913	-	-	0.00	57,913

NOTES:

(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, 1996
(UNAUDITED)

Assessed value		<u>\$ 304,052,405</u>
Debt limit - 35% of assessed value (1)		\$ 106,418,342
Total bonds payable	\$ 51,141,547	
Less: Special assessment bonds	(117,088)	
Sales tax bonds	(42,159,459)	
Amount available for repayment of general obligation and excess revenue bonds	<u>(1,561,142)</u>	
Total debt applicable to limitation		<u>7,303,858</u>
Legal debt margin		<u>\$ 99,114,484</u>

NOTES:

- (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 LONG-TERM DEBT TO ASSESSED VALUE AND NET LONG-TERM DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>ASSESSED VALUE (IN THOUSANDS)</u>	<u>(2) GROSS LONG-TERM DEBT</u>	<u>DEBT SERVICE MONIES AVAILABLE</u>	<u>DEBT PAYABLE FROM ENTERPRISE REVENUES</u>	<u>NET LONG-TERM DEBT</u>	<u>RATIO OF NET LONG-TERM DEBT TO ASSESSED VALUE</u>	<u>NET LONG-TERM DEBT PER CAPITA</u>
1987	74,851	\$ 266,562	\$20,170,000	\$ 2,661,745	\$ -	\$ 17,508,255	6.57	\$ 233.91
1988	75,534	268,420	32,629,316	5,444,307	-	27,185,009	10.13	359.90
1989	75,631	281,526	39,545,000	5,448,617	-	34,096,383	12.11	450.83
1990	72,033	285,064	38,402,720	6,309,734	-	32,092,986	11.26	445.53
1991	72,033	283,960	36,843,448	5,033,836	-	31,809,612	11.20	441.60
1992	72,252	287,977	35,189,176	4,212,995	-	30,976,181	10.76	428.72
1993	75,317	287,064	38,394,904	3,241,665	-	35,153,239	12.25	466.74
1994	72,700	292,605	37,080,632	3,192,081	-	33,888,551	11.58	466.14
1995	72,300	292,032	40,432,876	4,171,332	-	36,261,544	12.42	501.54
1996	73,765	304,052	51,141,547	6,111,699	-	45,029,848	14.81	610.45

NOTES:

(1) Source: Louisiana Tech University for 1987-1989 and 1991-1996; U.S. Census Bureau for 1990 Census.

(2) Includes all long-term general obligation bonds, sales tax bonds and special assessment certificates.

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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>(2) INTEREST AND FEES</u>	<u>TOTAL DEBT SERVICE</u>	<u>(1) TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1987	\$1,250,853	\$ 1,489,822	\$2,740,675	\$ 23,639,543	11.59
1988	958,165	1,922,520	2,880,685	23,389,604	12.32
1989	1,501,696	2,813,624	4,315,320	27,700,791	15.58
1990	1,566,120	3,035,869	4,601,989	27,845,959	16.53
1991	1,698,676	2,989,268	4,687,944	29,661,948	15.80
1992	1,931,340	2,905,487	4,836,827	31,726,784	15.25
1993	1,539,119	3,438,906	4,978,025	32,178,996	15.47
1994	1,943,527	2,223,884	4,167,411	32,064,963	13.00
1995	1,729,405	2,174,405	3,903,810	34,979,184	11.16
1996	2,010,033	2,309,351	4,319,384	41,039,471	10.52

NOTES:

(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, 1996
 (UNAUDITED)

	<u>INDEBTEDNESS AS OF</u>	<u>NET AD VALOREM TAX BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO THE CITY (1)</u>	<u>AMOUNT APPLICABLE TO THE CITY</u>
City of Kenner	6-30-96	\$ 1,965,000	100.0%	\$ 1,965,000
Jefferson Parish	12-31-95	97,970,000	15.39%	15,077,583
Jefferson Parish Public School System	6-30-96	11,079,052	15.39%	<u>1,705,066</u>
Total direct and overlapping debt				<u>\$ 18,747,649</u>
Taxable assessed valuation				\$ 304,052,405
Ratio of direct and overlapping debt to taxable assessed valuation				6.2%
Direct and overlapping debt per capita				\$ 254

NOTES:

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

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

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>(2) PER CAPITA PERSONAL INCOME</u>	<u>(3) UNEMPLOYMENT RATES</u>
1987	74,851	14,160	9.9%
1988	75,534	15,007	8.4%
1989	75,631	15,863	6.4%
1990	72,033	17,101	5.2%
1991	72,033	17,489	5.6%
1992	72,252	18,340	6.2%
1993	75,317	19,100	5.9%
1994	72,700	19,100	6.4%
1995	72,300	19,100	5.0%
1996	73,765	(4)	(4)

NOTES:

(1) Source: Louisiana Tech University for 1987-1989 and 1991-1996; U.S. Census Bureau for 1990 Census.

(2) Source: United States Census Bureau, Regional Economic Information System. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(3) Source: Louisiana Department of Labor 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)

FISCAL YEAR	(1) ASSESSED PROPERTY VALUE	CONSTRUCTION PERMITS (2)	
		NUMBER OF BUILDING PERMITS	VALUE
1987	\$ 266,562,084	756	\$ 57,203,602
1988	268,420,039	734	23,476,664
1989	281,526,386	852	57,948,288
1990	285,064,291	842	26,127,495
1991	283,960,419	687	32,872,520
1992	287,976,576	647	37,945,405
1993	287,064,197	535	27,975,909
1994	292,604,600	439	30,302,337
1995	292,031,881	605	36,140,565
1996	304,052,405	695	74,900,927

NOTES:

(1) Assessed values from fifth table presented.

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

CITY OF KENNER, LOUISIANA
MISCELLANEOUS STATISTICS
June 30, 1996
(UNAUDITED)

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: 6,568

Number of Housing Units:

Occupied: 26,727

Vacant: 2,207

Fire Protection:

Rating: 3 on a scale of 1 to 10 with 1 being the highest
(Louisiana Property Insurance Association)

Number of Stations: 5

Number of Commissioned Firemen: 69

Number of Pieces of Equipment: 17

Police Protection:

Number of Stations: 2

Number of Commissioned Policemen: 136

Sewerage Treatment:

Treatment Capacity: 15 MGD

Number of Treatment Plants: 3

Number of Low Lift Stations: 76

Number of Miles on Collection System: 183

Discharge Point: Mississippi River

Culture and Recreation:

Art Gallery: 1

Number of Museums: 6

Number of Theatres: 4

Number of Parks: 1

Number of Gymnasiums: 7

Number of Playgrounds: 11

Number of Tot-Lots: 24

Number of Wheelchair Tracks: 3

Number of Employees:

Civil Service: 197

Unclassified: 494

SINGLE AUDIT SECTION

REBOWE & COMPANY

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF THE GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general-purpose financial statements are free of material misstatement.

The management of City of Kenner, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of City of Kenner, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of City of Kenner, Louisiana, in a separate letter dated December 16, 1996.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Reboue & Company

December 16, 1996

City of Kenner
SCHEDULE OF REPORTABLE CONDITIONS
For the Year Ended June 30, 1996

1. **CONDITION**

As noted in the prior year, the City currently has a third party administrator handling the processing of claims for the General Liability, Auto and Worker's Compensation Self-Insurance programs. The current accounting system calls for the administrator to provide the City with "loss reports" detailing claims incurred, claims paid, and reserves on claims each month. During our audit, we noted that the loss reports were not being reconciled to the actual disbursements as recorded on the City's general ledger. As a result, we noted certain amounts which were either not recorded on the administrator's computer system or were recorded incorrectly.

RECOMMENDATION

We recommend that the claims administrator reconcile the loss reports to the check registers which are submitted monthly to the City on all self-insurance programs, since these check registers are used for recording actual disbursements on the City's general ledger.

RESPONSE

During the year, there was a change in personnel for the claims administrator. We have informed our claims administrator to reconcile the loss reports to the check registers on a monthly basis for all self-insurance programs.

2. **CONDITION**

As noted in the prior year, during our reconciliation of the loss reports to the general ledger, we noted that auto physical claims are not maintained on the computer system, but are tracked as manual claims.

RECOMMENDATION

All claimant files for all self-insurance programs should be maintained on the administrator's computer system in order for the activity to be reconciled to the City's general ledger.

RESPONSE

During the year, there was a change in personnel for the claims administrator. We informed our claims administrator to maintain all claimant files on the administrator's computer system.

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Philip W. Rebowe, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE GENERAL-PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to City of Kenner, Louisiana, is the responsibility of City of Kenner, Louisiana, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of City of Kenner, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996. These general-purpose financial statements are the responsibility of City of Kenner, Louisiana, management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose 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.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of City of Kenner, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Rebowe & Company

December 16, 1996

CITY OF KENNER, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 Year Ended June 30, 1996

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	GRANT PERIOD		TOTAL GRANT AWARD
			FROM	THROUGH	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct Programs:					
Community Development Block Grant*	14.218	B-94-MC-22-0008	08/01/94	12/31/96	\$ 1,113,000
Community Development Block Grant*	14.218	B-95-MC-22-0008	08/01/95	12/31/97	1,085,000
Total Direct Programs					
Passed Through Jefferson Parish:					
Home Investment Partnership Program (HOME)	14.239	M93-DC-22-0207	01/01/93	-	169,905
Home Investment Partnership Program (HOME)	14.239	M94-DC-22-0207	01/01/94	-	197,921
Home Investment Partnership Program (HOME)	14.239	M95-DC-22-0207	01/01/95	08/01/97	213,371
Total Passed Through Jefferson Parish					
Passed Through State Department of Social Services, Office of Community Services:					
Emergency Shelter Grants Program	14.231	DOA# 370-6133 DSS# 06588	07/01/95	06/30/97	40,128
Total Passed Through State Department of Social Services, Office of Community Services					
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
U.S. DEPARTMENT OF JUSTICE					
Passed Through Louisiana Commission on Law Enforcement:					
Highway Criminal Interdiction Program	16.579	93-B07-0B07-0012	03/01/93	02/28/95	48,143
Highway Criminal Interdiction Program	16.579	94-B07-0B07-0079	03/01/95	12/31/95	19,204
Total Passed Through Louisiana Commission on Law Enforcement					
Office of Community Oriented Policing Services:					
Cops Ahead Program	16.710	95-CC-WX-0081	04/01/95	03/31/98	165,982
Total Office of Community Oriented Policing Services					
TOTAL U.S. DEPARTMENT OF JUSTICE					
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION					
Passed Through Louisiana Highway Safety Commission:					
Kenner Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	9553	10/01/94	09/30/95	38,580
Kenner Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	9653	10/01/95	09/30/96	38,330
Total National Highway Traffic Safety Administration					

(Continued)

ACCRUED REVENUE JUNE 30, 1995	CASH RECEIVED DURING YEAR		ACCRUED REVENUE JUNE 30, 1996	REVENUE AND RECEIPTS RECOGNIZED	FEDERAL AND OTHER EXPENDITURES
	GRANTS	OTHER SOURCES			
\$ 92,303	\$ 395,764	\$ -	\$ -	\$ 303,461	\$ 303,461
-	58,964	-	187,771	246,735	246,735
<u>92,303</u>	<u>454,728</u>	<u>-</u>	<u>187,771</u>	<u>550,196</u>	<u>550,196</u>
17,824	75,482	-	64,853	122,511	122,511
-	5,830	-	92,605	98,435	98,435
-	-	-	-	-	-
<u>17,824</u>	<u>81,312</u>	<u>-</u>	<u>157,458</u>	<u>220,946</u>	<u>220,946</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 110,127</u>	<u>\$ 536,040</u>	<u>\$ -</u>	<u>\$ 345,229</u>	<u>\$ 771,142</u>	<u>\$ 771,142</u>
\$ 29,029	\$ 34,763	\$ -	\$ -	\$ 5,734	\$ 5,734
6,009	-	-	19,204	13,195	13,195
<u>35,038</u>	<u>34,763</u>	<u>-</u>	<u>19,204</u>	<u>18,929</u>	<u>18,929</u>
-	36,885	-	13,832	50,717	50,717
-	36,885	-	13,832	50,717	50,717
<u>\$ 35,038</u>	<u>\$ 71,648</u>	<u>\$ -</u>	<u>\$ 33,036</u>	<u>\$ 69,646</u>	<u>\$ 69,646</u>
\$ 5,170	\$ 10,866	\$ -	\$ -	\$ 5,696	\$ 5,696
-	10,572	-	12,222	22,794	22,794
<u>\$ 5,170</u>	<u>\$ 21,438</u>	<u>\$ -</u>	<u>\$ 12,222</u>	<u>\$ 28,490</u>	<u>\$ 28,490</u>

(Continued)

CITY OF KENNER, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE (CONTINUED)
 Year Ended June 30, 1996

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	GRANT PERIOD		TOTAL GRANT AWARD
			FROM	THROUGH	
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Passed Through Military Department Office of Emergency Preparedness: May 8, 1995 Flood	-	PA ID #051-39475	-	-	\$ -
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY					
BUREAU OF JUSTICE ASSISTANCE					
Passed Through Louisiana Commission on Law Enforcement: Multi-Jurisdictional Drug Enforcement Task Force	16.579	-	08/01/95	07/31/96	25,400
TOTAL BUREAU OF JUSTICE ASSISTANCE					
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Highway Administration Red Light Running Grant		8968-04Y-70-0- 96804-7401R6- 2523-X 25A56DP112	12/15/95	09/30/96	25,000
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					
ENVIRONMENTAL PROTECTION AGENCY					
Passed Through Louisiana Department of Environmental Quality: Construction Grants for Wastewater Treatment Plants*	66.418	CS-221104-01	PROJECT	COMPLETION	11,430,000
Construction Grants for Wastewater Treatment Plants	66.418	CS-221104-02	PROJECT	COMPLETION	3,395,000
TOTAL ENVIRONMENTAL PROTECTION AGENCY					
U.S. OFFICE OF EDUCATION					
Passed Through State Department of Education Governor's Safe and Drug-Free Schools and Communities Act	84.186A	28-96-76HP-D	07/01/95	06/30/96	6,000
TOTAL U.S. OFFICE OF EDUCATION					
TOTAL FEDERAL FINANCIAL ASSISTANCE					

* Major Program.

ACCRUED REVENUE JUNE 30, 1995	CASH RECEIVED DURING YEAR		ACCRUED REVENUE JUNE 30, 1996	TOTAL REVENUE AND RECEIPTS RECOGNIZED	TOTAL FEDERAL AND OTHER EXPENDITURES
	GRANTS	OTHER SOURCES			
\$ 258,181	\$ 258,181	\$ -	\$ -	\$ -	\$ -
<u>\$ 258,181</u>	<u>\$ 258,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 13,818	\$ -	\$ 8,545	\$ 22,363	\$ 22,363
<u>\$ -</u>	<u>\$ 13,818</u>	<u>\$ -</u>	<u>\$ 8,545</u>	<u>\$ 22,363</u>	<u>\$ 22,363</u>
\$ -	\$ 7,925	\$ -	\$ 5,477	\$ 13,402	\$ 13,402
<u>\$ -</u>	<u>\$ 7,925</u>	<u>\$ -</u>	<u>\$ 5,477</u>	<u>\$ 13,402</u>	<u>\$ 13,402</u>
\$ 1,222,381	\$ 5,660,415	\$ -	\$ 1,557,963	\$ 5,995,997	\$ 5,995,997
<u>\$ 1,222,381</u>	<u>\$ 5,660,415</u>	<u>\$ -</u>	<u>\$ 1,557,963</u>	<u>\$ 5,995,997</u>	<u>\$ 5,995,997</u>
\$ -	\$ 5,914	\$ -	\$ -	\$ 5,914	\$ 5,914
<u>\$ -</u>	<u>\$ 5,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,914</u>	<u>\$ 5,914</u>
\$ 1,630,897	\$ 6,575,379	\$ -	\$ 1,962,472	\$ 6,906,954	\$ 6,906,954

CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
June 30, 1996

NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-128, "AUDITS OF STATE AND LOCAL GOVERNMENTS", AND THE SINGLE AUDIT ACT OF 1984

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:

Community Development Block Grants (CFDA No. 14.218)
Construction Grants for Wastewater Treatment Plants (CFDA No. 66.418)

The U. S. Environmental Protection Agency has been designated as the City's cognizant agency for the single audit.

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 1996. Revenues and expenditures recorded prior to July 1, 1986 for programs with contractual reimbursement periods commencing prior to that date were outside the scope of the single audit. These prior-period revenues and expenditures are subject to the audit requirements of the applicable federal funding sources. Grant terms are indicated in the Schedule of Federal Financial Assistance.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying Schedule of Federal Financial Assistance has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. 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.

NOTE D - NOTES PAYABLE

In June 1989 and December 1992, City of Kenner issued long-term notes for \$750,000 and \$700,000, respectively. The proceeds were to be loaned in accordance with the HUD Section 108 Loan Guarantee program. The loans did not materialize, therefore, the proceeds have been invested to finance the payment of the notes payable. The investment is accounted for in the Community Development Block Grant Special Revenue Fund. The long term notes are payable over a period of 6 years with interest payable semi-annually at rates ranging from 8.7% to 8.75%

CITY OF KENNER, LOUISIANA
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE (CONTINUED)
June 30, 1996

NOTE D - NOTES PAYABLE (CONTINUED)

and 4.64% to 6.83%, respectively. At June 30, 1996, the notes payable had outstanding balances of \$-0- and \$470,000, respectively, and are recorded in the General Long-Term Debt Account Group.

The following is a schedule of future payments on the notes as of June 30, 1996 totaling \$533,062, which includes interest of \$63,062:

<u>Year Ending</u> <u>June 30,</u>	<u>Future Minimum</u> <u>Payments</u>
1997	\$ 141,741
1998	134,726
1999	127,326
2000	<u>129,269</u>
	<u>\$ 533,062</u>

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996. We have also audited the compliance of City of Kenner, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 16, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether City of Kenner, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of City of Kenner, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the general-purpose financial statements of City of Kenner, Louisiana, and on the compliance of City of Kenner, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated December 16, 1996.

The management of City of Kenner, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free Workplace Act
- Administrative Requirements

Specific Requirements

- Types of services allowed or unallowed
- Eligibility
- Reporting

Special tests and provisions

- Environmental review
- Program income
- Subrecipients
- User Charge System
- Clean Water Act

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, City of Kenner, Louisiana expended 94.78 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of City of Kenner, Louisiana, major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of City of Kenner, Louisiana, in a separate letter dated December 16, 1996.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

We have applied procedures to test City of Kenner, Louisiana's, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Kenner, Louisiana's, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that City of Kenner, Louisiana, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

We have also audited City of Kenner, Louisiana's, compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and special tests and provisions including availability of funds, environmental review, program income, subrecipients, user charge system, and Clean Water Act that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of City of Kenner, Louisiana, is responsible for the City of Kenner, Louisiana's, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, City of Kenner, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and special tests and provisions including availability of funds, environmental review, program income, subrecipients, user charge system, and Clean Water Act that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

In connection with our audit of the general-purpose financial statements of City of Kenner, Louisiana, and with our consideration of City of Kenner, Louisiana's, control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments", we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Kenner, Louisiana's, compliance with these requirements. Accordingly, we do not express such an opinion. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

With respect to the items tested, the result of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that City of Kenner, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

CITY OF KENNER, LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 1996

<u>PROGRAM</u>	<u>FINDINGS</u>	<u>QUESTIONED COSTS</u>
Environmental Protection Agency CFDA Number 66.418	<p>1. FINDING</p> <p>During our testing of the capital projects started in the current fiscal year, we noted one project whose contract did not make reference to the following federal conditions: (1) Copeland Anti-Kickback; (2) Contract Work Hours Safety Act; (3) Clean Air Act of 1970; (4) Federal Water Pollution Control Act; (5) Lead Base Paint; and (6) Access to Records.</p> <p>RECOMMENDATION</p> <p>All federally financed construction projects should make reference in the contracts to all required federal conditions.</p> <p>RESPONSE</p> <p>We will obtain an approved addendum to the contract to reflect these required federal conditions.</p>	<p>N/A</p>
	<p>2. FINDING</p> <p>During our testing of cash management, we selected four reimbursement requests and noted one instance pertaining to the LDEQ loan where only \$741,724 was disbursed of the \$744,520 reimbursement received. The difference represented a \$2,796 invoice which was not paid. Two invoices for this vendor were included on the request, however, one invoice was overlooked when the disbursements were made. In order to determine whether this was an isolated instance, we selected four additional reimbursement requests for the LDEQ loan and noted no additional exceptions.</p> <p>RECOMMENDATION</p> <p>All federal funds should be disbursed within the three days requirement period.</p>	<p>N/A</p>

(Continued)

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CITY OF KENNER, LOUISIANA

MEMORANDUM OF ADVISORY COMMENTS

June 30, 1996

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

Release Date MAR 19 1997

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December 16, 1996

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

We have audited the general purpose financial statements of City of Kenner, Louisiana for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996. As part of our audit, we considered the City's internal control structure in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control structure has been reported on in a separately issued report entitled *Independent Auditor's Report on the Internal Control Structure Based on an Audit of the General-Purpose Financial Statements Performed in Accordance with Government Auditing Standards* dated December 16, 1996.

This memorandum summarizes various other matters which have come to our attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of the City.

We have already discussed many of these comments and suggestions with various City personnel and have included their responses. We will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

Sincerely,

Rebowe & Company

GENERAL COMMENTS

1. COMMENT

The City provides assistance to various non-profit organizations operating within the City of Kenner. The assistance provided is in the form of grants, rent, salaries, and/or other expenses. In order to properly distinguish the City's role in these non-profit organizations, we recommend that the City enter into a cooperative endeavor agreement (if one does not already exist) with each non-profit organization. Such agreements should include the following:

- 1) Any restrictions on how the monies provided should be spent.
- 2) Requirement that the non-profit organization maintain its non-profit status with the Internal Revenue Service.
- 3) Requirement that the non-profit organization provide the City with a copy of its Form 990 filed with the IRS, copies of its Board of Directors minutes, and any changes in its bylaws and Charter.
- 4) Requirement that its accounting records be made available to the City upon request.
- 5) Requirement that the non-profit organization maintain appropriate insurance and indemnify the City and its employees.

RESPONSE

The City will review our relationships with these organizations and determine if an agreement is needed.

2. COMMENT

In May 1991 the City adopted a Deferred Compensation Plan established by the United States Conference of Mayors (USCM), who designated PEBSCO as administrator of their plan. A "Financial Activity Confirmation Statement" is generated and sent to the City following the close of each quarter by PEBSCO. We noted that a general ledger for the Deferred Compensation Plan is not maintained by the City. We recommend that a separate general ledger be generated on the City's computer system. These records will be helpful to the City when reconciling to the quarterly PEBSCO statements.

RESPONSE

The City currently reconciles the activity to the statements from PEBSCO. However, we will establish a detailed general ledger for the Deferred Compensation Plan.

3. COMMENT

Brake tags are distributed by the Code Enforcement Department to the brake tag station. At the end of each month, approximately 10 unsold tags are set aside for replacement on broken windshields. The remaining tags, if any, are destroyed by personnel at the brake tag station. Furthermore, if the motorists can provide proof of a current certificate of motor vehicle inspection, then they will receive, at **no charge**, a brake tag dated closest to the month the previous tag was issued. In order to ensure that all brake tags are properly accounted for and to prevent the possible misuse of any unsold tags, we recommend that all unused brake tags for the month be returned to the Code Enforcement Department for disposal and that new tags be issued for any replacements.

RESPONSE

The Administration will consider these recommendations and make the changes it deems necessary.

4. COMMENT

In 1996 the City issued the 1996A and 1996B Certificates of Indebtedness. One of the requirements of the Certificates is that the City must file an annual report with nationally recognized municipal securities information repositories no later than February 28, 1997.

RESPONSE

The City's investment advisor is currently preparing the necessary information so that the annual report is timely submitted.

5. COMMENT

The Governmental Accounting Standards Board (GASB) issued Statements No. 25, 26 and 27 in November 1994 which deal with important accounting and financial reporting issues for pension and postemployment health care plans. Such issues include a new requirement for presentation of two basic financial statements, presentation of actuarial and other data for the past six consecutive fiscal years, a change in the measure used in accounting for pension cost, and various other new requirements. The provisions of Statement Nos. 25 and 26 are effective

for the fiscal year ended June 30, 1997 and Statement No. 27 is effective for the fiscal year ended June 30, 1998. Accordingly, the City should review and address these new requirements as soon as possible in order to plan for their future implementation.

RESPONSE

We will consult with our auditors and further review these statements to plan for their future implementation.

PAYROLL

1. COMMENT

We observed a sequence of approximately fifty payroll checks which were not utilized due to printer problems. These checks will be used for manually prepared checks. We recommend that any unused checks be voided in order to maintain, in proper sequential number order, the checks being issued.

RESPONSE

We will void these checks and we will immediately discontinue this procedure and ensure that all checks are issued in proper sequential number order.

REVENUES AND RECEIVABLES

1. COMMENT

In our review of the policies and procedures used by the Code Enforcement Department, we noted several procedures that are currently being used to determine whether all businesses have an occupational license. However, we noted that these procedures could be further enhanced by the following:

- 1) On a quarterly basis, compare a list of businesses obtaining permits or licenses (i.e., building, electrical, plumbing, etc.) to those businesses which have a current occupational license.
- 2) Annually, a listing of businesses and their street addresses remitting sales or use taxes should be obtained from the Jefferson Parish Sheriff's Office and compared to the listing of occupational licenses issued.
- 3) A listing of newly incorporated businesses should be obtained on a quarterly basis from the Louisiana Secretary of State to determine whether these new businesses have obtained an occupational license.

RESPONSE

We concur with this and will consider implementing these procedures in the near future.

2. COMMENT

The City is currently filing liens against properties for which weed bills have been issued and not yet paid. However, there are weed bills outstanding from previous years for which tax liens have not been filed. We recommend that the City consider recording tax liens for these outstanding weed bill receivables in order to improve the collectibility of these receivables.

RESPONSE

The City will take the necessary steps to file liens for weed bill receivables which have not been paid.

DATA PROCESSING (EDP)

1. COMMENT

As noted in the prior year, the City stores all computer system backup tapes in a vault located on-site. We recommend that copies of all system backup tapes be kept at an off-site storage site in order to properly safeguard the information.

RESPONSE

Upon review of this comment by our computer consultant, the purchase of a fire proof file cabinet to store the backup tapes has been included in the capital outlay budget for fiscal year 1997.

SELF-INSURANCE

1. COMMENT

Several years ago, the City had a self-insurance loss fund which was maintained in a non-interest bearing account by a third party administrator. This loss fund was discontinued in 1980 and has remained dormant ever since. However, the account was left open due to possible future settlements on any old claims. The loss fund is not reflected on the City's accounting records and has a balance in the account in the amount of \$7,419. The fiscal year 1996 claims activity report reflects no open reserves, therefore, we recommend the loss fund bank account be closed.

RESPONSE

The City has now closed this bank account and has received the funds.

CAPITAL OUTLAY AND FIXED ASSETS

1. COMMENT

During the year, the City updated its fixed assets listing maintained on the computer system to include all fixed assets additions and deletions from the last few years. We recommend that a listing of fixed assets by department be submitted to the respective department heads and reviewed for accuracy as of June 30 1996. Any adjustments to the listing (additions not included or assets not deleted) should be forwarded to the Finance Director for correction. Furthermore, the City does not take a physical inventory of its fixed assets on a regular basis. In an effort to better safeguard the City's assets, we recommend that the City take a physical inventory of its fixed assets.

RESPONSE

The City will consider this in the future.

2. COMMENT

During testing of the Capital Projects Funds' reserves for encumbrances, we noted several approved contracts that were not entered into the encumbrance system. In the current year, our adjustments to the reserves for encumbrances totaled approximately \$917,000. We recommend that all approved contracts be entered into the purchase order system so that balances on these contracts can be properly encumbered.

RESPONSE

The City only enters the purchase orders as encumbrances. At year-end, appropriate adjustments will be made for such contracts.

FIREMEN'S PENSION AND RELIEF FUND

PREPAID BENEFITS

1. COMMENT

Member benefits are paid at the end of the month for the following month. Therefore, member benefits paid in June 1996 are reflected as prepaid benefits. However, we noted payments totaling \$7,838 for three members which were paid in June 1996 for May and June 1996 benefits. These amounts were incorrectly recorded by the Fund's accountant as prepaid benefits in the current year.

RESPONSE

We will request our accountants to review all adjusting entries and related account balances to ensure that correct balances are properly reflected.

PAYROLL

2. COMMENT

During our reconciliation of the member benefits schedule to the general ledger, we noted that both member benefits and the payroll tax liability accounts were understated by \$220. This amount represented payroll withholdings for two members that were corrected on the year to date totals on the payroll system but were not posted to the general ledger. However, since the gross wages for these members were corrected on the year to date totals on the payroll system, the 1099 reporting forms will be accurate. We recommend that the gross wages per the payroll summary reports be reconciled to the member benefits expense account on the general ledger on a quarterly basis to ensure that all amounts have been properly recorded.

RESPONSE

We have informed our accountants of these errors and have requested them to reconcile, on at least a quarterly basis, the payroll summary reports to the related general ledger accounts. Any discrepancies will be adjusted accordingly.

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

We have applied procedures to test City of Kenner, Louisiana's, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Kenner, Louisiana's, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that City of Kenner, Louisiana, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

We have also audited City of Kenner, Louisiana's, compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and special tests and provisions including availability of funds, environmental review, program income, subrecipients, user charge system, and Clean Water Act that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of City of Kenner, Louisiana, is responsible for the City of Kenner, Louisiana's, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, City of Kenner, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; claims for advances and reimbursements; and special tests and provisions including availability of funds, environmental review, program income, subrecipients, user charge system, and Clean Water Act that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

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

We have audited the general-purpose financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996.

In connection with our audit of the general-purpose financial statements of City of Kenner, Louisiana, and with our consideration of City of Kenner, Louisiana's, control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments", we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on City of Kenner, Louisiana's, compliance with these requirements. Accordingly, we do not express such an opinion. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

With respect to the items tested, the result of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that City of Kenner, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, the Legislative Auditor of the State of Louisiana, and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Rebowe & Company

December 16, 1996

CITY OF KENNER, LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 1996

<u>PROGRAM</u>	<u>FINDINGS</u>	<u>QUESTIONED COSTS</u>
Environmental Protection Agency CFDA Number 66.418	<p>1. FINDING</p> <p>During our testing of the capital projects started in the current fiscal year, we noted one project whose contract did not make reference to the following federal conditions: (1) Copeland Anti-Kickback; (2) Contract Work Hours Safety Act; (3) Clean Air Act of 1970; (4) Federal Water Pollution Control Act; (5) Lead Base Paint; and (6) Access to Records.</p> <p>RECOMMENDATION</p> <p>All federally financed construction projects should make reference in the contracts to all required federal conditions.</p> <p>RESPONSE</p> <p>We will obtain an approved addendum to the contract to reflect these required federal conditions.</p>	<p>N/A</p>
	<p>2. FINDING</p> <p>During our testing of cash management, we selected four reimbursement requests and noted one instance pertaining to the LDEQ loan where only \$741,724 was disbursed of the \$744,520 reimbursement received. The difference represented a \$2,796 invoice which was not paid. Two invoices for this vendor were included on the request, however, one invoice was overlooked when the disbursements were made. In order to determine whether this was an isolated instance, we selected four additional reimbursement requests for the LDEQ loan and noted no additional exceptions.</p> <p>RECOMMENDATION</p> <p>All federal funds should be disbursed within the three days requirement period.</p>	<p>N/A</p>

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 1996

<u>PROGRAM</u>	<u>FINDINGS</u>	<u>QUESTIONED COSTS</u>
CFDA Number 66.418	RESPONSE In the future, we will review all disbursements of federal funds to ensure the proper amounts are disbursed within the requirement period.	N/A

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CITY OF KENNER, LOUISIANA

MEMORANDUM OF ADVISORY COMMENTS

June 30, 1996

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

Release Date MAR 19 1997

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Philip W. Rebowe, CPA

December 16, 1996

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

We have audited the general purpose financial statements of City of Kenner, Louisiana for the year ended June 30, 1996, and have issued our report thereon dated December 16, 1996. As part of our audit, we considered the City's internal control structure in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

Our consideration of the internal control structure has been reported on in a separately issued report entitled *Independent Auditor's Report on the Internal Control Structure Based on an Audit of the General-Purpose Financial Statements Performed in Accordance with Government Auditing Standards* dated December 16, 1996.

This memorandum summarizes various other matters which have come to our attention. While not involving reportable conditions, these matters do present opportunities for strengthening the internal control structure and improving the operating efficiency of the City.

We have already discussed many of these comments and suggestions with various City personnel and have included their responses. We will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

Sincerely,

Rebowe & Company

GENERAL COMMENTS

1. COMMENT

The City provides assistance to various non-profit organizations operating within the City of Kenner. The assistance provided is in the form of grants, rent, salaries, and/or other expenses. In order to properly distinguish the City's role in these non-profit organizations, we recommend that the City enter into a cooperative endeavor agreement (if one does not already exist) with each non-profit organization. Such agreements should include the following:

- 1) Any restrictions on how the monies provided should be spent.
- 2) Requirement that the non-profit organization maintain its non-profit status with the Internal Revenue Service.
- 3) Requirement that the non-profit organization provide the City with a copy of its Form 990 filed with the IRS, copies of its Board of Directors minutes, and any changes in its bylaws and Charter.
- 4) Requirement that its accounting records be made available to the City upon request.
- 5) Requirement that the non-profit organization maintain appropriate insurance and indemnify the City and its employees.

RESPONSE

The City will review our relationships with these organizations and determine if an agreement is needed.

2. COMMENT

In May 1991 the City adopted a Deferred Compensation Plan established by the United States Conference of Mayors (USCM), who designated PEBSCO as administrator of their plan. A "Financial Activity Confirmation Statement" is generated and sent to the City following the close of each quarter by PEBSCO. We noted that a general ledger for the Deferred Compensation Plan is not maintained by the City. We recommend that a separate general ledger be generated on the City's computer system. These records will be helpful to the City when reconciling to the quarterly PEBSCO statements.

RESPONSE

The City currently reconciles the activity to the statements from PEBSCO. However, we will establish a detailed general ledger for the Deferred Compensation Plan.

3. COMMENT

Brake tags are distributed by the Code Enforcement Department to the brake tag station. At the end of each month, approximately 10 unsold tags are set aside for replacement on broken windshields. The remaining tags, if any, are destroyed by personnel at the brake tag station. Furthermore, if the motorists can provide proof of a current certificate of motor vehicle inspection, then they will receive, at **no charge**, a brake tag dated closest to the month the previous tag was issued. In order to ensure that all brake tags are properly accounted for and to prevent the possible misuse of any unsold tags, we recommend that all unused brake tags for the month be returned to the Code Enforcement Department for disposal and that new tags be issued for any replacements.

RESPONSE

The Administration will consider these recommendations and make the changes it deems necessary.

4. COMMENT

In 1996 the City issued the 1996A and 1996B Certificates of Indebtedness. One of the requirements of the Certificates is that the City must file an annual report with nationally recognized municipal securities information repositories no later than February 28, 1997.

RESPONSE

The City's investment advisor is currently preparing the necessary information so that the annual report is timely submitted.

5. COMMENT

The Governmental Accounting Standards Board (GASB) issued Statements No. 25, 26 and 27 in November 1994 which deal with important accounting and financial reporting issues for pension and postemployment health care plans. Such issues include a new requirement for presentation of two basic financial statements, presentation of actuarial and other data for the past six consecutive fiscal years, a change in the measure used in accounting for pension cost, and various other new requirements. The provisions of Statement Nos. 25 and 26 are effective

for the fiscal year ended June 30, 1997 and Statement No. 27 is effective for the fiscal year ended June 30, 1998. Accordingly, the City should review and address these new requirements as soon as possible in order to plan for their future implementation.

RESPONSE

We will consult with our auditors and further review these statements to plan for their future implementation.

PAYROLL

1. COMMENT

We observed a sequence of approximately fifty payroll checks which were not utilized due to printer problems. These checks will be used for manually prepared checks. We recommend that any unused checks be voided in order to maintain, in proper sequential number order, the checks being issued.

RESPONSE

We will void these checks and we will immediately discontinue this procedure and ensure that all checks are issued in proper sequential number order.

REVENUES AND RECEIVABLES

1. COMMENT

In our review of the policies and procedures used by the Code Enforcement Department, we noted several procedures that are currently being used to determine whether all businesses have an occupational license. However, we noted that these procedures could be further enhanced by the following:

- 1) On a quarterly basis, compare a list of businesses obtaining permits or licenses (i.e., building, electrical, plumbing, etc.) to those businesses which have a current occupational license.
- 2) Annually, a listing of businesses and their street addresses remitting sales or use taxes should be obtained from the Jefferson Parish Sheriff's Office and compared to the listing of occupational licenses issued.
- 3) A listing of newly incorporated businesses should be obtained on a quarterly basis from the Louisiana Secretary of State to determine whether these new businesses have obtained an occupational license.

RESPONSE

We concur with this and will consider implementing these procedures in the near future.

2. COMMENT

The City is currently filing liens against properties for which weed bills have been issued and not yet paid. However, there are weed bills outstanding from previous years for which tax liens have not been filed. We recommend that the City consider recording tax liens for these outstanding weed bill receivables in order to improve the collectibility of these receivables.

RESPONSE

The City will take the necessary steps to file liens for weed bill receivables which have not been paid.

DATA PROCESSING (EDP)

1. COMMENT

As noted in the prior year, the City stores all computer system backup tapes in a vault located on-site. We recommend that copies of all system backup tapes be kept at an off-site storage site in order to properly safeguard the information.

RESPONSE

Upon review of this comment by our computer consultant, the purchase of a fire proof file cabinet to store the backup tapes has been included in the capital outlay budget for fiscal year 1997.

SELF-INSURANCE

1. COMMENT

Several years ago, the City had a self-insurance loss fund which was maintained in a non-interest bearing account by a third party administrator. This loss fund was discontinued in 1980 and has remained dormant ever since. However, the account was left open due to possible future settlements on any old claims. The loss fund is not reflected on the City's accounting records and has a balance in the account in the amount of \$7,419. The fiscal year 1996 claims activity report reflects no open reserves, therefore, we recommend the loss fund bank account be closed.

RESPONSE

The City has now closed this bank account and has received the funds.

CAPITAL OUTLAY AND FIXED ASSETS

1. COMMENT

During the year, the City updated its fixed assets listing maintained on the computer system to include all fixed assets additions and deletions from the last few years. We recommend that a listing of fixed assets by department be submitted to the respective department heads and reviewed for accuracy as of June 30 1996. Any adjustments to the listing (additions not included or assets not deleted) should be forwarded to the Finance Director for correction. Furthermore, the City does not take a physical inventory of its fixed assets on a regular basis. In an effort to better safeguard the City's assets, we recommend that the City take a physical inventory of its fixed assets.

RESPONSE

The City will consider this in the future.

2. COMMENT

During testing of the Capital Projects Funds' reserves for encumbrances, we noted several approved contracts that were not entered into the encumbrance system. In the current year, our adjustments to the reserves for encumbrances totaled approximately \$917,000. We recommend that all approved contracts be entered into the purchase order system so that balances on these contracts can be properly encumbered.

RESPONSE

The City only enters the purchase orders as encumbrances. At year-end, appropriate adjustments will be made for such contracts.

FIREMEN'S PENSION AND RELIEF FUND

PREPAID BENEFITS

1. COMMENT

Member benefits are paid at the end of the month for the following month. Therefore, member benefits paid in June 1996 are reflected as prepaid benefits. However, we noted payments totaling \$7,838 for three members which were paid in June 1996 for May and June 1996 benefits. These amounts were incorrectly recorded by the Fund's accountant as prepaid benefits in the current year.

RESPONSE

We will request our accountants to review all adjusting entries and related account balances to ensure that correct balances are properly reflected.

PAYROLL

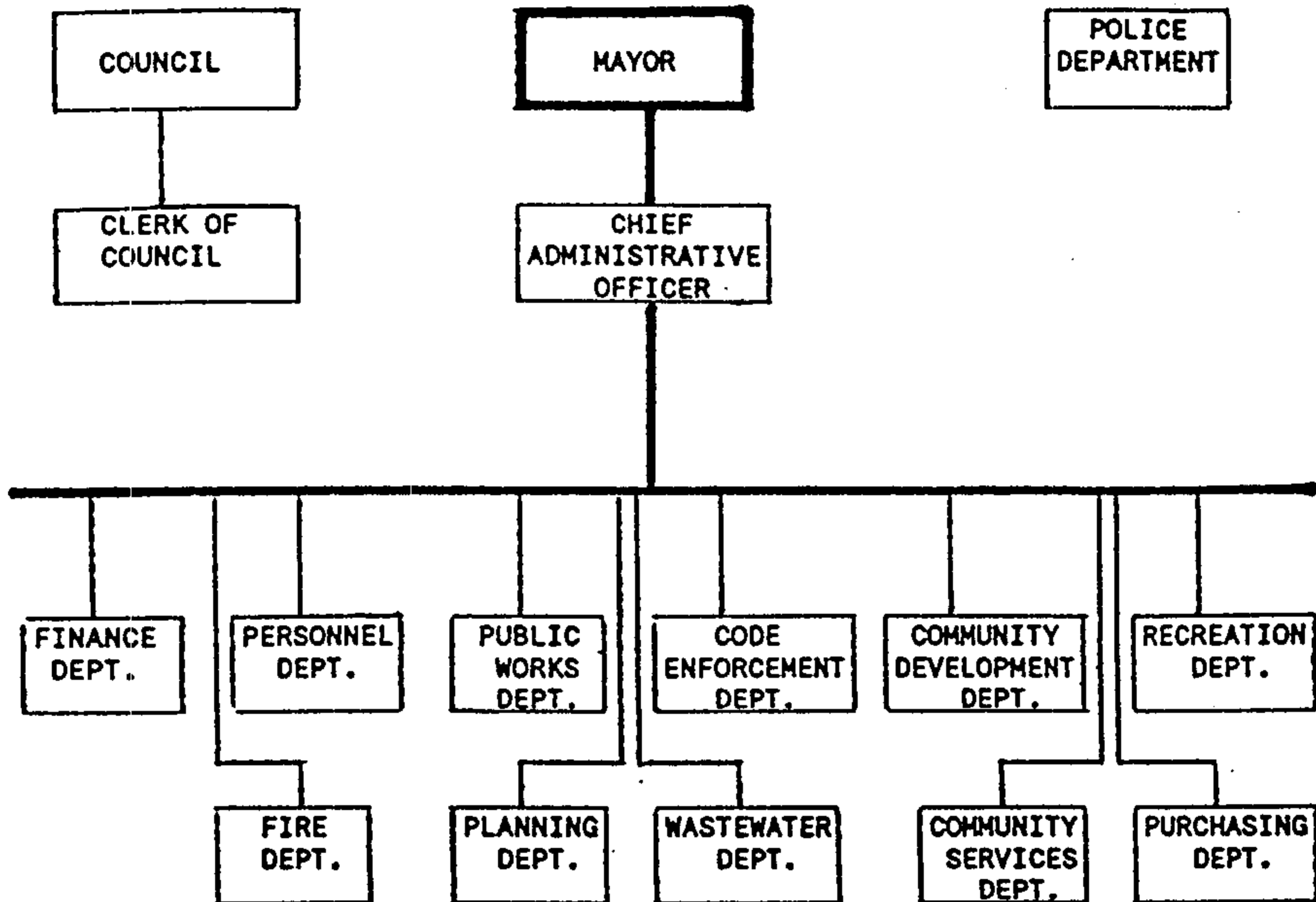
2. COMMENT

During our reconciliation of the member benefits schedule to the general ledger, we noted that both member benefits and the payroll tax liability accounts were understated by \$220. This amount represented payroll withholdings for two members that were corrected on the year to date totals on the payroll system but were not posted to the general ledger. However, since the gross wages for these members were corrected on the year to date totals on the payroll system, the 1099 reporting forms will be accurate. We recommend that the gross wages per the payroll summary reports be reconciled to the member benefits expense account on the general ledger on a quarterly basis to ensure that all amounts have been properly recorded.

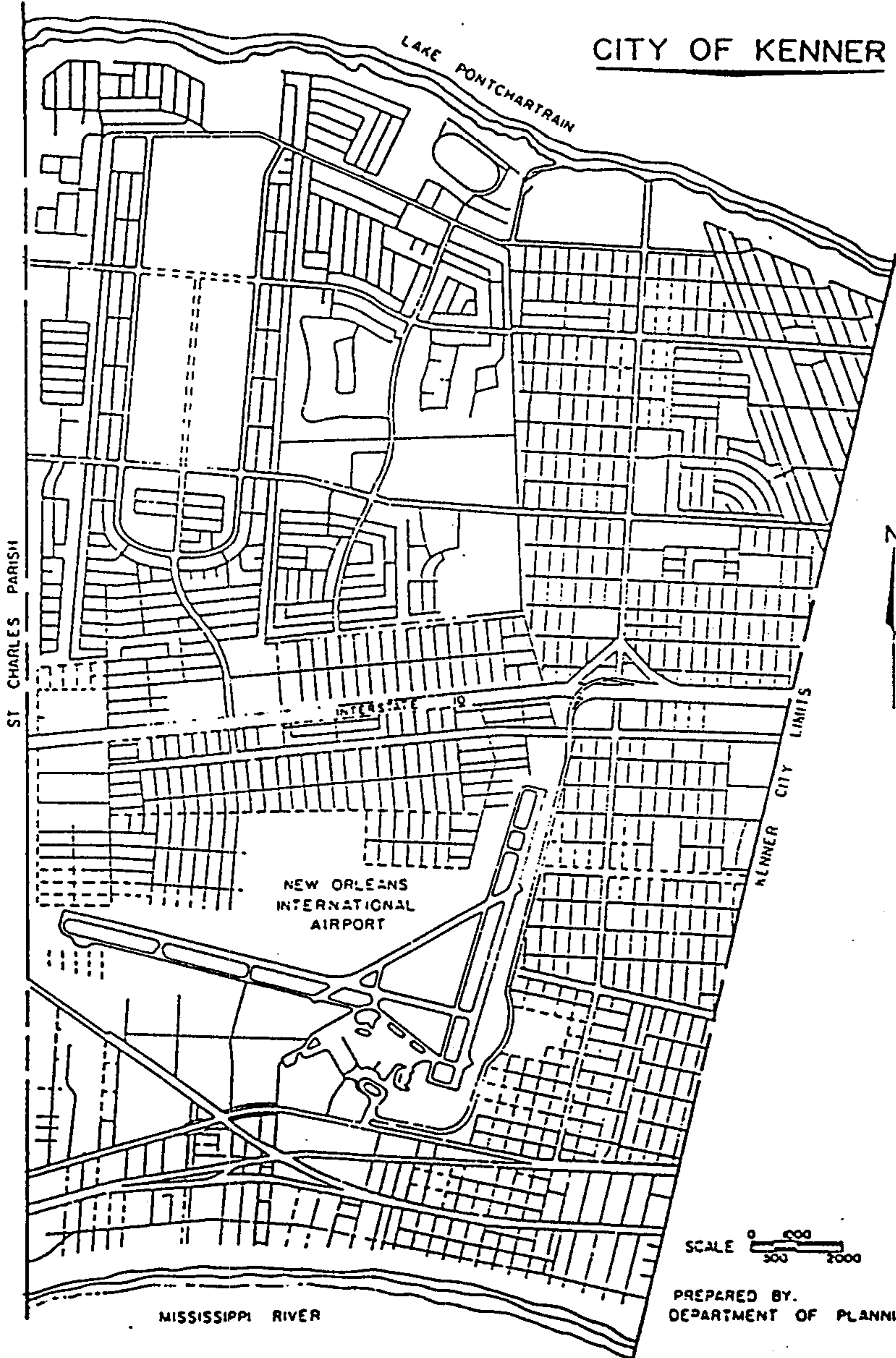
RESPONSE

We have informed our accountants of these errors and have requested them to reconcile, on at least a quarterly basis, the payroll summary reports to the related general ledger accounts. Any discrepancies will adjusted accordingly.

ORGANIZATIONAL CHART
OF THE
CITY OF KENNER, LOUISIANA



CITY OF KENNER



ST CHARLES PARISH

LAKE PONTCHARTRAIN

INTERSTATE 10

NEW ORLEANS INTERNATIONAL AIRPORT

KENNER CITY LIMITS



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Philip W. Rebowe, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 1996, as listed in the table of contents. These general-purpose financial statements are the responsibility of City of Kenner, Louisiana, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of City of Kenner, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of City of Kenner, Louisiana, as of June 30, 1996, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 16, 1996 on our consideration of City of Kenner's internal control structure and a report dated December 16, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying financial information listed as supplementary information and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of City of Kenner, Louisiana. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements, and, in our opinion, is fairly presented in all material respects in relation to the general-purpose, combining and individual fund and account group financial statements taken as a whole.

Rebowe & Company

December 16, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Assets:				
Cash	\$ 338,743	\$ 37,767	\$ 221,019	\$ 2,712,892
Equity in pooled cash and investments	1,514,161	273,963	12,907	973,866
Investments	10,254,740	1,452,744	5,284,662	4,203,108
Receivables (net, where applicable, of allowances for uncollectibles)				
Ad valorem taxes	-	-	-	-
Accounts	4,276,287	-	-	-
Intergovernmental	2,943,926	2,000,993	525,415	1,650,489
Special assessments	-	-	117,086	-
Special assessments - delinquent	469,191	-	-	-
Interest	158,585	27,802	61,503	29,944
Other	-	214,401	-	2,218
Due from other funds	2,870,947	2,332,826	123,720	75,395
Inventory, at cost	69,968	-	-	-
Prepaid items	35,641	1,400	-	-
Deposits	-	-	-	-
Property, plant and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
Other debits				
Amount available:				
in Debt Service Funds	-	-	-	-
in Special Revenue Funds	-	-	-	-
Amount to be provided for retirement of long-term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 22,932,189	\$ 6,341,896	\$ 6,346,312	\$ 9,647,912

(Continued)

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG - TERM DEBT	
\$ 417,717	\$ 547,589	\$ 563,716	\$ -	\$ -	\$ 4,839,443
15,529	-	3,236	-	-	2,793,662
-	2,778,066	7,367,772	-	-	31,341,092
-	-	1,372,837	-	-	1,372,837
-	-	-	-	-	4,276,287
148,047	-	228,268	-	-	7,497,138
-	-	-	-	-	117,086
-	-	-	-	-	469,191
-	4,100	85,210	-	-	367,144
1,402,920	-	149,692	-	-	1,892,951
134,819	-	-	-	-	5,413,987
-	-	-	-	-	69,968
400,210	-	48,606	-	-	485,857
3,734	-	-	-	-	3,734
70,285,401	-	-	71,871,361	-	142,156,762
-	-	-	-	-	-
-	-	-	-	6,111,699	6,111,699
-	-	-	-	470,000	470,000
-	-	-	-	47,439,328	47,439,328
<u>\$ 72,808,377</u>	<u>\$ 3,329,755</u>	<u>\$ 9,819,337</u>	<u>\$ 71,871,361</u>	<u>\$ 54,021,027</u>	<u>\$ 257,118,166</u>

CITY OF KENNER, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 June 30, 1996

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 711,321	\$ 243,423	\$ 750	\$ 1,591,159
Contracts payable	-	16,891	-	13,124
Retainages payable	-	-	-	262,378
Current portion of mortgage note payable	-	-	-	-
Current portion of notes payable	-	-	-	-
Accrued liabilities	227,503	61,741	2,969	-
Estimated claims payable	-	-	-	-
Deposits on future events	-	-	-	-
Deferred compensation benefits payable	-	-	-	-
Due to other funds	784,978	2,995,481	-	30,280
Due to other governments	568,295	-	-	-
Refunds payable	-	-	-	-
Deferred revenues	1,036,331	895,824	230,893	-
Other liabilities	111,255	-	-	-
Compensated absences	-	-	-	-
Notes payable	-	-	-	-
Mortgage note payable	-	-	-	-
General obligation and special sales tax bonds	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Capital leases	-	-	-	-
TOTAL LIABILITIES	3,439,683	4,213,360	234,612	1,896,941
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings	-	-	-	-
Unreserved (deficit)	-	-	-	-
Fund balances:				
Reserved for				
Encumbrances	55,635	292,249	-	943,726
Inventory	69,968	-	-	-
Prepaid items	35,641	1,400	-	-
Notes payable - Section 108 loans	-	470,000	-	-
Restricted expenditures	1,044,106	-	-	-
Capital expenditures	7,548,857	-	-	-
Debt service	-	-	6,111,700	-
Firemen's retirement system	-	-	-	-
Unreserved				
Designated for subsequent years' expenditures	5,899,513	1,129,553	-	-
Designated for capital additions and improvements	-	-	-	6,787,912
Undesignated	4,838,786	235,334	-	19,333
TOTAL RETAINED EARNINGS/ FUND BALANCE	19,492,506	2,128,536	6,111,700	7,750,971
TOTAL EQUITY AND OTHER CREDITS	19,492,506	2,128,536	6,111,700	7,750,971
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 22,932,189	\$ 6,341,896	\$ 6,346,312	\$ 9,647,912

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG - TERM DEBT	
\$ 189,357	\$ 777,456	6,626	\$ -	\$ -	3,520,092
-	-	-	-	-	30,015
-	-	-	-	-	262,378
1,338	-	-	-	-	1,338
7,160	-	-	-	-	7,160
22,323	-	-	-	-	314,536
-	1,687,231	-	-	-	1,687,231
55,824	-	-	-	-	55,824
-	-	628,389	-	-	628,389
114,642	37,607	1,574,720	-	-	5,537,708
-	-	151,813	-	-	720,108
-	-	17,485	-	-	17,485
122,716	-	-	-	-	2,285,764
-	-	-	-	-	111,255
7,718	-	-	-	1,379,489	1,387,207
11,588	-	-	-	470,000	481,588
27,047	-	-	-	-	27,047
-	-	-	-	51,024,459	51,024,459
-	-	-	-	117,088	117,088
-	-	-	-	1,029,991	1,029,991
559,713	2,502,294	2,379,033	-	54,021,027	69,246,663
-	-	-	71,871,361	-	71,871,361
85,508,663	-	-	-	-	85,508,663
(13,259,999)	827,461	-	-	-	(12,432,538)
-	-	-	-	-	1,291,610
-	-	-	-	-	69,968
-	-	-	-	-	37,041
-	-	-	-	-	470,000
-	-	-	-	-	1,044,106
-	-	-	-	-	7,548,857
-	-	-	-	-	6,111,700
-	-	7,042,045	-	-	7,042,045
-	-	398,259	-	-	7,427,325
-	-	-	-	-	6,787,912
-	-	-	-	-	5,093,453
(13,259,999)	827,461	7,440,304	-	-	30,491,479
72,248,664	827,461	7,440,304	71,871,361	-	187,871,503
\$ 72,808,377	\$ 3,329,755	\$ 9,819,337	\$ 71,871,361	\$ 54,021,027	\$ 257,118,166

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 Year Ended June 30, 1996

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES			
Taxes	\$ 23,822,845	\$ 13,387,647	\$ 3,985,025
Licenses and permits	2,371,946	-	-
Intergovernmental	1,856,581	779,291	-
Charges for services	347,909	1,136,604	-
Fines and forfeitures	1,121,222	-	-
Special assessments	-	-	29,271
Interest	781,605	108,647	291,207
Miscellaneous	108,061	83,331	311,655
TOTAL REVENUES	30,410,169	15,495,520	4,617,158
EXPENDITURES			
Current			
General government	8,772,634	-	-
Public safety	12,206,912	3,689,385	-
Public works	2,434,907	3,771,407	-
Health and welfare	701,860	-	-
Culture and recreation	3,170,484	155,024	-
Transit and urban development	344,149	695,271	-
Miscellaneous	1,628,349	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	2,010,033
Interest and fiscal charges	-	-	2,295,851
Agent fees	-	-	1,500
Miscellaneous	-	-	12,000
TOTAL EXPENDITURES	29,259,295	8,311,087	4,319,384
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,150,874	7,184,433	297,774
OTHER FINANCING SOURCES (USES)			
Operating transfers in	6,981,341	3,056,175	1,642,819
Operating transfers out	(5,558,861)	(10,321,739)	(234)
Bond proceeds	-	-	-
Proceeds from leases	1,100,000	-	-
Proceeds from LDEQ loan	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,522,480	(7,265,564)	1,642,585
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	3,673,354	(81,131)	1,940,359
FUND BALANCES			
AT BEGINNING OF YEAR	15,819,152	2,209,667	4,171,341
AT END OF YEAR	\$ 19,492,506	\$ 2,128,536	\$ 6,111,700

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS	FIDUCIARY FUND TYPE EXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
\$ -	\$ -	\$ 41,195,517
-	-	2,371,946
152,396	-	2,788,268
-	-	1,484,513
-	-	1,121,222
-	-	29,271
194,657	11,602	1,387,718
55,000	38,115	596,162
<u>402,053</u>	<u>49,717</u>	<u>50,974,617</u>
579,550	-	9,352,184
374,820	-	16,271,117
6,405,105	-	12,611,419
248	-	702,108
2,825,506	-	6,151,014
-	-	1,039,420
-	1,633	1,629,982
-	93,931	93,931
-	-	2,010,033
-	-	2,295,851
-	-	1,500
-	-	12,000
<u>10,185,229</u>	<u>95,564</u>	<u>52,170,559</u>
<u>(9,783,176)</u>	<u>(45,847)</u>	<u>(1,195,942)</u>
4,807,694	-	16,488,029
(742,874)	-	(16,623,708)
6,900,000	-	6,900,000
-	-	1,100,000
5,995,997	-	5,995,997
<u>16,960,817</u>	<u>-</u>	<u>13,860,318</u>
7,177,641	(45,847)	12,664,376
<u>573,330</u>	<u>444,106</u>	<u>23,217,596</u>
<u>\$ 7,750,971</u>	<u>\$ 398,259</u>	<u>\$ 35,881,972</u>

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUE AND DEBT-SERVICE FUND TYPES (CONTINUED)
 Year Ended June 30, 1996

	SPECIAL REVENUE FUNDS				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
REVENUES					
Taxes	\$ 13,387,647	\$ -	\$ 13,387,647	\$ 12,577,609	\$ 810,038
Intergovernmental	779,291	-	779,291	1,859,337	(1,080,046)
Charges for services	1,136,604	-	1,136,604	1,249,615	(113,011)
Interest	108,647	-	108,647	63,540	45,107
Miscellaneous	83,331	-	83,331	25,881	57,450
TOTAL REVENUES	15,495,520	-	15,495,520	15,775,982	(280,462)
EXPENDITURES					
Current					
Public safety	3,689,385	(339,684)	3,349,701	4,557,398	1,207,697
Public works	3,771,407	7,302	3,778,709	4,600,084	821,375
Culture and recreation	155,024	(2,143)	152,881	375,919	223,038
Urban development	695,271	(238)	695,033	1,467,299	772,266
TOTAL EXPENDITURES	8,311,087	(334,763)	7,976,324	11,000,700	3,024,376
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,184,433	334,763	7,519,196	4,775,282	2,743,914
OTHER FINANCING SOURCES (USES)					
Operating transfers in	3,056,175	-	3,056,175	3,561,288	(505,113)
Operating transfers out	(10,321,739)	-	(10,321,739)	(9,741,322)	(580,417)
TOTAL OTHER FINANCING SOURCES (USES)	(7,265,564)	-	(7,265,564)	(6,180,034)	(1,085,530)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(81,131)	334,763	253,632	(1,404,752)	1,658,384
FUND BALANCES					
AT BEGINNING OF YEAR	2,209,667	(356,366)	1,853,301	1,853,301	-
AT END OF YEAR	\$ 2,128,536	\$ (21,603)	\$ 2,106,933	\$ 448,549	\$ 1,658,384

(Continued)

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES (CONTINUED)
 Year Ended June 30, 1996

	DEBT SERVICE FUNDS				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
REVENUES					
Taxes	\$ 3,985,025	\$ -	\$ 3,985,025	\$ 3,628,180	\$ 356,845
Special assessments	29,271	-	29,271	-	29,271
Interest	291,207	-	291,207	179,500	111,707
Miscellaneous	311,655	-	311,655	-	311,655
TOTAL REVENUES	4,617,158	-	4,617,158	3,807,680	809,478
EXPENDITURES					
Debt service					
Principal	2,010,033	-	2,010,033	1,986,683	(23,350)
Interest and fiscal charges	2,295,851	-	2,295,851	2,465,700	169,849
Agent fees	1,500	-	1,500	1,500	-
Miscellaneous	12,000	-	12,000	12,000	-
TOTAL EXPENDITURES	4,319,384	-	4,319,384	4,465,883	146,499
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	297,774	-	297,774	(658,203)	955,977
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,642,819	-	1,642,819	654,012	988,807
Operating transfers out	(234)	-	(234)	-	(234)
TOTAL OTHER FINANCING SOURCES (USES)	1,642,585	-	1,642,585	654,012	988,573
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,940,359	-	1,940,359	(4,191)	1,944,550
FUND BALANCES					
AT BEGINNING OF YEAR	4,171,341	-	4,171,341	4,171,341	-
AT END OF YEAR	\$ 6,111,700	\$ -	\$ 6,111,700	\$ 4,167,150	\$ 1,944,550

(Continued)

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES (CONTINUED)
 Year Ended June 30, 1996

	TOTALS (MEMORANDUM ONLY)				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
REVENUES					
Taxes	\$ 41,195,517	\$ -	\$ 41,195,517	\$ 39,022,885	\$ 2,172,632
Licenses and permits	2,371,946	-	2,371,946	2,249,242	122,704
Intergovernmental	2,635,872	-	2,635,872	3,289,454	(653,582)
Charges for services	1,484,513	-	1,484,513	1,560,663	(76,150)
Fines and forfeitures	1,121,222	-	1,121,222	1,052,702	68,520
Special Assessments	29,271	-	29,271	-	29,271
Interest	1,181,459	-	1,181,459	443,040	738,419
Miscellaneous	503,047	-	503,047	102,881	400,166
TOTAL REVENUES	50,522,847	-	50,522,847	47,720,867	2,801,980
EXPENDITURES					
Current					
General government	8,772,634	(29,681)	8,742,953	9,586,876	843,923
Public safety	15,896,297	(370,530)	15,525,767	21,476,500	5,950,733
Public works	6,206,314	(4,638)	6,201,676	7,269,444	1,067,768
Health and welfare	701,860	(1,808)	700,052	688,984	(11,068)
Culture and recreation	3,325,508	1,176	3,326,684	3,846,124	519,440
Transit and urban development	1,039,420	(238)	1,039,182	1,844,752	805,570
Miscellaneous	1,628,349	-	1,628,349	1,630,500	2,151
Debt service					
Principal	2,010,033	-	2,010,033	1,986,683	(23,350)
Interest and fiscal charges	2,295,851	-	2,295,851	2,465,700	169,849
Agent fees	1,500	-	1,500	1,500	-
Miscellaneous	12,000	-	12,000	12,000	-
TOTAL EXPENDITURES	41,889,766	(405,719)	41,484,047	50,809,063	9,325,016
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,633,081	405,719	9,038,800	(3,088,196)	12,126,996
OTHER FINANCING SOURCES (USES)					
Operating transfers in	11,680,335	-	11,680,335	10,059,294	1,621,041
Operating transfers out	(15,880,834)	-	(15,880,834)	(14,183,108)	(1,697,726)
Proceeds from leases	1,100,000	-	1,100,000	1,100,000	-
TOTAL OTHER FINANCING SOURCES (USES)	(3,100,499)	-	(3,100,499)	(3,023,814)	(76,685)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,532,582	405,719	5,938,301	(6,112,010)	12,050,311
FUND BALANCES					
AT BEGINNING OF YEAR	22,200,160	(482,951)	21,717,209	21,717,209	-
AT END OF YEAR	\$ 27,732,742	\$ (77,232)	\$ 27,655,510	\$ 15,605,199	\$ 12,050,311

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS (DEFICIT)/FUND BALANCE -
 PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
 Year Ended June 30, 1996

	PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	
OPERATING REVENUES				
Charges for services	\$ 5,434,122	\$ 4,058,657	\$ -	\$ 9,492,779
Contributions	-	-	630,947	630,947
Interest	-	-	422,308	422,308
Miscellaneous	4,268	-	41,590	45,858
TOTAL OPERATING REVENUES	5,438,390	4,058,657	1,094,845	10,591,892
OPERATING EXPENSES				
Personnel expenses	120,301	-	-	120,301
Supplies and office expense	17,911	-	-	17,911
Operating supplies and purchases	4,646	-	-	4,646
Building and maintenance expenses	343,956	-	-	343,956
Outside services	5,560,664	954,430	-	6,515,094
Transportation	652	-	-	652
Insurance claims	-	555,844	-	555,844
Insurance premiums	57,620	2,225,087	-	2,282,707
General expense				
Benefit payments	-	-	525,453	525,453
Depreciation	1,953,388	-	-	1,953,388
Other	127,588	-	81,476	209,064
TOTAL OPERATING EXPENSES	8,186,726	3,735,361	606,929	12,529,016
OPERATING INCOME (LOSS)	(2,748,336)	323,296	487,916	(1,937,124)
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	434,058	-	-	434,058
Hotel/motel taxes	341,120	-	-	341,120
Cable television franchise fees	433,042	-	-	433,042
Interest revenue	11,645	114,758	-	126,403
Interest expense	(18,122)	-	-	(18,122)
TOTAL NON-OPERATING REVENUES	1,201,743	114,758	-	1,316,501
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	(1,546,593)	438,054	487,916	(620,623)
OPERATING TRANSFERS				
Transfers in	130,930	4,749	-	135,679
TOTAL OPERATING TRANSFERS	130,930	4,749	-	135,679
NET INCOME (LOSS)	(1,415,663)	442,803	487,916	(484,944)
RETAINED EARNINGS (DEFICIT)/FUND BALANCE AT BEGINNING OF YEAR	(11,844,336)	384,658	-	(11,459,678)
AT END OF YEAR	\$ (13,259,999)	\$ 827,461	\$ 487,916	\$ (11,944,622)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
 Year Ended June 30, 1996

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:			
Cash flows from operating activities:			
Operating income (loss)	\$ (2,748,336)	\$ 323,296	\$ (2,425,040)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,953,388	-	1,953,388
Change in current assets (increase) decrease:			
Receivables	(123,628)	-	(123,628)
Due from other funds	(6,646)	-	(6,646)
Intergovernmental	27,794	-	27,794
Prepaid expenses	(362,534)	1,300	(361,234)
Change in current liabilities increase (decrease):			
Accounts payable	(94,607)	83,475	(11,132)
Deferred revenue	(1,755)	-	(1,755)
Accrued liabilities	(59,242)	(153,875)	(213,117)
Due to other funds	(158,454)	18,042	(140,412)
Deposits on future events	1,544	-	1,544
Compensated absences	(148,515)	-	(148,515)
Retainage payable	(5,350)	-	(5,350)
TOTAL ADJUSTMENTS	1,021,995	(51,058)	970,937
Net cash provided by (used for) operating activities	(1,726,341)	272,238	(1,454,103)
Cash flows from noncapital financing activities:			
Ad valorem taxes	434,058	-	434,058
Hotel/motel taxes	341,120	-	341,120
Cable television franchise fees	433,042	-	433,042
Operating transfers in	130,930	4,749	135,679
Net cash provided by noncapital financing activities	1,339,150	4,749	1,343,899
Cash flows from capital and related financing activities:			
Principal payments - note payable	(9,913)	-	(9,913)
Principal payments - mortgage payable	(1,227)	-	(1,227)
Principal payments - capital lease payable	(5,922)	-	(5,922)
Interest payments	(18,122)	-	(18,122)
Acquisition of property, plant, and equipment	(19,117)	-	(19,117)
Net cash used by capital and related financing activities	(54,301)	-	(54,301)

(Continued)

CITY OF KENNER, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES (CONTINUED)
 Year Ended June 30, 1996

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
Cash flows from investing activities:			
Purchases of investments	\$ -	\$ (17,788,024)	\$ (17,788,024)
Proceeds from maturities of investments	-	17,334,130	17,334,130
Interest received	11,645	116,656	128,301
Net cash provided by (used for) investing activities	11,645	(337,238)	(325,593)
Net increase (decrease) in cash and cash equivalents	(429,847)	(60,251)	(490,098)
Cash and cash equivalents, beginning of year	863,093	607,840	1,470,933
Cash and cash equivalents, end of year	\$ 433,246	\$ 547,589	\$ 980,835
RECONCILIATION TO BALANCE SHEET ACCOUNTS:			
Cash	433,246	\$ 547,589	\$ 980,835
Equity in pooled cash and investments	-	-	-
Cash and cash equivalents, end of year	\$ 433,246	\$ 547,589	\$ 980,835
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contributions of capital	\$ 12,022,394	\$ -	\$ 12,022,394
Acquisitions of property, plant, and equipment through capital contributions	(12,022,394)	-	(12,022,394)
	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

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 generally accepted accounting principles (GAAP) as applied 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 government'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.

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. Therefore, the Police Department is a function of the primary government and its operations are reported as a part of the City's General Fund.

2. FUND ACCOUNTING

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either for outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

3. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers ad valorem (property) taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when 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 accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" it is the policy of the City's proprietary funds to apply all applicable GASB pronouncements as well as all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise 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 a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

4. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted during the year 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 Department

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds

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. Furthermore, appropriations which are not expended nor encumbered are dedicated to capital outlay for that department and are rebudgeted in the following year.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary accounting in the General Fund, Special Revenue Funds, and Enterprise Funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures nor liabilities because the commitments will be honored during the subsequent fiscal year.

6. CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash and investment pools as follows:

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

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

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are swept and invested into overnight repurchase agreements earning Federal Funds rate less 150 basis points. The market value of the underlying security in the repurchase agreement transaction is always 105% of the carrying amount of repurchase agreement. 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; no checks can be written on these accounts.

Cash reported on the Combined Balance Sheet includes amounts in demand deposits, certificates of deposit, and short-term investments with a maturity date within three months of the date purchased.

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.

Investments are stated at cost or amortized cost, except for investments in the Deferred Compensation Agency Fund, which are reported at market value.

State Law R.S. 33:2955 allows the investment in U.S. bonds, treasury notes, certificates or other obligations of the United States of America, which may include certificates or other evidences of an ownership interest in such obligations, which may consist of specified portions of interest thereon, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, or any other federally insured investment.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For purposes of the statement of cash flows of the Proprietary Funds, cash and cash equivalents includes the following items: demand deposits, petty cash, certificates of deposit, "equity in pooled cash and investments" and short-term investments with a maturity of three months or less.

7. 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" on the balance sheet.

8. INVENTORIES

The costs of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 1996, would not be material to the financial statements. However, the inventory of parts for vehicle maintenance, which is accounted for under the consumption method, is considered to be material and is recorded in the General Fund at cost, determined by the first-in, first-out method.

9. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 1996, are recorded as prepaid items.

10. FIXED ASSETS

GENERAL FIXED ASSETS

Fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital asset acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized as general fixed assets.

Assets in the general fixed assets account group are not depreciated.

PROPRIETARY FUND ASSETS

Depreciation of property, plant and equipment in the proprietary fund types is computed using the straight-line method with estimated useful lives as noted in Note F.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned in the Proprietary Funds. Such amounts are not accrued in the governmental funds, as the amount left unpaid at the end of the fiscal period would not be liquidated with expendable available financial resources. 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 total is included in the General Long-Term Debt Account Group, which represents the City's commitment to fund such costs from future operations.

In Proprietary Fund types, annual and sick leave are expensed when earned by the employee. A liability is recorded for accumulated annual leave and vested sick leave as of the end of the fiscal year using employees' current rates of pay.

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.

12. LONG-TERM OBLIGATIONS

Long-term debt expected to be financed from governmental funds is accounted for in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

13. FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

14. INTERFUND TRANSACTIONS

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

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

15. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position and results of operations in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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. The budget is prepared by fund, function, and activity, 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 departments; however, any revisions that alter the total expenditures of any department must be approved by the City Council. A reconciliation of the originally adopted budget to the Revised Budget (including supplemental appropriations through June 30) is presented below:

	<u>ORIGINAL</u>	<u>REVISED</u>	<u>INCREASE (DECREASE)</u>
<u>General Fund</u>			
Revenues and other financing sources	\$ 34,441,383	\$ 33,981,199	\$ (460,184)
Expenditures and other financing uses	<u>34,439,554</u>	<u>38,684,265</u>	<u>4,244,711</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 1,829</u>	<u>\$ (4,703,066)</u>	<u>\$ (4,704,895)</u>
<u>Special Revenue Funds</u>			
Revenues and other financing sources	\$ 18,368,223	\$ 19,337,270	\$ 969,047
Expenditures and other financing uses	<u>19,745,327</u>	<u>20,742,022</u>	<u>996,695</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,377,104)</u>	<u>\$ (1,404,752)</u>	<u>\$ (27,648)</u>
<u>Debt Service Funds</u>			
Revenues and other financing sources	\$ 4,253,604	\$ 4,461,692	\$ 208,088
Expenditures and other financing uses	<u>4,257,795</u>	<u>4,465,883</u>	<u>208,088</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (4,191)</u>	<u>\$ (4,191)</u>	<u>\$ -</u>

The sources for these supplemental appropriations include the prior year's fund balances and current year federal grants.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget (Budgetary Basis) - General, Special Revenue, and Debt Service Fund Types 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, timing, and entity differences in excess of revenues and other financing sources over expenditures and other financing uses for the year ended June 30, 1996, is presented below:

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$3,744,310	\$ 253,632	\$ 1,940,359
Adjustments:			
Timing differences:			
To adjust for encumbrances	<u>(70,956)</u>	<u>(334,763)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$3,673,354</u>	<u>\$ (81,131)</u>	<u>\$ 1,940,359</u>

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds/departments had expenditures in excess of appropriations for the year ended June 30, 1996.

	<u>EXPENDITURES</u>	<u>APPROPRIATIONS</u>	<u>EXCESS</u>
General Fund			
Council on Aging	\$ 197,834	\$ 197,739	\$ (95)
Maintenance	302,393	284,799	(17,594)
Leisure Services	74,674	74,533	(141)
Cultural Affairs	92,262	84,789	(7,473)
City Museum	4,146	4,111	(35)
Railroad Museum	33,637	32,940	(697)
Saints Museum	<u>1,581</u>	<u>1,546</u>	<u>(35)</u>
	<u>\$ 706,527</u>	<u>\$ 680,457</u>	<u>\$ (26,070)</u>

Expenditures exceeded appropriations primarily due to the following reason: expenditures in various departments in the General Fund exceeded appropriations due to expenditures which were accrued as of June 30, 1996 but which were budgeted and paid for in fiscal year ending June 30, 1997.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

DEFICIT FUND BALANCES/RETAINED EARNINGS

The following funds had deficits in fund balance/retained earnings at June 30, 1996:

DEFICIT IN FUND BALANCE/RETAINED EARNINGS

Enterprise Funds	
Department of Wastewater Operations	\$ 11,471,540
Civic Center Operations	<u>1,788,459</u>
	<u>\$ 13,259,999</u>

The deficits in the Enterprise Funds are a result of depreciation expense.

NOTE C - DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the City's deposits was \$7,633,106 and the bank balance was \$ 6,116,914. The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the City's agent in the City's name.	<u>\$6,116,914</u>
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The City's investments at year-end are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	CATEGORY			<u>CARRYING AMOUNT</u>	<u>MARKET VALUE</u>
	1	2	3		
Repurchase agreement	\$ 4,311,828	\$ -	\$ -	\$ 4,311,828	\$ 4,399,428
U. S. Government securities	1,547,411	-	-	1,547,411	1,629,727
U. S. Instrumentality securities (FNMA, FHLB, etc.)	22,605,309	-	-	22,605,309	22,883,782
Corporate bonds	2,605,922	-	-	2,605,922	2,706,224
Stocks	<u>2,111,567</u>	<u>-</u>	<u>-</u>	<u>2,111,567</u>	<u>2,736,359</u>
	<u>\$ 33,182,037</u>	<u>\$ -</u>	<u>\$ -</u>	33,182,037	34,355,520
Mutual funds				<u>2,734,971</u>	<u>2,734,971</u>
Total Investments				<u>\$ 35,917,008</u>	<u>\$ 37,090,491</u>

The mutual funds are owned by the Deferred Compensation Plan Agency Fund, Firemen's Pension and Relief Fund, and Debt Service Funds. The corporate bonds and stocks are owned by the Firemen's Pension and Relief Fund.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE D - EQUITY IN POOLED CASH AND INVESTMENTS

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

<u>Equity in Pooled Cash and Investments</u>	<u>GENERAL POOL</u>	<u>PAVING ASSESSMENTS POOL</u>	<u>SEWERAGE ASSESSMENTS POOL</u>	<u>TOTALS</u>
Cash (Bank Overdraft)	\$(2,315,894)	\$ 795,267	\$ 2,461	\$(1,518,166)
Repurchase Agreement	<u>4,311,828</u>	<u>-</u>	<u>-</u>	<u>4,311,828</u>
 Total Equity in Pooled Cash and Investments	 <u>\$ 1,995,934</u>	 <u>\$ 795,267</u>	 <u>\$ 2,461</u>	 <u>\$ 2,793,662</u>
 <u>Equity in Pool By Fund Type</u>				
General	\$ 716,433	\$ 795,267	\$ 2,461	\$ 1,514,161
Special Revenue	273,963	-	-	273,963
Debt Service	12,907	-	-	12,907
Capital Project	973,866	-	-	973,866
Enterprise	15,529	-	-	15,529
Internal Service	-	-	-	-
Trust and Agency	<u>3,236</u>	<u>-</u>	<u>-</u>	<u>3,236</u>
 Total Equity in Pool	 <u>\$ 1,995,934</u>	 <u>\$ 795,267</u>	 <u>\$ 2,461</u>	 <u>\$ 2,793,662</u>

The amount which is shown as a bank overdraft represents outstanding checks for which the bank has invested in a repurchase agreement. The repurchase agreement and the amount shown as bank overdraft are held in the same bank account, therefore, there is no actual bank overdraft but rather excess funds invested in the repurchase agreement pursuant to an agreement held with the bank.

NOTE E - RECEIVABLES

Receivables at June 30, 1996 consist of the following (in thousands of dollars):

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>FIDUCIARY</u>	<u>TOTAL</u>
Receivables:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,416	\$ 1,416
Accounts	4,276	-	-	-	-	-	-	4,276
Intergovernmental	2,944	2,001	525	1,650	148	-	228	7,496
Special assess- ments	615	-	117	-	-	-	-	732
Interest	159	28	62	30	-	4	85	368
Other	<u>-</u>	<u>214</u>	<u>-</u>	<u>2</u>	<u>1,467</u>	<u>-</u>	<u>150</u>	<u>1,833</u>
Gross receivables	7,994	2,243	704	1,682	1,615	4	1,879	16,121
Less: allowance for estimated uncol- lectibles	<u>146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>43</u>	<u>253</u>
Net total receivables	<u>\$ 7,848</u>	<u>\$ 2,243</u>	<u>\$ 704</u>	<u>\$ 1,682</u>	<u>\$ 1,551</u>	<u>\$ 4</u>	<u>\$ 1,836</u>	<u>\$15,868</u>

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE E - RECEIVABLES (CONTINUED)

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, 1996, consists of the following amounts:

General Fund	<u>\$ 145,962</u>
Enterprise Funds	
Department of Wastewater Operations	<u>\$ 63,967</u>
Fiduciary Funds	
Ad Valorem Tax Collection	<u>\$ 43,175</u>

NOTE F - FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	BALANCE JULY 1, 1995	ADDITIONS	RETIREMENT	COMPLETED CONSTRUCTION	TRANSFERS (TO) FROM OTHER FUNDS	BALANCE JUNE 30, 1996
Land	\$ 6,823,999	\$1,428,856	\$ -	\$ -	\$ -	\$ 8,252,855
Buildings	10,189,887	-	-	-	-	10,189,887
Improvements other than buildings	32,304,461	755,380	-	-	-	33,059,841
Furniture, fixtures and equipment	5,555,395	2,479,630	-	-	-	8,035,025
Vehicles	5,914,489	1,793,079	(44,135)	-	-	7,663,433
Construction in progress	<u>2,627,626</u>	<u>2,093,721</u>	<u>(51,027)</u>	<u>-</u>	<u>-</u>	<u>4,670,320</u>
 Total general fixed assets	 <u>\$63,415,857</u>	 <u>\$8,550,666</u>	 <u>\$ (95,162)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 71,871,361</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE F - FIXED ASSETS (CONTINUED)

Construction in progress is comprised of the following:

	PROJECT/CONTRACT AUTHORIZATION TO DATE	EXPENDED TO JUNE 30, 1996	COMMITTED	REQUIRED FUTURE FINANCING
Public Safety:				
Proposed jail	\$ 9,127	\$ -	\$ -	\$ -
Police headquarters	435,276	435,276	-	-
Fire building renovations	<u>352,024</u>	<u>73,570</u>	<u>278,454</u>	<u>278,454</u>
TOTAL PUBLIC SAFETY	<u>\$ 796,427</u>	<u>\$ 517,973</u>	<u>\$ 278,454</u>	<u>\$ 278,454</u>
Culture and Recreation:				
Lakefront Park	\$ 1,741	\$ -	\$ -	\$ -
Science Center Expansion	948,143	948,143	-	-
Rivertown Repertory Theater Expansion	902,925	902,925	-	-
Children's Castle	55,853	55,853	-	-
Pontchartrain Parking Center	700,000	611,555	88,445	88,445
Public Boat Launch Repairs	105,225	105,225	-	-
Boat Trailer Parking Area	18,000	17,090	910	910
Group Pavillion	153,810	153,810	-	-
Playground Picnic Area	49,000	45,195	3,805	3,805
Senior Citizen's Home	39,588	30,108	9,480	9,480
Woodward Gym	17,632	12,573	5,059	5,059
Woodlake Gym	129,855	76,958	52,897	52,897
Kenner Jr. High Repairs	26,344	21,933	4,411	4,411
Muss Bertolino Gym	38,207	23,220	14,987	14,987
Lincoln Improvements	20,077	13,290	6,787	6,787
LaSalle Landing	17,600	17,192	408	408
Rear Theatre Building	13,238	13,238	-	-
Galatas & Butch Duhe Gyms	2,350	2,350	-	-
Wentwood Gym	948,971	137,692	811,279	811,279
Kennerville Park	10,000	7,742	2,258	2,258
Scurlock Property	<u>20,000</u>	<u>11,146</u>	<u>8,854</u>	<u>8,854</u>
TOTAL CULTURE AND RECREATION	<u>\$ 4,218,559</u>	<u>\$ 3,208,979</u>	<u>\$1,009,580</u>	<u>\$ 1,009,580</u>
Transit and Urban Development:				
Community Resource Center	<u>\$ 943,368</u>	<u>\$ 943,368</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL TRANSIT AND URBAN DEVELOPMENT	<u>\$ 943,368</u>	<u>\$ 943,368</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL CONSTRUCTION IN PROGRESS	<u>\$ 5,958,354</u>	<u>\$ 4,670,320</u>	<u>\$1,288,034</u>	<u>\$ 1,288,034</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE F - FIXED ASSETS (CONTINUED)

The following is a summary of proprietary fixed assets at June 30, 1996:

	<u>ENTERPRISE FUNDS</u>		
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
Land and improvements	\$ 1,825,937	\$ 5,311,741	\$ 7,137,678
Building and improvements	59,211,630	12,255,869	71,467,499
Furniture and fixtures	148,597	2,570,838	2,719,435
Vehicles and field equipment	839,148	-	839,148
Construction in progress	<u>12,010,406</u>	<u>-</u>	<u>12,010,406</u>
Total	74,035,718	20,138,448	94,174,166
Less: accumulated depreciation	<u>21,354,219</u>	<u>2,534,546</u>	<u>23,888,765</u>
Net	<u>\$ 52,681,499</u>	<u>\$ 17,603,902</u>	<u>\$ 70,285,401</u>

The following estimated useful lives (in years) are used for computing depreciation and amortization:

	<u>ENTERPRISE FUNDS</u>	
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>
Buildings and improvements	10 - 15	20 - 50
Utility plants, stations and lines	50	-
Vehicles, machinery and equipment	6	5
Furniture and fixtures	10	10

NOTE G - LONG-TERM DEBT

BONDS AND CERTIFICATES

Long-term debt at June 30, 1996 includes the following serial bonds and certificates:

<u>DESCRIPTION</u>	<u>INTEREST RATES</u>	<u>FINAL MATURITY DATE</u>	<u>RANGE OF ANNUAL PRINCIPAL PAYMENTS</u>		<u>(IN THOUSANDS OF DOLLARS)</u>	
			<u>FROM</u>	<u>TO</u>	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUT- STANDING</u>
General Obligation, Special Tax and Excess Revenue Bonds						
General Obligation Refunding Bonds, Series 1992	4.50-5.75	03-01-05	\$ 180,000	\$ 260,000	\$ 2,595	\$ 1,965
Sales Tax Refunding Bonds, Series 1992	4.30-6.125	06-01-12	\$1,305,000	\$2,945,000	36,580	32,145
Sales Tax Bonds, Series 1994	2.95	06-01-16	\$ 450,000	\$ 715,000	11,430	9,742

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE G - LONG-TERM DEBT (CONTINUED)

<u>DESCRIPTION</u>	<u>INTEREST RATES</u>	<u>FINAL MATURITY DATE</u>	<u>RANGE OF ANNUAL PRINCIPAL PAYMENTS</u>		<u>(IN THOUSANDS OF DOLLARS)</u>	
			<u>FROM</u>	<u>TO</u>	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUT-STANDING</u>
Sales Tax Bonds, Series 1995A	2.95	06-01-16	\$ 130,000	\$ 220,000	3,395	273
Excess Revenue Bonds, Series 1996A	4.88	01-01-01	\$ 615,000	\$ 760,000	3,450	3,450
Excess Revenue Bonds, Series 1996B	5.45	01-01-06	\$ 265,000	\$ 435,000	<u>3,450</u>	<u>3,450</u>
					<u>\$60,900</u>	<u>\$51,025</u>
Special Assessment Debt with Governmental Commitment						
Paving Certificates	7.75	04-01-00	-	\$ 29,272	<u>\$ 293</u>	<u>\$ 117</u>
TOTAL BONDS AND CERTIFICATES					<u>\$61,193</u>	<u>\$51,142</u>

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

GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

1. General Obligation Refunding Bonds

These bonds are secured by, and payable from Ad Valorem taxes collected in the Ad Valorem Tax Bonds Fund. At June 30, 1996, \$1,965,000 of such bonds were outstanding and \$230,649 was available in the Debt Service Funds.

2. Sales Tax Bonds

The Sales Tax Refunding Bonds, Series 1992 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, 1996, bonds outstanding were \$32,145,000, \$9,741,817 and \$272,642, respectively. The amount available in the Debt Service Funds was \$4,539,102.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the amounts drawn down as of June 30, 1996 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A. No principal payments have been made on these loans as of June 30, 1996.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE G - LONG-TERM DEBT (CONTINUED)

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). The loan will be repaid over a period of twenty years commencing with the completion of the project. The loan serves as an interim construction loan, whereas amounts are drawn down from LDEQ on a monthly basis as funds are needed. 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, 1996, the loan had an outstanding balance of \$9,741,817. Total interest and administrative fees paid as of June 30, 1996 were \$155,235 and \$31,681, 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. 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, 1996, the loan had an outstanding balance of \$272,642. Total interest and administrative fees paid as of June 30, 1996 were \$6,939 and \$1,416, 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.

3. Excess Revenue Bonds

On January 1, 1996, the City issued Certificates of Indebtedness Series 1996A in the amount of \$3,450,000 and 1996B in the amount of \$3,450,000 of which the proceeds are to be used for various capital projects. Series 1996A has a five year term with an interest rate of 4.88%. Series 1996B has a ten year term with an interest rate of 5.45%. These certificates are collateralized by a pledge of the excess revenues from the General Fund. No principal payments have been made on these loans as of June 30, 1996. The amount available in the Debt Service Funds was \$1,330,493.

SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT

These certificates are collateralized by and are payable from, the irrevocable pledge and dedication of the funds to be derived from the collection of the assessments, in annual installments, levied on the real property improved, using the funds derived from the sale of specific certificates. In case of property owner default, the certificates would be backed by the full faith and credit of the City. Therefore, in accordance with the criteria set forth by GASB Statement No. 6, the governing authority of the City has been deemed to be "obligated in some manner". At June 30, 1996, \$117,088 of such certificates were outstanding and \$11,455 was available in the Debt Service Funds.

NOTES PAYABLE

In June 1989 and December 1992, City of Kenner issued long-term notes for \$750,000 and \$700,000, respectively. The proceeds were to be loaned in accordance with the HUD Section 108 Loan Guarantee program. The loans did not materialize, therefore, the proceeds have been invested to finance the payment of the notes payable. The investment is accounted for in the Community Development Block Grant Special Revenue Fund. The long term notes are payable over a period of 6 years with interest payable semi-annually at rates ranging from 8.7% to 8.75% and 4.64% to 6.83%, respectively. At June 30, 1996, the notes payable had outstanding balances of -0- and \$470,000, respectively.

Notes payable were entered into for the purchase of various equipment and vehicles which are accounted for in the Civic Center Operations Enterprise Fund. Interest rates on these long-term notes range from 9% to 14%. At June 30, 1996, the notes payable had a total outstanding balance of \$18,748.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE G - LONG-TERM DEBT (CONTINUED)

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, 1996, the mortgage payable had an outstanding balance of \$28,385.

GENERAL DEBT

Capital Lease Obligations

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

Compensated Absences

General

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

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

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

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

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

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.

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.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE G - LONG-TERM DEBT (CONTINUED)

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

Police Department

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

<u>Years Service</u>	<u>Civil Service Amount</u>	<u>Non-Civil Service Amount</u>
0 - 1 Year	- 0 -	- 0 -
1 - 10 Years	120 Hours	105 Hours
10 - 20 Years	160 Hours	140 Hours
Over 20 Years	200 Hours	175 Hours

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:	1 day/month not to exceed 10 days/year
Regular part time employees:	1/2 day/month not to exceed 5 days/year

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

CHANGES IN LONG-TERM DEBT

During the year ended June 30, 1996, the following changes occurred in liabilities reported in the general long-term debt account group (in thousands of dollars):

	<u>BONDS AND CERTIFICATES</u>		<u>OTHER</u>		<u>TOTAL</u>
	<u>GENERAL OBLIGATION SPECIAL TAX & EXCESS REVENUE</u>	<u>SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT</u>	<u>NOTES</u>	<u>GENERAL DEBT</u>	
Balance at July 1, 1995					
Bonds and certificates	\$40,287	\$ 147	\$ -	\$ -	\$ 40,434
Compensated absences	-	-	-	1,232	1,232
Capital lease obligations	-	-	-	186	186
Note payable	-	-	765	-	765
	<u>40,287</u>	<u>147</u>	<u>765</u>	<u>1,418</u>	<u>42,617</u>
Bonds and certificates retired	(1,430)	(30)	-	-	(1,460)
Additional bonds and certificates	12,168	-	-	-	12,168
Additional capital lease obligation	-	-	-	1,100	1,100
Additional compensated absences	-	-	-	(147)	147

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE G - LONG-TERM DEBT (CONTINUED)

	<u>BONDS AND CERTIFICATES</u>		<u>OTHER</u>		<u>TOTAL</u>
	<u>GENERAL OBLIGATION SPECIAL TAX & EXCESS REVENUE</u>	<u>SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT</u>	<u>NOTES</u>	<u>GENERAL DEBT</u>	
Payments made on:					
Capital lease obligation	-	-	-	(256)	(256)
Note payable	-	-	(295)	-	(295)
Balance at June 30, 1996	<u>\$51,025</u>	<u>\$117</u>	<u>\$ 470</u>	<u>\$ 2,409</u>	<u>\$ 54,021</u>

Annual debt service to maturity, including interest of \$23,363,433, is as follows:

(IN THOUSANDS OF DOLLARS)

<u>YEAR ENDING JUNE 30,</u>	<u>BONDS AND CERTIFICATES</u>				<u>OTHER</u>		<u>TOTAL</u>
	<u>GENERAL OBLIGATION</u>	<u>SALES TAX</u>	<u>EXCESS REVENUE</u>	<u>SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT</u>	<u>NOTES</u>	<u>ENTERPRISE FUNDS MORTGAGE AND NOTES</u>	
1997	\$ 288	\$ 3,790	\$ 1,214	\$ 38	\$ 142	\$12,793	\$ 18,265
1998	289	3,791	1,233	36	135	12,793	18,277
1999	289	3,796	1,229	34	127	8,064	13,539
2000	284	3,791	1,228	32	129	4,172	9,636
2001	283	3,795	1,224	-	-	4,172	9,474
2002-2006	1,117	18,981	2,233	-	-	20,860	43,191
2007-2011	-	18,968	-	-	-	8,344	27,312
2012-2016	-	6,455	-	-	-	-	6,455
	<u>\$ 2,550</u>	<u>\$ 63,367</u>	<u>\$ 8,361</u>	<u>\$ 140</u>	<u>\$ 533</u>	<u>\$71,198</u>	<u>\$146,149</u>

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.

ADVANCE REFUNDING

In the prior year, the City defeased certain special tax bonds by placing the proceeds of the new bonds into irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. Debt outstanding at June 30, 1996 relating to these prior year defeasances is as follows:

Special Tax Bonds	
Special Sales Tax Revenue Refunding Bonds Series 1987A	\$10,945,000
Special Sales Tax Revenue Refunding Bonds Series 1987B	9,270,000
Special Sales Tax Revenue Refunding Bonds Series 1988	<u>5,875,000</u>
	<u>\$26,090,000</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996

NOTE H - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

The nature and purpose of the reserves and designations 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 Notes Payable

This reserve was established as an offset against the portion of cash and equity in pooled cash and investments which represents assets reserved for the repayment of the notes related to the Section 108 Loans.

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. Also included in this reserve are monies which are restricted for law enforcement purposes.

Reserve for Capital Expenditures

This reserve represents the amount of unexpended and unencumbered funds remaining in a departmental budget dedicated for capital expenditures in the next fiscal year. This restriction was dedicated by ordinance. The reserve also includes Video Poker Revenues and monies related to the Wastewater Compliance Plan both of which are dedicated to Capital Expenditures.

Reserved for Debt Service

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

Reserved for Firemen's Retirement System

This reserve was created to restrict the use of all resources contributed to or earned by the Firemen's Pension and Relief Fund. The fund balance is required to be fully reserved under the Plan.

Designated for Subsequent Years' Expenditures

This designation represents the budgeted deficiency of revenues over expenditures in the 95-96 budget.

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE H - 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 I - INTERFUND TRANSACTIONS

Interfund Assets/Liabilities

Individual fund interfund receivables and payables at June 30, 1996 are as follows:

<u>FUND</u>	<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>
General	<u>\$ 2,870,947</u>	<u>\$ 784,978</u>
Special Revenue		
One Percent Sales Tax of 1984	557,813	2,205,430
Community Development Block Grant	-	232,238
Garbage Collection and Disposal	209,794	-
Roads and Bridges	566,654	459,787
Street Lighting	192,369	98,026
Fire Department	<u>806,196</u>	<u>-</u>
	<u>2,332,826</u>	<u>2,995,481</u>
Debt Service		
General Debt	984	-
Ad Valorem Tax Bonds	<u>122,736</u>	<u>-</u>
	<u>123,720</u>	<u>-</u>
Capital Projects		
General Capital Projects	-	29,296
Capital Projects Funded With Bond Proceeds	<u>75,395</u>	<u>984</u>
	<u>75,395</u>	<u>30,280</u>
Enterprise		
Department of Wastewater Operations	134,819	114,642
Civic Center Operations	<u>-</u>	<u>-</u>
	<u>134,819</u>	<u>114,642</u>
Internal Service		
Health Insurance	<u>-</u>	<u>37,606</u>
Fiduciary		
Drug Enforcement Forfeiture	-	14,890
Ad Valorem Tax Collection	-	1,483,923
Airport Sales Tax	<u>-</u>	<u>75,907</u>
	<u>-</u>	<u>1,574,720</u>
 TOTAL	 <u>\$ 5,537,707</u>	 <u>\$ 5,537,707</u>

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE I - INTERFUND TRANSACTIONS (CONTINUED)

A summary of operating transfers by fund type for the year ended June 30, 1996 is as follows:

<u>FUND</u>	<u>TRANSFERS TO OR FROM</u>	<u>OPERATING TRANSFERS IN</u>	<u>OPERATING TRANSFERS OUT</u>
General Fund	Special Revenue Funds	\$ 6,981,341	\$ 495
	Debt Service Funds	-	615,228
	Capital Projects Funds	-	4,807,460
	Enterprise Funds	-	130,930
	Expendable Trust Funds	-	4,749
		<u>6,981,341</u>	<u>5,558,862</u>
Special Revenue Funds	General Fund	495	6,981,341
	Special Revenue Funds	3,004,357	2,727,497
	Debt Service Funds	-	336,040
	Capital Projects Fund	51,323	-
	Enterprise Fund	-	276,860
		<u>3,056,175</u>	<u>10,321,738</u>
Debt Service Funds	General Fund	615,228	-
	Special Revenue Funds	336,040	-
	Capital Projects Funds	691,551	234
		<u>1,642,819</u>	<u>234</u>
Capital Projects Funds	General Fund	4,807,460	-
	Debt Service Funds	234	691,551
	Special Revenue Funds	-	51,323
		<u>4,807,694</u>	<u>742,874</u>
Enterprise Funds	General Fund	<u>130,930</u>	-
Internal Service Funds	General Fund	<u>4,749</u>	-
Total Operating Transfers		<u>\$ 16,623,708</u>	<u>\$ 16,623,708</u>

NOTE J - 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 early December 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 1995 and 1994 are as follows:

<u>FUND</u>	<u>1995 MILLS</u>	<u>1994 MILLS</u>
General Fund	3.75	3.75
Garbage Collection and Disposal Fund	2.89	2.89
Fire Department Fund	13.27	13.27
Ad Valorem Tax Bonds Fund	1.39	1.39
Department of Wastewater Operations Fund	<u>2.06</u>	<u>2.06</u>
TOTAL	<u>23.36</u>	<u>23.36</u>

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE K - SALES TAX

A sales tax of 8.75% for the period of July 1, 1995 through June 30, 1996 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes 1/6% retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

<u>Effective Date</u>	<u>Parish-Wide Rate</u>	<u>School Board Rate</u>	<u>City Rate</u>
1954	1%	1/2%	1/2%
1966	1%	1/2%	1/2%
1980	1/2%	1/2%	0%
1981	1/2%	0%	1/3%
1984	1%	0%	1%
1993	1/2%	1/2%	0%
1994	<u>1/4%</u>	<u>0%</u>	<u>1/4%</u>
TOTAL	<u>4 3/4%</u>	<u>2%</u>	<u>2 7/12%</u>

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

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

NOTE L - INTEREST COST

Interest cost in the amount of \$235,147 was capitalized during the year ended June 30, 1996. Interest expense incurred in the proprietary funds during the year was as follows:

	<u>ENTERPRISE FUNDS</u>	
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>
Interest expense	<u>\$ 15,827</u>	<u>\$ 2,295</u>

NOTE M - SEGMENT INFORMATION-ENTERPRISE FUNDS

The City maintains two Enterprise Funds of which one provides sewer services to the residents of the City and one is used to account for the operations of the Pontchartrain Civic Center. Segment information as of and for the year ended June 30, 1996, is as follows (in thousands of dollars):

CITY OF KENNER, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 June 30, 1996

NOTE M - SEGMENT INFORMATION - ENTERPRISE FUNDS (CONTINUED)

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
Type of service	Sewerage	Facility Rental	
Operating revenues	\$ 4,478	\$ 961	\$ 5,439
Depreciation	1,446	507	1,953
Operating loss	(1,678)	(1,070)	(2,748)
Operating transfers in	131	-	131
Ad valorem tax revenues	434	-	434
Hotel/motel taxes	-	341	341
Franchise fees	-	433	433
Net loss	(1,125)	(290)	(1,415)
Current capital contributions	12,010	12	12,022
Property, plant, and equipment, net	52,681	17,604	70,285
Net working capital	1,418	592	2,010
Total assets	54,486	18,322	72,808
Total long-term liabilities	35	12	47
Total fund equity	54,064	18,184	72,248

NOTE N - CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts (in thousands of dollars):

	<u>ENTERPRISE FUNDS</u>		
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
Balance at July 1, 1995	\$ 53,525	\$ 19,961	\$ 73,486
Additions:			
Contributions of fixed assets financed by:			
Sales tax bonds	12,010	-	12,010
State grants	<u>-</u>	<u>12</u>	<u>12</u>
Balance at June 30, 1996	<u>\$ 65,535</u>	<u>\$ 19,973</u>	<u>\$ 85,508</u>

NOTE O - 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 is 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. The Lessee agrees to pay "Initial Rent" to the City should the opening date occur during the Initial Term at an amount equal to \$2.50 for each passenger throughout the remainder of the Initial Term. Commencing with the Primary Term, the Lessee shall pay to the