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REBOWE & COMPANY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Firemen's Pension and Relief Fund
of the City of Kenner, Louisiana

We have audited the accompanying general purpose financial statements of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, a component unit of the City of Kenner, Louisiana, as of and for the year ended June 30, 1995. These general purpose financial statements are the responsibility of the Fund's 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 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. 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 the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, as of June 30, 1995 and the results of its operations and the changes in fund balance 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 October 23, 1995 on our consideration of the Firemen's Pension and Relief Fund's internal control structure and a report dated October 23, 1995 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as supplementary information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Fireman's Pension and Relief Fund of the City of Kenner, Louisiana, a component unit of the City of Kenner, Louisiana. Such information 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.

Roberts & Company

October 23, 1998

FINANCIAL STATEMENTS

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
BALANCE SHEET
June 30, 1998**

ASSETS

Cash	\$ 25,760
Accrued interest receivable	85,210
Fire insurance tax receivable	199,604
Contributions receivable	18,968
Other receivables	60
Prepaid benefits	48,606
Investments	
U.S. government securities	
Market value \$1,629,727	1,647,413
U.S. instrumentality securities	
Market value \$404,929	388,789
Corporate bonds	
Market value \$1,796,224	2,468,928
Stocks	
Market value \$1,738,389	2,113,587
Other investment - money market	
Market value \$75,694	<u>75,694</u>
TOTAL ASSETS	<u>\$2,849,671</u>

LIABILITIES

Accrued expenses	\$ 6,164
Federal withholding tax payable	<u>362</u>
TOTAL LIABILITIES	<u>6,526</u>

FUND BALANCE	<u>7,843,045</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$2,849,671</u>

The accompanying notes are an integral part of these financial statements.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
Year Ended June 30, 1998

OPERATING REVENUES	
Contributions	
Participants	
Employer	\$ 280,188
City of Kenner	280,188
State of Louisiana - fire insurance tax	130,000
Interest and dividends	422,308
Gain on sale of investments	<u>41,500</u>
TOTAL OPERATING REVENUES	<u>1,054,284</u>
OPERATING EXPENSES	
Members' benefits	826,463
Administrative expenses	54,344
Continued service incentive	24,860
Refunds to terminated employees	<u>2,812</u>
TOTAL OPERATING EXPENSES	<u>918,520</u>
NET OPERATING INCOME	135,764
FUND BALANCE, BEGINNING OF YEAR	<u>8,058,128</u>
FUND BALANCE, END OF YEAR	<u>8,193,892</u>

The accompanying notes are an integral part of these financial statements.

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

June 30, 1980

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASPECT MATTERS

The following is a summary of the significant accounting policies which have been consistently applied in the preparation of the accompanying financial statements of the Fund:

Reporting Entity

GAAP Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government 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 may be another organization for which the nature and significance of its relationship with a primary government is such that omission would cause the reporting entity's financial statements to be misleading or incomplete.

The Firemen's Pension and Relief Fund of the City of Kenner, Louisiana (the "Fund"), provides pensions for members and survivors of the Fire Department of the City of Kenner and is a single employer, Public Employee Retirement System (PERS). The Fund was created by Act 18 of the 1964 Regular Session of the Louisiana Legislature (as revised and amended in 1974, 1978, 1981, 1983 and 1985). The Board of Trustees of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana is the administrator of the Plan. The Board is composed of five members of which three of these members include the City of Kenner's (the primary government) Mayor and two members of the City Council.

Based on the criteria listed above, it has been determined that the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana is a component unit of the City of Kenner, Louisiana for financial reporting purposes. The accompanying statements present only transactions of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana.

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1995

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS (CONTINUED)

Annually, the City of Kenner, Louisiana (the primary government) issues general purpose financial statements which include the activity contained in the accompanying financial statements as a pension trust fund.

Basis of Accounting

The Fund uses the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related fund liability is incurred.

Investments

Investments are recorded at amortized cost. Discounts and premiums are amortized using the effective interest rate method. Investment income is recognized as it is earned. Gains and losses on sales and exchanges of investments are recognized on the transaction date. The Board of Trustees is authorized by Act 19 of the 1988 regular session of the Louisiana Legislature to purchase insurance policies and to invest in investments as listed in Louisiana Revised Statute 22:844 with no limitation on the percentage of capital invested.

NOTE B - PLAN DESCRIPTION

Eligibility

Every permanent, active employee of the Fire Department of the City of Kenner who is qualified as a permanent employee under the rules of the Municipal Fire and Police Civil Service System of the City of Kenner is eligible for participation. Coverage is also extended to those individuals who have not yet been made permanent members of the Fire Department, to provide benefits to those individuals who are injured in the line of duty, and to provide coverage for the widows and children of firemen who are killed in the line of duty.

To be eligible for normal retirement an employee must have 30 years of service if hired before April 1, 1978, 30 years of service if hired on or after April 1, 1978 and on or before September 30, 1984, and 38 years of service and upon reaching age 55 if hired after September 30, 1984.

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1996**

NOTE B - PLAN DESCRIPTION (CONTINUED)

Contributions

The Fire Department employees contribute 3% and City of Kenner contributes 13% of the gross salary of participating employees. In addition, the City also contributes the fire insurance tax it receives from the State of Louisiana to the Fund. These contribution requirements were not actuarially computed, but rather were determined and authorized by Act 765 of the 1983 Regular Session of the Louisiana Legislature and approved by the City Council of the City of Kenner, Louisiana Resolution 8-8479 dated February 19, 1983. Act 186 of the 1995 Regular Session of the Louisiana Legislature was approved on June 18, 1995 and provides that the employees' contribution percentage may be increased by a vote of two-thirds of the active contributors and that the City's contribution percentage may be increased by a vote of two-thirds of the members of the Council of the City of Kenner.

Benefits

The Plan provides for the pensioning of disabled, superannuated and/or retired members of the Fire Department of the City of Kenner, Louisiana, and their widows and/or orphans, and for the relief and aid of any member of the Department in case of temporary disability. Benefit provisions of the Plan include retirement disability and death benefits for members and their beneficiaries, at varying percentages of salary or compensation, and in various stipulated amounts including workmen's compensation as defined in and limited by the Plan. In addition, funeral and burial expenses are provided for in a stated lump-sum payment.

Annual incentive bonuses equal to 10 percent of salary are available to members who continue in the service of the Fire Department after they are eligible to retire under the provisions of the Plan.

All members are fully vested in their contributions to the Fund, for which contributions are nonforfeitable.

Members, upon permanent separation from service (as defined in the Plan), shall receive a lump-sum payment consisting of their individual accumulated contributions into the Plan, together with interest thereon, as determined by the Board of Trustees, but not less than 3 percent per annum. Effective October 1995, no interest will be paid until the Plan becomes actuarially sound.

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA**
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1995

NOTE B - PLAN DESCRIPTION (CONTINUED)

Covered Payroll

The covered payroll for the plan for the year ended June 30, 1995 was \$2,221,781.

Membership

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

Retirees and beneficiaries currently receiving benefits and terminated employees who are entitled to receive benefits but not currently receiving benefits	26
Active Plan participants:	
Fully vested	4
Partially vested	71
Total	<u>181</u>

NOTE C - FUNDING STATUS AND PROGRESS

The amount shown below as "pension benefit obligation" is 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 help users assess the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employee Retirement Systems (PERS).

The pension benefit obligation was determined as part of an actuarial valuation as of June 30, 1995 (the latest date for which such information was available at the date of this report). The actuary used the "entry age normal cost method" for valuation. The following significant assumptions were used in the actuarial valuation as of June 30, 1995: (1) the rate of return on the investment of present and future assets was 7.5 percent per year compounded annually; (2) projected salary increases were based on an increase of 3% a year for inflation and a scale based on service that is representative of the experience of other firefighter groups in the state of Louisiana, which provides for increases which range from 3 percent to 5.4 percent; (3) pre-retirement and

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1986**

NOTE C - FUNDING STATUS AND PROGRESS (CONTINUED)

post-retirement mortality rates were based on the 1971 Group Annuity Mortality Table; and (4) retirement rates were based on various factors, including economy and health. The retirement rate is doubled in the first year of a member's retirement eligibility.

As June 30, 1986, the unfunded pension benefit obligation was \$7,828,858 as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees who are entitled to receive benefits but are not currently receiving benefits	\$7,461,482
Current employees	
Accumulated employee contributions and employer-financed vested	2,988,564
Employer-financed unvested	<u>4,922,828</u>
Total pension benefit obligations	14,913,904
Net assets available for benefits at amortized cost (market value is \$7,216,842)	<u>6,558,122</u>
Unfunded pension benefit obligation	<u>\$7,828,858</u>

NOTE D - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The Plan's contribution requirements are established by state statute. Employees contribute nine percent (9%) of their gross salary and the employer is required to contribute thirteen percent (13%) of the gross salary of participating employees. In addition, the employer also contributes the fire insurance tax it receives from the State of Louisiana to the Fund.

Contributions required and made for the year ended June 30, 1986 totaled \$439,847, which consisted of \$438,767 (13.27 percent of covered payroll) from the City and \$280,188 (19.86 percent of covered payroll) from participants.

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1990**

NOTE E - DEPOSITS AND INVESTMENTS

At June 30, 1990, the carrying amount of the Fund's deposits was \$25,780 and the bank balance was \$48,524. These deposits are fully insured by the FDIC.

The Fund's investments at June 30, 1990 are categorized below to give an indication of the level of risk assumed by the Fund. Category 1 includes investments that are insured or registered or for which the securities are held by the Fund or its agent in the Fund'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 Fund'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 Fund's name.

	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities	\$1,547,431	\$ -	\$ -	\$1,547,431	\$1,529,797
U.S. Instrumentality Securities (FPA and TPA)	308,788	-	-	308,788	454,828
Corporate Bonds	2,658,932	-	-	2,658,932	2,762,324
Stocks	2,112,947	-	-	2,112,947	2,718,158
Money Market	78,824	-	-	78,824	78,824
Total	\$6,718,922	\$ -	\$ -	\$6,718,922	\$1,529,931

NOTE F - PRIORITIES UPON FUND TERMINATION

Upon termination of the Fund all funds held at the time of termination shall vest and become property of the members of the Fund, and under no circumstances shall the net assets revert to the City of Kenner or any governmental agency. 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.

NOTE G - TAX STATUS

The United States Treasury Department advised on October 9, 1974, that the Fund constitutes a qualified trust under Section 402(a) of the Internal Revenue Code and is, therefore, exempt from Federal income taxes under the provisions of Section 502(a).

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1998

NOTE H - STATEMENT OF CASH FLOWS

In a prior year, the Fund implemented Statement No. 9 of the Governmental Accounting Standards Board, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting". This statement excludes pension trust funds from reporting a statement of cash flows, and also eliminates the previous requirement that a statement of changes in financial position be included in the financial statements.

NOTE I - HISTORICAL TREND INFORMATION

Historical trend information related to the Fund is presented in the Supplementary Information section of this report. The information is presented to enable the reader to assess the progress made by the Fund in accumulating sufficient assets to pay pension benefits as they become due.

SUPPLEMENTARY INFORMATION

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
ANALYSIS OF FUNDING PROGRESS
(in thousands of dollars)**

<u>Fiscal Yr.</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Annual Payroll</u>
1960	\$7,947	*	"	"	82,025	"
1961	4,334	634,314	68.36%	\$1,568	2,862	546.42%
1962	4,128	18,190	62.30%	7,662	2,862	267.69%
1963	5,435	17,801	61.99%	7,126	2,862	249.02%
1964	5,792	17,662	63.70%	6,669	2,857	233.43%
1965	4,764	17,884	61.90%	6,657	2,857	233.01%
1966	4,317	16,095	61.60%	5,828	2,856	204.36%
1967	3,896	9,944	63.73%	3,658	2,771	132.36%
1968	3,974	9,433	66.70%	3,682	2,729	134.92%
1969	3,246	4,522	69.56%	2,676	2,627	101.86%
1970	3,884	7,712	67.10%	4,428	2,776	159.50%

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 approximately 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.

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA**
OPERATING REVENUES BY SOURCE AND OPERATING EXPENSES BY TYPE

2022 by Source by Type

Fiscal Year	Source of Revenue					
	Employee Amount	Contributions		Investment Income	Other	Total
		Amount	Percentage of Annual Available Payroll			
1994	\$709,180	\$628,787	19.33%	\$443,898	\$ -	\$1,781,865
1995	789,897	678,877	20.82%	513,887	688	1,983,249
1996	774,629	688,596	19.99%	559,841	81	1,923,147
1997	775,154	575,173	18.88%	482,478	24,821	1,857,626
1998	775,173	568,409	18.87%	482,947	559	1,827,088
1999	775,653	551,075	18.51%	454,641	12,888	1,794,257
2000	783,718	559,334	18.62%	384,999	4,475	1,728,526
2001	788,843	571,878	19.32%	383,171	12,748	1,756,640
2002	775,949	558,040	18.75%	377,456	4,800	1,716,245
2003	777,021	559,685	18.78%	387,440	7,854	1,731,999
2004	781,626	561,706	18.70%	344,140	14,389	1,681,861

2022 by Expense by Type

Fiscal Year	Beneficial	Administrative Expenses		Total Annual Available Payroll	Total
		Amount	Beneficial		
1994	\$324,483	\$58,544	\$ 2,870	\$24,560	\$409,957
1995	313,969	62,600	2,688	20,913	399,169
1996	307,731	49,800	70,770	10,739	388,340
1997	448,664	78,862	50,775	10,793	588,094
1998	389,626	61,890	61,118	20,800	533,434
1999	381,137	54,871	54,160	10,377	490,545
2000	366,949	47,896	18,954	14,908	447,707
2001	364,777	44,279	38,612	10,505	457,173
2002	364,134	37,368	4,775	14,411	416,688
2003	358,894	41,748	9,858	10,289	410,789
2004	354,676	33,266	67,862	20,706	476,509

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SCHEDULE OF INVESTMENTS
June 30, 1990**

	<u>Investment Bal.</u>	<u>Matur. by Date</u>	<u>Book Value</u>	<u>Market Value</u>
U.S. GOVERNMENT SECURITIES				
U.S. Treasury Bond	11,425	11/15/92	\$ 99,758	\$ 115,485
U.S. Treasury Note	8,500	11/15/90	100,485	119,426
U.S. Treasury Note	8,750	05/15/91	100,879	119,762
U.S. Treasury Note	8,888	05/15/91	99,365	102,711
U.S. Treasury Note	8,833	05/15/90	98,557	102,411
U.S. Treasury Note	1,500	05/15/91	92,762	92,183
U.S. Treasury Note	1,500	05/15/91	90,418	112,371
U.S. Treasury Note	1,268	05/15/91	93,313	99,262
U.S. Treasury Note	1,268	05/15/94	97,280	113,288
U.S. Treasury Note	4,868	05/15/91	95,326	117,181
U.S. Treasury Note	1,488	11/15/94	78,880	79,422
U.S. Treasury Note	1,425	11/15/91	75,501	74,421
U.S. Treasury Note	4,475	11/15/90	47,268	52,443
U.S. Treasury Note	4,375	05/15/91	49,232	47,181
U.S. Treasury Note	4,300	05/15/91	46,481	47,181
U.S. Treasury Note	4,700	05/15/91	111,880	99,261
			<u>\$1,343,411</u>	<u>\$1,482,111</u>
U.S. MUNICIPALITY SECURITIES				
Federal National Mortgage Association	4,000	04/15/92	\$ 100,075	\$ 107,143
Federal National Mortgage Association	7,150	03/15/91	110,000	96,460
Tennessee Valley Authority	7,450	10/15/91	85,111	102,055
			<u>\$ 285,186</u>	<u>\$ 305,658</u>
CORPORATE BONDS				
Boonville Corp., North American	8,700	01/01/97	\$ 100,000	\$ 91,420
Bonnie Bonds, Inc.	8,700	01/01/97	142,000	142,420
E.L. Dupont Nemours & Co.	8,500	03/15/92	89,250	95,180
Farmers Group, Inc.	8,500	01/15/92	89,711	90,885
Ford Motor Co., Inc.	8,500	04/01/92	109,111	119,485
Ford Motor Credit	7,750	02/15/92	102,774	102,000
General Electric Corp.	8,375	05/01/91	99,887	96,770
General Electric Corp. General Motors Acceptance Corp.	8,375	05/15/91	96,874	117,540
General Motors Acceptance Corp.	8,575	04/15/92	101,371	104,525
International Br. and Manufacturing Corp.	8,400	01/01/92	100,577	90,885
International Corp.	4,425	04/15/92	104,895	104,500
New Jersey State Group Paper Co., Inc.	8,500	11/15/92	107,884	112,500
Phillips Morris Co.	8,750	10/01/92	98,888	102,770
Phillips Morris Co.	8,250	10/15/92	99,400	104,268
Phillips Morris Co.	8,250	10/15/92	100,880	111,420
Southern States	8,700	07/15/92	94,478	104,420
Warner Lambert Co.	8,800	09/01/92	94,480	102,270
Worship Corp.	8,700	07/15/92	94,207	102,000
Worship Corp.	8,700	05/15/92	100,888	100,770
			<u>\$1,400,902</u>	<u>\$1,516,650</u>

(Continued)

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SCHEDULE OF INVESTMENTS (CONTINUED)
June 30, 1988**

	<u>Interest Rate</u>	<u>Rated by Moody's</u>	<u>Cost Price</u>	<u>Market Value</u>
STOCKS				
AKOFT Laboratories, Inc.	n/a	n/a	\$ 41,700	\$ 104,700
Allstate Commercial Ind.	n/a	n/a	70,700	104,700
Amocochems, Inc.	n/a	n/a	88,700	111,800
American International Group, Inc.	n/a	n/a	70,000	111,400
AR Incorporated	n/a	n/a	87,000	94,000
Automotive Data Processing	n/a	n/a	88,475	104,000
Barnett Bank, Inc.	n/a	n/a	70,777	97,600
Capital One Financial Corp.	n/a	n/a	70,844	111,800
Central Industrial Ind., Inc.	n/a	n/a	104,424	87,800
Chemical Data Systems	n/a	n/a	70,007	87,000
Chem Support Int.	n/a	n/a	87,811	70,000
Chemical Services Mortgage Investment	n/a	n/a	70,077	104,400
General Electric	n/a	n/a	44,100	70,775
GEICO Company	n/a	n/a	84,100	70,811
Gen Supply	n/a	n/a	90,000	100,000
Genl. Corp.	n/a	n/a	94,000	107,000
International Group CO, Inc.	n/a	n/a	88,007	104,411
ICI Commercial Ind.	n/a	n/a	94,000	94,000
Kimberly-Clark, Inc.	n/a	n/a	94,007	111,400
Korovick, Inc.	n/a	n/a	88,000	100,000
Paycom	n/a	n/a	87,000	107,000
Pfizer, Inc.	n/a	n/a	84,711	94,000
Shaw Medical Corp.	n/a	n/a	74,000	111,000
Williams Company	n/a	n/a	70,700	100,000
Walt Disney Co.	n/a	n/a	70,700	100,000
TOTAL STOCKS			\$1,710,000	\$1,710,000
BOND INVESTMENTS				
Mutual Funds	6.480	n/a	\$ 70,000	\$ 70,000
TOTAL INVESTMENTS			\$1,780,000	\$1,780,000

REPORTS REQUIRED UNDER
GOVERNMENT AUDITING STANDARDS

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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July 10 Release, CPA

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees of the
Firemen's Pension and Relief Fund
of the City of Kenner, Louisiana

We have audited the general purpose financial statements of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, a component unit of the City of Kenner, Louisiana, for the year ended June 30, 1995, and have issued our report thereon dated October 20, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and *Comptroller 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 the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, a component unit of the 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.

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

Release & Compliance

October 23, 1998

**FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA**

MEMORANDUM OF ADVISORY COMMENTS

JUNE 28, 1995

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

2611 S. Canby Street • Suite 401 • PO. Box 982 • Metairie, LA 70009
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Philip W. Johnson, CPA

October 23, 1996

To the Board of Trustees of the
Firemen's Pension and Relief Fund
of the City of Kenner, Louisiana

In planning and performing our audit of the component unit financial statements of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, a component unit of the City of Kenner, Louisiana, for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the component unit financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. 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 in Accordance with Government Auditing Standards" dated October 23, 1996. This letter does not affect our report dated October 23, 1996, on the component unit financial statements of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, a component unit of the City of Kenner, Louisiana.

We have already discussed these comments and suggestions with various 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

PREPAID BENEFITS

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 1995 benefits. These amounts were incorrectly recorded 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

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 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.