

misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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.

### *Deloitte & Company*

November 11, 1997

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED 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 financial statements of the **Firemen's Pension and Relief Fund of the City of Kenner, Louisiana** (the "Fund"), a component unit of the City of Kenner, Louisiana as of and for the year ended June 30, 1993, and have issued our report thereon dated November 11, 1993. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

**REPORT REQUIRED UNDER  
GOVERNMENT AUDITING STANDARDS**

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA  
SCHEDULE OF INVESTMENTS (CONTINUED)  
June 30, 1997**

	Issue Date	Maturity Date	Cost Value	Market Value
<b>STOCKS</b>				
Advan Laboratories	05	05	5,000.00	5,173.00
American Communications	05	05	150,000.00	178,100
AMCO's, Inc	05	05	100,000	110,000
American International Group, Inc.	05	05	89,000	86,170
American West Processing	05	05	155,000	84,000
Capital One Financial Corp.	05	05	80,000	115,000
Conquest	05	05	100,000	100,000
Electronic Data Systems	05	05	150,000	115,000
Energy Corporation	05	05	100,000	100,000
Federal National Mortgage Association	05	05	85,000	110,000
General Electric	05	05	75,000	100,000
General Company	05	05	80,000	100,000
General Packard	05	05	100,000	115,000
Health Care	05	05	100,000	100,000
IBM Corp.	05	05	20,000	100,000
Integrable Group (IGI), Inc.	05	05	100,000	100,000
Johnson & Johnson	05	05	100,000	100,000
Merck & Company, Inc.	05	05	80,000	100,000
Motor	05	05	100,000	100,000
Motorola, Inc.	05	05	100,000	100,000
PepsiCo	05	05	100,000	100,000
PepsiCo	05	05	80,000	100,000
Spina Health Care	05	05	100,000	100,000
Telephone Company	05	05	100,000	100,000
Walt Disney Co.	05	05	100,000	100,000
<b>TOTAL STOCKS</b>			<b>1,400,000</b>	<b>1,600,000</b>
<b>CASH INVESTMENTS</b>				
Money Market	10/01	05	1,000,000	1,000,000
<b>TOTAL INVESTMENTS</b>			<b>2,400,000</b>	<b>2,600,000</b>

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA  
SCHEDULE OF INVESTMENTS  
June 30, 1997**

	Interest Rate	Maturity Date	Book Value	Market Value
<b>U.S. GOVERNMENT SECURITIES</b>				
U.S. Treasury Bond	11.625	11/15/95	1	105.57
U.S. Treasury Note	8.500	11/15/95	262,300	271,175
U.S. Treasury Note	8.750	08/15/95	165,343	164,475
U.S. Treasury Note	8.500	05/15/95	19,121	19,758
U.S. Treasury Note	7.500	05/15/95	24,480	24,889
U.S. Treasury Note	7.500	05/15/95	134,171	133,861
U.S. Treasury Note	7.250	05/15/97	394,49	394,630
U.S. Treasury Note	7.125	08/15/94	175,248	174,274
U.S. Treasury Note	6.875	08/15/97	37,088	37,284
U.S. Treasury Note	7.000	11/15/95	84,294	83,161
U.S. Treasury Note	6.875	11/15/95	83,877	83,787
U.S. Treasury Note	6.875	11/15/95	43,588	43,500
U.S. Treasury Note	6.750	02/15/97	52,084	52,218
U.S. Treasury Note	6.500	02/15/97	52,764	52,818
U.S. Treasury Note	6.500	02/15/97	101,662	101,688
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>			<b>\$1,492,628</b>	<b>\$1,492,628</b>
<b>U.S. GOVERNMENTALITY SECURITIES</b>				
Federal National Mortgage Association	6.500	02/15/97	1	104.88
Federal National Mortgage Association	7.250	04/15/97	360,000	360,488
Government Finance Authority	7.000	05/15/95	16,717	16,766
Federal Home Loan Mortgage Corporation	7.000	04/15/94	260,000	261,110
<b>TOTAL U.S. GOVERNMENTALITY SECURITIES</b>			<b>\$1,026,724</b>	<b>\$1,026,724</b>
<b>CORPORATE BONDS</b>				
BankOne Corp.	7.000	07/15/97	1	100.00
BankOne Bank, Inc.	6.500	07/15/97	130,000	130,000
U.S. General Development & Co.	6.000	02/15/97	19,371	19,190
First Union Corp.	7.000	07/15/95	19,700	19,200
First Holdings, Inc.	6.750	07/15/95	245,000	243,800
First Union Corp.	7.750	03/15/95	125,000	125,000
General Electric Capital Corp.	6.125	03/15/94	125,000	123,800
General Motors Acceptance Corp.	6.625	07/15/99	125,000	125,770
GEI Corp.	5.500	04/15/99	125,000	124,880
Manufacturers St. Bond	6.000	04/15/95	125,000	125,140
National Bond Corp.	6.000	04/15/95	204,774	205,400
New Jersey State Company	6.200	10/15/95	204,774	205,400
Prudential Co.	6.200	07/15/95	125,000	124,620
Waf-Mat Trust	6.000	07/15/95	125,000	124,110
Waf-Mat	6.750	07/15/95	220,000	217,420
<b>TOTAL CORPORATE BONDS</b>			<b>\$1,926,620</b>	<b>\$1,926,620</b>

(Continued)

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

Operating Revenues by Source

Fiscal Year	Contributions			Donations Income	Other	Total
	Employee Amount	Amount	Percentage of Annual General Fund			
1987	\$444,481	\$473,581	89.28%	\$1,239,640	1	\$2,168,103
1988	398,180	438,747	89.27%	803,880	1	1,641,008
1989	421,897	458,977	89.86%	872,181	480	1,853,535
1990	474,629	505,195	93.95%	859,941	60	1,840,825
1991	456,768	511,211	89.35%	893,491	24,871	1,886,341
1992	476,270	544,490	87.48%	893,581	330	1,895,671
1993	479,833	554,876	86.49%	894,664	10,480	1,939,853
1994	444,704	544,204	81.72%	796,581	6,470	1,888,060
1995	448,860	511,478	87.75%	735,111	11,740	1,807,189
1996	439,960	544,698	80.79%	777,424	9,823	1,668,905

Operating Expenses by Type

Fiscal Year	Benefits	Administrative Expenses	Salaries	Contract Service Expenses	Total
1987	\$600,811	\$1,750	\$12,473	\$394,016	\$1,019,050
1988	520,813	44,584	2,681	294,880	863,958
1989	510,993	43,688	2,681	254,111	811,473
1990	507,214	43,820	13,755	254,758	819,647
1991	488,644	35,860	13,775	212,111	750,390
1992	499,646	43,490	44,811	21,880	610,827
1993	501,111	56,871	34,131	18,171	610,284
1994	501,880	41,886	18,254	14,888	576,908
1995	448,570	64,276	38,811	11,289	562,946
1996	407,104	50,680	4,770	14,421	476,975

## SUPPORTING SCHEDULES

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(IN THOUSANDS OF DOLLARS)

Year Ended June 30	Annual Required Contributions <sup>a</sup>	Percentage Contributed
1997	\$ 477,313	100%
1996	430,787	100%
1995	400,337	100%
1994	380,185	100%
1993	373,215	100%
1992	368,492	100%

<sup>a</sup>The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	6/30/96
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	20 years
Asset valuation method	Annual method of accounting and recording investments at amortized cost
<b>Actuarial assumptions:</b>	
Investment rate of return	
Before administrative expenses	7.07%
After administrative expenses	6.21%
Projected salary increases	3.0% - 6.0%



**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
SCHEDULE OF FUNDING PROGRESS  
(IN THOUSANDS OF DOLLARS)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Year-End	00	01	02	03	04	05-06
1990	\$ 7,042	\$ 12,217	\$ 5,175	37.64%	\$ 2,024	332.69%
1995	6,554	15,605	9,051	42.00%	2,049	441.73%
1996	6,128	14,783	8,655	41.49%	1,940	446.13%
1997	5,677	13,737	8,060	41.33%	1,964	400.39%
1998	5,185	12,682	7,497	41.01%	1,959	381.23%
1999	4,761	12,149	7,448	38.69%	1,897	382.62%

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

## REQUIRED SUPPLEMENTARY INFORMATION

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1997

**NOTE E - 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 F - TAX STATUS**

The United States Treasury Department advised on October 9, 1974, that the Fund constitutes a qualified trust under Section 401(a) of the Internal Revenue Code and is, therefore, exempt from federal income taxes under the provisions of Section 501(a).

**NOTE G - 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 Nonspendable 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 H - REQUIRED SUPPLEMENTARY INFORMATION**

Six-year historical trend information related to the Fund is presented in the required 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.

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1997

**NOTE C - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE (CONTINUED)**

Contributions required and made for the year ended June 30, 1997 totaled \$641,937, which consisted of \$497,313 (18.24 percent of covered payroll) from the City and \$144,624 (9.00 percent of covered payroll) from participants.

**NOTE D - DEPOSITS AND INVESTMENTS**

At June 30, 1996, the carrying amount of the Fund's deposits was \$134,310 and the bank balance was \$68,534. These deposits are fully insured by the FDIC and the collateralization of securities owned by the bank.

**Categories of Asset Risk**

The investments of the Fund are governed primarily by an investment authority known as the "prudent person" rule. The prudent person rule, as set forth by State Statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the Plan. The Fund's investments at June 30, 1997 are categorized below to give an indication of the level of risk assumed by the Fund at year end. 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	\$ 1,389,938	\$ -	\$ -	\$ 1,389,938	\$ 1,407,665
U.S. Insurancability Securities (FPA, AIC, FINMA and TVA)	298,278	-	-	298,278	413,504
Corporate Bonds	2,230,098	-	-	2,230,098	2,705,688
Stocks	2,894,415	-	-	2,894,415	4,441,353
Money Market	64,282	-	-	64,282	64,282
<b>Total</b>	<b>\$ 7,881,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,582,631</b>	<b>\$ 8,632,532</b>

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1997

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

**Method Used to Value Investments**

As required by Governmental Accounting Standards Board Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Plan Disclosures for Defined Contribution Plans", investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporated bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings. Investments that do not have an established market are reported at estimated fair value. The Board of Trustees is authorized by Act 19 of the 1964 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.

Besides investments in the U.S. Government obligations, the Plan has no investments in any one organization which represented more than 5% of net assets held in trust for pension benefits.

**Receivables**

There are no assets legally secured for purposes other than the payment of plan members benefit. There are no long-term contracts for contributions.

**Change in Accounting Principle**

In November 1994, GASB issued Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Plan Disclosures for Defined Contribution Plans". This Statement establishes financial reporting standards for defined benefit pension plans. This statement requires the Plan to restate the financial statements of all periods presented. All prior years' effects resulting from this statement should be reported as a restatement of the "Net assets held in trust for pension benefits - beginning of year" for the earliest period restated. The net assets held in trust for pension benefits - beginning of year for the fiscal year ended June 30, 1996, which was \$7,042,043, has been restated to \$7,853,295, in order to reflect the application of GASB Statement No. 25.

**NOTE C - CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE**

The Plan's contribution requirements are established by state statute. Employers 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.

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1997

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET 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 exclusion 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 39 of the 1964 Regular Session of the Louisiana Legislature (as revised and amended in 1974, 1978, 1981, 1988 adopted 1990, and 1995). 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.

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's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized when they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF KENNER, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 1997

**NOTE A - PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)**

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. Administrative costs of the Plan are financed through investment earnings.

**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 Fire 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 1985, no interest will be paid until the Plan becomes actuarially sound.

**Covered Payroll**

The covered payroll for the Plan for the year ended June 30, 1997 was \$2,271,482.

**Membership**

At June 30, 1996 (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	3
Partially vested	13
Total	16

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

**NOTES TO FINANCIAL STATEMENTS**

June 30, 1997

**NOTE A - PLAN DESCRIPTION AND CONTRIBUTION INFORMATION**

**General**

The Firemen's Pension and Relief Fund of the City of Kenner, Louisiana (the "Fund"), is a single employer, Public Employees Retirement System (PERS). The Fund provides retirement, disability, and death benefits for plan members and their beneficiaries. Cost of living adjustments (COLA) are provided as amended under ACT 188 of the 1995 Regular Session of the Louisiana Legislature. Act 18 of the 1964 Regular Session of the Louisiana Legislature assigns the authority to establish and amend the benefit provisions of the Plan to the Louisiana Legislature.

The Firemen's Pension and Relief Fund adopted Statement No. 25 of the Governmental Accounting Standards Board (GASB), "Financial Reporting for Defined Benefit Pension Plans and their Attachments for Defined Contribution Plans", for the fiscal year ended June 30, 1995, as required. Statement No. 25 requires a change in the financial statement format. Under Statement No. 25, the two required statements are the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. Statement No. 25 also requires plan investments to be recorded at their fair value.

**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 20 years of service if hired before April 1, 1978, 20 years of service if hired on or after April 1, 1978 and on or before September 30, 1996, and 30 years of service and upon reaching age 55 if hired after September 30, 1996.

**Contributions**

The Fire Department employees contribute 9% and the 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 1989 Regular Session of the Louisiana Legislature and approved by the City Council of the City of Kenner, Louisiana Resolution B-8679 dated February 15, 1990. Act 558 of the 1995 Regular Session of the



**FIREMEN'S PENSION AND RELIEF FUND  
OF THE CITY OF Kenner, LOUISIANA**  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
Year Ended June 30, 1997

**ADDITIONS**

Contributions:

Participants	\$ 204,614
Employer:	
City of Kenner	366,711
State of Louisiana - Fire Insurance Tax	____138,602
<b>Total Contributions</b>	<b>____611,927</b>

Investment Income:

Net Appreciation in Fair Value	1,825,531
Interest	364,958
Dividends	____63,266
<b>Total Investment Income</b>	<b>____2,253,755</b>

Less Investment Expense

	____27,193
<b>Net Investment Income</b>	<b>____2,226,562</b>

<b>Total Additions</b>	<b>____2,085,429</b>
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**DEDUCTIONS**

Member Benefits	687,837
Continued Service Incentive	34,616
Refunds to Terminated Employees	13,675
Administrative Expenses	____31,705

<b>Total Deductions</b>	<b>____867,833</b>
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<b>Net Increase</b>	<b>1,264,716</b>
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**Plan Net Assets**

Beginning of Year, as restated	____2,855,589
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<b>End of Year</b>	<b><u>\$ 4,120,305</u></b>
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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 PLAN NET ASSETS  
June 30, 1997

**ASSETS**

Cash	\$ 120,051
<b>Receivables:</b>	
Interest Receivable	72,835
Fire Insurance Tax Receivable	128,602
Other Receivables	68
<b>Total Receivables</b>	<b>201,493</b>
<b>Investments, at fair value:</b>	
U.S. Government Securities	1,487,682
U.S. Instrumentality Securities	613,511
Corporate Bonds	2,285,688
Stocks	4,441,333
Other Investment - Money Market	64,362
<b>Total Investments</b>	<b>8,892,576</b>
Prepaid Expenses	4,860
<b>Total Assets</b>	<b>9,210,958</b>

**LIABILITIES**

Accrued Expenses	8,182
Federal Withholding Tax Payable	225
<b>Total Liabilities</b>	<b>8,407</b>

<b>Net Assets Held in Trust</b> for Pension Benefits (A Schedule of Funding Progress is presented on Page 11)	<b>\$ 9,202,551</b>
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The accompanying notes are an integral part of these financial statements.

## FINANCIAL STATEMENTS

Our audit was performed for the purpose of forming an opinion on the financial statements of the Fireman's Pension and Relief Fund of the City of Kenner, Louisiana taken as a whole. The required supplementary information and supporting schedules listed in the table of contents, which are also the responsibility of the Fund's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Robson & Company*

November 11, 1997

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
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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 statement of plan assets of the **Firemen's Pension and Relief Fund of the City of Kenner, Louisiana** (the "Fund"), a component unit of the City of Kenner, Louisiana, as of and for the year ended June 30, 1997, and the related statement of changes in plan assets for the year then ended. These financial statements are the responsibility of the Fund's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Firemen's Pension and Relief Fund of the City of Kenner, Louisiana** as of June 30, 1997, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note A to the financial statements, in the year ended June 30, 1997, the **Firemen's Pension and Relief Fund of the City of Kenner, Louisiana** adopted *Governmental Accounting Standards Board Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans"*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 1997 on our consideration of the **Firemen's Pension and Relief Fund's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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