

REPORT
FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
JUNE 30, 2004 AND 2003

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

Release Date 1-19-05

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

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INDEPENDENT AUDITOR'S REPORT

December 13, 2004

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

We have audited the statement of plan net assets of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana (the "Plan"), a component unit of the City of Kenner, Louisiana, as of June 30, 2004, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the plan as of June 30, 2003 were audited by other auditors whose report dated November 10, 2003 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

According to the Plan document and as further described in Note 10 to the financial statements, the Plan and its operations will cease once all of the members of the Plan are no longer eligible or are eligible for the statewide plan. All remaining funds will then be transferred to the City of Kenner. City attorneys have determined the remaining funds should be used for fire protection for the City. As of this report date, the above conditions exist and the plan will liquidate upon approval by its trustee.

In our opinion, the financial statements referred to above, present fairly in all material respects, the plan net assets of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana as of June 30, 2004 and the changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted primarily of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2004 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana taken as a whole. The supplementary information and supporting schedule listed in the table of contents, which are also the responsibility of the Plan's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such additional information for the year ended June 30, 2004 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. We have not examined the financial statements of the Plan for any period prior to the year ended June 30, 2004. Accordingly, we do not express an opinion or any other form of assurance on the required statistical information relating to any period prior to June 30, 2004. The financial statements of the Plan prior to June 30, 2004 were audited by other auditors whose reports expressed an *unqualified opinion on those financial statements*.

Duplantier, Hrapmann, Hogan & Maher, LLP

FIREMEN'S PENSION AND RELIEF FUND OF THE
CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

The following is management's discussion and analysis of the financial performance of Firemen's Pension and Relief Fund of the City of Kenner, Louisiana. It is presented as a narrative overview and analysis for purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements, which are comprised of three components:

- * Statement of plan net assets
- * Statement of changes in plan net assets, and
- * Notes to the financial statements

This report also contains required supplemental information in addition to the basic financial statements themselves.

The statement of plan net assets reports the pension fund's assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the Fund as of June 30, 2004. The statement of changes in plan net assets reports the results of the pension fund's operations during the year disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

Required supplementary information consists of two schedules and related notes concerning the funded status of the Fund.

Supporting schedules include information on investments and administrative expenses.

FINANCIAL ANALYSIS

The Fund provided retirement benefits to all eligible firemen of the City of Kenner. On March 25, 1999, the Fund entered into a merger contract with the Statewide Firefighters Retirement System to transfer all active firemen and their beneficiaries. The final retiree merged as of October 2003.

FIREMEN'S PENSION AND RELIEF FUND OF THE
CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

Statement of Plan Net Assets
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash	\$ 325,406	\$ 422,553
Receivables	60	60
Investments	<u>399,543</u>	<u>335,979</u>
	<u>725,009</u>	<u>758,592</u>
 Total liabilities	 <u>300</u>	 <u>82,904</u>
 Net assets held in trust for pension benefits	 <u>\$ 724,709</u>	 <u>\$ 675,688</u>

Statement of Changes in Plan Net Assets
For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Additions:		
Investment income (loss)	\$ <u>59,534</u>	\$ <u>(10,267)</u>
 Total additions	 <u>59,534</u>	 <u>(10,267)</u>
 Total deductions	 <u>10,513</u>	 <u>136,442</u>
 Increase (decrease) in Plan Net Assets	 <u>\$ 49,021</u>	 <u>\$(146,709)</u>

Additions to Plan Net Assets

Additions to plan net assets were derived from investment income. Investment income increased \$69,801 or 680%, for the year ended June 30, 2004, due to improved market performance.

FIREMEN'S PENSION AND RELIEF FUND OF THE
CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

	<u>2004</u>	<u>2003</u>	Increase (Decrease) <u>Percentage</u>
Net investment income (loss)	\$ <u>59,534</u>	\$(<u>10,267</u>)	680%
Total	\$ <u>59,534</u>	\$(<u>10,267</u>)	

Deductions from Plan Net Assets

Deductions from plan net assets include plan merger expense, continued service incentive and administrative expenses. Deductions from plan net assets totaled \$10,513 in 2004. This is a decrease of \$125,929, primarily due to the merger into the statewide system.

	<u>2004</u>	<u>2003</u>	Increase (Decrease) <u>Percentage</u>
Plan merger expense	\$ --	\$ 82,305	(100%)
Continued service incentive	--	10,017	(100%)
Administrative expenses	<u>10,513</u>	<u>44,120</u>	(76%)
Total	\$ <u>10,513</u>	\$ <u>136,442</u>	

Investments

The Fund is responsible for the prudent management of funds held in trust for the exclusive benefits of our members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2004 amounted to \$399,543, as compared to \$335,979 at June 30, 2003, which is an increase of \$63,564 or 19 percent.

FIREMEN'S PENSION AND RELIEF FUND OF THE
CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2004

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to Mike Zito, Board of Trustees of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, 1801 Williams Boulevard, Kenner, Louisiana 70062.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ <u>325,406</u>	\$ <u>422,553</u>
Receivables:		
Other	<u>60</u>	<u>60</u>
Total receivables	<u>60</u>	<u>60</u>
Investments (at fair value)		
Stocks	<u>399,543</u>	<u>335,979</u>
Total investments	<u>399,543</u>	<u>335,979</u>
Total assets	<u>725,009</u>	<u>758,592</u>
<u>LIABILITIES:</u>		
Liabilities:		
Plan merger payable	-	82,305
Accrued expenses	<u>300</u>	<u>599</u>
Total liabilities	<u>300</u>	<u>82,904</u>
<u>NET ASSETS:</u>		
Net assets held in trust for pension benefits (A Schedule of Funding Progress is presented on Page 17)	\$ <u><u>724,709</u></u>	\$ <u><u>675,688</u></u>

See accompanying notes.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>ADDITIONS:</u>		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	\$ 54,658	\$ (22,053)
Interest	82	4,928
Dividends	<u>7,704</u>	<u>9,951</u>
Total investment income (loss)	62,444	(7,174)
Less: Investment expense	<u>2,910</u>	<u>3,093</u>
Net investment income (loss)	<u>59,534</u>	<u>(10,267)</u>
<u>DEDUCTIONS:</u>		
Plan merger expense	-	82,305
Continued service incentive	-	10,017
Administrative expense	<u>10,513</u>	<u>44,120</u>
Total deductions	<u>10,513</u>	<u>136,442</u>
NET INCREASE (DECREASE) IN PLAN NET ASSETS	49,021	(146,709)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	<u>675,688</u>	<u>822,397</u>
END OF YEAR	<u>\$ 724,709</u>	<u>\$ 675,688</u>

See accompanying notes.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

1. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION:

General

Prior to the merger with the Statewide Firefighters Retirement System ("SFRS"), the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana (the "Plan"), was a single employer, Public Employee Retirement System. The Plan provided retirement, disability, and death benefits for plan members and their beneficiaries. Cost of living adjustments were provided as amended under Act 588 of the 1995 Regular Session of the Louisiana Legislature. Act 19 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.

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

In addition to the above merger liability, the SFRS was due \$4,200,964 as of March 27, 1999, from the State's Insurance Premium Tax Fund which represents the remaining 40% accrued liability for the active employees.

This contingency fund remains to handle those members who could retire after twenty (20) years of service if hired before April 1, 1978. The Statewide Plan requires a member with twenty (20) years to also be at least age fifty (50) to retire. Retirement is also allowed at any age with twenty-five (25) years of service or at age fifty-five (55) with twelve (12) years of service.

For Kenner members on the 20-year plan, retirement may be delayed in some cases under the Statewide Plan. Six (6) members remained under the Plan as of the merger date. As of October 2003, all remaining members had become members of the Statewide Plan.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

1. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

General (Continued)

In addition, the contingency fund pays annual incentive bonuses equal to 10% of salary to these 20-year members who continue in service of the Fire Department after they are eligible to retire under the provisions of the Plan. However, if Kenner members on the 20-year plan do not retire before reaching age fifty or attaining twenty-five years of service, then they would qualify for benefits as members of the Statewide Plan. Any funds remaining in this contingency fund after all members have become participants in the Statewide Plan will be transferred to the City of Kenner. City attorneys have determined the remaining funds should be used for fire protection for the City.

Eligibility

Prior to the merger with the Statewide Plan, every permanent, active employee of the Fire Department of the City of Kenner who qualified as a permanent employee under the rules of the Municipal Fire and Police Civil Service System of the City of Kenner was eligible for participation. Coverage was extended to those individuals who had not yet been made permanent members of the Fire Department, provided benefits to those individuals who were injured in the line of duty, and provided coverage for the widows and children of firemen who were killed in the line of duty.

To be eligible for normal retirement, an employee must have had 20 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, 1996; and 30 years of service and upon reaching age 55 if hired after September 30, 1996.

The merged active members shall not be eligible to receive a benefit from the SFRS until one year after the date of the merger and only upon attaining eligibility under the Statewide Plan. The Plan shall be obligated to pay any retirement benefit to an active member who is merged and who is eligible to retire and does retire, until one year after the date of the merger. The SFRS shall be obligated to pay the retirement benefit of the merged member commencing on the date of one year after the date of the merger. The Plan is responsible for reimbursing the SFRS for costs involved with active members either entering DROP or retiring within the first 12 months of the effective date of the merger.

Contributions

Prior to the merger with the Statewide Plan, the Fire Department employees contributed 9% and the City of Kenner contributed 13% of the gross salary of participating employees. 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.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

1. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

Contributions (Continued)

Act 558 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 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. Effective March 25, 1999, all contributions are made *directly to the State* for those members who merged with the SFRS. The amounts remaining in the contingency fund are deemed adequate for any potential contingency fund liabilities related to those members on the 20-year plan. Therefore, no additional contributions will be made to the contingency fund.

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. Due to the merger in March 1999, only two Kenner members remain eligible for such benefits under the Plan. Upon these members reaching the qualifications for retirement under the Statewide Plan, no further benefits would be subject to payment from the contingency fund.

Annual incentive bonuses equal to 10 percent of salary are available to these two Kenner 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 Plan, 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 three (3) percent per annum. Effective October 1995, no interest will be paid until the Plan becomes actuarially sound.

Covered Payroll

The covered payroll was \$0 for the plan for the years ended June 30, 2004 and 2003.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

1. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION: (Continued)

Vesting

All members are 100% vested in their contributions to the Plan.

Membership

Due to the merger with SFRS in March 1999, only two active plan participants remained under the Plan as of June 30, 2003. As of October 2003, these participants became members in the Statewide Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles.

Reporting Entity

GASB 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 the 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 statement to be misleading or incomplete.*

Prior to the merger, the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana, provided pensions for members and survivors of the Fire Department of the City of Kenner and was a single employer, Public Employee Retirement System. The Plan was created by Act 19 of the 1964 Regular Session of the Louisiana Legislature (as revised and amended in 1974, 1978, 1981, 1989 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.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity (Continued)

Based on 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 (the primary government) issues financial statements which include the activity contained in the accompanying financial statements as a pension trust fund.

Basis of Accounting

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Method Used to Value Investments

As required by Governmental Accounting Standards Board Statement No. 25, "*Financial Reporting for Defined Benefit Pension Plans and Note 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. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings. Investments that do not have an established market are reported at estimated fair value. 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 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.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reserves

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

3. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE:

The Plan's contribution requirements are established by state statute. Prior to the Plan's merger with the SFRS, employees contributed nine percent (9%) of their gross salary and the employer was required to contribute thirteen percent (13%) of the gross salary of participating employees. There were no contributions to the Plan for the years ended June 30, 2004 and 2003. All contributions were made by the City of Kenner directly to the State for those members who merged with the SFRS. The amounts remaining in the contingency fund are deemed adequate for any potential contingency fund liabilities related to those members on the 20-year plan. Therefore, no additional contributions will be made to the contingency fund.

4. DEPOSITS AND INVESTMENTS:

At June 30, 2004 and 2003, cash and cash equivalents consisted of the following:

	<u>2004</u>	<u>2003</u>
Deposits in banks	\$ 2,070	\$ 10,095
Money market funds	<u>323,336</u>	<u>412,458</u>
	<u>\$ 325,406</u>	<u>\$ 422,553</u>

The deposits in banks are fully insured by the FDIC. The money market funds are fully insured by the SIPC.

Categories of Asset Risk

The investments of the Plan 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 Plan's investments at June 30, 2004 and 2003 are categorized below to give an indication of the level of risk assumed by the Plan at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Plan or its agent in the Plan'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 Plan'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 Plan's name.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

4. DEPOSITS AND INVESTMENTS: (Continued)

Categories of Asset Risk (Continued)

	2004			Market Value
	<u>Category</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	
Stocks	\$ <u>399,543</u>	\$ _____ -	\$ _____ -	\$ <u>399,543</u>
	\$ <u>399,543</u>	\$ _____ -	\$ _____ -	\$ <u>399,543</u>
	2003			
	<u>Category</u>			Market Value
	<u>1</u>	<u>2</u>	<u>3</u>	
Stocks	\$ <u>335,979</u>	\$ _____ -	\$ _____ -	\$ <u>335,979</u>
	\$ <u>335,979</u>	\$ _____ -	\$ _____ -	\$ <u>335,979</u>

5. TRANSFER OF PLAN ASSETS TO THE
STATEWIDE FIREFIGHTERS RETIREMENT SYSTEM:

When the Plan merged with the SFRS in 1999, additional service information of one employee was not submitted to the plan actuary in the final merger study. As a result, an additional \$82,305 was paid to SFRS on August 26, 2003 to provide for the additional service credit earned by the employee.

6. INSURANCE DEDUCTIBLE:

On March 24, 2003, the Plan paid \$25,000 to National Union Fire Insurance Company as part of the deductible obligation arising from the settlement of a suit with a former plan participant. The former participant claimed he was disabled and eligible for benefits under the Plan. The case was settled and \$83,561 was incurred for the settlement and legal fees. The settlement and legal fees, less the Plan's \$25,000 deductible, were paid by National Union Fire Insurance Company.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

7. PRIORITIES UPON PLAN TERMINATION:

Upon termination of the contingency fund, all funds held at the time of termination shall revert to the City of Kenner. City attorneys have determined the remaining funds should be used for fire protection for the City.

8. TAX STATUS:

The United States Treasury Department advised on October 9, 1974, that the Plan 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).

9. REQUIRED SUPPLEMENTARY INFORMATION:

Funding progress and employer contribution information related to the Plan are presented as required supplementary information. The information is presented to enable the reader to assess the progress made by the Plan in accumulating sufficient assets to pay pension benefits as they become due.

10. TERMINATION OF PLAN:

As of October 2003, all remaining members of the Plan became members in the Statewide Plan. The remaining funds held in the Plan are to be transferred to the City of Kenner. City attorneys have determined the remaining funds should be used for fire protection for the City. As of December 13, 2004, the Board of Trustees had not determined a date to transfer the funds. The Plan and its operations will cease once the transfer of funds is made to the City of Kenner.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SCHEDULE OF FUNDING PROGRESS
(IN THOUSANDS OF DOLLARS)
JUNE 30, 2004

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

Analysis of the dollar amounts of actuarial assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding 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 Plan. 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 effect 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 Plan. The above information is reported as of the latest date for for which such information was available at the date of this report. The actuarial valuation as of June 30, 2002 reflects the changes to the plan as a result of the merger with SFRS in March 1999.

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

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND TREND INFORMATION
JUNE 30, 2004

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

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

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

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

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SUPPLEMENTARY INFORMATION
OPERATING REVENUES BY SOURCE AND OPERATING EXPENSES BY TYPE
JUNE 30, 2004

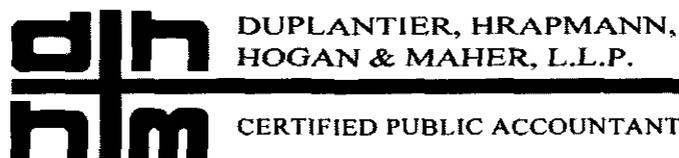
Fiscal Year	Contributions		Percentage of Annual Covered Payroll	Investment Income (Loss)	Other	Total
	Employee Amount	Employer Amount				
2004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003	-	-	-	(10,267)	-	(10,267)
2002	-	-	-	(91,674)	-	(91,674)
2001	-	-	-	(14,065)	-	(14,065)
2000	-	-	-	(8,333)	-	(8,333)
1999	181,266	271,425	13.48 %	1,374,180	110	1,826,981

Fiscal Year	Operating Expenses by Type					Total
	Benefits	Administrative Expenses	Refunds	Continued Service Incentive		
2004	\$ -	\$ 10,513	\$ -	\$ -	\$ -	\$ 10,513
2003	-	44,120	-	10,017	-	54,137
2002	-	17,717	-	18,380	-	36,097
2001	-	15,593	-	23,203	-	38,796
2000	-	17,010	816	25,323	-	43,149
1999	494,049	18,995	4,529	39,408	-	556,981

* - Total operating expenses do not include the transfer of plan assets in the amount of \$103,601 and \$11,130,143 to the SFRS for the years ended June 30, 2000 and 1999, respectively, as a result of the merger in March 1999.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENTS
JUNE 30, 2004

	<u>Book Value</u>	<u>Market Value</u>
<u>STOCKS:</u>		
Abbott Laboratories	\$ 12,337	\$ 12,636
Affiliated Computer Servies, Inc.	9,750	10,588
All State Corporation	9,218	13,965
American International Group	11,800	12,474
Bank of America Corporation	4,869	7,616
Barnes & Noble, Inc.	4,198	6,796
CVS Corporation	11,294	15,295
Cisco Systems, Inc.	12,658	12,449
Citigroup, Inc.	4,125	3,720
Comcast Corporation	13,577	11,734
Computer Associates	9,994	12,627
Conoco, Inc., Class B	14,066	17,623
Emerson Electric Corporation	6,268	6,991
Energizer Holdings, Inc.	3,630	4,500
Exxon Corporation	6,896	7,727
Fair Isaac Corporation	8,194	7,677
Freddie Mac	3,574	4,431
General Dynamics Corporation	3,388	4,469
General Electric	15,283	16,524
Genuine Parts, Inc.	10,539	12,698
Health Management Association	10,495	11,995
Intel Corporation	11,964	11,040
International Business Machine Corporation	14,755	11,269
L-3 Communications Holdings, Inc.	3,609	5,344
Lowe's Companies, Inc.	3,695	3,679
Mattel, Inc.	11,726	10,950
Microsoft Corporation	8,031	7,426
Newell Rubbermaid, Inc.	8,075	8,225
Nortel Networks Corporation	3,982	3,498
Office Depot, Inc.	3,839	4,476
Patterson Uti Energy, Inc.	3,794	4,009
Pfizer, Inc.	12,072	11,655
Pier 1 Imports, Inc.	7,348	7,076
Quest Diagnostics, Inc.	6,908	9,345
Republic Services	6,497	9,695
Sara Lee Corporation	16,507	16,093
Southwest Airlines	7,681	7,966
Sunguard Data Systems, Inc.	5,084	5,850
Suntrust Banks, Inc.	8,220	10,073
Take-Two Interactive Software	4,057	3,677
Target Corporation	4,873	6,371
U.S. Bancorp	8,233	10,197
W. W. Grainger, Inc.	3,852	4,600
Washington Group International, Inc.	3,938	3,948
Weatherford International, Ltd. Bermuda	7,356	8,546
	<u>7,356</u>	<u>8,546</u>
TOTAL INVESTMENTS	\$ <u>362,249</u>	\$ <u>399,543</u>



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SOCIETY OF LA C.P.A.'S

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 13, 2004

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 "Plan"), a component unit of the City of Kenner, Louisiana as of and for the year ended June 30, 2004, and have issued our report thereon dated December 13, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Plan'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 those 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 Plan'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

In planning and performing our audit, we considered the Plan'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 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 solely for the use of the Board of Trustees, the Plan's management and the Office of the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the *Firemen's Pension and Relief Fund of the City of Kenner, Louisiana*.
2. No reportable conditions relating to the audit of the financial statements are reported in the *Independent Auditor' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Firemen's Pension and Relief Fund of the City of Kenner, Louisiana are reported in the *Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

B. FINDINGS REQUIRED TO BE REPORTED – FINANCIAL STATEMENT AUDIT

There were no findings as defined by *Government Auditing Standards* that are required to be reported in this section of the Schedule of Findings and Questioned Costs.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

There were no prior year findings as defined by *Government Auditing Standards* that are required to be addressed in this section.

FIREMEN'S PENSION AND RELIEF FUND
OF THE CITY OF KENNER, LOUISIANA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2004

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, there is no corrective action plan required as part of this section.