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**CITY OF KENNER, LOUISIANA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**For the Year Ended June 30, 2001**

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 JAN 9 2002

Submitted by:

Department of Finance

**DUKE P. McCONNELL, CPA**  
Chief Financial Officer

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## **INTRODUCTORY SECTION**



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# CITY OF KENNER

1801 Williams Boulevard  
Kenner, Louisiana 70062  
(504) 468-7200

**LOUIS J. CONGEMI**  
MAYOR

December 20, 2001

Honorable Mayor and City Councilpersons  
City of Kenner, Louisiana  
1801 Williams Boulevard  
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2001 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the most recent GFOA Certificate, the City's organizational chart, a list of principal officials and a map of the City. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

## CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the New Orleans International Airport.

## REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.



This report includes all funds and account groups of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and its component unit. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Firemen's Pension and Relief Fund is included in the City's reporting entity as a blended component unit because of its operational relationship with the City and because its exclusion would render the financial statements incomplete or misleading.

## THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report. As outlined in these promulgations, the City's funds are grouped into three broad fund types (*governmental, proprietary, and fiduciary*) and two account groups (*general fixed assets and general long-term debt*). In general, governmental funds measure income (the flow of current financial resources), whereas proprietary funds measure wealth (the preservation and changes to capital).

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

## MAJOR INITIATIVES AND ECONOMIC OUTLOOK

### For the Year

Sales tax revenues increased again during the year as did revenue from franchise agreements. The increases were partially offset by a reduction in revenue from the state and reduced fine revenues as a result of fewer traffic fines.

The City again received significant revenue from the Treasure Chest Casino. These funds are dedicated to capital outlay and debt service. During the year, the City embarked on a major program of infrastructure improvements throughout the City. The program will span several years and include road, drainage and sewer improvements.

Construction of the new police complex and jail was completed. Construction of a new gym in South Kenner was completed. Another parcel of land was acquired for the new city park being developed in North Kenner. Also, drainage improvements being funded by a federal grant continued in South Kenner.

In November 1999, the voters approved the renewal of a property tax for roads for 15 years, which will provide the City with significant new funds to maintain the roads throughout the City. This property tax is currently being collected in Kenner by Jefferson Parish to debt service Jefferson Parish bonds, which were issued to do roadwork in Kenner. Jefferson Parish is loaning the City \$500,000 per year for 1999 through 2002 to do road maintenance in the City. In 2003, the Parish's property tax will expire and the City will start collecting it. At that time, the City will repay the loans from Jefferson Parish and then the funds generated each year will be available for the City to do roadwork. The property tax currently generates approximately \$2 million per year.

Last year it was noted that the City received two federal grants totaling seven (\$7) million dollars. Five (\$5) million is for further sewerage improvements. The other two (\$2) million is for a planetarium. These grants require the City to provide an equal amount as a match. In August 2000, the City issued \$9,000,000 in certificates of indebtedness, which refunded the 1996A and 1996B certificates and also provided funds for the City's match.



The sewerage funds will be used to expand the City's newest sewer treatment plant and close down the two older plants. The expansion will add enough capacity to accommodate the City's needs in the foreseeable future. The project started in late 2000. The planetarium project started in early 2001.

The City leased land next to our civic center for the development of a hotel, which opened in September 2000. In addition to the economic impact the hotel will provide, the City also receives rent from the hotel, which is dedicated to additional capital improvements.

#### For the Future

The City's sales tax revenue is expected to continue to steadily grow. This will help offset increases in the costs of providing services to the public.

The riverboat casino is expected to continue to provide significant funds for further capital outlay including the program of infrastructure improvements noted earlier.

In September 2001, the City issued \$1,500,000 of certificates of indebtedness to provide funds to purchase land in the Laketown area near the City's civic center for further development of the area.

## FINANCIAL INFORMATION

### Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2001 are included in the Single Audit Section of this report.

### Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 1 for the fiscal year which begins the following July 1. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report. Unencumbered appropriations in any year are dedicated to capital outlay of the department and budgeted in the following year.

#### GENERAL GOVERNMENT FUNCTIONS

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

The following schedule presents a summary of revenues of funds used to report recurring governmental operations for the fiscal year-ended June 30, 2001 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2000</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 46,105,721	80.93	\$ 835,932	1.85
Licenses and permits	2,542,202	4.46	97,933	4.0
Intergovernmental	1,698,301	2.98	(482,973)	(22.14)
Charges for services	3,052,493	5.36	666,510	27.93
Fines and forfeitures	1,845,159	3.24	(290,621)	(13.61)
Special assessments	-	-	(29,271)	-
Interest	1,221,222	2.14	(120,310)	(8.97)
Miscellaneous	<u>505,191</u>	<u>.89</u>	<u>135,941</u>	<u>36.82</u>
Total	<u>\$ 56,970,289</u>	<u>100.00</u>	<u>\$ 813,141</u>	

The increase in taxes was due to growth in sales taxes, parking taxes, and franchise fees, however, revenue from the Riverboat decreased.

Intergovernmental revenues decreased due to reduction in law enforcement grants received from the state and due to the state eliminating distribution of tobacco taxes to municipalities.

Charges for services increased due to the increase in the City's service charge for garbage collection implemented in the middle of the 1999/2000 fiscal year.

*Fines and forfeitures revenue decreased due to a reduction in traffic fines.*

Interest income decreased due to lower interest rates.

Miscellaneous revenue increased due to rent from the new hotel and due to the sale of surplus police vehicles.

The following schedule presents a summary of expenditures of funds used to report recurring governmental operations for the fiscal year-ended June 30, 2001 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2000</u>	<u>Percent of Increase (Decrease)</u>
Current:				
General government	\$ 8,956,405	17.42	\$ 949,258	11.86
Public safety	19,049,353	37.04	(5,211,617)	(21.48)
Public works	10,894,139	21.19	436,214	4.17
Health and welfare	641,597	1.25	78,747	13.99
Culture and recreation	3,051,478	5.93	(100,035)	(3.17)
Transit and urban development	454,501	.88	56,027	14.06
Miscellaneous	1,639,556	3.19	(35,065)	(2.09)
Debt service:				
Principal	3,140,898	6.11	(387,594)	(10.98)
Interest and fiscal charges	2,415,872	4.70	(72,577)	(2.92)
Agent fees	15,750	.03	2,253	16.69
Advance refunding escrow	1,162,530	2.26	1,162,530	-
Total	<u>\$ 51,422,079</u>	<u>100.00</u>	<u>\$(3,121,859)</u>	

General government expenditures increased due to road improvements funded from operating revenues, which were in addition to improvements funded by the capital projects funds.

Public safety expenditures decreased due to expenditures in connection with the new police complex and jail in the prior year.

Public works expenditures increased due to the increase in garbage collection expenditures in the middle of the 1999/2000 fiscal year.

Debt service expenditures for principal and interest decreased and for advance refunding escrow increased due to the advance refunding of the 1996A and 1996B certificates of indebtedness done to provide funds for additional capital projects noted earlier.

#### General Fund

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

	<u>2000</u>	<u>2001</u>	<u>FUND BALANCE INCREASE (DECREASE)</u>
Revenues	\$ 34,963,584	\$ 35,160,881	\$ 197,297
Expenditures	(38,013,889)	(34,532,818)	3,481,071
Net other financing sources (uses)	<u>(62,295)</u>	<u>(686,957)</u>	<u>(624,662)</u>
Excess (Deficiency)	(3,112,600)	(58,894)	3,053,706
Beginning fund balance	<u>21,333,858</u>	<u>18,221,258</u>	<u>(3,112,600)</u>
Ending fund balance	<u>\$ 18,221,258</u>	<u>\$ 18,162,364</u>	<u>\$ (58,894)</u>

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

The net other financing uses increased due to transfers of funds from paving assessments to the capital projects fund for additional road improvements.



The decrease in the General Fund fund balance reserved for restricted expenditures is due to lower revenues in excess of budgeted amounts, which are budgeted for improvements in the subsequent year.

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

The General Fund fund balance designated for subsequent year expenditures is primarily for funds accrued from the riverboat in the year ended June 30, 2001 but budgeted for expenditures in the subsequent year when they are received.

The General Fund balance which is unreserved and undesignated decreased due to the expenditure of prior years revenues in excess of those budgeted. Focusing on the General Fund alone does not present a complete picture of the City's expenditures for recurring government functions. Part of the expenditures for this purpose are accounted for in selected special revenue and debt service funds and are included on the schedule of expenditures shown previously.

#### *Debt Service Funds*

The fund balance in the Debt Service Funds decreased due to the funds used in the advance refunding of the 1996A and 1996B Certificates of Indebtedness noted earlier.

#### *Capital Project Funds*

The fund balance of the General Capital Projects Fund increased due to projects being funded by the revenues from the riverboat. The operating transfers out were transfers to debt service funds as a portion of the riverboat revenues are dedicated to retiring debt. The fund balance in the Capital Projects Funded with Bond Proceeds fund increased due to the proceeds of certificates issued to refund the 1996A and 1996B certificates and provide the City's match for two grants received for sewerage improvements and a planetarium noted earlier.

#### *Enterprise Funds*

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

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

#### *Internal Service Funds*

The retained earnings in the Self-Insurance Fund increased due to reduced claims.

The retained earnings in the Health Insurance Fund increased due to increased charges to departments for employees' insurance costs.

#### *Fiduciary Funds*

The Firemen's Pension and Relief Fund was merged into the Louisiana Firefighters Retirement System in the prior year. The amounts remaining are in a contingency fund to pay the benefits of retired members until they become eligible for benefits under the State System and to cover other contingencies.



## DEBT

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

<u>Outstanding July 1, 2000</u>	<u>Issued During Year</u>	<u>Paid During Year</u>	<u>Outstanding June 30, 2001</u>
\$44,977,000	\$ 9,000,000	\$ 6,186,000	\$47,791,000

Of the total amount outstanding, \$975,000 was in General Obligation Refunding Bonds, \$24,910,000 was in Sales Tax Refunding Bonds, \$10,255,000 was in sales tax bonds, \$8,315,000 was in excess revenue bonds, \$2,894,000 was in pension merger payable, and \$442,000 was in capital leases. Please see Note G in the Notes to Financial Statements for details of changes in long term debt. The ratio of net long-term debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position. This data for the current fiscal year and the prior fiscal year is as follows:

<u>Fiscal Year</u>	<u>Net Long-Term Debt</u>	<u>Ratio of Net Long-Term Debt to Assessed Value</u>	<u>Net Long-Term Debt Per Capita</u>
2001	\$ 38,657,240	9.76%	548.20
2000	\$ 34,724,867	9.78%	462.67

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

Although net long-term debt increased as a result of the new certificates issued, the ratio of net long-term debt to assessed value decreased due to increased assessments as property values are required to be reassessed every four years by state law.

Net long-term debt per capita increased as a result of the new certificates and due to a drop in the population per the 2000 U.S. census.

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

## CASH MANAGEMENT

The City has a fiscal agent contract to handle its operating accounts. Transaction balances are kept in sweep accounts, where balances are swept into overnight repurchase agreements earning Federal Funds rates less 50 basis points, and investable balances are kept in money market accounts. The City, however, still reserves the right to remove investable funds and invest them at other institutions. The balances in the money market accounts and the repurchase agreements are reported on the balance sheet as "investments".

Funds being held as reserves on bonds and amounts being accumulated to pay principal and interest on bonds are held in trust accounts. The trustee invests the funds under the direction of the City.

Bond proceeds being used for construction are invested in U. S. Government Securities for terms based on the draw down schedules of the projects. The investments are made using the services of a financial investment advisory company with which the City has an agreement to provide these services.

Total interest earnings for all the governmental fund types and expendable trust funds of the City increased to \$2,165,811 this year from \$1,754,368 last year. Although interest rates declined, the increase is due to higher available cash balances during the current year. Construction funds increased as funds are available for various projects from the riverboat revenue and the proceeds of certificates of indebtedness issued to refund the 1996A and 1996B certificates and provide funds for additional capital improvements noted earlier. Sinking funds decreased due to the refunding.

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

	Balance on <u>6/30/00</u>	Balance on <u>6/30/01</u>	Increase (Decrease)
Sinking funds	\$ 6,156,725	\$5,179,556	\$ (977,169)
Construction funds	\$ 9,155,014	17,067,771	\$ 7,912,757
All other funds	\$ 15,033,199	15,228,367	\$ 195,168

#### RISK MANAGEMENT

To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each general liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; coverage for up to a maximum of \$250,000 for each auto liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and coverage for up to a maximum of \$300,000 for each worker's compensation claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000.

The Self-Insurance Fund also provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Self-Insurance Fund. See Note P in the Notes to Financial Statements for additional details.

#### LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

#### INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Rebowe & Company, Certified Public Accountants - A Professional Corporation has been included in this report.

#### AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2000. This was the seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Rebowe & Company, Certified Public Accountants - A Professional Corporation, for their invaluable assistance in compiling this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,

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

DUKE P. McCONNELL, CPA  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kenner,  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Thomas A. Brown*  
President

*Jeffrey L. Esser*  
Executive Director

# SELECTED OFFICIALS OF THE CITY OF KENNER

## CITY COUNCIL

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

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

## EXECUTIVE STAFF

Mayor  
Chief Administrative Officer  
Deputy Chief Administrative Officer

Honorable Louis J. Congemi  
Joseph Nicolosi  
Carol Luna

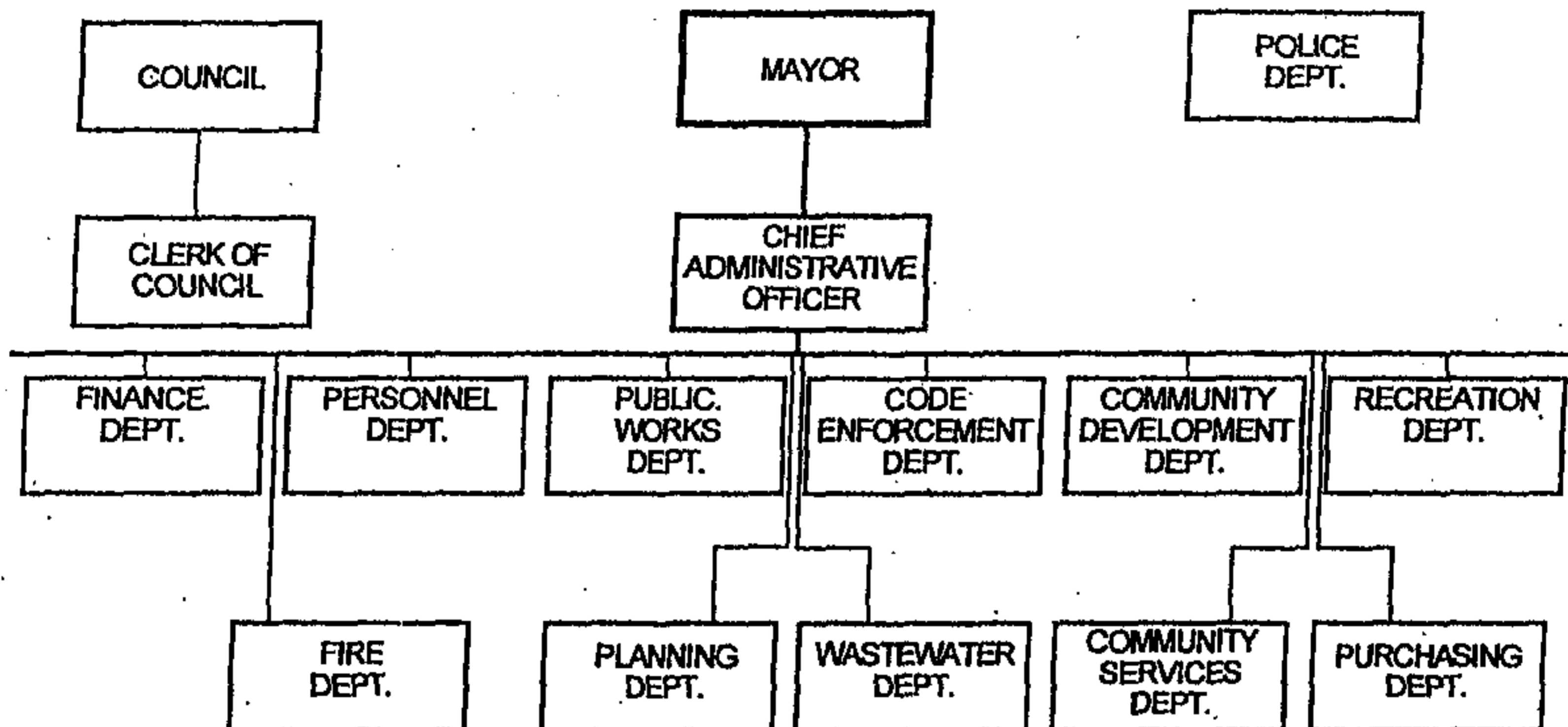
## DEPARTMENT HEADS

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

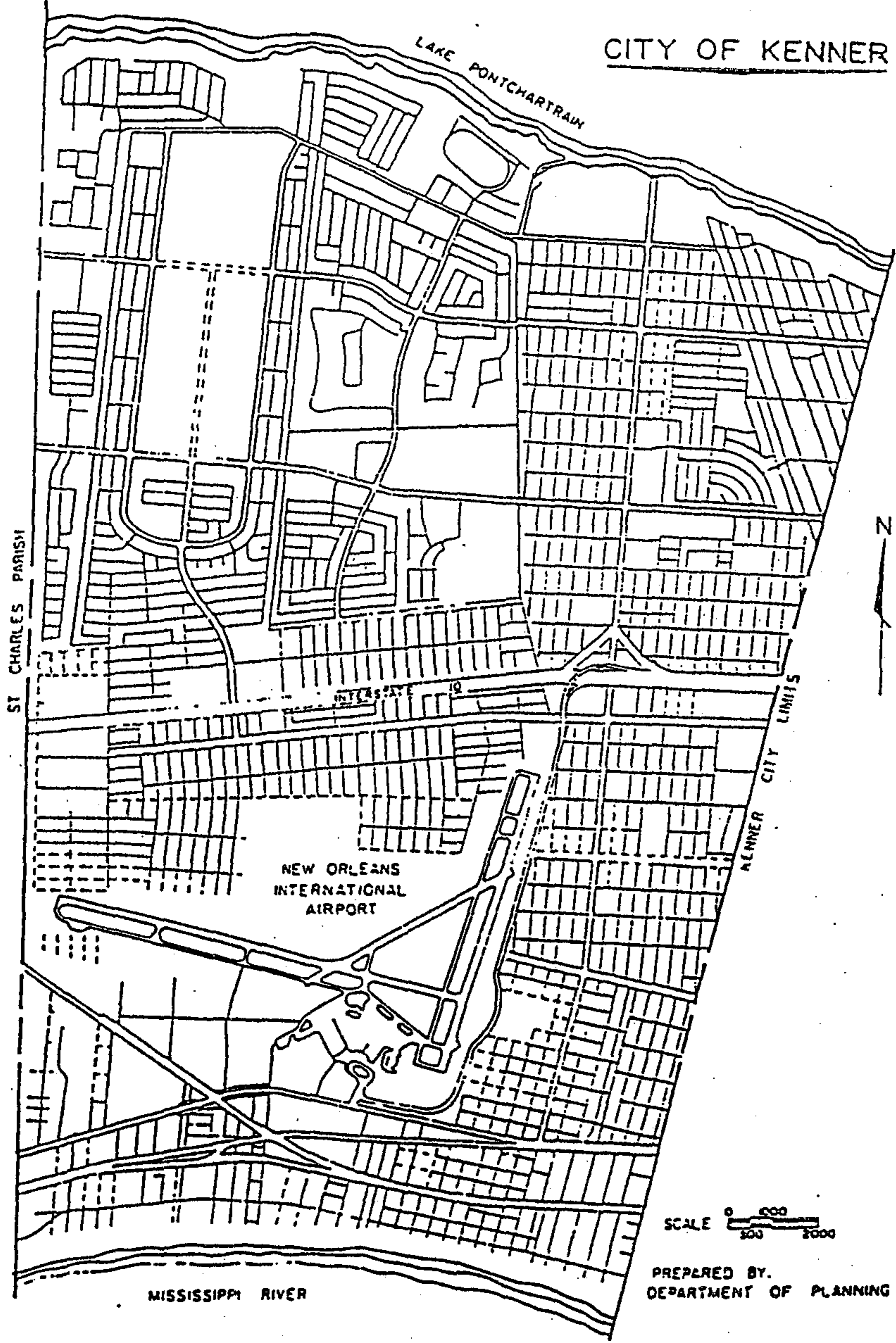
James Maxwell  
Keith Chiro  
Edgar Bernard  
Duke P. McConnell  
Beverly Nicolosi  
William McWilliams  
Mike Scardina  
Mike Zito  
Nick Congemi  
Elizabeth Bates  
Charlie Sulzer



**ORGANIZATIONAL CHART  
OF THE  
CITY OF KENNER, LOUISIANA**



# CITY OF KENNER





**FINANCIAL SECTION**

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009  
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the **City of Kenner, Louisiana**, as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the **City of Kenner's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 **City of Kenner, Louisiana** as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principals generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2001 on our consideration of the **City of Kenner'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 general-purpose financial statements of the **City of Kenner, Louisiana**, taken as a whole, and on the combining and individual fund account group financial statements. The accompanying financial information listed as supplementary information and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the **City of Kenner, Louisiana**. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general-purpose financial statements. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the

general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose, combining and individual fund and account group financial statements taken as a whole.

*Reboue & Company*

December 20, 2001

# **GENERAL PURPOSE FINANCIAL STATEMENTS**

CITY OF KENNER, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 June 30, 2001

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Cash	\$ 218,248	\$ 1,036,585	\$ 229,022	\$ 1,058,521
Equity in pooled cash and investments	2,136,754	23,358	58,212	3,408,864
Investments	9,990,018	1,823,404	4,892,322	12,600,386
Receivables (net, where applicable, of allowances for uncollectibles)				
Ad valorem taxes	-	-	-	-
Accounts	4,199,050	-	-	-
Intergovernmental	2,994,417	2,390,813	667,726	2,819,487
Special assessments	-	-	-	-
Special assessments - delinquent	477	-	-	-
Interest	-	-	2,327	-
Other	-	709,801	-	-
Due from other funds	4,172,449	1,731,788	442,920	167,568
Inventory, at cost	79,313	-	-	-
Prepaid items	61,502	2,800	-	-
Deposits	-	-	-	-
Property, plant and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
<b>Other debits</b>				
<b>Amount available:</b>				
in Debt Service Funds	-	-	-	-
in Special Revenue Funds	-	-	-	-
<b>Amount to be provided for retirement of long-term debt</b>				
	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 23,852,228</b>	<b>\$ 7,718,549</b>	<b>\$ 6,292,529</b>	<b>\$ 20,054,826</b>

(Continued)

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG - TERM DEBT	
\$ 465,850	\$ 987,706	\$ 78,578	\$ -	\$ -	\$ 4,074,510
171,624	-	1	-	-	5,798,813
1,241,574	4,892,718	935,130	-	-	36,375,552
-	-	1,400,171	-	-	1,400,171
16,981	4,000	-	-	-	4,220,031
105,992	-	264,159	-	-	9,242,594
-	-	-	-	-	-
-	-	-	-	-	477
-	-	1,521	-	-	3,848
1,556,558	-	60	-	-	2,266,419
130,921	-	-	-	-	6,645,646
-	-	-	-	-	79,313
427,135	-	4,971	-	-	496,408
3,669	-	-	-	-	3,669
69,324,701	-	-	115,385,406	-	184,710,107
-	-	-	-	5,851,845	5,851,845
-	-	-	-	-	-
-	-	-	-	44,570,151	44,570,151
<u>\$ 73,445,005</u>	<u>\$ 5,884,424</u>	<u>\$ 2,684,591</u>	<u>\$ 115,385,406</u>	<u>\$ 50,421,996</u>	<u>\$ 305,739,554</u>



CITY OF KENNER, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)  
 June 30, 2001

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,723,165	\$ 267,416	\$ -	\$ 1,542,881
Contracts payable	-	41,801	-	-
Retainages payable	-	-	-	166,451
Current portion of mortgage note payable	-	-	-	-
Current portion of notes payable	-	-	-	-
Accrued liabilities	973,919	133,260	-	-
Estimated claims payable	-	-	-	-
Deposits on future events	-	-	-	-
Due to other funds	570,081	3,338,310	-	1,088,994
Due to other governments	906,839	-	-	-
Refunds payable	-	-	-	-
Deferred revenues	1,306,073	934,959	105,573	280,000
Other liabilities	209,787	-	-	-
Compensated absences	-	-	-	-
Notes payable	-	-	-	-
Mortgage note payable	-	-	-	-
General obligation and special sales tax bonds	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Capital leases	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>5,689,864</b>	<b>4,715,746</b>	<b>105,573</b>	<b>3,078,326</b>
<b>Equity and other credits:</b>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved (deficit)	-	-	-	-
Fund balances:				
Reserved for				
Encumbrances	1,761,239	60,880	-	333,849
Inventory	79,313	-	-	-
Prepaid items	61,502	2,800	-	-
Restricted expenditures	445,563	989,463	-	-
Capital expenditures	10,578,939	-	-	-
Debt service	-	-	6,186,956	-
Employees' pension benefits	-	-	-	-
Unreserved				
Designated for subsequent years' expenditures	2,410,918	1,384,659	-	-
Designated for capital additions and improvements	-	-	-	16,642,651
Undesignated	2,824,890	565,001	-	-
<b>TOTAL RETAINED EARNINGS/ FUND BALANCE</b>	<b>18,162,364</b>	<b>3,002,803</b>	<b>6,186,956</b>	<b>16,976,500</b>
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>18,162,364</b>	<b>3,002,803</b>	<b>6,186,956</b>	<b>16,976,500</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 23,852,228</b>	<b>\$ 7,718,549</b>	<b>\$ 6,292,529</b>	<b>\$ 20,054,826</b>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG - TERM DEBT	
\$ 231,861	\$ 475,297	-	\$ -	\$ -	\$ 4,240,620
-	-	-	-	-	41,801
-	-	-	-	-	166,451
-	-	-	-	-	-
2,173	-	-	-	-	2,173
145,803	-	-	-	-	1,252,982
-	2,563,575	-	-	-	2,563,575
190,747	-	-	-	-	190,747
91,597	3,993	1,552,671	-	-	6,645,646
-	-	176,106	-	-	1,082,945
-	-	5,645	-	-	5,645
204,491	-	-	-	-	2,831,096
-	-	-	-	-	209,787
-	-	-	-	2,631,146	2,631,146
-	-	-	-	2,893,506	2,893,506
17,208	-	-	-	-	17,208
-	-	-	-	44,455,000	44,455,000
-	-	-	-	-	-
-	-	-	-	442,344	442,344
<u>883,880</u>	<u>3,042,865</u>	<u>1,734,422</u>	<u>-</u>	<u>50,421,996</u>	<u>69,672,672</u>
-	-	-	115,385,406	-	115,385,406
<u>93,389,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,389,442</u>
(20,828,317)	2,841,559	-	-	-	(17,986,758)
-	-	-	-	-	2,155,968
-	-	-	-	-	79,313
-	-	-	-	-	64,302
-	-	-	-	-	1,435,026
-	-	-	-	-	10,578,939
-	-	-	-	-	6,186,956
-	-	950,169	-	-	950,169
-	-	-	-	-	3,795,577
-	-	-	-	-	16,642,651
-	-	-	-	-	3,389,891
<u>(20,828,317)</u>	<u>2,841,559</u>	<u>950,169</u>	<u>-</u>	<u>-</u>	<u>27,292,034</u>
<u>72,561,125</u>	<u>2,841,559</u>	<u>950,169</u>	<u>115,385,406</u>	<u>-</u>	<u>236,066,882</u>
<u>\$ 73,445,005</u>	<u>\$ 5,884,424</u>	<u>\$ 2,684,591</u>	<u>\$ 115,385,406</u>	<u>\$ 50,421,996</u>	<u>\$ 305,739,554</u>

CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 Year Ended June 30, 2001

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
<b>REVENUES</b>			
Taxes	\$ 27,546,465	\$ 14,610,683	\$ 3,948,573
Licenses and permits	2,542,202	-	-
Intergovernmental	1,698,301	1,871,986	-
Charges for services	496,148	2,556,345	-
Fines and forfeitures	1,845,159	-	-
Special assessments	-	-	-
Interest	744,156	109,792	388,129
Miscellaneous	288,450	134,107	208,226
<b>TOTAL REVENUES</b>	<b>35,160,881</b>	<b>19,282,913</b>	<b>4,544,928</b>
<b>EXPENDITURES</b>			
Current			
General government	8,956,405	-	-
Public safety	14,943,062	4,404,667	-
Public works	4,846,219	6,048,981	-
Health and welfare	641,597	-	-
Culture and recreation	3,051,478	238,063	-
Transit and urban development	454,501	1,298,609	-
Miscellaneous	1,639,556	-	-
Debt service			
Principal	-	-	3,140,898
Interest and fiscal charges	-	-	2,415,872
Agent fees	-	-	750
Miscellaneous	-	-	15,000
Advance refunding escrow	-	-	1,162,530
<b>TOTAL EXPENDITURES</b>	<b>34,532,818</b>	<b>11,990,320</b>	<b>6,735,050</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>628,063</b>	<b>7,292,593</b>	<b>(2,190,122)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	7,776,709	3,886,138	1,528,076
Operating transfers out	(8,463,666)	(10,898,556)	-
Payment to refunded bond escrow agent	-	-	(1,922,876)
Proceeds of refunding bonds	-	-	1,922,876
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(686,957)</b>	<b>(7,012,418)</b>	<b>1,528,076</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(58,894)</b>	<b>280,175</b>	<b>(662,046)</b>
<b>FUND BALANCES</b>			
AT BEGINNING OF YEAR	18,221,258	2,722,628	6,849,002
AT END OF YEAR	<b>\$ 18,162,364</b>	<b>\$ 3,002,803</b>	<b>\$ 6,186,956</b>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
\$ -	\$ 46,105,721
-	2,542,202
4,648,427	8,218,714
-	3,052,493
-	1,845,159
-	-
923,734	2,165,811
30,113	660,896
<u>5,602,274</u>	<u>64,590,996</u>
364,701	9,321,106
38,273	19,386,002
7,862,382	18,757,582
-	641,597
2,737,667	6,027,208
-	1,753,110
-	1,639,556
-	3,140,898
-	2,415,872
56,655	57,405
-	15,000
-	1,162,530
<u>11,059,678</u>	<u>64,317,866</u>
<u>(5,457,404)</u>	<u>273,130</u>
8,142,044	21,332,967
(1,970,745)	(21,332,967)
-	(1,922,876)
7,077,124	9,000,000
<u>13,248,423</u>	<u>7,077,124</u>
7,791,019	7,350,254
9,185,481	36,978,369
<u>\$ 16,976,500</u>	<u>\$ 44,328,623</u>

CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES  
 Year Ended June 30, 2001

	GENERAL FUND				VARIANCE: FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
<b>REVENUES</b>					
Taxes	\$ 27,546,465	\$ (265,844)	\$ 27,280,621	\$ 26,208,680	\$ 1,071,941
Licenses and permits	2,542,202	-	2,542,202	2,511,906	30,296
Intergovernmental	1,698,301	-	1,698,301	1,920,992	(222,691)
Charges for services	496,148	-	496,148	506,773	(10,625)
Fines and forfeitures	1,845,159	-	1,845,159	2,135,315	(290,156)
Interest	744,156	-	744,156	605,000	139,156
Miscellaneous	288,450	-	288,450	141,910	146,540
<b>TOTAL REVENUES</b>	<b>35,160,881</b>	<b>(265,844)</b>	<b>34,895,037</b>	<b>34,030,576</b>	<b>864,461</b>
<b>EXPENDITURES</b>					
Current					
General government	8,956,405	383,758	9,340,163	10,333,800	993,637
Public safety	14,943,062	(564,350)	14,378,712	23,284,294	8,905,582
Public works	4,846,219	(155,179)	4,691,040	4,788,532	97,492
Health and welfare	641,597	(1,523)	640,074	646,433	6,359
Culture and recreation	3,051,478	183,128	3,234,606	3,593,494	358,888
Transit and urban development	454,501	-	454,501	456,927	2,426
Miscellaneous	1,639,556	(25,274)	1,614,282	1,615,000	718
<b>TOTAL EXPENDITURES</b>	<b>34,532,818</b>	<b>(179,440)</b>	<b>34,353,378</b>	<b>44,718,480</b>	<b>10,365,102</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>628,063</b>	<b>(86,404)</b>	<b>541,659</b>	<b>(10,687,904)</b>	<b>11,229,563</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	7,776,709	-	7,776,709	7,339,798	436,911
Operating transfers out	(8,463,666)	-	(8,463,666)	(7,419,540)	(1,044,126)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(686,957)</b>	<b>-</b>	<b>(686,957)</b>	<b>(79,742)</b>	<b>(607,215)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(58,894)</b>	<b>(86,404)</b>	<b>(145,298)</b>	<b>(10,767,646)</b>	<b>10,622,348</b>
<b>FUND BALANCES</b>					
<b>AT BEGINNING OF YEAR</b>	<b>18,221,258</b>	<b>1,770,575</b>	<b>19,991,833</b>	<b>19,991,833</b>	<b>-</b>
<b>AT END OF YEAR</b>	<b>\$ 18,162,364</b>	<b>\$ 1,684,171</b>	<b>\$ 19,846,535</b>	<b>\$ 9,224,187</b>	<b>\$ 10,622,348</b>

(Continued)

CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES (CONTINUED)  
 Year Ended June 30, 2001

	ANNUALLY BUDGETED SPECIAL REVENUE FUNDS				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
<b>REVENUES</b>					
Taxes	\$ 14,610,683	\$ -	\$ 14,610,683	\$ 14,933,578	\$ (322,895)
Intergovernmental	1,457,093	-	1,457,093	2,601,962	(1,144,869)
Charges for services	2,556,345	-	2,556,345	2,625,357	(69,012)
Interest	88,937	-	88,937	74,250	14,687
Miscellaneous	94,499	-	94,499	47,335	47,164
<b>TOTAL REVENUES</b>	<b>18,807,557</b>	<b>-</b>	<b>18,807,557</b>	<b>20,282,482</b>	<b>(1,474,925)</b>
<b>EXPENDITURES</b>					
Current					
Public safety	4,106,291	10,251	4,116,542	5,543,988	1,427,446
Public works	6,048,981	(16,123)	6,032,858	6,464,303	431,445
Culture and recreation	238,063	-	238,063	303,328	65,265
Urban development	1,298,609	(332,110)	966,499	2,247,014	1,280,515
<b>TOTAL EXPENDITURES</b>	<b>11,691,944</b>	<b>(337,982)</b>	<b>11,353,962</b>	<b>14,558,633</b>	<b>3,204,671</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>7,115,613</b>	<b>337,982</b>	<b>7,453,595</b>	<b>5,723,849</b>	<b>1,729,746</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	3,837,107	-	3,837,107	3,955,105	(117,998)
Operating transfers out	(10,898,556)	-	(10,898,556)	(11,196,666)	298,110
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(7,061,449)</b>	<b>-</b>	<b>(7,061,449)</b>	<b>(7,241,561)</b>	<b>180,112</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>54,164</b>	<b>337,982</b>	<b>392,146</b>	<b>(1,517,712)</b>	<b>1,909,858</b>
<b>FUND BALANCES</b>					
AT BEGINNING OF YEAR	1,959,176	(398,862)	1,560,314	1,560,314	-
AT END OF YEAR	<b>\$ 2,013,340</b>	<b>\$ (60,880)</b>	<b>\$ 1,952,460</b>	<b>\$ 42,602</b>	<b>\$ 1,909,858</b>

(Continued)

CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES (CONTINUED)  
 Year Ended June 30, 2001

	DEBT SERVICE FUNDS				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
REVENUES					
Taxes	\$ 3,948,573	\$ -	\$ 3,948,573	\$ 4,281,632	\$ (333,059)
Special assessments	-	-	-	-	-
Interest	388,129	-	388,129	363,848	24,281
Miscellaneous	208,226	(100,613)	107,613	93,647	13,966
<b>TOTAL REVENUES</b>	<b>4,544,928</b>	<b>(100,613)</b>	<b>4,444,315</b>	<b>4,739,127</b>	<b>(294,812)</b>
EXPENDITURES					
Debt service					
Principal	3,140,898	(67,656)	3,073,242	3,158,241	84,999
Interest and fiscal charges	2,415,872	(32,957)	2,382,915	2,432,622	49,707
Agent fees	750	-	750	1,500	750
Miscellaneous	15,000	-	15,000	15,000	-
Advance refunding escrow	1,162,530	-	1,162,530	1,162,530	-
<b>TOTAL EXPENDITURES</b>	<b>6,735,050</b>	<b>(100,613)</b>	<b>6,634,437</b>	<b>6,769,893</b>	<b>135,456</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,190,122)	-	(2,190,122)	(2,030,766)	(159,356)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,528,076	-	1,528,076	1,173,686	354,390
Payment to refunded bond escrow agent	(1,922,876)	-	(1,922,876)	(1,922,876)	-
Proceeds of refunding bonds	1,922,876	-	1,922,876	1,922,876	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,528,076</b>	<b>-</b>	<b>1,528,076</b>	<b>1,173,686</b>	<b>354,390</b>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(662,046)	-	(662,046)	(857,080)	195,034
FUND BALANCES					
AT BEGINNING OF YEAR	6,849,002	-	6,849,002	6,849,002	-
AT END OF YEAR	<b>\$ 6,186,956</b>	<b>\$ -</b>	<b>\$ 6,186,956</b>	<b>\$ 5,991,922</b>	<b>\$ 195,034</b>

(Continued)



CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES (CONTINUED)  
 Year Ended June 30, 2001

	TOTALS (MEMORANDUM ONLY)				VARIANCE FAVORABLE (UNFAVORABLE)
	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	
<b>REVENUES</b>					
Taxes	\$ 46,105,721	\$ (265,844)	\$ 45,839,877	\$ 45,423,890	\$ 415,987
Licenses and permits	2,542,202	-	2,542,202	2,511,906	30,296
Intergovernmental	3,155,394	-	3,155,394	4,522,954	(1,367,560)
Charges for services	3,052,493	-	3,052,493	3,132,130	(79,637)
Fines and forfeitures	1,845,159	-	1,845,159	2,135,315	(290,156)
Special assessments	-	-	-	-	-
Interest	1,221,222	-	1,221,222	1,043,098	178,124
Miscellaneous	591,175	(100,613)	490,562	282,892	207,670
<b>TOTAL REVENUES</b>	<b>58,513,366</b>	<b>(366,457)</b>	<b>58,146,909</b>	<b>59,052,185</b>	<b>(905,276)</b>
<b>EXPENDITURES</b>					
Current					
General government	8,956,405	383,758	9,340,163	10,333,800	993,637
Public safety	19,049,353	(554,099)	18,495,254	28,828,282	10,333,028
Public works	10,895,200	(171,302)	10,723,898	11,252,835	528,937
Health and welfare	641,597	(1,523)	640,074	646,433	6,359
Culture and recreation	3,289,541	183,128	3,472,669	3,896,822	424,153
Transit and urban development	1,753,110	(332,110)	1,421,000	2,703,941	1,282,941
Miscellaneous	1,639,556	(25,274)	1,614,282	1,615,000	718
Debt service					
Principal	3,140,898	(67,656)	3,073,242	3,158,241	84,999
Interest and fiscal charges	2,415,872	(32,957)	2,382,915	2,432,622	49,707
Agent fees	750	-	750	1,500	750
Miscellaneous	15,000	-	15,000	15,000	-
Advance refunding escrow	1,162,530	-	1,162,530	1,162,530	-
<b>TOTAL EXPENDITURES</b>	<b>52,959,812</b>	<b>(618,035)</b>	<b>52,341,777</b>	<b>66,047,006</b>	<b>13,705,229</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,553,554</b>	<b>251,578</b>	<b>5,805,132</b>	<b>(6,994,821)</b>	<b>12,799,953</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	13,141,892	-	13,141,892	12,468,589	673,303
Operating transfers out	(19,362,222)	-	(19,362,222)	(18,616,206)	(746,016)
Payment to refunded bond escrow agent	(1,922,876)	-	(1,922,876)	(1,922,876)	-
Proceeds of refunding bonds	1,922,876	-	1,922,876	1,922,876	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,220,330)</b>	<b>-</b>	<b>(6,220,330)</b>	<b>(6,147,617)</b>	<b>(72,713)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(666,776)</b>	<b>251,578</b>	<b>(415,198)</b>	<b>(13,142,438)</b>	<b>12,727,240</b>
<b>FUND BALANCES</b>					
AT BEGINNING OF YEAR	27,029,436	1,371,713	28,401,149	28,401,149	-
AT END OF YEAR	<b>\$ 26,362,660</b>	<b>\$ 1,623,291</b>	<b>\$ 27,985,951</b>	<b>\$ 15,258,711</b>	<b>\$ 12,727,240</b>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN RETAINED EARNINGS (DEFICIT)/FUND BALANCE -  
 PROPRIETARY FUND TYPES  
 Year Ended June 30, 2001

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,925,123	\$ 4,598,391	\$ 10,523,514
Miscellaneous	3,944	-	3,944
<b>TOTAL OPERATING REVENUES</b>	<b>5,929,067</b>	<b>4,598,391</b>	<b>10,527,458</b>
<b>OPERATING EXPENSES</b>			
Personnel expenses	-	-	-
Supplies and office expense	15,212	-	15,212
Building and maintenance expenses	540,637	-	540,637
Outside services	5,715,159	807,852	6,523,011
Transportation	-	-	-
Insurance claims	-	590,985	590,985
Insurance premiums	60,250	2,588,264	2,648,514
General expense			
Depreciation	2,350,688	-	2,350,688
Other	189,602	-	189,602
<b>TOTAL OPERATING EXPENSES</b>	<b>8,871,548</b>	<b>3,987,101</b>	<b>12,858,649</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,942,481)</b>	<b>611,290</b>	<b>(2,331,191)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Ad valorem taxes	472,946	-	472,946
Hotel/motel taxes	349,000	-	349,000
Cable television franchise fees	692,325	-	692,325
Interest revenue	102,229	267,727	369,956
Interest expense	(1,016)	-	(1,016)
<b>TOTAL NON-OPERATING REVENUES</b>	<b>1,615,484</b>	<b>267,727</b>	<b>1,883,211</b>
<b>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(1,326,997)</b>	<b>879,017</b>	<b>(447,980)</b>
<b>OPERATING TRANSFERS</b>			
Transfers in	-	-	-
<b>NET INCOME (LOSS)</b>	<b>(1,326,997)</b>	<b>879,017</b>	<b>(447,980)</b>
<b>RETAINED EARNINGS (DEFICIT)/FUND BALANCE</b>			
<b>AT BEGINNING OF YEAR</b>	<b>(19,501,320)</b>	<b>1,962,542</b>	<b>(17,538,778)</b>
<b>AT END OF YEAR</b>	<b>\$ (20,828,317)</b>	<b>\$ 2,841,559</b>	<b>\$ (17,986,758)</b>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
PENSION TRUST FUND  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
Year Ended June 30, 2001

	<u>FIREMEN'S PENSION AND RELIEF</u>
<b>ADDITIONS</b>	
Investment Income:	
Interest	26,782
Dividends	<u>15,652</u>
Total Investment Income	42,434
Less Investment Expense	<u>3,842</u>
Net Investment Income	<u>38,592</u>
 <b>DEDUCTIONS</b>	
Net depreciation in fair value	52,657
Continued service incentive	23,203
Administrative expenses	<u>15,593</u>
TOTAL DEDUCTIONS	<u>91,453</u>
NET DECREASE	(52,861)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AT BEGINNING OF YEAR	<u>1,003,030</u>
AT END OF YEAR	<u><u>\$ 950,169</u></u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES  
 Year Ended June 30, 2001

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:			
Cash flows from operating activities:			
Operating income (loss)	\$ (2,942,481)	\$ 611,290	\$ (2,331,191)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,350,688	-	2,350,688
Change in current assets (increase) decrease:			
Receivables	(99,329)	-	(99,329)
Due from other funds	834	-	834
Intergovernmental	(3,456)	-	(3,456)
Prepaid expenses	(110,720)	(4,000)	(114,720)
Change in current liabilities increase (decrease):			
Accounts payable	15,085	(198,186)	(183,101)
Retainage payable	-	-	-
Deferred revenue	57,213	-	57,213
Accrued liabilities	(159)	(173,218)	(173,377)
Due to other funds	(207,867)	(351)	(208,218)
Deposits on future events	29,429	-	29,429
Compensated absences	-	-	-
TOTAL ADJUSTMENTS	<u>2,031,718</u>	<u>(375,755)</u>	<u>1,655,963</u>
Net cash provided by (used for) operating activities	<u>(910,763)</u>	<u>235,535</u>	<u>(675,228)</u>
Cash flows from noncapital financing activities:			
Ad valorem taxes	472,946	-	472,946
Hotel/motel taxes	349,000	-	349,000
Cable television franchise fees	692,325	-	692,325
Operating transfer in	-	-	-
Net cash provided by noncapital financing activities	<u>1,514,271</u>	<u>-</u>	<u>1,514,271</u>
Cash flows from capital and related financing activities:			
Principal payments - mortgage payable	(2,166)	-	(2,166)
Interest payments	(1,016)	-	(1,016)
Acquisition of property, plant, and equipment	<u>(532,159)</u>	<u>-</u>	<u>(532,159)</u>
Net cash used by capital and related financing activities	<u>(535,341)</u>	<u>-</u>	<u>(535,341)</u>

(Continued)

CITY OF KENNER, LOUISIANA  
 (COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES (CONTINUED))  
 Year Ended June 30, 2001

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
Cash flows from investing activities:			
Purchases of investments	\$ (416,016)	\$ (18,252,259)	\$ (18,668,275)
Proceeds from maturities of investments	-	17,942,532	17,942,532
Interest received	102,229	275,973	378,202
	(313,787)	(33,754)	(347,541)
Net cash provided by (used for) investing activities			
	(245,620)	201,781	(43,839)
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents, beginning of year	883,094	785,925	1,669,019
Cash and cash equivalents, end of year	\$ 637,474	\$ 987,706	\$ 1,625,180
 RECONCILIATION TO BALANCE SHEET ACCOUNTS:			
Cash	\$ 465,850	987,706	\$ 1,453,556
Equity in pooled cash and investments	171,624	-	171,624
Cash and cash equivalents, end of year	\$ 637,474	\$ 987,706	\$ 1,625,180
 NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Contributions of capital	\$ 209,556	\$ -	\$ 209,556
Acquisitions of property, plant, and equipment through capital contributions	(209,556)	-	(209,556)
	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.



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CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. REPORTING ENTITY

Under Governmental Accounting Standards Board (GASB) Statement No. 14, the financial statements of the reporting entity present the primary government (the "City") and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government (the City) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are included in the City's reporting entity either as a blended component unit or as a discretely presented component unit because of the significance of its operational or financial relationship with the City.

The Firemen's Pension and Relief Fund is a legally separate entity from the City. It is governed by a five member Board of Trustees of which three of these members include the City's Mayor and two members of the City's Council. For financial reporting purposes, the Firemen's Pension and Relief Fund is reported as if it were a part of the City's operations (blended) because its purpose is to finance and provide a retirement system for the fire department employees of the City and because its exclusion would render the financial statements incomplete or misleading.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

2. FUND ACCOUNTING

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

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

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

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

3. BASIS OF ACCOUNTING

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

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

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

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.



CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

4. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included for the following funds:

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Roads and Bridges
- Street Lighting
- Fire Department

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end. Furthermore, appropriations which are not expended nor encumbered are dedicated to capital outlay for that department and are rebudgeted in the following year.

Budgets for the General, Special Revenue (except Drug Enforcement Forfeiture Fund, Local Law Enforcement Grant Fund, Emergency Shelter Grant Fund, and LCLE After School Drug Fund), Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Legally adopted budgets for four special revenue funds (Drug Enforcement Forfeiture Fund, Local Law Enforcement Grant Fund, Emergency Shelter Grand Fund, and LCLE After School Drug Fund) are not presented due to the uncertainty of revenues, if any, to be received from year to year.

5. ENCUMBRANCES

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

6. CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash and investment pools as follows:

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

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

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are swept and invested into overnight repurchase agreements earning Federal Funds rate less 150 basis points. The market value of the underlying security in the repurchase agreement transaction is at least 105% of the carrying amount of repurchase agreement. Interest is allocated among funds in the General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; no checks can be written on these accounts.

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

State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

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

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", all investments are reported at fair value with gains and losses included in the statement of revenue and expenses.



CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

8. INVENTORIES

The costs of materials and supplies acquired by the governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2001, would not be material to the financial statements. However, the inventory of parts for vehicle maintenance, which is accounted for under the consumption method, is considered to be material and is recorded in the General Fund at cost, determined by the first-in, first-out method.

9. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items.

10. FIXED ASSETS

GENERAL FIXED ASSETS

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

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

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

PROPRIETARY FUND ASSETS

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

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

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

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. COMPENSATED ABSENCES

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

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

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

12. LONG-TERM OBLIGATIONS

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

13. FUND EQUITY

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

14. INTERFUND TRANSACTIONS

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

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

15. TOTAL COLUMNS ON COMBINED STATEMENTS

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

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 60 days before the end of the fiscal year, the Mayor recommends to the City Council a proposed operating budget for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.
- b. The proposed budget is summarized and advertised and, within 30 days thereafter, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance prior to June 1.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council. A reconciliation of the originally adopted budget to the Revised Budget (including supplemental appropriations through June 30) is presented below:

	<u>ORIGINAL</u>	<u>REVISED</u>	<u>INCREASE (DECREASE)</u>
<u>General Fund</u>			
Revenues and other financing sources	\$ 41,787,921	\$ 41,370,374	\$ (417,547)
Expenditures and other financing uses	<u>41,987,921</u>	<u>52,138,020</u>	<u>10,150,099</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (200,000)</u>	<u>\$ (10,767,646)</u>	<u>\$ (10,567,646)</u>
<u>Special Revenue Funds</u>			
Revenues and other financing sources	\$ 23,855,223	\$ 24,237,587	\$ 382,364
Expenditures and other financing uses	<u>25,372,935</u>	<u>25,755,299</u>	<u>382,364</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,517,712)</u>	<u>\$ (1,517,712)</u>	<u>\$ -</u>
<u>Debt Service Funds</u>			
Revenues and other financing sources	\$ 5,912,813	\$ 7,835,689	\$ 1,922,876
Expenditures and other financing uses	<u>5,910,424</u>	<u>8,692,769</u>	<u>2,782,346</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 2,389</u>	<u>\$ (857,080)</u>	<u>\$ (859,469)</u>

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



CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget (Budgetary Basis) - General, Special Revenue, and Debt Service Fund Types presents comparisons of the legally adopted budget, with actual data on the budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differs from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in excess of revenues and other financing sources over expenditures and other financing uses for the year ended June 30, 2001, is presented below:

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ (145,298)	\$ 392,146	\$ (662,046)
Adjustments:			
Timing differences:			
To adjust for encumbrances	<u>86,404</u> (58,894)	<u>(337,982)</u> 54,164	<u>-</u> (662,046)
Entity differences:			
To adjust for funds not budgeted	<u>-</u>	<u>226,011</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ (58,894)</u>	<u>\$ 280,175</u>	<u>\$ (662,046)</u>

EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following fund had expenditures in excess of appropriations for the year ended June 30, 2001.

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Special Revenue Fund			
Garbage Collection and Disposal Fund	<u>\$3,791,325</u>	<u>\$3,774,725</u>	<u>\$ (16,600)</u>

Expenditures exceeded appropriation in the Garbage Collection Disposal Fund. The City's budget is prepared on a cash basis, however, certain expenditures were accrued for financial statement purposes resulting in expenditures exceeding appropriations.

Budgetary control is maintained at the department level for the General Fund. Certain sections within departments of the General Fund reported expenditures in excess of appropriations. However, since no department's expenditures exceed appropriations further disclosure of these sections is not deemed necessary.

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

DEFICIT FUND BALANCES/RETAINED EARNINGS

The following funds had deficits in fund balance/retained earnings at June 30, 2001:

DEFICIT IN FUND BALANCE/RETAINED EARNINGS

Enterprise Funds	
Department of Wastewater Operations	\$ 18,319,690
Civic Center Operations	<u>2,508,627</u>
	<u>\$ 20,828,317</u>

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

NOTE C - DEPOSITS AND INVESTMENTS

At year-end, the carrying amount of the City's deposits was \$9,873,323 and the bank balance was \$13,529,213. The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the City's agent in the City's name.	<u>\$ 13,529,213</u>
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The City's investments at year-end are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	<u>CATEGORY</u>			<u>FAIR VALUE</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U. S. Government securities	\$ 123,095	\$ -	\$ -	\$ 123,095
U. S. Instrumentality securities (FNMA, FHLB, etc.)	34,698,286	-	-	34,698,286
Stocks	<u>441,156</u>	<u>-</u>	<u>-</u>	<u>441,156</u>
	<u>\$ 35,262,537</u>	<u>\$ -</u>	<u>\$ -</u>	
Mutual funds				<u>1,113,015</u>
Total Investments				<u>\$ 36,375,552</u>

The mutual funds are owned by the Firemen's Pension and Relief Fund and Debt Service Funds. The stocks are owned by the Firemen's Pension and Relief Fund.

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE D - EQUITY IN POOLED CASH AND INVESTMENTS

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

<u>Equity in Pooled Cash and Investments</u>	<u>GENERAL POOL</u>	<u>PAVING ASSESSMENTS POOL</u>	<u>SEWERAGE ASSESSMENTS POOL</u>	<u>TOTALS</u>
Cash (Bank Overdraft)	\$ (2,191,729)	\$ 295,781	\$ 5,139	\$ (1,890,809)
Repurchase Agreement	<u>7,689,622</u>	<u>-</u>	<u>-</u>	<u>7,689,622</u>
 Total Equity in Pooled Cash and Investments	 <u>\$ 5,497,893</u>	 <u>\$ 295,781</u>	 <u>\$ 5,139</u>	 <u>\$ 5,798,813</u>
 <u>Equity in Pool By Fund Type</u>				
General	\$ 1,835,834	\$ 295,781	\$ 5,139	\$ 2,136,754
Special Revenue	23,358	-	-	23,358
Debt Service	58,212	-	-	58,212
Capital Projects	3,408,864	-	-	3,408,864
Enterprise	171,624	-	-	171,624
Trust and Agency	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
 Total Equity in Pool	 <u>\$ 5,497,893</u>	 <u>\$ 295,781</u>	 <u>\$ 5,139</u>	 <u>\$ 5,798,813</u>

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

NOTE E - RECEIVABLES

Receivables at June 30, 2001 consist of the following (in thousands of dollars):

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>FIDUCIARY</u>	<u>TOTAL</u>
Receivables:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,443	\$ 1,443
Accounts	4,199	-	-	-	17	4	-	4,220
Intergovernmental	2,994	2,391	668	2,819	106	-	264	9,242
Special assessments- delinquent	636	-	-	-	-	-	-	636
Interest	-	-	2	-	-	-	2	4
Other	<u>-</u>	<u>710</u>	<u>-</u>	<u>-</u>	<u>1,621</u>	<u>-</u>	<u>-</u>	<u>2,331</u>
	7,829	3,101	670	2,819	1,744	4	1,709	17,876
Gross receivables								
Less: allowance for estimated uncol- lectibles	<u>636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>-</u>	<u>43</u>	<u>744</u>
Net total receivables	<u>\$ 7,193</u>	<u>\$ 3,101</u>	<u>\$ 670</u>	<u>\$ 2,819</u>	<u>\$ 1,679</u>	<u>\$ 4</u>	<u>\$ 1,666</u>	<u>\$ 17,132</u>



CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE E - RECEIVABLES (CONTINUED)

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2001, consists of the following amounts:

General Fund	<u>\$ 635,983</u>
Enterprise Funds	
Department of Wastewater Operations	<u>\$ 65,231</u>
Fiduciary Funds	
Ad Valorem Tax Collection	<u>\$ 43,175</u>

NOTE F - FIXED ASSETS

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

	BALANCE JULY 1, 2000	ADDITIONS	RETIREMENT	COMPLETED CONSTRUCTION	TRANSFERS (TO) FROM OTHER FUNDS	BALANCE JUNE 30, 2001
Land	\$ 11,790,313	\$ 418,911	\$ -	\$ -	\$ -	\$ 12,209,224
Buildings	16,090,762	12,711,114	(14,777)	-	-	20,787,099
Improvements other than buildings	37,922,757	119,078	-	-	-	38,041,835
Furniture, fixtures and equipment	13,087,320	2,051,216	(494,016)	-	-	14,644,520
Vehicles	12,437,931	1,098,709	(66,865)	-	-	13,469,775
Construction in progress	<u>9,435,656</u>	<u>18,200,109</u>	<u>-</u>	<u>(13,402,812)</u>	<u>-</u>	<u>8,232,953</u>
Total general fixed assets	<u>\$100,764,739</u>	<u>\$28,599,137</u>	<u>\$ (575,658)</u>	<u>\$(13,402,812)</u>	<u>\$ -</u>	<u>\$115,385,406</u>

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE F - FIXED ASSETS (CONTINUED)

Construction in progress is comprised of the following:

	PROJECT/CONTRACT AUTHORIZATION <u>JUNE 30, 2001</u>	EXPENDED TO <u>JUNE 30, 2001</u>	<u>COMMITTED</u>	REQUIRED FUTURE <u>FINANCING</u>
<b>Public Works:</b>				
South Kenner Drainage	\$ 894,962	\$ 884,343	\$ 10,619	\$ 10,619
Loyola Drive Project Phase II Drainage Master Plan	4,122,784	3,949,766	173,018	173,018
Vintage Drive Improvements	387,875	341,375	46,500	46,500
Aberdeen Street Improvements	200,895	200,895	-	-
	<u>19,440</u>	<u>19,440</u>	<u>-</u>	<u>-</u>
<b>TOTAL PUBLIC WORKS</b>	<b><u>\$ 5,625,956</u></b>	<b><u>\$ 5,395,819</u></b>	<b><u>\$ 230,137</u></b>	<b><u>\$ 230,137</u></b>
<b>Culture and Recreation:</b>				
Linear Park, Phase II	\$ 61,831	\$ 25,509	\$ 36,322	\$ 36,322
Laketown	284,552	282,949	1,603	1,603
Rivertown Museum Theater	30,456	17,132	13,324	13,324
Planetarium	2,964,600	859,391	2,105,209	2,105,209
Susan Park Gym	1,228,038	1,119,339	108,699	108,699
Betsy Hammond Public Facility	132,772	121,867	10,905	10,905
Kennerville Rec. Facility-Rose Minor	132,249	121,537	10,712	10,712
Bertolino Stadium	<u>27,900</u>	<u>13,418</u>	<u>14,482</u>	<u>14,482</u>
<b>TOTAL CULTURE AND RECREATION</b>	<b><u>\$ 4,862,398</u></b>	<b><u>\$ 2,561,142</u></b>	<b><u>\$ 2,301,256</u></b>	<b><u>\$ 2,301,256</u></b>
<b>Transit and Urban Development:</b>				
Multipurpose Center	<u>\$ 305,825</u>	<u>\$ 275,992</u>	<u>\$ 29,833</u>	<u>\$ 29,833</u>
<b>TOTAL TRANSIT AND URBAN DEVELOPMENT</b>	<b><u>\$ 305,825</u></b>	<b><u>\$ 275,992</u></b>	<b><u>\$ 29,833</u></b>	<b><u>\$ 298,313</u></b>
<b>TOTAL CONSTRUCTION IN PROGRESS</b>	<b><u>\$10,794,179</u></b>	<b><u>\$ 8,232,953</u></b>	<b><u>\$ 2,561,226</u></b>	<b><u>\$ 2,561,226</u></b>

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE F - FIXED ASSETS (CONTINUED)

The following is a summary of proprietary fixed assets at June 30, 2001:

	<u>ENTERPRISE FUNDS</u>		
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
Land and improvements	\$ 1,825,937	\$ 5,467,019	\$ 7,292,956
Building and improvements	75,042,267	16,470,931	91,513,198
Furniture and fixtures	151,167	3,247,648	3,398,815
Vehicles and field equipment	1,656,448	-	1,656,448
Construction in progress	<u>116,188</u>	<u>76,463</u>	<u>192,651</u>
Total	78,792,007	25,262,061	104,054,068
Less: accumulated depreciation	<u>(29,394,820)</u>	<u>(5,334,547)</u>	<u>(34,729,367)</u>
Net	<u>\$ 49,397,187</u>	<u>\$ 19,927,514</u>	<u>\$ 69,324,701</u>

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

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

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE G - LONG-TERM DEBT

BONDS AND CERTIFICATES

Long-term debt at June 30, 2001 includes the following serial bonds and certificates:

<u>DESCRIPTION</u>	<u>INTEREST RATES</u>	<u>FINAL MATURITY DATE</u>	<u>RANGE OF ANNUAL PRINCIPAL PAYMENTS</u>		<u>(IN THOUSANDS OF DOLLARS)</u>	
			<u>FROM</u>	<u>TO</u>	<u>AMOUNT ISSUED</u>	<u>AMOUNT OUT-STANDING</u>
General Obligation, Special Tax and Excess Revenue Bonds						
General Obligation Refunding Bonds, Series 1992	5.40 - 5.75	03-01-05	\$ 205,000	\$ 260,000	\$ 2,595	\$ 975
Sales Tax Refunding Bonds, Series 1992	5.35 - 6.125	06-01-12	\$ 1,515,000	\$ 2,945,000	36,580	24,910
Sales Tax Bonds, Series 1994	2.95	06-01-16	\$ 480,000	\$ 740,000	11,428	9,140
Sales Tax Bonds, Series 1995A	2.95	06-01-16	\$ 60,000	\$ 90,000	1,463	1,115
Certificates of Indebtedness, Series 2000	5.375	01-01-10	\$ 685,000	\$ 1,155,000	<u>9,000</u>	<u>8,315</u>
<b>TOTAL BONDS AND CERTIFICATES</b>					<b><u>\$61,066</u></b>	<b><u>\$44,455</u></b>

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE G – LONG-TERM DEBT (CONTINUED)

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

**GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS**

**1. General Obligation Refunding Bonds**

These bonds are secured by, and payable from ad valorem taxes collected in the Ad Valorem Tax Bonds Fund. At June 30, 2001, \$975,000 of such bonds were outstanding and \$220,448 was available in the Debt Service Funds.

**2. Sales Tax Bonds**

The Sales Tax Refunding Bonds, Series 1992 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by, and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2001, bonds outstanding were \$24,910,000, \$9,140,000 and \$1,115,000, respectively. The amount available in the Debt Service Funds was \$4,877,339.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2001 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,803 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2001 the loan had an outstanding balance of \$9,140,000. Total interest and administrative fees paid during the year ended June 30, 2001 were \$235,690 and \$48,100, respectively.

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2001, the loan had an outstanding balance of \$1,115,000. Total interest and administrative fees paid during the year ended June 30, 2001 were \$28,788 and \$5,875, respectively.

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

**3. Excess Revenue Bonds**

Certificates of Indebtedness Series 1996A and 1996B are to be used for various capital projects. These certificates are collateralized by a pledge of the excess revenues from the General Fund. The bonds were defeased in August 2000 and then called in October 2000.

Certificates of Indebtedness Series 2000 were issued for the purpose of refunding the outstanding Certificates of Indebtedness, Series 1996A and 1996B, and providing funds to match certain grants for capital improvements to the City's sewer system and planetarium in Rivertown. These certificates are collateralized by a pledge of the excess revenues from the General Fund. At June 30, 2001, bonds outstanding were \$8,315,000. The amount available in the Debt Service Funds was \$685,037.



CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE G - LONG-TERM DEBT (CONTINUED)

**FIREMEN'S PENSION MERGER PAYABLE**

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

This payable is accounted for in the General Long-Term Debt Account Group. At June 30, 2001, \$54,085 was available in the Firemen's Pension Merger Fund (Debt Service Fund). The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. The monthly payments including interest are \$7,917. At June 30, 2001, the merger payable for this component had a total outstanding balance of \$1,161,572.

\$1,770,738 of the liability is payable annually at a rate of 7%. The annual payments including interest are \$142,697. At June 30, 2001, the merger payable for this component had a total outstanding balance of \$1,731,934.

The funding necessary to service this merger payable was obtained from the dedication of the fire insurance tax received from the State of Louisiana and the reduction in the City's contribution rate under the Statewide Plan.

**MORTGAGE PAYABLE**

In June 1978, City of Kenner obtained a loan in the amount of \$40,000 at an interest rate of 9.75% for the purchase of land and an existing building. This loan is accounted for in the Wastewater Operations Enterprise Fund. At June 30, 2001, the mortgage payable had an outstanding balance of \$19,381.

**GENERAL DEBT**

Capital Lease Obligations

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



CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE G - LONG-TERM DEBT (CONTINUED)

Compensated Absences

General

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

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

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

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

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

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "Accounting for Compensated Absences", an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax withholding.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service employees receive one additional day of annual leave for each additional year of service to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

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

Police Department

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

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

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE G - LONG-TERM DEBT (CONTINUED)

These hours are accrued on January 1st, and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, they are paid for the annual leave they have remaining on the books.

Police personnel earn sick leave at the following rates:

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

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

CHANGES IN LONG-TERM DEBT

During the year-ended June 30, 2001, the following changes occurred in liabilities reported in the general long-term debt account group (in thousands of dollars):

GENERAL	BONDS AND CERTIFICATES	OTHER		TOTAL
	OBLIGATION SPECIAL TAX & EXCESS REVENUE	NOTES	GENERAL DEBT	
Balance at July 1, 2000				
Bonds and certificates	\$41,540	\$ -	\$ -	\$41,540
Compensated absences	-	-	2,072	2,072
Capital lease obligations	-	-	510	510
Note payable	-	<u>2,927</u>	-	<u>2,927</u>
	<u>41,540</u>	<u>2,927</u>	<u>2,582</u>	<u>47,049</u>
Bonds and certificates issued	9,000	-	-	9,000
Bonds and certificates retired	(6,085)	-	-	(6,085)
Additional compensated absences	-	-	559	559
Payments made on:				
Capital lease obligation	-	-	(68)	(68)
Note payable	-	<u>(33)</u>	-	<u>(33)</u>
Balance at June 30, 2001	<u>\$44,455</u>	<u>\$2,894</u>	<u>\$3,073</u>	<u>\$50,422</u>

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE G - LONG-TERM DEBT (CONTINUED)

Annual debt service to maturity, including interest of \$18,386,550, is as follows:

(IN THOUSANDS OF DOLLARS)

YEAR-ENDING JUNE 30,	BONDS AND CERTIFICATES			OTHER		TOTAL
	GENERAL OBLIGATION	SALES TAX	EXCESS REVENUE	NOTES	ENTERPRISE FUNDS MORTGAGE AND NOTES	
2002	\$ 281	\$ 3,988	\$ 1,172	\$ 238	\$ 4	\$ 5,683
2003	283	3,982	1,173	238	4	5,680
2004	279	3,983	1,182	238	4	5,686
2005	275	3,987	1,183	238	4	5,687
2006	-	3,990	1,192	238	4	5,424
2007-2011	-	19,918	4,821	1,188	8	25,935
2012-2016	-	7,404	-	1,188	-	8,592
2017-2021	-	-	-	1,188	-	1,188
2022-2026	-	-	-	1,189	-	1,189
2027-2029	-	-	-	689	-	689
	<u>\$ 1,118</u>	<u>\$ 47,252</u>	<u>\$ 10,723</u>	<u>\$6,632</u>	<u>\$ 28</u>	<u>\$ 65,753</u>

COMPLIANCE

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

ADVANCE REFUNDING

On August 15, 2000, the City issued \$9,000,000 in excess revenue bonds with an average interest rate of 5.3755%. A portion of the new issuance in the amount of \$1,922,876 was used to advance refund the outstanding 1996A-Series bonds with an average interest rate of 4.88% and the outstanding 1996B-Series bonds with an average interest rate of 5.45%. An additional amount of \$459,750 of 1996A and 1996B-Series sinking fund monies were used to purchase U.S. Government securities. These securities were then used to pay the principal and interest of the 1996A and 1996B-Series bonds that were defeased in August 2000 and then called on October 1, 2000. As a result, the 1996A and 1996B-Series bonds have been removed from the general long-term debt account group.

The remaining portion of the proceeds in the amount of \$7,022,124 was used (after payment of \$55,000 in underwriting fees, insurance, and other issuance costs) to provide funds for construction, acquisition and improvement of capital projects and was deposited in the City of Kenner 2000 Construction Fund.

The economic loss (difference between the present values of the debt service payments on the old and new debt) on the issuance was \$538,000 with an increase in cash flows of approximately \$2,678,000.

NOTE H - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

The nature and purpose of the reserves and designations are as follows:

Reserved for Encumbrances

This reserve was established for outstanding purchase orders and other commitments for unperformed contracts for goods and services which the City intends to honor.

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

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

Reserved for Inventory

This reserve was established as an offset against the asset, inventory, because it does not constitute an available spendable resource of the General Fund.

Reserved for Prepaid Items

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available spendable resource of the General Fund.

Reserved for Restricted Expenditures

This reserve was created to restrict the use of all resources remaining in the Special Assessment Funds included in the General Fund. The restriction is mandated by the terms of the bond indentures in that the amounts on hand are to be used only for similar projects in the assessment area. Also included in this reserve are monies which are restricted for law enforcement purposes.

Reserve for Capital Expenditures

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

Reserved for Debt Service

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

Fund Balance Reserved for Employees' Pension Benefits

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

Designated for Subsequent Years' Expenditures

This designation represents the expenditures budgeted in 2001-2002, paid from funds remaining in 2000-2001.

Designated for Capital Additions and Improvements

The proceeds of various bond issues and the interest earned on the investment thereof are designated for capital projects in the various capital projects funds to the extent that such amount has not been reserved for encumbrances.



CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE I - INTERFUND TRANSACTIONS

Interfund Assets/Liabilities

Individual fund interfund receivables and payables at June 30, 2001 are as follows:

<u>FUND</u>	<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>
General	<u>\$ 4,172,449</u>	<u>\$ 570,081</u>
Special Revenue		
One Percent Sales Tax of 1984	285,812	2,066,329
Community Development Block Grant	601	118,219
Garbage Collection and Disposal	204,299	622,215
Roads and Bridges	322,793	267,664
Street Lighting	106,779	18,148
Fire Department	807,658	236,267
Other Grant Funds	<u>3,846</u>	<u>9,468</u>
	<u>1,731,788</u>	<u>3,338,310</u>
Debt Service		
General Debt	107,807	-
Ad Valorem Tax Bonds	<u>335,113</u>	<u>-</u>
	<u>442,920</u>	<u>-</u>
Capital Projects		
General Capital Projects	167,568	752,484
Capital Projects Funded With Bond Proceeds	<u>-</u>	<u>336,510</u>
	<u>167,568</u>	<u>1,088,994</u>
Enterprise		
Department of Wastewater Operations	<u>130,921</u>	<u>91,597</u>
Internal Service		
Health Insurance	<u>-</u>	<u>3,993</u>
Fiduciary		
Ad Valorem Tax Collection	-	1,464,617
Airport Sales Tax	<u>-</u>	<u>88,054</u>
	<u>-</u>	<u>1,552,671</u>
 TOTAL	 <u>\$ 6,645,646</u>	 <u>\$6,645,646</u>



CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE I - INTERFUND TRANSACTIONS (CONTINUED)

A summary of operating transfers by fund type for the year ended June 30, 2001 is as follows:

<u>FUND</u>	<u>TRANSFERS TO OR FROM</u>	<u>OPERATING TRANSFERS IN</u>	<u>OPERATING TRANSFERS OUT</u>
General Fund	Special Revenue Funds	\$ 7,345,585	\$ 321,622
	Capital Projects Funds	<u>431,124</u>	<u>8,142,044</u>
		<u>7,776,709</u>	<u>8,463,666</u>
Special Revenue Funds	General Fund	321,622	7,345,585
	Special Revenue Funds	3,552,971	3,552,971
	Debt Service Funds	-	-
	Capital Projects Fund	<u>11,545</u>	<u>-</u>
		<u>3,886,138</u>	<u>10,898,556</u>
Debt Service Funds	Special Revenue Funds	-	-
	Capital Projects Funds	<u>1,528,076</u>	<u>-</u>
		<u>1,528,076</u>	<u>-</u>
Capital Projects Funds	General Fund	8,142,044	431,124
	Debt Service Funds	-	1,528,076
	Special Revenue Funds	<u>-</u>	<u>11,545</u>
		<u>8,142,044</u>	<u>1,970,745</u>
Total Operating Transfers		<u>\$ 21,332,967</u>	<u>\$ 21,332,967</u>

NOTE J - AD VALOREM TAX

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in early December and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2001 and 2000 are as follows:

<u>FUND</u>	<u>2001 MILLS</u>	<u>2000 MILLS</u>
General Fund	3.11	3.51
Garbage Collection and Disposal Fund	2.40	2.71
Fire Department Fund	11.02	12.42
Ad Valorem Tax Bonds Fund	1.00	1.13
Department of Wastewater Operations Fund	<u>1.71</u>	<u>1.93</u>
TOTAL	<u>19.24</u>	<u>21.70</u>

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE K - SALES TAX

A sales tax of 8.75% for the period of July 1, 2000 through June 30, 2001 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes 1/6% retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

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

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

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

NOTE L - INTEREST COST

Interest expense incurred in the proprietary funds during the year was as follows:

	<u>ENTERPRISE FUNDS</u>	
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>
Interest expense	<u>\$ 1,016</u>	<u>\$ -</u>

NOTE M - SEGMENT INFORMATION-ENTERPRISE FUNDS

The City maintains two Enterprise Funds of which one provides sewer services to the residents of the City and one is used to account for the operations of the Pontchartrain Civic Center. Segment information as of and for the year ended June 30, 2001, is as follows (in thousands of dollars):

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE M - SEGMENT INFORMATION - ENTERPRISE FUNDS (CONTINUED)

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
Type of service	Sewerage	Facility Rental	
Operating revenues	\$ 4,594	\$ 1,335	\$ 5,929
Depreciation	1,765	586	2,351
Operating loss	(1,794)	(1,149)	(2,943)
Operating transfers in	-	-	-
Ad valorem tax revenues	473	-	473
Hotel/motel taxes	-	349	349
Franchise fees	-	692	692
Net loss	(1,316)	(11)	(1,327)
Current capital contributions	210	-	210
Property, plant, and equipment, net	49,397	19,928	69,325
Net working capital	1,502	1,752	3,254
Total assets	51,328	22,117	73,445
Total long-term liabilities	17	-	17
Total fund equity	50,882	21,679	72,561

NOTE N - CONTRIBUTED CAPITAL

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

	<u>ENTERPRISE FUNDS</u>		
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
Balance at July 1, 2000	\$ 68,992	\$ 24,188	\$ 93,180
Additions:			
Contributions of fixed assets financed by:			
Municipal Government	<u>210</u>	<u>-</u>	<u>210</u>
Balance at June 30, 2001	<u>\$ 69,202</u>	<u>\$ 24,188</u>	<u>\$ 93,390</u>

NOTE O - TREASURE CHEST RIVERBOAT CASINO AGREEMENT

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease is for five years beginning on July 1, 1994 and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. The Lessee agrees to pay "Initial Rent" to the City



CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

**NOTE O - TREASURE CHEST RIVERBOAT CASINO AGREEMENT (CONTINUED)**

should the opening date occur during the Initial Term at an amount equal to \$2.50 for each passenger throughout the remainder of the Initial Term. Commencing with the Primary Term, the Lessee paid to the City a minimum annual rent ("Base Rent"). The Base Rent for the first year of the Primary Term was \$1,600,000. The Base Rent shall be determined for each subsequent lease fiscal year of the lease by multiplying the actual number of passengers during the first three quarters of the lease fiscal year by \$2.50. The Base Rent for the first year of the Primary Term was calculated based upon 640,000 passengers. Commencing with the Primary Term, in addition to the Base Rent above, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers per lease fiscal year used to determine the Base Rent for that particular year ("Per Capita Rent"). In accordance with the "Initial Improvement Plan", the Lessee paid to the City a "Lump Sum Advanced Payment" in the amount set forth in the Initial Improvement Plan, the proceeds of which were used by the City to make certain infrastructure improvements. The Lessee agreed to make certain leasehold improvements at pre-approved costs and was entitled to recapture the Lump Sum Advanced Payment and that portion of the costs of the leasehold improvements by means of credits against the rent. The Lessee was entitled to deduct from its monthly rent payments 25% of such payments until the lessee has received a credit equal to the cost of the rent credit improvements. Total rent credits allowed under the lease of \$2,619,000 have been fully utilized as of June 30, 1998. Commencing on the opening date, in addition to the Initial Rent, Base Rent and Per Capita Rent, the Lessee shall pay to the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". There will be no Minimum Rent during the Initial Term. The Minimum Percentage Rent for the first year of the Primary Term was \$312,853, and for each subsequent base fiscal year, an amount equal to the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City, and shall not be subject to any Rent Credits. During the Primary Term of this lease and each Renewal Term, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

**NOTE P - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$250,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and \$300,000 for each worker's compensation claim with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE P - RISK MANAGEMENT (CONTINUED)

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated July 1996 adjusted by the actual performance of the programs using historical experience. The claims liability of \$2,563,575 (which includes claims incurred but not reported of \$1,502,866 reported in the Fund at June 30, 2001 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Governmental Accounting Standards Board Statement No. 30, "Risk Financing Omnibus - An Amendment of GASB Statement No. 10", requires that specific, incremental claim adjustment expenses and estimated recoveries be considered in calculating the claims liability. Changes in the balances of claims liabilities during fiscal years 2001 and 2000 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year End</u>
1999-2000	\$ 2,367,188	\$ 917,738	\$ (548,133)	\$ 2,736,793
2000-2001	2,736,793	714,454	(887,672)	2,563,575

HEALTH INSURANCE

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

NOTE Q - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, and excessive assessment claims. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies at June 30, 2001 for which an amount of liability can be estimated ranges from \$450,000 to \$500,000, and is not reflected in these financial statements. All probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note P for additional details) and General Fund.

FEDERALLY ASSISTED PROGRAMS

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

EPA ADMINISTRATIVE ORDER

On November 30, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. As a result, the City has initiated a sewer rehabilitation project for which costs are approximately \$15 million. Failure to comply with the provisions of the Order could result in monetary fines or an EPA administrative penalty. See Note G for additional information regarding the financing of the sewer rehabilitation project.



CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE Q - COMMITMENTS AND CONTINGENCIES (CONTINUED)

AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS

In July 1995, the City entered into an agreement with Professional Services Group, Inc. ("PSG") for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. PSG's compensation from the City of Kenner under this agreement consists of an annual fee (\$2,744,264), funding the Kenner Budget Pass-Through Fund (\$817,567) and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

CITY OF KENNER FIREFIGHTERS

The Firefighters Association filed a class-action lawsuit against the City in 1994, alleging it violated State law by not giving firefighters the full 18 days of annual vacation required. The suit bounced back and forth between the district, appellate and Supreme Court, before the Firefighters Association eventually lost in the 24<sup>th</sup> Judicial District Court in 1998. The Firefighters Association appealed, and the 5<sup>th</sup> Circuit appellate court reversed the decision in August 1999. The Louisiana Supreme Court denied the City's application for writ of certiorari in November 1999. The firefighters are currently receiving vacation days based on the court ruling. The amount due each firefighter for past due vacation days that they did not receive has been calculated. The City has negotiated a settlement with the firefighters which has been approved by the City Council and the firefighters and is awaiting approval from the court.

In accordance with the settlement, the firefighters will receive certain pay raises over the next five years in addition to the 2% annual raises mandated by state law.

For firefighters who have already retired or left the City, they will be paid the calculated amount due them for the past due vacation days they did not receive.

For firefighters eligible to retire and do retire within the next five years, they will be paid the difference between the calculated amount due them for the past vacation days they did not receive and the amount they receive during the next five years in additional raises.

For firefighters not eligible to retire in the next five years, they will receive the additional pay raises only.

It is estimated that a total of \$362,611 will be paid to firefighters who have already retired or left the City and to firefighters eligible to retire over the next five years and that amount has been accrued in the general fund.

COPS GRANT PROGRAM

In the prior year, questioned costs arose related to the Kenner Police Department hiring an officer before May 1, 1996, the COPS Universal Hiring Program ("UHP") grant award date; and requesting reimbursement of COPS More '96 grant funds for equipment/technology expended before June 1, 1997, the COPS More '96 grant award date. After a Monitoring Division site visit and information provided by the Kenner Police Department, it was determined by the COPS Office that the City of Kenner violated a condition of the COPS UHP and More '96 by expending grant funds for an officer hired before the grant award start date and by requesting reimbursement for equipment purchased before the grant award start date. Therefore, the COPS Office is requesting the return of a portion of the COPS UHP grant award and the entire COPS More '96 grant award for a total of \$468,220. The City with its legal counsel is in the process of negotiations with the COPS Office in an effort to resolve this matter favorably for the City. Since the status of these negotiations is unknown at the time of this report, this amount will not be reflected as a liability in the financial statements but will be reported as a questioned cost as of June 30, 2001 in the Schedule of Findings and Questioned Costs.

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE Q - COMMITMENTS AND CONTINGENCIES (CONTINUED)

ROAD TAX MILLAGE

In 1999, voters approved the renewal of a 15-year road tax for maintenance of the City's major streets. The City will begin levying the 10.35 mill property tax in 2003, when it expires with Jefferson Parish. On May 20, 1999, the Parish of Jefferson, State of Louisiana and Sub-Road District No. 1 of the Road District No. 1 of the Parish of Jefferson, State of Louisiana and the City of Kenner entered into an Intergovernmental Agreement for the transfer, management and funding of streets in the City of Kenner. In addition, Jefferson Parish will loan \$500,000 per year beginning 1999 through 2002 which will be repaid to Jefferson Parish upon the City's collection of the 10.35 mill property tax. In 2003, the City will issue bonds to refund Jefferson Parish bonds used for road maintenance. Any revenues remaining after repayment of the loan and the 2003 bond issuance will be used for road maintenance. In accordance with the Agreement, the City of Kenner will maintain, repair and upgrade certain streets within the City, not to exceed \$500,000 per year. To date, Jefferson Parish has loaned \$1,500,000 to the City of Kenner in connection with this Intergovernmental Agreement.

LEASE COMMITMENTS - GENERAL

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

Capital Lease

The City entered into a Municipal Lease and Option Agreement for the purchase of various equipment to be leased/purchased by the City. On September 11, 1996, a lease/purchase and escrow addendum was made to the original lease/purchase agreement dated December 7, 1995. Monthly payments began in October 1996 for a term of 10 years with payments of \$8,384 per month. Funding for the lease payments will result from the energy savings derived from the installation of such equipment.

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the minimum lease payments as of June 30, 2001.

<u>Year-Ending June 30th</u>	<u>Governmental Funds</u>
2002	\$ 100,613
2003	100,613
2004	100,613
2005	100,613
2006	100,613
2007	<u>25,153</u>
Total minimum lease payments	528,218
Less amount representing interest	<u>85,873</u>
Present value of future minimum lease payments	<u>\$ 442,345</u>

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE Q - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating leases

The City is committed under various leases for buildings. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2001 amounted to \$48,807. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30th</u>	<u>Amounts</u>
2002	\$ 62,832
2003	61,557
2004	47,532
2005	<u>11,883</u>
TOTAL	<u>\$ 183,804</u>

NOTE R - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In 1996, the U.S. Congress passed the Small Business Job Protection Act of 1996, which requires that employer governments place all amounts deferred under IRC Section 457 into a trust for the exclusive benefit of participants and their beneficiaries. In previous years, these assets were solely the property of the City and subject to claims of the City's general creditors, and were reported in the City's financial statements. In the prior year, the City amended its Plan to comply with the requirements of the Act. Thus, the City no longer has ownership of the Plan assets and they are no longer reported in the City's financial statements.

NOTE S - POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note T, the City provides postretirement health care and life insurance benefits, authorized by City resolution, to all retirees with 20 years or more of service. Expenditures for postretirement health care and life insurance benefits are recognized as the premiums are paid by the City, which is required to pay only the retirees' portion. The retiree must pay the portion of the premium related to any dependents. At June 30, 2001, 68 retirees were eligible and were receiving such health care benefits. Total health care premiums amounted to \$207,558, of which \$152,250 (73%) was paid by the City and \$55,308 (27%) was paid by the retirees for the year ended June 30, 2001. Life insurance premiums paid by the City for seventy-five eligible retirees amounted to \$2,708 for the year-ended June 30, 2001. These post retirement health care and life insurance benefits are not accounted for as a defined benefit pension plan thus Governmental Accounting Standards Board Statement No. 26 "Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans" does not apply.

NOTE T - PENSION PLANS

GENERAL

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than those employed by the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit plan.



CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE T - PENSION PLANS (CONTINUED)

All full-time officers of the Police Department of the City are participants in the Municipal Police Employees Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

Prior to the merger with the Statewide Firefighters Retirement System ("SFRS") as of March 27, 1999, the employees of the Fire Department of the City were participants in the Firemen's Pension and Relief Fund (The Firemen's Plan), a single-employer defined benefit plan administered by a five member Board of Trustees. A contingency fund remains to handle those six (6) members who could retire after twenty (20) years of service if hired before April 1, 1978. Upon these members meeting the qualifications for retirement under the Statewide Plan, no further benefits would be liable from the contingency fund.

PLAN DESCRIPTIONS

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan. Under the Municipal Plan, employees with 10 years of service may retire at age 60, employees with 25 years of service may retire at age 55, and employees with 30 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced and such employees may not participate in the Deferred Retirement Option Plan (DROP). Effective July 1, 1999, employees with 25 years of service may retire or participate in the DROP, regardless of age. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse. The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2001. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Municipal Police Employees Retirement System (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan for one year, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to 3 1/3 percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of member's final compensation. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2000. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Firemen's Pension and Relief Fund (The Firemen's Plan) and the Statewide Firefighters Retirement System

Prior to the merger with the Statewide Plan, all permanent active employees of the Fire Department were eligible for participation. Under the Firemen's Plan, members prior to April 1, 1978, with 20 years of service may retire. Contribution requirements 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. Contribution increases are established under Act 558 of the 1995 Regular Session of the Louisiana Legislature. Effective March 27, 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. Members after March 31, 1978 and on or before September 30, 1995 with 30 years of service are eligible to retire. Members after September 30, 1995 with 30 years of service and upon reaching age 55 are eligible to retire. Retirement benefits for members prior to April 1, 1978, are 66 2/3 percent of monthly salary at the time of retirement for 20 to 24 years of service, 75 percent of salary for 25 to 29 years of service, and 85 percent

CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE T - PENSION PLANS (CONTINUED)

of salary for 30 or more years of service. Retirement benefit for members after March 31, 1978, is 85 percent of the monthly salary received at time of retirement. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse. Due to the merger in March 1999, only six Kenner members remain eligible for such benefits under the Fund. Upon these members reaching the qualifications for retirement under the Statewide Plan, no further benefits would be liable from the contingency fund. The Firemen's Plan retirement information in this note is provided as of the latest actuarial valuation, June 30, 1997. An actuarial valuation as of June 30, 2001 is in progress and will reflect the changes to the plan as a result of the merger with the SFRS in March 1999. The Firemen's Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the City of Kenner, Louisiana. The Statewide Firefighters Retirement System also issues a publicly available financial report that includes financial statements and required supplementary information. However, that report was currently unavailable. It may be obtained from the Statewide Firefighters Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

BASIS OF ACCOUNTING

The City's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

METHOD USED TO VALUE INVESTMENTS

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

Besides investments in the U.S. Government and U.S. Government obligations, the Plans had no investments in any one organization which represented more than 5% of the net assets available for benefits.

COVERED PAYROLL

The total payroll, as well as the covered payroll, for each of the plans for the year ended June 30, 2001 were as follows:

	<u>TOTAL</u>	<u>COVERED</u>
Municipal Plan	\$ 9,234,995	\$ 8,001,566
Police Plan	6,894,644	4,513,988
Statewide Firefighters Retirement System	2,564,094	2,564,094
Firemen's Plan	N/A	N/A

CURRENT MEMBERSHIP

At June 30, 1997 (latest date for which such information was available at the date of this report), the plan membership of the Firemen's Plan consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees who are entitled to receive benefits but are not yet receiving benefits:	30
Active plan participants:	
Fully vested	3
Partially vested	83
Total	<u>116</u>



CITY OF KENNER, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 June 30, 2001

NOTE T - PENSION PLANS (CONTINUED)

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

CONTRIBUTIONS REQUIRED AND MADE

The funding policies for the Municipal Plan and the Police Plan provide for contributions at actuarially determined rates. The contribution rates of the Municipal Plan are determined using the frozen attained age normal cost method, with the unfunded accrued liability being funded over a 33 year period. Member contributions are established by state statute and are 9.25% of covered payroll. The contribution rates of the Police Plan are determined using the entry age normal cost method, with the unfunded accrued liability being funded over a 33 year period. Member contributions are established by state statute at 7.5% of covered payroll.

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

Year Ended June 30	Annual Required Contribution	City		Employees	
		Contribution	% of Covered Payroll	Contribution	% of Covered Payroll
1999	\$1,102,286	\$422,622	5.75	\$679,664	9.25
2000	1,137,435	436,037	5.75	701,418	9.25
2001	1,240,252	500,104	6.25	740,148	9.25

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

Year Ended June 30	Annual Required Contribution	City		Employees	
		Contribution	% of Covered Payroll	Contribution	% of Covered Payroll
1999	\$743,714	\$405,662	9.00	\$338,052	7.50
2000	756,094	412,415	9.00	343,679	7.50
2001	744,808	406,259	9.00	338,549	7.50

The Municipal Plan and the Police Plan, cost sharing multiple-employer plans, do not conduct separate measurements of assets and actuarial accrued liability for individual employers. The City's contributions to the Municipal and Police Plans represented 6.0 and 2.8 percent, respectively, of total contributions required of all employers.

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

Year Ended June 30	Annual Required Contribution	City		Employees	
		Contribution	% of Covered Payroll	Contribution	% of Covered Payroll
2000	\$446,402	\$ 236,331	9.00	\$210,071	8.00
2001	435,897	230,769	9.00	205,128	8.00

CITY OF KENNER, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
June 30, 2001

NOTE T - PENSION PLANS (CONTINUED)

TREND INFORMATION

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become due.

Six-year historical trend information is presented in the Supplementary Information Section of this report for the Firemen's Plan. Six-year historical trend information for the Municipal Plan, the Police Plan and the Statewide Firefighters Retirement System is available in the separately issued reports.

NOTE U - SUBSEQUENT EVENTS

In September 2001, the City issued Certificate of Indebtedness Series 2001 in the amount of \$1,500,000 for the purchase of 6.4 acres of property near the lakefront.

NOTE V - AVAILABILITY OF SEPARATE FINANCIAL REPORTS

Separate audited financial reports for the year ended June 30, 2001, containing additional information as required by the revenue bond indentures, and more detailed information regarding operating results, are available from the City for the following funds:

Enterprise Funds  
Pontchartrain Center Operations

Auditors  
Rebowe & Company  
CPAs & Consultants, APC

Pension Trust Funds  
Firemen's Pension and Relief Fund

Rebowe & Company  
CPAs & Consultants, APC

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**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

CITY OF KENNER, LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 (In thousands of dollars)  
 FIREMEN'S PENSION AND RELIEF FUND  
 June 30, 2001

Actuarial Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2001	\$ *	\$ *	*	\$ *	\$ *	*
2000	*	*	*	*	*	*
1999	*	*	*	*	*	*
1998	*	*	*	*	2,014	*
1997	9,222	13,673	67.45%	4,451	2,523	176.42%
1996	7,042	12,217	57.64%	5,175	2,224	232.69%

Analysis of the dollar amounts of actuarial assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Fund's funding status on a going concern basis. Analysis of this percentage over time indicates whether the Fund is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Fund. Trends in the unfunded actuarial accrued liability and annual covered payroll approximately adjusts for the effects of inflation and aids in the analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Fund. The above information is reported as the latest date for which such information is reported as of the latest date for which such information was available at the date of this report. An actuarial valuation as of June 30, 2001 is in progress and will reflect the changes to the plan as a result of the merger with the SFRS in March 1999.

\* An actuarial valuation report was not prepared for the year ended June 30, 1998, 1999, 2000 and 2001.



CITY OF KENNER, LOUISIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND TREND INFORMATION  
 (In thousands of dollars)  
 FIREMEN'S PENSION AND RELIEF FUND  
 June 30, 2001

<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)*</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2001	\$ -	-	\$ -
2000	-	-	-
1999	271,425	100%	-
1998	473,643	100%	-
1997	437,313	100%	-
1996	430,767	100%	-

\* 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	6/30/1997
Actuarial cost method	Entry age
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	Accrual method of accounting and recording investments at amortized cost
Actuarial assumptions:	
Investment rate of return:	
Before administrative expenses	18.33%
After administrative expenses	17.51%
Projected salary increases	3.0% - 6.0%
Inflation rate	3.0%

An actuarial valuation as of June 30, 2001 is in progress and will reflect the changes to the plan as a result of the merger with the SFRS in March 1999.

CITY OF KENNER, LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNCILPERSON'S COMPENSATION  
Year Ended June 30, 2001

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>		<u>COMPENSATION</u>
Betty Bonura	366	\$	31,183
Terry McCarthy	366		29,060
Marc Johnson	366		23,387
John T. Lavarine, III	366		20,637
Jeannie Black	366		23,337
Michelle Branigan	366		24,586
Philip L. Capitano	366		23,337

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

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## GENERAL FUND

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



CITY OF KENNER, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
June 30, 2001

ASSETS		
Cash		\$ 218,248
Equity in pooled cash and investments		2,136,754
Investments		9,990,018
Receivables (net, where applicable, of allowances for uncollectibles)		
Accounts	4,199,050	
Intergovernmental	2,994,417	
Special assessments - delinquent	477	
Interest	-	
Due from other funds	4,172,449	
Inventory	79,313	
Prepaid items	61,502	
		<u>23,852,228</u>
TOTAL ASSETS		<u>\$ 23,852,228</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable		\$ 1,723,165
Retainage payable		-
Accrued liabilities	973,919	
Due to other funds	570,081	
Due to other governments	906,839	
Deferred revenue	1,306,073	
Other liabilities	209,787	
		<u>5,689,864</u>
TOTAL LIABILITIES		<u>5,689,864</u>
Fund balance		
Reserved for encumbrances	1,761,239	
Reserved for inventory	79,313	
Reserved for prepaid items	61,502	
Reserved for restricted expenditures	445,563	
Reserved for capital expenditures	10,578,939	
Unreserved		
Designated for subsequent years' expenditures	2,410,918	
Undesignated	2,824,890	
		<u>18,162,364</u>
TOTAL FUND BALANCE		<u>18,162,364</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 23,852,228</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>					
Taxes	\$ 27,546,465	\$ (265,844)	\$ 27,280,621	\$ 26,208,680	\$ 1,071,941
Licenses and permits	2,542,202	-	2,542,202	2,511,906	30,296
Intergovernmental	1,698,301	-	1,698,301	1,920,992	(222,691)
Charges for services	496,148	-	496,148	506,773	(10,625)
Fines and forfeitures	1,845,159	-	1,845,159	2,135,315	(290,156)
Interest on invested funds	744,156	-	744,156	605,000	139,156
Miscellaneous	288,450	-	288,450	141,910	146,540
<b>TOTAL REVENUES</b>	<b>35,160,881</b>	<b>(265,844)</b>	<b>34,895,037</b>	<b>34,030,576</b>	<b>864,461</b>
<b>EXPENDITURES</b>					
General government	8,956,405	383,758	9,340,163	10,333,800	993,637
Public safety	14,943,062	(564,350)	14,378,712	23,284,294	8,905,582
Public works	4,846,219	(155,179)	4,691,040	4,788,532	97,492
Health and welfare	641,597	(1,523)	640,074	646,433	6,359
Culture and recreation	3,051,478	183,128	3,234,606	3,593,494	358,888
Transit and urban development	454,501	-	454,501	456,927	2,426
Miscellaneous	1,639,556	(25,274)	1,614,282	1,615,000	718
<b>TOTAL EXPENDITURES</b>	<b>34,532,818</b>	<b>(179,440)</b>	<b>34,353,378</b>	<b>44,718,480</b>	<b>10,365,102</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	628,063	(86,404)	541,659	(10,687,904)	11,229,563
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	7,776,709	-	7,776,709	7,339,798	436,911
Operating transfers out	(8,463,666)	-	(8,463,666)	(7,419,540)	(1,044,126)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(686,957)</b>	<b>-</b>	<b>(686,957)</b>	<b>(79,742)</b>	<b>(607,215)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>					
	(58,894)	(86,404)	(145,298)	(10,767,646)	10,622,348
<b>FUND BALANCE:</b>					
AT BEGINNING OF YEAR	18,221,258	1,770,575	19,991,833	19,991,833	-
AT END OF YEAR	<u>\$ 18,162,364</u>	<u>\$ 1,684,171</u>	<u>\$ 19,846,535</u>	<u>\$ 9,224,187</u>	<u>\$ 10,622,348</u>

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
Year Ended June 30, 2001

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>TAXES</b>					
Ad valorem tax	\$ 859,725	\$ -	\$ 859,725	\$ 866,924	\$ (7,199)
Sales tax	15,399,023	-	15,399,023	14,575,864	823,159
Beer tax	75,902	-	75,902	90,400	(14,498)
Parking tax	1,415,756	-	1,415,756	1,358,160	57,596
<b>Franchises</b>					
Electricity service	1,739,813	-	1,739,813	1,348,232	391,581
Gas service	217,885	-	217,885	140,000	77,885
Off-track wagering	304,836	-	304,836	274,403	30,433
Hotel/motel tax	109,566	-	109,566	119,730	(10,164)
Telephone	453,421	-	453,421	475,448	(22,027)
Riverboat	6,970,538	(265,844)	6,704,694	6,959,519	(254,825)
<b>TOTAL TAXES</b>	<u>27,546,465</u>	<u>(265,844)</u>	<u>27,280,621</u>	<u>26,208,680</u>	<u>1,071,941</u>
<b>LICENSES AND PERMITS</b>					
<b>Business</b>					
Occupational	1,816,915	-	1,816,915	1,774,083	42,832
Alcoholic beverage	66,238	-	66,238	77,042	(10,804)
Chain store	68,617	-	68,617	78,979	(10,362)
Plumbing	32,200	-	32,200	32,700	(500)
Electrical	18,710	-	18,710	19,190	(480)
Taxi cab	43,032	-	43,032	38,000	5,032
Air conditioning	14,380	-	14,380	16,160	(1,780)
Ringo	200	-	200	200	-
Animal control	712	-	712	706	6
<b>TOTAL BUSINESS</b>	<u>2,061,004</u>	<u>-</u>	<u>2,061,004</u>	<u>2,037,060</u>	<u>23,944</u>
<b>Non-business</b>					
Building	155,453	-	155,453	120,000	35,453
Garage sales	3,810	-	3,810	4,000	(190)
Brake tags	321,935	-	321,935	350,846	(28,911)
<b>TOTAL NON-BUSINESS</b>	<u>481,198</u>	<u>-</u>	<u>481,198</u>	<u>474,846</u>	<u>6,352</u>
<b>TOTAL LICENSES AND PERMITS</b>	<u>2,542,202</u>	<u>-</u>	<u>2,542,202</u>	<u>2,511,906</u>	<u>30,296</u>
<b>INTERGOVERNMENTAL</b>					
<b>From state</b>					
Tobacco tax	-	-	-	321,647	(321,647)
Parish transportation fund	440,570	-	440,570	393,338	47,232
Parish road fund	158,216	-	158,216	200,515	(42,299)
Video poker	743,643	-	743,643	751,226	(7,583)
Other state grants	104,592	-	104,592	-	104,592
<b>From other local government subdivisions</b>					
Jefferson Council on Aging	40,280	-	40,280	43,266	(2,986)
Jefferson Parish	211,000	-	211,000	211,000	-
<b>TOTAL INTERGOVERNMENTAL</b>	<u>1,698,301</u>	<u>-</u>	<u>1,698,301</u>	<u>1,920,992</u>	<u>(222,691)</u>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)  
Year Ended June 30, 2001

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b>CHARGES FOR SERVICES</b>					
Zoning fees	\$ 17,575	\$ -	\$ 17,575	\$ 8,075	\$ 9,500
Inspection fees					
Electrical	62,662	-	62,662	62,400	262
Plumbing	63,020	-	63,020	36,600	26,420
Air conditioning heating, and other	42,399	-	42,399	30,000	12,399
Maps and document sales	2,512	-	2,512	4,129	(1,617)
Tax research fees	15,016	-	15,016	17,051	(2,035)
Police reports	34,688	-	34,688	39,292	(4,604)
Weed cutting fees	79,628	-	79,628	82,341	(2,713)
Recreation department					
Participation fees	140	-	140	15,000	(14,860)
Admission fees	116,229	-	116,229	150,000	(33,771)
Identification and other fees	1,055	-	1,055	-	1,055
Community service fees	224	-	224	885	(661)
Administrative charges	61,000	-	61,000	61,000	-
<b>TOTAL CHARGES FOR SERVICES</b>	<u>496,148</u>	<u>-</u>	<u>496,148</u>	<u>506,773</u>	<u>(10,625)</u>
<b>FINES AND FORFEITURES</b>					
Fines	1,591,334	-	1,591,334	1,921,629	(330,295)
Forfeitures	225,862	-	225,862	190,968	34,894
DWI fines	8,438	-	8,438	10,000	(1,562)
Reinstatement fees	19,525	-	19,525	12,718	6,807
<b>TOTAL FINES AND FORFEITURES</b>	<u>1,845,159</u>	<u>-</u>	<u>1,845,159</u>	<u>2,135,315</u>	<u>(290,156)</u>
<b>INTEREST ON INVESTED FUNDS</b>	<u>744,156</u>	<u>-</u>	<u>744,156</u>	<u>605,000</u>	<u>139,156</u>
<b>MISCELLANEOUS</b>					
Donations	3,900	-	3,900	-	3,900
Rents	60,951	-	60,951	61,590	(639)
Other investment income	89,117	-	89,117	55,000	34,117
Other	134,482	-	134,482	25,320	109,162
<b>TOTAL MISCELLANEOUS</b>	<u>288,450</u>	<u>-</u>	<u>288,450</u>	<u>141,910</u>	<u>146,540</u>
<b>TOTAL REVENUES</b>	<u>\$35,160,881</u>	<u>\$ (265,844)</u>	<u>\$ 34,895,037</u>	<u>\$ 34,030,576</u>	<u>\$ 864,461</u>

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2001

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b>GENERAL GOVERNMENT</b>					
Personnel	\$ 3,447,654	\$ -	\$ 3,447,654	\$ 3,521,434	\$ 73,780
Supplies	97,182	13,523	110,705	127,074	16,369
Service charges	4,235,095	371,299	4,606,394	4,767,179	160,785
Capital outlay	1,176,474	(1,064)	1,175,410	1,918,113	742,703
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 8,956,405</b>	<b>\$ 383,758</b>	<b>\$ 9,340,163</b>	<b>\$ 10,333,800</b>	<b>\$ 993,637</b>
<b>PUBLIC SAFETY</b>					
Personnel	\$ 9,195,769	\$ -	\$ 9,195,769	\$ 13,465,037	\$ 4,269,268
Supplies	664,686	20,805	685,491	846,131	160,640
Service charges	3,083,700	6,385	3,090,085	3,571,216	481,131
Capital outlay	1,998,907	(591,540)	1,407,367	5,401,910	3,994,543
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 14,943,062</b>	<b>\$ (564,350)</b>	<b>\$ 14,378,712</b>	<b>\$ 23,284,294</b>	<b>\$ 8,905,582</b>
<b>PUBLIC WORKS</b>					
Personnel	\$ 3,153,349	\$ -	\$ 3,153,349	\$ 3,175,215	\$ 21,866
Supplies	884,063	2,860	886,923	940,091	53,168
Service charges	170,637	568	171,205	183,556	12,351
Capital outlay	638,170	(158,607)	479,563	489,670	10,107
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 4,846,219</b>	<b>\$ (155,179)</b>	<b>\$ 4,691,040</b>	<b>\$ 4,788,532</b>	<b>\$ 97,492</b>
<b>HEALTH AND WELFARE</b>					
Personnel	\$ 434,846	\$ -	\$ 434,846	\$ 433,545	\$ (1,301)
Supplies	176,791	(1,523)	175,268	180,235	4,967
Service charges	29,960	-	29,960	32,653	2,693
Capital outlay	-	-	-	-	-
<b>TOTAL HEALTH AND WELFARE</b>	<b>\$ 641,597</b>	<b>\$ (1,523)</b>	<b>\$ 640,074</b>	<b>\$ 646,433</b>	<b>\$ 6,359</b>
<b>CULTURE AND RECREATION</b>					
Personnel	\$ 1,776,249	\$ -	\$ 1,776,249	\$ 1,780,529	\$ 4,280
Supplies	256,532	12,838	269,370	291,952	22,582
Service charges	981,019	(2,334)	978,685	1,277,816	299,131
Capital outlay	37,678	172,624	210,302	243,197	32,895
<b>TOTAL CULTURE AND RECREATION</b>	<b>\$ 3,051,478</b>	<b>\$ 183,128</b>	<b>\$ 3,234,606</b>	<b>\$ 3,593,494</b>	<b>\$ 358,888</b>

(Continued)



CITY OF KENNER, LOUISIANA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)  
Year Ended June 30, 2001

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b>TRANSIT</b>					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	454,501	-	454,501	456,927	2,426
Capital outlay	-	-	-	-	-
<b>TOTAL TRANSIT</b>	<b>\$ 454,501</b>	<b>\$ -</b>	<b>\$ 454,501</b>	<b>\$ 456,927</b>	<b>\$ 2,426</b>
<b>MISCELLANEOUS</b>					
Personnel	\$ 94,735	\$ -	\$ 94,735	\$ 100,000	\$ 5,265
Supplies	-	-	-	-	-
Service charges	1,544,821	(25,274)	1,519,547	1,515,000	(4,547)
Capital outlay	-	-	-	-	-
<b>TOTAL MISCELLANEOUS</b>	<b>\$ 1,639,556</b>	<b>\$ (25,274)</b>	<b>\$ 1,614,282</b>	<b>\$ 1,615,000</b>	<b>\$ 718</b>
<b>TOTAL EXPENDITURES</b>					
Personnel	\$ 18,102,602	\$ -	\$ 18,102,602	\$ 22,475,760	\$ 4,373,158
Supplies	2,079,254	48,503	2,127,757	2,385,483	257,726
Service charges	10,499,733	350,644	10,850,377	11,804,347	953,970
Capital outlay	3,851,229	(578,587)	3,272,642	8,052,890	4,780,248
<b>TOTAL EXPENDITURES</b>	<b>\$ 34,532,818</b>	<b>\$ (179,440)</b>	<b>\$ 34,353,378</b>	<b>\$ 44,718,480</b>	<b>\$ 10,365,102</b>

CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL GOVERNMENT FUNCTION  
 Year Ended June 30, 2001

COUNCIL OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 596,183	\$ -	\$ 596,183	\$ 604,916	\$ 8,733
Supplies	27,709	6,533	34,242	42,085	7,843
Service charges	109,791	(180)	109,611	143,306	33,695
Capital outlay	40,996	(3,752)	37,244	185,482	148,238
TOTAL EXPENDITURES	<u>\$ 774,679</u>	<u>\$ 2,601</u>	<u>\$ 777,280</u>	<u>\$ 975,789</u>	<u>\$ 198,509</u>

MAYOR'S OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 223,205	\$ -	\$ 223,205	\$ 223,372	\$ 167
Supplies	4,130	-	4,130	9,211	5,081
Service charges	16,539	-	16,539	20,711	4,172
Capital outlay	3,378	-	3,378	9,174	5,796
TOTAL EXPENDITURES	<u>\$ 247,252</u>	<u>\$ -</u>	<u>\$ 247,252</u>	<u>\$ 262,468</u>	<u>\$ 15,216</u>

CHIEF ADMINISTRATIVE OFFICE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 296,210	\$ -	\$ 296,210	\$ 299,706	\$ 3,496
Supplies	4,376	-	4,376	5,545	1,169
Service charges	11,729	-	11,729	13,222	1,493
Capital outlay	6,847	12,938	19,785	8,759	(11,026)
TOTAL EXPENDITURES	<u>\$ 319,162</u>	<u>\$ 12,938</u>	<u>\$ 332,100</u>	<u>\$ 327,232</u>	<u>\$ (4,868)</u>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
GENERAL GOVERNMENT FUNCTION (CONTINUED)  
Year Ended June 30, 2001

FINANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 385,159	\$ -	\$ 385,159	\$ 384,429	\$ (730)
Supplies	20,773	57	20,830	21,500	670
Service charges	24,361	-	24,361	32,750	8,389
Capital outlay	1,842	(315)	1,527	3,061	1,534
<b>TOTAL EXPENDITURES</b>	<b>\$ 432,135</b>	<b>\$ (258)</b>	<b>\$ 431,877</b>	<b>\$ 441,740</b>	<b>\$ 9,863</b>

PURCHASING

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 194,942	\$ -	\$ 194,942	\$ 195,196	\$ 254
Supplies	4,793	5,069	9,862	4,586	(5,276)
Service charges	17,095	(50)	17,045	20,314	3,269
Capital outlay	26,492	(19,326)	7,166	12,144	4,978
<b>TOTAL EXPENDITURES</b>	<b>\$ 243,322</b>	<b>\$ (14,307)</b>	<b>\$ 229,015</b>	<b>\$ 232,240</b>	<b>\$ 3,225</b>

PERSONNEL

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 216,472	\$ -	\$ 216,472	\$ 219,099	\$ 2,627
Supplies	3,711	8	3,719	4,560	841
Service charges	24,000	-	24,000	32,177	8,177
Capital outlay	6,718	1,368	8,086	19,188	11,102
<b>TOTAL EXPENDITURES</b>	<b>\$ 250,901</b>	<b>\$ 1,376</b>	<b>\$ 252,277</b>	<b>\$ 275,024</b>	<b>\$ 22,747</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
GENERAL GOVERNMENT FUNCTION (CONTINUED)  
Year Ended June 30, 2001

PLANNING

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 192,879	\$ -	\$ 192,879	\$ 197,189	\$ 4,310
Supplies	2,769	(132)	2,637	2,960	323
Service charges	18,934	-	18,934	19,452	518
Capital outlay	2,010	-	2,010	2,592	582
<b>TOTAL EXPENDITURES</b>	<b>\$ 216,592</b>	<b>\$ (132)</b>	<b>\$ 216,460</b>	<b>\$ 222,193</b>	<b>\$ 5,733</b>

DATA PROCESSING

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 123,512	\$ -	\$ 123,512	\$ 123,679	\$ 167
Supplies	5,518	580	6,098	6,332	234
Service charges	240,503	-	240,503	233,596	(6,907)
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 369,533</b>	<b>\$ 580</b>	<b>\$ 370,113</b>	<b>\$ 363,607</b>	<b>\$ (6,506)</b>

CIVIL SERVICE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 52,820	\$ -	\$ 52,820	\$ 53,646	\$ 826
Supplies	2,038	-	2,038	2,295	257
Service charges	11,650	-	11,650	15,220	3,570
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 66,508</b>	<b>\$ -</b>	<b>\$ 66,508</b>	<b>\$ 71,161</b>	<b>\$ 4,653</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
GENERAL GOVERNMENT FUNCTION (CONTINUED)  
Year Ended June 30, 2001

GENERAL MUNICIPAL EXPENSE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 541,756	\$ -	\$ 541,756	\$ 563,870	\$ 22,114
Supplies	8,845	140	8,985	10,300	1,315
Service charges	3,701,969	370,394	4,072,363	3,668,896	(403,467)
Capital outlay	994,604	57,925	1,052,529	1,627,850	575,321
<b>TOTAL EXPENDITURES</b>	<b>\$5,247,174</b>	<b>\$ 428,459</b>	<b>\$ 5,675,633</b>	<b>\$ 5,870,916</b>	<b>\$ 195,283</b>

EMERGENCY RESERVE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	-	-	-	500,000	500,000
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>

MAGISTRATE'S COURT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 624,516	\$ -	\$ 624,516	\$ 656,332	\$ 31,816
Supplies	12,520	1,268	13,788	17,700	3,912
Service charges	58,524	1,135	59,659	67,535	7,876
Capital outlay	93,587	(49,902)	43,685	49,863	6,178
<b>TOTAL EXPENDITURES</b>	<b>\$ 789,147</b>	<b>\$ (47,499)</b>	<b>\$ 741,648</b>	<b>\$ 791,430</b>	<b>\$ 49,782</b>

(Continued)



CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 GENERAL GOVERNMENT FUNCTION (CONTINUED)  
 Year Ended June 30, 2001

TOTAL - GENERAL GOVERNMENT FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$3,447,654	\$ -	\$ 3,447,654	\$ 3,521,434	\$ 73,780
Supplies	97,182	13,523	110,705	127,074	16,369
Service charges	4,235,095	371,299	4,606,394	4,767,179	160,785
Capital outlay	<u>1,176,474</u>	<u>(1,064)</u>	<u>1,175,410</u>	<u>1,918,113</u>	<u>742,703</u>
TOTAL EXPENDITURES	<u>\$8,956,405</u>	<u>\$ 383,758</u>	<u>\$ 9,340,163</u>	<u>\$ 10,333,800</u>	<u>\$ 993,637</u>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
PUBLIC SAFETY FUNCTION  
Year Ended June 30, 2001

POLICE ADMINISTRATION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$1,192,411	\$ -	\$ 1,192,411	\$ 1,267,953	\$ 75,542
Supplies	78,624	1,149	79,773	94,500	14,727
Service charges	822,593	2,538	825,131	786,000	(39,131)
Capital outlay	98,660	(74,188)	24,472	90,000	65,528
<b>TOTAL EXPENDITURES</b>	<b>\$2,192,288</b>	<b>\$ (70,501)</b>	<b>\$ 2,121,787</b>	<b>\$ 2,238,453</b>	<b>\$ 116,666</b>

ROAD POLICE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$4,229,521	\$ -	\$ 4,229,521	\$ 7,585,392	\$ 3,355,871
Supplies	280,847	5,897	286,744	350,000	63,256
Service charges	1,805,838	6,654	1,812,492	2,259,000	446,508
Capital outlay	876,115	(348,197)	527,918	1,175,000	647,082
<b>TOTAL EXPENDITURES</b>	<b>\$7,192,321</b>	<b>\$ (335,646)</b>	<b>\$ 6,856,675</b>	<b>\$11,369,392</b>	<b>\$ 4,512,717</b>

POLICE DETECTIVES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 941,046	-	\$ 941,046	\$ 974,583	\$ 33,537
Supplies	15,033	102	15,135	35,500	20,365
Service charges	38,152	(22)	38,130	61,000	22,870
Capital outlay	5,375	-	5,375	40,000	34,625
<b>TOTAL EXPENDITURES</b>	<b>\$ 999,606</b>	<b>\$ 80</b>	<b>\$ 999,686</b>	<b>\$ 1,111,083</b>	<b>\$ 111,397</b>

(Continued)

CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 PUBLIC SAFETY FUNCTION (CONTINUED)  
 Year Ended June 30, 2001

POLICE COMMUNICATIONS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 510,883	\$ -	\$ 510,883	\$ 893,446	\$ 382,563
Supplies	15,016	640	15,656	16,900	1,244
Service charges	-	-	-	-	-
Capital outlay	10,643	5,250	15,893	16,000	107
<b>TOTAL EXPENDITURES</b>	<b>\$ 536,542</b>	<b>\$ 5,890</b>	<b>\$ 542,432</b>	<b>\$ 926,346</b>	<b>\$ 383,914</b>

JAIL

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 631,067	\$ -	\$ 631,067	\$ 935,462	\$ 304,395
Supplies	174,716	1,759	176,475	194,500	18,025
Service charges	10,926	-	10,926	13,000	2,074
Capital outlay	938,003	(213,227)	724,776	4,016,500	3,291,724
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,754,712</b>	<b>\$ (211,468)</b>	<b>\$ 1,543,244</b>	<b>\$ 5,159,462</b>	<b>\$ 3,616,218</b>

POLICE RANGE/SWAT

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	12,507	2,008	14,515	47,500	32,985
Service charges	2,583	-	2,583	7,000	4,417
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 15,090</b>	<b>\$ 2,008</b>	<b>\$ 17,098</b>	<b>\$ 54,500</b>	<b>\$ 37,402</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
PUBLIC SAFETY FUNCTION (CONTINUED)  
Year Ended June 30, 2001

POLICE TRAFFIC AND RESCUE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 660,118	\$ -	\$ 660,118	\$ 704,362	\$ 44,244
Supplies	57,012	7,251	64,263	71,000	6,737
Service charges	222,474	1,209	223,683	260,100	36,417
Capital outlay	6,823	1,187	8,010	25,000	16,990
<b>TOTAL EXPENDITURES</b>	<b>\$ 946,427</b>	<b>\$ 9,647</b>	<b>\$ 956,074</b>	<b>\$ 1,060,462</b>	<b>\$ 104,388</b>

CODE ENFORCEMENT - ADMINISTRATION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 878,638	\$ -	\$ 878,638	\$ 947,294	\$ 68,656
Supplies	19,159	203	19,362	20,174	812
Service charges	180,116	(4,164)	175,952	180,380	4,428
Capital outlay	63,288	37,635	100,923	39,410	(61,513)
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,141,201</b>	<b>\$ 33,674</b>	<b>\$ 1,174,875</b>	<b>\$ 1,187,258</b>	<b>\$ 12,383</b>

CODE ENFORCEMENT - INSPECTIONS

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES					
Personnel	\$ 152,085	\$ -	\$ 152,085	\$ 156,545	\$ 4,460
Supplies	11,772	1,796	13,568	16,057	2,489
Service charges	1,018	170	1,188	4,736	3,548
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 164,875</b>	<b>\$ 1,966</b>	<b>\$ 166,841</b>	<b>\$ 177,338</b>	<b>\$ 10,497</b>

(Continued)

CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 PUBLIC SAFETY FUNCTION (CONTINUED)  
 Year Ended June 30, 2001

TOTAL - PUBLIC SAFETY FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 9,195,769	\$ -	\$ 9,195,769	\$ 13,465,037	\$ 4,269,268
Supplies	664,686	20,805	685,491	846,131	160,640
Service charges	3,083,700	6,385	3,090,085	3,571,216	481,131
Capital outlay	1,998,907	(591,540)	1,407,367	5,401,910	3,994,543
<b>TOTAL EXPENDITURES</b>	<u>\$ 14,943,062</u>	<u>\$ (564,350)</u>	<u>\$ 14,378,712</u>	<u>\$ 23,284,294</u>	<u>\$ 8,905,582</u>

(Continued)



CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
PUBLIC WORKS FUNCTION  
Year Ended June 30, 2001

TRAFFIC

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 157,670	\$ -	\$ 157,670	\$ 162,717	\$ 5,047
Supplies	104,603	4,270	108,873	111,800	2,927
Service charges	311	(121)	190	1,000	810
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 262,584</b>	<b>\$ 4,149</b>	<b>\$ 266,733</b>	<b>\$ 275,517</b>	<b>\$ 8,784</b>

PARKWAYS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$1,160,203	\$ -	\$ 1,160,203	\$1,159,871	\$ (332)
Supplies	139,457	1,538	140,995	141,426	431
Service charges	12,496	-	12,496	14,408	1,912
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$1,312,156</b>	<b>\$ 1,538</b>	<b>\$ 1,313,694</b>	<b>\$1,315,705</b>	<b>\$ 2,011</b>

DRAINAGE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 435,326	\$ -	\$ 435,326	\$ 443,490	\$ 8,164
Supplies	81,542	(1,132)	80,410	77,525	(2,885)
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 516,868</b>	<b>\$ (1,132)</b>	<b>\$ 515,736</b>	<b>\$ 521,015</b>	<b>\$ 5,279</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
PUBLIC WORKS FUNCTION (CONTINUED)  
Year Ended June 30, 2001

PUBLIC WORKS - VEHICLE MAINTENANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 174,431	\$ -	\$ 174,431	\$ 181,255	\$ 6,824
Supplies	330,222	(1,274)	328,948	352,500	23,552
Service charges	68,596	221	68,817	70,000	1,183
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 573,249</b>	<b>\$ (1,053)</b>	<b>\$ 572,196</b>	<b>\$ 603,755</b>	<b>\$ 31,559</b>

PUBLIC WORKS - BUILDING MAINTENANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 821,702	\$ -	\$ 821,702	\$ 822,277	\$ 575
Supplies	161,156	(292)	160,864	162,950	2,086
Service charges	225	-	225	500	275
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 983,083</b>	<b>\$ (292)</b>	<b>\$ 982,791</b>	<b>\$ 985,727</b>	<b>\$ 2,936</b>

PUBLIC WORKS ADMINISTRATION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 404,017	\$ -	\$ 404,017	\$ 405,605	\$ 1,588
Supplies	67,083	(250)	66,833	93,890	27,057
Service charges	89,009	468	89,477	97,648	8,171
Capital outlay	638,170	(158,607)	479,563	489,670	10,107
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,198,279</b>	<b>\$ (158,389)</b>	<b>\$ 1,039,890</b>	<b>\$ 1,086,813</b>	<b>\$ 46,923</b>

(Continued)

CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 PUBLIC WORKS FUNCTION (CONTINUED)  
 Year Ended June 30, 2001

TOTAL - PUBLIC WORKS FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 3,153,349	\$ -	\$ 3,153,349	\$ 3,175,215	\$ 21,866
Supplies	884,063	2,860	886,923	940,091	53,168
Service charges	170,637	568	171,205	183,556	12,351
Capital outlay	<u>638,170</u>	<u>(158,607)</u>	<u>479,563</u>	<u>489,670</u>	<u>10,107</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 4,846,219</u></u>	<u><u>\$ (155,179)</u></u>	<u><u>\$ 4,691,040</u></u>	<u><u>\$ 4,788,532</u></u>	<u><u>\$ 97,492</u></u>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
HEALTH AND WELFARE FUNCTION  
Year Ended June 30, 2001

CODE ENFORCEMENT - HUMANE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 84,687	\$ -	\$ 84,687	\$ 84,919	\$ 232
Supplies	968	-	968	2,849	1,881
Service charges	255	-	255	2,869	2,614
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 85,910</b>	<b>\$ -</b>	<b>\$ 85,910</b>	<b>\$ 90,637</b>	<b>\$ 4,727</b>

FOOD BANK

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 60,189	\$ -	\$ 60,189	\$ 60,102	\$ (87)
Supplies	-	(1,396)	(1,396)	-	1,396
Service charges	17,625	-	17,625	17,625	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 77,814</b>	<b>\$ (1,396)</b>	<b>\$ 76,418</b>	<b>\$ 77,727</b>	<b>\$ 1,309</b>

COUNCIL ON AGING

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 225,943	\$ -	\$ 225,943	\$ 225,104	\$ (839)
Supplies	13,905	(359)	13,546	13,701	155
Service charges	11,251	-	11,251	11,305	54
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 251,099</b>	<b>\$ (359)</b>	<b>\$ 250,740</b>	<b>\$ 250,110</b>	<b>\$ (630)</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
HEALTH AND WELFARE FUNCTION (CONTINUED)  
Year Ended June 30, 2001

HANDICAPPED SERVICES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 64,027	\$ -	\$ 64,027	\$ 63,420	\$ (607)
Supplies	105	-	105	105	-
Service charges	746	-	746	771	25
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 64,878</b>	<b>\$ -</b>	<b>\$ 64,878</b>	<b>\$ 64,296</b>	<b>\$ (582)</b>

MAINTENANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	161,813	232	162,045	163,580	1,535
Service charges	83	-	83	83	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 161,896</b>	<b>\$ 232</b>	<b>\$ 162,128</b>	<b>\$ 163,663</b>	<b>\$ 1,535</b>

TOTAL - HEALTH AND WELFARE FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 434,846	\$ -	\$ 434,846	\$ 433,545	\$ (1,301)
Supplies	176,791	(1,523)	175,268	180,235	4,967
Service charges	29,960	-	29,960	32,653	2,693
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 641,597</b>	<b>\$ (1,523)</b>	<b>\$ 640,074</b>	<b>\$ 646,433</b>	<b>\$ 6,359</b>



CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
CULTURE AND RECREATION FUNCTION  
Year Ended June 30, 2001

LEISURE SERVICES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 80,478	\$ -	\$ 80,478	\$ 80,355	\$ (123)
Supplies	11,035	186	11,221	11,526	305
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 91,513</b>	<b>\$ 186</b>	<b>\$ 91,699</b>	<b>\$ 91,881</b>	<b>\$ 182</b>

CULTURAL AFFAIRS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 10,941	\$ -	\$ 10,941	\$ 11,008	\$ 67
Supplies	2,915	-	2,915	3,131	216
Service charges	15,199	-	15,199	15,199	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 29,055</b>	<b>\$ -</b>	<b>\$ 29,055</b>	<b>\$ 29,338</b>	<b>\$ 283</b>

HUMANITIES AND MUSEUMS

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 294,072	\$ -	\$ 294,072	\$ 294,381	\$ 309
Supplies	11,388	-	11,388	11,803	415
Service charges	152,356	-	152,356	152,355	(1)
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 457,816</b>	<b>\$ -</b>	<b>\$ 457,816</b>	<b>\$ 458,539</b>	<b>\$ 723</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
CULTURE AND RECREATION FUNCTION (CONTINUED)  
Year Ended June 30, 2001

TOURISM

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 101,251	\$ -	\$ 101,251	\$ 101,708	\$ 457
Supplies	1,272	-	1,272	1,275	3
Service charges	4,356	-	4,356	4,358	2
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 106,879</b>	<b>\$ -</b>	<b>\$ 106,879</b>	<b>\$ 107,341</b>	<b>\$ 462</b>

RECREATION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 1,041,188	\$ -	\$ 1,041,188	\$ 1,043,885	\$ 2,697
Supplies	122,471	12,033	134,504	155,463	20,959
Service charges	568,326	-	568,326	537,860	(30,466)
Capital outlay	24,006	86,373	110,379	121,549	11,170
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,755,991</b>	<b>\$ 98,406</b>	<b>\$ 1,854,397</b>	<b>\$ 1,858,757</b>	<b>\$ 4,360</b>

RECREATION MAINTENANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	270	(2,334)	(2,064)	194,330	196,394
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 270</b>	<b>\$ (2,334)</b>	<b>\$ (2,064)</b>	<b>\$ 194,330</b>	<b>\$ 196,394</b>

(Continued)

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
CULTURE AND RECREATION FUNCTION (CONTINUED)  
Year Ended June 30, 2001

RECREATION LEISURE SERVICE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	9,756	239	9,995	10,868	873
Service charges	1,581	-	1,581	1,396	(185)
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 11,337</b>	<b>\$ 239</b>	<b>\$ 11,576</b>	<b>\$ 12,264</b>	<b>\$ 688</b>

COMMUNITY SERVICE - ADMINISTRATION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 248,319	\$ -	\$ 248,319	\$ 249,192	\$ 873
Supplies	97,695	380	98,075	97,886	(189)
Service charges	238,931	-	238,931	372,318	133,387
Capital outlay	13,672	86,251	99,923	121,648	21,725
<b>TOTAL EXPENDITURES</b>	<b>\$ 598,617</b>	<b>\$ 86,631</b>	<b>\$ 685,248</b>	<b>\$ 841,044</b>	<b>\$ 155,796</b>

TOTAL - CULTURE AND RECREATION FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 1,776,249	\$ -	\$ 1,776,249	\$ 1,780,529	\$ 4,280
Supplies	256,532	12,838	269,370	291,952	22,582
Service charges	981,019	(2,334)	978,685	1,277,816	299,131
Capital outlay	37,678	172,624	210,302	243,197	32,895
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,051,478</b>	<b>\$ 183,128</b>	<b>\$ 3,234,606</b>	<b>\$ 3,593,494</b>	<b>\$ 358,888</b>

(Continued)

CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 TRANSIT FUNCTION  
 Year Ended June 30, 2001

TOTAL - TRANSIT FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	454,501	-	454,501	456,927	2,426
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 454,501</u>	<u>\$ -</u>	<u>\$ 454,501</u>	<u>\$ 456,927</u>	<u>\$ 2,426</u>

CITY OF KENNER, LOUISIANA  
GENERAL FUND  
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
MISCELLANEOUS FUNCTION  
Year Ended June 30, 2001

INSURANCE

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 82,679	\$ -	\$ 82,679	\$ 85,000	\$ 2,321
Supplies	-	-	-	-	-
Service charges	1,519,547	-	1,519,547	1,515,000	(4,547)
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$1,602,226</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,602,226</u></b>	<b><u>\$1,600,000</u></b>	<b><u>\$ (2,226)</u></b>

PAY INCENTIVES

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 12,056	\$ -	\$ 12,056	\$ 15,000	\$ 2,944
Supplies	-	-	-	-	-
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 12,056</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,056</u></b>	<b><u>\$ 15,000</u></b>	<b><u>\$ 2,944</u></b>

BAD DEBT

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-
Service charges	25,274	(25,274)	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 25,274</u></b>	<b><u>\$ (25,274)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

(Continued)



CITY OF KENNER, LOUISIANA  
 GENERAL FUND  
 COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL  
 MISCELLANEOUS FUNCTION  
 Year Ended June 30, 2001

TOTAL - MISCELLANEOUS FUNCTION

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Personnel	\$ 94,735	\$ -	\$ 94,735	\$ 100,000	\$ 5,265
Supplies	-	-	-	-	-
Service charges	1,544,821	(25,274)	1,519,547	1,515,000	(4,547)
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,639,556</u>	<u>\$ (25,274)</u>	<u>\$ 1,614,282</u>	<u>\$ 1,615,000</u>	<u>\$ 718</u>

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## SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts, or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

### ONE PERCENT SALES TAX OF 1984 FUND

The One Percent Sales Tax of 1984 Fund accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

### COMMUNITY DEVELOPMENT BLOCK GRANT FUND

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

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

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

### DRUG ENFORCEMENT FORFEITURE FUND

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

### OTHER GRANT FUNDS

Included in this column are the following funds:

#### LOCAL LAW ENFORCEMENT GRANT FUND

The Local Law Enforcement Grant Fund accounts for grants received from the Department of Justice for the Local Law Enforcement Block Grant.

#### EMERGENCY SHELTER GRANT FUND

The Emergency Shelter Grant Fund accounts for grants received from the Department of Social Services for the Emergency Shelter Grant.

#### LCLE AFTER SCHOOL DRUG FUND

The Louisiana Commission Law Enforcement (LCLE) After School Drug Fund accounts for funds received from the LCLE to implement after school programs at sites within the City.

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2001

	SPECIAL REVENUE			
	ONE PERCENT SALES TAX OF 1984	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES
<b>ASSETS</b>				
Cash	\$ -	\$ 34,227	\$ -	\$ -
Equity in pooled cash and investments	-	-	-	-
Investments	-	-	-	-
Receivables				
Intergovernmental	1,780,517	581,149	-	-
Other	-	4,707	705,094	-
Due from other funds	285,812	601	204,299	322,793
Prepaid items	-	2,800	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,066,329</b>	<b>\$ 623,484</b>	<b>\$ 909,393</b>	<b>\$ 322,793</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 12,801	\$ 108,973	\$ 33,478
Contracts payable	-	41,801	-	-
Accrued liabilities	-	14,070	-	5,568
Due to other funds	2,066,329	118,219	622,215	267,664
Deferred revenue	-	2,140	178,205	10,223
<b>TOTAL LIABILITIES</b>	<b>2,066,329</b>	<b>189,031</b>	<b>909,393</b>	<b>316,933</b>
<b>Fund balance</b>				
Reserved for encumbrances	-	38,475	-	5,860
Reserved for prepaid items	-	2,800	-	-
Reserved for Section 108 loans	-	-	-	-
Reserved for restricted expenditures	-	-	-	-
Unreserved				
Designated for subsequent year expenditures	-	-	-	-
Undesignated	-	393,178	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>434,453</b>	<b>-</b>	<b>5,860</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,066,329</b>	<b>\$ 623,484</b>	<b>\$ 909,393</b>	<b>\$ 322,793</b>

The accompanying notes are an integral part of this statement.

FUNDS WITH BUDGETS			SPECIAL REVENUE FUNDS WITHOUT BUDGET		
STREET LIGHTING	FIRE DEPARTMENT	SUBTOTAL	DRUG ENFORCEMENT FORFEITURE FUND	OTHER GRANT FUNDS	TOTAL
\$ -	\$ -	\$ 34,227	\$ 650,637	\$ 351,721	\$ 1,036,585
-	21,605	21,605	1,555	198	23,358
-	1,823,404	1,823,404	-	-	1,823,404
-	-	2,361,666	2,893	26,254	2,390,813
-	-	709,801	-	-	709,801
106,779	807,658	1,727,942	-	3,846	1,731,788
-	-	2,800	-	-	2,800
<u>\$ 106,779</u>	<u>\$ 2,652,667</u>	<u>\$ 6,681,445</u>	<u>\$ 655,085</u>	<u>\$ 382,019</u>	<u>\$ 7,718,549</u>
\$ 64,139	\$ 9,852	\$ 229,243	\$ 76	\$ 38,097	\$ 267,416
-	-	41,801	-	-	41,801
701	112,921	133,260	-	-	133,260
18,148	236,267	3,328,842	-	9,468	3,338,310
20,754	723,637	934,959	-	-	934,959
<u>103,742</u>	<u>1,082,677</u>	<u>4,668,105</u>	<u>76</u>	<u>47,565</u>	<u>4,715,746</u>
\$ 3,037	\$ 13,508	\$ 60,880	\$ -	\$ -	\$ 60,880
-	-	2,800	-	-	2,800
-	-	-	-	-	-
-	-	-	655,009	334,454	989,463
-	1,384,659	1,384,659	-	-	1,384,659
-	171,823	565,001	-	-	565,001
<u>3,037</u>	<u>1,569,990</u>	<u>2,013,340</u>	<u>655,009</u>	<u>334,454</u>	<u>3,002,803</u>
<u>\$ 106,779</u>	<u>\$ 2,652,667</u>	<u>\$ 6,681,445</u>	<u>\$ 655,085</u>	<u>\$ 382,019</u>	<u>\$ 7,718,549</u>



CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2001

	SPECIAL REVENUE			
	ONE PERCENT SALES TAX OF 1984	COMMUNITY DEVELOPMENT BLOCK GRANT	GARBAGE COLLECTION AND DISPOSAL	ROADS AND BRIDGES
REVENUES				
Taxes	\$ 10,898,556	\$ -	\$ 663,418	\$ -
Intergovernmental	-	1,457,093	-	-
Charges for services	-	-	2,555,414	-
Interest	-	-	-	-
Miscellaneous	-	85,984	-	-
<b>TOTAL REVENUES</b>	<b>10,898,556</b>	<b>1,543,077</b>	<b>3,218,832</b>	<b>-</b>
EXPENDITURES				
Public safety	-	-	-	-
Public works	-	1,061	3,791,325	1,139,544
Culture and recreation	-	238,063	-	-
Urban development	-	1,298,609	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>1,537,733</b>	<b>3,791,325</b>	<b>1,139,544</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,898,556</u>	<u>5,344</u>	<u>(572,493)</u>	<u>(1,139,544)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	55,723	490,912	1,121,350
Operating transfers out	<u>(10,898,556)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(10,898,556)</b>	<b>55,723</b>	<b>490,912</b>	<b>1,121,350</b>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	61,067	(81,581)	(18,194)
FUND BALANCE				
AT BEGINNING OF YEAR	<u>-</u>	<u>373,386</u>	<u>81,581</u>	<u>24,054</u>
AT END OF YEAR	<u>\$ -</u>	<u>\$ 434,453</u>	<u>\$ -</u>	<u>\$ 5,860</u>

The accompanying notes are an integral part of this statement.

FUNDS WITH BUDGET			SPECIAL REVENUE FUNDS WITHOUT BUDGET		
STREET LIGHTING	FIRE DEPARTMENT	SUBTOTAL	DRUG ENFORCEMENT FORFEITURE FUND	OTHER GRANT FUNDS	TOTAL
\$ -	\$ 3,048,709	\$ 14,610,683	\$ -	\$ -	\$ 14,610,683
-	-	1,457,093	-	414,893	1,871,986
-	931	2,556,345	-	-	2,556,345
-	88,937	88,937	12,239	8,616	109,792
-	8,515	94,499	39,608	-	134,107
-	3,147,092	18,807,557	51,847	423,509	19,282,913
-	4,106,291	4,106,291	5,337	293,039	4,404,667
1,117,051	-	6,048,981	-	-	6,048,981
-	-	238,063	-	-	238,063
-	-	1,298,609	-	-	1,298,609
1,117,051	4,106,291	11,691,944	5,337	293,039	11,990,320
(1,117,051)	(959,199)	7,115,613	46,510	130,470	7,292,593
1,119,122	1,050,000	3,837,107	-	49,031	3,886,138
-	-	(10,898,556)	-	-	(10,898,556)
1,119,122	1,050,000	(7,061,449)	-	49,031	(7,012,418)
2,071	90,801	54,164	46,510	179,501	280,175
966	1,479,189	1,959,176	608,499	154,953	2,722,628
\$ 3,037	\$ 1,569,990	\$ 2,013,340	\$ 655,009	\$ 334,454	\$ 3,002,803

CITY OF KENNER  
SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE  
FUNDS WITH ANNUAL BUDGETS - BUDGET AND ACTUAL  
Year Ended June 30, 2001

<u>TOTAL - SPECIAL REVENUE FUNDS WITH ANNUAL BUDGETS</u>					
	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Taxes	\$ 14,610,683	\$ -	\$ 14,610,683	\$ 14,933,578	\$ (322,895)
Intergovernmental	1,457,093	-	1,457,093	2,601,962	(1,144,869)
Charges for services	2,556,345	-	2,556,345	2,625,357	(69,012)
Interest	88,937	-	88,937	74,250	14,687
Miscellaneous	94,499	-	94,499	47,335	47,164
<b>TOTAL REVENUES</b>	<u>18,807,557</u>	<u>-</u>	<u>18,807,557</u>	<u>20,282,482</u>	<u>(1,474,925)</u>
<b>EXPENDITURES</b>					
Public safety	4,106,291	10,251	4,116,542	5,543,988	1,427,446
Public works	6,048,981	(16,123)	6,032,858	6,464,303	431,445
Culture and recreation	238,063	-	238,063	303,328	65,265
Urban development	1,298,609	(332,110)	966,499	2,247,014	1,280,515
<b>TOTAL EXPENDITURES</b>	<u>11,691,944</u>	<u>(337,982)</u>	<u>11,353,962</u>	<u>14,558,633</u>	<u>3,204,671</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,115,613</u>	<u>337,982</u>	<u>7,453,595</u>	<u>5,723,849</u>	<u>1,729,746</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	3,837,107	-	3,837,107	3,955,105	(117,998)
Operating transfers out	(10,898,556)	-	(10,898,556)	(11,196,666)	298,110
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,061,449)</u>	<u>-</u>	<u>(7,061,449)</u>	<u>(7,241,561)</u>	<u>180,112</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	54,164	337,982	392,146	(1,517,712)	1,909,858
<b>FUND BALANCE</b>					
AT BEGINNING OF YEAR	<u>1,959,176</u>	<u>(398,862)</u>	<u>1,560,314</u>	<u>1,560,314</u>	<u>-</u>
AT END OF YEAR	<u>\$ 2,013,340</u>	<u>\$ (60,880)</u>	<u>\$ 1,952,460</u>	<u>\$ 42,602</u>	<u>\$ 1,909,858</u>

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - ONE PERCENT SALES TAX OF 1984 FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Sales tax	\$ 10,898,556	\$ -	\$ 10,898,556	\$ 11,196,666	\$ (298,110)
TOTAL REVENUES	<u>10,898,556</u>	<u>-</u>	<u>10,898,556</u>	<u>11,196,666</u>	<u>(298,110)</u>
EXPENDITURES					
Personnel	-	-	-	-	-
Supplies	-	-	-	-	-
Service charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>10,898,556</u>	<u>-</u>	<u>10,898,556</u>	<u>11,196,666</u>	<u>(298,110)</u>
OTHER FINANCING USES					
Operating transfers out	<u>(10,898,556)</u>	<u>-</u>	<u>(10,898,556)</u>	<u>(11,196,666)</u>	<u>298,110</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Intergovernmental					
Community development					
block grants	\$ 1,367,301	\$ -	\$ 1,367,301	\$ 2,445,070	\$ (1,077,769)
Home program	89,792	-	89,792	156,892	(67,100)
Interest	-	-	-	-	-
Miscellaneous	85,984	-	85,984	36,407	49,577
TOTAL REVENUES	<u>1,543,077</u>	<u>-</u>	<u>1,543,077</u>	<u>2,638,369</u>	<u>(1,095,292)</u>
<b>EXPENDITURES</b>					
Public works	1,061	-	1,061	171,429	170,368
Culture and recreation	238,063	-	238,063	303,328	65,265
Urban development	1,298,609	(332,110)	966,499	2,247,014	1,280,515
TOTAL EXPENDITURES	<u>1,537,733</u>	<u>(332,110)</u>	<u>1,205,623</u>	<u>2,721,771</u>	<u>1,516,148</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,344</u>	<u>332,110</u>	<u>337,454</u>	<u>(83,402)</u>	<u>420,856</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	55,723	-	55,723	83,402	(27,679)
Operating transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>55,723</u>	<u>-</u>	<u>55,723</u>	<u>83,402</u>	<u>(27,679)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	61,067	332,110	393,177	-	393,177
<b>FUND BALANCE</b>					
AT BEGINNING OF YEAR	<u>373,386</u>	<u>(370,585)</u>	<u>2,801</u>	<u>2,801</u>	<u>-</u>
AT END OF YEAR	<u>\$ 434,453</u>	<u>\$ (38,475)</u>	<u>\$ 395,978</u>	<u>\$ 2,801</u>	<u>\$ 393,177</u>



CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES					
Public Works					
Capital outlay	\$ 1,061	\$ -	\$ 1,061	\$ 171,429	\$ 170,368
TOTAL PUBLIC WORKS	<u>1,061</u>	<u>-</u>	<u>1,061</u>	<u>171,429</u>	<u>170,368</u>
Culture and Recreation					
Capital outlay	238,063	-	238,063	303,328	65,265
TOTAL CULTURE AND RECREATION	<u>238,063</u>	<u>-</u>	<u>238,063</u>	<u>303,328</u>	<u>65,265</u>
Urban Development					
Personnel	253,265	(1,644)	251,621	258,206	6,585
Supplies	2,038	39	2,077	1,941	(136)
Service charges	262,095	-	262,095	433,389	171,294
Capital outlay	781,211	(330,505)	450,706	1,553,478	1,102,772
TOTAL URBAN DEVELOPMENT	<u>1,298,609</u>	<u>(332,110)</u>	<u>966,499</u>	<u>2,247,014</u>	<u>1,280,515</u>
TOTAL EXPENDITURES	<u>\$ 1,537,733</u>	<u>\$ (332,110)</u>	<u>\$ 1,205,623</u>	<u>\$ 2,721,771</u>	<u>\$ 1,516,148</u>

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - GARBAGE COLLECTION AND DISPOSAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Taxes					
Ad valorem tax	\$ 663,418	\$ -	\$ 663,418	\$ 669,335	\$ (5,917)
Charges for services					
Garbage fees and penalties	2,555,414	-	2,555,414	2,624,623	(69,209)
Interest	-	-	-	2,750	(2,750)
<b>TOTAL REVENUES</b>	<u>3,218,832</u>	<u>-</u>	<u>3,218,832</u>	<u>3,296,708</u>	<u>(77,876)</u>
<b>EXPENDITURES</b>					
Public works					
Contractual services	3,791,325	-	3,791,325	3,774,725	(16,600)
<b>TOTAL EXPENDITURES</b>	<u>3,791,325</u>	<u>-</u>	<u>3,791,325</u>	<u>3,774,725</u>	<u>(16,600)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(572,493)</u>	<u>-</u>	<u>(572,493)</u>	<u>(478,017)</u>	<u>(94,476)</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	490,912	-	490,912	303,554	187,358
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	(81,581)	-	(81,581)	(174,463)	92,882
<b>FUND BALANCE</b>					
AT BEGINNING OF YEAR	<u>81,581</u>	<u>-</u>	<u>81,581</u>	<u>81,581</u>	<u>-</u>
AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,882)</u>	<u>\$ 92,882</u>

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - ROADS AND BRIDGES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Taxes					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Public works					
Personnel	630,778	-	630,778	625,621	(5,157)
Supplies	382,223	(16,408)	365,815	368,062	2,247
Service charges	126,543	(1,786)	124,757	398,731	273,974
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,139,544</u>	<u>(18,194)</u>	<u>1,121,350</u>	<u>1,392,414</u>	<u>271,064</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,139,544)</u>	<u>18,194</u>	<u>(1,121,350)</u>	<u>(1,392,414)</u>	<u>271,064</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	<u>1,121,350</u>	<u>-</u>	<u>1,121,350</u>	<u>1,392,414</u>	<u>(271,064)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(18,194)</u>	<u>18,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
AT BEGINNING OF YEAR	<u>24,054</u>	<u>(24,054)</u>	<u>-</u>	<u>-</u>	<u>-</u>
AT END OF YEAR	<u>\$ 5,860</u>	<u>\$ (5,860)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - STREET LIGHTING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES					
Taxes					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Public works					
Personnel	114,224	-	114,224	115,029	805
Supplies	100,387	2,549	102,936	101,770	(1,166)
Service charges	902,440	(478)	901,962	908,936	6,974
TOTAL EXPENDITURES	<u>1,117,051</u>	<u>2,071</u>	<u>1,119,122</u>	<u>1,125,735</u>	<u>6,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,117,051)</u>	<u>(2,071)</u>	<u>(1,119,122)</u>	<u>(1,125,735)</u>	<u>6,613</u>
OTHER FINANCING SOURCES					
Operating transfers in	<u>1,119,122</u>	<u>-</u>	<u>1,119,122</u>	<u>1,125,735</u>	<u>(6,613)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	2,071	(2,071)	-	-	-
FUND BALANCE					
AT BEGINNING OF YEAR	<u>966</u>	<u>(966)</u>	<u>-</u>	<u>-</u>	<u>-</u>
AT END OF YEAR	<u>\$ 3,037</u>	<u>\$ (3,037)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA  
SPECIAL REVENUE FUNDS - FIRE DEPARTMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Taxes					
Ad valorem tax	\$ 3,048,709	\$ -	\$ 3,048,709	\$ 3,067,577	\$ (18,868)
Service charges					
Fire reports	931	-	931	734	197
Interest	88,937	-	88,937	71,500	17,437
Miscellaneous	8,515	-	8,515	10,928	(2,413)
<b>TOTAL REVENUES</b>	<u>3,147,092</u>	<u>-</u>	<u>3,147,092</u>	<u>3,150,739</u>	<u>(3,647)</u>
<b>EXPENDITURES</b>					
Public safety					
Personnel	3,302,048	-	3,302,048	3,523,873	221,825
Supplies	49,053	(430)	48,623	114,600	65,977
Service charges	589,622	9,836	599,458	691,016	91,558
Capital outlay	165,568	845	166,413	1,214,499	1,048,086
<b>TOTAL EXPENDITURES</b>	<u>4,106,291</u>	<u>10,251</u>	<u>4,116,542</u>	<u>5,543,988</u>	<u>1,427,446</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(959,199)</u>	<u>(10,251)</u>	<u>(969,450)</u>	<u>(2,393,249)</u>	<u>1,423,799</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES</b>	90,801	(10,251)	80,550	(1,343,249)	1,423,799
<b>FUND BALANCE</b>					
AT BEGINNING OF YEAR	<u>1,479,189</u>	<u>(3,257)</u>	<u>1,475,932</u>	<u>1,475,932</u>	<u>-</u>
AT END OF YEAR	<u>\$ 1,569,990</u>	<u>\$ (13,508)</u>	<u>\$ 1,556,482</u>	<u>\$ 132,683</u>	<u>\$ 1,423,799</u>



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## **DEBT SERVICE FUNDS**

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

### **GENERAL DEBT FUND**

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

- Sales Tax Refunding Bonds Series 1992
- Sales Tax Bonds Series 1994
- Sales Tax Bonds Series 1995A
- Excess Revenue Bonds Series 2000

### **AD VALOREM TAX BOND FUND**

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements of bond indentures for the following bonds:

- General Obligation Refunding Bonds Series 1992

### **FIREMEN'S PENSION MERGER FUND**

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

CITY OF KENNER, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2001

	<u>GENERAL DEBT</u>	<u>AD VALOREM TAX BONDS</u>	<u>FIREMEN'S PENSION MERGER FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Current assets				
Cash	\$ 14,926	\$ 214,096	\$ -	\$ 229,022
Equity in pooled cash and investments	10	4,118	54,084	58,212
Investments	4,892,322	-	-	4,892,322
Intergovernmental receivable	667,726	-	-	667,726
Interest receivable	2,327	-	-	2,327
Due from other funds	335,113	107,807	-	442,920
<b>TOTAL ASSETS</b>	<u>\$ 5,912,424</u>	<u>\$ 326,021</u>	<u>\$ 54,084</u>	<u>\$ 6,292,529</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Deferred revenue	\$ -	\$ 105,573	\$ -	\$ 105,573
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>105,573</u>	<u>-</u>	<u>105,573</u>
Fund balance				
Reserved for debt service	5,912,424	220,448	54,084	6,186,956
<b>TOTAL FUND BALANCE</b>	<u>5,912,424</u>	<u>220,448</u>	<u>54,084</u>	<u>6,186,956</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 5,912,424</u>	<u>\$ 326,021</u>	<u>\$ 54,084</u>	<u>\$ 6,292,529</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Year Ended June 30, 2001

	GENERAL DEBT	AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL
REVENUES				
Taxes	\$ 3,530,910	\$ 276,939	\$ 140,724	\$ 3,948,573
Special assessments	-	-	-	-
Interest on invested funds	372,499	6,045	9,585	388,129
Miscellaneous	100,613	-	107,613	208,226
<b>TOTAL REVENUES</b>	<b>4,004,022</b>	<b>282,984</b>	<b>257,922</b>	<b>4,544,928</b>
EXPENDITURES				
Debt service				
Principal	2,892,656	215,000	33,242	3,140,898
Interest and fiscal charges	2,143,803	67,607	204,462	2,415,872
Agent fees	-	750	-	750
Miscellaneous	15,000	-	-	15,000
Advance refunding escrow	1,162,530	-	-	1,162,530
<b>TOTAL EXPENDITURES</b>	<b>6,213,989</b>	<b>283,357</b>	<b>237,704</b>	<b>6,735,050</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,209,967)	(373)	20,218	(2,190,122)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,528,076	-	-	1,528,076
Operating transfers out	-	-	-	-
Payment to refunded bond escrow agent	(1,922,876)	-	-	(1,922,876)
Proceeds of refunding bonds	1,922,876	-	-	1,922,876
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,528,076</b>	<b>-</b>	<b>-</b>	<b>1,528,076</b>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(681,891)	(373)	20,218	(662,046)
FUND BALANCE				
AT BEGINNING OF YEAR	6,594,315	220,821	33,866	6,849,002
AT END OF YEAR	\$ 5,912,424	\$ 220,448	\$ 54,084	\$ 6,186,956

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
DEBT SERVICE FUNDS - GENERAL DEBT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Taxes					
Sales tax	\$3,530,910	\$ -	\$ 3,530,910	\$ 3,858,481	\$ (327,571)
Special assessments	-	-	-	-	-
Interest on invested funds	372,499	-	372,499	356,448	16,051
Miscellaneous	100,613	(100,613)	-	-	-
<b>TOTAL REVENUES</b>	<u>4,004,022</u>	<u>(100,613)</u>	<u>3,903,409</u>	<u>4,214,929</u>	<u>(311,520)</u>
<b>EXPENDITURES</b>					
Debt service					
Principal	2,892,656	(67,656)	2,825,000	2,910,000	85,000
Interest	2,143,803	(32,957)	2,110,846	2,160,554	49,708
Miscellaneous	15,000	-	15,000	15,000	-
Advance refunding escrow	1,162,530	-	1,162,530	1,162,530	-
<b>TOTAL EXPENDITURES</b>	<u>6,213,989</u>	<u>(100,613)</u>	<u>6,113,376</u>	<u>6,248,084</u>	<u>134,708</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,209,967)</u>	<u>-</u>	<u>(2,209,967)</u>	<u>(2,033,155)</u>	<u>(176,812)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	1,528,076	-	1,528,076	1,173,686	354,390
Operating transfers out	-	-	-	-	-
Payment to refunded bond escrow agent	(1,922,876)	-	(1,922,876)	(1,922,876)	-
Proceeds of refunding bonds	1,922,876	-	1,922,876	1,922,876	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,528,076</u>	<u>-</u>	<u>1,528,076</u>	<u>1,173,686</u>	<u>354,390</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<u>(681,891)</u>	<u>-</u>	<u>(681,891)</u>	<u>(859,469)</u>	<u>177,578</u>
<b>FUND BALANCE</b>					
<b>AT BEGINNING OF YEAR</b>	<u>6,594,315</u>	<u>-</u>	<u>6,594,315</u>	<u>6,594,315</u>	<u>-</u>
<b>AT END OF YEAR</b>	<u>\$5,912,424</u>	<u>\$ -</u>	<u>\$ 5,912,424</u>	<u>\$ 5,734,846</u>	<u>\$ 177,578</u>



CITY OF KENNER, LOUISIANA  
DEBT SERVICE FUNDS - AD VALOREM TAX BONDS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	<u>ADJUSTMENT TO BUDGETARY BASIS</u>	<u>BUDGETARY</u>	<u>BUDGET</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>					
Taxes					
Ad Valorem tax	\$ 276,939	\$ -	\$ 276,939	\$ 279,095	\$ (2,156)
Interest on invested funds	6,045	-	6,045	7,400	(1,355)
<b>TOTAL REVENUES</b>	<u>282,984</u>	<u>-</u>	<u>282,984</u>	<u>286,495</u>	<u>(3,511)</u>
<b>EXPENDITURES</b>					
Debt service					
Principal	215,000	-	215,000	215,000	-
Interest and fiscal charges	67,607	-	67,607	67,606	(1)
Agent fees	750	-	750	1,500	750
<b>TOTAL EXPENDITURES</b>	<u>283,357</u>	<u>-</u>	<u>283,357</u>	<u>284,106</u>	<u>749</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(373)	-	(373)	2,389	(2,762)
<b>FUND BALANCE</b>					
<b>AT BEGINNING OF YEAR</b>	<u>220,821</u>	<u>-</u>	<u>220,821</u>	<u>220,821</u>	<u>-</u>
<b>AT END OF YEAR</b>	<u>\$ 220,448</u>	<u>\$ -</u>	<u>\$ 220,448</u>	<u>\$ 223,210</u>	<u>\$ (2,762)</u>

## **CAPITAL PROJECTS FUNDS**

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

### **GENERAL CAPITAL PROJECT FUNDS**

General Capital Projects Fund accounts for projects originally funded by the General Fund and the Wastewater Operations Fund. Also included are projects funded by riverboat fees.

### **CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS**

Capital Projects Funded with Bond Proceeds accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992. Also included are projects funded by loans from LDEQ and by proceeds from the Excess Revenue Bonds Series 2000 and 2001.

CITY OF KENNER, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2001

	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	TOTAL
<b>ASSETS</b>			
Cash	\$ 2,173	\$ 1,056,348	\$ 1,058,521
Equity in pooled cash and investments	3,388,622	20,242	3,408,864
Investments	6,202,535	6,397,851	12,600,386
Receivables			
Intergovernmental	2,761,808	57,679	2,819,487
Interest	-	-	-
Other	-	-	-
Due from other funds	167,568	-	167,568
	<u>\$ 12,522,706</u>	<u>\$ 7,532,120</u>	<u>\$ 20,054,826</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,497,490	\$ 45,391	\$ 1,542,881
Contracts payable	166,451	-	166,451
Due to other funds	752,484	336,510	1,088,994
Deferred revenue	280,000	-	280,000
	<u>2,696,425</u>	<u>381,901</u>	<u>3,078,326</u>
<b>TOTAL LIABILITIES</b>			
<b>Fund balance</b>			
Reserved for encumbrances	333,849	-	333,849
Unreserved			
Designated for capital additions and improvements	9,492,432	7,150,219	16,642,651
Undesignated	-	-	-
	<u>9,826,281</u>	<u>7,150,219</u>	<u>16,976,500</u>
<b>TOTAL FUND BALANCE</b>			
<b>TOTAL LIABILITIES AND FUND BALANCE</b>			
	<u>\$ 12,522,706</u>	<u>\$ 7,532,120</u>	<u>\$ 20,054,826</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 Year Ended June 30, 2001

	GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS	TOTAL
REVENUES			
Intergovernmental	\$ 3,895,998	\$ 752,429	\$ 4,648,427
Interest	573,545	350,189	923,734
Miscellaneous	30,113	-	30,113
TOTAL REVENUES	<u>4,499,656</u>	<u>1,102,618</u>	<u>5,602,274</u>
EXPENDITURES			
Capital outlay			
General government	364,701	-	364,701
Public safety	38,273	-	38,273
Public works	7,746,194	116,188	7,862,382
Health and welfare	-	-	-
Culture and recreation	1,913,690	823,977	2,737,667
Agent fees	-	56,655	56,655
TOTAL EXPENDITURES	<u>10,062,858</u>	<u>996,820</u>	<u>11,059,678</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,563,202)</u>	<u>105,798</u>	<u>(5,457,404)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer in	8,142,044	-	8,142,044
Operating transfers out	(1,620,556)	(350,189)	(1,970,745)
Proceeds of refunding bonds	-	7,077,124	7,077,124
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,521,488</u>	<u>6,726,935</u>	<u>13,248,423</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	958,286	6,832,733	7,791,019
FUND BALANCE			
AT BEGINNING OF YEAR	<u>8,867,995</u>	<u>317,486</u>	<u>9,185,481</u>
AT END OF YEAR	<u>\$ 9,826,281</u>	<u>\$ 7,150,219</u>	<u>\$ 16,976,500</u>

The accompanying notes are an integral part of this statement.

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## ENTERPRISE FUNDS

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

### DEPARTMENT OF WASTEWATER OPERATIONS FUND

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

### CIVIC CENTER OPERATIONS FUND

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

CITY OF KENNER, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2001

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 167,882	\$ 297,968	\$ 465,850
Equity in pooled cash	2,749	168,875	171,624
Investments	-	1,241,574	1,241,574
Receivables (net, where applicable, of allowances for uncollectibles)			
Accounts	16,981	-	16,981
Intergovernmental	21,373	84,619	105,992
Service charges	1,287,535	121,719	1,409,254
Other	-	147,304	147,304
Due from other funds	130,921	-	130,921
Prepaid expenses	299,989	127,146	427,135
Refundable deposits	3,669	-	3,669
	<u>1,931,099</u>	<u>2,189,205</u>	<u>4,120,304</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>Property, plant, and equipment</b>			
Land and improvements	1,825,937	5,467,019	7,292,956
Buildings and improvements	75,042,267	16,470,931	91,513,198
Furniture and fixtures	151,167	3,247,648	3,398,815
Vehicles and field equipment	1,656,448	-	1,656,448
Construction in progress	116,188	76,463	192,651
	<u>78,792,007</u>	<u>25,262,061</u>	<u>104,054,068</u>
Less: accumulated depreciation	<u>29,394,820</u>	<u>5,334,547</u>	<u>34,729,367</u>
	<u>49,397,187</u>	<u>19,927,514</u>	<u>69,324,701</u>
<b>NET PROPERTY, PLANT AND EQUIPMENT</b>			
	<u>\$ 51,328,286</u>	<u>\$ 22,116,719</u>	<u>\$ 73,445,005</u>
<b>TOTAL ASSETS</b>			

The accompanying notes are an integral part of this statement.

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 105,155	\$ 126,706	\$ 231,861
Retainage payable	-	-	-
Current portion of mortgage payable	2,173	-	2,173
Accrued liabilities	51,040	94,763	145,803
Deposits on future events	-	190,747	190,747
Due to other funds	91,597	-	91,597
Deferred revenue	179,121	25,370	204,491
<b>TOTAL CURRENT LIABILITIES</b>	<b>429,086</b>	<b>437,586</b>	<b>866,672</b>
<b>Long-term liabilities</b>			
Mortgage payable (net of current portion)	17,208	-	17,208
<b>TOTAL LONG TERM LIABILITIES</b>	<b>17,208</b>	<b>-</b>	<b>17,208</b>
<b>TOTAL LIABILITIES</b>	<b>446,294</b>	<b>437,586</b>	<b>883,880</b>
<b>Fund equity</b>			
<b>Contributed capital</b>			
Ad valorem tax bonds	6,346,000	-	6,346,000
Sales tax bonds	14,040,723	19,506,320	33,547,043
Excess revenue bonds	-	2,642,162	2,642,162
Federal government	32,480,668	-	32,480,668
State government	3,952,285	2,039,278	5,991,563
Municipal government	4,518,063	-	4,518,063
Rate payers	7,863,943	-	7,863,943
<b>TOTAL CONTRIBUTED CAPITAL</b>	<b>69,201,682</b>	<b>24,187,760</b>	<b>93,389,442</b>
Retained earnings (deficit)	(18,319,690)	(2,508,627)	(20,828,317)
<b>TOTAL FUND EQUITY</b>	<b>50,881,992</b>	<b>21,679,133</b>	<b>72,561,125</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 51,328,286</b>	<b>\$ 22,116,719</b>	<b>\$ 73,445,005</b>

CITY OF KENNER, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)  
Year Ended June 30, 2001

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,591,742	\$ 1,333,381	\$ 5,925,123
Miscellaneous	2,230	1,714	3,944
<b>TOTAL OPERATING REVENUES</b>	<b>4,593,972</b>	<b>1,335,095</b>	<b>5,929,067</b>
<b>OPERATING EXPENSES</b>			
Personnel expenses	-	-	-
Supplies and other expenses	31	15,181	15,212
Building and maintenance expenses	459	540,178	540,637
Outside services	4,473,998	1,241,161	5,715,159
Transportation	-	-	-
Insurance premiums	-	60,250	60,250
General expenses			
Depreciation	1,764,615	586,073	2,350,688
Other	148,818	40,784	189,602
<b>TOTAL OPERATING EXPENSES</b>	<b>6,387,921</b>	<b>2,483,627</b>	<b>8,871,548</b>
<b>OPERATING LOSS</b>	<b>(1,793,949)</b>	<b>(1,148,532)</b>	<b>(2,942,481)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Ad valorem taxes	472,946	-	472,946
Hotel/motel taxes	-	349,000	349,000
Cable television franchise fees	-	692,325	692,325
Interest income	5,846	96,383	102,229
Interest expense	(1,016)	-	(1,016)
<b>TOTAL NON-OPERATING REVENUES</b>	<b>477,776</b>	<b>1,137,708</b>	<b>1,615,484</b>
<b>NET LOSS BEFORE OPERATING TRANSFERS</b>	<b>(1,316,173)</b>	<b>(10,824)</b>	<b>(1,326,997)</b>
<b>OPERATING TRANSFERS</b>			
Transfers in	-	-	-
<b>NET LOSS</b>	<b>(1,316,173)</b>	<b>(10,824)</b>	<b>(1,326,997)</b>
<b>RETAINED EARNINGS (DEFICIT)</b>			
AT BEGINNING OF YEAR	(17,003,517)	(2,497,803)	(19,501,320)
AT END OF YEAR	\$ (18,319,690)	\$ (2,508,627)	\$ (20,828,317)

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
ENTERPRISE FUND - WASTEWATER OPERATIONS  
SCHEDULE OF REVENUES AND CHANGES IN RETAINED EARNINGS (DEFICIT)  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OPERATING REVENUES</b>					
Charges for services					
Sewerage service charges	\$ 4,591,742	\$ -	\$ 4,591,742	\$ 4,342,679	\$ 249,063
Miscellaneous	2,230	-	2,230	100	2,130
<b>TOTAL OPERATING REVENUES</b>	<b>4,593,972</b>	<b>-</b>	<b>4,593,972</b>	<b>4,342,779</b>	<b>251,193</b>
<b>OPERATING EXPENSES</b>					
Personnel expenses	-	-	-	-	-
Supplies and other expense	31	-	31	100	69
Building and maintenance expenses	459	-	459	30,097	29,638
Outside services	4,473,998	-	4,473,998	4,494,831	20,833
Transportation	-	-	-	-	-
General expenses					
Depreciation	1,764,615	(1,764,615)	-	-	-
Other	148,818	67,986	216,804	1,006,460	789,656
<b>TOTAL OPERATING EXPENSES</b>	<b>6,387,921</b>	<b>(1,696,629)</b>	<b>4,691,292</b>	<b>5,531,488</b>	<b>840,196</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,793,949)</b>	<b>1,696,629</b>	<b>(97,320)</b>	<b>(1,188,709)</b>	<b>1,091,389</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Ad valorem taxes	472,946	-	472,946	476,685	(3,739)
Interest income	5,846	-	5,846	4,739	1,107
Interest expense	(1,016)	-	(1,016)	(5,172)	4,156
<b>TOTAL NON-OPERATING REVENUES</b>	<b>477,776</b>	<b>-</b>	<b>477,776</b>	<b>476,252</b>	<b>1,524</b>
<b>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(1,316,173)</b>	<b>1,696,629</b>	<b>380,456</b>	<b>(712,457)</b>	<b>1,092,913</b>
<b>OPERATING TRANSFERS</b>					
Transfers in	-	-	-	-	-
<b>NET LOSS</b>	<b>(1,316,173)</b>	<b>1,696,629</b>	<b>380,456</b>	<b>(712,457)</b>	<b>1,092,913</b>
<b>RETAINED EARNINGS (DEFICIT)</b>					
AT BEGINNING OF YEAR	(17,003,517)	18,774,426	1,770,909	1,770,909	-
AT END OF YEAR	<u>\$ (18,319,690)</u>	<u>\$ 20,471,055</u>	<u>\$ 2,151,365</u>	<u>\$ 1,058,452</u>	<u>\$ 1,092,913</u>

CITY OF KENNER  
ENTERPRISE FUND - CIVIC CENTER OPERATIONS  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)  
- BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>ACTUAL</u>	ADJ. TO BUDGETARY BASIS	<u>BUDGETARY</u>	<u>BUDGET</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OPERATING REVENUES</b>					
Charges for services					
<i>Rental charges</i>	\$ 734,739	\$ -	\$ 734,739	\$ 700,000	\$ 34,739
Parking	56,504	-	56,504	46,500	10,004
Concessions	71,997	-	71,997	62,500	9,497
Catering	130,740	-	130,740	92,500	38,240
Miscellaneous	693	-	693	5,500	(4,807)
<i>Electrical</i>	85,905	-	85,905	75,000	10,905
Reimbursed services	162,693	-	162,693	167,000	(4,307)
Advertising	29,750	-	29,750	30,000	(250)
Security	60,360	-	60,360	46,000	14,360
TOTAL CHARGES FOR SERVICES	<u>1,333,381</u>	-	<u>1,333,381</u>	<u>1,225,000</u>	<u>108,381</u>
Miscellaneous	<u>1,714</u>	-	<u>1,714</u>	<u>1,900</u>	<u>(186)</u>
TOTAL OPERATING REVENUES	<u>1,335,095</u>	-	<u>1,335,095</u>	<u>1,226,900</u>	<u>108,195</u>
<b>OPERATING EXPENSES</b>					
<i>Supplies and other expenses</i>	15,181	-	15,181	24,500	9,319
Building and maintenance expense	540,178	-	540,178	648,041	107,863
Outside services	1,241,161	-	1,241,161	1,306,294	65,133
Insurance premiums	60,250	-	60,250	52,000	(8,250)
General expenses					
<i>Depreciation</i>	586,073	(586,073)	-	-	-
Other	40,784	-	40,784	-	(40,784)
TOTAL OPERATING EXPENSES	<u>2,483,627</u>	<u>(586,073)</u>	<u>1,897,554</u>	<u>2,030,835</u>	<u>133,281</u>
OPERATING LOSS	<u>(1,148,532)</u>	<u>586,073</u>	<u>(562,459)</u>	<u>(803,935)</u>	<u>241,476</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Hotel/motel taxes	349,000	-	349,000	367,808	(18,808)
Cable television franchise fees	692,325	-	692,325	669,471	22,854
Interest income	96,383	-	96,383	73,050	23,333
Interest expense	-	-	-	-	-
TOTAL NON-OPERATING REVENUES	<u>1,137,708</u>	-	<u>1,137,708</u>	<u>1,110,329</u>	<u>27,379</u>
NET INCOME (LOSS)	(10,824)	586,073	575,249	306,394	268,855
<b>RETAINED EARNINGS (DEFICIT)</b>					
AT BEGINNING OF YEAR	<u>(2,497,803)</u>	<u>4,748,474</u>	<u>2,250,671</u>	<u>2,250,671</u>	-
AT END OF YEAR	<u>\$ (2,508,627)</u>	<u>\$ 5,334,547</u>	<u>\$ 2,825,920</u>	<u>\$ 2,557,065</u>	<u>\$ 268,855</u>



CITY OF KENNER, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2001

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
Increase (decrease) in cash and cash equivalents:			
Cash flows from operating activities:			
Operating (loss)	\$ (1,793,949)	\$ (1,148,532)	\$ (2,942,481)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,764,615	586,073	2,350,688
Change in current assets (increase) decrease:			
Receivables	(86,238)	(13,091)	(99,329)
Due from other funds	834	-	834
Intergovernmental	-	(3,456)	(3,456)
Prepaid expenses	(3,170)	(107,550)	(110,720)
Change in current liabilities increase (decrease):			
Accounts payable	41,678	(26,593)	15,085
Retainage payable	-	-	-
Deferred revenue	57,019	194	57,213
Accrued liabilities	(23,932)	23,773	(159)
Due to other funds	(207,867)	-	(207,867)
Deposits on future events	-	29,429	29,429
Compensated absences	-	-	-
<b>TOTAL ADJUSTMENTS</b>	<b>1,542,939</b>	<b>488,779</b>	<b>2,031,718</b>
Net cash provided by (used for) operating activities	(251,010)	(659,753)	(910,763)
Cash flows from noncapital financing activities:			
Ad valorem taxes	472,946	-	472,946
Hotel/motel taxes	-	349,000	349,000
Cable television franchise fees	-	692,325	692,325
Net cash provided by noncapital financing activities	472,946	1,041,325	1,514,271

(Continued)

CITY OF KENNER, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
Year Ended June 30, 2001

	DEPARTMENT OF WASTEWATER OPERATIONS	CIVIC CENTER OPERATIONS	TOTAL
Cash flows from capital and related financing activities:			
Principal payments - mortgage payable	\$ (2,166)	\$ -	\$ (2,166)
Interest payments	(1,016)	-	(1,016)
Acquisition of property, plant, and equipment	<u>(207,333)</u>	<u>(324,826)</u>	<u>(532,159)</u>
Net cash provided by (used for) capital and related financing activities	<u>(210,515)</u>	<u>(324,826)</u>	<u>(535,341)</u>
Cash flows from investing activities:			
Purchase of investment securities	-	(416,016)	(416,016)
Interest received	<u>5,846</u>	<u>96,383</u>	<u>102,229</u>
Net cash provided by (used for) investing activities	<u>5,846</u>	<u>(319,633)</u>	<u>(313,787)</u>
Net increase (decrease) in cash and cash equivalents	17,267	(262,887)	(245,620)
Cash and cash equivalents, beginning of year	<u>153,364</u>	<u>729,730</u>	<u>883,094</u>
Cash and cash equivalents, end of year	<u>\$ 170,631</u>	<u>\$ 466,843</u>	<u>\$ 637,474</u>
Reconciliation to balance sheet accounts:			
Cash	\$ 167,882	\$ 297,968	\$ 465,850
Equity in pooled cash and investments	<u>2,749</u>	<u>168,875</u>	<u>171,624</u>
Cash and cash equivalents, end of year	<u>\$ 170,631</u>	<u>\$ 466,843</u>	<u>\$ 637,474</u>
Noncash investing, capital, and financing activities:			
Contributions of capital	\$ 209,556	\$ -	\$ 209,556
Acquisitions of property, plant and equipment through capital contributions	<u>(209,556)</u>	<u>-</u>	<u>(209,556)</u>
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

## INTERNAL SERVICE FUNDS

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

### SELF-INSURANCE FUND

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

### HEALTH INSURANCE FUND

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

CITY OF KENNER, LOUISIANA  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2001

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 659,064	\$ 328,642	\$ 987,706
Investments	4,892,718	-	4,892,718
Receivables (net, where applicable, of allowances for uncollectibles)	-	-	-
Prepaid Expenses	-	4,000	4,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,551,782</u></u>	<u><u>\$ 332,642</u></u>	<u><u>\$ 5,884,424</u></u>
 <b>LIABILITIES AND FUND EQUITY</b>			
Liabilities			
Accounts payable	\$ 475,297	\$ -	\$ 475,297
Estimated claims payable	2,563,575	-	2,563,575
Due to other funds	-	3,993	3,993
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u><u>3,038,872</u></u>	<u><u>3,993</u></u>	<u><u>3,042,865</u></u>
 Fund equity			
Retained earnings	<u>2,512,910</u>	<u>328,649</u>	<u>2,841,559</u>
<b>TOTAL FUND EQUITY</b>	<u><u>2,512,910</u></u>	<u><u>328,649</u></u>	<u><u>2,841,559</u></u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <u><u>\$ 5,551,782</u></u>	 <u><u>\$ 332,642</u></u>	 <u><u>\$ 5,884,424</u></u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 2001

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services	<u>\$ 1,941,796</u>	<u>\$ 2,656,595</u>	<u>\$ 4,598,391</u>
OPERATING EXPENSES			
Outside services	807,852	-	807,852
Insurance claims	590,985	-	590,985
Insurance premiums	-	2,588,264	2,588,264
	-	-	-
TOTAL OPERATING EXPENSES	<u>1,398,837</u>	<u>2,588,264</u>	<u>3,987,101</u>
OPERATING INCOME	<u>542,959</u>	<u>68,331</u>	<u>611,290</u>
NON-OPERATING REVENUE			
Interest revenue	<u>261,133</u>	<u>6,594</u>	<u>267,727</u>
TOTAL NON-OPERATING REVENUE	<u>261,133</u>	<u>6,594</u>	<u>267,727</u>
NET INCOME	804,092	74,925	879,017
RETAINED EARNINGS			
AT BEGINNING OF YEAR	<u>1,708,818</u>	<u>253,724</u>	<u>1,962,542</u>
AT END OF YEAR	<u>\$ 2,512,910</u>	<u>\$ 328,649</u>	<u>\$ 2,841,559</u>

*The accompanying notes are an integral part of this statement.*

CITY OF KENNER, LOUISIANA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2001

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>INCREASE IN CASH AND CASH EQUIVALENTS:</b>			
<b>Cash flows from operating activities:</b>			
Operating income	\$ 542,959	\$ 68,331	\$ 611,290
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Increase in accounts receivable	-	-	-
Increase in prepaid expenses	-	(4,000)	(4,000)
(Decrease) in accounts payable	(195,186)	(3,000)	(198,186)
(Decrease) in accrued expenses	(173,218)	-	(173,218)
(Decrease) in due to other funds	-	(351)	(351)
Total adjustments	(368,404)	(7,351)	(375,755)
Net cash provided by operating activities	174,555	60,980	235,535
<b>Cash flows from investing activities:</b>			
Purchases of investment securities	(18,252,259)	-	(18,252,259)
Proceeds from maturities of investments	17,942,532	-	17,942,532
Interest received	269,379	6,594	275,973
Net cash provided by (used for) investing activities	(40,348)	6,594	(33,754)
Net increase (decrease) in cash and cash equivalents	134,207	67,574	201,781
Cash and cash equivalents, at beginning of year	524,857	261,068	785,925
Cash and cash equivalents, at end of year	\$ 659,064	\$ 328,642	\$ 987,706

The accompanying notes are an integral part of this statement.



## FIDUCIARY FUNDS

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

### FIREMEN'S PENSION AND RELIEF FUND

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

### AD VALOREM TAX COLLECTION FUND

The Ad Valorem Tax Collection Fund accounts for property taxes billed and collected on behalf of all funds of the City.

### AIRPORT SALES TAX FUND

The Airport Sales Tax Fund is used to account for the proceeds of sales taxes generated from a special 2% sales tax assessed within the Airport Taxing District, and to distribute to the appropriate taxing bodies.

CITY OF KENNER, LOUISIANA  
 FIDUCIARY FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2001

	<u>PENSION TRUST FUND</u>
	<u>FIREMEN'S PENSION AND RELIEF</u>
<b>ASSETS</b>	
Cash	\$ 8,487
Equity in pooled cash and investments	-
Investments	935,130
Receivables (net, where applicable, of allowance for uncollectibles)	
Ad valorem taxes	-
Intergovernmental	-
Interest	1,521
Other	60
Prepaid expenses	<u>4,971</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 950,169</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ -
Due to other funds	-
Due to other governments	-
Refunds payable	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>-</u>
Fund balance reserved for employees' pension benefits	<u>950,169</u>
<b>TOTAL FUND BALANCE</b>	<u>950,169</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 950,169</u></u>

The accompanying notes are an integral part of this statement.

AGENCY FUNDS

AD VALOREM TAX COLLECTION	AIRPORT SALES TAX FUND	TOTAL
\$ 70,091	\$ -	\$ 78,578
-	1	1
-	-	935,130
1,400,171	-	1,400,171
-	264,159	264,159
-	-	1,521
-	-	60
-	-	4,971
<u>\$ 1,470,262</u>	<u>\$ 264,160</u>	<u>\$ 2,684,591</u>
\$ -	\$ -	\$ -
1,464,617	88,054	1,552,671
-	176,106	176,106
5,645	-	5,645
<u>1,470,262</u>	<u>264,160</u>	<u>1,734,422</u>
-	-	950,169
-	-	950,169
<u>\$ 1,470,262</u>	<u>\$ 264,160</u>	<u>\$ 2,684,591</u>

CITY OF KENNER, LOUISIANA  
PENSION TRUST FUND  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
Year Ended June 30, 2001

	FIREMEN'S PENSION AND RELIEF
<b>ADDITIONS</b>	
Investment Income:	
Interest	\$ 26,782
Dividends	15,652
Total Investment Income	42,434
Less Investment Expense	3,842
Net Investment Income (Loss)	38,592
 <b>DEDUCTIONS</b>	
Net depreciation in fair value	52,657
Continued service incentive	23,203
Administrative expenses	15,593
TOTAL DEDUCTIONS	91,453
NET DECREASE	(52,861)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AT BEGINNING OF YEAR	1,003,030
AT END OF YEAR	\$ 950,169

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS  
 Year Ended June 30, 2001

AD VALOREM TAX COLLECTION FUND

	<u>BALANCE JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2001</u>
<b>ASSETS</b>				
Cash	\$ 126,397	\$ 5,328,359	\$ 5,384,665	\$ 70,091
Ad valorem taxes receivable	<u>1,351,566</u>	<u>5,574,194</u>	<u>5,525,589</u>	<u>1,400,171</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,477,963</u></u>	<u><u>\$ 10,902,553</u></u>	<u><u>\$ 10,910,254</u></u>	<u><u>\$ 1,470,262</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,477,843	5,397,966	5,411,192	1,464,617
Refunds payable	<u>120</u>	<u>5,525</u>	<u>-</u>	<u>5,645</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 1,477,963</u></u>	<u><u>\$ 5,403,491</u></u>	<u><u>\$ 5,411,192</u></u>	<u><u>\$ 1,470,262</u></u>

AIRPORT SALES TAX FUND

	<u>BALANCE JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2001</u>
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 1	\$ -	\$ -	\$ 1
Due from other governments	<u>300,594</u>	<u>264,159</u>	<u>300,594</u>	<u>264,159</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 300,595</u></u>	<u><u>\$ 264,159</u></u>	<u><u>\$ 300,594</u></u>	<u><u>\$ 264,160</u></u>
<b>LIABILITIES</b>				
Due to other funds	\$ 100,199	\$ 88,053	\$ 100,198	\$ 88,054
Due to other governments	<u>200,396</u>	<u>176,106</u>	<u>200,396</u>	<u>176,106</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 300,595</u></u>	<u><u>\$ 264,159</u></u>	<u><u>\$ 300,594</u></u>	<u><u>\$ 264,160</u></u>

(Continued)

CITY OF KENNER, LOUISIANA  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS (CONTINUED)  
 Year Ended June 30, 2001

TOTALS - ALL AGENCY FUNDS

	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
<b>ASSETS</b>				
Cash	\$ 126,397	\$ 5,328,359	\$ 5,384,665	\$ 70,091
Equity in pooled cash and investments	1	-	-	1
Ad valorem taxes receivable	1,351,566	5,574,194	5,525,589	1,400,171
Due from other governments	300,594	264,159	300,594	264,159
<b>TOTAL ASSETS</b>	<u>\$ 1,778,558</u>	<u>\$ 11,166,712</u>	<u>\$ 11,210,848</u>	<u>\$ 1,734,422</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,578,042	5,486,019	5,511,389	1,552,671
Due to other governments	200,396	176,106	200,396	176,106
Refunds payable	120	5,525	-	5,645
<b>TOTAL LIABILITIES</b>	<u>\$ 1,778,558</u>	<u>\$ 5,667,650</u>	<u>\$ 5,711,785</u>	<u>\$ 1,734,422</u>

The accompanying notes are an integral part of this statement.



**GENERAL FIXED ASSETS  
ACCOUNT GROUP**

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

CITY OF KENNER, LOUISIANA  
 SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCES  
 June 30, 2001

GENERAL FIXED ASSETS

Land	\$ 12,209,224
Buildings	28,787,099
Improvements other than buildings	38,041,835
Furniture, fixtures and equipment	14,644,520
Vehicles	13,469,775
Construction in progress	<u>8,232,953</u>

TOTAL GENERAL FIXED ASSETS \$ 115,385,406

INVESTMENT IN GENERAL FIXED ASSETS FROM

General fund revenues	\$ 50,688,077
General obligation bonds and notes	17,851,797
Federal grants	12,414,394
State grants	1,223,850
Parish grants	263,000
Gifts	638,662
Special assessments	15,072,274
Riverboat fees	<u>17,233,352</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS \$ 115,385,406

CITY OF KENNER, LOUISIANA  
 SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY  
 June 30, 2001

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>FURNITURE FIXTURES &amp; EQUIPMENT</u>	<u>VEHICLES</u>	<u>TOTAL</u>
General government						
Administration	\$ 4,191,205	\$ 1,587,140	\$ 4,487,804	\$ 1,178,824	\$ 80,430	\$ 11,525,403
Elected officials	-	-	23,673	605,600	254,972	884,245
Clerk of Court	-	-	4,938	186,881	-	191,819
Planning and zoning	-	-	13,927	67,138	-	81,065
Total General Government	4,191,205	1,587,140	4,530,342	2,038,443	335,402	12,682,532
Public safety	1,537,288	16,540,070	1,174,955	9,526,373	10,442,387	39,221,073
Public works	189,683	353,746	23,093,656	2,251,163	2,379,481	28,267,729
Health and welfare	146,950	216,470	-	31,071	-	394,491
Culture and recreation	5,947,773	8,765,123	8,523,831	700,961	227,062	24,164,750
Transit and urban development	196,325	1,324,550	719,051	96,509	85,443	2,421,878
Total General Fixed Assets Allocated to Functions	<u>\$12,209,224</u>	<u>\$28,787,099</u>	<u>\$ 38,041,835</u>	<u>\$ 14,644,520</u>	<u>\$13,469,775</u>	<u>\$ 107,152,453</u>
Construction in progress						<u>8,232,953</u>
<b>TOTAL GENERAL FIXED ASSETS</b>						<u><b>\$ 115,385,406</b></u>

CITY OF KENNER, LOUISIANA  
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY  
 Year Ended June 30, 2001

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS 7/01/00	ADDITIONS	DEDUCTIONS & DEPARTMENTAL TRANSFERS	GENERAL FIXED ASSETS 6/30/01
General government				
Administration	\$ 11,121,056	\$ 426,553	\$ 22,206	\$ 11,525,403
Elected officials	869,526	35,808	21,089	884,245
Clerk of court	81,546	110,273	-	191,819
Planning and zoning	71,527	12,374	2,836	81,065
Total General Government	12,143,655	585,008	46,131	12,682,532
Public safety	25,377,305	13,883,359	39,591	39,221,073
Public works	27,754,069	967,747	454,087	28,267,729
Health and welfare	394,491	-	-	394,491
Culture and recreation	23,243,960	956,639	35,849	24,164,750
Transit and urban development	2,415,603	6,275	-	2,421,878
Total General Fixed Assets Allocated to Functions	91,329,083	16,399,028	575,658	107,152,453
Construction in progress	9,435,656	12,200,109	13,402,812	8,232,953
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 100,764,739</b>	<b>\$ 28,599,137</b>	<b>\$ 13,978,470</b>	<b>\$ 115,385,406</b>

## **GENERAL LONG-TERM DEBT ACCOUNT GROUP**

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

CITY OF KENNER, LOUISIANA  
 SCHEDULE OF GENERAL LONG-TERM DEBT  
 June 30, 2001

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

SERIAL BONDS

Amount available in Debt Service Funds \$ 5,797,760

Amount to be provided for retirement of general obligation,  
 special tax bonds, and special assessment debt with  
 governmental commitment 38,657,240

Total available and to be provided for serial bond retirement 44,455,000

NOTES PAYABLE

Amount available in Debt Service Fund 54,085

Amount to be provided from governmental funds 2,839,421

Total available and to be provided for notes payable 2,893,506

COMPENSATED ABSENCES PAYABLE

Amount to be provided from governmental funds 2,631,146

CAPITAL LEASES PAYABLE

Amount to be provided from governmental funds 442,344

Total amount available and to be provided \$ 50,421,996

General Long-Term Debt Payable

SERIAL BONDS PAYABLE

General obligation and special tax bonds \$ 44,455,000

NOTES PAYABLE 2,893,506

COMPENSATED ABSENCES PAYABLE 2,631,146

CAPITAL LEASES PAYABLE 442,344

Total general long-term debt payable \$ 50,421,996



## **STATISTICAL SECTION**

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

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PERCENT OF TOTAL</u>	<u>PUBLIC SAFETY</u>	<u>PERCENT OF TOTAL</u>	<u>PUBLIC WORKS</u>	<u>PERCENT OF TOTAL</u>	<u>HEALTH AND WELFARE</u>	<u>PERCENT OF TOTAL</u>
1992	\$ 6,959,069	21.9	\$ 9,494,864	29.9	\$ 4,741,457	14.9	\$ 609,521	1.9
1993	6,052,019	18.8	10,004,115	31.1	5,083,300	15.8	634,838	2.0
1994	6,150,179	19.2	11,342,251	35.4	5,432,066	16.9	626,316	2.0
1995	7,355,756	21.0	12,406,268	35.5	5,868,997	16.8	609,811	1.7
1996	8,772,634	21.4	15,896,297	38.7	6,206,314	15.1	701,860	1.7
1997	8,282,770	18.2	17,268,441	38.0	6,933,135	15.3	764,698	1.7
1998	8,148,929	18.4	16,539,725	37.3	6,862,236	15.5	769,305	1.7
1999	7,718,928	16.1	20,823,712	43.3	7,062,176	14.7	789,516	1.6
2000	8,007,147	14.7	24,260,970	44.5	10,457,925	19.2	562,850	1.0
2001	8,956,405	17.4	19,049,353	37.0	10,894,139	21.2	641,597	1.2

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

<u>CULTURE AND RECREATION</u>	<u>PERCENT OF TOTAL</u>	<u>TRANSIT</u>	<u>PERCENT OF TOTAL</u>	<u>DEBT SERVICE</u>	<u>PERCENT OF TOTAL</u>	<u>MISCEL- LANEOUS</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
\$ 3,422,618	10.8	\$ 447,001	1.4	\$ 4,836,827	15.2	\$ 1,215,427	3.8	\$ 31,726,784	100.0
2,808,260	8.7	386,300	1.2	5,914,097	18.4	1,296,067	4.0	32,178,996	100.0
2,664,041	8.3	352,921	1.1	4,172,086	13.0	1,325,103	4.1	32,064,963	100.0
2,992,872	8.6	391,628	1.1	3,903,810	11.2	1,450,042	4.1	34,979,184	100.0
3,170,484	7.7	344,149	.9	4,319,384	10.5	1,628,349	4.0	41,039,471	100.0
3,332,990	7.3	408,919	.9	6,878,206	15.1	1,566,591	3.4	45,435,750	100.0
3,859,815	8.7	408,806	.9	5,814,389	13.1	1,944,224	4.4	44,347,429	100.0
3,862,742	8.0	436,047	.9	5,825,965	12.1	1,546,418	3.2	48,065,504	100.0
3,151,513	5.8	398,474	.7	6,030,438	11.1	1,674,621	3.1	54,543,938	100.0
3,051,478	5.9	454,501	.9	6,735,050	13.1	1,639,556	3.2	51,422,079	100.0

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

<u>FISCAL YEAR</u>	<u>PERSONNEL SERVICES</u>	<u>PERCENT OF TOTAL</u>	<u>SUPPLIES</u>	<u>PERCENT OF TOTAL</u>	<u>SERVICE CHARGES</u>	<u>PERCENT OF TOTAL</u>
1992	\$ 13,531,586	42.7	\$ 1,189,214	3.7	\$ 11,281,678	35.6
1993	13,856,231	43.1	1,612,958	5.0	9,907,774	30.8
1994	14,359,353	44.8	1,466,075	4.6	10,097,822	31.5
1995	15,531,624	44.4	1,600,026	4.6	11,876,714	34.0
1996	17,085,934	41.6	1,785,418	4.4	13,245,138	32.3
1997	18,224,696	40.1	1,971,065	4.3	13,036,954	28.7
1998	19,721,760	44.5	2,062,214	4.7	13,540,666	30.5
1999	20,457,895	42.6	2,122,520	4.4	13,854,259	28.8
2000	21,292,115	39.0	2,415,603	4.4	15,254,497	28.0
2001	22,149,652	43.1	2,610,917	5.1	15,909,663	30.9

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

<u>CAPITAL OUTLAY</u>	<u>PERCENT OF TOTAL</u>	<u>DEBT SERVICE</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
\$ 887,479	2.8	\$ 4,836,827	15.2	\$ 31,726,784	100.0
887,936	2.8	5,914,097	18.4	32,178,996	100.0
1,969,627	6.1	4,172,086	13.0	32,064,963	100.0
2,067,010	5.9	3,903,810	11.2	34,979,184	100.0
4,603,597	11.2	4,319,384	10.5	41,039,471	100.0
5,324,829	11.7	6,878,206	15.1	45,435,750	100.0
3,208,400	7.2	5,814,389	13.1	44,347,429	100.0
5,804,865	12.1	5,825,965	12.1	48,065,504	100.0
9,551,285	17.5	6,030,438	11.1	54,543,938	100.0
4,016,797	7.8	6,735,050	13.1	51,422,079	100.0

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

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>PERCENT OF TOTAL</u>	<u>LICENSES AND PERMITS</u>	<u>PERCENT OF TOTAL</u>	<u>INTER-GOVERNMENTAL</u>	<u>PERCENT OF TOTAL</u>	<u>CHARGES FOR SERVICES</u>	<u>PERCENT OF TOTAL</u>
1992	\$ 23,441,033	81.2	\$ 1,848,219	6.4	\$ 891,987	3.1	\$ 1,172,666	4.1
1993	24,967,084	80.8	1,963,613	6.4	1,402,234	4.5	1,181,214	3.8
1994	27,960,448	81.7	2,183,193	6.4	1,252,423	3.7	1,200,022	3.5
1995	38,610,266	84.1	2,226,695	4.9	1,754,334	3.8	1,289,866	2.8
1996	41,195,517	82.9	2,371,946	4.8	1,856,581	3.7	1,484,513	3.0
1997	40,676,884	82.1	2,341,273	4.7	2,286,365	4.6	1,627,833	3.3
1998	41,957,832	81.5	2,363,845	4.6	2,623,098	5.1	1,646,482	3.2
1999	44,617,388	82.0	2,399,576	4.4	2,366,336	4.3	1,736,289	3.2
2000	45,269,789	80.6	2,444,269	4.4	2,181,274	3.9	2,385,983	4.2
2001	46,105,721	80.9	2,542,202	4.5	1,698,301	3.0	3,052,493	5.4

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

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



<u>FINES AND FORFEITURES</u>	<u>PERCENT OF TOTAL</u>	<u>SPECIAL ASSESSMENTS</u>	<u>PERCENT OF TOTAL</u>	<u>(2) INTEREST</u>	<u>PERCENT OF TOTAL</u>	<u>MISCELLANEOUS</u>	<u>PERCENT OF TOTAL</u>	<u>TOTAL</u>	<u>PERCENT OF TOTAL</u>
\$ 808,182	2.8	\$ 29,271	.1	\$ 432,255	1.5	\$ 239,447	.8	\$ 28,863,060	100.0
911,586	3.0	29,271	.1	201,374	.7	228,736	.7	30,885,112	100.0
1,011,839	3.0	39,527	.1	311,346	.9	278,366	.8	34,237,164	100.0
1,127,429	2.5	39,539	.1	639,073	1.4	199,797	.4	45,886,999	100.0
1,121,222	2.3	29,271	.1	1,155,874	2.3	426,601	.9	49,641,525	100.0
1,304,823	2.6	29,271	.1	1,106,980	2.2	166,871	.3	49,540,300	100.0
1,506,680	2.9	29,271	.1	1,123,888	2.2	243,822	.5	51,494,918	100.0
1,846,210	3.4	29,272	.1	1,185,654	2.2	263,410	.5	54,444,135	100.0
2,135,780	3.8	29,271	.1	1,341,532	2.4	369,250	.7	56,157,148	100.0
1,845,159	3.2	-	-	1,221,222	2.1	505,191	.9	56,970,289	100.0

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

<u>FISCAL YEAR</u>	<u>TOTAL MILLAGES</u>	<u>NON-HOMESTEAD EXEMPT TAX LEVY</u>	<u>TAX COLLECTIONS AND ADJUSTMENTS</u>	<u>PERCENT OF LEVY COLLECTED &amp; ADJUSTED</u>	<u>TOTAL OUTSTANDING DELINQUENT TAXES RECEIVABLE</u>
1992	22.23	\$ 4,420,417	\$ 4,167,543	94.28	\$ 1,083,950
1993	24.22	4,788,328	4,332,766	90.49	1,314,752
1994	23.36	4,725,618	4,488,199	94.98	1,279,679
1995	23.36	4,680,143	4,430,768	94.67	1,396,007
1996	23.36	4,945,611	4,768,588	96.42	1,372,837
1997	21.87	5,077,528	4,918,121	96.86	1,210,252
1998	21.70	5,143,207	5,005,049	97.31	1,222,334
1999	21.70	5,262,573	5,040,482	95.78	1,306,050
2000	21.70	5,503,590	5,312,280	96.52	1,351,566
2001	19.24	5,569,405	5,441,556	97.70	1,400,171

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

<u>FISCAL YEAR</u>	<u>REAL ESTATE</u>	<u>PERSONAL PROPERTY</u>	<u>TAX SALE</u>	<u>PUBLIC SERVICE CORPORATIONS</u>
1992	\$ 215,215,880	\$ 35,140,599	\$ 7,222,086	\$ 30,361,071
1993	214,287,450	37,366,492	5,379,716	29,995,049
1994	214,159,570	41,904,031	5,224,996	31,279,553
1995	214,213,110	43,253,948	5,271,656	29,250,567
1996	220,803,770	50,596,941	3,990,386	28,614,918
1997	237,074,541	58,195,479	4,257,761	30,995,528
1998	241,398,331	60,938,732	3,699,541	30,195,387
1999	245,918,850	62,500,241	4,820,151	28,922,196
2000	254,284,120	65,933,841	4,459,761	30,302,781
2001	291,404,556	68,936,961	2,799,070	32,836,974

NOTES:

(1) Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December 2000.

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

<u>RAILWAY ROLLING STOCK</u>	<u>(1) TOTAL ASSESSMENTS</u>	<u>HOMESTEAD EXEMPT</u>	<u>NON-HOMESTEAD EXEMPT</u>	<u>TOTAL ESTIMATED ACTUAL VALUE</u>
\$ 36,940	\$ 287,976,576	\$ 89,127,460	\$ 198,849,116	\$ 2,661,303,727
35,490	287,064,197	89,362,880	197,701,317	2,645,985,200
36,450	292,604,600	90,309,400	202,295,200	2,681,979,220
42,600	292,031,881	91,683,350	200,348,531	2,678,495,093
46,390	304,052,405	92,339,680	211,712,725	2,776,329,887
42,070	330,565,379	98,398,673	232,166,706	3,008,210,200
44,920	336,276,911	99,263,364	237,013,547	3,058,838,980
43,660	342,205,098	99,690,817	242,514,281	3,117,163,990
58,630	355,039,133	101,418,082	253,621,051	3,229,407,157
59,320	396,036,881	106,566,854	289,470,027	3,620,924,627

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

COLLECTION YEAR	LEVY YEAR	CITY OF KENNER					PARISH	
		GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	WASTEWATER OPERATIONS FUND	TOTAL	(1) POLITICAL SUBDIVISIONS	TOTAL
1992	1991	3.76	14.16	2.25	2.06	22.23	46.03	68.26
1993	1992	3.75	16.16	2.25	2.06	24.22	76.45	100.67
1994	1993	3.75	16.16	1.39	2.06	23.36	75.74	99.10
1995	1994	3.75	16.16	1.39	2.06	23.36	72.85	96.21
1996	1995	3.75	16.16	1.39	2.06	23.36	67.62	90.98
1997	1996	3.51	15.13	1.30	1.93	21.87	67.62	89.49
1998	1997	3.51	15.13	1.13	1.93	21.70	68.86	90.56
1999	1998	3.51	15.13	1.13	1.93	21.70	69.29	90.99
2000	1999	3.51	15.13	1.13	1.93	21.70	69.29	90.99
2001	2000	3.11	13.42	1.00	1.71	19.24	69.29	88.53

NOTES:

(1) Source: Jefferson Parish Assessor.



CITY OF KENNER, LOUISIANA  
 PRINCIPAL TAXPAYERS OF AD VALOREM TAXES  
 June 30, 2001  
 (UNAUDITED)

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>2000 ASSESSED VALUATION</u>	<u>2000 TAX AMOUNT</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Southwest Airlines	Air Carrier	\$ 9,265,350	\$ 178,265	2.3
Bell South Telecommunicatons	Telephone Utility	6,841,840	131,637	1.7
CF Kenner Associates	Retail (Mall)	6,261,370	120,469	1.6
Southern Company	Electrical Utility	3,384,000	65,108	0.9
Treasure Chest Casino	Casino	3,226,604	62,080	0.8
Continental Airlines	Air Carrier	3,021,290	58,130	0.8
Sterik Company	Shopping Center	2,600,000	50,024	0.7
Delta Airlines	Air Carrier	2,429,740	46,748	0.6
Kenner Hotel Ltd. Partnership	Hotel	2,283,010	43,925	0.6
United Airlines	Air Carrier	<u>2,251,970</u>	<u>43,328</u>	0.6
		<u>\$ 41,565,174</u>	<u>\$ 799,714</u>	

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

FISCAL YEAR	CURRENT AND DELIQUENT ASSESSMENTS DUE AT BEGINNING OF YEAR	ASSESSMENTS LEVIED DURING YEAR	(1) CURRENT AND DELIQUENT ASSESSMENTS COLLECTED DURING YEAR	RATIO OF COLLECTIONS TO AMOUNT DUE	(2) TOTAL ASSESSMENTS OUTSTANDING AT END OF YEAR
PAVING ASSESSMENTS					
1992	\$ 551,902	\$ -	\$ 48,407	8.77	\$ 503,495
1993	503,495	-	50,999	10.13	452,496
1994	452,496	-	41,894	9.26	410,602
1995	410,602	-	37,352	9.10	373,250
1996	373,250	-	29,271	7.84	343,979
1997	343,979	-	29,271	8.51	314,708
1998	314,708	-	39,258	12.47	275,450
1999	275,450	-	29,273	10.63	246,177
2000	246,177	-	33,312	13.53	212,865
2001	212,865	-	5,958	2.80	206,907
SEWERAGE ASSESSMENTS					
1992	\$ 72,617	\$ -	\$ 7,601	10.47	\$ 65,016
1993	65,016	-	2,500	3.85	62,516
1994	62,516	-	3,021	4.83	59,495
1995	59,495	-	1,582	2.66	57,913
1996	57,913	-	-	0.00	57,913
1997	57,913	-	-	0.00	57,913
1998	57,913	-	3,089	5.33	54,824
1999	54,824	-	423	0.77	54,401
2000	54,401	-	340	0.62	54,061
2001	54,061	-	-	0.00	54,061

NOTES:

(1) Collections include total payouts of individual assessments.

(2) Balance outstanding does not include interest receivable on delinquent assessments.

CITY OF KENNER, LOUISIANA  
COMPUTATION OF LEGAL DEBT MARGIN  
June 30, 2001  
(UNAUDITED)

Assessed value		<u>\$ 396,036,881</u>
Debt limit - 35% of assessed value (1)		\$ 138,612,908
Total bonds payable	\$ 44,455,000	
Less: Sales tax bonds	(35,165,000)	
Amount available for repayment of general obligation and excess revenue bonds	<u>905,485</u>	
Total debt applicable to limitation		<u>10,195,485</u>
Legal debt margin		<u>\$ 128,417,423</u>

NOTES:

(1) Louisiana R.S. 39:562 allows a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

CITY OF KENNER, LOUISIANA  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>ASSESSED VALUE (IN THOUSANDS)</u>	<u>(2) GROSS BONDED DEBT</u>	<u>(2) DEBT SERVICE MONIES AVAILABLE</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1992	72,252	\$ 287,977	\$ 2,725,000	\$ 381,746	\$ 2,343,254	0.81 %	\$ 32
1993	75,317	287,064	2,465,000	239,992	2,225,008	0.78 %	30
1994	72,700	292,605	2,305,000	233,707	2,071,293	0.71 %	28
1995	72,300	292,032	2,140,000	220,839	1,919,161	0.66 %	27
1996	73,765	304,052	1,965,000	230,650	1,734,350	0.57 %	24
1997	74,002	330,565	1,785,000	253,567	1,531,433	0.46 %	21
1998	74,180	336,277	1,595,000	236,258	1,358,742	0.40 %	18
1999	74,220	342,205	1,395,000	219,095	1,175,905	0.34 %	16
2000	75,054	355,039	1,190,000	220,821	969,179	0.27 %	13
2001	70,517	396,037	975,000	220,448	754,552	0.19 %	11

NOTES:

(1) Source: Louisiana Tech University for 1992-1999 and 2001; U.S. Census Bureau for 2000 Census.

(2) Includes only Ad Valorem Tax Bonds.

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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>(2) INTEREST AND FEES</u>	<u>TOTAL DEBT SERVICE</u>	<u>(1) TOTAL GENERAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1992	\$ 1,931,340	\$ 2,905,487	\$ 4,836,827	\$ 31,726,784	15.25
1993	1,539,119	3,438,906	4,978,025	32,178,996	15.47
1994	1,943,527	2,223,884	4,167,411	32,064,963	13.00
1995	1,729,405	2,174,405	3,903,810	34,979,184	11.16
1996	2,010,033	2,309,351	4,319,384	41,039,471	10.52
1997	4,155,441	2,722,764	6,878,205	45,435,750	15.14
1998	3,200,029	2,614,360	5,814,389	44,347,429	13.11
1999	3,346,203	2,479,762	5,825,965	48,065,504	12.12
2000	3,528,492	2,489,949	6,018,441	54,543,938	11.03
2001	3,140,898	2,416,622	5,557,520	51,422,079	10.81

NOTES:

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

(2) Excludes bond issuance costs.

CITY OF KENNER, LOUISIANA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 June 30, 2001  
 (UNAUDITED)

	<u>INDEBTEDNESS AS OF</u>	<u>NET AD VALOREM TAX BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO THE CITY (1)</u>	<u>AMOUNT APPLICABLE TO THE CITY</u>
City of Kenner	6-30-01	\$ 975,000	100.0%	\$ 975,000
Jefferson Parish	12-31-00	70,695,000	15.07%	10,653,737
Jefferson Parish Public School System	6-30-01	17,572,991	15.07%	<u>2,648,250</u>
Total direct and overlapping debt				<u>\$ 14,276,987</u>
Taxable assessed valuation				\$ 396,036,881
Ratio of direct and overlapping debt to taxable assessed valuation				3.6%
Direct and overlapping debt per capita				\$ 202

NOTES:

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



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

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>(2) PER CAPITA PERSONAL INCOME</u>	<u>(3) UNEMPLOYMENT RATES</u>
1992	72,252	\$ 18,340	6.2%
1993	75,317	19,100	5.9%
1994	72,700	21,578	6.4%
1995	72,300	22,868	5.0%
1996	73,765	23,607	4.6%
1997	74,002	25,094	3.8%
1998	74,180	26,251	3.3%
1999	74,220	26,251	2.9%
2000	75,054	26,251	3.9%
2001	70,517	(4)	(4)

NOTES:

- (1) Source: Louisiana Tech University for 1992-1999 and 2001; U.S. Census Bureau for 2000 Census.
- (2) Source: United States Census Bureau, Regional Economic Information System. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (3) Source: Louisiana Department of Labor for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.
- (4) Information not yet available.

CITY OF KENNER, LOUISIANA  
PROPERTY VALUE AND PRIVATE CONSTRUCTION PERMITS AND VALUE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>FISCAL YEAR</u>	<u>(1) ASSESSED PROPERTY VALUE</u>	<u>CONSTRUCTION PERMITS (2)</u>	
		<u>NUMBER OF BUILDING PERMITS</u>	<u>VALUE</u>
1992	\$ 287,976,576	647	\$ 37,945,405
1993	287,064,197	535	27,975,909
1994	292,604,600	439	30,302,337
1995	292,031,881	605	36,140,565
1996	304,052,405	695	74,900,927
1997	330,565,379	636	32,283,893
1998	336,276,911	693	66,281,179
1999	342,205,098	627	38,348,546
2000	355,039,133	631	53,729,587
2001	396,036,881	547	62,614,267

NOTES:

(1) Assessed values from fifth table presented.

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

CITY OF KENNER, LOUISIANA  
MISCELLANEOUS STATISTICS  
June 30, 2001  
(UNAUDITED)

Date of Incorporation: December 13, 1913

Form of Government: Home Rule Charter;  
Mayor-Council Form

Average Elevation: -5 Feet

Area: 15 square miles

Number of Street Lights: 6,893

Number of Housing Units: 27,378

Fire Protection:

Rating: 2 on a scale of 1 to 10 with 1 being the highest  
(Louisiana Property Insurance Association)

Number of Stations: 5

Number of Commissioned Firemen: 82

Number of Pieces of Equipment: 19

Police Protection:

Number of Stations: 2

Number of Commissioned Policemen: 135

Sewerage Treatment:

Treatment Capacity: 13.33 MGD

Number of Treatment Plants: 2

Number of Low Lift Stations: 77

Number of Miles on Collection System: 391

Discharge Point: Mississippi River

Culture and Recreation:

Art Gallery: 1

Number of Museums: 7

Number of Theatres: 3

Number of Parks: 2

Number of Gymnasiums: 10

Number of Playgrounds: 11

Number of Tot-Lots: 17

Number of Wheelchair Tracks: 3

Number of Employees:

Civil Service: 230

Unclassified: 512

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**SINGLE AUDIT SECTION**

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# 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***

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

We have audited the general-purpose financial statements of the **City of Kenner, Louisiana** as of and for the year ended June 30, 2001, and have issued our report thereon dated December 20, 2001. 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 **City of Kenner's** general-purpose 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 **City of Kenner's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose 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 general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to management of the **City of Kenner, Louisiana** in a separate letter dated December 20, 2001.

This report is intended solely for the information of management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Rebowe & Company*

December 20, 2001

# REBOWE & COMPANY

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

### **Compliance**

We have audited the compliance of the **City of Kenner, Louisiana** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The **City of Kenner's** major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the **City of Kenner's** management. Our responsibility is to express an opinion on the **City of Kenner's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **City of Kenner's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the **City of Kenner's** compliance with those requirements.

In our opinion, the **City of Kenner, Louisiana** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 01-1, 01-2, and 01-3. We also noted certain immaterial instances of noncompliance, which we have reported to management of the **City of Kenner** in a separate letter dated December 20, 2001.

### **Internal Control Over Compliance**

The management of the **City of Kenner, Louisiana** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the **City of Kenner's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Rebowe & Company*

December 20, 2001

CITY OF KENNER, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2001

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	REVENUE AND RECEIPTS RECOGNIZED	FEDERAL AND OTHER EXPENDITURES
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Direct Programs:					
Community Development Block Grant*	14.218	B-00-MC-22-008	\$ 990,000	\$ -	\$ -
Community Development Block Grant*	14.218	B-99-MC-22-008	999,000	768,935	768,935
Community Development Block Grant*	14.218	B-98-MC-22-008	992,000	598,366	598,366
Total Direct Programs				<u>1,367,301</u>	<u>1,367,301</u>
Passed Through Jefferson Parish:					
Home Investment Partnership Program (HOME)	14.239	M97-DC-22-0207	196,114	67,554	67,554
Home Investment Partnership Program (HOME)	14.239	M96-DC-22-0207	201,300	22,147	22,147
Home Investment Partnership Program (HOME)	14.239	M95-DC-22-0207	213,371	91	91
Total Passed Through Jefferson Parish				<u>89,792</u>	<u>89,792</u>
Passed Through State Department of Social Services, Office of Community Services:					
Emergency Shelter Grants Program	14.231	547088	35,909	35,909	35,909
Emergency Shelter Grants Program	14.231	DOA# 370-6133	34,879	939	939
Total Passed Through State Department of Social Services, Office of Community Services		DSS# 06588		<u>36,848</u>	<u>36,848</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<u>\$ 1,493,941</u>	<u>\$ 1,493,941</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>					
Passed Through Louisiana Commission on Law Enforcement:					
After School Program/Alcohol Prevention	16.579	B00-7-016	\$ 46,736	\$ 46,736	\$ 46,736
After School Program/Alcohol Prevention	16.579	B98-7-021	36,000	6,876	6,876
Multi-Jurisdictional Drug Enforcement Task Force	16.579	-	35,052	13,000	13,000
Street Sales Disruption	16.579	B00-7-002	35,397	19,251	19,251
Total Passed Through Louisiana Commission on Law Enforcement				<u>85,863</u>	<u>85,863</u>
Office of Justice Programs:					
Local Law Enforcement Block Grant	16.592	00-LB-BX0876	150,298	-	-
Local Law Enforcement Block Grant	16.592	99-LB-VX7671	185,819	44,642	44,642
Local Law Enforcement Block Grant	16.592	98-LB-VX3609	190,938	-	139,414
Total Office of Justice Programs				<u>44,642</u>	<u>184,056</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<u>\$ 130,505</u>	<u>\$ 269,919</u>

(Continued)



CITY OF KENNER, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2001

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	TOTAL REVENUE AND RECEIPTS RECOGNIZED	TOTAL FEDERAL AND OTHER EXPENDITURES
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>					
Passed Through Military Department					
Office of Emergency Preparedness:					
Hazard Mitigation Grant Program (Section 404)*	83.548	1049-053-0005	\$ 826,658	\$ 396,223	\$ 396,223
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				<u>\$ 396,223</u>	<u>\$ 396,223</u>
<b>NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</b>					
Passed Through Louisiana Highway Safety Commission:					
Commercial Motor Vehicle Grant	20.600	MC-99-22-002-F	\$ 5,893	\$ 1,073	\$ 1,073
Kenner Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	0032	48,664	11,270	11,270
Kenner Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	0132	19,701	14,819	14,819
<b>TOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION</b>				<u>\$ 27,162</u>	<u>\$ 27,162</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
Passed Through Louisiana Department of Transportation and Development:					
Highway Planning and Construction (Loyola Drive Improvements - Phase II) *					
	20.205	State Project # 742-26-0014 FAP # STP-8668 (005)M	\$ -	\$ 1,352,747	\$ 1,352,747
Vintage Blvd. Improvements*	20.205	STP-8691(007)	-	693,666	693,666
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<u>\$ 2,046,413</u>	<u>\$ 2,046,413</u>
<b>U.S. OFFICE OF EDUCATION</b>					
Passed Through State Department of Education:					
Governor's Safe and Drug-Free Schools and Communities Act	84.186A	DFS00-2001	\$ 15,000	\$ 15,000	\$ 15,000
<b>TOTAL U.S. OFFICE OF EDUCATION</b>				<u>\$ 15,000</u>	<u>\$ 15,000</u>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>					
Kenner Planetarium and Space Theatre*	N/A	NCC5-419	\$ 2,000,000	\$ 694,750	\$ 694,750
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<u>\$ 4,803,994</u>	<u>\$ 4,943,408</u>

\* Major Program

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.



CITY OF KENNER, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2001

**NOTE A – SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, “AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS” AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS**

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

Community Development Block Grants (CFDA No. 14.218)  
Federal Emergency Management Agency (CFDA No. 83.548)  
Highway Planning and Construction (CFDA No. 20.205)  
Vintage Blvd. Improvements (CFDA No. 20.205)  
National Aeronautics and Space Administration (Grant No. NCC5-419)

The Department of Housing and Urban Development has been designated as the City’s oversight agency for the single audit.

**NOTE B - FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2001. Revenues and expenditures recorded prior to July 1, 1986 for programs with contractual reimbursement periods commencing prior to that date were outside the scope of the single audit. These prior period revenues and expenditures are subject to the audit requirements of the applicable federal funding sources. Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

**NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

**2. ACCRUED AND DEFERRED REIMBURSEMENT**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

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CITY OF KENNER, LOUISIANA  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2001

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Kenner, Louisiana.
2. No reportable conditions relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No reportable conditions relating to the audit of internal control over major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the City of Kenner, Louisiana are reported in this schedule.
7. The programs tested as major programs include:

	<u>CFDA Number/Grant Number</u>
Community Development Block Grants	14.218
Federal Emergency Management Agency	83.548
Highway Planning and Construction	20.205
Vintage Blvd. Improvements	20.205
National Aeronautics and Space Administration	NCC5-419

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Kenner, Louisiana does not qualify as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

CITY OF KENNER, LOUISIANA  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2001

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**QUESTIONED  
COSTS**

U. S. DEPARTMENT OF JUSTICE

01-1 COPS Universal Hiring Program - CFDA No. 16.710; Grant No. 96-CC-WX-0081

Condition:

As reported in the prior year, twelve (12) officers were hired under the COPS Universal Hiring Program. One of these officers was hired prior to the grant award date.

Criteria:

Eligibility for the program requires all officers to be hired after the grant award date. In addition, the federal award specifies a time period during which the entity may use the federal funds (period of availability).

Effect:

The total salaries and benefits for this officer in the amount of \$23,000 per year may be disallowed.

\$ 70,946

Cause:

Procedures in place for the hiring requirements of officers under the COPS Universal Hiring Program were not followed.

Recommendation:

Procedures should be implemented to ensure these requirements are met.

Response:

See management's corrective action plan for their response.

01-2 COPS More '96 - CFDA No. 16.710; Grant No. 97-CM-WX-1080

Condition:

As reported in the prior year, a COPS More '96 grant was awarded to the City for the purchase of equipment. A disbursement for equipment in the amount of \$350,000 was reimbursed by the grantor. However, the disbursement was made prior to the grant award date.

Criteria:

Eligibility for the program requires all reimbursable costs to be made after the grant award date. In addition, the federal award specifies a time period during which the entity may use the federal funds (period of availability).

Effect:

The costs for the entire grant award are subject to being disallowed.

\$ 397,274

CITY OF KENNER, LOUISIANA  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2001

**QUESTIONED  
COSTS**

Cause:

Procedures in place to ensure eligibility of costs under the program were not followed.

Recommendation:

Procedures should be implemented to ensure these requirements are met.

Response:

See management's corrective action plan for their response.

TOTAL U. S. DEPARTMENT OF JUSTICE

\$ 468,220

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

01-3 Community Development Block Grant (CDBG) – CFDA No. 14.218

Condition:

During an on-site monitoring review of the City's CDBG program by the Department of Housing and Urban Development (HUD), there were six (6) expenditures, totaling \$87,086, that were considered questionable as to whether they were allowed based on CDBG regulations.

Criteria:

Eligible activities must meet one or more of the following three national objectives:

- (1) Benefit to low and moderate income persons;
- (2) Aid in the prevention or elimination of slums or blight; and
- (3) Meet a need having a particular urgency (referred to as urgent need).

Effect:

The cost associated with the six purchases are subject to being disallowed.

\$ 87,086

Cause:

Procedures are not in place to verify eligibility of questioned costs.

Recommendation:

Procedures should be implemented to assure that each eligible activity meets one or more of the three national objectives.

Response:

See management's corrective action plan for their response.

TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

\$ 87,086

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CITY OF KENNER, LOUISIANA  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2001

**A. INTERNAL CONTROL FINDINGS**

None

**B. FINDINGS RELATED TO FEDERAL AWARD PROGRAMS**

00-1 COPS Universal Hiring Program - CFDA No. 16.710; Grant No. 96-CC-WX-0081

Condition:

Twelve (12) officers were hired under the COPS Universal Hiring Program. One of these officers was hired prior to the grant award date.

Current Status:

Procedures are now in place to ensure officers hired under the COPS program are newly hired. The City received correspondence from the Department of Justice requesting the return of grant funds expended for this officer hired before the grant award date. However, negotiations are still in process as to the final outcome of this matter. This finding is repeated in the Schedule of Findings and Questioned Costs (01-1) at June 30, 2001.

00-2 COPS Universal Hiring Program - CFDA No. 16.710; Grant No. 96-CC-WX-0081

Condition:

The local share match has not increased during the grant period, nor has the federal share match decreased.

Current Status:

The contract period for the COPS Universal Hiring Grant ended January 31, 2000. All local and federal monies were expended in the prior year. A new grant was not received in the current fiscal year, therefore, this finding is cleared.

00-3 COPS More '96 - CFDA No. 16.710; Grant No. 97-CM-WX-1080

Condition:

A COPS More '96 grant was awarded to the City for the purchase of equipment. A disbursement for equipment in the amount of \$350,000 was reimbursed by the grantor. However, the disbursement was made prior to the grant award date.

Current Status:

Procedures are now in place to ensure the requirements for reimbursable costs are met. The City received correspondence from the Department of Justice requesting the return of grant funds expended for the purchase of equipment before the grant award date. However, negotiations are still in progress as to the final outcome of this matter. This finding is repeated in the Schedule of Findings and Questioned Costs (01-2) at June 30, 2001.

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CITY OF KENNER, LOUISIANA  
 Corrective Action Plan  
 For the Year Ended June 30, 2001

<u>Recommendation</u>	<u>Corrective Action</u>	<u>Implementation Date</u>	<u>Contact</u>
<p><b>01-1 COPS – Universal Hiring Program</b>            Procedures should be implemented to ensure the hiring requirements of the program are met.</p>	<p>The statement within the audit on this item as to “Cause” states that “Procedures in place for the hiring requirements of officers under the COPS Universal Hiring Program were not followed.” This is incorrect. It has been determined through department legal counsel that at the time the officer in question was hired, the then existent standards of the U.S. Department of Justice were that officers were not to be hired pre-application, not pre-award. It was only after this grant award was issued to Kenner, that the COPS Program promulgated new rules indicating that the monies were to be used for the hiring of officers only post-award. The police department is currently working with U.S. Department of Justice officials to achieve an agreement that the later promulgated rule will not be applied retroactively to decisions made in good faith reliance upon the prior standards of the COPS Program.</p>	<p>January 1, 2000</p>	<p>Nick A. Congemi            Chief of Police            (504) 468-7270</p>
<p><b>01-2 COPS More '96</b>            Procedures should be implemented to ensure eligibility requirements are met.</p>	<p>The statement within the audit on this item as to “Cause” states that “Procedures in place to ensure eligibility of costs under the program were not followed.” This is incorrect. It has been determined through department legal counsel that at the time the computer equipment in question was purchased, the then existent standards of the U.S. Department of Justice were that this equipment was not to be purchased pre-application, not pre-award. It was only after this grant award was issued to Kenner, that the COPS Program promulgated new rules indicating that the monies were to be used for the purchase of equipment only post-award. (The new rule book is the same one referenced in the department’s response above as to Item 01-1). The police department is currently working with U.S. Department of Justice officials to achieve an agreement that the later promulgated rule will not be applied retroactively to decisions made in good faith reliance upon the prior standards of the COPS Program.</p>	<p>January 1, 2000</p>	<p>Nick A. Congemi            Chief of Police            (504) 468-7270</p>

CITY OF KENNER, LOUISIANA  
Corrective Action Plan (Continued)  
For the Year Ended June 30, 2001

<u>Recommendation</u>	<u>Corrective Action</u>	<u>Implementation Date</u>	<u>Contact</u>
<b>01-3 Community Development Block Grant</b> Procedures should be implemented to ensure that each eligible activity meets one or more of the three national objectives.	Five of the six questionable costs did meet one or more of the national objectives under Section 507.208. The sixth questionable cost was purchased through the City's General Fund and was not purchased with grant monies. The City will provide HUD with an explanation of the questioned costs including the criteria used to determine how the costs supported activities that met one or more of the national objectives.	July 1, 2001	Elizabeth Y. Bates, Director Community Development Department (504) 468-7588

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**CITY OF KENNER, LOUISIANA**  
**MEMORANDUM OF ADVISORY COMMENTS**

**JUNE 30, 2001**

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 \_\_\_\_\_

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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

December 20, 2001

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

We have audited the general-purpose financial statements of the **City of Kenner, Louisiana** for the year ended June 30, 2001, and have issued our report thereon dated December 20, 2001. As part of our audit, we considered the City's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the City's internal control in a separately issued report entitled *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* dated December 20, 2001.

We will review the status of these matters during our next audit engagement. We have already discussed many of these recommendations with various City personnel and have included their responses. We will be pleased to discuss these recommendations 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*

## **OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **1. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

#### **A. Observation:**

The files for the Youth Drug Prevention Program and the After School Care Program did not contain adequate documentation to support the national objective for each of these programs. The client failed to compute the percentage of low/moderate income persons residing in these census tracts using information provided by the Department of Housing and Urban Development. In regard to the Youth Drug Prevention Program, there were no computations of income, only yearly amounts shown on the back of the applications. There was also no indication in the files that the yearly income amounts were compared to the applicable Section 8 income limits to determine income eligibility to participate in the program.

#### **Recommendation:**

Documentation must be maintained in project files justifying national objectives.

#### **Management's Corrective Action Plan:**

The following documentation will be provided to support the national objective for each activity:

- Map indicating the location of the activity in a census tract.
- Copy of census information to substantiate the percentage of low/moderate income persons in the census tract.
- Computation of percentage of low/moderate income persons residing in these census tracts, if activity is composed of several census tracts.

#### **B. Observation:**

The City used none of the acceptable CDBG regulation methods of computing income for the purpose of determining whether a family or household is low/moderate income.

#### **Recommendation:**

The City must begin using one of the required methods in determining income eligibility of participants in CDBG programs.

#### **Management's Corrective Action Plan:**

- Effective July 1, 2001, all programs will compute income using the Annual Gross Income as defined in 24CFR Part 5.
- Using income of all adult household members.
- Using amount of income anticipated to be received.
- Using the gross amount of income before any deductions have been taken.

#### **C. Observation:**

The City has numerous projects that are not progressing and no effort is being made to have funds reprogrammed to projects that can readily spend the funds. Failure to expend funds in a timely manner could result in loss of funds to the City.

**OBSERVATIONS, RECOMMENDATIONS, AND  
MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)**

**1. COMMUNITY DEVELOPMENT BLOCK GRANT (CONTINUED)**

Recommendation:

The City must reprogram funds to projects that can expend funds in a timely manner.

Management's Corrective Action Plan:

The City made the following changes to the Community Development Program in an effort to expend funds in a more timely manner.

- Increase the rehabilitation limit from \$25,000 to \$40,000. This will re-qualify several homes that were over the present rehabilitation limit in 1999 and 2000.
- Raise the emergency rehabilitation limit from \$4,000 to \$7,000.
- Implement a Replacement Housing Program under HUD's revitalization initiative.

D. Observation:

No formal dated reports were available to provide documentation that monitoring reviews are conducted at least annually.

Recommendation:

The City must monitor its subrecipients and prepare dated reports that contain information on the areas that were monitored as well as the areas that posed problems.

Management's Corrective Action Plan:

The City has begun to announce the monitoring to the subrecipient by letter. The dates of the monitoring and the necessary reports will now be documented. Any deficiencies will be so noted.

E. Observation:

Time and attendance records were not being maintained for the Director of the Department.

Recommendation:

The time and attendance records should be prepared, and should include the Director.

Management's Corrective Action Plan:

Time and attendance records for the department now include the Department Director.

F. Observation:

The City failed to input program income received from the Community Resource Center, the Housing Rehabilitation Program, and the Economic Development Program into IDIS and also did not include it on the quarterly reports.

Recommendation:

The City should enter the amount of program income received and disbursed each quarter, and indicate in the remarks column, the amount and source from which the income was derived.



**OBSERVATIONS, RECOMMENDATIONS, AND  
MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)**

**1. COMMUNITY DEVELOPMENT BLOCK GRANT (CONTINUED)**

Management's Corrective Action Plan:

The Forms SF727 for the 2000 program year were revised to include program income received and disbursed. The revised forms show the program income received from the housing program (repayments from housing rehabilitation clients and interest from the revolving loan fund). As per CFR 85.25, the income from the housing program was used to defray housing program costs. All Forms SF727 now include program income received and disbursed.

The contact person responsible for the corrective action is the Director of the Community Development, Elizabeth Y. Bates who may be reached at (504) 468-7588.

**2. SELF INSURANCE**

Observation:

As noted in the prior year, the City has a third party administrator handling the processing of claims for the self insurance programs. On a monthly basis, the Administrator provides the City with loss reports, payment registers and a bank reconciliation. The City uses the bank reconciliation to record the monthly activity on the general ledger. We noted that all reconciling items identified by the Administrator on the bank reconciliation are not recorded on the loss reports. This resulted in discrepancies between the loss reports and the amounts recorded on the City's general ledger.

Recommendation:

We recommend that the City advise the Administrator as to the changes in the existing procedures needed to record these reconciling items identified on the loss reports.

Management's Corrective Action Plan:

The City's third party administrator is submitting a supplemental report with the regular monthly loss reports for all items not currently recorded on the loss reports which appear on the monthly bank reconciliation. This report includes items such as legal fees, subrogation payments, and any other items that are not currently reported on the actual loss reports. An additional procedure will be implemented, whereas on a monthly basis any required adjustments will be made to the loss reports in order for the loss reports to reconcile to the City's general ledger. The contact person responsible for the corrective action is the Chief Financial Officer, Duke P. McConnell who may be reached at (504) 468-4052.

**OBSERVATIONS, RECOMMENDATIONS, AND  
MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)**

**3. HOMESTEAD EXEMPTION**

Observation:

In 1986, the City Council implemented a \$7,500 homestead exemption to the City's ad valorem taxes. On October 30, 2000, the City received notification from the Louisiana Legislative Auditor indicating that there appeared to be a violation of Article 7, Section 20 of the Louisiana Constitution of 1974.

Recommendation:

We recommend that the City consult with their attorneys to determine whether there is a violation of Article 7, Section 20 of the Louisiana Constitution of 1974.

Management's Corrective Action Plan:

We have contacted the City Attorneys which provided a letter that states, "based upon our research, the homestead exemption provisions enacted by the Kenner City Council through Ordinance No. 5528, adopted September 19, 1985, and Ordinance No. 5598, adopted December 5, 1985, are legally sufficient". In addition, the City Council passed an ordinance in December 2001 that established with greater clarity the legal characterization of the exemption as a tax abatement that will expire when the related special parish-wide tax expires or when the financial situation of Kenner demands it, whichever is sooner. The City of Kenner is considering testing the validity of the abatement ordinance by filing for a Declaratory Judgment. The contact person responsible for the corrective action is the Chief Financial Officer, Duke P. McConnell who may be reached at (504) 468-4052.

**4. CONTRACT TESTING**

Observation:

During our testing of capital projects, we noted adequate documentation such as contracts, change orders and invoices is not being maintained on a consistent basis. We also noted instances where invoices received by the Finance Department were not properly coded with the correct project number (as assigned by the contract).

Recommendation:

We recommend that procedures be implemented to ensure all contracts, change orders and invoices are maintained by the Finance Department on the paperless system. Procedures should also be implemented whereas project numbers on the invoices are agreed to the contracts before posting to the computer system. All manual checks for contracts should be scanned on the paperless system and personnel should review all documents scanned for legibility. On a monthly basis, contract data should be reviewed for accuracy.

**OBSERVATIONS, RECOMMENDATIONS, AND  
MANAGEMENT'S CORRECTIVE ACTION PLAN (CONTINUED)**

Management's Corrective Action Plan:

The Finance Department is in the process of converting all contracts and contract documents from a paper system to a paperless office system (images on computer system). The Assistant Finance Director is in the process of updating all contracts and ensuring that all documents on each contract are received and maintained and that all payments are coded to the correct contract.