

CITY OF KENNER, LOUISIANA**COMPREHENSIVE ANNUAL
FINANCIAL REPORT****For the Year Ended June 30, 2008**

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

Release Date 1/14/09

Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA
Chief Financial Officer

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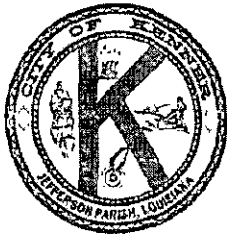
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INTRODUCTORY SECTION



CITY OF KENNER

DEPARTMENT OF FINANCE

EDMOND J. "ED" MUNIZ
MAYOR

DUKE P. MCCONNELL
FINANCE DIRECTOR

December 31, 2008

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, 2008 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 respects and are reported in a manner designed to present fairly the financial position and operating activities 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 management's discussion and analysis, basic financial statements, required supplemental information and other supplemental information, as well as the auditor's report. 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.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

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 government-wide financial statements and fund financial statements 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 any component units. 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 City has no component units currently.

THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

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, 2008 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 15 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.

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 interest bearing accounts earning Federal Funds rates less 15 and 50 basis points, respectively 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 are reported on the balance sheet as "cash".

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 federally sponsored entities 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.

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 \$500,000 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 \$500,000 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 \$325,000 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.

LOCAL ECONOMY

The City of Kenner currently enjoys a favorable economic environment and local indicators point to continued prosperity.

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 Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants 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, 2007. This was the thirteenth 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.

The Government Finance Officers Association of the United States (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual financial report for the fiscal year ended June 30, 2007. The Award for Outstanding Achievement in Popular Annual Financial reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to the program standards of creativity, presentation, understandability and reader appeal. An award for Outstanding Achievement in Popular Reporting is valid for a period of one year only.

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 Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

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

Sincerely,



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, 2007

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.



President

Executive Director

CURRENT SELECTED OFFICIALS OF THE CITY OF KENNER

CITY COUNCIL

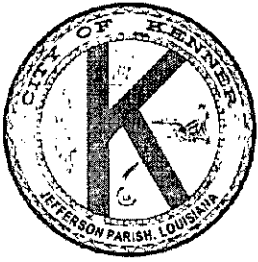
Councilwoman at Large	Michele Branigan
Councilwoman at Large	Jeannie Black
District No. 1	Marc Johnson
District No. 2	Joseph Stagni
District No. 3	Ben Zahn
District No. 4	Maria DeFrancesch
District No. 5	Kent Denapolis

EXECUTIVE STAFF

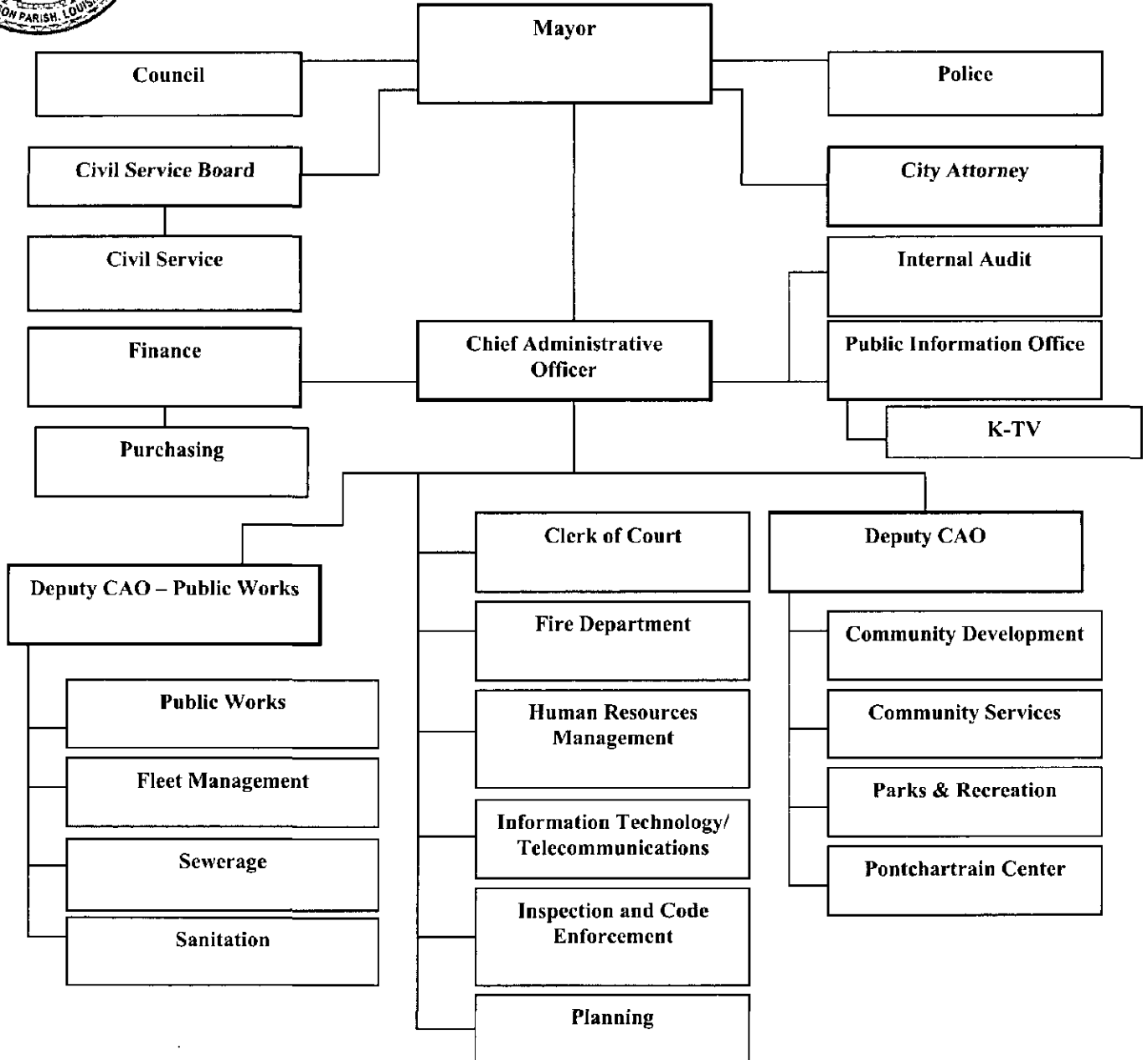
Mayor	Honorable Edmond J. "Ed" Muniz
Chief Administrative Officer	Michael Yenni
Chief of Police	Steve Caraway
City Attorney	Keith Conley
Deputy Chief Administrative Officer	Mike Quigley
Deputy Chief Administrative Officer-Public Works	Prat Reddy
Chief Financial Officer	Duke McConnell

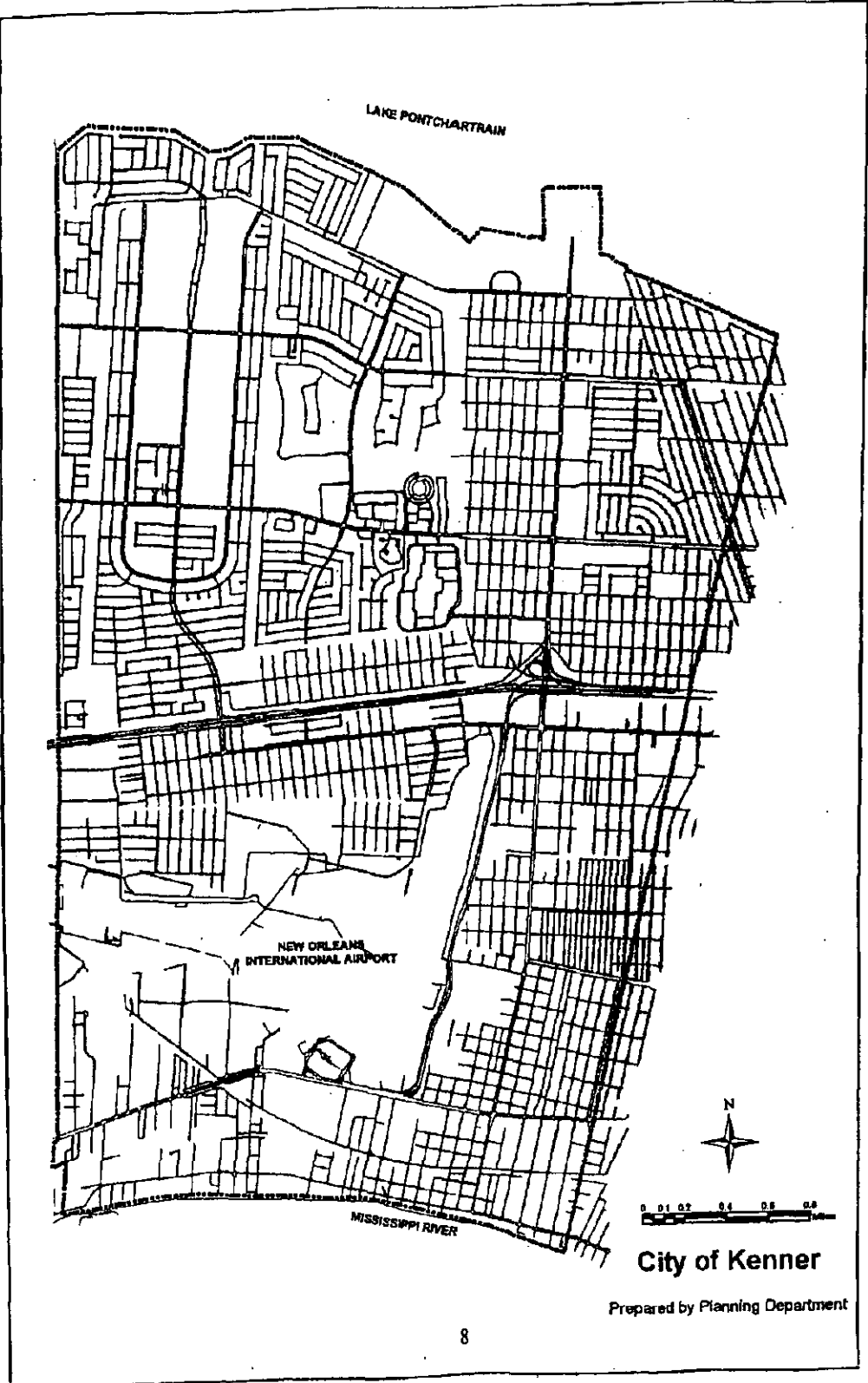
DEPARTMENT HEADS

Inspection and Code Enforcement	Keith Chiro
Community Development	Arleeta Terrell
Community Services	Mary Sharon Howland
Parks and Recreation	Ken Marroccoli
Human Resources	Beverly Nicolosi
Planning	Jay Hebert
Purchasing	Brenda Campos
Fire Chief	John Hellmers
Public Information Officer	Emile Lafourcade
Court	Meg Casler
Information Technology	Danna Morris
Internal Audit	Annamarie Pizzolato
Council Clerk	Natalie Hall
Civil Service	Avie Fontenot
Fleet Management	Ronnie Vitellaro
Public Works	Kenny Melvin



City of Kenner Organization of Government

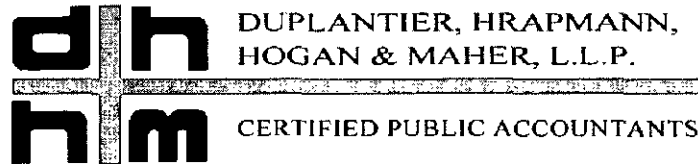




City of Kenner

Prepared by Planning Department

FINANCIAL SECTION



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(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

December 31, 2008

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2008 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kenner, Louisiana's management. Our responsibility is to express opinions 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 11 through 16 and 58 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required

supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report December 31, 2008 on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana's basic financial statements. 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 basic financial statements of the City of Kenner, Louisiana. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Duplantier, Krapmann, Hogan & Maher, LLP

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2008. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities by approximately \$354 million at June 30, 2008. Of this amount approximately \$317 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately \$7 million.

Business type activities unrestricted net assets are approximately \$3 million.

The City's total net assets decreased by approximately \$11 million. Net assets of governmental activities decreased by approximately \$8 million due to capital additions of approximately \$10 million, depreciation of approximately \$20 million and due to scheduled debt payments. Net assets of business type activities decreased by approximately \$3 million due to \$2 million in capital additions less \$3 million in depreciation and using approximately \$2 million to repair facilities damaged by hurricane Katrina.

The City's governmental funds reported combined unreserved undesignated fund balances of approximately \$5.8 million with approximately \$6.6 million in the general fund. The general fund portion decreased by approximately \$1.2 million. While revenues were over budget by approximately \$1.7 million and expenditures were under by \$1 million due to savings in various departments, approximately \$3.4 million was used budgeted for additional capital projects. The majority of the additional revenues were primarily occupational licenses, interest income and revenue from an adjudicated property sale. The deficit of \$1.3 million in the Capital Projects Funded with Bond Proceeds Fund will be eliminated when arbitrage calculations are complete and interest is rebated to the fund.

The fund balance of the general capital projects fund increased due to additional capital projects budgeted but have not been completed yet.

The unreserved undesignated fund balance of the governmental funds represents 10% of the City's operating expenditures.

The City's total debt decreased by approximately \$5 million due to scheduled payments made during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

Government-wide financial statements. The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The statement of net assets presents information on all of the City's assets, less liabilities, which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, cultural and recreation, health and welfare and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has seven major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Garbage Collection and Disposal Fund, Fire Protection Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The five non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison statements are provided for these funds.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

Government-wide Financial Analysis

Net assets. The following table reflects condensed information on the City's net assets for the current and prior years.

	Net Assets					
	June 30,					
	(In thousands)					
	Governmental Activities <u>2008</u>	Business-type Activities <u>2008</u>	Total <u>2008</u>	Governmental Activities <u>2007</u>	Business-type Activities <u>2007</u>	Total <u>2007</u>
Assets:						
Current and other assets	\$ 49,796	\$ 3,711	\$ 53,507	\$ 55,323	\$ 6,875	\$ 62,198
Capital assets	<u>296,258</u>	<u>72,161</u>	<u>368,419</u>	<u>306,980</u>	<u>72,959</u>	<u>379,939</u>
Total assets	<u>346,054</u>	<u>75,872</u>	<u>421,926</u>	<u>362,303</u>	<u>79,834</u>	<u>442,137</u>
Liabilities:						
Long-term outstanding debt	58,426	-	58,426	63,361	-	63,361
Other liabilities	<u>8,537</u>	<u>915</u>	<u>9,449</u>	<u>11,832</u>	<u>1,593</u>	<u>13,425</u>
Total liabilities	<u>66,963</u>	<u>915</u>	<u>67,875</u>	<u>75,193</u>	<u>1,593</u>	<u>76,786</u>
Net assets:						
Invested in capital assets, net of related debt	244,640	72,161	316,801	248,307	72,959	321,266
Restricted	27,218	-	27,218	23,398	-	23,398
Unrestricted	<u>7,233</u>	<u>2,796</u>	<u>10,032</u>	<u>15,405</u>	<u>5,282</u>	<u>20,687</u>
Total net assets	<u>\$ 279,091</u>	<u>\$ 74,957</u>	<u>\$ 354,051</u>	<u>\$ 287,110</u>	<u>\$ 78,241</u>	<u>\$ 365,351</u>

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

Changes in net assets. The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

	Changes in Net Assets					
	June 30,					
	(In thousands)					
	Governmental Activities 2008	Business-type Activities 2008	Total 2008	Governmental Activities 2007	Business-type Activities 2007	Total 2007
Revenues:						
Program revenues:						
Charges for services	\$ 12,664	\$ 4,993	\$ 17,657	\$ 13,678	\$ 5,175	\$ 18,853
Operating grants & Contributions	1,486	-	1,486	6,184	-	6,184
Capital grants & Contributions	1,723	1,523	3,246	1,016	1,011	2,027
General revenues:						
Property taxes	7,718	453	8,171	6,699	446	7,145
Sales taxes	34,844	144	34,988	37,656	196	37,852
Other taxes	10,344	402	10,746	10,441	355	10,796
Grants & contributions not restricted to specific program	609	496	1,105	1,015	588	1,603
Other	1,466	60	1,526	5,313	199	5,512
Total revenues	70,854	8,071	78,925	82,002	7,970	89,972
Program expenses:						
General government	13,290	-	13,290	12,907	-	12,907
Public safety	27,770	-	27,770	29,353	-	29,353
Public works	27,425	-	27,425	33,441	-	33,441
Health and welfare	900	-	900	879	-	879
Culture and recreation	6,914	-	6,914	6,247	-	6,247
Transit & urban development	1,767	-	1,767	1,439	-	1,439
Miscellaneous	-	-	-	-	-	-
Interest on long term debt	2,230	-	2,230	2,454	-	2,454
Sewer operations	-	7,654	7,654	-	7,575	7,575
Civic center operations	-	3,287	3,287	-	2,514	2,514
Total expenses	80,296	10,941	91,237	86,720	10,089	96,809
Change in net assets before Transfer and Extraordinary Items	(9,442)	(2,870)	(12,312)	(4,718)	(2,119)	(6,837)
Transfers	1,427	(1,427)	-	(425)	425	-
Change in net assets before Extraordinary Items	(8,015)	(4,297)	(12,312)	(5,143)	(1,694)	(6,837)
Extraordinary Items						
Insurance Proceeds	-	1,013	1,013	-	4,010	4,010
Change in net assets	(8,015)	(3,284)	(11,299)	(5,143)	2,316	(2,827)
Net assets-beginning of year	287,109	78,241	365,350	292,252	75,925	368,177
Net assets-end of year	\$ 279,094	\$ 74,957	\$ 354,051	\$ 287,109	\$ 78,241	\$ 365,350

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets as of June 30, 2008 for its governmental and business-type activities was approximately \$368 million, net of depreciation as reflected in the schedule below:

**Capital Assets
June 30, 2008
(Net of depreciation in thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	15,836	3,401	19,237
Buildings	23,871	59,337	83,208
Improvements other than buildings	3,373	469	3,842
Equipment	8,549	5,155	13,704
Infrastructure	<u>234,955</u>	<u>-</u>	<u>234,955</u>
Total	<u>\$ 296,258</u>	<u>\$ 72,161</u>	<u>\$ 368,419</u>

The majority of the capital additions for the year were for infrastructure as the City continued a major program of infrastructure improvements including roads, drainage and sewerage. The City also purchased additional equipment for the Police, Fire and Public Works departments and continued expenditures for the City's new computer system. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

Long-term debt. At year-end, the City had approximately \$58 million in long-term debt as shown in the table below.

**Outstanding long-term debt
June 30, 2008
(In thousands)**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenue bonds	\$ 32,534	\$ -	\$ 32,534
Certificates of indebtedness	2,965	-	2,965
Note payable	18,704	-	18,704
Mortgage payable	-	-	-
Other	<u>4,223</u>	<u>-</u>	<u>4,223</u>
Total	<u>\$ 58,426</u>	<u>\$ -</u>	<u>\$ 58,426</u>

The City's total long-term debt decreased by approximately \$5 million, which was explained earlier.

The City's revenue bonds continued to maintain an AAA rating.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately, \$154 million of additional general obligation bonded debt is available for issuance. See note "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

**CITY OF KENNER, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

While the City continues to be affected by hurricane Katrina, the affect is now minimal. In the year ended June 30, 2008 sales taxes returned to normal expected levels from the unusually high levels that resulted from the rebuilding after hurricane Katrina and the City continued its efforts to control costs and operate more efficiently. The City also continued to use some of the prior years surplus from rebuilding after hurricane Katrina to fund additional capital projects. After funding the additional capital projects, the General Fund continues to maintain an adequate unreserved, undesignated fund balance of at least 10% of operating expenses.

The City's overall revenue decreased by approximately \$11 million from the previous year. The decrease was due to a reduction in funds received from FEMA for hurricane Katrina clean-up, a decrease in sales taxes as noted earlier and revenue from a sale of a property in the prior year which did not reoccur.

The City's total expenditures decreased by approximately \$7 million. The decrease was due to a reduction in expenditures to clean-up the City after Hurricane Katrina and cost saving measures implemented by the administration.

BUDGETARY HIGHLIGHTS

General fund revenues were over budget as noted earlier.

Operating expenditures in the general fund were under budget due to savings in various departments, partially from doing more work in house that was previously outsourced, such as, legal, engineering, public relations and accounting.

The General Funds final budget was higher than the original budget due to amendments necessary to cover the additional expenses the City incurred in the clean up and restoration from Hurricane Katrina.

ECONOMIC OUTLOOK

While sales taxes have declined, long-term prospects for the City remain positive. Revenues from the Esplanade Mall, a major shopping center located in the City, have been down since Hurricane Katrina, due to several stores that have not reopened. Macy's reopened in October 2008 which should give a boost to the Mall and the City's economy. In addition, the mall is working with other major retailers to fill the remaining vacancies.

In September 2008 hurricane Gustav caused the majority of businesses in the City to close for short period of time, however damage was minimal and businesses quickly reopened.

BASIC FINANCIAL STATEMENTS

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 14,993,927	\$ 634,047	\$ 15,627,974
Equity in pooled cash	3,827,259	-	3,827,259
Investments	10,973,313	553,592	11,526,905
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,005,820	-	1,005,820
Accounts	4,504,141	-	4,504,141
Intergovernmental	8,942,412	1,139,510	10,081,922
Special assessments - delinquent	477	-	477
Interest	16,893	-	16,893
Service charges	-	1,168,273	1,168,273
Other	745	4,353,416	4,354,161
Internal balances	4,142,083	(4,142,083)	-
Inventory, at cost	99,903	-	99,903
Prepaid items	443,070	-	443,070
Deferred charges	845,468	-	845,468
Refundable deposits	-	3,669	3,669
Capital assets not being depreciated	25,510,616	7,200,102	32,710,718
Capital assets being depreciated, net of accumulated depreciation	270,747,832	64,961,138	335,708,970
Total assets	346,053,959	75,871,664	421,925,623
LIABILITIES			
Accounts payable	2,875,262	638,661	3,513,923
Estimated claims payable	2,944,459	-	2,944,459
Contracts payable	18,262	-	18,262
Retainages payable	104,202	-	104,202
Accrued liabilities	1,176,641	33,964	1,210,605
Deposits on future events	-	176,731	176,731
Due to other governments	1,275,482	-	1,275,482
Uncollected revenue	-	65,269	65,269
Other liabilities	139,663	-	139,663
Non-current liabilities:			
Due within one year	7,950,027	-	7,950,027
Due in more than one year	50,475,939	-	50,475,939
Total liabilities	66,959,937	914,625	67,874,562
NET ASSETS			
Invested in capital assets, net of related debt	244,639,856	72,161,240	316,801,096
Restricted for:			
Capital projects	22,168,869	-	22,168,869
Debt service	5,049,519	-	5,049,519
Unrestricted	7,235,778	2,795,799	10,031,577
Total net assets	\$ 279,094,022	\$ 74,957,039	\$ 354,051,061

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 13,289,818	\$ 4,803,865	\$ -	\$ -	\$ (8,485,953)	\$ -	\$ (8,485,953)
Public safety	27,769,729	3,157,328	565,082	774	(24,046,545)	-	(24,046,545)
Public works	27,424,676	3,582,874	96,393	1,024,314	(22,721,095)	-	(22,721,095)
Health and welfare	899,891	91,489	-	-	(808,401)	-	(808,401)
Culture and recreation	6,914,409	942,188	-	697,176	(5,275,045)	-	(5,275,045)
Transit and urban development	1,767,208	86,263	824,308	-	(856,638)	-	(856,638)
Interest on long-term debt and other charges	2,229,839	-	-	-	(2,229,839)	-	(2,229,839)
Total Governmental Activities	80,295,570	12,664,007	1,485,783	1,722,264	(64,423,516)	-	(64,423,516)
Business-type Activities							
Wastewater Operations	7,654,289	3,560,457	-	1,523,258	-	(2,570,574)	(2,570,574)
Civic Center Operations	3,286,880	1,432,841	-	-	-	(1,854,039)	(1,854,039)
Total Business-type Activities	10,941,169	4,993,298	-	1,523,258	-	(4,424,613)	(4,424,613)
Total	\$ 91,236,739	\$ 17,657,305	\$ 1,485,783	\$ 3,245,522	(64,423,516)	(4,424,613)	(68,848,129)
General Revenues:							
Taxes:							
Ad valorem					7,717,615	452,936	8,170,551
Sales and use					34,844,151	144,116	34,988,267
Beer tax					86,346	-	86,346
Parking					1,967,173	-	1,967,173
Franchise					8,290,040	402,066	8,692,106
Grants and contributions not restricted to specific programs					609,237	495,394	1,104,631
Investment earnings					1,190,080	40,033	1,230,113
Miscellaneous					276,211	19,574	295,785
Transfers					1,427,171	(1,427,171)	-
Total general revenues and transfers					<u>56,408,024</u>	<u>126,948</u>	<u>56,534,972</u>
Extraordinary item:					-	1,013,277	1,013,277
Proceeds from insurance					(8,015,492)	(3,284,388)	(11,299,880)
Change in Net Assets					287,109,514	78,241,427	365,350,941
Net assets - beginning of year					\$ 279,094,022	\$ 74,957,039	\$ 354,051,061
Net assets - end of year							

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	GENERAL	ONE PERCENT SALES TAX OF 1984	GARBAGE COLLECTION AND DISPOSAL	FIRE PROTECTION
ASSETS				
Cash	\$ 1,928,084	\$ -	\$ -	\$ -
Equity in pooled cash	333,713	-	1,216,998	-
Investments	5,244,544	-	-	1,005,433
Receivables (net, where applicable, of allowances for uncollectibles)				
Taxes	1,005,820	-	-	-
Accounts	3,559,460	-	799,341	145,340
Intergovernmental	3,612,961	1,932,567	853,784	-
Special assessments - delinquent	477	-	-	-
Interest	-	-	-	-
Other	-	-	-	201
Due from other funds	12,439,925	-	2,414,605	543,331
Inventory, at cost	99,903	-	-	-
Prepaid items	443,070	-	-	-
	<u>28,667,957</u>	<u>1,932,567</u>	<u>5,284,728</u>	<u>1,694,305</u>
Total assets	<u>\$ 28,667,957</u>	<u>\$ 1,932,567</u>	<u>\$ 5,284,728</u>	<u>\$ 1,694,305</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,066,828	\$ -	\$ 154,784	\$ 126,955
Contracts payable	-	-	-	-
Retainages payable	-	-	-	-
Accrued liabilities	560,818	-	-	139,538
Due to other funds	11,586,470	1,932,567	5,038,316	838,215
Due to other governments	1,275,482	-	-	-
Deferred revenues	934,929	-	91,628	413,969
Other liabilities	139,663	-	-	-
Total liabilities	<u>15,564,190</u>	<u>1,932,567</u>	<u>5,284,728</u>	<u>1,518,677</u>
Fund balances:				
Reserved for:				
Encumbrances	886,612	-	-	-
Inventory	99,903	-	-	-
Prepaid items	443,070	-	-	-
Restricted expenditures	1,301,899	-	-	-
Capital expenditures	-	-	-	-
Debt service	-	-	-	-
Unreserved, designated for:				
Subsequent year's expenditures	3,787,404	-	-	-
Capital additions and improvements	-	-	-	-
Unreserved, undesignated:				
General fund	6,584,879	-	-	-
Special revenue funds	-	-	-	175,628
Capital project funds	-	-	-	-
Total fund balances	<u>13,103,767</u>	<u>-</u>	<u>-</u>	<u>175,628</u>
Total liabilities and fund balances	<u>\$ 28,667,957</u>	<u>\$ 1,932,567</u>	<u>\$ 5,284,728</u>	<u>\$ 1,694,305</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 3,080,414	\$ 8,217,814	\$ 401,466	\$ 74,240	\$ 13,702,018
16,189	1,336,402	-	927,840	3,831,142
-	3,362,781	68	-	9,612,826
-	-	-	-	1,005,820
-	-	-	-	4,504,141
681,377	620,171	672,216	569,336	8,942,412
-	-	-	-	477
4,568	12,325	-	-	16,893
-	-	-	544	745
625,354	10,503,605	237,669	171,318	26,935,807
-	-	-	-	99,903
-	-	-	-	443,070
<u>\$ 4,407,902</u>	<u>\$ 24,053,098</u>	<u>\$ 1,311,419</u>	<u>\$ 1,743,278</u>	<u>\$ 69,095,254</u>
\$ -	\$ 1,329,672	\$ 1	\$ 187,616	\$ 2,865,856
-	-	-	18,262	18,262
-	39,055	65,147	-	104,202
-	-	-	65,734	766,090
-	515,502	2,362,714	499,807	22,773,591
-	-	-	-	1,275,482
-	-	237,168	22,092	1,699,786
-	-	-	-	139,663
<u>-</u>	<u>1,884,229</u>	<u>2,665,030</u>	<u>793,511</u>	<u>29,642,932</u>
-	3,504	-	11,167	901,283
-	-	-	-	99,903
-	-	-	-	443,070
-	-	-	-	1,301,899
-	-	-	-	-
4,407,902	-	-	641,617	5,049,519
-	-	-	-	3,787,404
-	22,165,365	-	-	22,165,365
-	-	-	-	6,584,879
-	-	-	296,983	472,611
-	-	(1,353,611)	-	(1,353,611)
<u>4,407,902</u>	<u>22,168,869</u>	<u>(1,353,611)</u>	<u>949,767</u>	<u>39,452,322</u>
<u>\$ 4,407,902</u>	<u>\$ 24,053,098</u>	<u>\$ 1,311,419</u>	<u>\$ 1,743,278</u>	<u>\$ 69,095,254</u>

**CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Fund balances - total governmental funds	\$ 39,452,322
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	296,258,448
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(325,485)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	1,699,786
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(410,551)
Compensated absences	(4,222,832)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	<u>(53,357,666)</u>
Net assets of governmental activities	<u>\$ 279,094,022</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>GARBAGE COLLECTION AND DISPOSAL</u>	<u>FIRE PROTECTION</u>
REVENUES				
Taxes	\$ 28,058,314	\$ 12,009,678	\$ 730,450	\$ 3,926,511
Licenses and permits	3,018,733	-	-	-
Intergovernmental	2,460,256	-	96,393	-
Charges for services	1,359,492	-	2,717,788	774
Fines and forfeitures	1,914,909	-	-	-
Interest	362,672	-	-	46,694
Miscellaneous	458,395	-	-	403,008
Total revenues	<u>37,632,771</u>	<u>12,009,678</u>	<u>3,544,631</u>	<u>4,376,987</u>
EXPENDITURES				
Current:				
General government	10,533,914	-	-	-
Public safety	17,728,020	-	-	7,125,812
Public works	4,563,945	-	4,214,978	-
Health and welfare	809,371	-	-	-
Culture and recreation	5,568,618	-	-	-
Transit and urban development	413,327	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	<u>39,617,195</u>	<u>-</u>	<u>4,214,978</u>	<u>7,125,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,984,424)</u>	<u>12,009,678</u>	<u>(670,347)</u>	<u>(2,748,825)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,976,939	-	670,347	2,882,659
Transfers out	<u>(11,452,449)</u>	<u>(12,009,678)</u>	<u>-</u>	<u>(107,613)</u>
Total other financing sources and uses	<u>(2,475,510)</u>	<u>(12,009,678)</u>	<u>670,347</u>	<u>2,775,046</u>
Net change in fund balances	(4,459,934)	-	-	26,221
Fund balances - beginning of year	<u>17,563,701</u>	<u>-</u>	<u>-</u>	<u>149,407</u>
Fund balances - end of year	<u>\$ 13,103,767</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,628</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 4,088,264	\$ -	\$ -	\$ 2,926,561	\$ 51,739,778
-	-	-	-	3,018,733
-	771,463	566,944	824,308	4,719,364
-	-	-	-	4,078,054
-	-	-	-	1,914,909
151,805	477,565	24,450	1,838	1,065,024
-	201,314	2,333	-	1,065,050
<u>4,240,069</u>	<u>1,450,342</u>	<u>593,727</u>	<u>3,752,707</u>	<u>67,600,912</u>
-	734,434	-	-	11,268,348
-	198,674	-	-	25,052,506
-	5,185,851	895,505	2,545,020	17,405,299
-	-	-	-	809,371
-	506,416	-	21,873	6,096,907
-	-	-	1,295,006	1,708,333
4,000,000	-	-	1,348,709	5,348,709
1,437,969	-	-	875,152	2,313,121
36,000	-	-	-	36,000
<u>5,473,969</u>	<u>6,625,375</u>	<u>895,505</u>	<u>6,085,760</u>	<u>70,038,594</u>
<u>(1,233,900)</u>	<u>(5,175,033)</u>	<u>(301,778)</u>	<u>(2,333,053)</u>	<u>(2,437,682)</u>
1,395,445	9,958,711	-	2,368,553	26,252,654
-	(1,255,743)	-	-	(24,825,483)
<u>1,395,445</u>	<u>8,702,968</u>	<u>-</u>	<u>2,368,553</u>	<u>1,427,171</u>
161,545	3,527,935	(301,778)	35,500	(1,010,511)
<u>4,246,357</u>	<u>18,640,934</u>	<u>(1,051,833)</u>	<u>914,267</u>	<u>40,462,833</u>
<u>\$ 4,407,902</u>	<u>\$ 22,168,869</u>	<u>\$ (1,353,611)</u>	<u>\$ 949,767</u>	<u>\$ 39,452,322</u>

**CITY OF KENNER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Net change in fund balances, total governmental funds	\$ (1,010,511)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	9,630,535
Depreciation expense	(20,345,737)
Loss on the disposal of capital assets	(6,182)
Certain governmental revenues will not be collected for several months after year-end and are deferred in the governmental funds.	(1,578,485)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,467,991
Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the statement of activities compensated absences are expensed as they are accrued. This is the change in the compensated absence liability.	(563,033)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	389,930
Change in net assets of governmental activities	<u>\$ (8,015,492)</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u> <u>WASTEWATER</u> <u>OPERATIONS</u>	<u>CIVIC</u> <u>CENTER</u> <u>OPERATIONS</u>	<u>TOTAL</u>	<u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>
ASSETS				
Current assets:				
Cash	\$ 147,763	\$ 486,284	\$ 634,047	\$ 1,291,909
Equity in pooled cash	-	-	-	(3,883)
Investments	-	553,592	553,592	1,360,487
Receivables (net, where applicable, of allowances for uncollectibles)				
Accounts	-	-	-	-
Intergovernmental	995,394	144,116	1,139,510	-
Service charges	1,005,817	162,456	1,168,273	-
Other	-	4,353,416	4,353,416	-
Due from other funds	68,331	-	68,331	320,138
Prepaid expenses	-	-	-	-
Refundable deposits	3,669	-	3,669	-
	<u>2,220,974</u>	<u>5,699,864</u>	<u>7,920,838</u>	<u>2,968,651</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	80,888,281	20,111,931	101,000,212	-
Improvements other than buildings	-	1,702,498	1,702,498	-
Furniture and fixtures	12,725,762	3,976,437	16,702,199	-
Vehicles and field equipment	1,334,338	-	1,334,338	-
Construction in progress	3,401,376	-	3,401,376	-
Less: accumulated depreciation	<u>(47,253,188)</u>	<u>(8,524,921)</u>	<u>(55,778,109)</u>	<u>-</u>
	<u>51,096,569</u>	<u>21,064,671</u>	<u>72,161,240</u>	<u>-</u>
Total capital assets, net				
	<u>51,096,569</u>	<u>21,064,671</u>	<u>72,161,240</u>	<u>-</u>
Total noncurrent assets				
	<u>51,096,569</u>	<u>21,064,671</u>	<u>72,161,240</u>	<u>-</u>
Total assets	<u>\$ 53,317,543</u>	<u>\$ 26,764,535</u>	<u>\$ 80,082,078</u>	<u>\$ 2,968,651</u>

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF NET ASSETS (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2008

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 345,798	\$ 292,863	\$ 638,661	\$ 9,406
Retainage payable	-	-	-	-
Estimated claims payable	-	-	-	2,944,459
Current portion of mortgage payable	-	-	-	-
Accrued liabilities	-	33,964	33,964	-
Deposits on future events	-	176,731	176,731	-
Due to other funds	1,902,702	2,307,712	4,210,414	340,271
Deferred revenue	65,269	-	65,269	-
Total current liabilities	<u>2,313,769</u>	<u>2,811,270</u>	<u>5,125,039</u>	<u>3,294,136</u>
Noncurrent liabilities:				
Mortgage payable (net of current portion)	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,313,769</u>	<u>2,811,270</u>	<u>5,125,039</u>	<u>3,294,136</u>
NET ASSETS				
Invested in capital assets, net of related debt	51,096,569	21,064,671	72,161,240	-
Restricted	-	-	-	-
Unrestricted	(92,795)	2,888,594	2,795,799	(325,485)
Total net assets	<u>\$ 51,003,774</u>	<u>\$ 23,953,265</u>	<u>\$ 74,957,039</u>	<u>\$ (325,485)</u>

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>ACTIVITIES INTERNAL SERVICE FUNDS</u>
OPERATING REVENUES				
Charges for services	\$ 3,560,457	\$ 1,432,841	\$ 4,993,298	\$ 4,726,734
Miscellaneous	302	19,272	19,574	-
Total operating revenues	<u>3,560,759</u>	<u>1,452,113</u>	<u>5,012,872</u>	<u>4,726,734</u>
OPERATING EXPENSES				
Supplies and other expenses	737	18,762	19,499	-
Building and maintenance expenses	14,377	665,061	679,438	-
Outside services	5,375,937	1,274,561	6,650,498	342,623
Insurance claims	-	-	-	(21,237)
Insurance premiums	-	87,536	87,536	4,125,345
Depreciation	2,246,141	1,216,168	3,462,309	-
Other	17,097	24,792	41,889	-
Total operating expenses	<u>7,654,289</u>	<u>3,286,880</u>	<u>10,941,169</u>	<u>4,446,731</u>
Operating income (loss)	<u>(4,093,530)</u>	<u>(1,834,767)</u>	<u>(5,928,297)</u>	<u>280,003</u>
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	452,936	-	452,936	-
Hotel/motel taxes	-	144,116	144,116	-
Cable television franchise fees	-	402,066	402,066	-
Intergovernmental	495,394	-	495,394	-
Interest income	796	39,593	40,389	109,927
Interest expense	(356)	-	(356)	-
Gain on disposal of assets	-	-	-	-
Total non-operating revenues	<u>948,770</u>	<u>585,775</u>	<u>1,534,545</u>	<u>109,927</u>
Income (loss) before contributions, transfers and extraordinary item	<u>(3,144,760)</u>	<u>(1,248,992)</u>	<u>(4,393,752)</u>	<u>389,930</u>
Capital contributions	1,523,258	-	1,523,258	-
Proceeds from insurance	-	1,013,277	1,013,277	-
Transfers in (out)	72,829	(1,500,000)	(1,427,171)	-
Change in net assets	<u>(1,548,673)</u>	<u>(1,735,715)</u>	<u>(3,284,388)</u>	<u>389,930</u>
Net assets - beginning of year	<u>52,552,447</u>	<u>25,688,980</u>	<u>78,241,427</u>	<u>(715,415)</u>
Net assets - end of year	<u>\$ 51,003,774</u>	<u>\$ 23,953,265</u>	<u>\$ 74,957,039</u>	<u>\$ (325,485)</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 3,661,529	\$ 1,380,099	\$ 5,041,628	\$ 4,726,735
Payments to suppliers	(5,545,430)	(2,431,758)	(7,977,188)	(5,212,198)
Internal activity - payments to other funds	1,342,527	-	1,342,527	149,072
Net cash provided by (used for) operating activities	<u>(541,374)</u>	<u>(1,051,659)</u>	<u>(1,593,033)</u>	<u>(336,391)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Ad valorem taxes	452,936	-	452,936	-
Hotel/motel taxes	-	-	-	-
Cable television franchise fees	-	329,147	329,147	-
Internal activity - receipts from other funds	-	713,479	713,479	137
Net cash provided by (used for) noncapital financing activities	<u>452,936</u>	<u>1,042,626</u>	<u>1,495,562</u>	<u>137</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Insurance proceeds on capital assets	-	290,343	290,343	-
Principal payments - mortgage payable	(871)	-	(871)	-
Interest payments	(356)	-	(356)	-
Internal activity - receipts from other funds	72,829	-	72,829	-
Purchase of capital assets	-	(1,330,619)	(1,330,619)	-
Net cash provided by (used for) capital and related financing activities	<u>71,602</u>	<u>(1,040,276)</u>	<u>(968,674)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments	-	1,960,965	1,960,965	7,335,113
Purchase of investments	-	(1,630,094)	(1,630,094)	(7,180,184)
Interest and dividends received	795	39,593	40,388	109,927
Net cash provided by (used for) investing activities	<u>795</u>	<u>370,464</u>	<u>371,259</u>	<u>264,856</u>
Net increase (decrease) in cash and cash equivalents	(16,041)	(678,845)	(694,886)	(71,398)
Cash and cash equivalents, beginning of year	163,804	1,165,129	1,328,933	1,359,424
Cash and cash equivalents, end of year	<u>\$ 147,763</u>	<u>\$ 486,284</u>	<u>\$ 634,047</u>	<u>\$ 1,288,026</u>

(Continued)

CITY OF KENNER, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u> <u>WASTEWATER</u> <u>OPERATIONS</u>	<u>CIVIC</u> <u>CENTER</u> <u>OPERATIONS</u>	<u>TOTAL</u>	<u>INTERNAL</u> <u>SERVICE</u> <u>FUNDS</u>
Reconciliation to Statement of Net Assets:				
Cash	\$ 147,763	\$ 486,284	\$ 634,047	\$ 1,291,909
Equity in pooled cash	-	-	-	(3,883)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents, end of year	<u>\$ 147,763</u>	<u>\$ 486,284</u>	<u>\$ 634,047</u>	<u>\$ 1,288,026</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (4,093,530)	\$ (1,834,767)	\$ (5,928,297)	\$ 280,003
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,246,141	1,216,168	3,462,309	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	35,500	(17,127)	18,373	-
Decrease (increase) in due from other funds	4,599	-	4,599	193,714
Decrease (increase) in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	(137,282)	(368,652)	(505,934)	8,656
Increase (decrease) in deferred revenue	65,269	(15,938)	49,331	-
Increase (decrease) in accrued liabilities	-	7,609	7,609	-
Increase (decrease) in estimated claims payable	-	-	-	(774,122)
Increase (decrease) in due to other funds	1,337,929	-	1,337,929	(44,642)
Increase (decrease) in deposits on future events	-	(38,951)	(38,951)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total adjustments	<u>3,552,156</u>	<u>783,109</u>	<u>4,335,265</u>	<u>(616,394)</u>
Net cash provided by (used for) operating activities	<u>\$ (541,374)</u>	<u>\$ (1,051,658)</u>	<u>\$ (1,593,032)</u>	<u>\$ (336,391)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital	\$ 1,523,258	\$ -	\$ 1,523,258	\$ -
Acquisitions of property, plant and equipment through capital contributions	(1,523,258)	-	(1,523,258)	-
Gain on fair market value of investments	-	1,110	1,110	-
(Increase) in fair market value of investments	-	(1,110)	(1,110)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2008**

	AIRPORT SALES TAX FUND
ASSETS	
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	\$ 232,600
Total assets	\$ 232,600
LIABILITIES	
Due to other governments	\$ 232,600
Total liabilities	\$ 232,600

The accompanying notes are an integral part of this statement.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

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 accounting principles generally accepted in the United States of America (GAAP) as applicable 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 City's accounting policies are described below.

1. REPORTING ENTITY

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

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. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is 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 City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another 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.

The *Garbage Collection and Disposal Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this 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 Bonds Series 1994
Sales Tax Bonds Series 1995A
Sales Tax Bonds Series 2003
Excess Revenue Bonds Series 2000
Excess Revenue Bonds Series 2001

The *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.

The *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 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) and proceeds from the Excess Revenue Bonds Series 2000 and 2001.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner. Effective July 1, 1995, this department was privatized.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports the following fiduciary fund:

The agency fund accounts for assets held by the City as an agent for other governmental entities.

The Airport Sales Tax Fund (agency 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.

Additionally, the City reports the following fund types:

Internal service funds account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises 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 legal claim to the resources, the liability for deferred revenue is removed from the governmental fund balance sheet and revenue is recognized.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 as either required supplementary information or other supplementary information 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 Protection

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.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

5. CASH, INVESTMENTS AND POOLED ASSETS

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- 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 of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash 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 is allocated to each individual fund based on its month end "Equity in Pooled Cash".

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are invested in interest bearing bank accounts. 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; minimal checks can be written on these accounts.

For the purpose of the statement of net assets, cash includes all demand, and money market accounts of the City. For the purpose of the proprietary funds statement of cash flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. 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 direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

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.

6. 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". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

7. INVENTORIES

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

8. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2008 are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. CAPITAL ASSETS

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and Building Improvements	40
Street system	20 to 40
Drainage system	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

10. COMPENSATED ABSENCES

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. 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 liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements.

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.

11. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. LONG-TERM OBLIGATIONS (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. FUND EQUITY

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

13. INTERFUND SERVICES

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services 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 services 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.

For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

14. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGET

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

- a. On or before May 1 of each year, the Mayor recommends to the City Council proposed operating and capital budgets 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, by June 15, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance by June 15.
- 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.

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

The Schedules of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget (Budgetary Basis) - General, One Percent Sales Tax of 1984 Fund, Garbage Collection and Disposal, Fire Protection Fund and General Debt Fund present 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 differ 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 the net change in fund balances for the year ended June 30, 2008, is presented below:

	<u>General</u>	<u>One Percent Sales Tax of 1984 Fund</u>	<u>Garbage Collection & Disposal</u>	<u>Fire Protection Fund</u>	<u>General Debt Fund</u>
Net change in fund balances (budgetary basis)	\$ (4,147,391)	\$ -	\$ -	\$ 184,416	\$ 161,545
Adjustments:					
Timing differences:					
To adjust for encumbrances	(312,543)	-	-	(50,582)	-
Entity differences:					
To adjust for funds not budgeted	-	-	-	-	-
Net change in fund balances (GAAP basis)	<u>\$ (4,459,934)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,834</u>	<u>\$ 161,545</u>

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following departments had expenditures in excess of appropriations for the year ended June 30, 2008:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
<u>General Fund:</u>			
Human Resources	\$ 363,675	\$ 361,383	\$ (2,292)
Police Department	\$ 16,166,315	\$ 1,6156,632	\$ (9,683)

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

2. EXPENDITURES IN EXCESS OF APPROPRIATIONS (CONTINUED)

The following departments had expenditures in excess of appropriations for the year ended June 30, 2008:

	Expenditures	Appropriations	Excess
<u>General Fund (Continued):</u>			
Public Works	\$ 4,127,159	\$ 4,102,817	\$ (24,342)
Transit Section	\$ 331,997	\$ 246,561	\$ (85,436)

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. Except for the Human Resources Department, Police Department, Public Works Department, and Transit Section, no other department's expenditures exceeded appropriations. Certain expenditures were accrued for financial statement purposes resulting in expenditures exceeding appropriations for the Human Resources Department, Police Department, Public Works Department, and Transit Section.

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2008, the City of Kenner has cash (book balances) totaling \$19,455,233, as follows:

Governmental Funds:	
Petty cash	\$ 4,450
Demand deposits	6,181,221
Money market funds	11,343,603
Proprietary Funds:	
Enterprise Fund	
Petty cash	500
Demand deposits	407,293
Advance to manager	226,255
Internal Service Fund:	
Demand deposits	1,291,911
	\$ 19,455,233

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2008, the City's demand deposit bank balances of \$9,669,908 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The money market funds are invested in U.S. Treasury securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2008 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2008, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of June 30, 2008, the City had the following investment in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Obligations of Federally Sponsored Entities	\$ 11,526,905	\$ 11,526,905	\$ _____	\$ _____	\$ _____

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federally sponsored entities in the amount of \$11,526,905, which are not rated. The type of investment allowed by state law ensures that the City is not exposed to credit risk.

NOTE D - EQUITY IN POOLED CASH

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

	General Pool	Paving Assessments Pool	Sewerage Assessments Pool	Total
<u>Equity in Pooled Cash</u>				
Cash	\$ 3,543,044	\$ 278,860	\$ 5,355	\$ 3,827,259
Total Equity in Pooled Cash	<u>\$ 3,543,044</u>	<u>\$ 278,860</u>	<u>\$ 5,355</u>	<u>\$ 3,827,259</u>

Equity in Pool

General	\$ 65,688	\$ 262,671	\$ 5,355	\$ 333,714
Garbage Collection and Disposal	1,216,998	-	-	1,216,998
General Debt	-	16,189	-	16,189
General Capital Projects	1,336,401	-	-	1,336,401
Other Governmental	927,840	-	-	927,840
Internal Service Funds	(3,883)	-	-	(3,883)
Total Equity in Pool	<u>\$ 3,543,044</u>	<u>\$ 278,860</u>	<u>\$ 5,355</u>	<u>\$ 3,827,259</u>

Daily operations may occasionally result in minor deficiencies in individual allocations of pooled cash which are resolved by temporary interfund loans.

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

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, 2008, consists of the following amounts:

General Fund	<u>\$ 825,605</u>
Proprietary Funds:	
Department of Wastewater Operations	<u>\$ 56,755</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE F - SALES TAX

A sales tax of 8.75% for the period of July 1, 2007 through June 30, 2008 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 $\frac{1}{6}\%$ 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%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
TOTAL	<u>$4\frac{3}{4}\%$</u>	<u>2%</u>	<u>$2\frac{7}{12}\%$</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 G - 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 mid November 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 2007, which are collected and reported as revenue for the fiscal year ended June 30, 2008 is as follows:

<u>FUND</u>	<u>2007 MILLS</u>
General Fund	2.75
Garbage Collection and Disposal Fund	2.12
Fire Department Fund	9.76
Department of Wastewater Operations Fund	1.51
Capital Projects for Road Bonds Fund	<u>7.79</u>
Total	<u>23.93</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE H - CAPITAL ASSETS

1. Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2008</u>
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	<u>11,252,061</u>	<u>7,948,313</u>	<u>-</u>	<u>(3,364,136)</u>	<u>15,836,238</u>
Total capital assets not being depreciated	<u>20,926,439</u>	<u>7,948,313</u>	<u>-</u>	<u>(3,364,136)</u>	<u>25,510,616</u>
Capital assets being depreciated:					
Buildings and building improvements	51,415,441	-	-	151,830	51,567,271
Improvements other than buildings	3,935,211	-	-	-	3,935,211
Street system	273,234,064	-	-	2,712,306	275,946,370
Drainage system	369,656,467	-	-	500,000	370,156,467
Furniture, Fixtures and Equipment	17,614,253	1,419,442	(179,902)	-	18,853,793
Vehicles	10,854,564	262,779	-	-	11,117,343
Bridges	<u>2,787,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787,808</u>
Total capital assets being depreciated	<u>729,497,808</u>	<u>1,682,221</u>	<u>(179,902)</u>	<u>3,364,136</u>	<u>734,364,263</u>
Less accumulated depreciation for:					
Buildings and building improvements	26,771,889	924,572	-	-	27,696,461
Improvements other than buildings	434,372	127,832	-	-	562,204
Street system	142,222,231	7,335,685	-	-	149,557,916
Drainage system	253,891,503	10,020,270	-	-	263,911,773
Furniture, fixtures and equipment	10,609,714	1,275,696	(173,723)	-	11,711,687
Vehicles	9,130,073	580,653	-	-	9,710,726
Bridges	<u>384,635</u>	<u>81,029</u>	<u>-</u>	<u>-</u>	<u>465,664</u>
Total accumulated depreciation	<u>443,444,417</u>	<u>20,345,737</u>	<u>(173,723)</u>	<u>-</u>	<u>463,616,431</u>
Total capital assets being depreciated, net	<u>286,053,391</u>	<u>(18,663,516)</u>	<u>(6,179)</u>	<u>3,364,136</u>	<u>270,747,832</u>
Governmental activities capital assets, net	<u>\$306,979,830</u>	<u>\$(10,715,203)</u>	<u>\$ (6,179)</u>	<u>\$ -</u>	<u>\$ 296,258,448</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE H - CAPITAL ASSETS (CONTINUED)

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2008</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Construction-in-progress	<u>13,648,332</u>	<u>391,065</u>	<u>-</u>	<u>(10,638,021)</u>	<u>3,401,376</u>
Total capital assets not being depreciated	<u>17,447,058</u>	<u>391,065</u>	<u>-</u>	<u>(10,638,021)</u>	<u>7,200,102</u>
Capital assets being depreciated:					
Buildings and building improvements	88,446,087	1,916,104	-	10,638,021	101,000,212
Improvements other than buildings	1,702,498	-	-	-	1,702,498
Furniture, fixtures and equipment	16,345,059	357,140	-	-	16,702,199
Vehicles	<u>1,334,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334,338</u>
Total capital assets being depreciated	<u>107,827,982</u>	<u>2,273,244</u>	<u>-</u>	<u>10,638,021</u>	<u>120,739,247</u>
Less accumulated depreciation for:					
Buildings and building Improvements	38,776,038	2,886,763	-	-	41,662,801
Improvements other than buildings	1,148,700	85,130	-	-	1,233,830
Furniture, fixtures and equipment	11,103,846	462,322	-	-	11,556,168
Vehicles	<u>1,287,216</u>	<u>28,094</u>	<u>-</u>	<u>-</u>	<u>1,315,310</u>
Total accumulated depreciation	<u>52,315,800</u>	<u>3,462,309</u>	<u>-</u>	<u>-</u>	<u>55,778,109</u>
Total capital assets being depreciated, net	<u>55,512,182</u>	<u>(1,189,065)</u>	<u>-</u>	<u>10,638,021</u>	<u>64,961,138</u>
Business-type activities capital assets, net	<u>\$ 72,959,240</u>	<u>\$ (798,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,161,240</u>

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 1,235,888
Public safety	495,479
Public works	17,721,215
Culture and recreation	890,521
Health and Welfare	<u>2,634</u>
Total depreciation expense - governmental activities	<u>\$ 20,345,737</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE H - CAPITAL ASSETS (CONTINUED)

Business-type activities:	
Wastewater Operations	\$ 2,246,141
Civic Center Operations	<u>1,216,168</u>
Total depreciation expense - business-type activities	<u>\$ 3,462,309</u>

3. Construction in progress for governmental activities is comprised of the following:

	<u>Project/Contract Authorization June 30, 2008</u>	<u>Expended to June 30, 2008</u>	<u>Committed</u>	<u>Required Future Financing</u>
General government	\$ 1,251,484	\$ 944,345	\$ 307,139	\$ 307,139
Public works	12,386,699	10,308,433	2,078,266	2,078,266
Public safety	1,597,609	1,249,198	348,411	348,411
Culture and recreation	<u>3,776,508</u>	<u>3,334,262</u>	<u>442,246</u>	<u>442,246</u>
Total	<u>\$ 19,012,300</u>	<u>\$ 15,836,238</u>	<u>\$ 3,176,062</u>	<u>\$ 3,176,062</u>

NOTE I - LONG-TERM DEBT

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS

Long-term debt at June 30, 2008 includes the following serial bonds and certificates:

	<u>Interest Rates</u>	<u>Final Maturity Date</u>	<u>Range of Annual Principal Payments</u>		<u>Amount Issued</u>	<u>Amount Outstanding</u>
			<u>From</u>	<u>To</u>		
Sales Tax Bond, Series 2003	1.3 – 5.0%	6/01/2018	\$ 2,225,000	\$ 3,055,000	\$ 35,895,000	\$ 25,810,000
Sales Tax Bonds, Series 1994	2.95%	6/01/2016	605,000	740,000	11,427,803	5,365,000
Sales Tax Bonds, Series 1995A	2.95%	6/01/2016	75,000	90,000	1,462,875	655,000
Certificates of Indebtedness, Series 2000	5.375%	8/15/2010	1,085,000	1,155,000	9,000,000	2,240,000
Certificates of Indebtedness, Series 2001	3.25 – 4.10%	7/01/2011	165,000	200,000	<u>1,500,000</u>	<u>725,000</u>
Total Bonds and Certificates					<u>\$ 59,285,678</u>	<u>\$ 34,795,000</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE I - LONG-TERM DEBT (CONTINUED)

1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS (CONTINUED)

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

a. Sales Tax Bonds

The Sales Tax Bonds, Series 2003 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, 2008, bonds outstanding were \$25,810,000, \$5,365,000 and \$655,000, respectively. The amount available in the Debt Service Funds was \$2,000,212.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2008 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, 2008, the loan had an outstanding balance of \$5,365,000. Total interest and administrative fees paid during the year ended June 30, 2008 were \$145,898 and \$29,775, 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, 2008, the loan had an outstanding balance of \$655,000. Total interest and administrative fees paid during the year ended June 30, 2008 were \$17,763 and \$3,625, 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.

b. Excess Revenue Bonds

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. At June 30, 2008, bonds outstanding were \$2,240,000.

Certificates of Indebtedness Series 2001 were issued for the purchase of land in the Laketown area. At June 30, 2008, bonds outstanding were \$725,000. The amount available in the Debt Service Funds was \$1,080,202.

2. FIREMEN'S PENSION MERGER PAYABLE

In March 1998, the required three-fourths vote of the active and inactive members approved the merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS 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 FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE I - LONG-TERM DEBT (CONTINUED)

2. FIREMEN'S PENSION MERGER PAYABLE (CONTINUED)

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.

At June 30, 2008, \$593,345 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, 2008, the merger payable for this component had a total outstanding balance of \$1,038,306.

\$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, 2008, the merger payable for this component had a total outstanding balance of \$1,546,202.

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.

3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City. The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000. Loan Proceeds of \$22,000,000 were received in April 2003. As of June 30, 2008, \$15,945,000 of such loans was outstanding and \$ 34,131 was available in Debt Service Funds.

4. GENERAL DEBT

a. Capital Lease Obligations

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

b. 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 (years)</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

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE I - LONG-TERM DEBT (CONTINUED)

4. GENERAL DEBT (CONTINUED)

b. Compensated Absences (Continued)

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 or may be used in lieu of sick leave once sick leave has been exhausted. 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.

For governmental activities, compensated absences are generally liquidated by the general fund, community development fund, roads and bridges fund, street lighting fund, and fire department fund.

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>
0 - 1 Year	- 0 -
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

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:	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees:	1/2 day (4 hours)/month not to exceed 6 days (48 hours)/year

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

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE I - LONG-TERM DEBT (CONTINUED)

5. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2008:

	<u>Balance</u> <u>6/30/2007</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Discount/</u> <u>(Premium)</u>	<u>Balance</u> <u>6/30/2008</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities						
Sales Tax Revenue Bonds	\$ 35,473,150	\$ -	\$ 2,820,000	\$ (118,856)	\$ 32,534,294	\$ 2,905,000
Certificate of Indebtedness	4,145,000	-	1,180,000	-	2,965,000	1,250,000
Note Payable	2,638,251	-	53,709	-	2,584,542	57,517
LCDA Series 2003 Loan	17,445,704	-	1,295,000	(31,407)	16,119,297	1,350,000
Compensated Absences	<u>3,659,798</u>	<u>563,034</u>	<u>-</u>	<u>-</u>	<u>4,222,832</u>	<u>2,387,510</u>
Total Government Activities	<u>63,361,903</u>	<u>563,034</u>	<u>5,348,709</u>	<u>(150,263)</u>	<u>58,425,965</u>	<u>7,950,027</u>
Business-Type Activities						
Mortgage Payable	<u>872</u>	<u>-</u>	<u>872</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>872</u>	<u>-</u>	<u>872</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental and Business-Type Activities	<u>\$ 63,362,775</u>	<u>\$ 563,034</u>	<u>\$ 5,349,581</u>	<u>\$ (150,263)</u>	<u>\$ 58,425,965</u>	<u>\$ 7,950,027</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2008 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	2,905,000	1,147,264
2010	2,980,000	1,066,616
2011	3,075,000	977,714
2012	3,165,000	884,646
2013	3,265,000	788,854
2014-2018	<u>16,440,000</u>	<u>2,095,103</u>
	<u>\$ 31,830,000</u>	<u>\$ 6,960,197</u>

The annual requirements to maturity for certificates of indebtedness as of June 30, 2008 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	1,250,000	144,890
2010	1,330,000	80,374
2011	185,000	11,633
2012	<u>200,000</u>	<u>4,100</u>
	<u>\$ 2,965,000</u>	<u>\$ 240,997</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE I - LONG-TERM DEBT (CONTINUED)

5. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	57,517	180,186
2010	61,596	176,109
2011	65,965	171,738
2012	70,643	167,059
2013	75,653	162,049
2014-2018	466,778	721,735
2019-2023	657,526	530,987
2024-2028	926,249	262,264
2029	<u>202,581</u>	<u>11,370</u>
	<u>\$ 2,584,508</u>	<u>\$ 2,383,497</u>

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2009	1,350,000	642,358
2010	1,390,000	593,833
2011	1,440,000	539,855
2012	1,490,000	483,480
2013	1,550,000	427,605
2014-2018	<u>8,725,000</u>	<u>1,534,585</u>
	<u>\$ 15,945,000</u>	<u>\$ 4,221,716</u>

6. 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, including federal arbitrage regulations.

NOTE J - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE

The nature and purpose of the reserves and designations as presented in the fund financial statements are as follows:

Reserved for Encumbrances

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

Reserved for Inventory

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

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

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

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.

Reserved for Debt Service

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

Designated for Subsequent Years' Expenditures

This designation represents the expenditures budgeted in 2008-2009, paid from funds remaining in 2007-2008.

Designated for Capital Additions and Improvements

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

NOTE K - INTEREST COST

Interest expense incurred in the business-type activities during the year was as follows:

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>
Interest expense	\$ <u>356</u>	\$ <u>-</u>

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund transfers at June 30, 2008 are as follows:

	Transfer In:								
	General Fund	Garbage Collection & Disposal	Fire Protection Fund	General Debt	General Capital Projects	Capital Projects Funded With Bond Proceeds	Nonmajor Governmental	Wastewater Operations	
Transfer Out:									
General Fund	\$ -	\$ 469,555	\$ 1,958,243	\$ 192,480	\$ 8,458,711	\$ -	\$ 300,632	\$ 72,829	\$ 11,452,450
One Percent Sales Tax of 1984 Fund	8,976,939	200,793	924,416	-	-	-	1,907,530	-	12,009,678
Garbage Collection	-	-	-	-	-	-	-	-	-
Fire Protection Fund	-	-	-	-	-	-	107,613	-	107,613
General Debt	-	-	-	-	-	-	-	-	-
General Capital Projects	-	-	-	1,202,965	-	-	52,778	-	1,255,743
Ponchartrain Center	-	-	-	-	-	-	-	-	-
Nonmajor Governmental	-	-	-	-	1,500,000	-	-	-	1,500,000
Total	<u>\$ 8,976,939</u>	<u>\$ 670,348</u>	<u>\$ 2,882,659</u>	<u>\$ 1,395,445</u>	<u>\$ 9,958,711</u>	<u>\$ -</u>	<u>\$ 2,368,553</u>	<u>\$ 72,829</u>	<u>\$ 26,325,484</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Transfers are primarily used to move funds from:

General Fund – to the Garbage Collection & Disposal Fund for garbage collection and debris removal expenditures, to the Fire Protection Fund for communication expenditures, to the General Capital Projects the gaming revenues dedicated for capital projects, to the Wastewater Operations Fund to cover revenue shortfalls and equipment purchases, to the General Debt Fund to cover debt service payments, and to the Internal Service Funds to cover the self-insurance premiums.

One Percent Sales Tax of 1984 Fund - to the General, Garbage Collection & Disposal, and Fire Protection Funds to reimburse losses from homestead exemption and to pay expenditures for the Roads & Bridges and Street Lighting Funds.

General Capital Projects - to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund for unspent funds and to the Capital Projects Funded with Bond Proceeds Funds to transfer expenditures from one capital project fund to another.

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 1,789,777
	Garbage Collection	5,038,316
	Fire Protection	729,741
	General Capital Projects	474,706
	Capital Projects Funded with Bond Proceeds	1,737,004
	Wastewater	1,902,702
	Nonmajor governmental funds	427,051
	Internal Services Fund	340,271
	General Debt Funds	355
One Percent Sales Tax of 1984 Fund	Nonmajor governmental funds	70,642
Garbage Collection	General Fund	95,928
	One Percent Sales Tax of 1984 Fund	10,965
	Enterprise Fund	2,307,712
Fire Protection Fund	General Fund	433,605
	One Percent Sales Tax of 1984 Fund	109,726
General Debt Fund	Capital Projects Funded with Bond Proceeds	625,710
General Capital Projects	General Fund	10,503,604
Capital Projects Funded with Bond Proceeds	General Fund	237,669
Wastewater Operations	General Fund	68,331

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Nonmajor Governmental Funds	General Fund	35,653
	One Percent Sales Tax of 1984 Fund	92,741
Internal Service Funds	General Fund	211,678
	Fire Protection	<u>108,460</u>
		<u>\$ 27,352,347</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

NOTE M - 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 was 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. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays 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". The Minimum Percentage Rent equals 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. Additionally, 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 N - 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 \$500,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$500,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and \$325,000 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, 2008

NOTE N - 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 November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$2,944,459 (which includes claims incurred but not reported in the Fund at June 30, 2008) 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 2006, 2007, and 2008 were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2005 - 2006	2,984,334	912,048	(956,801)	2,939,581
2006 - 2007	2,939,581	1,923,486	(1,144,487)	3,718,580
2007 - 2008	3,718,580	(25,701)	(748,420)	2,944,459

The amount of estimated claims payable due within one year of these financial statements is \$668,848.

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 O - COMMITMENTS AND CONTINGENCIES

LITIGATION

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. 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 have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund. The amount of claims due within one year of the date of the statement of net assets is \$125,000.

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.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE O - COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

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

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) 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. In accordance with the agreement dated July 1999, compensation from the City of Kenner 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

A class-action lawsuit was filed on behalf of all firefighters employed by the City from 1981 through the present. The suit asserts that over the years the City improperly calculated longevity pay and seeks to recover back pay for the class, including costs and attorney's fees. The City plans a vigorous defense. To date, no class has been certified. An adverse judgment in this matter could have a material adverse impact on the city's financial position; however, outside counsel is unable to give an opinion on the outcome of this lawsuit at this time.

CONSTRUCTION

Construction commitments are discussed in Note I.

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 government-wide financial statements.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2008 amounted to \$283,281. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2009	\$ 223,910
2010	<u>144,462</u>
Total minimum lease payments	<u>\$ 368,372</u>

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE P - 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. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries.

NOTE Q - POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note R, the City provides postretirement health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees under age 70. These benefits are authorized by City resolution. 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, 2008, 111 retirees were eligible and were receiving such health care benefits. Total health care premiums amounted to \$493,630, of which \$367,251 (74%) was paid by the City and \$126,379 (26%) was paid by the retirees for the year ended June 30, 2008. Life insurance premiums paid by the City for 120 eligible retirees amounted to \$5,610 for the year-ended June 30, 2008. 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 R - 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 classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees 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.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

PLAN DESCRIPTIONS

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

Employees of the City participate in Plan A of the Municipal Plan. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 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. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable 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, 2008. 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. For the year ended June 30, 2008, the employer's contribution rate was 13.50%. At July 1, 2008, the employer's contribution rate remains unchanged at 13.50%.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE R - PENSION PLANS (CONTINUED)

PLAN DESCRIPTIONS (CONTINUED)

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 final salary. 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, 2008. 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. For the year ended June 30, 2008, the employer's contribution rate was 13.75%. Effective July 1, 2008, the employer's contribution rate decreased to 9.50%.

The Firefighters Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children.

The Firefighters Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

The employer's contribution rate for FRS was 13.75% for July 1, 2007 through June 30, 2008. Effective July 1, 2008, the employer's contribution rate decreased to 12.50%.

COVERED PAYROLL

The total payroll and the covered payroll, for each of the plans for the year ended June 30, 2008 were as follows:

	Total	Covered
Municipal Plan	\$ 12,083,010	\$ 12,039,515
Police Plan	9,853,141	7,914,295
Firefighters Retirement System	5,100,879	4,492,364

CURRENT MEMBERSHIP

Total membership data for the Municipal Plan, Police Plan and Statewide Firefighters Retirement System plans is available in the separately issued reports, but is not available by individual employer.

CITY OF KENNER, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2008

NOTE R - PENSION PLANS (CONTINUED)

CONTRIBUTIONS REQUIRED AND MADE

Member and employer contributions are established by state statute for all plans.

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

Year Ended <u>June 30,</u>	Annual Required <u>Contribution</u>	<u>City</u>		<u>Employees</u>		<u>Total</u>
		<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>% Contributed</u>
2006	2,735,854	1,766,811	16.00	969,043	9.25	100%
2007	2,705,396	1,763,912	16.25	941,484	9.25	100%
2008	2,697,476	1,638,841	13.50	1,058,635	9.25	100%

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

Year Ended <u>June 30,</u>	Annual Required <u>Contribution</u>	<u>City</u>		<u>Employees</u>		<u>Total</u>
		<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>% Contributed</u>
2006	1,641,220	1,136,750	15.50	504,470	7.50	100%
2007	1,587,139	1,077,006	15.50	510,133	7.50	100%
2008	1,666,357	1,088,219	13.75	578,138	7.50	100%

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

Year Ended <u>June 30,</u>	Annual Required <u>Contribution</u>	<u>City</u>		<u>Employees</u>		<u>Total</u>
		<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>Actual Contribution</u>	<u>% of Covered Payroll</u>	<u>% Contributed</u>
2006	1,218,105	849,895	22.25-18.00	368,210	8.00	100%
2007	1,021,150	673,865	15.50	347,285	8.00	100%
2008	977,088	617,700	13.75	359,388	8.00	100%

NOTE S – DEFICIT FUND BALANCES/ NET ASSETS

At June 30, 2008, the Capital Projects Funded with Bond Proceeds Fund had a deficit in its fund balance of \$1,353,811. This deficit will be eliminated by completing arbitrage calculations which will rebate interest to go towards completing the projects included in this fund.

At June 30, 2008, the Self-Insurance Fund had a deficit in its net assets of \$325,485. This deficit will be eliminated by the City making additional contributions into the fund during the next fiscal year.

At June 30, 2008, the Wastewater Fund had a deficit in its unrestricted net assets of \$92,795. This deficit will be eliminated by the City making a transfer from the general fund during the next fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes	\$ 28,058,314	\$ -	\$ 28,058,314	\$ 27,635,108	\$ 423,206	
Licenses and permits	3,018,733	-	3,018,733	2,913,522	105,211	
Intergovernmental	2,460,256	1,767,238	4,227,494	4,082,479	145,015	
Charges for services	1,359,492	(206,936)	1,152,556	575,447	577,109	
Fines and forfeitures	1,914,909	-	1,914,909	1,940,233	(25,324)	
Interest on invested funds	362,672	-	362,672	181,515	181,157	
Miscellaneous	458,395	(44,114)	414,281	290,504	123,777	
Total revenues	37,632,771	1,516,188	39,148,959	35,095,670	1,530,151	
EXPENDITURES						
General government	10,533,914	1,587,261	12,121,175	11,081,945	1,038,295	
Public safety	17,728,020	315,684	18,043,704	16,530,213	1,513,491	
Public works	4,563,945	(436,786)	4,127,159	3,762,571	444,588	
Health and welfare	809,371	(546)	808,825	809,220	605	
Culture and recreation	5,568,618	(180,638)	5,387,980	5,568,999	(180,919)	
Transit and urban development	413,327	(81,330)	331,997	341,144	(9,147)	
Total expenditures	39,617,195	1,203,645	40,820,840	38,094,092	1,363,429	
Excess (deficiency) of revenues over (under) expenditures	(1,984,424)	312,543	(1,671,881)	(2,998,422)	1,326,541	
OTHER FINANCING SOURCES (USES)						
Operating transfers in	8,976,939	-	8,976,939	9,635,995	(867,343)	
Operating transfers out	(11,452,449)	-	(11,452,449)	(9,884,203)	(1,568,246)	
Total other financing sources (uses)	(2,475,510)	-	(2,475,510)	(248,208)	(1,778,987)	
Net change in fund balance	(4,459,934)	312,543	(4,147,391)	(3,246,630)	1,114,593	
Fund balance - beginning of year	17,563,701	449,752	18,013,453	18,013,453	-	
Fund balance - end of year	\$ 13,103,767	\$ 762,295	\$ 13,866,062	\$ 14,766,823	\$ 1,114,593	

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE PERCENT SALES TAX OF 1984 FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 12,009,678	-	\$ 12,009,678	\$ 12,876,510	\$ 12,876,510	\$ (866,832)
Total revenues	12,009,678	-	12,009,678	12,876,510	12,876,510	(866,832)
EXPENDITURES						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	12,009,678	-	12,009,678	12,876,510	12,876,510	(866,832)
OTHER FINANCING SOURCES (USES)						
Transfers out	(12,009,678)	-	(12,009,678)	(12,876,510)	(12,876,510)	866,832
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GARBAGE COLLECTION AND DISPOSAL FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 730,450	\$ -	\$ 730,450	\$ 801,493	\$ 801,493	\$ (71,043)
Intergovernmental	96,393	3,469,438	3,565,831	-	4,343,748	(777,917)
Charges for services:						
Garbage fees and penalties	2,717,788	-	2,717,788	2,697,962	2,697,962	19,826
Interest	-	-	-	-	-	-
Total revenues	<u>3,544,631</u>	<u>3,469,438</u>	<u>7,014,069</u>	<u>3,499,455</u>	<u>7,843,203</u>	<u>(829,134)</u>
EXPENDITURES						
Public works:						
Contractual services	4,214,978	3,469,438	7,684,416	3,888,573	8,232,321	547,905
Total expenditures	<u>4,214,978</u>	<u>3,469,438</u>	<u>7,684,416</u>	<u>3,888,573</u>	<u>8,232,321</u>	<u>547,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(670,347)</u>	-	<u>(670,347)</u>	<u>(389,118)</u>	<u>(389,118)</u>	<u>(281,229)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	670,347	-	670,347	389,118	389,118	281,229
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>670,347</u>	-	<u>670,347</u>	<u>389,118</u>	<u>389,118</u>	<u>281,229</u>
Net change in fund balances	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 3,361,146	-	\$ 3,361,146	\$ 3,689,892	\$ 3,689,892	\$ (328,746)
Parking	565,366	-	565,366	372,713	372,713	192,653
Intergovernmental	-	-	-	-	-	-
Charges for services:						
Fire reports	774	-	774	800	800	(26)
Interest	46,694	-	46,694	20,919	20,919	25,775
Miscellaneous	403,008	-	403,008	370,241	370,241	32,767
Total revenues	4,376,988	-	4,376,988	4,454,565	4,454,565	(77,577)
EXPENDITURES						
Public safety:						
Personnel	6,186,191	-	6,186,191	6,183,136	6,302,076	115,885
Supplies	75,747	(945)	74,802	121,500	94,544	19,742
Service charges	662,628	(17,137)	645,491	691,500	574,019	(71,472)
Capital outlay	201,247	(32,500)	168,747	-	176,726	7,979
Total expenditures	7,125,813	(50,582)	7,075,231	6,996,136	7,147,365	72,134
Excess (deficiency) of revenues over (under) expenditures	(2,748,825)	50,582	(2,698,243)	(2,541,571)	(2,692,800)	(5,443)
OTHER FINANCING SOURCES						
Transfers in	2,882,659	-	2,882,659	2,541,571	2,692,800	(189,859)
Net change in fund balance	133,834	50,582	184,416	-	-	184,416
Fund balance - beginning of year	149,406	(149,406)	-	-	-	-
Fund balance - end of year	\$ 283,240	\$ (98,824)	\$ 184,416	\$ -	\$ -	\$ 184,416

OTHER SUPPLEMENTARY INFORMATION

**CITY OF KENNER, LOUISIANA
NONMAJOR FUND DESCRIPTIONS
June 30, 2008**

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.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

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

ROADS AND BRIDGES AND STREET LIGHTING FUNDS

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

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.

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 the bond indenture for the General Obligation Refunding Bonds Series 1992 and the loan agreement for the LCDA loan.

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
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	SPECIAL REVENUE			
	COMMUNITY DEVELOPMENT BLOCK GRANT	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
ASSETS				
Cash	\$ 65,866	\$ 158	\$ -	\$ 66,024
Equity in pooled cash	80,282	-	214,508	294,790
Receivables (net, where applicable, of allowances for uncollectibles)				
Intergovernmental	569,336	-	-	569,336
Other	506	-	38	544
Due from other funds	42,924	106,840	1,938	151,702
Total assets	\$ 758,914	\$ 106,998	\$ 216,484	\$ 1,082,396
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 95,776	\$ 3,532	\$ 88,308	\$ 187,616
Contracts payable	18,262	-	-	18,262
Accrued liabilities	30,534	30,971	4,229	65,734
Due to other funds	368,462	60,394	70,951	499,807
Deferred revenues	-	934	1,893	2,827
Total liabilities	513,034	95,831	165,381	774,246
<i>Fund balances:</i>				
Reserved for:				
Encumbrances	-	11,167	-	11,167
Debt service	-	-	-	-
Unreserved, undesignated	245,880	-	51,103	296,983
Total fund balances	245,880	11,167	51,103	308,150
Total liabilities and fund balances	\$ 758,914	\$ 106,998	\$ 216,484	\$ 1,082,396

DEBT SERVICE			TOTAL
AD VALOREM	FIREMEN'S		NONMAJOR
TAX BONDS	PENSION MERGER	TOTAL	GOVERNMENTAL
	FUND		FUNDS
\$ 8,216	\$ -	\$ 8,216	\$ 74,240
39,705	593,345	633,050	927,840
-	-	-	569,336
-	-	-	544
19,616	-	19,616	171,318
<u>\$ 67,537</u>	<u>\$ 593,345</u>	<u>\$ 660,882</u>	<u>\$ 1,743,278</u>
\$ -	\$ -	\$ -	\$ 187,616
-	-	-	18,262
-	-	-	65,734
-	-	-	499,807
19,265	-	19,265	22,092
19,265	-	19,265	793,511
-	-	-	11,167
48,272	593,345	641,617	641,617
-	-	-	296,983
48,272	593,345	641,617	949,767
<u>\$ 67,537</u>	<u>\$ 593,345</u>	<u>\$ 660,882</u>	<u>\$ 1,743,278</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
REVENUES				
Taxes	\$ -	\$ 679,723	\$ 394	\$ 680,117
Intergovernmental	824,308	-	-	824,308
Interest	1,450	-	-	1,450
Miscellaneous	-	-	-	-
Total Revenues	825,758	679,723	394	1,505,875
EXPENDITURES				
Current:				
Public works	-	1,118,222	1,426,798	2,545,020
Culture and recreation	21,873	-	-	21,873
Transit and urban development	1,295,006	-	-	1,295,006
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,316,879	1,118,222	1,426,798	3,861,899
Excess (deficiency) of revenues over (under) expenditures	(491,121)	(438,499)	(1,426,404)	(2,356,024)
OTHER FINANCING SOURCES (USES)				
Transfers in	353,410	444,605	1,462,925	2,260,940
Total other financing sources (uses)	353,410	444,605	1,462,925	2,260,940
Net change in fund balances	(137,711)	6,106	36,521	(95,084)
Fund balances - beginning of year	383,591	5,061	14,582	403,234
Fund balances - end of year	\$ 245,880	\$ 11,167	\$ 51,103	\$ 308,150

DEBT SERVICE FUNDS			TOTAL
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	NONMAJOR GOVERNMENTAL FUNDS
\$ 1,988,646	\$ 257,798	\$ 2,246,444	\$ 2,926,561
-	-	-	824,308
388	-	388	1,838
-	-	-	-
<u>1,989,034</u>	<u>257,798</u>	<u>2,246,832</u>	<u>3,752,707</u>
-	-	-	2,545,020
-	-	-	21,873
-	-	-	1,295,006
1,295,000	53,709	1,348,709	1,348,709
<u>691,158</u>	<u>183,994</u>	<u>875,152</u>	<u>875,152</u>
<u>1,986,158</u>	<u>237,703</u>	<u>2,223,861</u>	<u>6,085,760</u>
<u>2,876</u>	<u>20,095</u>	<u>22,971</u>	<u>(2,333,053)</u>
-	107,613	107,613	2,368,553
-	107,613	107,613	2,368,553
2,876	127,708	130,584	35,500
<u>45,396</u>	<u>465,637</u>	<u>511,033</u>	<u>914,267</u>
<u>\$ 48,272</u>	<u>\$ 593,345</u>	<u>\$ 641,617</u>	<u>\$ 949,767</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
TAXES						
Ad valorem tax	\$ 947,281	\$ -	\$ 947,281	\$ 1,039,672	\$ 1,039,672	\$ (92,391)
Sales tax	17,883,481	-	17,883,481	17,446,287	17,446,287	437,194
Beer tax	86,346	-	86,346	97,341	97,341	(10,995)
Parking tax	1,401,807	-	1,401,807	1,393,653	1,393,653	8,154
Franchises						
Electricity service	1,722,441	-	1,722,441	1,592,735	1,592,735	129,706
Gas service	202,627	-	202,627	179,460	179,460	23,167
Off-track wagering	179,373	-	179,373	200,680	200,680	(21,307)
Hotel/motel tax	284,044	-	284,044	299,256	299,256	(15,212)
Telephone	245,110	-	245,110	263,274	263,274	(18,164)
Riverboat	5,105,804	-	5,105,804	5,122,750	5,122,750	(16,946)
Total taxes	<u>28,058,314</u>	<u>-</u>	<u>28,058,314</u>	<u>27,635,108</u>	<u>27,635,108</u>	<u>423,206</u>
LICENSES AND PERMITS						
Business:						
Occupational	2,259,907	-	2,259,907	2,050,000	2,050,000	209,907
Alcoholic beverage	78,256	-	78,256	63,000	63,000	15,256
Chain store	63,392	-	63,392	68,524	68,524	(5,132)
Plumbing	40,390	-	40,390	53,250	53,250	(12,860)
Electrical	31,590	-	31,590	70,000	70,000	(38,410)
Taxi cab	34,385	-	34,385	19,510	19,510	14,875
Air conditioning	21,770	-	21,770	31,000	31,000	(9,230)
Bingo	150	-	150	400	400	(250)
Animal control	765	-	765	600	600	165
Total business	<u>2,530,605</u>	<u>-</u>	<u>2,530,605</u>	<u>2,356,284</u>	<u>2,356,284</u>	<u>174,321</u>
Non-business:						
Building	181,545	-	181,545	240,000	240,000	(58,455)
Garage sales	2,503	-	2,503	2,000	2,000	503
Brake tags	304,080	-	304,080	315,238	315,238	(11,158)
Total non-business	<u>488,128</u>	<u>-</u>	<u>488,128</u>	<u>557,238</u>	<u>557,238</u>	<u>(69,110)</u>
Total licenses and permits	<u>3,018,733</u>	<u>-</u>	<u>3,018,733</u>	<u>2,913,522</u>	<u>2,913,522</u>	<u>105,211</u>
INTERGOVERNMENTAL						
Federal Grants	885,862	1,767,238	2,653,100	-	2,523,138	129,962
From state:						
Tobacco tax	87,087	-	87,087	-	-	87,087
Parish transportation fund	232,625	-	232,625	341,144	341,144	(108,519)
Parish road fund	224,745	-	224,745	194,756	194,756	29,989
Video poker	775,641	-	775,641	770,441	770,441	5,200
Other state grants	-	-	-	-	-	-
From other local government subdivisions:						
Jefferson Council on Aging	43,296	-	43,296	42,000	42,000	1,296
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
Total intergovernmental	<u>2,460,256</u>	<u>1,767,238</u>	<u>4,227,494</u>	<u>1,559,341</u>	<u>4,082,479</u>	<u>145,015</u>

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CHARGES FOR SERVICES						
Zoning fees	\$ 14,015	\$ -	\$ 14,015	\$ 20,930	\$ 20,930	\$ (6,915)
Inspection fees						
Electrical	96,889	-	96,889	80,000	80,000	16,889
Plumbing	57,062	-	57,062	40,000	40,000	17,062
Air conditioning, heating, and other	48,828	-	48,828	37,000	37,000	11,828
Maps and document sales	4,986	-	4,986	1,466	1,466	3,520
Tax research fees	24,795	-	24,795	28,000	28,000	(3,205)
Police reports	38,618	-	38,618	37,051	37,051	1,567
Weed cutting fees	537,675	-	537,675	60,000	60,000	477,675
Recreation department						
Participation fees	19,485	3,203	22,688	15,000	15,000	7,688
Admission fees	142,728	1,396	144,124	195,000	195,000	(50,876)
Identification and other fees	101,876	-	101,876	-	-	101,876
Community service fees	-	-	-	-	-	-
Administrative charges	272,535	(211,535)	61,000	61,000	61,000	-
Total charges for services	<u>1,359,492</u>	<u>(206,936)</u>	<u>1,152,556</u>	<u>575,447</u>	<u>575,447</u>	<u>577,109</u>
FINES AND FORFEITURES						
Fines	1,437,398	-	1,437,398	1,498,371	1,498,371	(60,973)
Forfeitures	393,126	-	393,126	360,862	360,862	32,264
DWI fines	1,822	-	1,822	3,000	3,000	(1,178)
Reinstatement fees	82,563	-	82,563	78,000	78,000	4,563
Total fines and forfeitures	<u>1,914,909</u>	<u>-</u>	<u>1,914,909</u>	<u>1,940,233</u>	<u>1,940,233</u>	<u>(25,324)</u>
INTEREST ON INVESTED FUNDS	<u>362,672</u>	<u>-</u>	<u>362,672</u>	<u>181,515</u>	<u>181,515</u>	<u>181,157</u>
MISCELLANEOUS						
Donations	810	-	810	-	-	810
Rents	245,353	(44,114)	201,239	243,257	243,257	(42,018)
Other investment income	163,234	-	163,234	40,000	40,000	123,234
Other	48,998	-	48,998	7,247	7,247	41,751
Total miscellaneous	<u>458,395</u>	<u>(44,114)</u>	<u>414,281</u>	<u>290,504</u>	<u>290,504</u>	<u>123,777</u>
Total revenues	<u>\$ 37,632,771</u>	<u>\$ 1,516,188</u>	<u>\$ 39,148,959</u>	<u>\$ 35,095,670</u>	<u>\$ 37,618,808</u>	<u>\$ 1,530,151</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION
YEAR ENDED JUNE 30, 2008

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 793,589	\$ -	\$ 793,589	\$ 763,504	\$ 802,254	\$ 8,665
Supplies	36,843	(4,036)	32,807	37,170	43,332	10,525
Service charges	81,262	(1,223)	80,039	132,560	99,870	19,831
Capital outlay	45,023	2,178	47,201	30,361	43,389	(3,812)
Total expenditures	\$ 956,717	\$ (3,081)	\$ 953,636	\$ 963,595	\$ 988,845	\$ 35,209

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 596,424	\$ -	\$ 596,424	\$ 599,253	\$ 596,832	\$ 408
Supplies	19,534	(1,354)	18,180	18,500	26,422	8,242
Service charges	35,918	-	35,918	40,327	48,096	12,178
Capital outlay	13,975	13,421	27,396	5,000	27,400	4
Total expenditures	\$ 665,851	\$ 12,067	\$ 677,918	\$ 663,080	\$ 698,750	\$ 20,832

CHIEF ADMINISTRATIVE OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 809,238	\$ -	\$ 809,238	\$ 799,451	\$ 821,450	\$ 12,212
Supplies	22,300	(4,426)	17,874	24,000	23,000	5,126
Service charges	28,170	(63)	28,107	40,700	48,861	20,754
Capital outlay	8,246	(247)	7,999	-	9,000	1,001
Total expenditures	\$ 867,954	\$ (4,736)	\$ 863,218	\$ 864,151	\$ 902,311	\$ 39,093

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
GENERAL GOVERNMENT						
Personnel	\$ 6,325,052	\$ (215,931)	\$ 6,109,121	\$ 7,206,474	\$ 6,370,599	\$ 261,478
Supplies	203,618	(10,271)	193,347	186,272	217,151	23,804
Service charges	3,567,486	1,769,492	5,336,978	3,652,838	6,292,591	955,613
Capital outlay	437,758	43,971	481,729	36,361	279,129	(202,600)
Total general government	\$ 10,533,914	\$ 1,587,261	\$ 12,121,175	\$ 11,081,945	\$ 13,159,470	\$ 1,038,295
PUBLIC SAFETY						
Personnel	\$ 14,250,476	\$ (187,116)	\$ 14,063,360	\$ 13,743,890	\$ 13,995,022	\$ (68,338)
Supplies	889,797	(11,081)	878,716	769,806	896,560	17,844
Service charges	2,156,392	(8,753)	2,147,639	2,016,517	2,260,794	113,155
Capital outlay	431,355	522,634	953,989	-	968,500	14,511
Total public safety	\$ 17,728,020	\$ 315,684	\$ 18,043,704	\$ 16,530,213	\$ 18,120,876	\$ 77,172
PUBLIC WORKS						
Personnel	\$ 2,077,638	\$ -	\$ 2,077,638	\$ 2,309,168	\$ 2,075,354	\$ (2,284)
Supplies	954,426	(20,889)	933,537	787,064	932,158	(1,379)
Service charges	453,301	(13,088)	440,213	666,339	455,761	15,548
Capital outlay	1,078,580	(402,809)	675,771	-	639,544	(36,227)
Total public works	\$ 4,563,945	\$ (436,786)	\$ 4,127,159	\$ 3,762,571	\$ 4,102,817	\$ (24,342)
HEALTH AND WELFARE						
Personnel	\$ 647,068	\$ -	\$ 647,068	\$ 645,298	\$ 672,335	\$ 25,267
Supplies	149,092	(546)	148,546	147,189	163,481	14,935
Service charges	13,211	-	13,211	16,733	16,733	3,522
Capital outlay	-	-	-	-	-	-
Total health and welfare	\$ 809,371	\$ (546)	\$ 808,825	\$ 809,220	\$ 852,549	\$ 43,724

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
CULTURE AND RECREATION						
Personnel	\$ 3,702,118	\$ -	\$ 3,702,118	\$ 3,920,375	\$ 3,835,993	\$ 133,875
Supplies	475,297	(78,005)	397,292	407,621	418,710	21,418
Service charges	1,244,603	(2,431)	1,242,172	1,241,003	1,400,895	158,723
Capital outlay	146,600	(100,202)	46,398	-	46,398	-
Total culture and recreation	\$ 5,568,618	\$ (180,638)	\$ 5,387,980	\$ 5,568,999	\$ 5,701,996	\$ 314,016
TRANSIT						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	413,327	(81,330)	331,997	341,144	246,561	(85,436)
Capital outlay	-	-	-	-	-	-
TOTAL TRANSIT	\$ 413,327	\$ (81,330)	\$ 331,997	\$ 341,144	\$ 246,561	\$ (85,436)
TOTAL EXPENDITURES						
Personnel	\$ 27,002,352	\$ (403,047)	\$ 26,599,305	\$ 27,825,205	\$ 26,949,303	\$ 349,998
Supplies	2,672,230	(120,792)	2,551,438	2,297,952	2,628,060	76,622
Service charges	7,848,320	1,663,890	9,512,210	7,934,574	10,673,335	1,161,125
Capital outlay	2,094,293	63,594	2,157,887	36,361	1,933,571	(224,316)
TOTAL EXPENDITURES	\$ 39,617,195	\$ 1,203,645	\$ 40,820,840	\$ 38,094,092	\$ 42,184,269	\$ 1,363,429

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION
YEAR ENDED JUNE 30, 2008

COUNCIL OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 793,589	\$ -	\$ 793,589	\$ 763,504	\$ 802,254	\$ 8,665
Supplies	36,843	(4,036)	32,807	37,170	43,332	10,525
Service charges	81,262	(1,223)	80,039	132,560	99,870	19,831
Capital outlay	45,023	2,178	47,201	30,361	43,389	(3,812)
Total expenditures	\$ 956,717	\$ (3,081)	\$ 953,636	\$ 963,595	\$ 988,845	\$ 35,209

MAYOR'S OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 596,424	\$ -	\$ 596,424	\$ 599,253	\$ 596,832	\$ 408
Supplies	19,534	(1,354)	18,180	18,500	26,422	8,242
Service charges	35,918	-	35,918	40,327	48,096	12,178
Capital outlay	13,975	13,421	27,396	5,000	27,400	4
Total expenditures	\$ 665,851	\$ 12,067	\$ 677,918	\$ 663,080	\$ 698,750	\$ 20,832

CHIEF ADMINISTRATIVE OFFICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FINANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 809,238	\$ -	\$ 809,238	\$ 799,451	\$ 821,450	\$ 12,212
Supplies	22,300	(4,426)	17,874	24,000	23,000	5,126
Service charges	28,170	(63)	28,107	40,700	48,861	20,754
Capital outlay	8,246	(247)	7,999	-	9,000	1,001
Total expenditures	\$ 867,954	\$ (4,736)	\$ 863,218	\$ 864,151	\$ 902,311	\$ 39,093

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

PURCHASING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 269,253	\$ -	\$ 269,253	\$ 279,294	\$ 275,117	\$ 5,864
Supplies	12,484	(723)	11,761	6,100	11,778	17
Service charges	20,638	-	20,638	27,074	24,546	3,908
Capital outlay	9,141	5,511	14,652	1,000	14,652	-
Total expenditures	\$ 311,516	\$ 4,788	\$ 316,304	\$ 313,468	\$ 326,093	\$ 9,789

HUMAN RESOURCES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 501,356	\$ (215,931)	\$ 285,425	\$ 283,772	\$ 283,422	\$ (2,003)
Supplies	7,970	(202)	7,768	8,160	8,260	492
Service charges	69,507	(637)	68,870	41,551	68,001	(869)
Capital outlay	2,419	(807)	1,612	-	1,700	88
Total expenditures	\$ 581,252	\$ (217,577)	\$ 363,675	\$ 333,483	\$ 361,383	\$ (2,292)

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 448,747	\$ -	\$ 448,747	\$ 451,874	\$ 453,672	\$ 6,925
Supplies	5,727	(319)	5,408	6,300	6,550	1,142
Service charges	37,109	-	37,109	50,114	42,164	5,055
Capital outlay	19,534	1,121	20,655	-	20,700	45
Total expenditures	\$ 511,117	\$ 802	\$ 511,919	\$ 508,288	\$ 525,086	\$ 13,167

INFORMATION TECHNOLOGY

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 288,539	\$ -	\$ 288,539	\$ 300,985	\$ 307,436	\$ 18,897
Supplies	9,506	(1,326)	8,180	8,350	8,350	170
Service charges	165,401	326	165,727	170,940	165,962	235
Capital outlay	13,328	-	13,328	-	13,328	-
Total expenditures	\$ 476,774	\$ (1,000)	\$ 475,774	\$ 480,275	\$ 495,076	\$ 19,302

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 153,070	\$ -	\$ 153,070	\$ 235,229	\$ 216,048	\$ 62,978
Supplies	4,933	(79)	4,854	6,895	6,895	2,041
Service charges	38,380	19,667	58,047	74,886	80,353	22,306
Capital outlay	4,867	-	4,867	-	4,873	6
Total expenditures	\$ 201,250	\$ 19,588	\$ 220,838	\$ 317,010	\$ 308,169	\$ 87,331

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,050,636	\$ -	\$ 1,050,636	\$ 1,157,415	\$ 1,061,003	\$ 10,367
Supplies	51,002	4,912	55,914	38,000	46,357	(9,557)
Service charges	2,003,183	1,751,422	3,754,605	1,863,927	4,629,054	874,449
Capital outlay	297,920	(15,085)	282,835	-	79,885	(202,950)
Total expenditures	\$ 3,402,741	\$ 1,741,249	\$ 5,143,990	\$ 3,059,342	\$ 5,816,299	\$ 672,309

MAYOR'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 738,711	\$ -	\$ 738,711	\$ 918,697	\$ 876,865	\$ 138,154
Supplies	33,319	(2,718)	30,601	32,797	36,207	5,606
Service charges	38,031	-	38,031	45,759	49,684	11,653
Capital outlay	23,305	37,879	61,184	-	64,202	3,018
Total expenditures	\$ 833,366	\$ 35,161	\$ 868,527	\$ 997,253	\$ 1,026,958	\$ 158,431

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
GENERAL GOVERNMENT FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

INSURANCE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 102,668	\$ -	\$ 102,668	\$ 100,000	\$ 101,600	\$ (1,068)
Supplies	-	-	-	-	-	-
Service charges	1,034,758	-	1,034,758	1,165,000	1,036,000	1,242
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,137,426	\$ -	\$ 1,137,426	\$ 1,265,000	\$ 1,137,600	\$ 174

PAY INCENTIVES

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 572,821	\$ -	\$ 572,821	\$ 1,317,000	\$ 572,900	\$ 79
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 572,821	\$ -	\$ 572,821	\$ 1,317,000	\$ 572,900	\$ 79

BAD DEBT

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,129	-	15,129	-	-	(15,129)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,129	\$ -	\$ 15,129	\$ -	\$ -	\$ (15,129)

TOTAL - GENERAL GOVERNMENT FUNCTION

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 6,325,052	\$ (215,931)	\$ 6,109,121	\$ 7,206,474	\$ 6,370,599	\$ 261,478
Supplies	203,618	(10,271)	193,347	186,272	217,151	23,804
Service charges	3,567,486	1,769,492	5,336,978	3,652,838	6,292,591	955,613
Capital outlay	437,758	43,971	481,729	36,361	279,129	(202,600)
Total expenditures	\$ 10,533,914	\$ 1,587,261	\$ 12,121,175	\$ 11,081,945	\$ 13,159,470	\$ 1,038,295

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION
YEAR ENDED JUNE 30, 2008

POLICE SUPPORT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,753,805	\$ -	\$ 1,753,805	\$ 1,425,621	\$ 1,723,836	\$ (29,969)
Supplies	36,764	(3,497)	33,267	35,000	36,300	3,033
Service charges	678,901	2,348	681,249	706,000	715,900	34,651
Capital outlay	156,738	(57,521)	99,217	-	110,500	11,283
Total expenditures	\$ 2,626,208	\$ (58,670)	\$ 2,567,538	\$ 2,166,621	\$ 2,586,536	\$ 18,998

ROAD POLICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 6,947,779	\$ (187,116)	\$ 6,760,663	\$ 6,854,931	\$ 6,719,031	\$ (41,632)
Supplies	551,677	(3,377)	548,300	480,000	553,000	4,700
Service charges	1,101,217	(4,178)	1,097,039	1,009,000	1,165,500	68,461
Capital outlay	255,527	571,444	826,971	-	828,000	1,029
Total expenditures	\$ 8,856,200	\$ 376,773	\$ 9,232,973	\$ 8,343,931	\$ 9,265,531	\$ 32,558

POLICE DETECTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,423,847	\$ -	\$ 1,423,847	\$ 1,564,150	\$ 1,411,850	\$ (11,997)
Supplies	14,661	(143)	14,518	26,000	16,500	1,982
Service charges	16,841	(4,430)	12,411	20,000	16,000	3,589
Capital outlay	17,865	11,678	29,543	-	30,000	457
Total expenditures	\$ 1,473,214	\$ 7,105	\$ 1,480,319	\$ 1,610,150	\$ 1,474,350	\$ (5,969)

POLICE COMMUNICATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 555,879	\$ -	\$ 555,879	\$ 462,786	\$ 533,786	\$ (22,093)
Supplies	3,020	-	3,020	4,000	4,000	980
Service charges	39,972	-	39,972	25,000	40,000	28
Capital outlay	2,967	(2,967)	-	-	-	-
Total expenditures	\$ 601,838	\$ (2,967)	\$ 598,871	\$ 491,786	\$ 577,786	\$ (21,085)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

JAIL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 723,261	\$ -	\$ 723,261	\$ 494,951	\$ 698,840	\$ (24,421)
Supplies	204,660	(6,116)	198,544	159,000	201,900	3,356
Service charges	11,014	(400)	10,614	15,000	11,000	386
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 938,935	\$ (6,516)	\$ 932,419	\$ 668,951	\$ 911,740	\$ (20,679)

POLICE - TECHNICAL COMMAND

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,306,371	\$ -	\$ 1,306,371	\$ 1,310,589	\$ 1,289,189	\$ (17,182)
Supplies	35,115	2,232	37,347	20,000	38,000	653
Service charges	14,312	(2,093)	12,219	17,000	13,500	1,281
Capital outlay	(1,742)	-	(1,742)	-	-	1,742
Total expenditures	\$ 1,354,056	\$ 139	\$ 1,354,195	\$ 1,347,589	\$ 1,340,689	\$ (13,506)

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,316,511	\$ -	\$ 1,316,511	\$ 1,419,101	\$ 1,395,864	\$ 79,353
Supplies	33,693	(180)	33,513	31,249	36,327	2,814
Service charges	284,889	-	284,889	220,291	288,368	3,479
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,635,093	\$ (180)	\$ 1,634,913	\$ 1,670,641	\$ 1,720,559	\$ 85,646

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC SAFETY FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

CODE ENFORCEMENT - INSPECTIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 223,023	\$ -	\$ 223,023	\$ 211,761	\$ 222,626	\$ (397)
Supplies	10,207	-	10,207	14,557	10,533	326
Service charges	9,246	-	9,246	4,226	10,526	1,280
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 242,476</u>	<u>\$ -</u>	<u>\$ 242,476</u>	<u>\$ 230,544</u>	<u>\$ 243,685</u>	<u>\$ 1,209</u>

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL	FINAL	
				BUDGET	BUDGET	
Personnel	\$ 14,250,476	\$ (187,116)	\$ 14,063,360	\$ 13,743,890	\$ 13,995,022	\$ (68,338)
Supplies	889,797	(11,081)	878,716	769,806	896,560	17,844
Service charges	2,156,392	(8,753)	2,147,639	2,016,517	2,260,794	113,155
Capital outlay	431,355	522,634	953,989	-	968,500	14,511
Total expenditures	<u>\$ 17,728,020</u>	<u>\$ 315,684</u>	<u>\$ 18,043,704</u>	<u>\$ 16,530,213</u>	<u>\$ 18,120,876</u>	<u>\$ 77,172</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION
YEAR ENDED JUNE 30, 2008

PUBLIC WORKS - TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 186,056	\$ -	\$ 186,056	\$ 185,384	\$ 186,685	\$ 629
Supplies	21,371	(704)	20,667	104,000	20,847	180
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 207,427	\$ (704)	\$ 206,723	\$ 289,384	\$ 207,532	\$ 809

PUBLIC WORKS - PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 352,940	\$ -	\$ 352,940	\$ 275,889	\$ 352,503	\$ (437)
Supplies	9,663	(4,703)	4,960	20,000	21,370	16,410
Service charges	328,835	-	328,835	453,368	339,479	10,644
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 691,438	\$ (4,703)	\$ 686,735	\$ 749,257	\$ 713,352	\$ 26,617

PUBLIC WORKS - ENGINEERING & CAPITAL PROJECTS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 153,782	\$ -	\$ 153,782	\$ 291,894	\$ 159,016	\$ 5,234
Supplies	9,182	(2,053)	7,129	18,500	7,797	668
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 162,964	\$ (2,053)	\$ 160,911	\$ 310,394	\$ 166,813	\$ 5,902

PUBLIC WORKS - FLEET MANAGEMENT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 328,517	\$ -	\$ 328,517	\$ 384,130	\$ 326,372	\$ (2,145)
Supplies	593,405	(6,173)	587,232	353,500	569,427	(17,805)
Service charges	64,402	(13,088)	51,314	123,000	56,710	5,396
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 986,324	\$ (19,261)	\$ 967,063	\$ 860,630	\$ 952,509	\$ (14,554)

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
PUBLIC WORKS FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

PUBLIC WORKS - BUILDING MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 562,132	\$ -	\$ 562,132	\$ 673,809	\$ 558,213	\$ (3,919)
Supplies	277,268	(5,513)	271,755	210,700	269,361	(2,394)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 839,400	\$ (5,513)	\$ 833,887	\$ 884,509	\$ 827,574	\$ (6,313)

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 494,211	\$ -	\$ 494,211	\$ 498,062	\$ 492,565	\$ (1,646)
Supplies	43,537	(1,743)	41,794	80,364	43,356	1,562
Service charges	60,064	-	60,064	89,971	59,572	(492)
Capital outlay	1,078,580	(402,809)	675,771	-	639,544	(36,227)
Total expenditures	\$ 1,676,392	\$ (404,552)	\$ 1,271,840	\$ 668,397	\$ 1,235,037	\$ (36,803)

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 2,077,638	\$ -	\$ 2,077,638	\$ 2,309,168	\$ 2,075,354	\$ (2,284)
Supplies	954,426	(20,889)	933,537	787,064	932,158	(1,379)
Service charges	453,301	(13,088)	440,213	666,339	455,761	15,548
Capital outlay	1,078,580	(402,809)	675,771	-	639,544	(36,227)
Total expenditures	\$ 4,563,945	\$ (436,786)	\$ 4,127,159	\$ 3,762,571	\$ 4,102,817	\$ (24,342)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION
YEAR ENDED JUNE 30, 2008

CODE ENFORCEMENT - HUMANE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 119,484	\$ -	\$ 119,484	\$ 121,998	\$ 125,779	\$ 6,295
Supplies	1,653	-	1,653	2,849	3,376	1,723
Service charges	312	-	312	3,500	3,500	3,188
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 121,449	\$ -	\$ 121,449	\$ 128,347	\$ 132,655	\$ 11,206

FOOD BANK

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 149,525	\$ -	\$ 149,525	\$ 144,781	\$ 151,121	\$ 1,596
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 149,525	\$ -	\$ 149,525	\$ 144,781	\$ 151,121	\$ 1,596

COUNCIL ON AGING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 378,059	\$ -	\$ 378,059	\$ 378,519	\$ 395,435	\$ 17,376
Supplies	6,972	-	6,972	15,000	15,000	8,028
Service charges	12,899	-	12,899	13,233	13,233	334
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 397,930	\$ -	\$ 397,930	\$ 406,752	\$ 423,668	\$ 25,738

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
HEALTH AND WELFARE FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

HEALTH & WELFARE - MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	140,467	(546)	139,921	129,340	145,105	5,184
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 140,467	\$ (546)	\$ 139,921	\$ 129,340	\$ 145,105	\$ 5,184

TOTAL - HEALTH AND WELFARE FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 647,068	\$ -	\$ 647,068	\$ 645,298	\$ 672,335	\$ 25,267
Supplies	149,092	(546)	148,546	147,189	163,481	14,935
Service charges	13,211	-	13,211	16,733	16,733	3,522
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 809,371	\$ (546)	\$ 808,825	\$ 809,220	\$ 852,549	\$ 43,724

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION
YEAR ENDED JUNE 30, 2008

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 96,727	\$ -	\$ 96,727	\$ 96,769	\$ 100,819	\$ 4,092
Supplies	8,119	-	8,119	10,500	10,500	2,381
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 104,846	\$ -	\$ 104,846	\$ 107,269	\$ 111,319	\$ 6,473

CULTURAL AFFAIRS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	1,812	-	1,812	3,203	2,673	861
Service charges	19,855	-	19,855	28,200	28,730	8,875
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 21,667	\$ -	\$ 21,667	\$ 31,403	\$ 31,403	\$ 9,736

CULTURE & RECREATION - HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 311,065	\$ -	\$ 311,065	\$ 365,040	\$ 377,692	\$ 66,627
Supplies	11,194	(957)	10,237	14,100	12,864	2,627
Service charges	34,076	(2,354)	31,722	48,376	50,382	18,660
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 356,335	\$ (3,311)	\$ 353,024	\$ 427,516	\$ 440,938	\$ 87,914

TOURISM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 108,791	\$ -	\$ 108,791	\$ 122,728	\$ 127,403	\$ 18,612
Supplies	35,956	-	35,956	35,750	36,064	108
Service charges	22,673	-	22,673	40,680	40,366	17,693
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 167,420	\$ -	\$ 167,420	\$ 199,158	\$ 203,833	\$ 36,413

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

RECREATION - ATHLETICS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,385,019	\$ -	\$ 1,385,019	\$ 1,533,356	\$ 1,379,807	\$ (5,212)
Supplies	133,596	(6,152)	127,444	163,026	137,933	10,489
Service charges	512,380	-	512,380	653,966	553,405	41,025
Capital outlay	88,205	(66,267)	21,938	-	21,938	-
Total expenditures	\$ 2,119,200	\$ (72,419)	\$ 2,046,781	\$ 2,350,348	\$ 2,093,083	\$ 46,302

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,410,920	\$ -	\$ 1,410,920	\$ 1,296,550	\$ 1,403,472	\$ (7,448)
Supplies	197,128	(70,553)	\$ 126,575	99,842	128,390	1,815
Service charges	396,693	(1,320)	395,373	110,400	374,078	(21,295)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 2,004,741	\$ (71,873)	\$ 1,932,868	\$ 1,506,792	\$ 1,905,940	\$ (26,928)

COMMUNITY SERVICE - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 302,614	\$ -	\$ 302,614	\$ 378,575	\$ 359,541	\$ 56,927
Supplies	86,185	(101)	86,084	76,200	86,577	493
Service charges	193,385	-	193,385	301,431	285,666	92,281
Capital outlay	58,395	(33,935)	24,460	-	24,460	-
Total expenditures	\$ 640,579	\$ (34,036)	\$ 606,543	\$ 756,206	\$ 756,244	\$ 149,701

(Continued)

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
CULTURE AND RECREATION FUNCTION (CONTINUED)
YEAR ENDED JUNE 30, 2008

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 86,982	\$ -	\$ 86,982	\$ 127,357	\$ 87,259	\$ 277
Supplies	1,307	(242)	1,065	5,000	3,709	2,644
Service charges	65,541	1,243	66,784	57,950	68,268	1,484
Capital outlay	-	-	-	-	-	-
<i>Total expenditures</i>	<u>\$ 153,830</u>	<u>\$ 1,001</u>	<u>\$ 154,831</u>	<u>\$ 190,307</u>	<u>\$ 159,236</u>	<u>\$ 4,405</u>

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,702,118	\$ -	\$ 3,702,118	\$ 3,920,375	\$ 3,835,993	\$ 133,875
Supplies	475,297	(78,005)	397,292	407,621	418,710	21,418
Service charges	1,244,603	(2,431)	1,242,172	1,241,003	1,400,895	158,723
Capital outlay	146,600	(100,202)	46,398	-	46,398	-
<i>Total expenditures</i>	<u>\$ 5,568,618</u>	<u>\$ (180,638)</u>	<u>\$ 5,387,980</u>	<u>\$ 5,568,999</u>	<u>\$ 5,701,996</u>	<u>\$ 314,016</u>

CITY OF KENNER, LOUISIANA
COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
TRANSIT FUNCTION
YEAR ENDED JUNE 30, 2008

TOTAL - TRANSIT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	413,327	(81,330)	331,997	341,144	246,561	(85,436)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 413,327	\$ (81,330)	\$ 331,997	\$ 341,144	\$ 246,561	\$ (85,436)

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Intergovernmental	\$ 824,308	\$ -	\$ 824,308	\$ 2,301,046	\$ 3,031,461	\$ (2,207,153)
Interest	1,450	-	1,450	-	-	1,450
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>825,758</u>	<u>-</u>	<u>825,758</u>	<u>2,301,046</u>	<u>3,031,461</u>	<u>(2,205,703)</u>
EXPENDITURES						
Public works	-	-	-	-	-	-
Culture and recreation	21,873	-	21,873	318,897	318,897	297,024
Urban development	1,295,006	-	1,295,006	2,413,001	3,161,039	1,866,033
Total Expenditures	<u>1,316,879</u>	<u>-</u>	<u>1,316,879</u>	<u>2,731,898</u>	<u>3,479,936</u>	<u>2,163,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(491,121)</u>	<u>-</u>	<u>(491,121)</u>	<u>(430,852)</u>	<u>(448,475)</u>	<u>(42,646)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	353,410	-	353,410	430,852	448,475	(95,065)
Total other financing sources (uses)	<u>353,410</u>	<u>-</u>	<u>353,410</u>	<u>430,852</u>	<u>448,475</u>	<u>(95,065)</u>
Net change in fund balance	(137,711)	-	(137,711)	-	-	(137,711)
Fund balance - beginning of year	383,591	-	383,591	383,591	383,591	-
Fund balance - end of year	<u>\$ 245,880</u>	<u>\$ -</u>	<u>\$ 245,880</u>	<u>\$ 383,591</u>	<u>\$ 383,591</u>	<u>\$ (137,711)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Public works:						
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total public works	-	-	-	-	-	-
Culture and recreation:						
Capital outlay	21,873	-	21,873	318,897	318,897	297,024
Total culture and recreation	21,873	-	21,873	318,897	318,897	297,024
Urban development:						
Personnel	438,967	-	438,967	562,748	556,371	117,404
Supplies	(2,814)	-	(2,814)	7,055	9,055	11,869
Service charges	40,914	-	40,914	40,772	44,772	3,858
Capital Outlay	817,939	-	817,939	1,802,426	2,550,841	1,732,902
Total urban development	1,295,006	-	1,295,006	2,413,001	3,161,039	1,866,033
Total expenditures	\$ 1,316,879	\$ -	\$ 1,316,879	\$ 2,731,898	\$ 3,479,936	\$ 2,163,057

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROADS AND BRIDGES FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES						
Taxes:						
Ad valorem tax	\$ 679,723	-	\$ 679,723	\$ 958,950	\$ 958,950	\$ (279,227)
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	679,723	-	679,723	958,950	958,950	(279,227)
EXPENDITURES						
Public works:						
Personnel	822,534	-	822,534	1,378,531	801,097	(21,437)
Supplies	275,892	3,636	279,528	285,863	328,336	48,808
Service charges	19,796	2,470	22,266	20,000	23,444	1,178
Total expenditures	1,118,222	6,106	1,124,328	1,684,394	1,152,877	28,549
Excess (deficiency) of revenues over (under) expenditures	(438,499)	(6,106)	(444,605)	(725,444)	(193,927)	(250,678)
OTHER FINANCING SOURCES						
Transfers in	444,605	-	444,605	725,444	193,927	250,678
Net change in fund balance	6,106	(6,106)	-	-	-	-
Fund balance - beginning of year	5,061	(5,061)	-	-	-	-
Fund balance - end of year	\$ 11,167	\$ (11,167)	\$ -	\$ -	\$ -	\$ -

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTING FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 394	\$ -	\$ 394	\$ -	\$ -	\$ 394
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	394	-	394	-	-	394
EXPENDITURES						
Public works:						
Personnel	167,950	-	167,950	180,517	186,028	18,078
Supplies	176,717	-	176,717	68,170	156,837	(19,880)
Service charges	1,082,131	-	1,082,131	975,936	1,204,988	122,857
Total expenditures	1,426,798	-	1,426,798	1,224,623	1,547,853	121,055
Excess (deficiency) of revenues over (under) expenditures	(1,426,404)	-	(1,426,404)	(1,224,623)	(1,547,853)	121,449
OTHER FINANCING SOURCES						
Transfers in	1,462,925	-	1,462,925	1,224,623	1,547,853	(84,928)
Net change in fund balance	36,521	-	36,521	-	-	36,521
Fund balance - beginning of year	14,582	(14,582)	-	-	-	-
Fund balance - end of year	\$ 51,103	\$ (14,582)	\$ 36,521	\$ -	\$ -	\$ 36,521

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AD VALOREM TAX BONDS FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Ad valorem tax	\$ 1,988,646	\$ -	\$ 1,988,646	\$ 1,986,158	\$ 1,986,158	\$ 2,488
Interest on invested funds	388	-	388	-	-	388
Total revenues	1,989,034	-	1,989,034	1,986,158	1,986,158	2,876
EXPENDITURES						
Debt service:						
Principal	1,295,000	-	1,295,000	1,295,000	1,295,000	-
Interest and fiscal charges	691,158	-	691,158	691,158	691,158	-
Agent fees	-	-	-	-	-	-
Total expenditures	1,986,158	-	1,986,158	1,986,158	1,986,158	-
Excess (deficiency) of revenues over (under) expenditures	2,876	-	2,876	-	-	2,876
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	2,876	-	2,876	-	-	2,876
Fund balance - beginning of year	45,396	-	45,396	45,396	45,396	-
Fund balance - end of year	\$ 48,272	\$ -	\$ 48,272	\$ 45,396	\$ 45,396	\$ 2,876

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIREMEN'S PENSION MERGER FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes						
Fire insurance premium	\$ 257,798	\$ -	\$ 257,798	\$ 252,578	\$ 252,578	\$ 5,220
Interest on invested funds	-	-	-	30,352	30,352	(30,352)
Miscellaneous	-	-	-	-	-	-
Total revenues	257,798	-	257,798	282,930	282,930	(25,132)
EXPENDITURES						
Debt service:						
Principal	53,709	-	53,709	53,709	53,709	-
Interest and fiscal charges	183,994	-	183,994	183,994	183,994	-
Total expenditures	237,703	-	237,703	237,703	237,703	-
Excess (deficiency) of revenues over (under) expenditures	20,095	-	20,095	45,227	45,227	(25,132)
OTHER FINANCING SOURCES (USES)						
Transfers in	107,613	-	107,613	-	-	107,613
Total other financing sources (uses)	107,613	-	107,613	-	-	107,613
Net change in fund balance	127,708	-	127,708	45,227	45,227	82,481
Fund balance - beginning of year	465,637	-	465,637	465,637	465,637	-
Fund balance - end of year	\$ 593,345	\$ -	\$ 593,345	\$ 510,864	\$ 510,864	\$ 82,481

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL DEBT FUND
YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
REVENUES						
Taxes:						
Sales tax	\$ 4,088,264	\$ -	\$ 4,088,264	\$ 3,932,671	\$ 3,932,671	\$ 155,593
Interest on invested funds	151,805	-	151,805	196,656	196,656	(44,851)
Miscellaneous	-	-	-	-	-	-
Total revenues	4,240,069	-	4,240,069	4,129,327	4,129,327	110,742
EXPENDITURES						
Debt service:						
Principal	4,000,000	-	4,000,000	4,000,000	4,000,000	-
Interest	1,437,969	-	1,437,969	1,437,970	1,437,970	1
Miscellaneous	36,000	-	36,000	36,000	36,000	-
Total expenditures	5,473,969	-	5,473,969	5,473,970	5,473,970	1
Excess (deficiency) of revenues over (under) expenditures	(1,233,900)	-	(1,233,900)	(1,344,643)	(1,344,643)	110,743
OTHER FINANCING SOURCES (USES)						
Transfers in	1,395,445	-	1,395,445	1,344,643	1,344,643	\$ 50,802
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,395,445	-	1,395,445	1,344,643	1,344,643	50,802
Net change in fund balance	161,545	-	161,545	-	-	161,545
Fund balance - beginning of year	4,246,357	-	4,246,357	4,246,357	4,246,357	-
Fund balance - end of year	\$ 4,407,902	\$ -	\$ 4,407,902	\$ 4,246,357	\$ 4,246,357	\$ 161,545

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WASTEWATER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services						
Sewerage service charges	\$ 3,560,457	\$ -	\$ 3,560,457	\$ 4,335,346	\$ 4,335,346	\$ (774,889)
Miscellaneous	302	-	302	1,000	1,000	(698)
Total operating revenues	<u>3,560,759</u>	<u>-</u>	<u>3,560,759</u>	<u>4,336,346</u>	<u>4,336,346</u>	<u>(775,587)</u>
OPERATING EXPENSES						
Supplies and other expenses	737	-	737	-	500	(237)
Building and maintenance expenses	14,377	-	14,377	25,000	40,100	25,723
Outside services	5,375,937	-	5,375,937	4,936,891	5,414,185	38,248
Insurance claims	-	-	-	-	-	-
Insurance premiums	-	-	-	-	-	-
Depreciation	2,246,141	(2,246,141)	-	-	-	-
Other	17,097	-	17,097	15,000	17,500	403
Total operating expenses	<u>7,654,289</u>	<u>(2,246,141)</u>	<u>5,408,148</u>	<u>4,976,891</u>	<u>5,472,285</u>	<u>64,137</u>
Operating income (loss)	<u>(4,093,530)</u>	<u>2,246,141</u>	<u>(1,847,389)</u>	<u>(640,545)</u>	<u>(1,135,939)</u>	<u>(711,450)</u>
NON-OPERATING REVENUES (EXPENSES)						
Ad valorem taxes	452,936	-	452,936	570,875	570,875	(117,939)
Hotel/motel taxes	-	-	-	-	-	-
Cable television franchise fees	-	-	-	-	-	-
Operating grants	495,394	-	495,394	-	495,394	-
Interest income	796	-	796	1,013	1,013	(217)
Interest expense	(356)	-	(356)	(4,172)	(4,172)	3,816
Total non-operating revenues (expenses)	<u>948,770</u>	<u>-</u>	<u>948,770</u>	<u>567,716</u>	<u>1,063,110</u>	<u>(114,340)</u>
Income (loss) before contributions and transfers	(3,144,760)	2,246,141	(898,619)	(72,829)	(72,829)	(825,790)
Capital contributions	1,523,258	(1,523,258)	-	-	-	-
Transfer in	72,829	-	72,829	72,829	72,829	-
Change in net assets	(1,548,673)	722,883	(825,790)	-	-	(825,790)
Net assets - beginning of year	<u>52,552,447</u>	<u>-</u>	<u>52,552,447</u>	<u>52,552,447</u>	<u>52,552,447</u>	<u>-</u>
Net assets - end of year	<u>\$ 51,003,774</u>	<u>\$ 722,883</u>	<u>\$ 51,726,657</u>	<u>\$ 52,552,447</u>	<u>\$ 52,552,447</u>	<u>\$ (825,790)</u>

CITY OF KENNER, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
CIVIC CENTER OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2008

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
OPERATING REVENUES						
Charges for services:						
Rental charges	\$ 734,680	\$ -	\$ 734,680	\$ 750,000	\$ 750,000	\$ (15,320)
Parking	42,833	-	42,833	50,000	50,000	(7,167)
Concessions	101,736	-	101,736	70,000	70,000	31,736
Catering	130,907	-	130,907	100,000	100,000	30,907
Reimbursed services	398,288	-	398,288	135,900	135,900	262,388
Advertising	15,938	-	15,938	44,000	44,000	(28,062)
Miscellaneous	8,459	-	8,459	5,500	5,500	2,959
Total charges for services	1,432,841	-	1,432,841	1,155,400	1,155,400	277,441
Miscellaneous	19,272	-	19,272	17,100	17,100	2,172
Total operating revenues	1,452,113	-	1,452,113	1,172,500	1,172,500	279,613
OPERATING EXPENSES						
Supplies and other expenses	18,762	-	18,762	20,500	20,500	1,738
Building and maintenance expense	665,061	83,805	748,866	897,100	897,100	148,234
Outside services	1,274,561	-	1,274,561	1,149,100	1,149,100	(125,461)
Insurance premiums	87,536	-	87,536	114,600	114,600	27,064
General expenses:						
Depreciation	1,216,168	(1,216,168)	-	-	-	-
Other	24,792	-	24,792	-	-	(24,792)
Total operating expenses	3,286,880	(1,132,363)	2,154,517	2,181,300	2,181,300	26,783
Operating Income (loss)	(1,834,767)	1,132,363	(702,404)	(1,008,800)	(1,008,800)	306,396
NON-OPERATING REVENUES						
Hotel/motel taxes	144,116	-	144,116	524,604	524,604	(380,488)
Cable television franchise fees	402,066	-	402,066	366,241	366,241	35,825
Interest income	39,593	-	39,593	63,600	63,600	(24,007)
Gain on disposal of assets	-	-	-	-	-	-
Total non-operating revenues	585,775	-	585,775	954,445	954,445	(368,670)
Income(loss) before contributions, transfers, and extraordinary item	(1,248,992)	1,132,363	(116,629)	(54,355)	(54,355)	(62,274)
Proceeds from insurance	1,013,277	(1,013,277)	-	-	-	-
Transfers Out	(1,500,000)	-	(1,500,000)	(1,500,000)	(1,500,000)	-
* Change in net assets	(1,735,715)	119,086	(1,616,629)	(1,554,355)	(1,554,355)	(62,274)
Net assets - beginning of year	25,688,980	-	25,688,980	25,688,980	25,688,980	-
Net assets - end of year	\$ 23,953,265	\$ 119,086	\$ 24,072,351	\$ 24,134,625	\$ 24,134,625	\$ (62,274)

CITY OF KENNER, LOUISIANA
INTERNAL SERVICE FUND DESCRIPTIONS
June 30, 2008

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
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 939,910	\$ 351,999	\$ 1,291,909
Equity in pooled cash	(3,883)	-	(3,883)
Investments	1,360,487	-	1,360,487
Due from other funds	<u>320,138</u>	<u>-</u>	<u>320,138</u>
Total assets	<u>2,616,652</u>	<u>351,999</u>	<u>2,968,651</u>
LIABILITIES			
Accounts payable	8,250	1,156	9,406
Estimated claims payable	2,944,459	-	2,944,459
Due to other funds	<u>-</u>	<u>340,271</u>	<u>340,271</u>
Total liabilities	<u>2,952,709</u>	<u>341,427</u>	<u>3,294,136</u>
NET ASSETS			
Restricted	<u>\$ (336,057)</u>	<u>\$ 10,572</u>	<u>\$ (325,485)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2008

	<u>SELF- INSURANCE FUND</u>	<u>HEALTH INSURANCE FUND</u>	<u>TOTAL</u>
OPERATING REVENUES			
Charges for services	\$ 600,000	\$ 4,126,734	\$ 4,726,734
OPERATING EXPENSES			
Outside services	342,623	-	342,623
Insurance claims	(21,237)	-	(21,237)
Insurance premiums	-	4,125,345	4,125,345
Total operating expenses	<u>321,386</u>	<u>4,125,345</u>	<u>4,446,731</u>
Operating income	<u>278,614</u>	<u>1,389</u>	<u>280,003</u>
NON-OPERATING REVENUE			
Interest revenue	<u>100,744</u>	<u>9,183</u>	<u>109,927</u>
Total non-operating revenue	<u>100,744</u>	<u>9,183</u>	<u>109,927</u>
Income before transfers	379,358	10,572	389,930
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	379,358	10,572	389,930
Net assets - beginning of year	<u>(715,415)</u>	<u>-</u>	<u>(715,415)</u>
Net assets - end of year	<u>\$ (336,057)</u>	<u>\$ 10,572</u>	<u>\$ (325,485)</u>

CITY OF KENNER, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2008

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Cash flows from operating activities:			
Receipts from insured	\$ 600,000	\$ 4,126,735	\$ 4,726,735
Payments to suppliers	(1,088,008)	(4,124,190)	(5,212,198)
Internal activity - payments from other funds	149,072	-	149,072
Net cash provided by (used for) operating activities	<u>(338,936)</u>	<u>2,545</u>	<u>(336,391)</u>
Cash flows from non-capital financing activities:			
Internal activity—receipts from other funds	-	137	137
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>137</u>	<u>137</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	7,335,114	-	7,335,114
Purchase of investments	(7,180,185)	-	(7,180,185)
Interest and dividends received	100,744	9,183	109,927
Net cash provided by (used for) investing activities	<u>255,673</u>	<u>9,183</u>	<u>264,856</u>
Net increase (decrease) in cash and cash equivalents	(83,263)	11,865	(71,398)
Cash and cash equivalents, beginning of year	1,019,290	340,134	1,359,424
Cash and cash equivalents, end of year	<u>\$ 936,027</u>	<u>\$ 351,999</u>	<u>\$ 1,288,026</u>
Reconciliation to Statement of Net Assets:			
Cash	\$ 939,910	\$ 351,999	\$ 1,291,909
Equity in pooled cash	(3,883)	-	(3,883)
Cash and cash equivalents, end of year	<u>\$ 936,027</u>	<u>\$ 351,999</u>	<u>\$ 1,288,026</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income	\$ 278,614	\$ 1,389	\$ 280,003
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease in due from other funds	193,714	-	193,714
Increase in accounts payable	7,500	1,156	8,656
Decrease in estimated claims payable	(774,122)	-	(774,122)
Decrease in due to other funds	(44,642)	-	(44,642)
Total adjustments	<u>(617,550)</u>	<u>1,156</u>	<u>(616,394)</u>
Net cash provided by (used for) operating activities	<u>\$ (338,936)</u>	<u>\$ 2,545</u>	<u>\$ (336,391)</u>

**CITY OF KENNER, LOUISIANA
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2008**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
Noncash investing, capital, and financing activities:			
Gain on fair market value of investments	\$ -	\$ -	\$ -
(Increase) in fair market value of investments	-	-	-
 Net effect of noncash activities	 \$ -	 \$ -	 \$ -

**CITY OF KENNER, LOUISIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2008**

AIRPORT SALES TAX FUND				
	BALANCE 7/1/07	ADDITIONS	DEDUCTIONS	BALANCE 6/30/08
ASSETS				
Equity in pooled cash	\$ -	\$ 877,283	\$ 877,283	\$ -
Intergovernmental	202,024	449,911	419,335	232,600
Total assets	\$ 202,024	\$ 1,327,194	\$ 1,296,618	\$ 232,600
LIABILITIES				
Due to other funds	\$ -	\$ 217,310	\$ 217,310	\$ -
Due to other governments	202,024	232,599	202,023	232,600
Total liabilities	\$ 202,024	\$ 449,909	\$ 419,333	\$ 232,600

The accompanying notes are in integral part of this statement.

CITY OF KENNER, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
YEAR ENDED JUNE 30, 2008
(UNAUDITED)

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Marc Johnson	365	\$ 21,201
Michele Branigan	365	25,971
Kent Denapolis	365	24,343
Joseph Stagni	365	21,099
Ben Zahn	365	21,138
Maria Defrancesch	365	20,639
Jeannie Black	365	26,871

STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Schedules</u>
Financial Trends	1 - 4
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	5 - 9
These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.	
Debt Capacity	10 - 14
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	15 - 16
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	17 - 19
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF KENNER, LOUISIANA
SCHEDULE 1 -- NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ 274,889,538	\$ 265,281,815	\$ 256,363,785	\$ 248,306,577	\$ 244,639,856
Restricted	38,374,872	26,478,404	21,009,433	23,398,322	27,218,388
Unrestricted	8,872,178	11,105,112	14,879,543	15,404,612	7,235,778
Total governmental activities net assets	\$ 322,136,588	\$ 302,865,331	\$ 292,252,761	\$ 287,109,511	\$ 279,094,022
Business-type activities					
Invested in capital assets, net of related debt	\$ 61,818,200	\$ 67,666,013	\$ 70,241,549	\$ 72,959,236	\$ 72,161,240
Restricted	32,272,705	-	-	-	-
Unrestricted	(28,471,652)	4,156,291	5,684,420	5,282,191	2,795,799
Total business-type activities net assets	\$ 65,619,253	\$ 71,822,304	\$ 75,925,969	\$ 78,241,427	\$ 74,957,039
Primary government					
Invested in capital assets, net of related debt	\$ 336,707,738	\$ 332,947,828	\$ 326,605,334	\$ 321,265,813	\$ 316,801,096
Restricted	70,647,577	26,478,404	21,009,433	23,398,322	27,218,388
Unrestricted	(19,599,474)	15,261,403	20,563,963	20,686,803	10,031,577
Total primary government net assets	\$ 387,755,841	\$ 374,687,635	\$ 368,178,730	\$ 365,350,938	\$ 354,051,061

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
 (accrual basis of accounting)
 (Unaudited)

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	\$ 10,106,706	\$ 11,136,386	\$ 16,926,989	\$ 12,907,101	\$ 13,289,818
Public safety	29,638,690	27,037,221	28,711,953	29,353,249	27,769,729
Public works	35,090,785	40,350,132	59,920,613	33,441,899	27,424,676
Health and welfare	731,349	832,148	866,376	878,512	899,891
Culture and recreation	5,173,813	5,599,300	6,199,348	6,247,393	6,914,409
Transit and urban development	1,385,637	1,405,662	1,219,917	1,439,340	1,767,208
Miscellaneous	1,110,104	1,243,559	-	-	-
Interest on long-term debt and other charges	2,969,250	2,890,988	2,673,906	2,454,040	2,229,839
Total governmental activities expenses	86,206,334	90,495,396	116,519,102	86,721,534	80,295,570
Business-type activities:					
Wastewater operations	6,649,060	6,724,642	6,822,502	7,575,122	7,654,289
Civic center operations	2,260,446	2,297,633	2,262,446	2,514,437	3,286,880
Total business-type activities expenses	8,909,506	9,022,275	9,084,948	10,089,559	10,941,169
Total primary government expenses	\$ 95,115,840	\$ 99,517,671	\$ 125,604,050	\$ 96,811,093	\$ 91,236,739
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 5,575,455	\$ 5,292,167	\$ 5,386,009	\$ 5,960,491	\$ 4,803,865
Public safety	3,128,651	3,807,737	2,915,463	2,939,746	3,157,328
Public works	3,989,015	4,068,182	3,229,627	3,566,541	3,582,874
Other activities	978,893	1,101,295	1,055,042	1,210,952	1,119,940
Operating grants and contributions	1,509,754	1,539,206	33,969,171	6,184,413	1,485,783
Capital grants and contributions	1,573,326	3,144,655	2,713,108	1,016,018	1,722,264
Total governmental activities program revenues	16,755,094	18,953,242	49,268,420	20,878,161	15,872,054
Business-type activities:					
Charges for services:					
Wastewater operations	3,932,758	4,108,180	3,654,041	3,836,783	3,560,457
Civic center operations	1,168,806	1,177,791	849,424	1,338,906	1,432,841
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,309,657	8,123,606	5,731,335	1,011,405	1,523,258
Total business-type activities program revenues	6,411,221	13,409,577	10,234,800	6,187,094	6,516,556
Total primary government program revenues	\$ 23,166,315	\$ 32,362,819	\$ 59,503,220	\$ 27,065,255	\$ 22,388,610

(continued)

CITY OF KENNER, LOUISIANA
SCHEDULE 2 -- CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS (CONTINUED)

(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2004	2005	2006	2007	2008
Net (Expense) Revenue					
Governmental activities	\$ (69,451,240)	\$ (71,452,154)	\$ (67,250,682)	\$ (65,843,373)	\$ (64,423,516)
Business-type activities	(2,498,285)	4,387,302	1,149,852	(3,902,465)	(4,424,613)
Total primary government net expense	\$ (71,949,525)	\$ (67,064,852)	\$ (66,100,830)	\$ (69,745,838)	\$ (68,848,129)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Ad valorem	\$ 8,420,830	\$ 8,202,464	\$ 7,107,144	\$ 6,699,015	\$ 7,717,615
Sales and use	30,685,123	31,510,382	37,224,188	37,656,053	34,844,151
Beer tax	75,950	70,958	92,224	88,947	86,346
Parking	1,490,617	1,627,788	1,392,586	1,850,618	1,967,173
Franchise	9,371,889	9,408,622	9,122,764	8,501,548	8,290,040
Unrestricted grants and contributions	95,113	206,922	436,183	1,015,006	609,237
Investment earnings	285,266	925,014	1,321,158	1,771,428	1,190,080
Miscellaneous	391,399	318,747	899,720	3,542,060	276,211
Gain (loss) on disposal of capital assets	-	-	(54,627)	-	-
Transfers	-	-	(903,228)	(424,547)	1,427,171
Total governmental activities	50,816,187	52,270,897	56,638,112	60,700,128	56,408,024
Business-type activities:					
Taxes					
Ad valorem	552,763	535,700	478,714	445,939	452,936
Sales and use	428,898	493,112	489,735	196,045	144,116
Franchise	760,031	726,550	264,847	354,778	402,066
Unrestricted grants and contributions	-	-	-	587,691	495,394
Investment earnings	27,142	47,724	126,395	166,101	40,033
Miscellaneous	22,117	12,663	14,268	32,610	19,574
Gain (loss) on disposal of capital assets	-	-	676,624	-	-
Proceeds from insurance	-	-	-	4,010,212	1,013,277
Transfers	-	-	903,228	424,547	(1,427,171)
Total business-type activities	1,790,951	1,815,749	2,953,811	6,217,923	1,140,225
Total primary government	\$ 52,607,138	\$ 54,086,646	\$ 59,591,923	\$ 66,918,051	\$ 57,548,249
Change in Net Assets					
Governmental activities	\$ (18,635,053)	\$ (19,181,257)	\$ (10,612,570)	\$ (5,143,245)	\$ (8,015,492)
Business-type activities	(707,334)	6,203,051	4,103,663	2,315,458	(3,284,388)
Total primary government	\$ (19,342,387)	\$ (12,978,206)	\$ (6,508,907)	\$ (2,827,787)	\$ (11,299,880)

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	1999	2000	2001	2002	2003
General fund					
Reserved	\$ 14,218,301	\$ 11,647,801	\$ 12,926,556	\$ 8,831,450	\$ 7,338,139
Unreserved	7,115,557	6,573,457	5,235,808	5,187,923	3,978,777
Total general fund	\$ 21,333,858	\$ 18,221,258	\$ 18,162,364	\$ 14,019,373	\$ 11,316,916
All other governmental funds					
Reserved	\$ 8,673,234	\$ 9,520,331	\$ 7,573,947	\$ 9,673,173	\$ 7,557,497
Unreserved, reported in:					
Special revenue funds	1,914,511	1,557,514	1,949,660	1,094,835	596,819
Capital projects funds	6,239,180	7,679,266	16,642,651	9,980,659	30,864,692
Total all other governmental funds	\$ 16,826,925	\$ 18,757,111	\$ 26,166,258	\$ 20,748,667	\$ 39,019,008

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2004	2005	2006	2007	2008
General fund					
Reserved	\$ 1,534,036	\$ 1,807,313	\$ 3,488,905	\$ 3,015,687	\$ 2,731,484
Unreserved	9,192,906	8,566,552	11,923,761	14,548,014	10,372,283
Total general fund	<u>\$ 10,726,942</u>	<u>\$ 10,373,865</u>	<u>\$ 15,412,666</u>	<u>\$ 17,563,701</u>	<u>\$ 13,103,767</u>
All other governmental funds					
Reserved	\$ 7,369,895	\$ 12,612,559	\$ 8,873,307	\$ 8,263,025	\$ 5,064,190
Unreserved, reported in:					
Special revenue funds	1,068,431	850,335	101,618	383,160	472,611
Capital projects funds	27,038,670	13,873,112	12,298,987	14,252,947	20,811,754
Total all other governmental funds	<u>\$ 35,476,996</u>	<u>\$ 27,336,006</u>	<u>\$ 21,273,912</u>	<u>\$ 22,899,132</u>	<u>\$ 26,348,555</u>

CITY OF KENNER, LOUISIANA
SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS

(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year			
	1999	2000	2001	2002
Revenues				
Taxes	\$ 44,617,388	\$ 45,269,789	\$ 46,105,721	\$ 45,272,888
Licenses and permits	2,399,576	2,444,269	2,542,202	2,526,009
Intergovernmental	3,941,607	5,764,236	8,218,714	4,874,422
Charges for services	1,736,289	2,385,983	3,052,493	3,190,453
Fines and forfeitures	1,846,210	2,135,780	1,845,159	1,842,280
Interest	1,557,624	1,754,368	2,165,811	820,693
Miscellaneous	542,410	568,493	660,896	687,151
Total revenues	56,641,104	60,322,918	64,590,996	59,213,896
Expenditures				
General government	7,911,171	8,451,824	9,321,106	9,660,197
Public safety	23,409,849	25,821,714	19,386,002	24,507,080
Public works	7,944,598	13,452,144	18,757,582	18,083,457
Health and welfare	789,516	562,850	641,597	731,436
Culture and recreation	5,389,404	4,290,674	6,027,208	7,996,735
Transit and urban development	1,215,114	1,221,067	1,753,110	1,865,873
Miscellaneous	1,546,418	1,674,621	1,639,556	1,666,603
Debt Service				
Principal	3,346,203	3,528,492	3,140,898	3,324,903
Interest and fiscal charges	2,466,262	2,488,449	2,415,872	2,479,481
Agent Fees	1,500	1,500	57,405	24,975
Miscellaneous	12,000	11,997	15,000	18,000
Advance refunding escrow			1,162,530	-
Total expenditures	54,032,035	61,505,332	64,317,866	70,358,740
Excess (deficiency) of revenues over (under) expenditures	2,609,069	(1,182,414)	273,130	(11,144,844)
Other financing sources (uses)				
Transfers in	18,289,982	19,886,367	21,332,967	18,366,560
Transfers out	(18,317,027)	(19,886,367)	(21,332,967)	(18,366,560)
Payment to refunded bond escrow agent		-	(1,992,876)	-
Proceeds of refunding bonds and other debt		-	9,000,000	2,257,500
Total other financing sources (uses)	(27,045)	(1,182,414)	7,007,124	2,257,500
Net change in fund balances	\$ 2,582,024	\$ (1,182,414)	\$ 7,280,254	\$ (8,887,344)
Debt service, (interest and principal only) as a percentage of noncapital expenditures	10.8%	9.8%	8.6%	11.66%
				12.69%

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE 4 – CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS (CONTINUED)
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues					
Taxes	\$ 48,272,274	\$ 49,244,807	\$ 53,238,001	\$ 54,009,655	\$ 51,739,778
Licenses and permits	2,687,581	2,823,174	2,681,243	3,148,087	3,018,733
Intergovernmental	3,914,996	5,730,564	38,022,399	9,133,635	4,719,364
Charges for services	3,450,591	4,324,475	2,807,703	3,262,439	4,078,054
Fines and forfeitures	2,472,038	1,922,748	1,470,243	1,765,365	1,914,909
Interest	229,500	828,905	1,161,375	1,590,888	1,065,024
Miscellaneous	1,560,180	1,481,979	1,765,627	4,434,300	1,065,050
Total revenues	62,587,160	66,356,652	101,146,591	77,344,369	67,600,912
Expenditures					
General government	9,446,197	9,326,088	15,872,062	11,312,207	11,268,348
Public safety	23,412,514	22,855,609	24,607,342	26,286,768	25,052,506
Public works	16,770,248	25,165,435	43,955,321	19,286,746	17,405,299
Health and welfare	675,729	736,402	768,738	813,585	809,371
Culture and recreation	6,779,011	5,958,943	7,072,612	6,174,965	6,096,907
Transit and urban development	1,333,340	1,340,747	1,216,410	1,379,316	1,708,333
Miscellaneous	1,103,691	1,232,809	-	-	-
Debt Service					
Principal	4,933,939	5,207,731	4,957,148	5,120,020	5,348,709
Interest and fiscal charges	2,966,450	2,990,955	2,781,023	2,551,708	2,313,121
Agent Fees	49,905	-	-	-	-
Miscellaneous	34,500	36,000	36,000	36,000	36,000
Total expenditures	67,505,524	74,850,719	101,266,656	72,961,315	70,038,594
Excess (deficiency) of revenues over (under) expenditures	(4,918,364)	(8,494,067)	(120,065)	4,383,054	(2,437,682)
Other financing sources (uses)					
Transfers in	21,552,254	19,076,976	23,673,849	22,317,271	26,252,654
Transfers out	(21,552,254)	(19,076,976)	(24,577,077)	(22,924,071)	(24,825,483)
Total other financing sources (uses)	-	-	(903,228)	(606,800)	1,427,171
Net change in fund balances	\$ (4,918,364)	\$ (8,494,067)	\$ (1,023,293)	\$ 3,776,254	\$ (1,010,511)
Debt service, (interest and principal only) as a percentage of noncapital expenditures	11.7%	11.0%	7.6%	11.66%	12.69%

CITY OF KENNER, LOUISIANA
SCHEDULE 5 -- DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN YEARS
(Unaudited)

Fiscal Year	City Direct Rate (1)	Overlapping Rates	
		Jefferson Parish (2)	Jefferson Parish School Board
1999	2.5833%	0.1667%	2.0000%
2000	2.5833%	0.1667%	2.0000%
2001	2.5833%	0.1667%	2.0000%
2002	2.5833%	0.1667%	2.0000%
2003	2.5833%	0.1667%	2.0000%
2004	2.5833%	0.1667%	2.0000%
2005	2.5833%	0.1667%	2.0000%
2006	2.5833%	0.1667%	2.0000%
2007	2.5833%	0.1667%	2.0000%
2008	2.5833%	0.1667%	2.0000%

NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.

(2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of Kenner.

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Real Estate	Personal Property	Tax Sale	Public Service Corporations	Railway Rolling Stock	Total Assessments	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed
											Value (1) as a Percentage of Actual Value
1999	\$ 245,918,850	\$ 62,500,241	\$ 4,820,151	\$ 28,922,196	\$ 43,660	\$ 342,205,098	\$ 99,690,817	\$ 242,514,281	21.70	\$ 3,117,163,990	7.78%
2000	254,284,120	65,933,841	4,459,761	30,302,781	58,630	355,039,133	101,418,082	253,621,051	21.70	3,229,407,157	7.85%
2001	291,404,556	68,936,961	2,799,070	32,836,974	59,320	396,036,881	106,566,854	289,470,027	19.24	3,620,924,627	7.99%
2002	301,464,836	64,234,420	3,064,840	31,651,971	54,620	400,470,687	106,533,925	293,936,762	19.24	3,684,903,500	7.98%
2003	311,030,813	68,166,379	3,464,023	30,730,166	60,770	413,452,151	107,177,755	306,274,396	18.99	3,804,663,793	8.05%
2004	322,026,628	77,645,279	1,989,158	31,033,936	57,070	432,752,071	107,368,993	325,383,078	27.79	3,965,066,427	8.21%
2005	369,431,810	79,188,729	3,320,253	32,768,233	57,790	484,766,815	110,125,676	374,641,139	24.34	4,474,285,643	8.37%
2006	286,403,720	86,273,418	1,207,933	32,958,375	54,090	406,897,536	88,406,826	318,490,710	23.93	3,671,355,750	8.68%
2007	288,932,430	95,346,480	1,186,233	27,614,404	30,310	413,109,857	88,061,041	325,048,816	23.93	4,034,995,413	8.06%
2008	327,511,670	92,948,219	1,371,023	23,700,582	36,100	445,567,594	93,303,048	352,264,546	23.93	4,371,983,590	8.06%

Source: Jefferson Parish Assessor's Office.

NOTE: 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, 2004. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

CITY OF KENNER, LOUISIANA
SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

(Rate per \$100 of Assessed Value)
(Unaudited)

Fiscal Year	City Direct Rates							Overlapping Rate		Total Direct & Overlapping Rates
	Basic Rate	Garbage Collection	Fire Protection	General Obligation Debt Service	Street Maintenance & Improvement	Wastewater Operations	Total Direct	Jefferson Parish Districts (1)		
1999	\$ 3.51	\$ 2.71	\$ 12.42	\$ 1.13	\$ -	\$ 1.93	\$ 21.70	\$ 69.29	\$ 90.99	
2000	3.51	2.71	12.42	1.13	-	1.93	21.70	69.29	90.99	
2001	3.11	2.40	11.02	1.00	-	1.71	19.24	61.36	80.60	
2002	3.11	2.40	11.02	1.00	-	1.71	19.24	67.75	86.99	
2003	3.11	2.40	11.02	0.75	-	1.71	18.99	68.99	87.98	
2004	3.11	2.40	11.02	0.75	8.80	1.71	27.79	69.82	97.61	
2005	2.75	2.12	9.76	0.41	7.79	1.51	24.34	67.25	91.59	
2006	2.75	2.12	9.76	-	7.79	1.51	23.93	76.95	100.88	
2007	2.75	2.12	9.76	-	7.79	1.51	23.93	68.60	92.53	
2008	2.75	2.12	9.76	-	7.79	1.51	23.93	63.41	87.34	

(1) Source: Jefferson Parish Assessor.

CITY OF KENNER, LOUISIANA
SCHEDULE 8 – PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

<u>Taxpayer</u>	<u>June 30, 2008</u>			<u>June 30, 1998</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Esplanade Maill Ltd. Partnership	\$ 7,000,000	1	5.7%			
Southwest Airlines	5,983,250	2	4.9%	5,542,400	3	1.7%
Bellsouth Telecommunications	4,428,220	3	3.6%	7,806,320	1	2.4%
Westport Petroleum	3,833,811	4	3.1%			
Sprint Spectrum LP	3,750,738	5	3.0%			
Wal-Mart Real Estate Business Trust	3,124,370	6	2.5%			
Pellerin Milnor Corp	2,850,326	7	2.3%			
Treasure Chest Casino	2,781,957	8	2.3%	4,108,799	6	1.2%
Sterik Pavillion LP	2,450,000	9	2.0%	2,883,720	7	0.9%
Continental AirLines	2,397,940	10	1.9%	2,687,790	9	0.8%
Freeport McMoRon				5,793,722	2	1.8%
CF Kenner Associates				4,880,000	4	1.5%
Entergy Services				4,372,945	5	1.3%
Delta Airlines				2,850,390	8	0.9%
Kenner Hotel Ltd. Partnership				2,075,460	10	0.6%
Totals	<u>\$38,600,612</u>		<u>31.30%</u>	<u>\$43,001,546</u>		<u>13.10%</u>

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected (or Adjusted) within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	5,262,573	5,040,482	95.78%	210,307	5,250,789	99.78%
2000	5,503,590	5,312,280	96.52%	180,874	5,493,154	99.81%
2001	5,569,405	5,441,556	97.70%	68,892	5,510,448	98.94%
2002	5,655,345	5,455,652	96.47%	145,526	5,601,178	99.04%
2003	5,816,207	5,587,414	96.07%	113,120	5,700,534	98.01%
2004	9,042,453	8,675,012	95.94%	189,270	8,864,282	98.03%
2005	9,118,769	8,781,235	96.30%	108,257	8,889,492	97.49%
2006	7,621,482	6,977,226	91.55%	483,876	7,461,102	97.90%
2007	7,778,454	7,536,507	96.89%	93,947	7,630,454	98.09%
2008	8,429,734	8,033,426	95.30%	N/A	8,033,426	95.30%

Source: City of Kenner Finance Department

CITY OF KENNER, LOUISIANA
SCHEDULE 10 – RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	Notes Payable	Capital Lease Obligations	Other Obligations	Mortgage Payable				
1999	1,395,000	39,340,000	4,085,000	-	3,082,795	573,173	29,272	(2)	21,723	48,526,963	2.41%	654
2000	1,190,000	37,305,000	3,045,000	-	2,926,748	510,000	-	-	19,575	44,996,323	2.21%	600
2001	975,000	35,165,000	8,315,000	-	2,893,506	442,344	-	-	17,208	47,808,058	2.50%	678
2002	750,000	32,920,000	9,090,000	-	2,857,900	393,255	2,000,000	(3)	16,994	48,028,149	2.51%	681
2003	506,042	46,414,026	8,240,000	22,345,146	2,819,769	292,289	-	-	14,364	80,631,636	3.86%	1,143
2004	257,869	43,878,803	7,305,000	21,084,981	2,778,934	209,185	-	-	11,465	75,526,237	3.39%	1,071
2005	-	41,025,198	6,315,000	19,926,077	2,735,204	120,184	-	-	8,271	70,129,934	3.27%	998
2006	-	37,345,000	5,260,000	18,475,000	2,688,403	24,867	-	-	4,751	63,798,021	3.60%	913
2007	-	34,650,000	4,145,000	17,240,000	2,638,251	-	-	-	872	58,674,123	3.94%	881
2008	-	31,830,000	2,965,000	15,945,000	2,584,508	-	-	-	-	53,324,508	3.66%	818

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Paving Certificates.

(3) Loan payable to Jefferson Parish.

CITY OF KENNER, LOUISIANA
SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Debt Service Monies Available	Net General Obligation Bonds Outstanding		
1999	\$ 1,395,000	\$ 219,095	\$ 1,175,905	0.04%	15.84
2000	1,190,000	220,821	969,179	0.03%	12.91
2001	975,000	220,448	754,552	0.02%	10.70
2002	750,000	226,621	523,379	0.01%	7.42
2003	510,000	170,992	339,008	0.01%	4.81
2004	260,000	126,956	133,044	0.00%	1.89
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 8 for property value data.

(2) Population data can be found in Schedule 15.

CITY OF KENNER, LOUISIANA
SCHEDULE 12 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 11,900,000	13.44%	\$ 1,599,360
Jefferson Parish Public School System	172,698,749	12.37%	<u>21,362,835</u>
Subtotal, overlapping debt			22,962,195
City direct debt			<u>53,324,508</u>
Total direct and overlapping debt			<u><u>\$ 76,286,703</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF KENNER, LOUISIANA
 SCHEDULE 13 - LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	\$ 119,771,784	\$ 124,263,697	\$ 138,612,908	\$ 140,164,740	\$ 144,708,253	\$ 151,463,225	\$ 151,463,225	\$ 142,414,138	\$ 144,588,450	\$ 155,948,658
Total net debt applicable to limit	7,318,067	5,998,413	10,195,485	10,888,036	32,395,307	5,908,911	4,739,322	3,642,404	2,471,122	1,884,798
Legal debt margin	\$ 112,453,717	\$ 118,265,284	\$ 128,417,423	\$ 129,276,704	\$ 112,312,946	\$ 145,554,314	\$ 146,723,903	\$ 138,771,734	\$ 142,117,328	\$ 154,063,860
Total net debt applicable to the limit as a percentage of debt limit	6.11%	4.83%	7.36%	7.77%	22.39%	3.90%	3.13%	2.56%	1.71%	1.21%

Legal Debt Margin Calculation for Fiscal Year 2008	
Assessed value	\$ 445,567,594
Debt limit -- 35% of assessed value	155,948,658
General obligation and excess revenue bonds	2,965,000
Less: amount available for repayment of general obligation and excess revenue bonds	1,080,202
Total net debt applicable to limit	1,884,798
Legal debt margin	\$ 154,063,860

Note: Louisiana R.S. 39:562 allows for 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
SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE
LAST THREE FISCAL YEARS
(Unaudited)

Fiscal Year	Sales Tax Bonds				Coverage
	Sales Tax Collections	Debt Service			
		Principal	Interest		
2006	\$ 13,244,141	\$ 2,585,000	\$ 1,465,886	3.27	
2007	13,162,726	2,695,000	1,353,895	3.25	
2008	13,763,729	2,820,000	1,232,264	3.40	

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Information for prior fiscal years is not available.

CITY OF KENNER, LOUISIANA
SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) (4) Per Capita Personal Income	(3) Unemployment Rate
1999	74,220	2,011,362,000	\$ 27,100	2.9%
2000	75,054	2,033,963,400	27,742	3.9%
2001	70,517	1,911,010,700	29,580	4.6%
2002	70,517	1,916,652,060	30,088	4.6%
2003	70,517	2,088,219,921	30,532	4.9%
2004	70,517	2,227,279,445	31,867	4.1%
2005	70,252	2,142,896,756	25,333	5.4%
2006	69,911	1,771,055,363	25,333	5.7%
2007	66,592	1,487,332,320	22,335	4.9%
2008	65,202	1,456,286,670	22,335	4.6%

(1) Source: Louisiana Tech University for 1996-2000; U.S. Census Bureau 2000 Census for 2001-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006. Except for 2002-2005, the figures represent the City's population for the preceding calendar year. At the time of report issuance, the 2005 Population Estimate was the most current population information available.

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(4) 2007 figure used for 2007 and 2008.

CITY OF KENNER, LOUISIANA
SCHEDULE 16 – PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

<u>Employer</u>	<u>June 30, 2008</u>			<u>June 30, 1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Wal-Mart	2,310	1	6.7%	**		
Treasure Chest Casino	745	2	2.2%			
City of Kenner	743	3	2.2%			
Ochsner Medical Center	650	4	1.9%			
Pellerin Milnor Corp	600	5	1.8%			
Dillards	250	6	0.7%			
Home Depot	200	7	0.5%			
Xerox Corp	200	8	0.5%			
Winn Dixie	150	9	0.4%			
Lamarque Ford	132	10	0.4%			
Total	5,980		17.30%	-		0.00%

** Information not available.

Source: JEDCO, EDS Department

CITY OF KENNER, LOUISIANA
SCHEDULE 17 -- FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
JUNE 30, 2008
(Unaudited)

Function/Program	Full-time Equivalent Employees as of June 30 2008
General government	86
Public safety	364
Public works	108
Health and welfare	23
Culture and recreation	135
Transit and urban development	27
Miscellaneous	
Total	743

Source: City of Kenner payroll department.

CITY OF KENNER, LOUISIANA
SCHEDULE 18 -- OPERATING INDICATORS BY FUNCTION
LAST TWO FISCAL YEARS
(Unaudited)

Function	Fiscal Year 2007	Fiscal Year 2008
Police		
Physical arrests	17,034	13,393
Parking violations	128	189
Traffic violations	6,171	5,062
Fire		
Emergency responses	2,171	3,400
Fires extinguished	232	242
Refuse collection		
Refuse collected (tons per day)	**	144
Recyclables collected (tons per month)	**	3,738
Other public works		
Street resurfacing (sq. ft.)	**	24,486
Potholes repaired	**	103
Wastewater		
Average daily sewage treatment (mil per day)	**	13.7

** Information not available.

Source: City of Kenner Finance Department.

CITY OF KENNER, LOUISIANA
SCHEDULE 19 -- CAPITAL ASSET STATISTICS BY FUNCTION
LAST TWO FISCAL YEARS
(Unaudited)

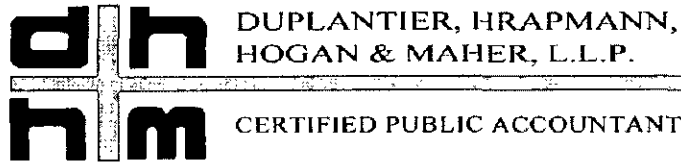
Function	Fiscal Year 2007	Fiscal Year 2008
Police		
Stations	1	1
Patrol units	**	180
Fire		
Stations	6	6
Pieces of equipment	21	23
Water		
Water mains (miles)	**	**
Fire hydrants	**	3,996
Storage capacity (thousands of gallons)	**	**
Other public works		
Streets (miles)	212	396
(1) Highways (miles)	**	**
Bridges	16	16
Streetlights	6,987	6,992
Traffic signals	**	18
Health and welfare	**	**
Culture and recreation		
Parks	3	3
Playgrounds	11	11
(2) Art Galleries and Museums	10	10
Gymnasiums	10	10
Wastewater		
Sanitary and storm sewers (miles)	905	905
Treatment plants	2	1
Low-lift stations	77	79
Treatment capacity	13.5 MGD	13.5 MGD

Source: City of Kenner finance department

** Information not available.

(1) Highways are maintained by the State

(2) Four Museums have been closed since hurricane Katrina Wildlife Museum,
Saints Hall of Fame, Space Station and Art Museum.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 31, 2008

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

We have audited the financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 31, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects City of Kenner, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of City of Kenner, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by City of Kenner, Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by City of Kenner, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP



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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 31, 2008

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

Compliance

We have audited the compliance of 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, 2008. City of Kenner, Louisiana'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 City of Kenner, Louisiana's management. Our responsibility is to express an opinion on City of Kenner, Louisiana'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 Nonprofit 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 City of Kenner, Louisiana'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 of City of Kenner, Louisiana's compliance with those requirements.

In our opinion, 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, 2008.

Internal Control Over Compliance

The management of 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 City of Kenner, Louisiana'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

**CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
Community Development Block Grant *	14.218	B-05-MC-22-008	\$ 128,735
Community Development Block Grant *	14.218	B-06-MC-22-008	146,490
Community Development Block Grant *	14.218	B-07-MC-22-008	<u>252,556</u>
			<u>527,781</u>
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)	14.239	M99-DC-22-0207	96,151
Home Investment Partnership Program (HOME)	14.239	M00-DC-22-0207	115,253
Home Investment Partnership Program (HOME)	14.239	M01-DC-22-0207	12,870
Home Investment Partnership Program (HOME)	14.239	M06-DC-22-0207	<u>43,553</u>
			<u>267,827</u>
Passed through Louisiana Department of Social Services:			
Emergency Shelter Grants Program	14.231		<u>28,700</u>
			<u>28,700</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>\$ 824,308</u>
DEPARTMENT OF JUSTICE			
Passed Through Louisiana Commission Law Enforcement:			
Municipal Narcotics Task Force Grant	16.579	-	\$ 20,935
Victim Assistance Program	16.575	C06-7-029	23,844
Targeting Computer and High Tech. Crime	16.752	B06-7-004	8,610
Criminal Justice Infrastructure Recovery	16.738	Y06-9-025	<u>192,254</u>
			<u>245,643</u>
Passed through Office of Justice Programs:			
Bulletproof Vest Partnership Grant Program	16.607	-	<u>22,551</u>
			<u>22,551</u>
TOTAL DEPARTMENT OF JUSTICE			<u>\$ 268,194</u>

(Continued)

CITY OF KENNER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Passed through Louisiana Office of Emergency Preparedness:			
Disaster # 1603 Relief (Hurricane Katrina) *	97.036	1603-DR-LA	
General Fund			\$ 336,035
Garbage Collection Fund			46,140
Capital Projects Fund			471,598
Waste Water			495,394
			<u>1,349,167</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			
DEPARTMENT OF TRANSPORTATION			
Passed Through Louisiana Highway Safety Commission:			
Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	PT 07-19-00	\$ 23,894
TOTAL DEPARTMENT OF TRANSPORTATION			
			<u>\$ 23,894</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 2,465,563</u>

* This program is considered a "major" program under OMB Circular A-133.

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 FEDERAL AWARD EXPENDITURES
JUNE 30, 2008

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:

1. **Federal Emergency Management Agency**
Disaster # 1603 Relief (Hurricane Katrina)

2. **Department of Housing and Urban Development**
Community Development Block Grant

NOTE B - FISCAL PERIOD AUDITED

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2008.

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.

**CITY OF KENNER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Kenner, Louisiana.
2. No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters 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*, was disclosed during the audit.
4. No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *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. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
7. The programs tested as major programs include:

CFDA Number/Grant Number

Disaster # 1603 Relief (Hurricane Katrina)	97.036
Community Development Block Grant	14.218

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Kenner, Louisiana qualified as a low-risk auditce.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No findings noted.

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

No findings noted.

**CITY OF KENNER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008**

A. FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

2007-01 Filing of Audit Report

The City of Kenner did not submit the audit report by the original audit submission deadline. The original deadline was December 31, 2007. The City of Kenner requested an extension until January 31, 2008, which was approved by the Legislative Auditor. The audit report was filed by the approved extended deadline.

During the year, the City converted to a new financial management computer system which required a significant amount of time for implementation and conversion of the financial information which caused a delay in finalizing the completion of the financial statements. In addition, the continuing effects of Hurricane Katrina on the City's financial statements contributed to the delay in completing the financial statements.

Management did not anticipate a reoccurrence of these issues and intends to file the audit report by December 31 in subsequent years.

Current Status – This finding did not occur during the year ended June 30, 2008.

FINDINGS RELATED TO FEDERAL AWARD PROGRAMS

None.