City of Alexandria Employees' Retirement System

Alexandria, Louisiana

December 31, 2022

**City of Alexandria Employees'
Retirement System**

December 31, 2022

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
Established 1945

Independent Auditor's Report

To the Board of Trustees
City of Alexandria Employees' Retirement System
Alexandria, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statement of fiduciary net position of the City of Alexandria Employees' Retirement System (the System), Alexandria, Louisiana, (a pension trust fund of the City of Alexandria, Louisiana) as of December 31, 2022, and the related statement of changes in fiduciary net position for the year then ended and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System, as of December 31, 2022, and the respective changes in fiduciary net position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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To the Board of Trustees
City of Alexandria Employees' Retirement System

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

PAYNE, MOORE & HERRINGTON, LLP

To the Board of Trustees
City of Alexandria Employees' Retirement System

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 and other required supplementary information on pages 20 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alexandria Employees' Retirement System's basic financial statements. The supplementary information, as listed in the table contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

PAYNE, MOORE & HERRINGTON, LLP

To the Board of Trustees
City of Alexandria Employees' Retirement System

Other Reporting Required *by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

April 26, 2023

Required Supplementary Information
Part I

Management's Discussion and Analysis

City of Alexandria Employees' Retirement System
Management's Discussion and Analysis
Year Ended December 31, 2022

Our discussion and analysis of the City of Alexandria Employees' Retirement System's (the System) financial performance provides an overview of the System's financial activities for the year ended December 31, 2022. It encompasses year-long activities and is management's representation of the System's activities and should be read in conjunction with the accompanying financial statements.

Overview of the Financial Statements

The **Statement of Fiduciary Net Position** includes all of the System's assets and liabilities and provides information about the nature and amount of investments available to satisfy the pension benefits of the System. This statement should be read with the understanding that it discloses the System's financial position as of December 31, 2022.

The **Statement of Changes in Fiduciary Net Position** reports the results of operations during the year, categorically disclosing the additions and deductions from plan net assets.

The **Notes to the Financial Statements** provide additional data that is essential to a complete understanding of the financial statements as well as providing brief descriptions of the plan and the System's accounting policies.

The **Required Supplementary Information – Part II**, including the Schedules of *Changes in Net Pension Liability and Related Ratios, Employer Contributions, and Investment Returns*, provides historical trend information about the actuarially determined funded status of the System from a long-term, on-going plan perspective and the progress made in accumulating sufficient assets to pay benefits when due. The content and format of these schedules were put in place in 2014. Additional information will be added to these schedules until a full ten years of trend information is available.

The **Supplementary Information** is presented for the purposes of additional analysis and is not a required part of the financial statements.

Financial Analysis

To begin our financial analysis, a summary of the System Plan Net Position is presented below:

Condensed Statement of Plan Net Position

	2022	2021	Change
Assets			
Cash	$ 5,051,685	$ 4,876,178	$ 175,507
Receivables	728,716	692,891	35,825
Investments, at fair value	187,936,586	224,192,620	(36,256,034)
Capital assets, net	322	617	(295)
Total Assets	193,717,309	229,762,306	(36,044,997)
Liabilities	(780)	(780)	-
Net position restricted for pensions	$ 193,716,529	$ 229,761,526	$ (36,044,997)

As the table above indicates, the Net Position Restricted for Pensions decreased by $36,044,997, primarily due to investment market activity.

Cash – The System, for the past several years, has maintained a portion of its assets in cash. As the table above indicates, there was a net increase of $175,507 in total cash amounts. The primary reason is due to the DROP program and its activities which requires higher balances to be on hand.

Further, it is the position of the System that during unsettled market periods and potential demands of the System for certain cash needs, it is prudent to maintain a larger than normal cash position.

All of the cash balances of the System earn interest at the daily interest rate arranged with the System's financial institution while being kept available for System purposes. Additionally, the banking institution is required to provide collateral to secure these cash positions in the form of Treasury securities which are held at the Federal Reserve for the System's account.

The cash balances of the System are subject to a call by those persons participating in the DROP program. The termination of participation is a choice of timing by the individual, resulting in a need to disperse large amounts at the time of notice given by these persons. During the year 2022 a total of $542,826 was paid out in cash to DROP participants terminating employment. Further, the decisions of individuals completing the DROP and electing to continue employment required the establishment of an interest-bearing sub-account for the accumulated DROP funds of these persons. These sub-account amounts are reflected in the cash balances shown in the above table. At the year-end the total in the DROP sub-accounts totaled $358,411. Individuals have a call on these funds at a time of their choosing thereby increasing the need for a ready amount of funds.

Additional demands for cash payments during the year were not only the payments to retired employees, which totaled $11,702,487 (an increase of $829,708 over the prior year), but also include refunds to terminated employees as well. Persons terminating employment, who are not vested for future benefits, are refunded the amount of their employee contributions. During the year 2022 this amounted to $414,838. Cash payments for the DROP amounted to $542,826 during the year 2022.

Receivables – Receivables consist of accrued interest receivable on fixed income securities and dividends receivable on stocks. These receivables tend to increase as the amount invested in fixed income securities and equities increase.

Investments – The year ended December 31, 2022 showed record investment losses; as a result, the System's investments ended the year with a net decrease of fair value of assets of $36,256,034. A negative rate of return of 13.1% was recorded at the end of the fiscal year, December 31, 2022.

Condensed Statements of Changes in Plan Net Position

	2022	2021	Change
Additions			
Employer	$ 4,849,023	$ 4,001,269	$ 847,754
Plan members	2,023,710	1,836,726	186,984
Purchased service	137,819	113,153	24,666
Net investment income (loss)	(29,717,538)	29,541,096	(59,258,634)
Total Additions	(22,706,986)	35,492,244	(58,199,230)
Deductions			
Plan benefits	11,702,487	10,872,779	829,708
DROP benefits	542,826	1,846,466	(1,303,640)
Employee refunds	414,838	869,893	(455,055)
Transfers to other systems	499,173	571,009	(71,836)
Administrative expenses	178,687	179,591	(904)
Total Deductions	13,338,011	14,339,738	(1,001,727)
Net Increase (Decrease) in Plan Net Position	$ (36,044,997)	$ 21,152,506	$ (57,197,503)

The table above indicates that the plan's net position decreased by $57,197,503 at the end of 2022.

Employer Contributions - Employer contribution rates are set through the report of the consulting actuary and are designed to change with the beginning of the City's fiscal year at May 1st. Rates run for a 12-month period until the following April 30th with the current actuarial valuation determining any change in rate structure. The current employer contribution rate of 23.09% will be decreased to 22.43% on May 1, 2023. This rate will be in effect until the close of the City's fiscal year of April 30, 2024. The actuary has recommended that the rate beginning May 1, 2024 be increased to 23.72%. This change is primarily due to a projected contribution shortfall and increased normal costs and administrative expenses.

Investment Income – The System invests in markets with a prudent amount of risk taken, but it cannot control the events that shape and govern the markets in which we place our funds.

Other Information – The unfunded accrued liability was fully amortized as of January 1, 2018. Hence, since the fiscal 2018 valuation, the System's funding method was changed to the Aggregate Actuarial Cost Method. This method does not develop an unfunded actuarial liability.

A retirement system's activities must be viewed on an on-going multi-year basis; on this basis the System continues to make progress in its efforts, and both grow assets and pay down liabilities. The DROP program continues to place a greater degree of call on the cash of the System and in doing so impedes, somewhat, the normal investment progress of the System. Overall, the System is healthy and growing, a direction management continues to strive in attaining.

Request for Information – The financial report of the System is designed to provide a general overview of the System's finances for interested parties. Any request for additional information should be directed to the City of Alexandria Employees' Retirement System, P. O. Box 71, Alexandria, LA 71309.

Financial Statements

City of Alexandria Employees' Retirement System
Statement of Fiduciary Net Position
December 31, 2022

Exhibit A

Assets		
Cash		$ 5,051,685
Accrued interest and dividends receivable		728,716
Investments, at fair value:		
Domestic fixed income securities		
Corporate bonds (amortized cost $70,026,132)	59,982,380	
U.S. government agency notes (amortized cost $489,245)	313,360	
Domestic equities		
Preferred stocks (cost $2,819,690)	1,936,690	
Common stocks (cost $90,323,718)	125,704,156	
Total Investments (cost $163,658,785)		187,936,586
Furniture, fixtures, and equipment, net of depreciation		322
Total Assets		193,717,309
Liabilities		
Payroll taxes withheld		780
Net Position Restricted for Pensions		$ 193,716,529

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

City of Alexandria Employees' Retirement System
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2022

Exhibit B

Additions	
Contributions	
Employer	$ 4,849,023
Plan members	2,023,710
Purchased service, transfers, and/or repayment of refunds	137,819
Total Contributions	7,010,552
Investment income (loss)	
Interest	2,637,339
Dividends	3,137,331
Net appreciation (depreciation) in fair value of investments	(35,492,208)
Total Investment Income (Loss)	(29,717,538)
Total Additions	(22,706,986)
Deductions	
Benefit payments, excluding DROP benefits	11,702,487
DROP benefits	542,826
Employee refunds	414,838
Transfers to other systems	499,173
Administrative expenses	178,687
Total Deductions	13,338,011
Net Increase (Decrease)	(36,044,997)
Net Position Restricted for Pensions, Beginning of Year	229,761,526
Net Position Restricted for Pensions, End of Year	$ 193,716,529

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

Notes to Financial Statements

Notes to Financial Statements

1. Plan Description and Significant Accounting Policies

Plan Description

Plan Administration - The City of Alexandria Employees' Retirement System (the System) is the administrator of a single-employer defined benefit plan established by Act 459 of the Louisiana Legislature of 1948, as amended (Louisiana Revised Statutes (RS) 11:3001 to 11:3017), and administered by the City of Alexandria, Louisiana. Substantially all employees of the City, except firemen and policemen, become members of the System as a condition of employment. The System is considered part of the City of Alexandria, Louisiana financial reporting entity and is included in the City's financial reports as a pension trust fund.

The financial statements contained herein present only the City of Alexandria Employees' Retirement System and are not intended to present fairly the financial position and results of operations of the City of Alexandria, Louisiana, in conformity with accounting principles generally accepted in the United States of America.

Management of the System is vested in the System's Board of Trustees. RS 11:3011 provides that the Board shall consist of seven trustees as follows:

a) The Mayor of the City;
b) The Director of Finance of the City;
c) The Director of Civil Service and Personnel of the City;
d) Two municipal employees, who are members of the System and who are selected by plurality vote of the members of the System;
e) Two retired municipal employees of the City who are members of the System and who are selected by plurality vote of the retired municipal employee members of the System.

Plan Membership - Municipal employees of the City of Alexandria, Louisiana are eligible to become members of the System, other than those public officials and City employees who receive per diem allowance in lieu of earnable compensation, patient or inmate help in City charitable, penal and corrective institutions, and independent contractors employed to render service on a contractual basis, including independent contractual professional services. Membership in this System shall be optional with any class of elected official or with any class of officials appointed by the Mayor or appointed for fixed terms. The Board of Trustees may, in its discretion, deny the right to membership in this System to any class of employees whose compensation is only partly paid by the City or who are occupying positions on a part-time or intermittent basis. The Board may, in its discretion, make optional, with employees in any such classes their individual entrance into the System.

At December 31, 2022, pension plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	395
Inactive plan members entitled to but not yet receiving benefits	189
Active plan members	479
Total	1,063

The following brief description of the System is provided for general information only.

Retirement Benefits - Members with ten years of creditable service may retire at age sixty-two; members with at least twenty years of creditable service may retire at age sixty; members with twenty-five years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's average compensation multiplied by number of years of creditable service, not to exceed one hundred percent of average compensation. Average compensation is defined as the highest three-year average annual compensation.

Members may receive their benefits as a life annuity, or in lieu of such, a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 1 – If the member dies before he has received in annuity payments the present value of his member's annuity, as it was at the time of retirement, the balance is paid to his beneficiary.

Option 2 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 – Upon retirement, the member elects to receive a board-approved benefit that is actuarially equivalent to the maximum benefit.

Option 5 – Upon retirement, the member elects to receive the amount of his maximum retirement and upon death, if survived by a spouse, the spouse will receive one-half of the member's maximum benefit.

Disability Benefits - Five years of creditable service are required in order to be eligible for disability benefits. Disabled members receive a retirement allowance if they have attained the age of sixty-two. Otherwise, they receive three percent of the final average compensation for each year of service, not to be less than three hundred dollars per year.

Survivor Benefits - Three years of creditable service are required in order to be eligible for survivor benefits. The survivor is entitled to twice the amount of accumulated contributions or two months' salary, whichever is greater, plus $1,000. If the member has completed fifteen or more years of service, the surviving spouse is entitled to an automatic option 2 benefit (an actuarially equivalent joint and full survivor benefit) which ceases if the spouse remarries. In lieu of option 2, the spouse may receive the greater of a refund of twice the member's contributions with interest earnings or two months' salary. Widows, who are at least age fifty, of members who die prior to retirement but subsequent to becoming eligible to retire, are entitled to automatic option 2 benefits.

Deferred Retirement Option Plan (DROP) - In lieu of terminating employment and accepting a service retirement allowance, any member of the System who has at least ten years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Creditable service shall not include service reciprocally recognized pursuant to R.S. 11:142. Upon commencement of participation in the DROP plan, active membership in the System terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account balance (or any other method of payment subject to approval by the Board of Trustees); in addition, the member receives the monthly benefits that were paid into the fund during the period of participation. After a member has terminated his participation in the plan, the member's individual account balance in the plan will earn interest at the actual rate of return earned on such funds left on deposit with the System. Such funds will be invested in accordance with a policy adopted by the Board of Trustees. The accrued interest will be credited to the individual account on an annual basis. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the System. The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

Contribution Refunds - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions on request. Receipt of such a refund cancels all accrued rights in the System.

Contribution Rates - The retirement system is financed by employee contributions of 10% of pay plus employer contributions that are set according to actuarial requirements. The employer contribution rate is determined annually by actuarial valuation. The rate so determined is adjusted on May 1, of the calendar year following the year in which the report is issued. The City is required by statute to contribute remaining amounts necessary to finance the System at an actuarially determined rate. Benefit and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

Cost of Living Increases - The Board of Trustees is authorized to use interest earnings on investments of the System in excess of normal requirements to grant retired members, and widows of members, an annual cost of living increase of 2.00% of their original benefit (not less than ten dollars per month).

Administrative Costs - Administrative costs of the plan are financed through investment earnings.

Significant Accounting Policies

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

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

Investments - Louisiana statutes allow the System to invest in securities issued, guaranteed, or insured by the United States government; bonds and other evidence of indebtedness issued by states or their political subdivisions; stocks, bonds, or other securities or evidence of indebtedness issued by any solvent corporation created under the laws of the United States or any of the states of the United States; and certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana.

Investments are reported at fair value. Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Securities traded on the national securities exchange are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and asked prices.

The System's investment policies are established by and may be amended by the Board of Trustees by a majority vote of Board members. It is the policy of the System that all assets shall be managed with the care that an institutional investor of ordinary prudence, discretion, and intelligence exercises in management of large institutional investments considering probable safety of capital as well as probable income. The primary considerations of the investment manager shall be to minimize the risk of loss of principal value and to achieve the greatest rate of return on investments consistent with the level of risk incurred and to provide for future benefits. The management of the pension fund assets and the responsibility for investment decisions is delegated to the secretary of the retirement board who shall be the investment manager. The System's investment policy limits investments to common or preferred stock, corporate or government securities, certificates of deposit, government guaranteed mortgage pools, Guaranteed Investment Contracts' repurchase agreements, and sufficient cash reserves to meet the System's liquidity needs.

The following is the Board's adopted asset allocation policy as of year-end:

Asset Class	Target Allocation
Cash and short-term investments	2% to 15%
Long-term fixed income securities and preferred stocks	40% to 90%
Equities	5% to 60%

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -13.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Furniture, Fixtures, and Equipment - Furniture, fixtures, and equipment are valued at historical cost less accumulated depreciation. The minimum capitalization threshold is any individual item with a total cost greater than or equal to $250. Depreciation is computed using the straight-line method over the estimated economic life of the assets.

2. Cash

The System's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the System or its agent in the System's name.

At year end, cash includes amounts held by the System pursuant to DROP in the amount of $358,411.

3. Investments

As of December 31, 2022, the System had the following investments and maturities.

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Corporate bonds	$ 59,982,380	$ -	$ 949,206	$8,799,286	$50,233,888
U.S. government agency notes	313,360	-	-	-	313,360
Total Interest-Bearing	60,295,740	$ -	$ 949,206	$8,799,286	$50,547,248
Preferred stocks	1,936,690				
Common stocks	125,704,156				
Total Investments	$ 187,936,586				

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment types are valued using Level 1 inputs.

Interest Rate Risk: The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

Credit Risk: The System may invest in United States bonds, treasury notes, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment. In addition, the System may invest in corporate stocks and bonds. The System's investment policies limit its corporate debt investments to bonds rated at least BBB by Standards and Poor's or Baa by Moody's Investor Services. Moody's Investor Services credit ratings of the System's corporate bonds are summarized below. Due to the extraordinary market conditions experienced during the past several years, management determined that it would be detrimental to the System to sell the bonds whose credit ratings dropped below Baa.

Moody's Investor Services Credit Rating	Fair Value
A or better	$ 48,595,258
Baa	11,700,482
Less than Baa	-
	$ 60,295,740

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All of the System's investments are held by the System or its agents in the System's name.

4. Furniture, Fixtures, and Equipment

A summary of changes in furniture, fixtures, and equipment during the year is presented below:

	Balance Beginning	Additions	Deletions	Balance Ending
Furniture and fixtures	$ 5,938	$ -	$ -	$ 5,938
Equipment	6,074	-	(1,016)	5,058
Total	12,012	-	(1,016)	10,996
Accumulated depreciation	(11,395)	(295)	1,016	(10,674)
Net	$ 617	$ (295)	$ -	$ 322

The following estimated lives are used to compute depreciation on the straight-line method.

Furniture and fixtures	7-10 years
Computer equipment	5 years

Depreciation expense recorded in the financial statements for the year ended December 31, 2022, amounted to $295.

5. Net Pension Liability

The components of the net pension liability of the System, at December 31, 2022, were as follows:

Total pension liability	$ 224,127,203
Plan fiduciary net position	193,716,529
Net pension liability (asset)	$ 30,410,674

Plan fiduciary net position as a percentage of total pension liability (asset) 86.43%

Actuarial Assumptions: The total pension liability as stated in this report is based on the Individual Entry Age Normal actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of December 31, 2022 and were based on December 31, 2022 data. The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2022 actuarial funding valuation, which were based on results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, unless otherwise specified in this report.

Actuarial assumptions:

Investment rate of return, net of investment expense, including inflation	5.80%
Salary increases, including inflation and merit increases	4.90%
Inflation	2.20%

Mortality Rates: In the case of mortality, a study of system mortality was conducted in 2021. The data for the study was collected over the period January 1, 2015, through December 31, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. The Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 125% for males and 120% for females each with full generational projection using the appropriate MP-2020 improvement scale was selected for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 125% for males and 120% for females each with full generational projection using the appropriate MP-2020 improvement scale was selected. The Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 125% for males and 120% for females each with full generational projection using the appropriate MP-2020 improvement scale was selected for disabled annuitants.

Discount rate: The discount rate used to measure the total pension liability was 5.80%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employer will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Thus, the discount rate used to measure the total pension liability was 5.80%. For the fiscal year ending December 31, 2021, the discount rate used was also 5.80%.

Post-employment benefit changes: Although the Board of Trustees has the authority to grant ad hoc Cost of Living Increases (COLAs) under limited circumstances, these COLAs have not shown to have a historical pattern. The amounts of the COLAs have not been relative to a defined cost-of-living or inflation index, and there is little evidence to conclude that COLAs will be granted on a predictable basis in the future. Therefore, for purposes of determining the present value of future benefits, these COLAs were deemed not to be substantively automatic, and the present value of benefits excludes COLAs not previously granted by the Board of Trustees.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the System calculated using the discount rate of 5.80%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.80%) or one percentage point higher (6.80%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (4.80%)	Current Discount Rate (5.80%)	1% Increase (6.80%)
Net Pension Liability (Asset)	$ 56,928,317	$ 30,410,674	$ 8,180,453

Required Supplementary Information
Part II

City of Alexandria Employees' Retirement System
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
December 31,

Schedule 1

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 4,271,461	$ 4,029,079	$ 3,617,187	$ 3,508,934	$ 3,444,992	$ 3,218,971	$ 2,975,969	$ 3,263,636	$ 2,914,694
Interest	12,163,619	12,389,240	11,908,564	11,709,404	11,358,256	11,521,228	11,376,092	11,165,902	10,958,229
Changes in benefit terms	2,177,540	1,984,131	-	-	369,833	-	-	1,249,682	1,182,575
Differences between expected and actual experience	6,670,989	(3,202,937)	1,017,964	(918,159)	760,132	(3,522,240)	(857,021)	(1,157,889)	(2,470,911)
Changes in assumptions	-	9,596,766	10,942,477	-	-	8,726,019	3,553,024	3,124,571	3,597,304
Benefit payments	(12,245,313)	(12,719,245)	(11,301,682)	(10,493,619)	(9,855,151)	(9,240,582)	(9,042,968)	(9,004,033)	(8,676,473)
Refunds of member contributions	(414,838)	(869,893)	(518,168)	(468,497)	(300,012)	(596,958)	(352,340)	(353,939)	(343,118)
Other	(361,354)	(457,856)	80,906	-	(83,881)	47,822	(42,820)	146,848	132,725
Net Change in Total Pension Liability	12,262,104	10,749,285	15,747,248	3,338,063	5,694,169	10,154,260	7,609,936	8,434,778	7,295,025
Total Pension Liability - Beginning	211,865,099	201,115,814	185,368,566	182,030,503	176,336,334	166,182,074	158,572,138	150,137,360	142,842,335
Total Pension Liability - Ending (a)	$ 224,127,203	$ 211,865,099	$ 201,115,814	$ 185,368,566	$ 182,030,503	$ 176,336,334	$ 166,182,074	$ 158,572,138	$ 150,137,360
Plan Fiduciary Net Position									
Contributions									
Member	$ 2,023,710	$ 1,836,726	$ 1,954,355	$ 1,935,419	$ 1,890,978	$ 1,873,690	$ 1,830,452	$ 1,790,965	$ 1,731,666
Employer	4,849,023	4,001,269	4,220,404	3,991,734	4,609,374	4,734,943	4,580,596	4,858,476	5,178,813
Net investment income	(29,717,538)	29,541,096	33,642,350	37,487,306	(9,882,707)	17,882,012	11,143,790	(4,378,349)	13,260,045
Benefit payments	(12,245,313)	(12,719,245)	(11,301,682)	(10,493,619)	(9,855,151)	(9,240,582)	(9,042,968)	(9,004,033)	(8,676,473)
Refunds of member contributions	(414,838)	(869,893)	(518,168)	(468,497)	(300,012)	(596,958)	(352,340)	(353,939)	(343,118)
Administrative expenses	(178,687)	(179,591)	(195,431)	(165,687)	(163,269)	(155,590)	(149,330)	(150,777)	(140,687)
Other	(361,354)	(457,856)	80,906	-	(83,881)	47,822	(42,820)	146,848	132,725
Net Change in Plan Fiduciary Net Position	(36,044,997)	21,152,506	27,882,734	32,286,656	(13,784,668)	14,545,337	7,967,380	(7,090,809)	11,142,971
Plan Fiduciary Net Position - Beginning	229,761,526	208,609,020	180,726,286	148,439,630	162,224,298	147,678,961	139,711,581	146,802,390	135,659,419
Plan Fiduciary Net Position - Ending (b)	$ 193,716,529	$ 229,761,526	$ 208,609,020	$ 180,726,286	$ 148,439,630	$ 162,224,298	$ 147,678,961	$ 139,711,581	$ 146,802,390
Net Pension Liability (Asset) - Ending ((a) - (b))	$ 30,410,674	$ (17,896,427)	$ (7,493,206)	$ 4,642,280	$ 33,590,873	$ 14,112,036	$ 18,503,113	$ 18,860,557	$ 3,334,970
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.43%	108.45%	103.73%	97.50%	81.55%	92.00%	88.87%	88.11%	97.78%
Covered Payroll	$ 22,192,325	$ 20,208,429	$ 21,379,959	$ 20,736,281	$ 20,368,422	$ 19,894,718	$ 19,384,664	$ 18,643,423	$ 18,364,585
Net Pension Liability (Asset) as a Percentage of Covered Payroll	137.03%	-88.56%	-35.05%	22.39%	164.92%	70.93%	95.45%	101.16%	18.16%

Notes to Schedule:

This schedule is presented to show trend information for 10 years. However, until a full 10-year trend is compiled, this schedule presents information for those years for which information is available.

See independent auditor's report.

City of Alexandria Employees' Retirement System
Required Supplementary Information
Schedule of Employer Contributions
December 31,

Schedule 2

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 4,849,023	$ 4,001,269	$ 4,220,404	$ 3,991,734	$ 4,609,374	$ 4,734,943	$ 4,580,596	$ 4,858,476	$ 5,178,813
Contributions in relation to the actuarially determined contribution	4,849,023	4,001,269	4,220,404	3,991,734	4,609,374	4,734,943	4,580,596	4,858,476	5,178,813
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 22,192,325	$ 20,208,429	$ 21,379,959	$ 20,736,281	$ 20,368,422	$ 19,894,718	$ 19,384,664	$ 18,643,423	$ 18,364,585
Contributions as a percentage of covered payroll	21.85%	19.80%	19.74%	19.25%	22.63%	23.80%	23.63%	26.06%	28.20%

Notes to Schedule:

This schedule is presented to show trend information for 10 years. However, until a full 10-year trend is compiled, this schedule presents information for those years for which information is available.

Valuation date: Actuarially determined contribution rates for the period of January 1 to April 30 of each year were calculated as of December 31 of the third prior year. Actuarially determined contribution rates for the period of May 1 to December 31 of each year were calculated as of December 31 of the second prior year.

Methods and assumptions used to determine contribution rate:

Actuarial cost method: The Total Pension Liability as stated in this report is based on the Frozen Entry Age Normal actuarial cost method until January 1, 2018 when the method was changed to the Aggregate Actuarial Cost Method.

Amortization method: Level percent closed

Expected Remaining Service Lives (ERSL): 4 years

Actuarial asset values: The actuarial value of assets is based on a 5-year smoothing of all investment earnings above or below the actuarial assumed rate of return. If the smoothed value of assets is more than 115% of the market value of assets, the actuarial value of assets will be equal to the smoothed value reduced by 1/2 of the excess of the smoothed value over 115% of the market value of assets. If the smoothed value is less than 85% of the market value of assets, the actuarial value will be equal to the smoothed value increased by 1/2 of the excess of 85% of the market value of assets over the smoothed value.

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Salary increases, including inflation and merit increases	4.90%	4.90%	5.00%	4.50%	4.50%	4.50%	4.75%	4.75%	5.50%
Investment rate of return, net of investment expense	5.80%	5.80%	6.25%	6.50%	6.50%	6.50%	7.00%	7.25%	7.75%

Retirement age:
Members with 10 years of creditable service may retire at age 62
Members with 20 years of creditable service may retire at age 60
Members with 25 years of creditable service may retire at age 55
Members with 30 years of creditable service may retire at any age

Mortality Rates

In the case of mortality, a study of system mortality was conducted in 2021. The data for the study was collected over the period January 1, 2015 through December 31, 2019. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. The Pub-2010 Public Retirement Plans Mortality Table for General Healthy Retirees multiplied by 125% for males and 120% for females each with full generational projection using the appropriate MP-2020 improvement scale was selected for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 125% for males and 120% for females each with full generational projection using the appropriate MP-2020 improvement scale was selected. The Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 125% for males and 120% for females each with full generational projections using the appropriate MP-2020 improvement scale was selected for disabled annuitants.

See independent auditor's report.

City of Alexandria Employees' Retirement System
Required Supplementary Information
Schedule of Investment Returns
December 31,

Schedule 3

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-13.10%	14.5%	18.9%	25.7%	-6.2%	12.2%	8.1%	-3.0%	9.9%

Notes to Schedule:
This schedule is presented to show trend information for 10 years. However, until a full 10-year trend is compiled, this schedule presents information for those years for which information is available.

See independent auditor's report.

Supplementary Information

City of Alexandria Employees' Retirement System
Schedule of Cash Receipts and Cash Disbursements
Year Ended December 31, 2022

Schedule 4

Cash Receipts	
Employer contributions	$ 4,849,023
Member contributions	2,023,710
Purchased service, transfers, and/or repayment of refunds	137,819
Interest received	2,619,867
Dividends received	3,118,948
Proceeds from sale or redemption of investments	22,012,550
Total Cash Receipts	34,761,917
Cash Disbursements	
Benefit payments, excluding DROP benefits	11,702,487
DROP benefits	542,826
Employee refunds	414,838
Transfers to other systems	499,173
Administrative expenses	178,391
Purchase of investments	21,248,695
Total Cash Disbursements	34,586,410
Net Increase (Decrease) in Cash	175,507
Cash, Beginning of Year	4,876,178
Cash, End of Year	$ 5,051,685

See independent auditor's report.

City of Alexandria Employees' Retirement System
Investments - Corporate Bonds
December 31, 2022

Schedule 5
(Continued)

Description	Maturity	Interest Rate	Face Value	Amortized Cost	Fair Value
Wells Fargo & Company	10/23/2026	3.000%	$ 410,000	$ 405,818	$ 379,450
Credit Suisse AG New York Branch	7/9/2027	5.000%	625,000	616,185	569,756
Verizon Communications Inc.	4/15/2028	6.940%	500,000	501,122	521,505
Wells Fargo & Company	5/15/2028	2.100%	1,000,000	1,000,000	826,609
Coca-Cola European Partners US, LLC.	9/15/2028	6.750%	500,000	499,310	546,997
Pacific Life Global Funding II	9/21/2028	1.600%	1,000,000	829,150	804,082
U.S. Bancorp	7/30/2029	3.000%	500,000	461,579	440,392
Bank of America Corporporation	2/7/2030	3.974%	700,000	666,100	635,406
Georgia-Pacific LLC	4/30/2030	2.300%	1,000,000	1,010,400	832,104
The Cincinnati Gas & Electric Company	6/1/2030	2.135%	1,000,000	816,250	816,634
State Street Corporation	3/3/2031	2.200%	500,000	434,933	401,980
Entergy Louisiana, LLC	6/1/2031	3.050%	800,000	678,620	681,505
NVIDIA Corporation	6/15/2031	2.000%	500,000	399,133	403,497
Atlantic Richfield Company	3/1/2032	8.750%	100,000	100,000	122,285
The Charles Schwab Corporation	3/3/2032	2.900%	500,000	454,955	426,733
The Toronto-Dominion Bank	3/10/2032	3.200%	500,000	462,605	433,635
Prudential PLC	3/24/2032	3.625%	500,000	472,946	437,786
Intel Corporaton	8/5/2032	4.150%	500,000	450,050	468,136
The Goldman Sachs Group, Inc.	2/15/2033	6.125%	250,000	250,000	258,549
The Goldman Sachs Group, Inc.	2/15/2033	6.125%	500,000	499,542	517,097
Morgan Stanley	7/20/2033	4.889%	800,000	794,838	755,486
Loews Corporation	2/1/2035	6.000%	500,000	497,982	504,615
Wal-Mart Stores, Inc.	9/1/2035	5.250%	1,000,000	998,513	1,056,210
Verizon Communications Inc..	9/15/2035	5.850%	540,000	547,483	547,137
Lowe's Companies, Inc.	10/15/2035	5.500%	600,000	570,693	601,547
JPMorgan Chase & Co.	11/25/2035	4.000%	400,000	400,000	345,346
Comcast Corporation	7/15/2036	3.200%	500,000	500,000	405,774
JPMorgan Chase & Co.	7/29/2036	3.000%	500,000	500,000	384,766
Honeywell International Inc.	3/15/2037	5.700%	500,000	510,917	526,928
Duke Energy Corporation	4/15/2038	6.050%	750,000	750,000	791,488
Consolidated Edison Company of New York, Inc.	12/1/2039	5.500%	500,000	501,697	485,836
Pepsico Capital Resources, Inc	1/15/2040	5.500%	300,000	306,822	317,883
Southern California Edison Company	3/15/2040	5.500%	500,000	505,745	481,605
Pfizer, Inc	5/28/2040	2.550%	1,000,000	999,821	737,875
Pfizer, Inc	5/28/2040	2.550%	400,000	400,000	295,150
The Coca-Cola Company	6/1/2040	2.500%	1,000,000	991,947	734,834
Merck & Company, Inc	6/24/2040	2.350%	1,000,000	975,806	707,887
Merck & Company, Inc	6/24/2040	2.350%	400,000	387,316	283,155
Wal-Mart Stores, Inc.	7/8/2040	4.875%	500,000	492,195	489,354
Mars Incorporated	7/16/2040	2.375%	1,000,000	967,253	684,886
Alphabet Inc.	8/15/2040	1.900%	600,000	551,877	401,848
Bristol-Myers Squib Company	11/13/2040	2.350%	680,000	651,605	471,511
Bristol-Myers Squib Company	11/13/2040	2.350%	1,000,000	966,072	693,399
Microsoft Corporation	2/8/2041	5.300%	500,000	504,737	537,693
Apple Inc.	2/8/2041	2.375%	1,000,000	967,978	717,295
Bank of America Corporation	6/19/2041	2.676%	1,000,000	972,838	677,340
Amgen, Inc.	10/1/2041	4.950%	300,000	291,914	274,489
Philip Morris International Inc.	11/15/2041	4.375%	300,000	299,211	249,635
United Health Group Incorporated	11/15/2041	4.625%	300,000	298,917	277,552
Halliburton Company	11/15/2041	4.500%	300,000	303,752	251,316
Halliburton Company	11/15/2041	4.500%	750,000	734,096	628,290
Philip Morris International Inc.	11/15/2041	4.375%	250,000	249,236	208,029
Florida Power & Light Company	2/1/2042	4.125%	500,000	500,243	432,580
Pepsico Capital Resources, Inc.	3/5/2042	4.000%	1,000,000	999,120	886,056
Mississippi Power Company	3/15/2042	4.250%	1,000,000	983,420	810,477
United Health Group Incorporated	3/15/2042	4.375%	500,000	492,963	448,748

City of Alexandria Employees' Retirement System
Investments - Corporate Bonds
December 31, 2022

Schedule 5
(Continued)

Description	Maturity Date	Interest Rate	Face Value	Amortized Cost	Fair Value
Duke Energy Indiana, LLC	3/15/2042	4.200%	$ 500,000	$ 499,713	$ 401,900
Southern California Edison Company	3/15/2042	4.050%	500,000	495,997	401,143
Philip Morris International Inc.	3/20/2042	4.500%	505,000	512,070	425,680
Berkshire Hathaway Finance Corporation	5/15/2042	4.400%	670,000	654,188	615,615
International Business Machines Corporation	6/20/2042	4.000%	1,000,000	955,989	833,404
Target Corporation	7/1/2042	4.000%	500,000	506,369	440,829
Target Corporation	7/1/2042	4.000%	1,000,000	994,945	881,659
Anheuser-Busch Inbev Worldwide Inc	7/15/2042	3.750%	250,000	242,212	201,509
Anheuser-Busch Inbev Worldwide Inc	7/15/2042	3.750%	250,000	246,068	201,509
Metlife Inc.	8/13/2042	4.125%	1,000,000	985,876	857,331
Metlife Inc.	8/13/2042	4.125%	500,000	485,358	428,665
Caterpillar Inc.	8/15/2042	3.803%	1,000,000	1,002,869	857,394
The Estee Lauder Companies Inc.	8/15/2042	3.700%	700,000	662,262	550,134
Merck & Co., Inc	9/15/2042	3.600%	800,000	803,532	667,793
Astrazeneca PLC	9/18/2042	4.000%	500,000	505,950	434,386
Intel Corporaton	12/15/2042	4.250%	1,000,000	1,001,092	859,197
Archer-Daniels-Midland Company	4/16/2043	4.016%	650,000	650,000	552,965
Archer-Daniels-Midland Company	4/16/2043	4.016%	600,000	587,944	510,429
Nike, Inc.	5/1/2043	3.625%	600,000	588,786	501,097
Loews Corporaton	5/15/2043	4.125%	700,000	652,803	569,818
Walt Disney Company	6/1/2044	4.125%	720,000	706,999	627,594
Apple Inc.	2/9/2045	3.450%	250,000	230,153	203,533
Apple Inc.	2/9/2045	3.450%	500,000	483,345	407,067
Microsoft Corporation	2/12/2045	3.750%	650,000	627,628	571,614
Eli Lilly and Company	3/1/2045	3.700%	500,000	499,602	425,025
Bellsouth Telecommunications, Inc.	11/15/2045	5.850%	800,000	763,234	749,834
Bellsouth Telecommunications, Inc.	11/15/2045	5.850%	750,000	704,335	702,970
Wells Fargo & Company	6/14/2046	4.400%	500,000	505,996	408,969
The Boeing Company	6/15/2046	3.375%	500,000	498,080	325,337
Oracle Corporation	7/15/2046	4.000%	500,000	489,392	365,083
Oracle Corporation	7/15/2046	4.000%	300,000	304,923	219,050
Comcast Corporation	7/15/2046	3.400%	600,000	554,069	442,287
Walt Disney Company	7/30/2046	3.000%	680,000	661,156	478,474
Apple Inc.	8/4/2046	3.850%	500,000	499,956	428,791
Union Pacific Corporation	8/15/2046	3.350%	1,000,000	921,553	739,914
Shell International Finance B.V.	9/12/2046	3.750%	1,000,000	997,920	797,530
Shell International Finance B.V.	9/12/2046	3.750%	500,000	495,012	398,765
Pepsico Capital Resources, Inc	10/6/2046	3.450%	600,000	582,541	485,077
AFLAC Incorporated	10/15/2046	4.000%	1,000,000	986,839	781,247
United Parcel Service, Inc.	11/15/2046	3.400%	550,000	536,709	439,433
Pfizer Inc.	12/15/2046	4.125%	600,000	602,131	533,992
Gilead Sciences, Inc.	3/1/2047	4.150%	500,000	486,304	417,908
Gilead Sciences, Inc.	3/1/2047	4.150%	600,000	582,482	501,490
The Progressive Corporation	4/15/2047	4.125%	600,000	593,524	505,615
Lowe's Companies, Inc.	5/3/2047	4.050%	600,000	580,453	477,895
Qualcomm Incorporated	5/20/2047	4.300%	500,000	478,034	432,660
Travelers Companies, Inc.	5/30/2047	4.000%	500,000	495,772	407,496
United Health Group Incorporated	10/15/2047	3.750%	1,000,000	957,250	810,330
Target Corporation	11/15/2047	3.900%	600,000	597,650	496,864
United Parcel Service, Inc.	11/15/2047	3.750%	950,000	924,540	784,964
Oracle Corporation	11/15/2047	4.000%	530,000	525,419	388,030
Oracle Corporation	11/15/2047	4.000%	400,000	392,064	292,853
Travelers Companies, Inc.	3/7/2048	4.050%	1,000,000	982,060	820,335
Shell International Finance B.V.	11/7/2049	3.125%	900,000	927,339	639,227
International Business Machines Corporation	5/15/2050	2.950%	500,000	490,178	329,135
Berkshire Hathaway Finance Corporation	10/15/2050	2.850%	500,000	486,398	337,873

City of Alexandria Employees' Retirement System
Investments - Corporate Bonds
December 31, 2022

Schedule 5
(Concluded)

Description	Maturity Date	Interest Rate	Face Value	Amortized Cost	Fair Value
BP Capital Markets America, Inc.	6/4/2051	2.939%	$ 500,000	$ 470,973	$ 331,687
JPMorgan Chase & Co.	4/22/2052	3.328%	500,000	509,191	343,683
Intel Corporaton	2/15/2060	3.100%	500,000	485,200	312,134
Totals			$ 71,960,000	$ 70,026,132	$ 59,982,380

See independent auditor's report.

City of Alexandria Employees' Retirement System
Investments - U.S. Government Agency Notes
December 31, 2022

Schedule 6

Description	Maturity	Yield	Face Value	Amortized Cost	Fair Value
Federal Home Loan Banks Debenture	02/25/41	2.000%	$ 500,000	$ 489,245	$ 313,360
Totals			$ 500,000	$ 489,245	$ 313,360

Yield represents yield to maturity.

See independent auditor's report.

City of Alexandria Employees' Retirement System
Investments - Preferred Stocks
December 31, 2022

Schedule 7

Description	Number Shares	Cost	Fair Value
Entergy Arkansas, Inc.	5,000	$ 126,750	$ 101,950
Entergy Louisiana LLC	5,000	125,800	102,100
Bank of America Corporation	34,000	856,790	575,960
U.S. Bancorp	34,000	848,663	562,020
The Southern Company	34,000	861,687	594,660
Totals		$ 2,819,690	$ 1,936,690

See independent auditor's report.

City of Alexandria Employees' Retirement System
Investments - Common Stocks
December 31, 2022

Schedule 8
(Continued)

Description	of Shares	Cost	Fair Value
AbbVie Inc.	41,180	$ 4,412,507	$ 6,655,100
Advanced Micro Devices, Inc.	37,000	3,373,549	2,396,490
Alnylam Pharmaceuticals, Inc.	17,000	2,459,073	4,040,050
Amazon.com, Inc.	47,500	5,836,804	3,990,000
American Well Corp	50,000	1,321,872	141,500
Amgen, Inc.	18,000	1,475,675	4,727,520
APA Corp	10,000	745,381	466,800
Apple Inc.	40,000	1,134,247	5,197,200
Bank of America Corporation	39,500	1,342,546	1,308,240
Caterpillar Inc.	18,300	2,010,641	4,383,948
Chevron Corporation	10,000	1,148,825	1,794,900
Cisco Systems, Inc.	50,000	2,439,030	2,382,000
The Coco-Cola Company	94,235	3,670,773	5,994,288
CVS Health Corp	28,750	1,997,030	2,679,213
Deere & Company	13,000	1,557,998	5,573,880
Dow Inc	19,401	790,302	977,616
Emerson Electric Co	59,096	2,756,352	5,676,762
Expro Group Holdings NV	3,333	625,214	60,427
FedEx Corp	8,500	1,511,005	1,472,200
Fluor Corp	20,000	1,050,365	693,200
Ford Motor Co	25,000	457,587	290,750
General Motors Company	44,879	3,422,146	1,509,730
Gilead Sciences, Inc.	55,300	4,509,636	4,747,505
Halliburton Company	30,000	929,112	1,180,500
Honeywell International Inc	20,000	1,158,741	4,286,000
ING Groep NV	7,000	285,258	85,190
Intellia Therapeutics Inc	33,000	4,438,479	1,151,370
International Business Machines Corporation	46,300	6,448,253	6,523,207
Johnson & Johnson	22,000	1,532,833	3,886,300
JPMorgan Chase & Co	40,372	4,438,022	5,413,885
Kraft Heinz Co	10,500	965,709	427,455
Kyndryl Holdings Inc	9,260	321,169	102,971
Lowe's Companies, Inc.	27,500	3,261,123	5,479,100
Lumentum Holdings Inc	587	325,338	30,624
Marathon Petroleum Corp	7,000	550,748	814,730
Medtronic PLC	33,250	3,011,254	2,584,190
Merck & Company, Inc	10,000	880,187	1,109,500
Microsoft Corporation	29,400	1,722,945	7,050,708
NVIDIA Corporation	7,500	1,236,673	1,096,050

City of Alexandria Employees' Retirement System
Investments - Common Stocks
December 31, 2022

Schedule 8
(Concluded)

Description	Number of Shares	Cost	Fair Value
Oracle Corporation	35,000	$ 2,435,032	$ 2,860,900
Procter & Gamble Co	36,625	2,054,128	5,550,885
Qualcomm Incorporated	20,000	1,786,074	2,198,800
Red River Bancshares Inc.	6,000	301,862	306,360
Union Pacific Corporation	21,000	503,843	4,348,470
United Parcel Service, Inc.	11,500	1,177,126	1,999,160
Viatris Inc	2,481	45,695	27,614
Viavi Solutions Inc.	2,937	465,556	30,868
Totals		$90,323,718	$ 125,704,156

See independent auditor's report.

City of Alexandria Employees' Retirement System
Schedule of Compensation, Benefits, and
Other Payments to Chief Executive Officer
Year Ended December 31, 2022

Schedule 9

Chief Executive Officer: Richard G. Moriarty

Purpose	Amount
Salary	$ 55,024
Benefits-insurance	-
Benefits-retirement	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	$ 55,024

See independent auditor's report.

Other Report Required by
Government Auditing Standards

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
Established 1945

**Independent Auditor's 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***

To the Board of Trustees
City of Alexandria Employees' Retirement System
Alexandria, Louisiana

We have audited, in accordance with the 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, the statements of fiduciary net position and changes in fiduciary net position of the City of Alexandria Employees' Retirement System (the System) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated April 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* 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 and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Trustees
City of Alexandria Employees' Retirement System

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

April 26, 2023

Schedule of Findings and Responses

City of Alexandria Employees' Retirement System
Schedule of Findings and Responses
Year Ended December 31, 2022

Part I - Summary of Auditor's Results	
Financial Statements	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified not considered to be material weaknesses?	____ Yes _X_ None reported
Noncompliance material to the financial statements noted?	____ Yes _X_ No
Federal Awards	Not Applicable
Management's Summary Schedule of Prior Year Audit Findings	Not Applicable
Management's Corrective Action Plan	Not Applicable
Other Comments and Recommendations	Not Applicable
Part II - Findings Related to the Financial Statements	None
Part III - Findings and Questioned Costs for Federal Awards	Not Applicable

City of Alexandria Employees' Retirement System

Statewide Agreed-Upon Procedures Report

Alexandria, Louisiana

December 31, 2022

PAYNE, MOORE & HERRINGTON, LLP

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The City of Alexandria Employees' Retirement System's (Entity) management is responsible for those C/C areas identified in the SAUPs.

The Entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. **Procedure:** Obtain and inspect the Entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Entity's operations:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

   c) ***Disbursements***, including processing, reviewing, and approving.

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To the Board of Trustees
City of Alexandria Employees' Retirement System
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d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Entity's ethics policy.

j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

l) ***Prevention of Sexual Harassment,*** including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: In our examination of written policies and procedures, we found that the Entity did not have formal written policies and procedures for the following areas: purchasing, disbursements, receipts/collections, payroll/personnel, contracting, ethics, information technology disaster recovery/business continuity, or prevention of sexual harassment.

Management's Response: The retirement system maintains written procedures relative to the areas of computer systems operations; investment policy; rules pertaining to the administration of the law delineated in the Revised Statutes that established and define the various operations of the system. Insofar as rules relating to purchasing, it is not practical to develop such as the system's purchases are so small in scope and financial expense. The reporting of receipts, disbursements and payroll costs are adequately handled through the general ledger accounting system and the costs are accounted for accurately through that process. The retirement system has developed a procedures manual to cover all aspects of the payroll system. There are no contracts utilized by the retirement system except for that of the auditors, actuary and the office lease. The retirement system office follows the Revised Statutes regarding ethics and the attendance of annual meetings pertaining to the same.

Board or Finance Committee

2. Procedure: Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Entity's collections during the fiscal period.*

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of this procedure.

Bank Reconciliations

3. **Procedure:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Entity's main operating account. Select the Entity's main operating account and randomly select four (4) additional accounts [or all accounts if less than five (5)]. Randomly select one (1) month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

a) Bank reconciliations include evidence that they were prepared within two (2) months of the related statement closing date (e.g., initialed and dated or electronically logged);

b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated or electronically logged); and

c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than twelve (12) months from the statement closing date, if applicable.

Results: In our examination of bank reconciliations, we noted that the bank reconciliations tested were not reviewed by management or a board member with no involvement in the transactions associated with the bank account.

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

Management's Response: The retirement office is a two person staff. Normally one staff person initiates the work resulting in expenditures of monies, and the other person in the office completes the work associated with that transaction. In that way, there usually is the involvement of the two members of the office staff in transactions resulting in a check and balance in the work.

Collections (excluding electronic funds transfers)

4. Procedure: Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/ money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five (5) deposit sites [or all deposit sites if less than five (5)].

Results: No exceptions were found as a result of this procedure.

5. Procedure: For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one (1) collection location for each deposit site [e.g., five (5) collection locations for five (5) deposit sites], obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

a) Employees responsible for cash collections do not share cash drawers/registers;

b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: In our examination of collections, we noted that employees responsible for collecting cash also prepare and make bank deposits, post collection entries to the general ledger, and reconcile the cash collections to the general ledger.

PAYNE, MOORE & HERRINGTON, LLP

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

Management's Response: There is no cash handled by the retirement office. All transactions are by check and ACH transactions. In the last several years, the volume of work in the handling of monies has been reduced to both a debit and credit ACH, all of which is initiated by the investment firm with whom the system deals. The only check of consequence received is for the employer and employee contributions each pay period received from the parent organization [City]. These checks are balanced against the payroll registers received from the City Payroll department, and then deposited on the date received. Both of these transactions are audited by the system auditors at year end. Written policies in this instance are not of necessity to carry out the work.

6. **Procedure:** Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

   Results: No exceptions were found as a result of this procedure.

7. **Procedure:** Randomly select two (2) deposit dates for each of the five (5) bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the ten (10) deposits and:

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe that the deposit was made within one (1) business day of receipt at the collection location [within one (1) week if the depository is more than ten (10) miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer].

   e) Trace the actual deposit per the bank statement to the general ledger.

   Results: No exceptions were found as a result of this procedure.

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To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five (5) locations [or all locations if less than five (5)].

   Results: No exceptions were found as a result of this procedure.

9. **Procedure:** For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

   b) At least two (2) employees are involved in processing and approving payments to vendors;

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

   e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

   [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

   Results: In our examination of non-payroll disbursements, we noted that the employee responsible for processing payments is the same employee who is responsible for mailing the payments.

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

Management's Response: All expenditures of funds are governed by and through an operating budget which is adopted by the Board of Trustees of the Retirement System at the beginning of the fiscal year.

10. Procedure: For each location selected under #8 above, obtain the Entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five (5) disbursements for each location, obtain supporting documentation for each transaction, and

a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the Entity, and

b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions were found as a result of this procedure.

11. Procedure: Using the Entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select five (5) non-payroll-related electronic disbursements [or all electronic disbursements if less than five (5)] and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Entity's policy, and (b) approved by the required number of authorized signers per the Entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. Procedure: Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

Results: This procedure is not applicable because the Entity does not have credit cards, debit cards, fuel cards, or purchase cards.

13. **Procedure:** Using the listing prepared by management, randomly select five (5) cards [or all cards if less than five (5)] that were used during the fiscal period. Randomly select one (1) monthly statement or combined statement for each card (for a debit card, randomly select one (1) monthly bank statement). Obtain supporting documentation, and

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: This procedure is not applicable because the Entity does not have credit cards, debit cards, fuel cards, or purchase cards.

14. **Procedure:** Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select ten (10) transactions [or all transactions if less than ten (10)] from each statement, and obtain supporting documentation for the transactions (e.g., each card should have ten (10) transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: This procedure is not applicable because the Entity does not have credit cards, debit cards, fuel cards, or purchase cards.

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Procedure: Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five (5) reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five (5) reimbursements selected:

a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures (procedure #1g); and

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: This procedure is not applicable because the Entity did not have travel and travel-related expense reimbursements during the fiscal period.

Contracts

16. Procedure: Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five (5) contracts [or all contracts if less than five (5)] from the listing, excluding the practitioner's contract, and

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

To the Board of Trustees
City of Alexandria Employees' Retirement System
and the Louisiana Legislative Auditor

b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

d) Randomly select one (1) payment from the fiscal period for each of the five (5) contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of this procedure.

Payroll and Personnel

17. Procedure: Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five (5) employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of this procedure.

18. Procedure: Randomly select one (1) pay period during the fiscal period. For the five (5) employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

c) Observe that any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records; and

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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Results: We found that the Entity does not keep written documentation on daily attendance and leave.

Management's Response: The retirement office is not under civil service, and its personnel are at will employees. The salaries approved by the Board of Trustees in the budget process are for annual salaries, paid on a semi-monthly basis. Leave is not delineated by the Board of Trustees and the Secretary-Treasurer is delegated operational authority.

19. Procedure: Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to Entity policy.

Results: The procedure is not applicable because the Entity incurred no employee or official terminations during the fiscal period.

20. Procedure: Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of this procedure.

Ethics

21. Procedure: Using the five (5) randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

b) Observe whether the Entity maintains documentation which demonstrates that each employee and official were notified of any changes to the Entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of this procedure.

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22. **Procedure:** Inquire and/or observe whether the Entity has appointed an ethics designee as required by R.S.42:1170.

    Results: No exceptions were found as a result of this procedure.

Debt Service

23. **Procedure:** Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

    Results: This procedure is not applicable because the Entity does not have any debt.

24. **Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one (1) bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

    Results: This procedure is not applicable because the Entity does not have any debt.

Fraud Notice

25. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Entity is domiciled as required by R.S. 24:523.

    Results: No exceptions were found as a result of this procedure.

26. **Procedure:** Observe that the Entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    Results: No exceptions were found as a result of this procedure.

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Information Technology Disaster Recovery/Business Continuity

27. Procedure: Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

a) Obtain and inspect the Entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

b) Obtain and inspect the Entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

c) Obtain a listing of the Entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five (5) computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

28. Procedure: Randomly select five (5) terminated employees [or all terminated employees if less than five (5)] using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: This procedure is not applicable because the Entity did not have any terminated employees.

Prevention of Sexual Harassment

29. Procedure: Using the five (5) randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one (1) hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: No exceptions were found as a result of this procedure.

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30. Procedure: Observe that the Entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: No exceptions were found as a result of this procedure.

31. Procedure: Obtain the Entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

b) Number of sexual harassment complaints received by the agency;

c) Number of complaints which resulted in a finding that sexual harassment occurred;

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of this procedure.

We were engaged by the City of Alexandria Employees' Retirement System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Alexandria Employees' Retirement System and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

April 26, 2023