

DEBT SERVICE FUNDS

These funds are used to accumulate and account for resources for and payment of principal and interest of certificates of indebtedness and sales tax bonds as they mature.

CITY OF ALEXANDRIA, LOUISIANA
 1993 STREETS AND DRAINAGE PROPERTY TAX CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 YEAR ENDED APRIL 30, 1996

EXHIBIT I-5

REVENUES	
Interest	\$ 179,466
EXPENDITURES - CAPITAL OUTLAY	
Public Works	
Drainage	100,618
Streets	<u>685,708</u>
Total Expenditures	<u>786,326</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(606,860)
OTHER FINANCING SOURCES	
Operating transfer in	
Special Revenue Fund	2,158,389
Enterprise Fund	<u>69,509</u>
Total Other Financing Sources	<u>2,227,898</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,621,038
FUND BALANCE, BEGINNING OF YEAR	<u>1,314,835</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$2,935,873</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 1988 DRAINAGE PROPERTY TAX CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 YEAR ENDED APRIL 30, 1996

EXHIBIT I-4

REVENUES	
Interest	\$ 203,742
EXPENDITURES - CAPITAL OUTLAY	
Public Works	
Drainage improvements	<u>312,887</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(109,145)
FUND BALANCE, BEGINNING OF YEAR	<u>3,671,430</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$3,562,285</u>

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

CITY OF ALEXANDRIA, LOUISIANA
GENERAL CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 1996

EXHIBIT I-3

REVENUES

Intergovernmental grants	
State of Louisiana	\$11,543,914
Parish	7,230
Interest	370,473
Other	<u>74,602</u>
Total Revenues	11,996,219

EXPENDITURES - CAPITAL OUTLAY

Public works	
Exhibition Hall	11,755,202
Drainage	213,334
Streets	1,107,578
Parks and Recreation	293,492
Zoological park	158,715
Other	267,471
Public Safety	
Police	155,022
Fire	68,054
Enterprise Funds Projects	<u>55,918</u>
Total Expenditures	<u>14,074,786</u>

(DEFICIENCY) OF REVENUES OVER EXPENDITURES (2,078,567)

OTHER FINANCING SOURCES

Operating transfers in	
General Fund	1,228,240
Special Revenue Funds - Net	2,117,484
Enterprise Funds - Net	<u>2,629,603</u>
Total Other Financing Sources	<u>5,975,327</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES
OVER EXPENDITURES 3,896,760

FUND BALANCE, BEGINNING OF YEAR 5,977,206

RESIDUAL EQUITY TRANSFER 793,116

FUND BALANCE, END OF YEAR \$10,667,082

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

CITY OF ALEXANDRIA, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 APRIL 30, 1996

EXHIBIT I-2

		1988	1993			
REVENUES	\$	\$	\$	SALES TAX '87 BOND ISSUE	DRAINAGE PROPERTY TAX	STREETS AND DRAINAGE PROPERTY TAX
EXPENDITURES - CAPITAL OUTLAY						
Intergovernmental - grants	\$11,551,144					
Interest	370,473	203,742	179,466			
Other	74,602					
Total Revenues	<u>11,996,219</u>	<u>203,742</u>	<u>179,466</u>	-0-	-0-	-0-
Public works	13,795,792	312,887	786,326			
Public safety	223,076					
Enterprise Funds Projects	55,918					
Total Expenditures	<u>14,074,786</u>	<u>312,887</u>	<u>786,326</u>	-0-	678,118	678,118
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,078,567)	(109,145)	(606,860)		(678,118)	(3,472,690)
OTHER FINANCING SOURCES (USES)						
Bond Issuance cost						(29,408)
Operating transfers in						
General Fund	1,228,240					1,228,240
Special Revenue Funds - Net	2,117,484		2,158,389			4,275,873
Enterprise Funds - Net	2,629,603		69,509			2,699,112
Total Other Financing Sources	<u>5,975,327</u>	<u>-0-</u>	<u>2,227,898</u>	-0-	(29,408)	<u>8,173,817</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	3,896,760	(109,145)	1,621,038		(707,526)	4,701,127
FUND BALANCES, BEGINNING OF YEAR	5,977,206	793,116	1,314,835		-0-	11,756,587
RESIDUAL EQUITY TRANSFER	<u>793,116</u>	<u>(793,116)</u>				<u>-0-</u>
FUND BALANCES, END OF YEAR	<u>\$10,667,082</u>	<u>\$3,562,285</u>	<u>\$2,935,873</u>		<u>\$(707,526)</u>	<u>\$16,457,714</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 APRIL 30, 1996

EXHIBIT I-1

	GENERAL CAPITAL PROJECTS	SALES TAX '87 BOND ISSUE	1988 DRAINAGE PROPERTY TAX	1993 STREETS AND DRAINAGE PROPERTY TAX	PUBLIC SAFETY COMPLEX	TOTAL
ASSETS						
Equity in pooled cash and investments	\$10,506,256		\$3,573,609	\$4,201,206		\$18,281,071
Due from other governments	2,736,482					2,736,482
Due from other funds	980,353					980,353
TOTAL ASSETS	\$14,223,091	\$ -0-	\$3,573,609	\$4,201,206	\$ -0-	\$21,997,906
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts and contracts payable	\$ 1,742,743	\$	\$ 11,324	\$ 101,777	\$ 2,313	\$ 1,858,157
Advance from Enterprise Funds	1,500,000			1,163,556		2,663,556
Due to other funds	13,266				705,213	718,479
Deferred Revenues	300,000					300,000
Total Liabilities	3,556,009	-0-	11,324	1,265,333	707,526	5,540,192
FUND BALANCES (Exhibit I-2)						
Reserved for encumbrances	3,184,047		153,439	339,651		3,677,137
Unreserved						
Designated for Industrial Park	221,314					221,314
Designated for parking garage	2,483,286					2,483,286
Designated for relocation	357,001					357,001
Undesignated	4,421,434		3,408,846	2,596,222	(707,526)	9,718,976
Total Fund Balances	10,667,082	-0-	3,562,285	2,935,873	(707,526)	16,457,714
TOTAL LIABILITIES AND FUND BALANCES	\$14,223,091	\$ -0-	\$3,573,609	\$4,201,206	\$ -0-	\$21,997,906

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

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

GENERAL CAPITAL PROJECTS FUND accounts for various capital projects. Funding is provided by intergovernmental grants and transfers of funds designated for capital improvements from the City Sales Tax Fund.

GENERAL CAPITAL PROJECTS-SALES TAX '87 BOND ISSUE FUND is used to account for the costs of general capital projects financed with proceeds received from the sale of 1987 sales tax bonds and related matching grant funds.

1988 DRAINAGE PROPERTY TAX FUND is used to account for drainage improvements financed with a special property tax approved by voters during 1988.

1993 STREETS AND DRAINAGE PROPERTY TAX FUND is used to account for street and drainage improvements financed with a special property tax approved by voters during 1993.

PUBLIC SAFETY COMPLEX FUND is used to account for acquisition and construction of the police and fire department's public safety complex. The project will be financed from the proceeds received from the sale of general obligation bonds issued subsequent to April 30, 1996.

CITY OF ALEXANDRIA, LOUISIANA
 CERTIFICATES OF INDEBTEDNESS DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED APRIL 30, 1996

EXHIBIT H-4

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Interest	\$ 11,000	\$ 12,666	\$1,666
EXPENDITURES			
Debt Service			
Installment obligations	436,000	436,000	-0-
Interest	<u>119,254</u>	<u>119,254</u>	<u>-0-</u>
Total Expenditures	<u>555,254</u>	<u>555,254</u>	<u>-0-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(544,254)	(542,588)	1,666
OTHER FINANCING SOURCES			
Operating transfer in Special Revenue Fund	<u>544,254</u>	<u>543,820</u>	<u>(434)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	1,232	1,232
FUND BALANCE, BEGINNING OF YEAR	<u>46,404</u>	<u>46,404</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 46,404</u>	<u>\$ 47,636</u>	<u>\$1,232</u>

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

CITY OF ALEXANDRIA, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
APRIL 30, 1996

EXHIBIT H-1

ASSETS	SALES TAX BONDS	CERTIFICATES OF INDEBTEDNESS	<u>TOTAL</u>
Investments			
Certificates of deposit, at cost	\$ 921,245	\$47,506	\$ 968,751
U.S. Treasury notes, at amortized cost	1,707,287		1,707,287
Accrued interest receivable	<u>38,941</u>	<u>130</u>	<u>39,071</u>
<u>TOTAL ASSETS</u>	<u>\$2,667,473</u>	<u>\$47,636</u>	<u>\$2,715,109</u>
FUND BALANCES (Exhibit H-2)			
Reserved for debt service			
Sinking funds	\$ 894,758	\$47,636	\$ 942,394
Reserve funds	<u>1,772,715</u>	<u> </u>	<u>1,772,715</u>
<u>TOTAL FUND BALANCES</u>	<u>\$2,667,473</u>	<u>\$47,636</u>	<u>\$2,715,109</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED APRIL 30, 1996

EXHIBIT G-10

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Land lease	\$ 46,000	\$ 46,000	\$ -0-
Interest	<u>18,000</u>	<u>19,082</u>	<u>1,082</u>
Total Revenues	64,000	65,082	1,082
EXPENDITURES			
Economic development	<u>264,887</u>	<u>-0-</u>	<u>264,887</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(200,887)	65,082	265,969
OTHER FINANCING USES			
Operating transfer (out) Home Investment Partnership Program	<u>(135,150)</u>	<u>(40,176)</u>	<u>94,974</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(336,037)	24,906	360,943
FUND BALANCE, BEGINNING OF YEAR	-0-	-0-	-0-
RESIDUAL EQUITY TRANSFER IN Community Development Block Grant Fund	<u>336,037</u>	<u>336,037</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -0-</u>	<u>\$360,943</u>	<u>\$360,943</u>

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

CITY OF ALEXANDRIA, LOUISIANA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT G-7

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - occupancy	\$114,775	\$124,642	\$ 9,867
EXPENDITURES			
Special programs	<u>114,775</u>	<u>124,642</u>	<u>(9,867)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-
FUND BALANCE, BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 DECENTRALIZED ART SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED APRIL 30, 1996

EXHIBIT G-8

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Intergovernmental - grants	\$243,988	\$179,485	\$(64,503)
EXPENDITURES			
Special Programs:			
General planning and administration	66,229	39,874	26,355
Subrecipients	<u>177,759</u>	<u>139,611</u>	<u>38,148</u>
Total Expenditures	<u>243,988</u>	<u>179,485</u>	<u>64,503</u>
EXCESS OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-
FUND BALANCE, BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

CITY OF ALEXANDRIA, LOUISIANA
PUBLIC SAFETY COMPLEX CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED APRIL 30, 1996

EXHIBIT I-6

REVENUES	\$ -0-
EXPENDITURES - CAPITAL OUTLAY	
Public Safety	
Public Safety Complex	
Land	350,000
Building	325,000
Other	<u>3,118</u>
Total Expenditures	<u>678,118</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(678,118)
OTHER FINANCING SOURCES (USES)	
Bond issuance costs	<u>(29,408)</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(707,526)
FUND BALANCE, BEGINNING OF YEAR	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ (707,526)</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED APRIL 30, 1996

EXHIBIT J-6

CASH FLOW OPERATING ACTIVITIES	
Operating income	\$ 8,861,155
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	5,098,004
Provision for doubtful accounts	265,000
Changes in assets and liabilities	
Customer receivables	(1,367,393)
Other receivables	529
Due from other funds	(23,077)
Inventories	87,985
Accounts payable	(167,806)
Due to other funds	(166,888)
Other current liabilities	29,564
Accrued expenses	135,200
Customer deposits - net	(97,681)
Net Cash Provided by Operating Activities	<u>12,654,592</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers out - net	(8,111,936)
Advances to other funds	(1,500,000)
Repayment of advances to other funds	728,727
Net Cash Used by Noncapital Financing Activities	<u>(8,883,209)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	(10,216,157)
Proceeds from the sale of property, plant and equipment	5,426
Decrease in receivable for the acquisition of property, plant and equipment	(78,274)
Increase in payables for the acquisition of property, plant and equipment	759,831
Issuance of revenue bonds	15,000,000
Payments of revenue bonds and other indebtedness	(3,523,598)
Interest paid on long-term debt	(3,059,872)
Bond issuance costs	(228,252)
Interest received on construction funds	1,695,571
Other	12,562
Net Cash Provided by Capital and Related Financing Activities	<u>367,237</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in equity in pooled cash and investments - net	(5,139,339)
Proceeds from the maturity of investments	(56,238)
Interest received on operating funds	1,501,613
Net Cash Used by Investing Activities	<u>(3,693,964)</u>
NET INCREASE IN CASH AND EQUIVALENTS	444,656
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>6,892,033</u>
<u>CASH AND EQUIVALENTS, END OF YEAR</u>	<u>\$ 7,336,689</u>
CLASSIFIED AS	
Current Assets	\$ 1,860,763
Restricted Assets	<u>5,475,926</u>
<u>TOTAL</u>	<u>\$ 7,336,689</u>

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

CITY OF ALEXANDRIA, LOUISIANA
HOME INVESTMENT PARTNERSHIP PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT G-9

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Intergovernmental - grants	\$1,113,174	\$337,538	\$(775,636)
EXPENDITURES			
General planning and administration	89,802	21,022	68,780
Rehabilitation - deferred loans	958,970	346,510	612,460
Special programs	188,775	<u> </u>	188,775
Total Expenditures	<u>1,237,547</u>	<u>367,532</u>	<u>870,015</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,373)	(29,994)	94,379
OTHER FINANCING SOURCES (USES)			
Operating transfer in (out)			
Economic Development Special Revenue Fund	135,150	40,176	(94,974)
General Fund	<u>(10,777)</u>	<u>(10,182)</u>	<u>595</u>
Total Other Financing Sources (Uses)	<u>124,373</u>	<u>29,994</u>	<u>(94,379)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-0-	-0-	-0-
FUND BALANCE, BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 HUD EMERGENCY SHELTER PROGRAM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED APRIL 30, 1996

EXHIBIT G-11

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
REVENUES			
Intergovernmental - grants	\$134,473	\$102,894	\$ 31,579
EXPENDITURES			
Special programs	<u>134,473</u>	<u>102,894</u>	<u>(31,579)</u>
EXCESS OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-
FUND BALANCE, BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

CITY OF ALEXANDRIA, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 1996

EXHIBIT H-2

	SALES TAX BONDS	CERTIFICATES OF INDEBTEDNESS	TOTAL
REVENUE			
Interest	\$ 117,506	\$ 12,666	\$ 130,172
EXPENDITURES			
Debt service			
Principal retirement	860,000	436,000	1,296,000
Interest	778,290	119,254	897,544
Paying agents' fees	<u>3,910</u>	<u> </u>	<u>3,910</u>
Total Expenditures	<u>1,642,200</u>	<u>555,254</u>	<u>2,197,454</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,524,694)	(542,588)	(2,067,282)
OTHER FINANCING SOURCES			
Operating transfers in Special Revenue funds	<u>1,524,429</u>	<u>543,820</u>	<u>2,068,249</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(265)	1,232	967
FUND BALANCES, BEGINNING OF YEAR	<u>2,667,738</u>	<u>46,404</u>	<u>2,714,142</u>
<u>FUND BALANCES, END OF YEAR</u>	<u>\$ 2,667,473</u>	<u>\$ 47,636</u>	<u>\$ 2,715,109</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM ENTERPRISE FUND
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
 YEAR ENDED APRIL 30, 1996

EXHIBIT J-5

	<u>TOTAL</u>	<u>ELECTRICITY</u>	<u>NATURAL GAS</u>	<u>WATER</u>	<u>WASTE WATER</u>
OPERATING REVENUES					
Charges for sales and services	\$58,657,754	\$42,414,612	\$9,555,296	\$4,256,131	\$ 2,431,715
Other	<u>535,830</u>	<u>278,033</u>	<u>60,625</u>	<u>107,955</u>	<u>89,217</u>
Total	59,193,584	42,692,645	9,615,921	4,364,086	2,520,932
OPERATING EXPENSES					
Electricity purchases	22,445,839	22,445,839			
Natural gas purchases	6,492,229	265,675	6,226,554		
Salaries	4,753,857	1,847,917	1,087,041	821,942	996,957
Employee benefits	1,368,803	514,716	318,702	248,760	286,625
Supplies	425,636	120,635	39,008	80,373	185,620
Auto and truck expenses	222,383	64,993	44,701	61,334	51,355
Communications	58,121	28,044	8,003	7,151	14,923
Utilities	1,764,350	122,583	1,549	1,014,370	625,848
Repairs and maintenance	3,066,618	904,907	93,008	310,155	1,758,548
Depreciation	4,622,647	1,812,537	755,389	890,141	1,164,580
Other	301,977	42,172	120,877	20,692	118,236
Overhead					
Utility director	130,095	38,412	29,777	33,849	28,057
Budget director	101,211	29,883	23,166	26,333	21,829
Billing office	305,867	90,310	70,009	79,581	65,967
Billing and collections	1,252,071	369,685	286,584	325,768	270,034
Meter readers	597,648	224,886	175,024	197,738	
Data processing	1,001,412	295,676	229,211	260,550	215,975
Utility services	403,246		131,464	148,524	123,258
Provision for doubtful accounts	265,000	191,618	43,168	19,228	10,986
Payments in lieu of insurance	743,185	219,432	170,106	193,364	160,283
Other	<u>10,234</u>	<u>3,022</u>	<u>2,342</u>	<u>2,663</u>	<u>2,207</u>
Totals	<u>50,332,429</u>	<u>29,632,942</u>	<u>9,855,683</u>	<u>4,742,516</u>	<u>6,101,288</u>
OPERATING INCOME (LOSS)	8,861,155	<u>\$13,059,703</u>	<u>\$ (239,762)</u>	<u>\$ (378,430)</u>	<u>\$ (3,580,356)</u>
NONOPERATING REVENUE (EXPENSES)					
Interest income	3,193,505				
Interest expense and fiscal charges	(3,491,810)				
Loss on disposition of assets	<u>(5,046)</u>				
Net	<u>(303,351)</u>				
INCOME BEFORE OPERATING TRANSFERS	8,557,804				
OPERATING TRANSFERS IN (OUT)	<u>(8,111,936)</u>				
NET INCOME	445,868				
RETAINED EARNINGS, BEGINNING	<u>41,194,452</u>				
<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$41,640,320</u>				

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

CITY OF ALEXANDRIA, LOUISIANA
SANITATION ENTERPRISE FUND
BALANCE SHEET
APRIL 30, 1996

EXHIBIT J-10

ASSETS		
CURRENT ASSETS		
Cash	\$	46
Equity in pooled cash and investments		187,106
Estimated unbilled receivables		165,715
Due from Utilities System Enterprise Fund		<u>42,604</u>
Total Current Assets		395,471
PROPERTY, PLANT AND EQUIPMENT		
Vehicles		1,196,123
Furniture and equipment		<u>62,837</u>
Total		1,258,960
Accumulated depreciation		<u>(739,045)</u>
Net Property, Plant and Equipment		<u>519,915</u>
<u>TOTAL ASSETS</u>		<u>\$915,386</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$	19,936
Accrued expenses		104,013
Estimated liability for landfill postclosure costs		280,244
Due to General Fund		<u>51,710</u>
Total Current Liabilities		455,903
NONCURRENT LIABILITIES		
Estimated liability for landfill postclosure costs		<u>45,000</u>
Total Liabilities		500,903
EQUITY		
Contributed capital		431,783
(Accumulated Deficit)		<u>(17,300)</u>
Total Equity		<u>414,483</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>\$915,386</u>

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

CITY OF ALEXANDRIA, LOUISIANA
MUNICIPAL BUS LINE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 1996

EXHIBIT J-9

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$(1,525,365)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	289,054
Changes in assets and liabilities	
Other receivables	591
Accounts payable	4,786
Accrued expenses	<u>29,592</u>
Net Cash Used By Operating Activities	(1,201,342)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers - net	582,715
Government subsidy	623,256
Decrease in bank overdraft	<u>(5,713)</u>
Net Cash Provided By Noncapital Financing Activities	1,200,258
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	(266,492)
Proceeds from sale of fixed assets	1,975
Government subsidy - capital grant	223,671
Contribution from capital project funds	<u>55,918</u>
Net Cash Provided by Capital and Related Financing Activities	15,072
 CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in equity in pooled cash and investments - net	(23,561)
Interest received	<u>9,573</u>
Net Cash Used by Investing Activities	<u>(13,988)</u>
 NET INCREASE IN CASH AND EQUIVALENTS	 -0-
 CASH AND EQUIVALENTS, BEGINNING OF YEAR	 <u>-0-</u>
 <u>CASH AND EQUIVALENTS, END OF YEAR</u>	 <u>\$ -0-</u>

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

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

	<u>COAERS</u>	<u>PPARF</u>
Pension Benefit Obligation		
Current Employees		
Accumulated employee contributions	\$ 9,376,082	\$ N/A
Employer financed vested	7,549,500	N/A
Employer financed nonvested	<u>12,058,203</u>	<u>N/A</u>
Total Current Employees	28,983,785	65,362
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	<u>30,161,899</u>	<u>686,320</u>
Total Pension Benefit Obligation	59,145,684	751,682
Net assets available for benefits, at cost or amortized cost	<u>(39,540,636)</u>	<u>(217,877)</u>
Unfunded Pension Benefit Obligation	\$ 19,605,048	\$ 533,805
Market value of net assets available for benefits	\$ 44,670,394	\$ 217,877

The pension benefit obligation for current employees of the Policemen's Pension and Relief Fund is available in total only.

The pension benefit obligation and certain other relevant information for the four multiple-employer public employee retirement systems to which the City contributes are presented below.

	(In Millions)			
	<u>MPERS</u>	<u>FRS</u>	<u>LSERS</u>	<u>PERSL</u>
Date of Actuarial Valuation	6/30/95	6/30/94	6/30/95	12/31/95
Pension benefit obligation	\$ 737	\$ 295	\$ 5,697	\$ 800
Net assets available for benefits	<u>756</u>	<u>297</u>	<u>3,590</u>	<u>696</u>
Unfunded (Excess) pension benefit obligation	\$ (19)	\$ (2)	\$ 2,107	\$ 104

CITY OF ALEXANDRIA, LOUISIANA
 YOUTH BASEBALL RECREATION BOARD SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED APRIL 30, 1996

EXHIBIT G-6

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Concessions, etc.	\$45,000	\$ 72,862	\$ 27,862
EXPENDITURES			
Ballpark operations	<u>52,500</u>	<u>87,225</u>	<u>(34,725)</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,500)	(14,363)	(6,863)
OTHER FINANCING SOURCES			
Operating transfer in General Fund	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>
(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	(6,863)	(6,863)
FUND BALANCE, BEGINNING OF YEAR	<u>5,507</u>	<u>5,507</u>	<u>-0-</u>
<u>FUND BALANCE, (DEFICIT) END OF YEAR</u>	<u>\$ 5,507</u>	<u>\$ (1,356)</u>	<u>\$ (6,863)</u>

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

CITY OF ALEXANDRIA, LOUISIANA
SANITATION ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)
YEAR ENDED APRIL 30, 1996

EXHIBIT J-11

OPERATING REVENUES	
Charges for services	\$2,628,942
Other	<u>400</u>
Total Operating Revenues	2,629,342
OPERATING EXPENSES	
Salaries	846,695
Employee fringe benefits	275,333
Disposal costs	728,466
Payments in lieu of insurance	216,097
Provision for landfill postclosure costs	166,262
Operating supplies	85,414
Vehicle costs	
Gas and oil	55,807
Repairs and maintenance	118,227
Recycling program	30,634
Litter reduction - Cenla Pride	36,000
Provision for doubtful accounts	11,645
Professional fees	971
Other repairs and maintenance	848
Other operating costs	8,511
Depreciation	<u>148,793</u>
Total Operating Expenses	2,729,703
OPERATING INCOME (LOSS)	(100,361)
NONOPERATING REVENUES	
Interest revenue	<u>15,769</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	(84,592)
OPERATING TRANSFERS IN (OUT)	
General Fund	262,622
General Fund (Indirect costs)	(262,622)
Utilities System Enterprise Fund	12,988
Utilities System Enterprise Fund (Indirect costs)	<u>(12,988)</u>
Net Operating Transfers	<u>-0-</u>
NET INCOME (LOSS)	(84,592)
RETAINED EARNINGS BEGINNING OF YEAR	<u>67,292</u>
<u>RETAINED EARNINGS (ACCUMULATED DEFICIT), END OF YEAR</u>	<u>\$ (17,300)</u>

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

CITY OF ALEXANDRIA, LOUISIANA
MUNICIPAL BUS LINE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN ACCUMULATED DEFICIT
YEAR ENDED APRIL 30, 1996

EXHIBIT J-8

OPERATING REVENUES	
Passenger	\$ 222,591
Advertising	5,190
Other	6,254
Total Operating Revenues	<u>234,035</u>
OPERATING EXPENSES	
Salaries	698,278
Pension fund contributions	109,990
Hospitalization and life insurance	82,633
Unemployment compensation	3,308
Other payroll taxes	6,240
Uniforms	8,394
Contract labor	12,512
Fuel and oil	100,419
Repairs and maintenance	
Buses, vans, and other vehicles	116,627
Buildings and equipment	17,135
Tires	22,123
Payments in lieu of insurance premiums	243,577
Professional services	
Comprehensive planner	26,600
Other	2,755
Office supplies and expenses	6,884
Utilities	8,583
Other	4,288
Depreciation	289,054
Total Operating Expenses	<u>1,759,400</u>
OPERATING LOSS	(1,525,365)
NONOPERATING REVENUES AND EXPENSES	
Federal and state grants	623,368
Interest revenue	9,573
Loss on disposition of fixed assets	(9,080)
Net Nonoperating Revenues	<u>623,861</u>
LOSS BEFORE OPERATING TRANSFERS	(901,504)
OPERATING TRANSFERS IN (OUT)	
General Capital Projects Fund	7,888
Utilities System Enterprise Fund	1,142,957
General Fund	(303,403)
Risk Management Fund	(124,021)
Net Operating Transfers In	<u>723,421</u>
NET LOSS	(178,083)
ACCUMULATED DEFICIT, BEGINNING OF YEAR	<u>(3,348,074)</u>
<u>ACCUMULATED DEFICIT, END OF YEAR</u>	<u><u>\$(3,526,157)</u></u>

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

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM ENTERPRISE FUND
 BALANCE SHEET
 APRIL 30, 1996

EXHIBIT J-4
 (Concluded)

LIABILITIES AND EQUITY		
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)		
Installment contracts	\$	106,730
Accounts payable		1,072,789
Due to other City funds		319,779
Other current liabilities		187,157
Accrued expenses		965,697
Total		2,652,152
 CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)		
Payable from cash with paying agent		
Revenue bonds		3,590,000
Interest		1,885,926
Payable from customer deposit accounts		
Customer guaranteed deposits		2,720,605
Payable from capital projects accounts		
Accounts and contracts		818,880
Payable from revenue bond construction accounts		
Accounts and contracts		851,354
Total		9,866,765
Total Current Liabilities		12,518,917
 NONCURRENT LIABILITIES		
Revenue bonds payable		63,770,000
Installment contracts payable		983
Total Noncurrent Liabilities		63,770,983
Total Liabilities		76,289,900
 EQUITY		
Contributed capital		37,240,433
Retained earnings		
Reserved for		
Special projects	4,049,795	
Revenue bond debt service	7,307,185	
Capital additions and contingencies	1,000,000	
Capital projects	8,054,047	
Total Reserved Retained Earnings	20,411,027	
Unreserved	21,229,293	
Total Retained Earnings		41,640,320
Total Equity		78,880,753
 <u>TOTAL LIABILITIES AND EQUITY</u>		 \$155,170,653

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

CITY OF ALEXANDRIA, LOUISIANA
 SANITATION ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED APRIL 30, 1996

EXHIBIT J-12

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$(100,361)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	148,793
Provision for landfill postclosure costs	166,262
Changes in assets and liabilities:	
Estimated unbilled receivables	(40,257)
Due from other funds	(34,941)
Accounts payable	12,355
Accrued expenses	22,553
Estimated liability for landfill postclosure costs	(6,018)
Due to other funds	<u>32,432</u>
Net Cash Provided By Operating Activities	200,818
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers - net	-0-
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	(184,334)
Repayment of advance from the Utilities System Fund	<u>(146,949)</u>
Net Cash Used By Capital and Related Financing Activities	(331,283)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease in equity in pooled cash and investments - net	114,742
Interest received	<u>15,769</u>
Net Cash Provided by Investing Activities	<u>130,511</u>
 NET INCREASE IN CASH	 46
 CASH, BEGINNING OF YEAR	 <u>-0-</u>
 <u>CASH, END OF YEAR</u>	 <u>\$ 46</u>

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

ENTERPRISE FUNDS

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

UTILITIES SYSTEM FUND is used to account for electricity, natural gas, water and wastewater services provided to residents of the City and some residents of the parish. All activities incident to providing these services are accounted for in the fund. The Utilities System Fund also provides support to the general government operations and bus line by transferring monies to the General Fund and Municipal Bus Line Fund.

MUNICIPAL BUS LINE FUND is used to account for the operation of a bus transit system. Financing of operations is provided by passenger fares, advertising, intergovernmental operating and capital grants, and operating transfers from the Utilities System Fund.

SANITATION FUND is used to account for services provided to the public in the form of solid waste collection and disposal.

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM ENTERPRISE FUND
 BALANCE SHEET
 APRIL 30, 1996

EXHIBIT J-4
 (Continued)

ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 1,860,763
Equity in pooled cash and investments	3,475,372
Utility receivables, net of allowance for doubtful accounts of \$602,456	3,076,230
Unbilled receivables	3,066,212
Other receivables	69,140
Due from other City funds	33,092
Inventories	<u>1,898,191</u>
Total Current Assets	13,479,000
 RESTRICTED ASSETS	
Cash with paying agents	5,475,926
Customers' deposit accounts	2,720,605
Special projects accounts	4,049,795
Revenue bond reserve accounts	7,307,185
Revenue bond capital additions and contingencies accounts	1,000,000
Capital projects accounts	8,872,927
Revenue bond construction accounts	<u>21,089,693</u>
Total Restricted Assets	50,516,131
 PROPERTY, PLANT AND EQUIPMENT	
Property, plant and equipment	158,629,740
Accumulated depreciation	<u>(68,743,458)</u>
Net Property, Plant and Equipment	89,886,282
 OTHER ASSETS	
Bond issuance costs	<u>1,289,240</u>
<u>TOTAL ASSETS</u>	<u>\$155,170,653</u>

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

CITY OF ALEXANDRIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
APRIL 30, 1996

EXHIBIT J-3
(Concluded)

	UTILITIES SYSTEM	MUNICIPAL BUS LINE	SANITATION FUND	TOTAL
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in equity in pooled cash and investments - net	\$(5,139,339)	\$ (23,561)	\$ 114,742	\$(5,048,158)
Proceeds from the maturity of investments	(56,238)			(56,238)
Interest received on operating funds	1,501,613	9,573	15,769	1,526,955
Net Cash Provided (Used) by Investing Activities	<u>(3,693,964)</u>	<u>(13,988)</u>	<u>130,511</u>	<u>(3,577,441)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	444,656	-0-	46	444,702
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>6,892,033</u>	<u>-0-</u>	<u>-0-</u>	<u>6,892,033</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 7,336,689</u>	<u>\$ -0-</u>	<u>\$ 46</u>	<u>\$ 7,336,735</u>
CLASSIFIED AS				
Current Assets	\$ 1,860,763	\$ -0-	\$ 46	\$ 1,860,809
Restricted Assets	<u>5,475,926</u>			<u>5,475,926</u>
TOTAL	<u>\$ 7,336,689</u>	<u>\$ -0-</u>	<u>\$ 46</u>	<u>\$ 7,336,735</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 APRIL 30, 1996

EXHIBIT J-3
 (Continued)

	UTILITIES SYSTEM	MUNICIPAL BUS LINE	SANITATION FUND	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 8,861,155	\$(1,525,365)	\$(100,361)	\$ 7,235,429
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	5,098,004	289,054	148,793	5,535,851
Provision for doubtful accounts	265,000			265,000
Provision for landfill postclosure costs			166,262	166,262
Changes in assets and liabilities				
Customer receivables	(1,367,393)		(40,257)	(1,407,650)
Other receivables	529	591		1,120
Due from other funds	(23,077)		(34,941)	(58,018)
Inventories	87,985			87,985
Accounts payable	(167,806)	4,786	12,355	(150,665)
Due to other funds	(166,888)		32,432	(134,456)
Other current liabilities	29,564			29,564
Accrued expenses	135,200	29,592	22,553	187,345
Estimated landfill postclosure costs	(97,681)		(6,018)	(103,699)
Customer deposits-net	12,654,592	(1,201,342)	200,818	11,654,068
Net Cash Provided (Used) by Operating Activities	(8,111,936)	582,715	-	(7,529,221)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(1,500,000)			(1,500,000)
Operating transfers - net	728,727			728,727
Advances to other funds		623,256		623,256
Repayment of advances to other funds		(5,713)		(5,713)
Government subsidy - operations				
Bank overdraft				
Net Cash Provided (Used) by Noncapital Financing Activities	(8,883,209)	1,200,258	-	(7,682,951)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(9,534,600)	(266,492)	(184,334)	(9,985,426)
Acquisition of property, plant and equipment		223,671		223,671
Government subsidy - capital grant		55,918		55,918
Contributions from capital project funds		1,975		1,975
Proceeds from the sale of property, plant and equipment	5,426			5,426
Issuance of revenue bonds	15,000,000			15,000,000
Repayment of advances due to other funds				
Payments of revenue bonds and other indebtedness	(3,523,598)		(146,949)	(3,670,547)
Interest paid on long-term debt	(3,059,872)			(3,059,872)
Bond issuance costs	(228,252)			(228,252)
Interest received on construction funds	1,695,571			1,695,571
Other	12,562			12,562
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ 367,237	\$ 15,072	\$(331,283)	\$ 51,026

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

CITY OF ALEXANDRIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED APRIL 30, 1996

EXHIBIT J-2

	UTILITIES SYSTEM	MUNICIPAL BUS LINE	SANITATION FUND	TOTAL
OPERATING REVENUES				
Charges for sales and services	\$58,657,754	\$ 222,591	\$2,628,942	\$61,509,287
Other	<u>535,830</u>	<u>11,444</u>	<u>400</u>	<u>547,674</u>
Total Operating Revenues	59,193,584	234,035	2,629,342	62,056,961
OPERATING EXPENSES				
Production, distribution, treatment and collection	40,899,813			40,899,813
Cost of service		1,470,346	2,580,910	4,051,256
General and administrative	4,809,969			4,809,969
Depreciation	<u>4,622,647</u>	<u>289,054</u>	<u>148,793</u>	<u>5,060,494</u>
Total Operating Expenses	<u>50,332,429</u>	<u>1,759,400</u>	<u>2,729,703</u>	<u>54,821,532</u>
OPERATING INCOME(LOSS)	8,861,155	(1,525,365)	(100,361)	7,235,429
NONOPERATING REVENUES (EXPENSES)				
Grant revenue		623,368		623,368
Interest earned	3,193,505	9,573	15,769	3,218,847
Disposition of fixed assets	(5,046)	(9,080)		(14,126)
Interest expense and fiscal charges	<u>(3,491,810)</u>			<u>(3,491,810)</u>
Total Nonoperating Revenues (Expenses)	<u>(303,351)</u>	<u>623,861</u>	<u>15,769</u>	<u>336,279</u>
INCOME(LOSS) BEFORE OPERATING TRANSFERS	8,557,804	(901,504)	(84,592)	7,571,708
OPERATING TRANSFERS IN(OUT)	<u>(8,111,936)</u>	<u>723,421</u>	<u>-0-</u>	<u>(7,388,515)</u>
NET INCOME(LOSS)	445,868	(178,083)	(84,592)	183,193
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	<u>41,194,452</u>	<u>(3,348,074)</u>	<u>67,292</u>	<u>37,913,670</u>
RETAINED EARNINGS (DEFICIT), <u>END OF YEAR</u>	<u>\$41,640,320</u>	<u>\$(3,526,157)</u>	<u>\$ (17,300)</u>	<u>\$38,096,863</u>

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

CITY OF ALEXANDRIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
APRIL 30, 1996

EXHIBIT J-1
(Concluded)

	<u>UTILITIES SYSTEM</u>	<u>MUNICIPAL BUS LINE</u>	<u>SANITATION FUND</u>	<u>TOTAL</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)				
Installment contracts	\$ 106,730		\$ 19,936	\$ 106,730
Accounts payable	1,072,789	204,140	51,710	1,296,865
Due to other City funds	319,779	254,320	104,013	625,809
Accrued expenses	965,697	59,587		1,129,297
Other current liabilities	187,157		280,244	187,157
Estimated landfill postclosure costs			455,903	280,244
Total	<u>2,652,152</u>	<u>518,047</u>		<u>3,626,102</u>
CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)				
Payable from cash with paying agent	5,475,926			5,475,926
Payable from customer deposit accounts	2,720,605			2,720,605
Payable from capital projects accounts	818,880			818,880
Payable from revenue bond construction accounts	851,354			851,354
Total	<u>9,866,765</u>	<u>-0-</u>		<u>9,866,765</u>
Total Current Liabilities	<u>12,518,917</u>	<u>518,047</u>	<u>455,903</u>	<u>13,492,867</u>
NONCURRENT LIABILITIES				
Revenue bonds payable	63,770,000			63,770,000
Installment contracts payable	983			983
Estimated landfill postclosure costs			45,000	45,000
Total Noncurrent Liabilities	<u>63,770,983</u>	<u>-0-</u>	<u>45,000</u>	<u>63,815,983</u>
Total Liabilities	<u>76,289,900</u>	<u>518,047</u>	<u>500,903</u>	<u>77,308,850</u>
EQUITY				
Contributed capital	37,240,433		6,014,936	43,687,152
Retained earnings				
Reserved	20,411,027			20,411,027
Unreserved	21,229,293		(17,300)	17,685,836
Total Retained Earnings (Deficit)	<u>41,640,320</u>		<u>(17,300)</u>	<u>38,096,863</u>
Total Equity	<u>78,880,753</u>	<u>2,488,779</u>	<u>414,483</u>	<u>81,784,015</u>
TOTAL LIABILITIES AND EQUITY	<u>\$155,170,653</u>	<u>\$ 3,006,826</u>	<u>\$915,386</u>	<u>\$159,092,865</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 APRIL 30, 1996

EXHIBIT J-1
 (Continued)

ASSETS	UTILITIES SYSTEM	MUNICIPAL BUS LINE	SANITATION FUND	TOTAL
CURRENT ASSETS				
Cash and equivalents	\$ 1,860,763	\$	\$ 46	\$ 1,860,809
Equity in pooled cash and investments	3,475,372	281,431	187,106	3,943,909
Utility receivables, net of allowance for doubtful accounts	3,076,230			3,076,230
Estimated unbilled receivables	3,066,212		165,715	3,231,927
Other receivables	69,140			69,140
Due from other City funds	33,092	128,220	42,604	203,916
Due from other governments		204,028		204,028
Inventories	<u>1,898,191</u>			<u>1,898,191</u>
Total Current Assets	<u>13,479,000</u>	<u>613,679</u>	<u>395,471</u>	<u>14,488,150</u>
RESTRICTED ASSETS				
Cash with paying agents	5,475,926			5,475,926
Customers' deposit accounts	2,720,605			2,720,605
Special projects accounts	4,049,795			4,049,795
Revenue bond reserve accounts	7,307,185			7,307,185
Revenue bond capital additions and contingencies accounts	1,000,000			1,000,000
Capital projects accounts	8,872,927			8,872,927
Revenue bond construction accounts	<u>21,089,693</u>			<u>21,089,693</u>
Total Restricted Assets	<u>50,516,131</u>	<u>-0-</u>	<u>-0-</u>	<u>50,516,131</u>
PROPERTY, PLANT AND EQUIPMENT				
Property, plant and equipment	158,629,740	3,828,270	1,258,960	163,716,970
Accumulated depreciation	<u>(68,743,458)</u>	<u>(1,435,123)</u>	<u>(739,045)</u>	<u>(70,917,626)</u>
Net Property, Plant and Equipment	<u>89,886,282</u>	<u>2,393,147</u>	<u>519,915</u>	<u>92,799,344</u>
OTHER ASSETS				
Bond issuance costs	<u>1,289,240</u>			<u>1,289,240</u>
Total Other Assets	<u>1,289,240</u>	<u>-0-</u>	<u>-0-</u>	<u>1,289,240</u>
TOTAL ASSETS	<u>\$155,170,653</u>	<u>\$ 3,006,826</u>	<u>\$ 915,386</u>	<u>\$159,092,865</u>

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

CITY OF ALEXANDRIA, LOUISIANA
MUNICIPAL BUS LINE ENTERPRISE FUND
BALANCE SHEET
APRIL 30, 1996

EXHIBIT J-7

ASSETS		
CURRENT ASSETS		
Equity in pooled cash and investments	\$ 281,431	
Due from other funds		
General Capital Projects Funds	13,096	
Utilities System Enterprise Fund	115,124	
Due from other governments - grants	<u>204,028</u>	
Total Current Assets		613,679
PROPERTY, PLANT, AND EQUIPMENT		
Building and terminal	1,504,267	
Buses	1,926,077	
Other Vehicles	123,062	
Office Equipment	38,964	
Garage Equipment	37,954	
Other Equipment	189,660	
Signs	<u>8,286</u>	
Total	3,828,270	
Accumulated depreciation	<u>(1,435,123)</u>	
Net Property, Plant, and Equipment		<u>2,393,147</u>
<u>TOTAL ASSETS</u>		<u>\$3,006,826</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 204,140	
Accrued expenses	59,587	
Due to General Fund	<u>254,320</u>	
Total Current Liabilities		518,047
EQUITY		
Contributed capital	6,014,936	
Accumulated deficit	<u>(3,526,157)</u>	
Total Equity		<u>2,488,779</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>\$3,006,826</u>

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

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

If at any time it shall be necessary to use moneys in the Reserve Fund or the Capital Additions and Contingencies Fund above provided for the purpose of paying principal of or interest on Bonds payable from the aforesaid Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received, not hereinabove required to be used for administration, operation and maintenance or for current principal, interest and reserve requirements. If at any time there are sufficient moneys on deposit in the Reserve Fund and Capital Additions and Contingencies Fund to retire all outstanding Bonds payable from the Sinking Fund by exercising the redemption option provided by such Bonds or by purchase on the open market, the City may utilize such funds for such purpose.

All or any part of the moneys in the Reserve Fund and the Capital Additions and Contingencies Fund shall, at the written request of the City, be invested in one or both of the following if and to the extent that the same are legal for the investment of funds of the City: (a) direct obligations of the United States of America, or (b) negotiable or non-negotiable certificates of deposit issued by any bank, trust company or national banking association provided (i) such certificates of deposit are continuously and at all times secured by direct obligations of the United States of America having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit, and (ii) interest is paid thereon to the extent of one hundred per cent (100%). All income derived from such investments shall be added to the money in said respective funds or to the Utilities System Fund, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are created.

19. UTILITIES SYSTEM FUND POWER PURCHASE CONTRACT COMMITMENT

On November 15, 1982, the City entered into an electric power purchase contract with Louisiana Energy and Power Authority (LEPA), a political subdivision of the State of Louisiana, which acquired an interest in the Rodemacher Unit Number 2, a low sulfur-coal burning power plant. The City is obligated to pay 52.83% of the fixed project costs allocated to LEPA plus energy related costs when the unit is operable. This contract expires at the later of (1) the date all outstanding bonds of LEPA have been paid, (2) the date the joint operating agreement entered into by LEPA is terminated and settlement of all costs are completed, or (3) July 1, 2032.

As part of the contract, the City agreed not to issue bonds, notes, or other evidences of indebtedness or enter into any contract to incur any expenses payable from or secured by revenues of the combined utilities system superior to or having a priority over the obligation to pay for the costs incurred under this contract.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

A comparison of contributions required and contributions made for the City's three single-employer defined benefit pension plans is presented below:

	<u>AMOUNT</u>	<u>AS A % OF COVERED PAYROLL</u>
COAERS		
Contributions required	\$2,202,147	17.82%
Normal cost	<u>1,099,313</u>	<u>8.90</u>
Unfunded actuarially accrued liability	\$3,301,460	26.72%
Totals		
Contributions made	\$2,065,929	16.72%
Employer	<u>1,235,531</u>	<u>10.00%</u>
Employee	\$3,301,460	26.72%
Totals		
PPARF		
Contributions required	N/A	N/A
Normal cost	<u>N/A</u>	<u>N/A</u>
Unfunded actuarially accrued liability	N/A	N/A
Totals		
Contributions made	\$293,003	226%
Employer	<u>-0-</u>	<u>N/A</u>
Employee	\$293,003	226%
Totals		
FPARF		
Contributions required	N/A	N/A
Normal cost	<u>N/A</u>	<u>N/A</u>
Unfunded actuarially accrued liability	\$ -0-	N/A
Totals		
Contributions made	\$ -0-	N/A
Employer	<u>-0-</u>	<u>N/A</u>
Employee	\$ -0-	N/A
Totals		

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

firefighter's survivors and/or beneficiaries, the difference, if any, where those benefits payable under the Fund prior to the merger exceed those benefits payable under the FRS.

Covered employees are not required to contribute to the Fund. The City is required to contribute an amount sufficient to meet any deficit of the Fund without regard for reserve requirements accruing or having accrued on an actuarial basis.

Benefits and contribution provisions are established by state law.

MPERS. Membership is mandatory for all full-time police officers employed by the City, provided they meet statutory criteria. Any member is eligible for normal retirement benefits after he has been a member of the System for one (1) year if he has twenty-five (25) years of creditable service at any age, or if he has twenty (20) years of creditable service and is age fifty (50), or has twelve (12) years of creditable service and is age fifty-five (55). Benefit rates are three and one-third percent (3 1/3%) of final compensation per number of years creditable service not to exceed one hundred percent (100%).

Members are currently required to contribute seven and one-half percent (7.5%) of their salary to the system. The City's contribution is presently at nine percent (9%).

Benefit and contribution requirements are established by state law.

FRS. This Plan is a defined benefit pension plan covering firemen employed by a municipality, parish, or fire protection district of the State hired after December 31, 1979. Employees with twenty (20) or more years of service who have attained age fifty (50), employees who have twelve (12) years of service who have attained age fifty-five (55), or employees who have twenty-five (25) years of service at any age are entitled to annual pension benefits equal to three and one-third percent (3 1/3%) of their average final compensation based on the thirty-six (36) consecutive months of highest pay multiplied by their total years of service, not to exceed one hundred percent (100%). Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity.

Members are currently required to contribute eight percent (8%) of their salary to the Plan. The City's contribution is presently at nine percent (9%) of the members' salary.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

The following is a brief description of the plans:

COAERS. Substantially all employees of the City, except firemen and policemen, become members of the COAERS as a condition of employment. The COAERS provides retirement benefits, disability benefits, and survivors 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 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 his number of years of creditable service, not to exceed one hundred percent of his average compensation. (Average compensation is defined as the highest three year average annual compensation.) Retirement benefits vest after ten (10) years of creditable service.

Members are required to contribute ten percent (10%) of their salary to the System. The City contributes remaining amounts necessary to finance the system.

Benefit and contribution provisions are established by state law.

PPARF. Effective September 1, 1983, this plan was merged into the statewide Municipal and State Police Employees Retirement System. The Fund remains liable for retirement benefits in the event that a policeman hired prior to August 1, 1976, retires before reaching age fifty (50) or 25 years of eligible service. Retirement benefits vest after twenty (20) years of creditable service. The member may retire after twenty (20) years of eligible service at two-thirds of the highest average monthly salary for any continuous twelve (12) month period of time worked prior to retirement.

Upon reaching age fifty (50) or 25 years of eligible service, the retiree transfers to the Municipal and State Police Employees Retirement System.

Members are not required to contribute to the Fund. The City is required to contribute an amount sufficient to meet the operating deficit of the Fund without regard for reserve requirements accruing or having accrued on an actuarial basis.

Benefit and contribution requirements are established by state law.

FPARF. Effective May 1, 1993, the Fund merged into the statewide Firefighters' Retirement System (FRS). On this date, all retirees and survivors receiving benefits, at April 30, 1993, transferred to the FRS. In the event that a Firefighter, hired prior to January 1, 1980, exercises his or her right to a twenty year retirement any time under the age of 50 and is not eligible to receive benefits from the state FRS, then the Fund shall provide benefits until that person is eligible for benefits under the FRS. In addition, the City of Alexandria and the Fund guaranteed that if a firefighter dies, retires, or becomes disabled subsequent to the merger, then the Fund shall pay to the firefighter, or the

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

20. PUBLIC EMPLOYEE RETIREMENT SYSTEMS

A. Plan Descriptions

The city contributes to three single-employer defined benefit pension plans. These plans consist of the City of Alexandria Employees' Retirement System (COAERS), which uses a calendar year accounting period ending December 31, the Policemen's Pension and Relief Fund (PPARF), and the Firemen's Pension and Relief Fund (FPAERF). At April 30, 1996 (December 31, 1995 for COAERS), plan membership consisted of:

	<u>COAERS</u>	<u>PPARF</u>	<u>FPAERF</u>
Current Employees			
Vested	243	5	20
Nonvested	320		
Terminated members due future benefits	2		
Terminated members not due future benefits	90		
Retirees and survivors currently receiving benefits	<u>318</u>	<u>13</u>	<u>7</u>
Totals	973	18	27

The City also contributes to four statewide multiple-employer public employee retirement systems. These consist of the Municipal Police Employees' Retirement System of Louisiana (MPERS), the Firefighter's Retirement System (FRS), the Louisiana State Employees' Retirement System (LSERS), and the Parochial Employees' Retirement System of Louisiana (PERSL).

The amount of the City's current year covered payroll and the City's total current year payroll for all employees is summarized below:

Covered Payroll	
COAERS (1995)	\$12,235,531
PPARF	129,373
FPAERF	N/A
MPERS	3,700,023
FRS	3,218,452
LSERS	28,403
PERSL	13,964
Total payroll - all employees	21,140,142

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1996

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CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

average salary over the thirty-six (36) consecutive or joined months that produce the highest average. The System also provides death and disability benefits.

The member contributes nine and one-half percent (9 1/2%) of her salary to the System. The City presently contributes seven and one-fourth percent (7 1/4%) to the System as an employer match.

Benefit and contribution requirements are established by state law.

B. Funding Status and Progress

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefit and is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The measure is independent of the funding method used to determine contributions to the plans discussed below.

Computation of the pension benefit obligation and certain other relevant information for the City's single employer defined benefit plans are presented below. Effective May 1, 1993, the FPARF merged with FRS. Information regarding the pension benefit obligation and certain other relevant information of the FPARF is not available as of April 30, 1996. Subsequent to the merger, the City only remains contingently liable for certain retirement payments in accordance with the merger agreement as previously discussed.

	<u>COAERS</u>	<u>PPARF</u>
Date of Actuarial Valuation	12/31/95	4/30/96
Significant actuarial assumptions		
Rate of return on investments	8%	7%
Projected salary increases	5.5%	*

* Annual salary growth is based on Technical Paper #16, "Present Value of Estimated Lifetime Earnings" for Clerical and Kindred Workers published by the U.S. Department of Commerce with an additional two percent (2%) increase above these rates during the first ten (10) years of employment.

**City of Alexandria
Financial Report**

Alexandria, Louisiana

April 30, 1996



Payne, Moore & Herrington, LLP

Certified Public Accountants

Alexandria, Louisiana



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City of Alexandria, Louisiana's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of Alexandria, Louisiana, in a separate letter entitled *Other Comments and Recommendations*, dated September 12, 1996.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

year on all outstanding Bonds, including such additional pari passu bonds.

- (d) The maintenance of the Capital Additions and Contingencies Fund established pursuant to the Bond Resolutions to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the Utilities System by transferring from said Utilities System Fund to the Capital Additions and Contingencies Fund established by the Bond Resolutions, monthly on or before the 20th day of each month of each year, a sum equal to nine percent (9%) of the gross revenues of the Utilities System for the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b) and (c) above. Such payments into the Capital Additions and Contingencies Fund shall continue until such time as there has been accumulated in said Fund the sum of One Million Dollars (\$1,000,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of One Million Dollars (\$1,000,000), in which event such payments shall be resumed and continue until said maximum of One Million Dollars (\$1,000,000) is again accumulated. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the Utilities System, the money in the Capital Additions and Contingencies Fund shall also be used to pay the principal of and the interest on the Bonds, including any additional pari passu bonds issued hereafter in the manner provided by the Bond Ordinance, for the payment of which there is not sufficient money in the Sinking Fund and Reserve Fund described in paragraphs (b) and (c) above, but the money in said Capital Additions and Contingencies Fund shall never be used for the making of improvements and extensions to the Utilities System or for payment of principal or interest on Bonds if the use of said money will leave in said Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of Twenty-Five Thousand Dollars (\$25,000).

Any moneys remaining in said Utilities System Fund after making the above-required payments may be used by the City for the purpose of calling and/or purchasing and paying any bonds payable from the revenues of the Utilities System, or for such other lawful corporate purposes as the governing authority may determine, whether such purposes are or are not in relation to the Utilities System.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

provided by the Bond Ordinance, as they severally become due and payable, by transferring from the Utilities System Fund to the Sinking Fund established pursuant to the Bond Resolutions, monthly in advance on or before the 20th day of each month of each year, a sum equal to 1/6th of the interest falling due on the next interest payment date, and a sum equal to 1/12th of principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. The depository for the Sinking Fund shall transfer from said Sinking Fund to the paying agent bank or banks for all Bonds payable from said Fund at least ten (10) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

- (c) The maintenance of the Reserve Fund established pursuant to the Bond Resolutions by transferring from the proceeds of the Bonds a sum equal to the lesser of (i) 10% of the proceeds of the Bonds or (ii) an amount which, together with moneys on deposit in the Reserve Fund, will equal the highest combined principal and interest requirements for any succeeding fiscal year on the Bonds (the "Reserve Fund Requirement"), and if such moneys do not cause the balance in the Reserve Fund to equal the Reserve Fund Requirement, by transferring from said Utilities System Fund to the Reserve Fund established pursuant to the Bond Resolutions, monthly in advance on or before the 20th day of each month of each year, a sum at least equal to 20% of the amount required to be paid into the aforesaid Sinking Fund specified in paragraph (b) above, the payments into said Reserve Fund to continue until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on Bonds payable from the aforesaid Sinking Fund specified in paragraph (b) above as to which there would otherwise be default. In the event that additional pari passu bonds are issued hereafter in the manner provided by the Bond Ordinance, the payments into said Reserve Fund shall continue, or if the said payments have ceased because of the accumulation of the maximum amount provided above, then such payments shall be resumed, until such time as there has been accumulated in said Reserve Fund an amount of money equal to the highest combined principal and interest requirements in any succeeding fiscal

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

Proceeds of the 1988 one-percent (1%) City Sales and Use Tax are dedicated to the following purposes:

- a. One-third is to be used to implement and fund a comprehensive job classification and pay plan for fire, police, and other General Fund classified employees.
- b. One-third is to be used to replace General Fund revenues lost from Federal and State government funding cuts from previous years.
- c. The remaining one-third is to be dedicated to fund General Fund operations.

18. FLOW OF FUNDS-RESTRICTIONS ON USE-UTILITIES SYSTEM ENTERPRISE FUND

The utility revenue bonds were issued pursuant to bond ordinances which provide in substantially the following terms that:

The City, through its governing authority, has covenanted to fix, establish, maintain and collect such rates, fees, rents or other charges for the services and facilities of the Utilities System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the necessary expenses of administering, operating and maintaining the Utilities System in each year, 120% of the principal and interest maturing on the Bonds or other obligations payable therefrom as the same shall become due and payable in each year, all reserves or sinking funds or other payments required for such year by the Bond Ordinance, and all other obligations or indebtedness payable out of the revenues of the Utilities System for such year, and that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes. The City has further covenanted:

That all of said income and revenues earned or derived from the operation of the Utilities System shall be deposited daily as the same may be collected in the Utilities System Fund heretofore established with the regularly designated fiscal agent of the City pursuant to the Bond Resolutions; that said fund shall be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of all reasonable expenses of administration, operation and maintenance of the Utilities System.
- (b) The maintenance of the Sinking Fund established pursuant to the Bond Resolutions sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any additional pari passu bonds issued hereafter in the manner

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

16. LANDFILL POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at its former landfill site. This site stopped accepting waste in a prior fiscal year. In accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, an estimated liability for landfill postclosure care costs was recognized in the prior year in the Sanitation Enterprise Fund. The landfill postclosure care costs will be funded from current operations as incurred.

Changes in the estimated liability for landfill postclosure care costs, during the fiscal year ending April 30, 1996, were as follows:

Balance, beginning of the year	\$165,000
Changes in estimates	166,262
Actual costs incurred	<u>(6,018)</u>
Balance, end of the year	\$325,244

The noncurrent portion of the above ending balance is \$45,000.

17. DEDICATION OF PROCEEDS—FLOW OF FUNDS—CITY SALES AND USE TAX

Proceeds of the 1976 one percent (1%) City Sales and Use Tax are dedicated to the following purposes:

- a. One-half is to be used for maintenance and operating expenses of the City.
- b. The other one-half is to be used in the following order of priority:
 1. On or before the 20th day of each month, there shall be transferred to a Sales Tax Bond Sinking Account in the Debt Service Fund an amount equal to 1/6 of the interest falling due on the next interest payment date and 1/12 of the principal falling due on the next principal payment date of all sales tax bond issues outstanding.
 2. Any funds remaining after the above transfers will be considered surplus and may be used for constructing, acquiring, extending, and/or improving capital improvements for the City (including, but not limited to, major thoroughfares and arterial streets with related improvements, major drainage systems, a civic convention center complex, parks, and parking facilities).

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

sewerage transmission and treatment plant. Following is a condensed summary of the three enterprise funds:

	UTILITIES SYSTEM	MUNICIPAL BUS LINE SANITATION		TOTAL
Operating revenues	\$ 59,193,584	\$ 234,035	\$ 2,629,342	\$ 62,056,961
Operating expenses				
Depreciation	(4,622,647)	(289,054)	(148,793)	(5,060,494)
Depreciation (overhead)	(475,357)			(475,357)
Other	<u>(45,234,425)</u>	<u>(1,470,346)</u>	<u>(2,580,910)</u>	<u>(49,285,681)</u>
Operating income (loss)	8,861,155	(1,525,365)	(100,361)	7,235,429
Nonoperating revenues (expenses)				
Grant revenue		623,368		623,368
Interest earned	3,193,505	9,573	15,769	3,218,847
Interest expense and fiscal charges	(3,491,810)			(3,491,810)
Disposition of assets	(5,046)	(9,080)		(14,126)
Operating transfers in (out)	<u>(8,111,936)</u>	<u>723,421</u>		<u>(7,388,515)</u>
Net Income (Loss)	\$ 445,868	\$ (178,083)	\$ (84,592)	\$ 183,193
Current capital contributions	\$ 12,562	\$ 279,589	\$ -0-	\$ 292,151
Net working capital (deficit)	10,826,848	95,632	(60,432)	10,862,048
Revenue bonds payable	67,360,000	-0-	-0-	67,360,000
Total Equity	78,880,753	2,488,779	414,483	81,784,015

Segment information for Utilities System Enterprise Fund for the fiscal year ended April 30, 1996, follows:

	TOTAL	ELECTRIC	GAS	WATER	WASTE WATER
Operating revenues	\$59,193,584	\$42,692,645	\$9,615,921	\$4,364,086	\$ 2,520,932
Operating expenses					
Depreciation	5,098,004	1,945,476	869,714	1,019,952	1,262,862
Other	<u>45,234,425</u>	<u>27,687,466</u>	<u>8,985,969</u>	<u>3,722,564</u>	<u>4,838,426</u>
Totals	<u>50,332,429</u>	<u>29,632,942</u>	<u>9,855,683</u>	<u>4,742,516</u>	<u>6,101,288</u>
Operating income (loss)	\$ 8,861,155	\$13,059,703	\$ (239,762)	\$ (378,430)	\$ (3,580,356)
Nonoperating revenue (expense) - net	(303,351)				
Operating transfers (out)	<u>(8,111,936)</u>				
Net Income	\$ 445,868				

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

14. ACCUMULATED DEFICITS

Accumulated deficits existed in the following individual funds at year end:

Special Revenue Funds	
Youth Baseball Recreation Fund	\$ 1,356
Capital Projects Funds	
Public Safety Complex Fund	707,526
Enterprise Funds	
Municipal Bus Line Fund	3,526,157
Sanitation Fund	17,300
Internal Service Funds	
Risk Management Fund	2,483,241

The deficit in the Youth Baseball Recreation Fund will be funded by anticipated future revenues from the operation of the City's baseball complex.

The deficit in the Public Safety Complex Fund was funded by general obligation bonds issued subsequent to April 30, 1996.

The deficit in unreserved retained earnings of the Municipal Bus Line Fund is primarily attributable to depreciation of fixed assets acquired with contributed capital. Combining contributed capital with the deficit in unreserved retained earnings results in a fund equity balance of \$2,488,779.

The deficit in unreserved retained earnings of the Sanitation Fund resulted from the change in the estimated liability for landfill postclosure costs. The deficit will be funded by user fees charged to customers as actual postclosure costs are incurred.

See Note 9 for disclosure regarding the deficit in the Risk Management Fund.

15. ENTERPRISE FUNDS - OPERATIONS

The City operates a utilities system, a bus line, and a solid waste system. The utilities system consists of an electric generation and distribution system, natural gas distribution system, water production and distribution system, and a

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

In prior years, the City defeased certain general obligation and revenue bonds by placing sufficient proceeds in irrevocable trusts to provide for all future debt service payments on the bonds. Accordingly, the assets of the trust accounts and the liability for the defeased bonds are not included in the City's financial statements. At year end, defeased bonds outstanding consisted of the following:

General Obligation			
Sales Tax Bonds, Series ST-1987		\$ 5,600,000	
Enterprise			
Utilities System Revenue Bonds			
Series 1987		20,000,000	
Series 1989A		<u>9,195,000</u>	
Total Enterprise		<u>29,195,000</u>	
Total			\$34,795,000

On May 9, 1996, \$7,300,000 in general obligation bonds payable from ad valorem tax revenues were issued for the purpose of constructing the public safety complex.

13. CONTRIBUTED CAPITAL

The following changes occurred in contributed capital of enterprise funds during the year:

<u>SOURCE</u>	<u>UTILITIES SYSTEM</u>	<u>MUNICIPAL BUS LINE</u>	<u>SANITATION FUND</u>	<u>TOTAL</u>
Plant and equipment				
Transfers from General				
Fixed Assets	\$ 4,400	\$	\$	\$ 4,400
Public contributions	8,162			8,162
Buses, vehicles, & equipment				
Federal grants		223,671		223,671
Capital Projects Fund		<u>55,918</u>		<u>55,918</u>
Total Additions	12,562	279,589	-0-	292,151
Balance, beginning of year	<u>37,227,871</u>	<u>5,735,347</u>	<u>431,783</u>	<u>43,395,001</u>
Balance, end of year	\$37,240,433	\$6,014,936	\$431,783	\$43,687,152

The following changes occurred in contributed capital of the Risk Management Internal Service Fund during the year:

Equipment	
Transfers from enterprise funds	\$ 674
Balance, beginning of year	<u>655,117</u>
Balance, end of year	\$655,791

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

	INTEREST RATES	<u>ENTERPRISE</u>	GENERAL LONG-TERM DEBT
Current portion of Utilities System Enterprise Fund obligations included in Liabilities payable from current assets			
Installment obligations		(106,730)	
Liabilities payable from restricted assets			
Revenue bonds		<u>(3,590,000)</u>	
Totals		\$63,770,983	<u>\$39,430,988</u>

The annual requirement to amortize outstanding long-term debt other than compensated absences, including interest of \$50,986,974, is as follows:

YEAR ENDED <u>APRIL 30</u>	<u>ENTERPRISE</u>	GENERAL LONG-TERM <u>DEBT</u>	<u>TOTAL</u>
1997	\$ 6,416,604	\$ 4,100,814	\$ 10,517,418
1998	6,286,639	4,115,554	10,402,193
1999	6,259,300	4,141,422	10,400,722
2000	6,240,080	4,147,437	10,387,517
2001	6,234,120	3,535,407	9,769,527
2002 - 2023	<u>58,831,325</u>	<u>46,176,849</u>	<u>105,008,174</u>
Totals	\$90,268,068	\$66,217,483	\$156,485,551

The amount of interest costs incurred during the current period was \$2,438,386 related to general obligation debt and \$3,712,841 related to Utilities System Enterprise Fund debt, including capitalized interest of \$321,030.

During the year ended April 30, 1996, the following changes occurred in long-term liabilities:

	BALANCE <u>5/01/95</u>	ADDITIONS	REDUCTIONS	BALANCE <u>4/30/96</u>
General Long-Term Debt				
Sales Tax Bonds	\$13,655,000	\$	\$ 860,000	\$12,795,000
Certificate of indebtedness	2,546,000		436,000	2,110,000
Police pension merger	4,726,981		135,744	4,591,237
Fire pension merger	18,767,190		232,562	18,534,628
Compensated absences	<u>1,235,974</u>	<u>164,149</u>		<u>1,400,123</u>
Totals	40,931,145	164,149	1,664,306	39,430,988
Utilities System				
Revenue bonds	55,735,000	15,000,000	3,375,000	67,360,000
Installment obligations	<u>256,311</u>		<u>148,598</u>	<u>107,713</u>
Totals	\$55,991,311	\$15,000,000	\$3,523,598	\$67,467,713

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

12. LONG-TERM DEBT

General Obligation Debts: General obligation liabilities are direct obligations and pledge the full faith and credit of the City. The City has incurred these liabilities to provide funds for the acquisition and construction of major capital additions, to provide funds for major capital projects, and to provide funds in connection with the merger of the City's Police Pension and Relief Fund into the statewide Municipal Police Employees' Retirement System and the City's Firemen Pension and Relief Fund into the statewide Firefighter's Retirement System. In addition, the City's obligation relative to the governmental funds' liability for compensated absences is reported as a general obligation debt.

Revenue Bonds: The City has issued two types of revenue bonds. The first type is utility revenue bonds whereby the City pledges income derived from the acquired or constructed assets to pay debt service. The second type is sales tax revenue bonds whereby the City has pledged revenue from specifically dedicated sales tax collections to pay debt service.

Long-term debt, at April 30, 1996, consisted of the following:

	<u>INTEREST RATES</u>	<u>ENTERPRISE</u>	<u>GENERAL LONG-TERM DEBT</u>
General Obligation			
Sales tax bonds			
1979 capital projects	6.15 - 6.50%	\$	\$ 5,790,000
1987 capital projects	7.20 - 7.35		685,000
1993 refunding	4.15 - 5.70		6,320,000
Certificates of indebtedness - 1993	4.40 - 5.00		2,110,000
Police Pension merger liability	7.00		4,591,237
Fire Pension merger liability	7.00		18,534,628
Compensated absences			1,400,123
Enterprise			
Revenue bonds			
1967 capital additions	4.00	545,000	
1972 capital additions	4.00	1,000,000	
1987 capital additions	7.25 - 7.40	2,100,000	
1989 capital additions	7.10 - 7.25	1,265,000	
1992 refunding	4.50 - 6.00	22,020,000	
1993 capital additions	4.30 - 8.00	14,555,000	
1993 refunding	3.40 - 5.30	10,875,000	
1995 capital additions	5.00 - 9.00	15,000,000	
Installment obligations			
Computer equipment and software	6.25 - 7.15	<u>107,713</u>	
Totals		<u>\$67,467,713</u>	<u>\$39,430,988</u>

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1996

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CITY OF ALEXANDRIA, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT F-2

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES (EXHIBIT F-3)			
Taxes	\$ 1,481,000	\$ 1,478,402	\$ (2,598)
Licenses and permits	1,546,750	1,624,154	77,404
Intergovernmental	5,820,587	6,234,367	413,780
Charges for services	252,875	268,461	15,586
Fines and forfeitures	605,500	610,246	4,746
Other	<u>432,811</u>	<u>488,139</u>	<u>55,328</u>
Total Revenues	10,139,523	10,703,769	564,246
EXPENDITURES (EXHIBIT F-4)			
Current			
General government	5,494,812	5,206,732	288,080
Public safety	12,299,284	12,101,274	198,010
Public works	6,497,593	6,411,661	85,932
Debt Service	1,892,340	1,892,339	1
Capital Outlay	<u>2,054,559</u>	<u>1,896,802</u>	<u>157,757</u>
Total Expenditures	<u>28,238,588</u>	<u>27,508,808</u>	<u>729,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,099,065)	(16,805,039)	1,294,026
OTHER FINANCING SOURCES (USES) (EXHIBIT F-5)			
Operating transfers in - net	<u>15,430,672</u>	<u>16,000,708</u>	<u>570,036</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(2,668,393)	(804,331)	1,864,062
FUND BALANCE, BEGINNING	<u>7,861,211</u>	<u>7,861,211</u>	<u>-0-</u>
<u>FUND BALANCE, ENDING</u>	<u>\$ 5,192,818</u>	<u>\$ 7,056,880</u>	<u>\$1,864,062</u>

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

CITY OF ALEXANDRIA, LOUISIANA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT G-4

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Intergovernmental - grants	\$2,763,960	\$1,138,346	\$(1,625,614)
Other program revenue	40,300	14,721	(25,579)
Interest - Economic development funds	<u>10,500</u>	<u>11,918</u>	<u>1,418</u>
Total Revenues	2,814,760	1,164,985	(1,649,775)
EXPENDITURES			
General administration	256,826	94,980	161,846
Demolition/code enforcement	197,019	81,377	115,642
Rehabilitation - administration	109,075	51,215	57,860
Rehabilitation - deferred loans	958,254	403,550	554,704
Public works and facilities	1,132,501	448,579	683,922
Special programs	<u>675,071</u>	<u>127,524</u>	<u>547,547</u>
Total Expenditures	3,328,746	1,207,225	2,121,521
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(513,986)	(42,240)	471,746
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
General Capital Projects Fund	400,000	74,635	(325,365)
Operating transfers (out)			
General Fund - indirect cost allocation	<u>(77,071)</u>	<u>(35,805)</u>	<u>41,266</u>
Total Other Financing Sources (Uses)	<u>322,929</u>	<u>38,830</u>	<u>(284,099)</u>
EXCESS(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(191,057)	(3,410)	187,647
FUND BALANCE, BEGINNING OF YEAR	528,895	528,895	-0-
RESIDUAL EQUITY TRANSFER	<u>(336,037)</u>	<u>(336,037)</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 1,801</u>	<u>\$ 189,448</u>	<u>\$ 187,647</u>

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

HOTEL/ MOTEL TAX	DECENTRALIZED ART	HOME INVESTMENT PARTNERSHIP PROGRAM	HUD EMERGENCY SHELTER PROGRAM	ECONOMIC DEVELOPMENT	TOTAL
\$124,642	\$ 179,485	\$ 337,538	\$ 102,894	\$	\$19,298,203
				19,082	1,758,263
				46,000	48,484
					46,000
					87,583
<u>124,642</u>	<u>179,485</u>	<u>337,538</u>	<u>102,894</u>	<u>65,082</u>	<u>21,238,533</u>
	39,874	21,022			60,896
<u>124,642</u>	<u>139,611</u>	<u>346,510</u>	<u>102,894</u>		<u>2,008,107</u>
<u>124,642</u>	<u>179,485</u>	<u>367,532</u>	<u>102,894</u>	<u>-0-</u>	<u>2,069,003</u>
-0-	-0-	(29,994)	-0-	65,082	19,169,530
		<u>29,994</u>		<u>(40,176)</u>	<u>(19,167,035)</u>
-0-	-0-	-0-	-0-	24,906	2,495
-0-	-0-	-0-	-0-	-0-	764,821
				<u>336,037</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$360,943</u>	<u>\$ 767,316</u>

CITY OF ALEXANDRIA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 1996

	CITY SALES TAX	COMMUNITY DEVELOPMENT BLOCK GRANT	PROPERTY TAX DRAINAGE	YOUTH BASEBALL RECREATION BOARD
REVENUES				
Taxes - Net	\$ 17,028,418	\$	\$ 2,145,143	\$
Intergovernmental		1,138,346		
Interest	17,484	11,918		
Land lease income				
Other program income		<u>14,721</u>		<u>72,862</u>
Total Revenues	<u>17,045,902</u>	<u>1,164,985</u>	<u>2,145,143</u>	<u>72,862</u>
EXPENDITURES				
CURRENT				
General planning and administration				
Special programs/projects		<u>1,207,225</u>		<u>87,225</u>
Total Expenditures	<u>-0-</u>	<u>1,207,225</u>	<u>-0-</u>	<u>87,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,045,902	(42,240)	2,145,143	(14,363)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>(17,044,794)</u>	<u>38,830</u>	<u>(2,158,389)</u>	<u>7,500</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	1,108	(3,410)	(13,246)	(6,863)
FUND BALANCES, BEGINNING OF YEAR	185,359	528,895	45,060	5,507
RESIDUAL EQUITY TRANSFER		<u>(336,037)</u>		
FUND BALANCES (DEFICIT), <u>END OF YEAR</u>	<u>\$ 186,467</u>	<u>\$ 189,448</u>	<u>\$ 31,814</u>	<u>\$ (1,356)</u>

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

HOTEL/ MOTEL TAX	DECENTRALIZED ART	HOME INVESTMENT PARTNERSHIP PROGRAM	HUD EMERGENCY SHELTER PROGRAM	ECONOMIC DEVELOPMENT	TOTAL
\$	\$	\$ 1,648	\$	\$365,664	\$2,077,760
	29,391				29,391
		6,353			55,030
					23,953
				53	80
					4,000
					8,339
		4,774			7,152
<u>\$-0-</u>	<u>\$29,391</u>	<u>\$12,775</u>	<u>\$-0-</u>	<u>\$365,717</u>	<u>\$2,205,705</u>
\$	\$	\$ 9,040	\$	\$	\$ 62,273
		757			1,137,162
		2,378		4,774	7,152
					200,140
					1,671
	29,391	600			29,991
<u>-0-</u>	<u>29,391</u>	<u>12,775</u>	<u>-0-</u>	<u>4,774</u>	<u>1,438,389</u>
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>360,943</u>	<u>767,316</u>
<u>\$-0-</u>	<u>\$29,391</u>	<u>\$12,775</u>	<u>\$-0-</u>	<u>\$365,717</u>	<u>\$2,205,705</u>

CITY OF ALEXANDRIA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
APRIL 30, 1996

	<u>CITY SALES TAX</u>	<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>	<u>PROPERTY TAX DRAINAGE</u>	<u>YOUTH BASEBALL RECREATION BOARD</u>
ASSETS				
Cash	\$1,515,207	\$191,311	\$	\$ 3,930
Equity in pooled cash and investments				
Receivables				
Grants		48,677		
Taxes				
Ad valorem (net of \$66,319) allowance for uncollectibles)			23,953	
Other		27		
Inventory				4,000
Due from other funds				
General Fund		478	7,861	
Special Revenue Funds		<u>2,378</u>		
<u>TOTAL ASSETS</u>	<u>\$1,515,207</u>	<u>\$242,871</u>	<u>\$31,814</u>	<u>\$ 7,930</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable/accruals	\$	\$ 43,947	\$	\$ 9,286
Due to other funds				
General Fund	1,136,405			
Special Revenue Funds				
Capital Project Funds	192,335	7,805		
Utilities System Fund		1,671		
Deferred revenues				
Total Liabilities	<u>1,328,740</u>	<u>53,423</u>	<u>-0-</u>	<u>9,286</u>
FUND BALANCE (Exhibit G-2)				
Unreserved - undesignated	<u>186,467</u>	<u>189,448</u>	<u>31,814</u>	<u>(1,356)</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$1,515,207</u>	<u>\$242,871</u>	<u>\$31,814</u>	<u>\$ 7,930</u>

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

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

CITY SALES TAX FUND is used to account for the proceeds of the 1976 one-percent (1%) city sales and use tax. One-half of the net proceeds is transferred to the General Fund for operations, and the other one-half is dedicated to payment of principal and interest on the 1979 sales tax bonds and for capital improvements.

In addition, the fund is used to account for the 1988 one-percent (1%) city sales and use tax. The proceeds are dedicated as follows: one-third to implement a comprehensive job classification and pay plan for Fire, Police, and General Fund classified employees; one-third to replace General Fund revenues lost from Federal and State government; and one-third dedicated to fund General Fund operations.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND is used to account for grants dedicated for priority activities which benefit low or moderate income persons or aid in prevention or elimination of slums and blight. Financing is provided primarily by grants under Title I, Housing and Development Act of 1974.

PROPERTY TAX DRAINAGE FUND is used to account for a special ad valorem tax millage approved by the voters and the subsequent transfer of the taxes to certain capital projects funds as construction is undertaken.

YOUTH BASEBALL RECREATION BOARD FUND is used to account for certain proceeds of the Alexandria baseball complex and the subsequent expenditure of these monies for the operation of the complex.

HOTEL/MOTEL TAX FUND is used to account for the proceeds of the one-percent (1%) occupancy tax levied upon hotel/motel rooms located within the corporate limits of the City. The net proceeds of the tax are to be used for the acquisition, construction, and maintenance of an exhibition center.

In addition, the fund is used to account for an additional one-percent (1%) occupancy tax levied upon hotel/motel rooms located within the downtown area of the City. The net proceeds of this tax are available to the Alexandria/Pineville Area Convention and Visitors Bureau for advertising, promotion, and marketing of conventions and tourism.

DECENTRALIZED ART FUND is used to account for a grant from the State of Louisiana for which the City of Alexandria acts as a regional distributing agent for an eight parish area in central Louisiana. This program is designed to make arts available to all areas of the state and give parishes the opportunity to design their own arts programs.

HOME INVESTMENT PARTNERSHIP PROGRAM FUND accounts for funds provided under the HOME Program created under Title II (the Home Investments Partnership Act) of the National Affordable Housing Act of 1990. The funds are available for rehabilitation of owner occupied and rental property.

HUD EMERGENCY SHELTER PROGRAM FUND accounts for funds provided for the rehabilitation of a facility for use as emergency shelter for the terminally ill.

ECONOMIC DEVELOPMENT FUND was established to account for economic development funds previously held in the Community Development Block Grant Fund. Funds are available for this specified purpose only.

CITY OF ALEXANDRIA, LOUISIANA
GENERAL FUND
STATEMENT OF OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT F-5

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Special Revenue Funds			
City Sales Tax Fund	\$12,437,010	\$12,784,426	\$ 347,416
Community Development			
Block Grant Fund			
Indirect cost allocation	59,388	35,805	(23,583)
Home Investment Partnership Fund			
Indirect cost allocation	3,071	10,182	7,111
Enterprise Funds			
Utility System Fund			
In lieu of taxes	2,850,000	3,073,169	223,169
Indirect cost allocation	1,156,862	1,068,040	(88,822)
Sanitation Fund			
Indirect cost allocation	148,568	262,622	114,054
Municipal Bus Line Fund			
Indirect cost allocation	198,658	303,403	104,745
Operating transfers(out)			
Special Revenue Funds			
Youth Baseball Recreation			
Board Fund	(7,500)	(7,500)	-0-
Capital Project Funds			
General Capital Projects Fund	(1,228,240)	(1,228,240)	-0-
Enterprise Funds			
Sanitation Fund	(148,568)	(262,622)	(114,054)
Internal Service Funds			
Risk Management Fund	(38,577)	(38,577)	-0-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$15,430,672</u>	<u>\$16,000,708</u>	<u>\$ 570,036</u>

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

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

Benefit and contribution requirements are established by state law.

LSERS. All state employees except certain classes of employees specifically excluded by statute become members of the system as a condition of employment. Statewide elected officials and officials appointed by the governor may, at their option, become members of the System. The only member of this System from the City of Alexandria is the city court judge. The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty (30) years of creditable service to age sixty (60) upon completing ten (10) years of creditable service.

The basic annual retirement benefit for substantially all members is equal to two and one-half percent (2 1/2%) of average compensation multiplied by the number of years of creditable service plus three hundred dollars (\$300). Average compensation is defined as the member's average annual earned compensation for the period of thirty-six (36) consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of one hundred percent (100%) of average compensation or certain specified dollar amounts or actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to one percent (1%) of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Judges, court officers, and legislators contribute eleven and one-half percent (11 1/2%) of their salary to the System. The City's contribution is presently at twelve percent (12%) of the member's earned compensation.

Benefit and contribution requirements are established by state law.

PERSL. The only member of this System from the City of Alexandria is the Clerk of City Court. Participants become fully vested after ten (10) years of service. Any member is eligible for normal retirement at age sixty (60) with at least ten (10) years of creditable service, at age fifty-five (55) with twenty-five (25) years of creditable service, or at any age with at least thirty (30) years of creditable service. The retirement benefit, payable monthly for life, is equal to three percent (3%) of their final-average salary for each year of creditable service not to exceed the greater of one hundred percent of final salary (last 12 months) or final average compensation. Final-average salary is the employee's

CITY OF ALEXANDRIA, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT F-3

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes			
Ad Valorem	\$ 1,276,000	\$ 1,261,950	\$(14,050)
Housing Authority in lieu of taxes	10,000		(10,000)
Franchise	145,000	161,884	16,884
Interest and fees - delinquent taxes	<u>50,000</u>	<u>54,568</u>	<u>4,568</u>
Totals	1,481,000	1,478,402	(2,598)
Licenses and permits			
Occupational licenses	1,484,000	1,554,405	70,405
Building permits	<u>62,750</u>	<u>69,749</u>	<u>6,999</u>
Totals	1,546,750	1,624,154	77,404
Intergovernmental			
Parish sales tax	4,550,000	4,721,908	171,908
Beer taxes	95,000	87,755	(7,245)
Tobacco taxes	218,000	219,017	1,017
Video poker commissions	417,000	627,766	210,766
Fire insurance rebate	59,471	59,471	-0-
Grants	<u>481,116</u>	<u>518,450</u>	<u>37,334</u>
Totals	5,820,587	6,234,367	413,780
Charges for services			
Police - academy fees, etc.	72,495	72,694	199
State ROW maintenance	58,380	58,380	-0-
Zoo and park charges	100,000	103,247	3,247
Miscellaneous	<u>22,000</u>	<u>34,140</u>	<u>12,140</u>
Totals	252,875	268,461	15,586
Fines and forfeitures			
City court			
Fines	454,500	465,656	11,156
Civil fees	31,000	31,280	280
Legal fees	<u>120,000</u>	<u>113,310</u>	<u>(6,690)</u>
Totals	605,500	610,246	4,746
Other			
Interest	275,000	318,333	43,333
Rentals	114,700	120,591	5,891
Miscellaneous	<u>43,111</u>	<u>49,215</u>	<u>6,104</u>
Totals	432,811	488,139	55,328
<u>TOTAL REVENUES</u>	<u>\$10,139,523</u>	<u>\$10,703,769</u>	<u>\$564,246</u>

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

CITY OF ALEXANDRIA, LOUISIANA
PROPERTY TAX DRAINAGE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT G-5

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes - ad valorem	\$2,165,160	\$2,145,143	\$(20,017)
OTHER FINANCING USES			
Operating Transfers Out			
Capital Project Drainage Fund	<u>2,165,160</u>	<u>2,158,389</u>	<u>6,771</u>
(DEFICIENCY) OF REVENUES OVER OTHER FINANCING USES	-0-	(13,246)	(13,246)
FUND BALANCE, BEGINNING OF YEAR	<u>45,060</u>	<u>45,060</u>	<u>-0-</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 45,060</u>	<u>\$ 31,814</u>	<u>\$(13,246)</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 GENERAL FUND
 BALANCE SHEET
 APRIL 30, 1996

EXHIBIT F-1

ASSETS		
Cash		\$ 6,330
Equity in pooled cash and investments		5,764,520
Receivables		
Ad valorem taxes (net of \$40,670 for uncollectible)		14,047
Intergovernmental		89,966
Other (net of \$717,333 allowance for uncollectible)		365,572
Due from other funds		
Special Revenue Funds		1,137,162
Enterprise Funds		436,837
Internal Service Funds		1,418
Fiduciary Funds		25,000
Inventory		<u>139,818</u>
<u>TOTAL ASSETS</u>		<u>\$7,980,670</u>

LIABILITIES AND FUND BALANCE

LIABILITIES		
Accounts payable		\$ 275,127
Accrued expenses		458,257
Other current liabilities		39,064
Due to other funds		
Special Revenue Funds		8,339
Capital Projects Funds		75,000
Fiduciary Funds		<u>68,003</u>
Total Liabilities		923,790
FUND BALANCE (EXHIBIT F-2)		
Unreserved - undesignated		<u>7,056,880</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>		<u>\$7,980,670</u>

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

GENERAL FUND

This is the general operating fund of the City and is used to account for operations traditionally associated with a city which are not required to be accounted for in another fund.

COMBINING, INDIVIDUAL FUND, AND ACCOUNT
GROUP FINANCIAL STATEMENTS AND SCHEDULES

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

25. COMPENSATION PAID MEMBERS OF CITY COUNCIL

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following report reflects compensation paid members of the City Council, City of Alexandria, for the fiscal year ending April 30, 1996.

Louis Crenshaw	\$10,200
Johnny H. Downs	10,200
Charles Fowler, Jr.	10,200
Everett Hobbs	10,200
Robert L. Lawrence	10,200
W.T. Moreau, Jr.	10,200
Charles F. Smith	10,200

CITY OF ALEXANDRIA, LOUISIANA
 APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

items are included in the General Fixed Assets Account Group and, accordingly, no depreciation is recorded.

	<u>COST</u>
Industrial Park - land and buildings	\$ 188,792
Convention Center Complex	3,301,568
Bringham Stadium	<u>124,414</u>
	\$3,614,774

Minimum future rentals, to be received on non-cancelable leases as of April 30, 1996, for each of the next five years and in the aggregate are:

<u>YEAR ENDED</u> <u>APRIL 30,</u>	<u>AMOUNT</u>
1997	\$ 78,200
1998	72,500
1999	72,500
2000	72,500
2001	72,500
Thereafter	<u>765,333</u>
Total Minimum Future Rentals	\$1,333,533

24. LEGAL COMPLIANCE

The following possible violations of state statutes occurred during the fiscal year:

- (1) Budgeted revenue exceeded actual revenue by five percent (5%) or more in the following funds and budget amendments were not made for these variances.

Special Revenue Funds
 Community Development Block Grant Fund
 Decentralized Art Fund
 Home Investment Partnership Program Fund

- (2) Actual expenditures exceeded budgeted expenditures by more than five percent (5%) in the Youth Baseball Recreation Board Special Revenue Fund.
- (3) A physical inventory of fixed assets was not taken during the year ended April 30, 1996.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plans are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

22. DEFINED CONTRIBUTION PENSION PLAN

The City sponsors a defined contribution plan (the Plan) available to unclassified employees who elect to participate. The Plan is administered by MML Investors Services, Inc. The City's payroll for employees participating in the Plan for the current year was \$115,913. Employer contributions for the fiscal year were \$19,431, or 16.8% of covered payroll. Employees do not contribute to the plan.

Under the provisions of the Plan, City contributions are determined annually and contributions are allocated to participants based on participant's compensation. All monies in the employee's accounts, including the City's contributions, are immediately vested.

23. LEASES

A. City as Lessee

On March 29, 1995, the City entered into a lease agreement with the England Economic and Industrial Development District (EEIDD) to lease the natural gas, water and waste water systems located within the England Airpark. The term of the lease is for twenty (20) years beginning March 29, 1995 and ending March 28, 2015. The lease agreement provides that the City shall pay the EEIDD as rent under the lease five percent of gross charges for service billed to customers located within the Airpark boundaries including gross charges billed to the EEIDD. Lease payments are due to the EEIDD on May 15th and November 15th. It is not possible to determine the future minimum rental payments due under this lease.

B. City as Lessor

The City is the lessor of property under operating leases expiring in various years. The following is a summary of property on lease at April 30, 1996. These

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

D. Three Year Historical Information

Progress made in funding the pension benefit obligation of the City's three single-employer defined benefit pension plans is presented below:

	<u>1995</u>	<u>1994</u>	<u>1993</u>
COAERS (As of December 31)			
Net assets available for benefits expressed as a percentage of the Pension Benefit Obligation	66.9%	66.2%	66.9%
Unfunded pension benefit obligation expressed as a percentage of annual covered payroll	158.7%	158.2%	148.2%
Employer contributions expressed as a percentage of annual covered payroll	16.7%	16.5%	16.3%
PPARF (As of April 30)			
Net assets available for benefits expressed as a percentage of the Pension Benefit Obligation	29.0%	22.0%	32.5%
Unfunded pension benefit obligation expressed as a percentage of annual covered payroll	412.6%	194.7%	100.7%
Employer contributions expressed as a percentage of annual covered payroll	226.5%	65.9%	60.5%

E. Ten Year Historical Trend Information

Ten year historical trend information provides information about a public employee retirement system's progress in accumulating sufficient assets to pay benefits when due. This information, if available, may be found in the separately issued annual financial reports of the various single and multiple employer public employee retirement systems discussed in this note.

21. DEFERRED COMPENSATION PLANS

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

INTERNAL SERVICE FUNDS

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

RISK MANAGEMENT FUND is used to account for the provision of various insurance coverages to the other funds of the City through incorporation of self insurance and premiums paid for third party coverage for certain stop loss levels.

EMPLOYEE BENEFITS INSURANCE FUND is used to account for the provision of hospitalization/health insurance to employees of the City. A defined amount is self insured and provision is made for excess coverage through premiums paid to a third party. In addition, certain life insurance is provided for employees through premiums paid to a third party insurance carrier.

UNEMPLOYMENT BENEFITS FUND is used to account for the provision of unemployment benefits to the other funds of the City through self-insurance coverage.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

	(In Dollars)			
	<u>MPERS</u>	<u>FRS</u>	<u>LSERS</u>	<u>PERSL</u>
City of Alexandria				
Employee contributions made	\$281,603	\$257,476	\$ 3,266	\$ 1,327
Employee contributions as a percentage of covered payroll	7.50%	8.00%	11.50%	9.50%
Employer contributions made	328,902	289,661	3,404	1,081
Employer contributions as a percentage of covered payroll	9.00%	9.00%	11.98%	7.74%
Employer's actuarially determined contribution requirement expressed as a percentage of total actuarially determined contribution requirements for all employers	3.56%	6.36%	*	*

* Amount is less than one tenth of one percent.

C. Contributions Required and Contributions Made

In regards to the City's three single-employer defined benefit pension plans, contribution requirements are not required to be actuarially determined. State law requires contributions to the COAERS, PPARF, and FPARF to be sufficient to cover operating expenses. An actuary has not determined the implications of this requirement, except for COAERS.

The Board of Trustees of COAERS, on April 11, 1989, unanimously voted to adopt the Frozen Entry Age Normal Actuarial Funding Method and a thirty year amortization period to fund the unfunded pension benefit obligation, with payments increasing at 4% per year (commencing in 1989 and ending in 2018) as recommended by the System's actuary. The employer contribution rate is presently 16.77%, with subsequent changes in the employer contribution rate to be effective on May 1st of each year subject to recommendations by the actuary in future annual actuarial reports.

CITY OF ALEXANDRIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED APRIL 30, 1996

EXHIBIT F-4

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
CURRENT			
General Government			
City Council	\$ 149,333	\$ 148,347	\$ 986
City Clerk's office	118,919	100,945	17,974
Mayor's office	149,656	146,657	2,999
Mayor's assistants office	290,489	236,771	53,718
Professional fees	50,971	50,971	-0-
Payments in lieu of insurance	1,683,220	1,683,220	-0-
Street lighting and hydrant charges	240,158	259,393	(19,235)
Alexandria Port Authority	40,000	40,000	-0-
Probation officer	75,462	75,462	-0-
Community development	228,017	197,269	30,748
EEO Coordinator	38,409	15,374	23,035
Arts and humanities	276,680	277,860	(1,180)
City court	151,999	150,288	1,711
City marshal	139,724	133,763	5,961
Finance department	72,712	65,403	7,309
Accounting department	346,077	299,005	47,072
Purchasing department	193,038	193,762	(724)
Printing department	51,676	49,431	2,245
Central warehouse	176,147	169,875	6,272
Parts warehouse	61,513	61,572	(59)
Civil service	285,706	250,564	35,142
Legal	268,330	263,497	4,833
Planning and economic development	406,576	337,303	69,273
Totals	5,494,812	5,206,732	288,080
Public Safety			
Police	7,296,402	7,165,135	131,267
Animal shelter	144,592	137,651	6,941
Fire	4,858,290	4,798,488	59,802
Totals	12,299,284	12,101,274	198,010
Public Works			
Director's office	114,741	109,845	4,896
Assistant director's office	60,260	55,131	5,129
Engineers' office	464,273	452,104	12,169
Street repair and drainage	2,701,186	2,670,994	30,192
Parks and recreation	329,986	372,617	(42,631)
Traffic signals	434,159	416,014	18,145
Building inspection	35,192	35,076	116
Buildings - utilities and maintenance	963,543	948,926	14,617
Motor pool	804,259	777,862	26,397
Zoo	589,994	573,092	16,902
Totals	6,497,593	6,411,661	85,932
DEBT SERVICE			
Public Safety			
Policemen's pension merger			
Principal	138,060	138,060	-0-
Interest	309,172	309,172	-0-
Firemen's pension merger			
Principal	217,347	217,347	-0-
Interest	1,227,761	1,227,760	1
Totals	1,892,340	1,892,339	1
CAPITAL OUTLAY			
General government	111,929	98,219	13,710
Public safety	1,182,299	1,173,597	8,702
Public works	760,331	624,986	135,345
Totals	2,054,559	1,896,802	157,757
<u>TOTAL EXPENDITURES</u>	<u>\$28,238,588</u>	<u>\$27,508,808</u>	<u>\$729,780</u>

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

EXHIBIT B

GOVERNMENT'S		PRIMARY GOVERNMENT	COMPONENT UNITS		TOTAL MEMORANDUM ONLY
DEBT SERVICE	CAPITAL PROJECTS	TOTAL MEMORANDUM ONLY	ALEXANDRIA		REPORTING ENTITY
			CITY MARSHAL	CITY COURT	
\$	\$	\$ 20,776,605	\$	\$	\$ 20,776,605
		1,624,154			1,624,154
	11,551,144	19,543,774			19,543,774
		268,461			268,461
		610,246			610,246
130,172	753,681	1,250,670	4,283	4,761	1,259,714
			155,724	114,106	269,830
	74,602	377,991	464	3,764	382,219
130,172	12,379,427	44,451,901	160,471	122,631	44,735,003
		5,206,732	133,056	65,966	5,405,754
	901,194	13,002,468			13,002,468
	14,895,005	21,306,666			21,306,666
		2,069,003			2,069,003
	55,918	1,952,720	17,862	35,157	2,005,739
1,296,000		1,651,407			1,651,407
901,454		2,438,386			2,438,386
2,197,454	15,852,117	47,627,382	150,918	101,123	47,879,423
(2,067,282)	(3,472,690)	(3,175,481)	9,553	21,508	(3,144,420)
	(29,408)	(29,408)			(29,408)
2,068,249	8,203,225	27,931,432			27,931,432
		(20,826,285)			(20,826,285)
2,068,249	8,173,817	7,075,739	0	0	7,075,739
967	4,701,127	3,900,258	9,553	21,508	3,931,319
2,714,142	11,756,587	23,096,761	99,725	192,511	23,388,997
\$ 2,715,109	\$ 16,457,714	\$ 26,997,019	\$ 109,278	\$ 214,019	\$ 27,320,316

CITY OF ALEXANDRIA, LOUISIANA
MUNICIPAL BUS LINE ENTERPRISE FUND
COMPARISON OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 1996

SCHEDULE 7

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Passenger	\$ 214,250	\$ 222,591	\$ 8,341
Advertising	7,000	5,190	(1,810)
Other	1,400	6,254	4,854
Interest income	7,000	9,573	2,573
Proceeds from sale of fixed assets		1,975	1,975
Grant revenue			
Operating	554,854	623,368	68,514
Capital	348,778	223,671	(125,107)
Operating transfers in			
General Capital Projects Fund			
Operating		7,888	7,888
Capital	164,086	55,918	(108,168)
Utilities System Enterprise Fund			
Operating	<u>1,038,212</u>	<u>1,142,957</u>	<u>104,745</u>
Total Revenues	<u>2,335,580</u>	<u>2,299,385</u>	<u>(36,195)</u>
EXPENDITURES			
Salaries	745,212	698,278	46,934
Pension fund contributions	117,463	109,990	7,473
Hospitalization and life insurance	94,489	82,633	11,856
Unemployment compensation	3,503	3,308	195
Other payroll taxes	6,537	6,240	297
Uniforms	5,500	8,394	(2,894)
Contract labor	12,512	12,512	-0-
Fuel and oil	97,500	100,419	(2,919)
Repairs and maintenance			
Buses, vans, and other vehicles	90,935	116,627	(25,692)
Buildings and equipment	7,549	17,135	(9,586)
Tires	23,500	22,123	1,377
Payments in lieu of insurance premiums	243,577	243,577	-0-
Professional services			
Comprehensive planner	26,397	26,600	(203)
Other	4,000	2,755	1,245
Office supplies and expenses	8,067	6,884	1,183
Utilities	8,000	8,583	(583)
Other	5,296	4,288	1,008
Capital additions	512,864	279,589	233,275
Operating transfers out			
General Fund - indirect costs	198,658	303,403	(104,745)
Risk Management Fund	<u>124,021</u>	<u>124,021</u>	<u>-0-</u>
Total Operating Expenditures	<u>2,335,580</u>	<u>2,177,359</u>	<u>158,221</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -0-</u>	122,026	<u>\$ 122,026</u>
RECONCILIATION TO NET INCOME			
Capital additions		279,589	
Capital contributions		(279,589)	
Depreciation		(289,054)	
Loss on disposition of fixed assets		<u>(11,055)</u>	
<u>NET LOSS - GAAP BASIS</u> (Exhibit J-8)		<u>\$ (178,083)</u>	

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

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

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debts are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

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

E. Budgets and Budgetary Accounting

Annual appropriated operating budgets of proposed expenditures and the means of financing them are adopted for the general, special revenue, and debt service funds. Budgets for capital projects are adopted on a project-length basis. Because these non-operating budgets primarily serve as a management control function, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided in this document. Budgets established for proprietary funds are management budgets and as such are not required to be reported in this document.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. The City maintains pension trust funds to account for the City's employee pension funds. Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

The General Fixed Asset Account Group is used to account for fixed assets other than those used in the proprietary funds.

The General Long-Term Debt Account Group is used to account for long-term debt not accounted for in other funds.

D. Basis of Accounting

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

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

- c. Issue debt without approval by another government.

The component units discussed in Note 1.B. are included in the City's reporting entity based upon the circumstances outlined above.

B. Individual Component Unit Disclosures

Blended Component Units. The Youth Baseball Recreation Board was authorized by the City Council and is governed by a four member board made up of three representatives from the various baseball leagues and one member appointed by the City. The Youth Baseball Recreation Board is reported as if it were part of the primary government because its sole purpose is to operate and maintain the City's baseball complex. The City provides a subsidy to the Board, primarily to finance the operations of the complex.

Discretely Presented Component Units. The component units columns in the combined financial statements include the financial data of the City's other component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City Marshal and the City Judge are elected by the voters of the City of Alexandria. The financial statements of each of these entities are included as of their respective fiscal years ended September 30, 1995.

1. The Alexandria City Marshal is responsible for enforcing judgments of city court, maintaining order within the city court, and collection of city court fines.
2. The Alexandria City Court is responsible for hearing court cases involving violations of city laws and ordinances and for rendering judgments thereon.

Complete financial statements for each of the two discretely presented component units can be obtained from their respective administrative offices.

Administrative Offices:

Alexandria City Marshal
515 Washington Street
Alexandria, Louisiana

Alexandria City Court
515 Washington Street
Alexandria, Louisiana

C. Fund Accounting

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

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alexandria, Louisiana (City) is governed under the provisions of the Home Rule Charter adopted June 7, 1977. The City operates under a Mayor - City Council form of government.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units except as noted elsewhere in this report. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

As mentioned above, the City of Alexandria is governed under the provisions of the Home Rule Charter and operates under a Mayor - City Council form of government. As required by generally accepted accounting principles, these financial statements present the City of Alexandria (the primary government) and its component units. The component units discussed in Note 1.B. are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

In evaluating how to define the City's reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic criteria for including a potential component unit within the reporting entity is whether the primary government is financially accountable for the potential unit. A primary government is financially accountable if it appoints a voting majority of the organization's governing body and either (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing body, a governing board appointed by a higher level government, or a jointly appointed board. An entity is fiscally dependent if it does not have the authority to do all three of the following procedures:

- a. Determine its budget without another government having the authority to approve and modify that budget.
- b. Levy taxes or set rates or charges without approval by another government.

CITY OF ALEXANDRIA, LOUISIANA
Notes to Financial Statements
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CITY OF ALEXANDRIA, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED APRIL 30, 1996

EXHIBIT E
 (Concluded)

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in equity in pooled cash and investments - net	\$ (5,048,158)	\$ (1,102,338)	\$ (6,150,496)
Proceeds from the maturity of investments	(56,238)		(56,238)
Interest received on operating funds	1,526,955	298,895	1,825,850
Net Cash Used by Investing Activities	(3,577,441)	(803,443)	(4,380,884)
NET INCREASE IN CASH AND EQUIVALENTS	444,702	0	444,702
CASH AND EQUIVALENTS, BEGINNING OF YEAR	6,892,033	0	6,892,033
CASH AND EQUIVALENTS, END OF YEAR	\$ 7,336,735	\$ 0	\$ 7,336,735
CLASSIFIED AS			
Current Assets	\$ 1,860,809		\$ 1,860,809
Restricted Assets	5,475,926		5,475,926
TOTAL	\$ 7,336,735	\$ 0	\$ 7,336,735

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

CITY OF ALEXANDRIA, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED APRIL 30, 1996

EXHIBIT E
(Continued)

	ENTERPRISE	INTERNAL SERVICE	TOTAL (MEMORANDUM ONLY)
CASH FLOW FROM OPERATING ACTIVITIES			
Operating income	\$ 7,235,429	\$ (299,081)	\$ 6,936,348
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	5,535,851		5,535,851
Provision for doubtful accounts	265,000	1,195	266,195
Changes in assets and liabilities			
Customer receivables	(1,407,650)		(1,407,650)
Other receivables	1,120	137,773	138,893
Due from other funds	(58,018)		(58,018)
Inventories	87,985		87,985
Accounts payable	(150,665)	(9,659)	(160,324)
Claims payable		(150,916)	(150,916)
Due to other funds	(134,456)	1,009	(133,447)
Accrued expenses and other liabilities	216,909	1,036	217,945
Estimated liability for claims incurred	160,244	832,662	992,906
Customer deposits - net	(97,681)		(97,681)
Net Cash Provided by Operating Activities	11,654,068	514,019	12,168,087
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers - net	(7,529,221)	283,368	(7,245,853)
Advances to other funds	(1,500,000)		(1,500,000)
Repayment of advances to other funds	728,727		728,727
Government subsidy - operations	623,256		623,256
Bank overdraft - net	(5,713)	6,056	343
Net Cash Provided (Used) by Noncapital Financing Activities	(7,682,951)	289,424	(7,393,527)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of property, plant and equipment	(9,985,426)	(674)	(9,986,100)
Government subsidy - capital grant	223,671		223,671
Contributions from capital project funds	55,918	674	56,592
Proceeds from the sale of plant and equipment	7,401		7,401
Issuance of revenue bonds	15,000,000		15,000,000
Repayment of advances due to other funds	(146,949)		(146,949)
Payments of bonds and other indebtedness	(3,523,598)		(3,523,598)
Interest paid on long-term debt	(3,059,872)		(3,059,872)
Interest received on construction funds	1,695,571		1,695,571
Bond issuance costs	(228,252)		(228,252)
Other	12,562		12,562
Net Cash Provided by Capital and Related Financing Activities	51,026	0	51,026

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

CITY OF ALEXANDRIA, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS/FUND BALANCES
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 YEAR ENDED APRIL 30, 1996

EXHIBIT D

	PROPRIETARY FUND TYPE		FIDUCIARY	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	FUND TYPE PENSION TRUSTS	
OPERATING REVENUES				
Charges for sales and services	\$ 61,509,287	\$ 2,995,367	\$	\$ 64,504,654
Member and employer contributions		3,243,307	3,594,463	6,837,770
Investment income			2,860,837	2,860,837
Other	547,674	207,706		755,380
Total Operating Revenues	62,056,961	6,446,380	6,455,300	74,958,641
OPERATING EXPENSES				
Production, distribution, treatment, and collection	40,899,813			40,899,813
Insurance claims and premiums		6,291,107		6,291,107
Cost of service	4,051,256			4,051,256
Depreciation	5,060,494	1,195		5,061,689
Plan benefit payments			3,878,112	3,878,112
Employee refunds			120,232	120,232
General and administrative expense	4,809,969	453,159	99,515	5,362,643
Total Operating Expenses	54,821,532	6,745,461	4,097,859	65,664,852
OPERATING INCOME (LOSS)	7,235,429	(299,081)	2,357,441	9,293,789
NONOPERATING REVENUES (EXPENSES)				
Grant revenue	623,368			623,368
Interest revenue	3,218,847	298,895		3,517,742
Interest expense and fiscal charges	(3,491,810)			(3,491,810)
Disposition of fixed assets	(14,126)			(14,126)
Total Nonoperating Revenues (Expenses)	336,279	298,895	0	635,174
INCOME (LOSS) BEFORE OPERATING TRANSFERS	7,571,708	(186)	2,357,441	9,928,963
OPERATING TRANSFERS IN (OUT)	(7,388,515)	283,368	0	(7,105,147)
NET INCOME	183,193	283,182	2,357,441	2,823,816
RETAINED EARNINGS/FUND BALANCES				
(DEFICIT), BEGINNING OF YEAR	37,913,670	(842,067)	37,500,390	74,571,993
RETAINED EARNINGS/FUND BALANCES (DEFICIT), END OF YEAR	\$ 38,096,863	\$ (558,885)	\$ 39,857,831	\$ 77,395,809

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

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

I. Advances to Other Funds

Loans between funds not occurring during the normal course of operations are classified as advances to other funds.

J. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market, with the exception of central warehouse inventory which is valued at average cost, and are accounted for in the General Fund and Enterprise Funds as assets when purchased and recorded as expenditures or expenses as consumed.

K. Restricted Assets

Certain Enterprise Fund assets are classified as restricted assets because their use is limited to certain activities by Council action. "Cash With Paying Agents account" is used to report cash transferred to the paying agents for payment of May 1st maturities of revenue bonds principal and interest. "Customers' Deposit accounts" are used to account for funds received from customers for utilities deposits. "Revenue Bond Reserve accounts" are used to report resources set aside to make up potential future deficiencies in the Revenue Bond Sinking accounts. "Revenue Bond Capital Additions and Contingencies accounts" are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. "Special Projects accounts" are fund restricted by Council action for certain designated projects. "Utilities Capital Projects accounts" are used to account for funds set aside for capital additions, renewals, and replacements. "Utilities Revenue Bond Construction accounts" are used to report the proceeds of revenue bonds that are restricted for construction.

L. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. General fixed assets are reported on a combination of estimated historical cost and actual historical cost.

Recent purchases have been valued at historical cost. Recent donated fixed assets have been valued at market value on the date of donation. Older assets acquired have been valued at estimated historical cost.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

CITY OF ALEXANDRIA, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
 YEAR ENDED APRIL 30, 1996

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Taxes	\$ 1,481,000	\$ 1,478,402	\$ (2,598)
Licenses and permits	1,546,750	1,624,154	77,404
Intergovernmental	5,820,587	6,234,367	413,780
Charges for services	252,875	268,461	15,586
Fines and fees	605,500	610,246	4,746
Interest	275,000	318,333	43,333
Other	157,811	169,806	11,995
Total Revenues	<u>10,139,523</u>	<u>10,703,769</u>	<u>564,246</u>
EXPENDITURES			
Current			
General government	5,494,812	5,206,732	288,080
Public safety	12,299,284	12,101,274	198,010
Public works	6,497,593	6,411,661	85,932
Special programs			
Capital outlay projects	2,054,559	1,896,802	157,757
Debt service			
Principal	355,407	355,407	0
Interest and fiscal charges	1,536,933	1,536,932	1
Total Expenditures	<u>28,238,588</u>	<u>27,508,808</u>	<u>729,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,099,065)	(16,805,039)	1,294,026
OTHER FINANCING SOURCES (USES)			
Operating transfers in	16,853,557	17,537,647	684,090
Operating transfers out	(1,422,885)	(1,536,939)	(114,054)
Total Other Financing Sources (Uses)	<u>15,430,672</u>	<u>16,000,708</u>	<u>570,036</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,668,393)	(804,331)	1,864,062
FUND BALANCES, BEGINNING OF YEAR	<u>7,861,211</u>	<u>7,861,211</u>	<u>0</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,192,818</u>	<u>\$ 7,056,880</u>	<u>\$ 1,864,062</u>

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated September 12, 1996. These financial statements are the responsibility of the management of the City of Alexandria, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and the combining, individual fund and account group financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Alexandria, Louisiana, taken as a whole, and on the combining, individual fund and account group financial statements. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements and the combining, individual fund and account group financial statements. The information in that schedule has been subjected to the

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MARVIN A. JONEAU, C.P.A.
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CITY OF ALEXANDRIA, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED APRIL 30, 1996

	GENERAL	PRIMARY SPECIAL REVENUE
REVENUES		
Taxes	\$ 1,478,402	\$ 19,298,203
Licenses and permits	1,624,154	
Intergovernmental	6,234,367	1,758,263
Charges for services	268,461	
Fines and fees	610,246	
Interest	318,333	48,484
Court costs		
Other	169,806	133,583
Total Revenues	10,703,769	21,238,533
EXPENDITURES		
Current		
General government	5,206,732	
Public safety	12,101,274	
Public works	6,411,661	
Special programs		2,069,003
Capital outlay projects	1,896,802	
Debt service		
Principal	355,407	
Interest and fiscal charges	1,536,932	
Total Expenditures	27,508,808	2,069,003
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,805,039)	19,169,530
OTHER FINANCING SOURCES (USES)		
Bond issue cost		
Operating transfers in	17,537,647	122,311
Operating transfers out	(1,536,939)	(19,289,346)
Total Other Financing Sources (uses)	16,000,708	(19,167,035)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(804,331)	2,495
FUND BALANCES, BEGINNING OF YEAR	7,861,211	764,821
FUND BALANCES, END OF YEAR	\$ 7,056,880	\$ 767,316

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

EXHIBIT A
(Concluded)

PRIMARY GOVERNMENT'S				COMPONENT UNITS			TOTAL
PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS		TOTAL	ALEXANDRIA		MEMORANDUM
FUND TYPES	FUND TYPES	GENERAL	GENERAL	MEMORANDUM	CITY	CITY	ONLY
INTERNAL	TRUST AND	FIXED	LONG-TERM	ONLY	MARSHAL	COURT	REPORTING
SERVICE	AGENCY	ASSETS	DEBT	PRIMARY			ENTITY
				GOVERNMENT			
\$ 131,014	\$	\$	\$	\$ 131,014	\$	\$	\$ 131,014
538,491				4,030,913	10,915	2,047	4,043,875
5,019	50			1,818,844	34,994	250,224	2,104,062
5,434,124				5,434,124			5,434,124
			1,400,123	1,400,123			1,400,123
				9,866,765			9,866,765
1,425	25,130			2,868,310	2,579	178	2,871,067
				2,663,556			2,663,556
				329,991			329,991
			38,030,865	38,030,865			38,030,865
				63,770,000			63,770,000
				325,244			325,244
	2,006,970			2,006,970			2,006,970
				107,713			107,713
6,110,073	2,032,150	0	39,430,988	132,784,432	48,488	252,449	133,085,369
		59,058,059		59,058,059	124,042	247,325	59,429,426
655,791				44,342,943			44,342,943
				20,411,027			20,411,027
(558,885)				24,183,831			24,183,831
				3,677,137			3,677,137
				2,715,109			2,715,109
	39,857,831			39,857,831			39,857,831
				3,061,601	109,278		3,170,879
				10,486,292		214,019	10,700,311
96,906	39,857,831	59,058,059	0	207,793,830	233,320	461,344	208,488,494
\$ 6,206,979	\$ 41,889,981	\$ 59,058,059	\$ 39,430,988	\$ 340,578,262	\$ 281,808	\$ 713,793	\$ 341,573,863

CITY OF ALEXANDRIA, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 APRIL 30, 1996

	PRIMARY GOVERNMENT'S				PROPRIETARY
	GOVERNMENTAL FUND TYPES				FUND TYPES
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
LIABILITIES, EQUITY, AND OTHER CREDITS					
LIABILITIES					
Bank overdraft	\$	\$	\$	\$	\$
Accounts and contracts payable	275,127	62,273		1,858,157	1,296,865
Accrued expense/other payables	497,321				1,316,454
Liability for unpaid claims costs					
Compensated absences payable					
Payable from restricted assets					9,866,765
Due to other funds	151,342	1,346,125		718,479	625,809
Advance from other funds				2,663,556	
Deferred revenues		29,991		300,000	
General obligations payable					
Revenue bonds					63,770,000
Landfill postclosure care costs					325,244
Deferred compensation benefits					
Installment contracts/certificates					107,713
Total Liabilities	923,790	1,438,389	0	5,540,192	77,308,850
EQUITY AND OTHER CREDITS					
Investment in general fixed assets					
Contributed capital					43,687,152
Retained earnings					
Reserved					20,411,027
Unreserved	7,056,880				17,685,836
Fund balances					
Reserved for					
Encumbrances				3,677,137	
Debt Service			2,715,109		
Employees' retirement					
Unreserved - designated				3,061,601	
Unreserved - undesignated		767,316		9,718,976	
Total Equity and Other Credits	7,056,880	767,316	2,715,109	16,457,714	81,784,015
TOTAL LIABILITIES, EQUITY, AND					
OTHER CREDITS	\$ 7,980,670	\$ 2,205,705	\$ 2,715,109	\$ 21,997,906	\$ 159,092,865

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

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-128**

CITY OF ALEXANDRIA, LOUISIANA
 UNAUDITED LISTING OF INSURANCE IN FORCE
 APRIL 30, 1996

SCHEDULE 9
 (Concluded)

<u>INSURER</u>	<u>EXPIRATION DATE</u>	<u>TYPE OF POLICY</u>	<u>COVERAGE</u>	<u>LIMITS OF COVERAGE</u>
Coregis Insurance Company	05/06/96	Public Officials & Employees Liability	Wrongful Acts - Errors or Omissions, Neglect or Breach of Duty - Claims made Policy. No retro date	\$1,000,000 Per Occurrence/ \$1,000,000 Annual Aggregate Excess of \$75,000 Self Insured Retention
Firemen's Fund of Louisiana	05/06/96	Excess Property under Coregis Policy	Excess all property covered	\$100,000,000 Per Occurrence Excess of \$1,000,000 primary/ with specified sub-limits
Western Surety Company	09/03/96	Public Official Bond	Mayor	\$100,000
Fidelity and Deposit Company of Maryland	05/21/96	Fidelity Bond	Tax Collector	\$ 10,000
Fidelity and Deposit Company of Maryland	09/01/96	Public Employees Honesty Bond	Divisions of Finance, Public Works, Planning and CADS	\$100,000 Per employee \$ 1,000 deductible

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
 UNAUDITED LISTING OF INSURANCE IN FORCE
 , APRIL 30, 1996

SCHEDULE 9
 (Continued)

<u>INSURER</u>	<u>EXPIRATION DATE</u>	<u>TYPE OF POLICY</u>	<u>COVERAGE</u>	<u>LIMITS OF COVERAGE</u>
Coregis Insurance Company	05/06/96	Umbrella Liability	Excess general liability, auto liability, law enforcement and employers liability	\$1,000,000 Per Occurrence \$1,000,000 Aggregate \$1,000,000 Products/ Completed Operations Aggregate
Boston Old Colony Insurance, Co.	05/06/96	Boiler & Machinery	Comprehensive Boiler & Machinery Coverage- All locations owned/operated by City	\$25,000,000 per Accident
Midwest Employers Casualty Co.	05/06/96	Specific Excess Workers' Compensation	Per Louisiana Statutes	Minimum Deductible of \$25,000 Statutory - Excess of \$500,000 Self Insured Retention
			Employers' Liability	\$1,000,000 - Excess of \$500,000 Self Insured Retention

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
 UNAUDITED LISTING OF INSURANCE IN FORCE
 APRIL 30, 1996

SCHEDULE 9
 (Continued)

<u>INSURER</u>	<u>EXPIRATION DATE</u>	<u>TYPE OF POLICY</u>	<u>COVERAGE</u>	<u>LIMITS OF COVERAGE</u>
Coregis Insurance Company	05/06/96	Primary Property	Buildings; Contents Machinery & Equipment; EDP Hardware; Mobile equipment & Automobile physical damage	\$1,000,000 Per Occurrence Inclusive of \$75,000 deductible \$1,000,000 Annual Aggregate on Flood & Earthquake
		General Liability	Bodily Injury & Property Damage; Personal and Advertising Injury; Employee Benefits liability (claims made - Retro Date 5/6/94)	\$1,000,000 Per Occurrence Inclusive of \$150,000 Self Insured Retention \$3,000,000 General Aggregate limit
		Automotive Liability	Bodily Injury	\$1,000,000 per Occurrence Inclusive of \$150,000 Self Insured Retention
		Law Enforcement Liability	Bodily Injury & Personal Injury with other extensions of coverage	\$1,000,000 Per Occurrence Inclusive of \$150,000 Self Insured Retention \$3,000,000 General Liability Aggregate applicable
			Stop loss Aggregate of \$1,400,000 applicable to General Liability/Law Enforcement Liability/Auto Liability combined. Carrier has agreed to limit losses within the Self Insured Retention to \$1,400,000. Should losses exceed \$1,400,000, the carrier will pay self the self insured retention until the \$1,000,000 limit of insurance is exhausted.	

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 1996

EXHIBIT K-3

	RISK MANAGEMENT FUND	EMPLOYEE BENEFITS INSURANCE FUND	UNEMPLOYMENT BENEFITS FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$(252,427)	\$(147,024)	\$ 100,370	\$ (299,081)
Depreciation	1,195			1,195
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Stop loss and subrogation claims receivable	107,073	30,700		137,773
Accounts payable	(14,554)	3,581	1,314	(9,659)
Accrued expenses	1,036			1,036
Due to other funds	1,009			1,009
Claims payable	(165,041)	14,125		(150,916)
Estimated liability for claims incurred	<u>832,662</u>			<u>832,662</u>
Net Cash Provided (Used) by Operating Activities	510,953	(98,618)	101,684	514,019
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Bank overdraft	3,281	2,775		6,056
Residual equity transfer	(115,498)		115,498	-0-
Operating transfers in	<u>283,368</u>			<u>283,368</u>
Net Cash Provided by Noncapital Financing Activities	171,151	2,775	115,498	289,424
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of property, plant, and equipment	(674)			(674)
Contributions from other funds	<u>674</u>			<u>674</u>
Net Cash Provided by Capital and Related Financing Activities	-0-	-0-	-0-	-0-
CASH FLOWS FROM INVESTING ACTIVITIES				
Decrease (Increase) in equity in pooled cash and investments	(854,505)	(21,124)	(226,709)	(1,102,338)
Interest received	<u>172,401</u>	<u>116,967</u>	<u>9,527</u>	<u>298,895</u>
Net Cash Provided (Used) by Investing Activities	<u>(682,104)</u>	<u>95,843</u>	<u>(217,182)</u>	<u>(803,443)</u>
NET INCREASE IN CASH	-0-	-0-	-0-	-0-
CASH, BEGINNING OF YEAR	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>CASH, END OF YEAR</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

EXHIBIT C

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 18,862,615	\$ 19,298,203	\$ 435,588	\$	\$	\$
4,255,595	1,758,263	(2,497,332)			
28,500	48,484	19,984	121,000	130,172	9,172
131,300	133,583	2,283			
23,278,010	21,238,533	(2,039,477)	121,000	130,172	9,172
5,376,916	2,069,003	3,307,913			
			1,296,000	1,296,000	0
			901,744	901,454	290
5,376,916	2,069,003	3,307,913	2,197,744	2,197,454	290
17,901,094	19,169,530	1,268,436	(2,076,744)	(2,067,282)	9,462
542,650	122,311	(420,339)	2,068,683	2,068,249	(434)
(18,970,838)	(19,289,346)	(318,508)			
(18,428,188)	(19,167,035)	(738,847)	2,068,683	2,068,249	(434)
(527,094)	2,495	529,589	(8,061)	967	9,028
764,821	764,821	0	2,714,142	2,714,142	0
\$ 237,727	\$ 767,316	\$ 529,589	\$ 2,706,081	\$ 2,715,109	\$ 9,028



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

The management of the City of Alexandria, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements and the combining, individual fund and account group financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories.

Accounting Controls: General accounting; cash in banks; receipts and disbursements; investments; revenue and receivables - governmental and/or service revenue; expenditures for goods and services and accounts payable; payroll and related liabilities; property, equipment, and capital expenditures; and insurance.

Administrative Controls: General Requirements - Political activity; Davis-Bacon Act Compliance; Civil Rights; Cash Management; Federal Financial Reports; Allowable costs/Cost principles; Drug Free Workplace Act; and Administrative requirements; Specific Requirements - types of services allowed or unallowed; reporting; claims for advances and reimbursements; and amounts claimed or used for matching.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended April 30, 1996, the City of Alexandria, Louisiana, expended ninety-seven (97%) percent of its total federal financial assistance under major federal financial assistance programs.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

P. Fund Equity

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

Q. Retained Earnings - Reserved

Retained earnings - reserved, as reported in the combined balance sheet, represents certain restricted assets accumulated in accordance with the outstanding revenue bond indentures which are in excess of related current liabilities payable from restricted assets, and funds reserved for ongoing and future anticipated Utilities System capital construction activity.

R. Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. Memorandum Only-Total Columns

Total columns in the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH AND INVESTMENTS; CASH AND INVESTMENTS

The City maintains separate cash and investment pools that are available for use by all funds not required to maintain separate accounts in accordance with state law, or bond indentures. In addition, cash and investments are held by several of the City's funds. Each fund type's portion of this pool is displayed in the combined balance sheet as "Equity in Pooled Cash and Investments."

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

At April 30, 1996, the pooled cash and investments account was comprised of the following:

	<u>CASH</u> <u>POOL</u>	<u>INVESTMENT</u> <u>POOL</u>	<u>TOTALS</u>
Cash and Cash equivalents			
Cash in Bank	\$30,421	\$ 435,241	\$ 465,662
Repurchase agreements		10,621,601	10,621,601
Investments			
United States government and agency issues		57,677,811	57,677,811
Interest receivable		<u>882,337</u>	<u>882,337</u>
Totals	<u>\$30,421</u>	<u>\$69,616,990</u>	<u>\$69,647,411</u>

A summary of the amount of equity in pooled cash and investments by fund at April 30, 1996, follows.

	<u>CASH</u> <u>POOL</u>	<u>INVESTMENT</u> <u>POOL</u>	<u>TOTALS</u>
Unrestricted			
General Fund	\$ 1,030	\$ 5,764,520	\$ 5,765,550
Special Revenue Fund			
Decentralized Art Fund	29,391		29,391
Capital Project Funds			
General Capital Projects Fund		10,506,256	10,506,256
1988 Drainage Property Tax Fund		3,573,609	3,573,609
1993 Streets and Drainage Property Tax Fund		4,201,206	4,201,206
Enterprise Funds			
Utilities System Fund		3,475,372	3,475,372
Municipal Bus Line Fund		281,431	281,431
Sanitation Fund		187,106	187,106
Internal Service Funds			
Risk Management Fund		3,856,067	3,856,067
Employee Benefits Insurance Fund		2,081,925	2,081,925
Unemployment Benefits Fund		<u>226,709</u>	<u>226,709</u>
Total Unrestricted	<u>30,421</u>	<u>34,154,201</u>	<u>34,184,622</u>

(continued)

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

	<u>CASH</u> <u>POOL</u>	<u>INVESTMENT</u> <u>POOL</u>	<u>TOTALS</u>
Restricted - Utilities System			
Enterprise Fund			
Customers' deposits	\$	\$ 2,720,605	\$ 2,720,605
Special projects		1,386,239	1,386,239
Revenue bond reserve		1,530,313	1,530,313
Utilities capital projects		8,735,939	8,735,939
Utilities revenue bond construction		<u>21,089,693</u>	<u>21,089,693</u>
Total Restricted	<u>-0-</u>	<u>35,462,789</u>	<u>35,462,789</u>
Totals	\$30,421	\$69,616,990	\$69,647,411

Cash. At April 30, 1996, cash consisted of the following:

	<u>TOTAL</u>	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>POOLED</u> <u>CASH</u>
Petty cash and change funds	\$ 8,300	\$ 8,300	\$	\$
Cash with bond paying agents	5,475,926		5,475,926	
Cash and cash equivalents				
Cash in bank	3,033,434	2,567,772		465,662
Repurchase agreements	<u>12,846,420</u>	<u>2,224,819</u>		<u>10,621,601</u>
Total	\$21,364,080	\$4,800,891	\$5,475,926	\$11,087,263

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

Investments. The City may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment. In addition, the City of Alexandria Employees' Retirement System plan may invest in corporate stocks and bonds.

A summary of investments at year-end is shown below. All investments are held by the City or its agent in the City's name. Certificates of deposits classified as investments were entirely covered by federal depository insurance or by collateral held by the City or its agent in the City's name.

	<u>CARRYING</u> <u>AMOUNT</u>	<u>MARKET</u> <u>VALUE</u>	<u>UNREALIZED</u> <u>GAIN</u> <u>(LOSS)</u>
Certificates of deposit	\$ 1,429,438	\$ 1,429,438	\$ -0-
U.S. Treasury obligations	69,296,005	69,573,416	277,411
Zero coupon treasury receipts	4,230,755	5,592,120	1,361,365
GNMA notes	2,634,794	2,994,915	360,121

(continued)

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

	CARRYING AMOUNT	MARKET VALUE	UNREALIZED GAIN (LOSS)
FNMA notes	946,625	994,593	47,968
Corporate bonds	19,959,610	21,519,240	1,559,630
Corporate stocks	<u>7,244,133</u>	<u>8,816,738</u>	<u>1,572,605</u>
Totals	\$105,741,360	\$110,920,460	\$5,179,100

3. RECEIVABLES

Receivables at April 30, 1996 consist of the following:

	GOVERNMENTAL FUND TYPES	PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	TOTALS
Taxes - ad valorem	\$ 144,989	\$	\$	\$ 144,989
Accounts				
Uncollected cycle billings		3,678,686		3,678,686
Estimated services between cycles		3,231,927		3,231,927
Intergovernmental				
Federal	55,030	192,452		247,482
State	2,826,448	11,575		2,838,023
Interest and dividends	39,153	67,612	596,102	702,867
Other	<u>1,082,903</u>	<u>39,160</u>		<u>1,122,063</u>
Gross receivables	4,148,523	7,221,412	596,102	11,966,037
Allowance for uncollectible	<u>(824,322)</u>	<u>(602,456)</u>	<u>-0-</u>	<u>(1,426,778)</u>
Net Receivables	\$3,324,201	\$6,618,956	\$596,102	\$ 10,539,259

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City normally in October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Rapides Parish.

For the year ended April 30, 1996, taxes of 17.88 mills were levied on property with assessed values totaling \$195,564,623 and were dedicated as follows:

Streets and Drainage	11.25 mills
General purpose	6.63 mills

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

5. **ADVANCES FROM/TO OTHER FUNDS**

Advances from and to other funds at April 30, 1996, consist of the following:

	<u>ADVANCES TO OTHER FUNDS</u>	<u>ADVANCES FROM OTHER FUNDS</u>
Capital Projects Funds		
General Capital Projects Fund	\$	\$1,500,000
1993 Streets and Drainage Property Tax Fund		1,163,556
Enterprise Funds		
Utilities System Fund - included in Restricted Assets - Special Projects Accounts	<u>2,663,556</u>	
Totals	\$2,663,556	<u>\$2,663,556</u>

Of the above amount, \$1,931,778 is noncurrent.

6. **RESTRICTED ASSETS**

At April 30, 1996, restricted assets of the Utility System Enterprise Fund are comprised of the following:

Cash and equivalents	\$ 5,475,926
Equity in pooled cash and investments	35,462,789
Investments, at amortized cost	6,776,872
Advances to other funds	2,663,556
Grant receivable	<u>136,988</u>
Total	\$50,516,131

Restricted assets of the Utility System Enterprise Fund by account, at April 30, 1996, consist of the following:

Cash with Paying Agents	
Cash and equivalents	\$ 5,475,926
Customers' Deposits accounts	
Equity in pooled cash and investments	2,720,605
Special Projects accounts	
Equity in pooled cash and investments	1,386,239
Advances to other funds	
General Capital Projects Fund (Current \$150,000)	1,500,000
1993 Streets and Drainage Property Tax Fund (Current \$581,778)	<u>1,163,556</u>
Total	4,049,795

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

Revenue Bond Reserve accounts		
Equity in pooled cash and investments	1,530,313	
Investments, at amortized cost	<u>5,776,872</u>	
Total		7,307,185
Revenue Bond Capital Additions and Contingencies accounts		
Investments, at amortized cost		1,000,000
Utilities Capital Projects accounts		
Equity in pooled cash and investments	8,735,939	
Grant receivable	<u>136,988</u>	
Total		8,872,927
Utilities Revenue Bond Construction accounts		
Equity in pooled cash and investments		<u>21,089,693</u>
Total		\$50,516,131

Section IX of the 1996/97 annual operating budget provides that revenues in excess of amounts budgeted in the 1996/97 annual operating and capital budgets for video poker shall be transferred to the Utilities Special Projects Restricted Assets.

7. FIXED ASSETS

The following is a summary of changes in fixed assets during the fiscal year.

	BALANCE <u>5/1/95</u>	ADDITIONS	(RETIREMENTS)	COMPLETED CONSTRUCTION	BALANCE <u>4/30/96</u>
GENERAL FIXED ASSET ACCOUNT GROUP					
Land	\$ 5,543,810	\$ 886,033	\$	\$	\$ 6,429,843
Buildings and improvements	26,597,472	16,900		754,950	27,369,322
Furniture and fixtures	819,608	9,571	(3,480)		825,699
Equipment	4,622,899	472,039	(7,756)		5,087,182
Vehicles	4,430,771	1,222,923	(360,943)		5,292,751
Construction in progress	<u>2,231,039</u>	<u>12,577,173</u>	<u> </u>	<u>(754,950)</u>	<u>14,053,262</u>
Totals	\$44,245,599	\$15,184,639	\$(372,179)	\$ -0-	\$59,058,059

In the general fixed assets account group, a certain portion of the costs of the assets has been estimated based upon current costs. The amount of general fixed assets that is valued at actual historical cost and those valued at estimated historical cost are detailed below:

Actual historical cost	\$57,257,330
Estimated historical cost	<u>1,800,729</u>
Total	\$59,058,059

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

	<u>BALANCE</u> <u>5/1/95</u>	<u>ADDITIONS</u>	<u>(RETIREMENTS)</u>	<u>COMPLETED</u> <u>CONSTRUCTION</u>	<u>BALANCE</u> <u>4/30/96</u>
ENTERPRISE FUNDS					
Utilities System					
Land	\$ 796,939	\$ 400,000	\$	\$	\$ 1,196,939
Plant and equipment	141,198,000	953,967	(802,432)	59,696	141,409,231
Vehicles	3,423,879	353,032	(240,997)	23,900	3,559,814
Construction in progress	<u>4,038,194</u>	<u>8,509,158</u>	<u> </u>	<u>(83,596)</u>	<u>12,463,756</u>
Totals	149,457,012	10,216,157	(1,043,429)	-0-	158,629,740
Sanitation Fund					
Vehicles	1,011,789	184,334			1,196,123
Furniture and equipment	<u>62,837</u>	<u> </u>	<u> </u>	<u> </u>	<u>62,837</u>
Totals	1,074,626	184,334	-0-	-0-	1,258,960
Municipal Bus Line					
Buildings and terminals	1,504,267				1,504,267
Buses	2,386,377	197,500	(657,800)		1,926,077
Other vehicles	74,253	62,430	(13,621)		123,062
Equipment	<u>261,127</u>	<u>19,659</u>	<u>(5,922)</u>	<u> </u>	<u>274,864</u>
Totals	<u>4,226,024</u>	<u>279,589</u>	<u>(677,343)</u>	<u>-0-</u>	<u>3,828,270</u>
Totals	\$154,757,662	\$10,680,080	\$(1,720,772)	\$ -0-	\$163,716,970
Accumulated depreciation					<u>(70,917,626)</u>
NET FIXED ASSETS - ENTERPRISE FUNDS					\$ 92,799,344
INTERNAL SERVICE FUNDS					
Risk Management					
Vehicles	\$ 5,044	\$	\$	\$	\$ 5,044
Furniture & equipment	<u>5,594</u>	<u>674</u>	<u> </u>	<u> </u>	<u>6,268</u>
Totals	\$ 10,638	\$ 674	\$ -0-	\$ -0-	\$ 11,312
Accumulated depreciation					<u>(6,666)</u>
NET FIXED ASSETS - INTERNAL SERVICE FUND					\$ 4,646
FIDUCIARY FUNDS					
Employees' Retirement System					
Furniture & equipment	\$ 16,507	\$ 504	\$ -0-	\$ -0-	\$ 17,011
Accumulated depreciation					<u>(9,699)</u>
NET FIXED ASSETS - FIDUCIARY FUNDS					\$ 7,312

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

Fixed assets are depreciated in the proprietary and similar trust funds using the straight line method over the following estimated useful lives:

Utilities System	
Plant and equipment	8 - 50 years
Vehicles	3 - 8 years
Sanitation Fund	
Vehicles	6 - 10 years
Furniture and equipment	4 - 10 years
Municipal Bus Line	
Buildings and terminals	10 - 40 years
Buses	4 - 8 years
Other vehicles	6 - 8 years
Equipment	3 - 20 years
Risk Management	
Vehicles	3 years
Employees' Retirement System	
Furniture and equipment	5 - 7 years

Depreciation expense included in the financial statements for the fiscal year is summarized below:

Enterprise Funds	
Utilities System Fund	\$5,098,004
Sanitation Fund	148,793
Municipal Bus Line Fund	289,054
Internal Service Fund	
Risk Management Fund	1,195
Pension Trust Fund	
Employees' Retirement System Fund	<u>2,657</u>
	\$5,539,703

The Utilities System depreciation expense above includes \$475,357 which is reflected in overhead in the operating statements. The Employees' Retirement System depreciation is included in administrative expenses.

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

A summary of significant construction or renovation projects is presented below:

	<u>PROJECT AUTHORIZATION</u>	<u>EXPENDED TO DATE</u>	<u>COMMITMENT</u>	<u>REQUIRED FURTHER FINANCING</u>
Public Safety				
Public safety complex	\$ 7,300,000	\$ 707,526	\$ -0-	(1)
Public works				
Exhibition and River Front Center	17,250,799	13,431,823	2,778,339	(2)
Downtown parking garage	<u>4,125,663</u>	<u>546,946</u>	<u>65,894</u>	(3)
Totals	21,376,462	13,978,769	2,844,233	
Utilities System				
Electric	13,508,012	3,339,657	4,385,576	None
Gas	17,350,983	8,658,861	1,157,478	None
Water	2,591,437	860,890	211,231	None
Wastewater	<u>5,591,286</u>	<u>87,945</u>	<u>1,162,601</u>	None
Totals	<u>39,041,718</u>	<u>12,947,353</u>	<u>6,916,886</u>	
Totals	\$67,718,180	\$27,633,648	\$9,761,119	

- (1) On May 9, 1996, \$7,300,000 in General obligation bonds payable from ad valorem tax revenues were issued for the purpose of constructing the public safety complex.
- (2) Financing for the Exhibition and River Front Center is provided by state grants, sales tax revenues dedicated to capital projects, General Fund revenues, and an interfund loan from the Utilities System.
- (3) The downtown parking garage will be financed by sales tax revenues dedicated to capital projects, and operating transfers from the Utilities System.

8. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Liabilities payable from restricted assets of the Utilities System Enterprise Fund consisted of the following at April 30, 1996:

Payable from cash with paying agent	
Revenue bonds	\$3,590,000
Interest	1,885,926
Payable from customer deposit accounts	
Customer guaranteed deposits	2,720,605
Payable from capital projects accounts	
Accounts and contracts	818,880
Payable from revenue bond construction accounts	
Accounts and contracts	<u>851,354</u>
Total	\$9,866,765

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

Budgeted amounts are as originally adopted, or as amended from time to time by the Council.

Budgets are adopted consistent with generally accepted accounting principles, except those which are adopted on a project-length basis.

Budgets are adopted on a line item basis. Administrative amendments can be made on a departmental basis between line item accounts only. Interdepartmental amendments, interfund amendments, and additional appropriations from one fund to another are subject to Council approval. The overall level of control is on an interdepartmental basis.

Annual operating budget appropriations expire at the close of the fiscal year to the extent not expended.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the General and Capital Projects Funds. Encumbrances at year end, if material, are reported as reservations of fund balances.

G. Cash and Investments

Cash includes amounts on hand and in demand deposits. Investments are stated at cost or amortized cost, except for the Deferred Compensation Agency Fund in which investments are reported at market.

Management has amortized premiums or discounts on securities by the straight-line method. The difference in amortization by the straight-line method and the effective interest rate method is not material in relation to the financial statements taken as a whole. Interest income is recognized as earned. Gains and losses on sales of securities are recognized on the transaction date.

For the purpose of the statement of cash flows, management considers all highly liquid investments, including restricted assets, with a maturity of three months or less, when purchased, to be cash equivalents.

H. Short-term Interfund Receivables/Payables

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

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

10. EMPLOYEE BENEFITS INSURANCE

During a prior fiscal year, the City established an Employee Benefits Insurance Fund (an internal service fund) to account for and finance employee hospitalization/health insurance and certain employee life insurance. Under this program, the Employee Benefits Insurance Fund normally provides coverage for a maximum of \$75,000 per plan year for each covered employee's (and dependent's, if applicable) qualifying health claims. Commercial insurance is purchased for health claims in excess of self-insured maximum of \$75,000 for each covered employee's (and dependent's, if applicable) qualifying health claims. The Fund does not have a maximum aggregate retained loss. The Employee Benefit Insurance Fund also purchases certain employee life insurance.

All funds of the City and covered employees participate in the program and make payments to the Employee Benefits Insurance Fund based on estimates of the amount needed to pay current year claims. The claims liability of \$287,222 reported in the Fund at April 30, 1996, is based upon the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in the fiscal year ending April 30, 1996, were as follows:

Balance, beginning of the year	\$ 273,097
Current year claims and changes in estimates	3,012,455
Claims payments	<u>(2,998,330)</u>
Balance, end of the year	\$ 287,222

11. UNEMPLOYMENT BENEFITS

Effective May 1, 1995, the City established the Unemployment Benefits Fund (an internal service fund) to fund self-insured unemployment claims under state statutes. All claims are administered by the state unemployment office. Approved claims are paid by the state, which invoices the City for reimbursement.

All funds of the City participate in the program. Payments in the amount of one-half percent (0.5%) of payroll is paid to the Unemployment Benefits Fund. Management plans are to accumulate approximately \$300,000 in this fund. Interest earnings from investments would then be used to pay claims.

Claims incurred as of April 30, 1996 are considered immaterial and are not included in this report.

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM REVENUE BOND CONSTRUCTION FUNDS
 SCHEDULE OF REVENUES AND EXPENDITURES
 YEAR ENDED APRIL 30, 1996

SCHEDULE 6

	1989 UTILITY REVENUE <u>BONDS</u>	1993 UTILITY REVENUE <u>BONDS</u>	1995 UTILITY REVENUE <u>BONDS</u>	<u>TOTAL</u>
REVENUES				
Transfer from Utilities System Fund	\$	\$	\$13,546,821	\$13,546,821
Interest earned	<u>59,008</u>	<u>511,906</u>	<u>575,474</u>	<u>1,146,388</u>
Total Revenues	59,008	511,906	14,122,295	14,693,209
EXPENDITURES				
Electrical Division				
Land			400,000	400,000
Substation improvements	172,228		691,008	863,236
Water Division				
Extension and improvements	243,040			243,040
Repair and maintenance projects	5,660			5,660
Gas Division				
Replacement program		4,960,888		4,960,888
Waste Water Division				
Machinery and equipment	57,835			57,835
Transfer to Utilities System Capital Projects Fund			<u>260,701</u>	<u>260,701</u>
Total	<u>478,763</u>	<u>4,960,888</u>	<u>1,351,709</u>	<u>6,791,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (419,755)</u>	<u>\$ (4,448,982)</u>	<u>\$ 12,770,586</u>	<u>\$ 7,901,849</u>

See independent auditor's report.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated September 12, 1996. We have also audited the City of Alexandria, Louisiana's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 12, 1996.

We conducted our audits in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement and about whether the City of Alexandria, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended April 30, 1996, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, and on the compliance of the City of Alexandria, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements and the combining, individual fund and account group financial statements in a separate report dated September 12, 1996.

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MARVIN A. JONEAU, C.P.A.	ROBERT L. LITTON, C.P.A.	REBECCA B. MORRIS, C.P.A.
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements and the combining, individual fund and account group financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Alexandria, Louisiana, in a separate letter entitled, *Other Comments and Recommendations*, dated September 12, 1996.

This report is intended for the information of the Mayor and City Council of the City of Alexandria, Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

PHYSICAL INVENTORY OF FUEL AT MOTORPOOL NOT RECONCILED TO BOOKS

Our tests indicate that the physical inventory for fuel at the motorpool was not reconciled to the related general ledger control account on a regular basis. These tests indicate that the motorpool was not charging fuel to the user departments at the correct rate. The effect of this was to require an adjustment in excess of \$40,000 to adjust the general ledger control account for fuel at the motorpool to agree to the year-end fuel physical inventory.

We recommend that a monthly reconciliation of the motorpool physical inventory for fuel to the related general ledger control account be prepared. Any discrepancies should be investigated and corrected.

MANAGEMENT'S RESPONSE

A load of gasoline purchased and dropped into the tank needs to be tracked through the system to determine if the correct charge is being made. We will begin this procedure and also begin the monthly reconciliation as suggested.

REFUNDS TO THE EMPLOYEE BENEFITS INSURANCE FUND

Refunds from health providers to the Employee Benefits Insurance Fund are being made payable to the third-party administrator. The administrator endorses these refund checks as payable to the City and forwards these checks to the City for deposit into the Employee Benefits Insurance Fund bank account. There are no controls in place to ensure that all refunds received by the third-party administrator on behalf of the City are forwarded to the City.

We recommend that all health providers be informed that refund checks are to be made payable to the City of Alexandria instead of the third-party administrator.

MANAGEMENT'S RESPONSE

The third-party administrator will begin printing the following on all check stubs - "ATTENTION: Any refunds should be made payable to the City of Alexandria."



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

In planning and performing our audit of the general purpose financial statements and combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, for the year ended April 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed the control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and combining, individual fund and account group financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements and combining, individual fund and account group financial statements.

The reportable conditions noted are as follows:

GENERAL FIXED ASSETS DONATED TO THE CITY NOT RECORDED

The City's policy is to record donated general fixed assets at market value on the date of donation in the General Fixed Asset Account Group. Our tests discovered that land valued at \$420,000 donated to the City was not recorded in the General Fixed Asset Account Group as required by the City's policy.

We recommend that procedures be established to provide copies of acts of donation to accounting personnel to ensure that all donated fixed assets are recorded in accordance with the City's policy.

MANAGEMENT'S RESPONSE

The appropriate city personnel will be notified of the proper recording procedures, and we will ensure that all future act of donation documents are sent to the accounting department.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF THE GENERAL PURPOSE, COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996 and have issued our report thereon dated September 12, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement.

The management of the City of Alexandria is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements and combining, individual fund and account group financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF THE GENERAL PURPOSE, COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

CITY OF ALEXANDRIA, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 YEAR ENDED APRIL 30, 1996

FEDERAL GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH GRANT NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED REVENUE AT MAY 1, 1995	RECEIPTS	EXPENDITURES	ACCRUED REVENUE AT APRIL 30, 1996
U.S. Department of Housing and Urban Development							
Community Development Entitlement program	14.218	B-93-MC-22-0001	\$1,136,000	\$114,816	\$ 516,475	\$ 401,659	\$ -0-
Entitlement program	14.218	B-94-MC-22-0001	1,235,000	-0-	688,010	736,687	48,677
Entitlement program	14.218	B-95-MC-22-0001	1,124,000	-0-	-0-	-0-	-0-
Home Investment Partnership Program	14.218	M-92-MC-22-0205	638,000	-0-	15,500	15,500	-0-
Home Investment Partnership Program	14.218	M-93-MC-22-0205	372,000	6,811	256,111	249,300	-0-
Home Investment Partnership Program	14.218	M-94-MC-22-0205	379,000	-0-	66,385	72,738	-0-
Totals	14.218	M-95-MC-22-0205	409,000	-0-	1,542,481	1,475,884	55,030
U.S. Department of Transportation							
Urban Mass Transportation Capital and Operating Assistance	20.507	LA-90-X005	226,000	-0-	5,947	5,947	-0-
Capital and Operating Assistance	20.507	LA-90-X107	1,229,400	-0-	2,990	160,990	158,000
Capital and Operating Assistance	20.507	LA-90-X121	730,684	993	21,275	32,350	12,068
Capital and Operating Assistance	20.507	LA-90-X134	616,000	4,720	42,482	53,952	16,190
Capital and Operating Assistance	20.507	LA-90-X158	578,000	2,829	15,788	12,959	-0-
Totals	20.507	LA-90-X168	538,454	-0-	443,066	449,260	6,194
U.S. Department of Agriculture							
Passed-through the State of Louisiana Department of Agriculture and Forestry LDAF Tree Planting Grant URBAN Community Forestry Grant	59.009		7,760	-0-	7,760	7,760	-0-
	10.664		5,000	-0-	5,000	5,000	-0-
U.S. Department of Justice							
COPS FAST Passed-through the State of Louisiana Commission on Law Enforcement and Administration Street Sales Disruption Totals	16.710		164,036	-0-	18,547	35,650	17,103
	16.579	95-P3-B1-0039	72,598	-0-	18,147	36,294	18,147
					36,694	71,944	35,250
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$130,169	\$2,123,483	\$2,276,046	\$282,732	

See independent auditor's report on supplementary information - schedule of federal financial assistance.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole and the financial statements of each of the respective individual funds and account groups.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

9. **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During a prior fiscal year, the City established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage up to the maximum amounts indicated in the following table. The City purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims did not exceed this commercial coverage for the fiscal year ended April 30, 1996.

	LOSS RETAINED	EACH IN AGGREGATE
	<u>OCCURRENCE</u>	
General liability	\$150,000	\$1,400,000
Automobile liability	150,000	1,400,000
Workers' Compensation	500,000	Statutory
Public officials and employees liability	75,000	1,400,000
Property damage	75,000	1,400,000

All funds of the City participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$5,672,285 reported in the Fund, as of April 30, 1996, is based on the requirements of GASB Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City has elected to record the liability on the discounted basis.

Changes in the Fund's claims liability amount in the fiscal year ending April 30, 1996, were as follows:

Balance, beginning of the year	\$ 5,004,664
Current year claims and changes in estimates	2,266,608
Claims payments	<u>(1,598,987)</u>
Balance, end of the year	\$ 5,672,285

Management plans to fund the balance of the actuarially determined accumulated deficit in the Risk Management Fund over time by operating transfers from various funds. At the balance sheet date, the sum of \$124,810 has been funded for catastrophic losses.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE GENERAL PURPOSE, COMBINING,
INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated September 12, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Alexandria, Louisiana, is the responsibility of the management of the City of Alexandria, Louisiana. As part of obtaining reasonable assurance about whether the general purpose financial statements and the combining, individual fund and account group financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements and the combining, individual fund and account group financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under *Government Auditing Standards* for which the ultimate resolution cannot presently be determined or which has no effect on the financial statements. Accordingly, no provision for any liability that may result has been recognized in the City of Alexandria, Louisiana's 1996 general purpose financial statements and the combining, individual fund and account group financial statements.

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CITY OF ALEXANDRIA, LOUISIANA
SANITATION ENTERPRISE FUND
COMPARISON OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED APRIL 30, 1996

SCHEDULE 8

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Charges for services			
Collection fees	\$1,845,000	\$1,874,795	\$ 29,795
Disposal fees	983,000	736,339	(246,661)
Garbage bags	25,000	17,808	(7,192)
Interest revenue	20,000	15,769	(4,231)
Other income		400	400
Operating transfers in			
General Fund	148,568	262,622	114,054
Utilities System Fund	7,815	12,988	5,173
Total Revenues	<u>3,029,383</u>	<u>2,920,721</u>	<u>(108,662)</u>
EXPENDITURES			
Salaries	831,365	846,695	(15,330)
Employee fringe benefits	277,571	275,333	2,238
Disposal costs	758,900	728,466	30,434
Payments in lieu of insurance	216,097	216,097	-0-
Operating supplies	79,698	85,414	(5,716)
Vehicle costs			
Gas and oil	48,890	55,807	(6,917)
Repairs and maintenance	95,210	118,227	(23,017)
Recycling program	26,000	30,634	(4,634)
Litter reduction - Cenla Pride	36,000	36,000	-0-
Provision for doubtful accounts	11,645	11,645	-0-
Professional services	1,600	971	629
Other repairs and maintenance	2,000	848	1,152
Other operating costs	31,523	8,511	23,012
Landfill rent	72,500		72,500
Landfill closure costs	120,000	172,280	(52,280)
Capital additions	184,334	184,334	-0-
Repayment of advance from Utilities System Fund	146,958	146,949	9
Operating transfers out			
General Fund - indirect costs	148,568	262,622	(114,054)
Utilities System Fund - indirect costs	7,815	12,988	(5,173)
Total Expenditures	<u>3,096,674</u>	<u>3,193,821</u>	<u>(97,147)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(67,291)</u>	(273,100)	\$ <u>(205,809)</u>
RECONCILIATION TO NET INCOME			
Capital additions		184,334	
Repayment of advance from Utilities System Fund		146,949	
Landfill closure costs		6,018	
Depreciation		<u>(148,793)</u>	
<u>NET INCOME - GAAP BASIS</u> (Exhibit J-11)		\$ <u>(84,592)</u>	

See independent auditor's report.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated September 12, 1996.

In connection with our audit of the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and with our consideration of the City of Alexandria, Louisiana's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended April 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching; and eligibility. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Alexandria, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Alexandria, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

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MARVIN A. JUNEAU, C.P.A. ROBERT I. LITTON, C.P.A. REBECCA B. MORRIS, C.P.A.
W. FRED RANDOW, C.P.A. ROBERT W. DVORAK, C.P.A. MICHAEL A. JUNEAU, C.P.A.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

In our opinion, the City of Alexandria, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended April 30, 1996.

This report is intended for the information of the Mayor and City Council of the City of Alexandria, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated September 12, 1996.

We have also audited the City of Alexandria, Louisiana's compliance with the requirements governing types of services allowed or unallowed; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended April 30, 1996. The management of the City of Alexandria, Louisiana, is responsible for the City of Alexandria, Louisiana's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular (OMB) A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Alexandria, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

This report is intended for the information of the Mayor and City Council of the City of Alexandria, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996



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CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, and have issued our report thereon dated September 12, 1996.

We have applied procedures to test the City of Alexandria, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended April 30, 1996:

Political activity; Davis-Bacon Act; Civil rights; Cash management; Federal financial reports; Allowable costs/Cost principles; Drug-free Workplace Act; and Administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Alexandria, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Alexandria, Louisiana, had not complied, in all material respects, with those requirements.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE
TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

OTHER COMMENTS AND RECOMMENDATIONS



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

LOUISIANA LOCAL GOVERNMENT BUDGET ACT

Budgeted revenue exceeded actual revenue by five percent (5%) or more in the following special revenue funds. Budgets adopted for these funds were on a project basis instead of an annual basis as required by state law.

Community Development Block Grant Fund
Decentralized Art Fund
Home Investment Partnership Program Fund

Actual expenditures exceeded budgeted expenditures by more than five percent (5%) in the Youth Baseball Recreation Special Revenue Fund.

MANAGEMENT'S RESPONSE

In three funds; Community Development Block Grant Fund, Decentralized Art Fund, and Home Investment Partnership Fund, budgeted revenue exceeded actual revenue by five percent (5%). All three of these funds are special revenue funds whose funding is derived from another governmental entity. The funds are budgeted based upon the total appropriation to be received from that entity for that particular grant period. Community Development and Home Investment Partnership Fund are Federally funded programs and follow the federal government's fiscal year (October 1 through September 30). Decentralized Art Fund is a program ran through the State of Louisiana and follows the State's fiscal year (July 1 through June 30).

Actual expenditures exceeded budgeted expenditures by more than five percent in the Youth Baseball Recreation Fund.

New procedures have been implemented to prevent these findings from reoccurring. A form has been developed to monitor the total budgeted revenues and expenditures to actual revenues and expenditures for all funds. In the event the fund will be over or under the 5% bench mark, a budget amendment will be made to correct the appropriate accounts.

ASSET MANAGEMENT LAWS

It is our understanding the Louisiana Revised Statutes require the City to physically inventory fixed assets annually. We were informed that a physical inventory of fixed assets was not conducted during the year ended April 30, 1996.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and City Council
City of Alexandria, Louisiana

In planning and performing our audit of the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 1996, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls, operating efficiency, and possible compliance with laws. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated September 12, 1996, contains our report on reportable conditions in the City's internal control structure. This letter does not affect our report dated September 12, 1996 on the general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management personnel, and we will be pleased to discuss them in detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE GENERAL PURPOSE, COMBINING,
INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

This report is intended for the information of the Mayor and City Council of the City of Alexandria, Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996

CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary and nonexpendable trust fund types is computed using the straight-line method.

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

M. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond issuance costs for proprietary fund types are recorded as deferred charges.

N. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave of governmental funds that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No accrued current expenditures are reported in the governmental funds as the amounts are considered immaterial. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB Statement No. 16, no liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

O. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

TRUST AND AGENCY FUNDS

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

PENSION TRUST FUNDS

CITY EMPLOYEES' RETIREMENT SYSTEM FUND is used to accumulate resources for retirement benefits for City employees covered under the plan. Participants contribute ten percent (10%) of their salaries to the Fund. The City contributes a percentage of covered participants' salaries determined by the System's actuary.

FIREMEN'S PENSION AND RELIEF FUND is used to account for benefits paid to members of this plan. Effective May 1, 1993, this plan was merged into the statewide Firefighter's Retirement System. In the event that a member, hired prior to January 1, 1980, exercises his or her right to a twenty year retirement any time under the age of 50 and is not eligible to receive benefits from the state system, then the Fund shall provide benefits until that person is eligible to receive benefits under the state system. Covered employees are not required to contribute to the Fund. The City is required to contribute an amount sufficient to meet any deficit of the Fund without regard for reserve requirements accruing on an actuarial basis.

POLICEMEN'S PENSION AND RELIEF FUND is used to account for benefits paid to members of this plan. Effective September 1, 1983, this plan was merged into the statewide Municipal and State Police Employees' Retirement System. The Fund remains liable for retirement benefits in the event that a police officer, hired prior to August 1, 1976, retires before reaching age fifty or 25 years of eligible service. Members are not required to contribute to the Fund. The City is required to contribute an amount sufficient to meet any deficit of the Fund without regard for reserve requirements accruing on an actuarial basis.

AGENCY FUND

DEFERRED COMPENSATION FUND is used to account for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

EXHIBIT A
(Continued)

PRIMARY GOVERNMENT'S				COMPONENT UNITS			TOTAL
PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL MEMORANDUM ONLY	ALEXANDRIA		MEMORANDUM ONLY
INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	PRIMARY GOVERNMENT	CITY MARSHAL	CITY COURT	REPORTING ENTITY
\$	\$ 857,022	\$	\$	\$ 4,801,921	\$ 154,587	\$ 337,046	\$ 5,293,554
	38,354,442			41,030,480		115,000	41,145,480
	2,006,970			2,006,970			2,006,970
6,164,701				34,183,592			34,183,592
				38,000			38,000
				6,308,157			6,308,157
37,632	596,102			1,107,597	600	611	1,108,808
				3,085,506			3,085,506
	68,133			2,868,310	2,579	178	2,871,067
				0			0
				2,042,009			2,042,009
				50,516,131			50,516,131
4,646	7,312	59,058,059		151,869,361	124,042	247,325	152,240,728
				1,289,240		13,633	1,302,873
				2,715,109			2,715,109
				36,715,879			36,715,879
<u>\$ 6,206,979</u>	<u>\$ 41,889,981</u>	<u>\$ 59,058,059</u>	<u>\$ 39,430,988</u>	<u>\$ 340,578,262</u>	<u>\$ 281,808</u>	<u>\$ 713,793</u>	<u>\$ 341,573,863</u>

CITY OF ALEXANDRIA, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 APRIL 30, 1996

ASSETS AND OTHER DEBITS	PRIMARY GOVERNMENT'S				PROPRIETARY
	GOVERNMENTAL FUND TYPES				FUND TYPES
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE
ASSETS					
Cash	\$ 6,330	\$ 2,077,760	\$	\$	\$ 1,860,809
Investments			2,676,038		
Deferred compensation plan investments					
Equity in pooled cash and investments	5,764,520	29,391		18,281,071	3,943,909
Receivables (net of allowance for uncollectibles)					
Taxes	14,047	23,953			
Accounts					
Other					6,308,157
Intergovernmental	365,572	80	39,071		69,140
Due from other funds	89,966	55,030		2,736,482	204,028
Advance to other funds	1,600,417	15,491		980,353	203,916
Inventories					
Restricted assets	139,818	4,000			1,898,191
Fixed assets (net where applicable of accumulated depreciation)					50,516,131
Other assets					92,799,344
					1,289,240
OTHER DEBITS					
Amount available in debt service funds					
Amount to be provided for retirement of General long-term debt					
TOTAL ASSETS AND OTHER DEBITS	\$ 7,980,670	\$ 2,205,705	\$ 2,715,109	\$ 21,997,906	\$ 159,092,865

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

GENERAL PURPOSE FINANCIAL STATEMENTS

The General Purpose Financial Statements include all funds and account groups of the City and are designed to provide an overview of the financial position and results of operations for the City as a whole. Additional information in the form of combining, individual fund and account group statements and schedules is included elsewhere in this report.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Alexandria, Louisiana. Such information, except for the summary of utility service customers and the listing of insurance in force marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 12, 1996, on our consideration of the City of Alexandria's internal control structure and a report dated September 12, 1996 on its compliance with laws and regulations.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the City of Alexandria, Louisiana, as of April 30, 1996, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Alexandria, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Alexandria, Louisiana, as of April 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Alexandria, Louisiana, as of April 30, 1996, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

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CITY OF ALEXANDRIA, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)
YEAR ENDED APRIL 30, 1996

EXHIBIT K-2

	RISK MANAGEMENT <u>FUND</u>	EMPLOYEE BENEFITS INSURANCE <u>FUND</u>	UNEMPLOYMENT BENEFITS <u>FUND</u>	<u>TOTAL</u>
OPERATING REVENUES				
Charges for services				
Required risk contributions-				
other funds	\$ 2,886,079	\$	\$109,288	\$2,995,367
Employer contributions		2,358,879		2,358,879
Employee contributions		884,428		884,428
Stop loss reimbursement	620	90,059		90,679
Subrogation claims	7,542	71,592		79,134
Miscellaneous		37,893		37,893
Total Operating Revenues	<u>2,894,241</u>	<u>3,442,851</u>	<u>109,288</u>	<u>6,446,380</u>
OPERATING EXPENSES				
Insurance premiums				
General liability	242,673			242,673
Workmen's compensation	75,619			75,619
Automobile liability	128,699			128,699
Property coverage	158,291			158,291
Hospitalization/health		272,112		272,112
Life		125,732		125,732
Insurance claims				
General liability	759,972			759,972
Workmen's compensation	949,278			949,278
Automobile liability	524,277			524,277
Law enforcement liability	33,081			33,081
Unemployment			8,918	8,918
Hospitalization/health		3,012,455		3,012,455
Administrative costs	273,583	179,576		453,159
Depreciation	1,195			1,195
Total Operating Expenses	<u>3,146,668</u>	<u>3,589,875</u>	<u>8,918</u>	<u>6,745,461</u>
OPERATING INCOME (LOSS)	(252,427)	(147,024)	100,370	(299,081)
NONOPERATING REVENUE				
Interest	<u>172,401</u>	<u>116,967</u>	<u>9,527</u>	<u>298,895</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(80,026)	(30,057)	109,897	(186)
OPERATING TRANSFERS IN	<u>283,368</u>			<u>283,368</u>
NET INCOME (LOSS)	203,342	(30,057)	109,897	283,182
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR				
	(2,571,085)	1,729,018	-0-	(842,067)
RESIDUAL EQUITY TRANSFER				
	<u>(115,498)</u>		<u>115,498</u>	<u>-0-</u>
RETAINED EARNINGS (DEFICIT), END OF YEAR				
	<u>\$(2,483,241)</u>	<u>\$1,698,961</u>	<u>\$225,395</u>	<u>\$(558,885)</u>

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



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

MANAGEMENT'S RESPONSE

A physical inventory will be taken once a year after the close of the fiscal year.

We considered these instances of noncompliance in forming our opinion on whether the City of Alexandria, Louisiana's 1996 general purpose financial statements and the combining, individual fund and account group financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated September 12, 1996, on those general purpose financial statements and the combining, individual fund and account group financial statements.

We also noted certain immaterial instances of noncompliance that we have reported to the management of the City of Alexandria, Louisiana, in a separate letter, titled Other Comments and Recommendations, dated September 12, 1996.

This report is intended for the information of the Mayor and City Council of the City of Alexandria, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996

CITY OF ALEXANDRIA, LOUISIANA
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCES
YEAR ENDED APRIL 30, 1996

EXHIBIT L-2

	CITY EMPLOYEES' RETIREMENT SYSTEM <u>(12/31/95)</u>	FIREMEN'S PENSION AND RELIEF FUND	POLICEMEN'S PENSION AND RELIEF FUND	<u>TOTAL</u>
OPERATING REVENUES				
Member contributions	\$ 1,235,531	\$	\$	\$ 1,235,531
Employer contributions	2,065,929		293,003	2,358,932
Investment income	<u>2,847,171</u>	<u>6,812</u>	<u>6,854</u>	<u>2,860,837</u>
Total Operating Revenues	6,148,631	6,812	299,857	6,455,300
OPERATING EXPENSES				
Plan benefit payments	3,489,557	90,270	298,285	3,878,112
Employee refunds	120,232			120,232
Administrative expenses	<u>96,168</u>	<u>1,775</u>	<u>1,572</u>	<u>99,515</u>
Total Operating Expenses	<u>3,705,957</u>	<u>92,045</u>	<u>299,857</u>	<u>4,097,859</u>
NET INCOME (LOSS)	2,442,674	(85,233)	-0-	2,357,441
FUND BALANCES, BEGINNING OF YEAR	<u>37,097,962</u>			
	<u>184,551</u>	<u>217,877</u>		<u>37,500,390</u>
<u>FUND BALANCES, END OF YEAR</u>	<u>\$39,540,636</u>	<u>\$ 99,318</u>	<u>\$217,877</u>	<u>\$39,857,831</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 YEAR ENDED APRIL 30, 1996

SCHEDULE 5

REVENUES

Transfer from Utilities System Fund	\$ 550,000
Transfer from 1995 Utilities System Revenue Bond	
Construction Fund	260,701
Relocation assistance	104,363
Interest earned	549,359
Other revenues	8,162
Total	1,472,585

EXPENDITURES

Electrical Division	
Power plant improvements	82,285
Substation improvements	1,410,828
Extensions and improvements	4,761
Repair and maintenance projects	9,796
Utility relocation	7,900
Water Division	
Extensions and improvements	531,385
Gas Division	
Replacement program	3,758
Extensions and improvements	
Waste Water Division	
Extensions and improvements	30,110
Repair and maintenance projects	1,484,890
Sewage plant study	62,903
General and Administrative	
Machinery and equipment	2,375
Total	3,630,991

<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>\$ (2,158,406)</u>
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See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM ENTERPRISE FUND
 COMPARISON OF REVENUES AND EXPENDITURES
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 YEAR ENDED APRIL 30, 1996

SCHEDULE 4

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Electric	\$39,761,066	\$42,803,570	\$ 3,042,504
Natural gas	8,652,500	9,556,875	904,375
Water	3,888,150	4,134,971	246,821
Wastewater	2,052,525	2,252,527	200,002
Interest earned	1,075,000	1,497,934	422,934
Other	270,700	343,503	72,803
Utility revenue bond proceeds	15,000,000	15,000,000	-0-
Use of restricted retained earnings	4,067,000	4,067,000	-0-
Operating transfers			
1993 Streets and Drainage Capital Projects Fund	581,787	581,778	(9)
Sanitation Fund	154,764	159,937	5,173
Totals	<u>75,503,492</u>	<u>80,398,095</u>	<u>4,894,603</u>
EXPENDITURES			
Electrical production	23,854,185	23,962,585	(108,400)
Electrical distribution	3,173,952	3,059,246	114,706
Gas division	6,727,255	8,005,587	(1,278,332)
Water purification and distribution	2,673,177	2,664,581	8,596
Wastewater treatment, collection, and testing	3,017,587	2,608,000	409,587
Utility director	129,551	121,736	7,815
Budget director	139,603	117,748	21,855
Business office	302,296	297,617	4,679
Billings and collections	1,466,234	1,461,959	4,275
Meter readers	610,741	601,635	9,106
Data processing	959,464	924,688	34,776
Utility services	575,636	542,027	33,609
Payments in lieu of insurance	743,185	743,185	-0-
Bank service charges	13,000	10,234	2,766
Debt service - principal, interest and paying agent fees	8,603,974	7,524,511	1,079,463
Restricted retained earnings for future debt service	1,351,060	1,351,060	-0-
Operating transfers			
General Fund			
In lieu of taxes	2,850,000	3,073,169	(223,169)
Indirect cost allocation	1,156,862	1,068,040	88,822
General Capital Projects Fund	4,137,491	4,137,491	-0-
1993 Streets and Drainage Capital Projects Fund	69,509	69,509	-0-
Utilities System Capital Projects Fund	550,000	550,000	-0-
1995 Utilities System Revenue Bond Construction Fund	13,546,821	13,546,821	-0-
Sanitation Fund	7,815	12,988	(5,173)
Municipal Bus Line Enterprise Fund	1,038,212	1,142,957	(104,745)
Risk Management Fund	120,770	120,770	-0-
Totals	<u>77,818,380</u>	<u>77,718,144</u>	<u>100,236</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,314,888)</u>	<u>\$ 2,679,951</u>	<u>\$ 4,994,839</u>

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
 UTILITIES SYSTEM ENTERPRISE FUND
 RECONCILIATION OF EXCESS OF REVENUES OVER EXPENDITURES
 (NON-GAAP BUDGETARY BASIS) TO NET INCOME (GAAP BASIS)
 YEAR ENDED APRIL 30, 1996

SCHEDULE 3

EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES

Utilities System Enterprise Fund (Schedule 4)	\$ 2,679,951
Utilities System Capital Projects Fund (Schedule 5)	(2,158,406)
Utilities System Revenue Bond Construction Funds (Schedule 6)	<u>7,901,849</u>
	8,423,394

RECONCILIATION TO NET INCOME

Capital additions through operations	9,887,347
Debt service requirements net of interest and fiscal charges	4,059,628
Bond issuance costs	228,252
Advances to other funds	1,500,000
Utilities revenue bond proceeds	(15,000,000)
Depreciation	(5,098,004)
Use of restricted retained earnings - net	(2,715,940)
Repayments of advances to other funds	(728,725)
Amortization of bond issuance costs	(94,651)
Loss on disposition of fixed assets	(7,271)
Contributed capital	<u>(8,162)</u>

<u>NET INCOME (EXHIBIT J-5)</u>	<u>\$ 445,868</u>
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Notes: For financial reporting purposes, the above funds are consolidated into the Utilities System Enterprise Fund. Interfund receivables/payables and operating transfers between these funds are eliminated.

For budgetary control purposes, each of the above funds is recognized as a separate entity. The following is a brief description of the differences between the City's non-GAAP budgetary basis excess (deficiency) of revenues over expenditures and GAAP net income reported in the financial statements. Capital additions, net debt service requirements, and bond issuance costs are treated as expenditures. Utilities revenue bond proceeds, intergovernmental grants and other items of contributed capital are treated as revenues. Depreciation is not recognized. Operating transfers between the various Utilities System Funds are not eliminated.

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA
UTILITIES SYSTEM ENTERPRISE FUND
UNAUDITED SUMMARY OF UTILITY SERVICE CUSTOMERS
APRIL 30, 1996

SCHEDULE 1

<u>TYPE OF SERVICE</u>	<u>NUMBER OF CUSTOMERS</u> <u>APRIL 30, 1996</u>
Electricity	22,181
Water	19,546
Gas	17,195
Wastewater	16,202

See independent auditor's report.

ADDITIONAL INFORMATION

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This group of accounts is used to account for long-term debt not accounted for in any other fund.

CITY OF ALEXANDRIA, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED APRIL 30, 1996

EXHIBIT M-2

	LAND	BUILDINGS AND IMPROVEMENTS	FURNITURE AND FIXTURES	EQUIPMENT	VEHICLES	CONSTRUCTION IN PROGRESS	TOTAL
BEGINNING OF YEAR	\$5,543,810	\$26,597,472	\$819,608	\$4,622,899	\$4,430,771	\$ 2,231,039	\$44,245,599
ADDITIONS							
Capital projects revenues							
Grant revenues	395,333						
Public contributions			1,566	53,102	488,936	1,814,723	2,752,094
Other (General Fund) revenues	420,000			1,475		10,697,450	10,700,491
Retirements						65,000	485,000
General Fund revenues		16,900	8,005	417,462	733,987		1,247,054
COMPLETED CONSTRUCTION			(3,480)	(7,756)	(360,943)		(372,179)
<u>END OF YEAR</u>	<u>\$6,429,843</u>	<u>\$27,369,322</u>	<u>\$825,699</u>	<u>\$5,087,182</u>	<u>\$5,292,751</u>	<u>(754,950)</u>	<u>-0-</u>
					<u>\$14,053,262</u>		<u>\$59,058,059</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 STATEMENT OF GENERAL FIXED ASSETS
 APRIL 30, 1996

EXHIBIT M-1

GENERAL FIXED ASSETS	
Land	\$ 6,429,843
Buildings and improvements	27,369,322
Furniture and fixtures	825,699
Equipment	5,087,182
Vehicles	5,292,751
Construction in progress	14,053,262
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$59,058,059</u>
INVESTMENT IN GENERAL FIXED ASSETS	
General obligation bonds	\$ 3,646,424
Capital projects	24,995,934
Grants	23,338,700
General public	1,268,459
Other sources	5,808,542
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$59,058,059</u>

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



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

This report is intended for the information of the Mayor and City Council of the City of Alexandria, Louisiana. However, this report is a matter of public record, and its distribution is not limited.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996

CITY OF ALEXANDRIA, LOUISIANA
 DEFERRED COMPENSATION AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED APRIL 30, 1996

EXHIBIT L-3

	BALANCE <u>5/1/95</u>	ADDITIONS	DELETIONS	BALANCE <u>4/30/96</u>
ASSETS				
Investments	\$1,687,318	\$434,007	\$114,355	\$2,006,970
<u>TOTAL ASSETS</u>	<u>\$1,687,318</u>	<u>\$434,007</u>	<u>\$114,355</u>	<u>\$2,006,970</u>
LIABILITIES				
Deferred compensation benefits payable	\$1,687,318	\$434,007	\$114,355	\$2,006,970
<u>TOTAL LIABILITIES</u>	<u>\$1,687,318</u>	<u>\$434,007</u>	<u>\$114,355</u>	<u>\$2,006,970</u>

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

CITY OF ALEXANDRIA, LOUISIANA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
APRIL 30, 1996

EXHIBIT K-1

	<u>RISK MANAGEMENT FUND</u>	<u>EMPLOYEE BENEFITS INSURANCE FUND</u>	<u>UNEMPLOYMENT BENEFITS FUND</u>	<u>TOTAL</u>
ASSETS				
CURRENT ASSETS				
Equity in pooled cash and investments	\$ 3,856,067	\$2,081,925	\$226,709	\$ 6,164,701
Stop loss and subrogation claims receivable	<u>3,537</u>	<u>34,095</u>		<u>37,632</u>
Total Current Assets	<u>3,859,604</u>	<u>2,116,020</u>	<u>226,709</u>	<u>6,202,333</u>
PROPERTY, PLANT, AND EQUIPMENT				
Property, plant, and equipment	11,312			11,312
Accumulated depreciation	<u>(6,666)</u>			<u>(6,666)</u>
Net Property, Plant, and Equipment	<u>4,646</u>	<u>-0-</u>	<u>-0-</u>	<u>4,646</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,864,250</u>	<u>\$2,116,020</u>	<u>\$226,709</u>	<u>\$ 6,206,979</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Bank overdraft	\$ 11,468	\$ 119,546	\$ 1,314	\$ 131,014
Accounts payable	1,503	10,291		13,108
Accrued expenses	5,019			5,019
Due to other funds				
General Fund	1,418			1,418
Utilities System Enterprise Fund	7			7
Claims payable	238,161	287,222		525,383
Estimated liability for claims incurred	<u>2,348,050</u>			<u>2,348,050</u>
Total Current Liabilities	<u>2,605,626</u>	<u>417,059</u>	<u>1,314</u>	<u>3,023,999</u>
NONCURRENT LIABILITIES				
Estimated liability for claims incurred	<u>3,086,074</u>			<u>3,086,074</u>
Total Liabilities	<u>5,691,700</u>	<u>417,059</u>	<u>1,314</u>	<u>6,110,073</u>
EQUITY				
Contributed capital	655,791			655,791
Retained earnings - unreserved		1,698,961	225,395	1,924,356
Accumulated deficit	<u>(2,483,241)</u>			<u>(2,483,241)</u>
Total Retained Earnings (Accumulated Deficit)	<u>(2,483,241)</u>	<u>1,698,961</u>	<u>225,395</u>	<u>(558,885)</u>
Total Equity (Deficit)	<u>(1,827,450)</u>	<u>1,698,961</u>	<u>225,395</u>	<u>96,906</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 3,864,250</u>	<u>\$2,116,020</u>	<u>\$226,709</u>	<u>\$ 6,206,979</u>

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

CITY OF ALEXANDRIA, LOUISIANA
 TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET
 APRIL 30, 1996

EXHIBIT L-1

ASSETS	PENSION TRUST FUNDS			DEFERRED COMPENSATION	TOTAL
	CITY EMPLOYEES' RETIREMENT SYSTEM (12/31/95)	FIREMEN'S PENSION AND RELIEF FUND	POLICEMEN'S PENSION AND RELIEF FUND		
Cash	\$ 793,671	\$ 13,043	\$ 50,308		\$ 857,022
Investments, at amortized cost	38,144,952	110,461	99,029		38,354,442
Investments, deferred compensation plan, at market				2,006,970	2,006,970
Due from other funds					68,133
Accrued interest and dividends receivable					68,133
Furniture, fixtures, and equipment, net of depreciation	594,751	944	407		596,102
<u>TOTAL ASSETS</u>	<u>7,312</u>	<u>124,448</u>	<u>217,877</u>		<u>7,312</u>
LIABILITIES AND FUND BALANCES	\$39,540,686	\$124,448	\$217,877	\$2,006,970	\$41,889,981
LIABILITIES					
Payroll taxes withheld	\$ 50	\$ 25,130	\$	\$	\$ 25,130
Due to other funds					
Deferred compensation benefits payable					
Total Liabilities	50	25,130	-0-		25,130
FUND BALANCES					
Reserved for employees' retirement systems	39,540,636	99,318	217,877	2,006,970	2,006,970
Total Fund Balances	<u>39,540,636</u>	<u>99,318</u>	<u>217,877</u>	<u>-0-</u>	<u>39,857,831</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$39,540,686</u>	<u>\$124,448</u>	<u>\$217,877</u>	<u>\$2,006,970</u>	<u>\$41,889,981</u>

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



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

- 5) Reconcile subsidiary ledgers to appropriate general ledger control accounts on a current basis.
- 6) Provide for a complete review of the accounting trial balance and underlying transactions on a current basis for obvious posting errors. Investigate and/or correct unusual items as needed.
- 7) Update utility rate studies as practical and adjust rates as necessary to provide adequate revenues to meet budgeted needs.
- 8) Implement other recommendations relative to the Combined Utilities System as noted in our separate letters to management.

Payne, Moore & Herrington, LLP
Certified Public Accountants

September 12, 1996



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and City Council
City of Alexandria, Louisiana

RE: Resolution Number 2431-1982
Requirement of specific
recommendations

In accordance with Resolution Number 2431-1982, "a resolution relative to the fulfillment of commitments of the City of Alexandria relative to the Combined Utilities System," as engaged independent certified public accountants, we are requested to include specific recommendations to ensure that the City and the Combined Utilities System generate sufficient revenues to pay operation and maintenance expenses of the Combined Utilities System and debt service on outstanding revenue bonds payable from such revenue, and to make all budgeted transfers to other funds of the City. During the current year, the City fulfilled each of these commitments, except as otherwise noted in the preceding reports.

For future periods, the City should continue to accomplish the following steps in addition to implementing certain other suggestions as listed below.

- 1) Prepare and approve an annual operating budget of the Combined Utilities System based upon the best criteria of revenue and expense estimates that can be developed.
- 2) Provide for budgetary control on a line item basis and monitor budget variances on a current basis. Amendments should be addressed for any unusual exceptions as they are encountered.
- 3) Provide projected monthly cash flow schedules with comparisons to actual prior and current amounts. Investigate any unusual variances.
- 4) Maintain current and accurate accounting records relative to financial activity of the system.

L. PAUL HODO, C.P.A.

ERNEST F. SASSER, C.P.A.

DALE P. DE SELLE, C.P.A.

MARVIN A. JUNEAU, C.P.A.

ROBERT L. LITTON, C.P.A.

REBECCA B. MORRIS, C.P.A.

H. FRED RANDOW, C.P.A.

ROBERT W. DVORAK, C.P.A.

MICHAEL A. JUNIAU, C.P.A.



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1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200

PH: (318) 443-1893 • FAX: (318) 443-2515

SPECIAL LETTER
RE: RESOLUTION NUMBER 2431-1982
REQUIREMENT OF SPECIFIC RECOMMENDATIONS



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We recommend an annual natural gas cost recovery factor, similar to the annual electric cost recovery factor, be developed and implemented to prevent any future problems. An annual natural gas cost recovery factor would require Council approval.

MANAGEMENT'S RESPONSE

The City Administration will approach the City Council regarding the implementation of an annual adjustment to recover the actual cost of the gas purchased.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

PURCHASE OF NEW COPIER

In examining additions to fixed assets, we discovered that a department purchased a new copier at the state contact price to replace a copier. The invoice for the new copier indicated that the purchase price of the new copier included a trade-in. When we inquired as to why the City had not received credit for the fair market value of the old copier traded-in, we were informed by Purchasing Department personnel that a mistake had been made in indicating that the old copier was to be traded-in. The Purchasing Director contacted the vendor and required that the vendor correct the error by returning the copier. The old copier was returned to the City prior to the end of field work.

We recommend that additional care be exercised in acquisition of fixed assets to prevent a recurrence of this problem.

MANAGEMENT'S RESPONSE

This would have been discovered had a physical inventory been taken at year-end. As mentioned earlier, we will begin to inspect all City fixed assets annually. Additionally, the purchasing department will be notified to inform the accounting department of any items to be traded-in on future purchases so that item can be removed from the City inventory list.

NATURAL GAS COST RECOVERY FORMULA

The cost of natural gas purchased for resale to gas customers is recovered by the natural gas cost recovery factor as set forth in the City's Code of Ordinances. The factor is computed as the second prior month's cost of natural gas purchased divided by the prior month's volume of natural gas received. This factor is multiplied by the customers' consumption for the current month to determine the amount of natural gas costs recovered. In theory, over a year's time, all of the cost of natural gas purchased for resale less line loss should be recovered from the customers.

In February, 1996, the cost of natural gas purchased for resale and consumption increased sharply due to an ice storm. The cost of natural gas purchased in February is billed to customers in April. In April, consumption decreased significantly. Because of the method by which the cost recovery formula is applied, not all of February's cost of natural gas purchased for resale was recovered. **Note: City personnel correctly computed the recovery factor in accordance with the ordinance. The fact that not all of the cost of natural gas purchased for resale was recovered was due to the formula itself, and not due to the actions of City personnel.**



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

DELINQUENT SPECIAL ASSESSMENTS

Business Office personnel indicate that when a special assessment becomes delinquent, it is turned over the City's attorney for collection. We were unable to determine what collection procedures, if any, were implemented by the City's Attorney or the status of these delinquent assessments.

MANAGEMENT'S RESPONSE

This matter has been referred to the City Attorney for additional review.

PHYSICAL INVENTORY PROCEDURES

We found that inventory items received by one department subsequent to the physical count and prior to year end were not included in the final inventory listing.

We recommend that procedures be established to ensure that inventory items received subsequent to a physical count but prior to the actual year end be included in the physical inventory to ensure that the proper ending inventory value is shown in the financial statements.

MANAGEMENT'S RESPONSE

The accounting department assumed the year end physical counts that were sent were taken April 30th, the last day of the fiscal year. However, a few departments did their physical count on the weekend before the 30th, specifically April 27th and 28th. We will insure that all year-end counts are taken on the 30th of April in the future.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

COMMENTS REGARDING THE COMPUTER SYSTEM

In prior Memorandum of Other Comments and Recommendations, we expressed certain concerns regarding new hardware and software applications. We reviewed the status of our prior concerns during our current engagement. The following summarizes our findings:

1. The following software applications were not implemented as of April 30, 1996:

	<u>Prior Implementation Date</u>	<u>Present Implementation Date</u>
Property Tax System	11/01/95	Fall, 1997
Business Licenses System	01/01/96	Spring, 1997

2. The Utility CIS System, scheduled, as of April 30, 1995, for implementation on November 13, 1995, was placed into service on April 28, 1996.
3. The Inventory Control System has been implemented only by the City's central warehouse. The warehouse director indicates that there are numerous reporting deficiencies in the system.
4. The report generator package is still available only to certain Information's System personnel. Training has not been scheduled for other personnel.

MANAGEMENT'S RESPONSE

The property tax system and business license system packages continue to be pushed back for various reasons. As mentioned previously, the tax system was looked at by City personnel with the intention to implement it. We felt, however, that there were too many deficiencies in it. Another reason for the delay has been the tremendous amount of time that had to be devoted to the CIS implementation. This is still requiring a lot of time, even though the system has been implemented. As mentioned before, we will not "go live" on any new system until such time that we feel the system is suitable for implementation.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

EXPENDITURES OF BUSINESS OFFICE BUDGETED FROM UTILITY SYSTEM

As previously reported, the expenditures of the former Tax Department, now called the Business Office, continue to be budgeted and paid from the Utility System. The theory, with which we concur, was to combine Utility System and Tax Department collections whereby all clerks and collection procedures would be merged to provide effective cross-training of employees and provide additional customer convenience. Effective consolidation of services has not been achieved. This results in Tax Department expenditures, such as the advertisement of the delinquent ad valorem tax rolls at a cost of \$16,811, a direct General Fund expenditure, being paid by the Utilities System.

As in prior years, this was addressed through the indirect cost allocation plan resulting in estimated costs effectively charged back to the General Fund. We are of the opinion these expenditures represent a direct cost to the General Fund rather than an indirect cost.

We continue to recommend that expenses of the Tax Department be budgeted and paid by the General Fund rather than the Utility System, until such time that an effective integration of procedures is realized.

MANAGEMENT'S RESPONSE

The "Business Office" concept, whereby customers could pay any city bill, be it a utility bill, tax notice, or just purchase a roll of garbage bags, is still only partially a reality. I feel that the necessary cross-training has been done to accomplish this goal. However, the computer hardware and software is not in place to allow the flexibility of the "one-stop" shopping that was originally intended. The new tax software was demonstrated to City personnel in the fall of 1995. It was not adequate, and we felt that the entire tax collection process would have suffered had we implemented it. The software has since been revised and a new "live" date is scheduled for October, 1997.

GENERAL FIXED ASSETS ACCOUNT GROUP

This group of accounts is used to account for fixed assets other than those used in the proprietary and similar trust funds.