

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting - The Fund's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed.

Methods Used to Value Investments - The Fund's investments are stated at cost, subject to adjustment for market declines judged to be other than temporary. Investment income is recognized as earned. Gains and losses on sales of fixed income securities are recognized on the transaction date.

Cash - At year end, the Fund's deposits were entirely covered by federal depository insurance or by collateral held by the Fund's agent in the Fund's name.

Investments - The Fund may invest in (1) interest-bearing bonds issued, guaranteed, or insured by the United States of America, (2) bonds or other evidence of indebtedness issued by the State of Louisiana or the City of Alexandria, or (3) interest-bearing deposits in institutions in which the investment is insured by the United States of America.

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

	<u>CARRYING AMOUNT</u>	<u>MARKET VALUE</u>
Certificates of deposit and savings account		
Alexandria Municipal Employees Credit Union	\$ 6	\$ 6
Rapides Bank & Trust Co.	105,455	105,455
GNMA certificate	<u>5,000</u>	<u>5,000</u>
	<u>\$110,461</u>	<u>\$110,461</u>

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

REQUIRED SUPPLEMENTAL INFORMATION

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE

SCHEDULE 2

REVENUES BY SOURCE

<u>FISCAL</u> <u>YEAR</u>	<u>EMPLOYEE</u> <u>CONTRIBUTIONS</u>	<u>EMPLOYER</u> <u>CONTRIBUTIONS</u>	<u>INVESTMENT</u> <u>INCOME</u>	<u>OTHER</u>	<u>TOTAL</u>
1989	\$179,093	\$ 893,160	\$16,816	\$ 79	\$1,089,148
1990	182,259	1,055,594	17,893	994	1,256,740
1991	183,137	1,109,836	17,482	587	1,311,042
1992	179,713	1,234,658	14,270	-0-	1,428,641
1993	177,328	1,339,829	9,417	-0-	1,526,574
1994	-0-	7,049	7,393	16,267	30,709
1995	-0-	-0-	7,638	-0-	7,638
1996	-0-	-0-	6,812	-0-	6,812

EXPENSES BY TYPE

<u>FISCAL</u> <u>YEAR</u>	<u>PLAN</u> <u>BENEFITS</u>	<u>DEATH</u> <u>BENEFITS</u>	<u>ADMINISTRATIVE</u> <u>EXPENSES</u>	<u>TOTAL</u>
1989	\$1,089,596	\$ 500	\$10,409	\$1,100,505
1990	1,251,618	250	4,872	1,256,740
1991	1,305,434	250	5,358	1,311,042
1992	1,421,470	750	6,421	1,428,641
1993	1,508,964	750	16,860	1,526,574
1994	149,880	3,604	3,594	157,078
1995	36,766	750	2,443	39,959
1996	90,270	-0-	1,775	92,045

Contributions were not made in accordance with actuarially determined contribution requirements.

Effective May 1, 1993, the System merged with the statewide Firefighters' Retirement System. (See Note 1)

See independent auditor's report.

ADDITIONAL INFORMATION

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Firemen's Pension and Relief Fund

City of Alexandria, Louisiana

April 30, 1996

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

Release Date NOV 13 1996

NOV 13 1996

Payne, Moore & Herrington, LLP

Certified Public Accountants

Alexandria, Louisiana

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996**

NOTES TO FINANCIAL STATEMENTS

3. FUNDING STATUS AND PROGRESS

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects 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 benefits and is intended to help users assess the Fund'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 method used to determine contributions to the Fund discussed in Note 4.

Effective May 1, 1993, the Fund merged with the statewide Firefighters' Retirement System. Due to the merger, there was no actuarial valuation, as of April 30, 1996, to determine the pension benefit obligation. Subsequent to the merger, the Fund only remains contingently liable for certain retirement payments in accordance with the merger agreement (See Note 1).

4. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The Fund's funding policy provides for employer contributions sufficient to pay any accumulated deficits. The policy makes no provision for the funding of the pension benefit obligation and does not require that the contribution be actuarially determined. There were no contributions made during the year ending April 30, 1996.

5. HISTORICAL TREND INFORMATION

Historical trend information is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due. Certain information is available only for the years ended April 30, 1988, through April 30, 1992. It is presented in Schedules 1 and 2 in the Required Supplemental Information section of this report (pages 9 and 10).

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1996

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION

The Firemen's Pension and Relief Fund (the Fund) of the City of Alexandria, Louisiana, is the administrator of a single-employer defined benefit plan established by Act 12 of the Louisiana Legislature of 1940, as amended, and administered by the City of Alexandria. The Fund is considered part of the City of Alexandria's financial reporting entity and is included in the City's financial report as a pension trust fund.

Effective May 1, 1993, the Firemen's Pension and Relief Fund of the City of Alexandria merged with the statewide Firefighters' Retirement System. On this date, all retirees and survivors receiving benefits at April 30, 1993, transferred to the Firefighters' Retirement System.

The City of Alexandria and the Firemen's Pension and Relief Fund of the City of Alexandria guaranteed that no active member, retiree, beneficiary, or survivor merged into the Firefighters' Retirement System would lose any rights or benefits that he or she would have been entitled to under the Firemen's Pension and Relief Fund of the City of Alexandria. More particularly, it is agreed that if a firefighter dies, retires, or becomes disabled subsequent to the merger, the Fund shall pay or cause to be paid to the firefighter or the firefighter's survivors and/or beneficiaries any difference in benefits, if any, where those benefits payable under the Fund prior to the merger exceed those benefits payable under the State system. It is further agreed and understood that if a firefighter 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 for benefits under the State system.

At April 30, 1996, Fund membership consisted of:

Current employees	
Vested (20 years of service and age less than 50)	20
Retirees and survivors currently receiving benefits	<u>7</u>
Total	27

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 and may be amended only by the Louisiana Legislature.

FIREMEN'S PENSION AND RELIEF FUND
 CITY OF ALEXANDRIA, LOUISIANA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
 YEAR ENDED APRIL 30, 1996

EXHIBIT B

OPERATING REVENUES	\$ 6,812
Investment income	
 OPERATING EXPENSES	 90,270
Plan benefits	<u>1,775</u>
Administrative expenses	<u>92,045</u>
Total Operating Expenses	
 NET OPERATING LOSS	 (85,233)
 FUND BALANCE, BEGINNING OF YEAR	 <u>184,551</u>
 <u>FUND BALANCE, END OF YEAR</u>	 <u>\$ 99,318</u>

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

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
BALANCE SHEET
APRIL 30, 1996

EXHIBIT A

ASSETS

Cash in bank		\$ 13,043
Accrued interest receivable		944
Investments, at cost		
Certificates of deposit and savings accounts (Market value \$105,461)	105,461	
GNMA certificate (Market value \$5,000)	<u>5,000</u>	
Total Investments		<u>110,461</u>
Total Assets		124,448

LIABILITIES

Due to other funds		
General Fund		25,000
Policemen's Pension and Relief Fund		<u>130</u>
Total Liabilities		<u>25,130</u>

NET ASSETS AVAILABLE FOR BENEFITS

\$ 99,318

FUND BALANCE

Reserved for pension benefits		\$ <u>99,318</u>
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TOTAL FUND BALANCE

\$ 99,318

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



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor,
City Council, and Board of Trustees
Firemen's Pension and Relief Fund
City of Alexandria, Louisiana

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information listed in the foregoing table of contents as required supplemental information (required by the Governmental Accounting Standards Board) and additional information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements 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 Firemen's Pension and Relief Fund'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,
City Council, and Board of Trustees
Firemen's Pension and Relief Fund
City of Alexandria, Louisiana

We have audited the accompanying financial statements of the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana, as of April 30, 1996, and for the year then ended. These financial statements are the responsibility of the City of Alexandria's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed below, 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 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.

As described more fully in Note 1, the financial statements present only the Firemen's Pension and Relief Fund and are not intended to present fairly the financial position and results of operations of the City of Alexandria, Louisiana, in conformity with generally accepted accounting principles.

As described more fully in Note 3, the notes of the Firemen's Pension and Relief Fund do not include disclosures of the pension benefit obligation as required by generally accepted accounting principles. The additional disclosures necessary to comply with generally accepted accounting principles are not known.

In our opinion, except for omission of relevant disclosures as noted in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana, as of April 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

L. PAUL HOOD, C.P.A.

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

MARVIN A. JUNEAU, C.P.A.

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MICHAEL A. JUNEAU, C.P.A.



**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA**

APRIL 30, 1996

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FIREMEN'S PENSION AND RELIEF FUND
 CITY OF ALEXANDRIA, LOUISIANA
 REQUIRED SUPPLEMENTAL INFORMATION
 ANALYSIS OF FUNDING PROGRESS

SCHEDULE 1

FISCAL YEAR	(1) NET ASSETS AVAILABLE FOR BENEFITS*	(2) PENSION BENEFIT OBLIGATION	(3) PERCENT FUNDED (1) / (2)	(4)	(5) ANNUAL COVERED PAYROLL	UNFUNDED PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
				UNFUNDED PENSION BENEFIT (2) - (1)		(4) / (5)
1988	\$354,598	\$24,468,918	1.45%	\$24,114,320	\$2,316,300	1041.1%
1989	343,241	25,635,261	1.34%	25,292,020	2,238,662	1129.8%
1990	343,241	27,397,137	1.25%	27,053,896	2,278,238	1187.5%
1991	343,241	31,365,227	1.09%	31,021,986	2,239,681	1385.1%
1992	343,241	28,755,754	1.19%	28,412,513	2,214,719	1282.9%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the System's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system. Effective May 1, 1993, the system merged with the statewide Firefighters' Retirement System. (See Note 1)

* At cost (See Note 2)

See independent auditor's report.



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor,
City Council, and Board of Trustees
Firemen's Pension and Relief Fund
City of Alexandria, Louisiana

We have audited the financial statements of the Firemen's Pension and Relief Fund (the Fund) 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 financial statements are free of material misstatement.

The management of the Firemen's Pension and Relief Fund 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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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PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor,
City Council, and Board of Trustees
Firemen's Pension and Relief Fund
City of Alexandria, Louisiana

In planning and performing our audit of the financial statements of Firemen's Pension and Relief Fund 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 control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be 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 errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the management, the Mayor and City Council of the City of Alexandria, Louisiana, and the Board of Trustees of the Fund. 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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor, City Council, and Board of Trustees Firemen's Pension and Relief Fund City of Alexandria, Louisiana

We have audited the financial statements of the Firemen's Pension and Relief Fund (the Fund) 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 financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the Fund is the responsibility of the management of the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Fund's compliance with certain provisions of laws and regulations. However, the objective of our audit of the 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Handwritten signature of Payne Moore & Herrington, LLP Certified Public Accountants

September 12, 1996

- List of accountants: L. PAUL HOOB, C.P.A.; ERNEST E. SASSER, C.P.A.; DALE P. DE SELLE, C.P.A.; MARVIN A. JONEAU, C.P.A.; ROBERT L. LITTON, C.P.A.; REBECCA B. MORRIS, C.P.A.; H. FRED RANDOW, C.P.A.; ROBERT W. OGORAK, C.P.A.; MICHAEL A. JONEAU, C.P.A.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

FIREMEN'S PENSION AND RELIEF FUND
 CITY OF ALEXANDRIA, LOUISIANA
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
 YEAR ENDED APRIL 30, 1996

SCHEDULE 3

CASH IN BANK, MAY 1, 1995

\$ 6,370

Receipts

Investment income
 Principal collections on GNMA certificate
 Interfund loans
 Maturing of certificates of deposit
 Total Receipts

6,654
 2,414
 20,000
69,650

98,718

TOTAL CASH AVAILABLE

105,088

Disbursements

Plan benefits
 Administrative expenses
 Total Disbursements

90,270
1,775

92,045

CASH IN BANK, APRIL 30, 1996

\$ 13,043

See independent auditor's report.