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City of Alexandria Employees' Retirement System

Alexandria, Louisiana

December 31, 1986

under guidance of state law, was
subject to a public accounting. A
copy of the report, including schedule
to the City of Alexandria, is enclosed,
with a copy of the report to the
City of Alexandria. The report is available for
public inspection at the Baton
Rouge office of the Legislative Partis-
an and, when appropriate, at the
office of the parish clerk of court.

Report Date MAN 2 8 1987

Payno, Moore & Herrington, L.L.P.
Certified Public Accountants
Alexandria, Louisiana

**CITY OF ALEXANDRIA EMPLOYEES'
ENVIRONMENTAL STUDIES**

DECEMBER 31, 1996

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PAYNE, MOORE & HENDERSON, LLP

GOVERNMENT ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of Alexandria Employees'
Retirement System

We have audited the accompanying financial statements of the City of Alexandria Employees' Retirement System, Alexandria, Louisiana, as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the system'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 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. We audit also include 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 discussed in Note 2, the financial statements present only the City of Alexandria Employees' Retirement System and are not intended to present fairly the financial position and results of operations of the City of Alexandria, Louisiana, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Alexandria Employees' Retirement System, as of December 31, 1996, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as required supplemental information and additional information in the table of contents is presented for the purposes of additional analysis and is not a required

Work Item 076	Work Item 114	Work Item 114
1 10/10/96 114	10/10/96 114	10/10/96 114
10/10/96 114	10/10/96 114	10/10/96 114



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Payne, Moore & Hamilton, LLP

Board of Trustees
City of Alexandria Employees'
Retirement System

part of the basic financial statements. 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 basic financial statements taken as a whole.

In accordance with government auditing standards, we have also issued a report dated February 10, 1997, on our consideration of the City of Alexandria Employees' Retirement System's internal control structure and a report dated February 10, 1997, on its compliance with laws and regulations.

Payne, Moore & Hamilton, LLP
Certified Public Accountants

February 10, 1997

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
BALANCE SHEET
October 31, 1994

EXHIBIT A

ASSETS			
Cash	\$		104,581
Accrued interest and dividends receivable			574,449
Investments			
Corporate bonds, at amortized cost (market value \$20,157,483)		19,882,483	
U.S. Treasury obligations, at amortized cost (market value \$3,200,407)		3,083,844	
New coupon treasury receipts, at amortized cost (market value \$2,007,178)		4,408,128	
MBSB notes, at amortized cost (market value \$2,373,532)		2,084,818	
MBSB notes, at amortized cost (market value \$1,288,882)		1,288,247	
Corporate stocks, at cost (market value \$13,332,881)		<u>10,824,898</u>	
Total investments (market value \$45,678,444)			45,280,876
Furniture, fixtures, and equipment, net of depreciation			<u>1,158</u>
Total Assets			<u>46,440,292</u>
LIABILITIES			
Payroll taxes withheld			<u> 50</u>
NET ASSETS AVAILABLE FOR BENEFITS			<u>\$ 46,389,842</u>
FUND BALANCE			
Actuarial present value of projected benefits payable tax deferral deferrals and immediate annuities	\$		31,242,849
Terminated vested participants			217,608
Actuarial present value of credited projected benefits for active employees			
Member contributions		18,077,648	
Employee-financed portions		<u>20,123,898</u>	
Total actuarial present value of credited projected benefits			48,201,546
Unfunded actuarial present value of credited projected benefits			<u>128,880,118</u>
TOTAL FUND BALANCE			<u>\$ 48,589,842</u>

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

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGE IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 1994

EXHIBIT B

OPERATING REVENUES	
Member contributions	\$ 1,276,673
Employer contributions	2,340,677
Investment income	
Interest	2,981,838
Dividends	215,299
Gain on sale or redemption of securities	<u>388,342</u>
Total Operating Revenues	7,002,829
OPERATING EXPENSES	
Plan benefits	3,988,888
Employee refunds	272,465
Administrative expenses	<u>88,812</u>
Total Operating Expenses	<u>4,350,165</u>
NET OPERATING INCOME	2,652,664
FUND BALANCE, BEGINNING OF YEAR	<u>12,548,618</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>15,201,322</u>

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

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 1994

EXHIBIT C

OPERATING ACTIVITIES	
Cash received from	
Member contributions	\$ 1,274,412
Employee contributions	<u>3,348,432</u>
Total	4,622,844
Cash paid for	
Plan benefits	1,588,898
Employee refunds	272,445
Administrative expenses	<u>82,482</u>
Total	3,949,825
NET CASH USED BY OPERATING ACTIVITIES	(128,981)
NONCAPITAL FINANCING ACTIVITIES	-0-
CAPITAL FINANCING ACTIVITIES	-0-
INVESTING ACTIVITIES	
Investment income	2,422,388
Proceeds from sale or redemption of investments	9,487,257
Purchase of investments	<u>(11,832,885)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	276,760
NET INCREASE IN CASH	(52,221)
CASH, BEGINNING OF YEAR	188,871
CASH, END OF YEAR	\$ 136,650
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Net operating income (Exhibit B)	\$ 1,804,412
Investment income	(2,422,388)
Amortization of discounts on securities	(399,881)
Gain on sale or redemption of investments	(588,541)
Increase in accrued interest and dividends receivable	24,174
Depreciation	<u>3,285</u>
NET CASH USED BY OPERATING ACTIVITIES	\$ (128,981)

See Note B for additional required disclosures.

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

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
DECEMBER 31, 1998

NOTES TO FINANCIAL STATEMENTS

A. PLAN DESCRIPTION

The City of Alexandria Employees' Retirement System (the system) is the administrator of a single-employer defined benefit plan established by Act 108 of the Louisiana legislature of 1948, as amended, and administered by the City of Alexandria. The System is considered part of the City of Alexandria financial reporting entity and is included in the City's financial reports as a pension trust fund.

Substantially all employees of the City, except firemen and policemen, become members of the System as a condition of employment. As December 31, 1998, System membership consisted of:

Current employees	
Vested	368
Nonvested	387
Terminated members due future benefits	5
Terminated members not due future benefits	82
Retirees and survivors currently receiving benefits	328
Total	972

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

Retirement Benefits - Members with ten years of creditable service may retire at age sixty-two; members with at least twenty years of creditable service may retire at age sixty; members with twenty-five years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's average compensation multiplied by 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.)

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

Survivor Benefits - Three years of creditable service are required in order to be eligible for survivor benefits. The survivor is entitled to twice the amount of accumulated contributions or two months salary, whichever is greater, plus 40.00%. If the member has completed fifteen or more years of service, the surviving spouse is entitled to an automatic option B benefit (an actuarially equivalent joint and full survivor benefit) which ceases if the spouse remarries. In lieu of

CITY OF ALEXANDRIA EMPLOYERS' RETIREMENT SYSTEM
DECEMBER 31, 1996

NOTES TO FINANCIAL STATEMENTS

option 2, the spouse may receive the greater of a refund of twice the member's contributions with interest earnings or two months salary. Widows, who are at least age fifty, of members who die prior to retirement but subsequent to becoming eligible to retire are entitled to automatic option 2 benefits.

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

Contribution Rates - Covered employees are required by statute to contribute 14 percent of their salary to the system. The City is required by statute to contribute remaining amounts necessary to finance the System. Benefit and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MEASURES

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

Methods Used to Value Investments - The System's equity securities are valued at cost subject to adjustment for market declines judged to be other than temporary. Fixed income securities are reported at amortized cost subject to adjustment for market declines judged to be other than temporary. Management has consistently amortized premiums or discounts on fixed income 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, based upon specific identification of the security sold.

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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Investments - Management considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The System's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the System as its agent in the System's name.

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
DECEMBER 31, 1994

BOOKS TO FINANCIAL STATEMENTS

Statutes allow the System to invest in securities issued, guaranteed, or insured by the United States government; bonds and other evidence of indebtedness issued by states or their political subdivisions; stocks, bonds, or other securities or evidence of indebtedness issued by any solvent corporation created under the laws of the United States or any of the states of the United States; certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana.

A summary of investments at year-end is shown below. All investments are held by the System or its agent in the System's name.

	CASH/CD	BOND	SPECIALIZED
	ACCOUNT	STRIPS	ACCOUNT
Corporate bonds	\$18,863,443	\$29,337,455	\$ 958,514
U.S. Treasury obligations	3,683,644	3,389,427	118,243
Zero coupon treasury receipts	4,688,128	8,837,378	949,383
CDMA notes	2,688,618	2,375,522	288,788
FDMA notes	1,248,787	1,288,883	33,688
Corporate stocks	18,438,228	13,312,881	2,852,882
Totals	\$41,386,998	\$54,874,644	\$4,592,488

No investment in any one organization equals five percent or more of net assets available for benefits.

Furniture, Fixtures, and Equipment - Furniture, fixtures, and equipment are valued at cost less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related asset, as appropriate. Depreciation is computed using the straight-line method over the estimated economic life of the assets.

A summary of fixed assets is presented below:

	ESTIMATED LIFE	AMOUNT
	IN YEARS	
Furniture and fixtures	7 - 10	\$ 4,137
Computer equipment	5	12,828
Total		17,461
Accumulated depreciation		11,283
Net		\$ 5,998

Depreciation amounted to \$3,266 for the year.

CITY OF ALASKA EMPLOYEES' RETIREMENT SYSTEM
DECEMBER 31, 1994

NOTES TO FINANCIAL STATEMENTS

Losses - Future loss commitments are not considered material.

C. FUNDING STATUS AND PROGRESS

The amount shown below as "pension benefit obligation" is a standardized actuarial 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 System'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 System discussed in Note B below.

The pension benefit obligation was determined as part of an actuarial valuation at December 31, 1994. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 8 percent, and (b) projected salary increases of 5.5 percent per year compounded annually attributable to inflation, seniority/merit, and post retirement benefit increases.

At December 31, 1994, the unfunded pension benefit obligation was \$29,666,118 computed as follows:

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$31,408,857
Current employees	
Accumulated employee contributions	19,877,480
Employer financed vested	8,358,881
Employer financed unvested	<u>12,382,881</u>
Total pension benefit obligation	62,641,365
Net assets available for benefits, at cost or amortized cost (Note B) (Market value \$47,188,733)	<u>42,595,247</u>
Unfunded Pension Benefit Obligation	\$19,646,118

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
DECEMBER 31, 1994

NOTES TO FINANCIAL STATEMENTS

D. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

The Board of Trustees, on April 30, 1994, 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 1995 and ending in 2024) as recommended by the system's actuary. Subsequent changes in the employee contribution rate are to be effective on May 1st of each year subject to recommendations by the actuary in future annual actuarial reports.

Contributions totaling \$3,435,158 (\$2,948,477 employer and \$1,376,473 employee) were made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at December 31, 1994. These contributions consisted of (a) \$2,388,842 normal cost and (b) \$1,428,188 amortization of the unfunded actuarial accrued liability. The contribution rate for employees is established by statute at 10% of covered payroll. The employer contribution rate was 18.77% of covered payroll for the period of January 1, 1994 through April 30, 1994, and 18.47% of covered payroll for the period of May 1, 1994 through December 31, 1994.

Significant actuarial assumptions, used to compute the contribution requirements, are the same as those used to compute the standardized measure of the Pension Benefit Obligation discussed in Note C above.

E. TEN-YEAR HISTORICAL TREND INFORMATION

Historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due is presented in Schedules I and J in the Supplemental Information section of this report (pages 12 and 13).

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTAL INFORMATION
 ANALYSIS OF FUNDING PROGRESS
 (In thousands of dollars)

SCHEDULE 1

FISCAL YEAR	(1) NET ASSETS AVAILABLE FOR BENEFITS*	(2) PENSION BENEFIT OBLIGATION	(3) PERCENT FUNDED		(4) UNFUNDED PENSION BENEFIT OBLIGATION	(5) ANNUAL COVERED PAYROLL	(6) PERCENTAGE OF COVERED PAYROLL
			2017-18	2018-19			
1987	\$21,343	\$33,442	43.0%	\$12,099	\$ 8,259	146.3%	
1988	22,058	38,418	59.5	16,360	8,079	202.8	
1989	25,340	42,378	59.5	17,038	10,443	164.8	
1990	27,389	44,034	61.1	16,645	10,879	160.8	
1991	29,083	46,064	63.0	17,000	11,329	152.1	
1992	32,343	48,483	66.3	16,140	11,383	143.3	
1993	34,876	52,368	66.8	17,492	11,859	148.2	
1994	37,088	56,034	66.3	18,946	11,960	158.2	
1995	39,541	59,346	66.8	20,005	12,355	158.7	
1996	42,595	62,461	68.0	20,066	12,878	154.3	

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligations, 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 obligations and annual covered payroll are both reflected by indication. 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.

* At cost or amortized cost (See Note B)

See independent auditor's report.

**CITY OF ALABAMA EMPLOYERS' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTAL INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE**

SCHEDULE 2

REVENUES BY SOURCE

<u>FISCAL YEAR</u>	<u>EMPLOYEE CONTRIBUTIONS</u>	<u>EMPLOYEE CONTRIBUTIONS</u>	<u>INVESTMENT INCOME</u>	<u>TOTAL</u>
1987	\$ 826,487	\$ 143,909	\$ 2,318,558	\$ 3,288,954
1988	807,889	1,136,973	1,884,820	3,829,682
1989	1,044,296	1,467,828	2,965,379	5,477,503
1990	1,087,888	1,679,641	3,828,377	6,595,906
1991	1,188,178	1,883,832	3,561,566	6,633,576
1992	1,138,837	1,868,758	3,778,704	6,786,301
1993	1,245,763	2,031,887	2,953,615	6,231,270
1994	1,277,888	2,847,875	2,788,483	6,914,246
1995	1,335,531	2,848,828	2,847,171	7,031,530
1996	1,374,673	2,348,477	2,327,198	6,050,348

EXPENSES BY TYPE

<u>FISCAL YEAR</u>	<u>BENEFITS</u>	<u>REVENUE</u>	<u>ADMINISTRATIVE EXPENSES</u>	<u>TOTAL</u>
1987	\$1,978,501	\$28,613	\$13,860	\$2,020,974
1988	2,178,476	23,788	14,516	2,216,780
1989	2,414,866	16,688	16,780	2,448,334
1990	2,688,773	188,883	44,262	2,921,918
1991	2,843,575	181,188	50,523	3,075,286
1992	2,888,442	275,825	60,888	3,225,155
1993	3,088,888	328,652	68,688	3,486,228
1994	3,329,191	842,113	88,188	3,759,492
1995	3,888,887	128,222	88,188	4,105,307
1996	3,588,858	272,888	88,822	3,950,568

Contributions were not made in accordance with actuarially determined contribution requirements for years 1987 through 1989.

See independent auditor's report.

ADDITIONAL INFORMATION

CITY OF ALABAMA EMPLOYERS' RETIREMENT SYSTEM
 INVESTMENTS - CORPORATE BONDS
 DECEMBER 31, 1994

SCHEDULE 3

DESCRIPTION	MAJORITY DATE	INTEREST RATE	FACE VALUE	ACCRUED COST
Aston Life & Casualty Company	11/15/77	8.00%	\$ 300,000	\$ 270,874
Aston Life & Casualty Company	08/15/73	7.25%	300,000	191,250
Alabama Power Company	12/01/71	8.75%	300,000	296,750
Alabama Power Company	05/01/73	8.50%	300,000	190,450
Alabama Power Company	05/01/73	8.50%	300,000	190,910
Alabama Power Company	02/01/73	7.75%	300,000	299,144
Alabama Power Company	11/01/73	7.50%	300,000	191,700
American Telephone & Telegraph	07/15/74	8.12%	300,000	200,000
American Telephone & Telegraph	07/15/74	8.12%	300,000	200,000
American Telephone & Telegraph	12/01/73	8.43%	300,000	299,000
Atlantic Richfield	02/01/72	8.25%	300,000	200,000
Atlantic Richfield	02/01/72	8.75%	100,000	100,000
Baltimore Gas & Electric	02/01/73	7.50%	300,000	200,000
Bell Telephone Co. of Pennsylvania	02/15/73	7.37%	200,000	199,530
Chesapeake & Potomac Telephone Co.	04/15/74	7.37%	100,000	99,113
Coca Cola Enterprises	08/15/72	8.00%	300,000	300,000
Consolidated Edison Company	02/15/73	7.50%	200,000	185,870
Consolidated Edison Company	02/15/73	7.12%	300,000	298,603
Dow Chemical	04/01/71	8.00%	100,000	134,000
Duke Power Company	02/01/73	7.37%	200,000	200,000
Duke Power Company	02/01/73	7.37%	200,000	191,792
Duke Power Company	02/01/73	7.07%	200,000	195,646
E I duPont de Nemours	02/01/73	7.50%	200,000	187,430
E I duPont de Nemours	02/15/73	8.50%	200,000	209,000
E I duPont de Nemours	02/15/74	8.12%	100,000	99,013
Eastman Kodak	04/01/72	9.25%	110,000	113,300
Florida Power Corporation	12/01/72	8.00%	300,000	298,700
Florida Power Corporation	09/01/75	7.00%	300,000	297,381
Florida Power & Light	01/01/73	7.07%	100,000	99,300
Florida Power & Light	07/01/72	8.50%	200,000	199,320
Florida Power & Light	02/01/73	7.75%	200,000	187,821
Ford Motor Company	09/15/71	9.00%	200,000	199,800
Ford Motor Company	01/15/72	8.07%	300,000	297,450
General Electric Capital Corporation	07/15/71	7.00%	200,000	200,000
General Electric Capital Corporation	05/09/71	7.00%	100,000	100,000
General Motors	04/15/71	9.12%	300,000	298,187
General Motors	04/15/71	9.12%	300,000	299,000
General Motors	07/15/71	9.40%	300,000	299,430

See Independent auditor's report.

(Continued)

CITY OF ALABAMA EMPLOYERS' RETIREMENT SYSTEM
 INVESTMENTS - CORPORATE BONDS
 DECEMBER 31, 1994

SCHEDULE 3

DESCRIPTION	MATURITY DATE	INTEREST RATE	FACE AMOUNT	AMORTIZED COST
Georgia Power Company	04/01/23	8.430%	\$ 43,000	\$ 43,000
Georgia Power Company	02/01/23	7.800	200,000	200,710
Georgia Power Company	04/01/23	7.750	200,000	199,830
Georgia Power Company	04/01/23	7.750	200,000	99,107
GE - California, Inc.	04/15/24	8.070	200,000	200,000
GE - Florida, Inc.	02/01/23	8.375	200,000	99,267
Heavilon Lighting & Power Co.	07/01/23	7.500	200,000	99,737
Illinois Bell Telephone Company	04/01/26	7.825	200,000	100,000
Illinois Bell Telephone Company	07/01/23	7.125	200,000	199,530
Illinois Bell Telephone Company	02/15/24	7.250	200,000	200,740
Illinois Bell Telephone Company	02/15/24	7.250	200,000	199,543
Jarroy Central Power & Light Co.	11/01/20	8.750	200,000	200,970
J.P. Morgan	02/10/20	8.000	200,000	199,000
K-mart	02/01/23	7.800	200,000	200,500
Mobil Oil	08/15/21	8.020	200,000	99,107
Morgan Stanley Group	02/01/24	7.800	200,000	199,000
New England Telephone & Telegraph	10/01/23	8.875	200,000	201,930
New Jersey Bell Telephone Company	03/01/23	7.350	200,000	199,270
New Jersey Bell Telephone Company	12/15/24	8.000	200,000	199,000
New York Telephone Company	02/15/24	7.250	100,000	99,800
New York Telephone Company	02/15/24	7.250	100,000	99,800
New York Telephone Company	08/15/21	7.000	200,000	199,700
New York Telephone Company	08/15/25	7.000	200,000	199,420
Pacific Bell Telephone Company	08/05/23	8.875	200,000	199,071
Pacific Bell Telephone Company	08/10/23	8.875	200,000	197,070
Pacific Bell Telephone Company	02/01/23	7.500	200,000	199,000
Pacific Gas & Electric	10/01/25	8.000	200,000	199,000
Pacific Gas & Electric	10/01/20	8.000	100,000	99,320
Pacific Gas & Electric	10/01/20	8.000	200,000	199,877
Pacific Gas & Electric	02/01/20	7.250	200,000	199,000
Pacific Gas & Electric	08/01/20	7.250	100,000	99,000
Phillip Morris	01/01/91	9.000	200,000	201,000
Phillip Morris	01/01/91	9.000	200,000	200,000
Phillip Morris	01/15/27	8.375	200,000	207,320
Potomac Edison	12/01/22	8.000	200,000	200,000
Potomac Electric Power Co.	02/15/20	7.500	200,000	197,000
Public Service Gas & Electric Co.	02/01/22	8.150	200,000	200,400

See independent auditor's report.

(Continued)

CITY OF SACRAMENTO EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - CORPORATE BONDS
 DECEMBER 31, 1994

SCHEDULE B

DESCRIPTION	MATURITY Date	INTEREST RATE	FACE AMOUNT	AMORTIZED COST
Public Service Gas & Electric Co.	06/01/22	8.500%	100,000	102,851
Public Service Gas & Electric Co.	03/01/22	7.500	90,000	95,704
Public Service Gas & Electric Co.	03/01/22	7.500	100,000	100,000
Public Service Gas & Electric Co.	03/01/22	7.500	107,000	105,261
McGraw-Hill International	02/15/91	8.375	100,000	100,332
Wears Footlock	11/01/11	9.375	100,000	100,000
Shell Oil Company	02/15/92	7.250	70,000	70,000
South Central Bell	08/01/10	7.375	75,000	76,325
Southern Bell Telephone & Telegraph	07/15/12	7.375	150,000	149,000
Southern California Edison	12/01/17	6.375	400,000	400,000
Southern California Edison	07/15/20	7.125	200,000	201,375
Southern California Edison	07/15/20	7.125	200,000	199,000
Southern California Gas	08/01/21	8.250	200,000	200,000
Southwestern Bell Telephone Company	07/15/20	7.250	400,000	400,000
Tennessee Valley Authority	12/15/22	7.750	200,000	197,944
Tennessee Valley Authority	12/15/22	7.750	200,000	197,040
Tennessee Valley Authority	07/15/24	8.850	200,000	193,300
Tennessee Valley Authority	07/15/24	8.850	200,000	200,000
The Potomac Edison Company	12/01/22	6.800	200,000	195,000
The Potomac Edison Company	06/01/24	6.800	100,000	99,227
U.S. West Communications Company	06/15/22	7.500	200,000	197,700
U.S. West Communications Company	08/15/22	4.875	200,000	193,700
Wal-Mart Stores	07/15/90	9.100	200,000	200,000

TOTAL

\$49,000,000 \$12,882,442

see independent auditor's report.

CITY OF MINNEAPOLIS EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - U.S. TREASURY OBLIGATIONS
 DECEMBER 31, 1988

SCHEDULE 4

DESCRIPTION	MATURITY DATE	INTEREST RATE	FACE VALUE	AMORTIZED COST
U.S. Treasury Bill	01/23/89	4.8884	\$ 300,000	\$ 197,538
U.S. Treasury Bill	02/23/89	5.889	300,000	197,545
U.S. Treasury Bill	03/23/89	4.888	300,000	197,558
U.S. Treasury Bond	05/15/90	8.250	300,000	308,121
U.S. Treasury Bond	05/15/90	8.275	300,000	308,388
U.S. Treasury Note	08/15/90	7.250	200,000	193,358
U.S. Treasury Note	08/15/90	8.625	1,000,000	888,782
U.S. Treasury note	08/15/90	8.000	<u>200,000</u>	<u>432,388</u>
TOTAL			<u>42,100,000</u>	<u>51,885,884</u>

See Independent auditor's report.

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - ZERO COUPON TREASURY RECEIPTS
 DECEMBER 31, 1996

SCHEDULE 3

DESCRIPTION	ACTIVITY	DATE	YIELD	FACE	AMORTIZED COST
Zero Coupon Treasury Receipt		02/15/90	9.800%	\$ 264,548	\$ 288,400
Zero Coupon Treasury Receipt		02/15/90	9.800	478,000	352,250
Zero Coupon Treasury Receipt		02/15/90	9.800	188,548	81,281
Zero Coupon Treasury Receipt		02/15/92	9.134	1,000,000	675,850
Zero Coupon Treasury Receipt		03/15/93	9.077	738,788	439,780
Zero Coupon Treasury Receipt		08/15/93	9.539	813,000	450,749
Zero Coupon Treasury Receipt		11/15/93	9.561	1,000,000	643,280
Zero Coupon Treasury Receipt		08/15/94	9.688	688,788	394,369
Zero Coupon Treasury Receipt		11/15/12	8.618	788,000	378,450
Zero Coupon Treasury Receipt		08/15/14	8.661	1,013,000	390,689
Zero Coupon Treasury Receipt		08/15/15	7.800	518,000	128,800
Zero Coupon Treasury Receipt		02/15/17	8.389	1,000,000	583,699
Zero Coupon Treasury Receipt		08/15/97	10.330	<u>263,000</u>	<u>247,385</u>
TOTAL				<u>\$18,718,848</u>	<u>\$8,858,128</u>

Yield represents yield to maturity

See independent auditor's Report.

CITY OF ALABAMA EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - GNSA NOTES
 DECEMBER 31, 1994

SCHEDULE 4

DESCRIPTION	INTEREST RATE	PRINCIPAL	AMORTIZED
		BALANCE	COSE
GNSA Notes	9.0%	\$ 733,453	\$ 699,878
GNSA Notes	9.5	600,257	588,713
GNSA Notes	10.0	443,346	430,863
GNSA Notes	10.5	338,948	328,138
GNSA Notes	11.0	32,445	32,448
GNSA Notes	11.5	30,480	30,431
GNSA Notes	12.0	38,680	38,588
GNSA Notes	12.5	318,410	309,428
GNSA Notes	13.0	18,880	18,786
GNSA Notes	13.5	16,801	16,828
GNSA Notes	14.0	<u>10,330</u>	<u>10,400</u>
TOTAL		\$2,173,720	\$2,084,818

All of the above are monthly principal reduction notes, with final maturity scheduled on various dates.

See independent auditor's report.

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - FMSA NOTES
 DECEMBER 31, 1994

SCHEDULE 1

DESCRIPTION	MATURITY DATE	INTEREST RATE	PRINCIPAL BALANCE	ACCUMULATED COST
FMSA Note	08/20/94	8.2000	\$ 300,000	\$ 300,000
FMSA Note	10/20/94	8.420	300,000	190,000
FMSA Note	12/10/94	8.500	350,000	250,000
FMSA Note	08/24/95	7.500	300,000	200,000
FMSA Note	08/10/11	8.500	500,000	39,700
FMSA Note	09/10/11	8.000	300,000	200,000
<u>TOTALS</u>			<u>\$2,050,000</u>	<u>\$1,369,700</u>

See independent auditors' report.

CITY OF ALEXANDRIA EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - CORPORATE STOCKS
 DECEMBER 31, 1988

SCHEDULE B

<u>CONTRIBUTION</u>	<u>NUMBER</u> <u>OF</u> <u>SHARES</u>	<u>COSE</u>
Am. Inv.	2,800	77,568
Albacore Beach Company	2,800	86,814
AMP Corporation	10,000	374,645
Central LA Electric Company	11,000	301,544
Coca Cola Company	11,000	299,813
Cracker Barrel Country Store	5,000	110,413
Dow Chemical Company	2,800	181,858
Eastman Kodak Company	4,000	288,884
Electricite De France	400	1,788
Elm Lilly and Company	1,000	104,318
Emerson Electric Company	5,000	293,130
EMCOR	2,000	88,060
E I duPont & Co.	4,500	167,228
Flour Corporation	2,000	128,601
General Electric Company	10,000	458,288
General Motors Corporation	5,000	208,180
Georgia Gold Corporation	5,000	147,789
GM Corporation	7,000	288,438
Harris Corporation	2,000	141,321
Harshay Foods Corporation	4,000	185,158
Highlands Insurance Group, Inc.	400	8,488
Hughes Electronics	2,000	21,678
H-J. Heinz Company	2,000	288,328
Intel Corporation	2,000	262,418
International Business Machines	4,000	487,834
Johansen & Johnson	4,000	221,488
Lambert Technologies, Inc.	4,000	278,827
McDonald's Corporation	5,000	377,158
Metravac, Inc.	4,000	222,888
Merck & Company	5,000	288,178
Microsoft Corporation	2,000	89,674
Mobil Oil Corporation	2,000	204,218
3M Corporation	400	18,764
Novell, Inc.	18,000	287,244
Pennell Company	2,000	178,587
PepsiCo, Inc.	12,000	362,888
Pfizer	4,000	847,242

See independent auditor's report.

(Continued)

CITY OF ALABAMA EMPLOYEES' RETIREMENT SYSTEM
 INVESTMENTS - CORPORATE STOCKS
 DECEMBER 31, 1988

SCHEDULE B

DESCRIPTION	NUMBER OF SHARES	DOLLAR VALUE
Avco Corporation	4,000	421,100
Quaker Steak Corporation	15,000	244,100
Readers Digest Association	4,000	275,156
SBC Communications	4,000	224,147
Schlumberger, Ltd.	2,000	117,349
Scientific Atlanta, Inc.	4,000	148,475
Sas Microsystems, Inc.	12,000	179,460
U.S. West Company	5,000	134,368
U.S. West Media Group	5,000	80,765
Wal-Mart Stores	2,000	52,863
Weyerhaeuser Company	4,000	142,694
World Com, Inc.	19,000	222,151
W.M. Wrigley Company	3,000	221,848
TOTAL		\$12,634,772

See independent auditor's report.

**OTHER REPORTS REQUIRED BY
ACCOUNTING AUDITING STANDARDS**

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



PAYNE, MOORE & HERRINGTON, LLP

CPA FIRM REGISTRATION

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

Board of Trustees
City of Alexandria Employees'
Retirement System

We have audited the financial statements of the City of Alexandria Employees' Retirement System, Alexandria, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated February 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 System 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 recorded in accordance with management's authorizations 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 the changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Home & Auto LIA	Auto & Home CPA	Home & Home CPA
Home & Home CPA	Auto & Home LIA	Auto & Home LIA
Home & Home CPA	Auto & Home LIA	Auto & Home LIA



400 NORTH BUSH • PO BOX 2200 • ALEXANDRIA, LA 70002-2200



PAUL, MORRIS & HERINGTON, LLP

Board of Trustees
City of Alexandria Employees'
Retirement System

In planning and performing our audit of the financial statements of the City of Alexandria Employees' Retirement System, for the year ended December 31, 1998, 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 or 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 Board of Trustees and management of the City of Alexandria Employees' Retirement System. However, this report is a matter of public record and its distribution is not limited.

Paul Morris Herington, LLP
Certified Public Accountants

February 10, 1999

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED
ON AN ASSET 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

Board of Trustees
City of Alexandria Employees'
Retirement System

We have audited the financial statements of the City of Alexandria Employees' Retirement System, Alexandria, Louisiana, as of and for the year ended December 31, 1997, and have issued our report thereon dated February 10, 1998.

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, regulations, and contracts applicable to the City of Alexandria Employees' Retirement System is the responsibility of the System's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the System's compliance with certain provisions of laws, regulations, and contracts. 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 the Board of Trustees and management of the City of Alexandria Employees' Retirement System. However, this report is a matter of public record and its distribution is not limited.

Payne Moore & Herrington, LLP
Certified Public Accountants

February 10, 1998

General Issues (14) Internal Issues (14) Related Party (14)
S. Healthcare (14) Regulatory Issues (14) Special Issues (20)
Investment Issues (14) Tax (18) Other (14) 1. No. 888 (14)



2000 PMH Bldg • P.O. Box 6000 • Alexandria, LA 70016-1000

Ph: 504-40-0000 • Fax: 504-40-2000

