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FIREMEN'S PENSION AND RELIEF FUND

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1999

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 11-3-99



PAYNE, MOORE & HERRINGTON, LLP

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, 1999, and for the year then ended as listed in the table of contents. 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.

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.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial status of the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana, as of April 30, 1999, and the changes in financial status for the year then ended in conformity with generally accepted accounting principles.

The Firemen's Pension and Relief Fund has not presented the *Schedule of Funding Progress* and the *Schedule of Employer Contributions* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic 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

The year 2000 supplementary information on page 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and the presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana, is or will become year 2000 compliant, that the Fund's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Fund does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 1999, on our consideration of the Firemen's Pension and Relief Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

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

Payne, Moore & Herrington, LLP
Certified Public Accountants

August 17, 1999

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
STATEMENT OF PLAN NET ASSETS
APRIL 30, 1999

EXHIBIT A

ASSETS	
Cash	\$ 8,713
Accrued interest receivable	714
Investments, at fair value	
Certificate of deposit	81,181
GNMA notes	<u>1,813</u>
Total Investments	<u>82,994</u>
Total Assets	92,421
LIABILITIES	
	<u>-0-</u>
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	<u>\$92,421</u>

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

FIREMEN'S PENSION AND RELIEF FUND
 CITY OF ALEXANDRIA, LOUISIANA
 STATEMENT OF CHANGES IN PLAN NET ASSETS
 YEAR ENDED APRIL 30, 1999

EXHIBIT B

ADDITIONS	
Employer contributions	\$ 50,000
Investment income	<u>5,657</u>
Total Additions	55,657
DEDUCTIONS	
Benefits	99,829
Administrative expenses	<u>1,066</u>
Total Deductions	<u>100,895</u>
NET DECREASE	(45,238)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>137,659</u>
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</u>	<u>\$ 92,421</u>

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

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1999**

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

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.

The financial statements contained herein 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.

Plan Description

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. Specifically, 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, 1999, Fund membership consisted of:

Current employees	
Vested (20 years of service and age less than 50)	18
Retirees and survivors currently receiving benefits	<u>7</u>
Total	25

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.

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 1999

NOTES TO FINANCIAL STATEMENTS

Benefits and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

Significant Accounting Policies

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.

Required Supplemental Information Not Disclosed - Management has elected to omit the two schedules of historical trend information, a *Schedule of Changes in Plan Net Assets* and a *Schedule of Employer Contributions*, that Government Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. Management believes that such historical trend information would not be useful since, subsequent to the merger, the Fund only remains contingently liable for certain retirement payments in accordance with the merger agreement as discussed above.

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.

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 - Statutes allow the Fund to invest in securities issued, guaranteed, or insured by the United States government; 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 are reported at fair value. Certificates of deposit are valued at cost which equals fair value. The GNMA certificate is valued on the basis of its future principal and interest payments discounted at prevailing interest rates for similar investments.

2. 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. Employer contributions of \$50,000 were made during the year ending April 30, 1999.

**REQUIRED SUPPLEMENTAL
INFORMATION**

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
REQUIRED SUPPLEMENTAL INFORMATION
YEAR 2000 SUPPLEMENTARY INFORMATION
APRIL 30, 1999

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the System's operations as early as fiscal year 1999.

The Fund has completed an inventory of its computer system and other electronic equipment that may be affected by the year 2000 issue which is necessary to conducting Fund operations, and has identified the financial reporting system and retiree disbursements system as being mission critical.

The financial reporting system and the retiree disbursements system is part of the City of Alexandria's electronic data processing systems as a whole and, as such, is not under the control of the management of the Firemen's Pension and Relief Fund. The City's Information Systems Department has completed the validation and testing stage of its electronic data processing systems as it relates to the financial reporting system and the retiree disbursements system and believes these systems to be year 2000 compliant.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of the related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management can not assure that the Fund is or will be year 2000 ready, that the Fund's remediation efforts will be successful in whole or in part, or that parties with whom the Fund does business will be year 2000 ready.

See independent auditor's report.

ADDITIONAL INFORMATION

FIREMEN'S PENSION AND RELIEF FUND
 CITY OF ALEXANDRIA, LOUISIANA
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
 YEAR ENDED APRIL 30, 1999

SCHEDULE 1

CASH IN BANK, MAY 1, 1998		\$ 52,947
Receipts		
Employer contributions	50,000	
Investment income	5,339	
Principal collections on GNMA certificate	<u>1,322</u>	
Total Receipts		<u>56,661</u>
TOTAL CASH AVAILABLE		109,608
Disbursements		
Plan benefits	99,829	
Administrative expenses	<u>1,066</u>	
Total Disbursements		<u>100,895</u>
<u>CASH IN BANK, APRIL 30, 1999</u>		<u>\$ 8,713</u>

See independent auditor's report.

**REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND LOUISIANA GOVERNMENTAL AUDIT GUIDE**

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



PAYNE, MOORE & HERRINGTON, LLP

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING 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, 1999, and have issued our report thereon dated August 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Firemen's Pension and Relief Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Firemen's Pension and Relief Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may



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Firemen's Pension and Relief Fund
City of Alexandria, Louisiana

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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Honorable Mayor, City Council, Board of Trustees, management of the Firemen's Pension and Relief Fund, and the Legislative Auditor's office of the State of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties.

Payne, Moore & Herrington, LLP
Certified Public Accountants

August 17, 1999

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED APRIL 30, 1999

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes no

Reportable conditions identified
that are not considered to be
material weaknesses? yes none reported

Noncompliance material to financial
statements noted? yes no

Prior Year Audit Findings None

Management's Corrective Action Plan Not Applicable

Federal Awards Not Applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

