

2025 RELEASE UNDER E.O. 14176

**POLICEMEN'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 NOV 03 1999

POLICEMEN'S PENSION AND RELIEF FUND  
CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 1999

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT . . . . .		1-2
FINANCIAL STATEMENTS		
STATEMENT OF PLAN NET ASSETS . . . . .	A	3
STATEMENT OF CHANGES IN PLAN NET ASSETS . . . . .	B	4
NOTES TO FINANCIAL STATEMENTS . . . . .		5-7
REQUIRED SUPPLEMENTAL INFORMATION . . . . .		8
YEAR 2000 SUPPLEMENTARY INFORMATION . . . . .		9
ADDITIONAL INFORMATION . . . . .		10
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS . . . . .		11
OTHER REPORTS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> AND <i>LOUISIANA GOVERNMENTAL AUDIT GUIDE</i> . . . . .		12
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS . . . . .		13-15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS . . . . .		16-17





PAYNE, MOORE & HERRINGTON, LLP

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the Policemen'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 Policemen'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 Policemen'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 Policemen'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  
Policemen's Pension and Relief Fund  
City of Alexandria, Louisiana

The year 2000 supplementary information on page 9 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 Policemen'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 Policemen'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.

  
Certified Public Accountants

August 17, 1999

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

EXHIBIT A

ASSETS	
Cash	\$ 8,694
Accrued interest receivable	369
Investments, at fair value	
Certificates of deposit	99,748
Due from other funds of the City of Alexandria	
General Fund	<u>109,066</u>
Total Assets	<u>217,877</u>
LIABILITIES	<u>-0-</u>
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>	<u>\$217,877</u>

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

POLICEMEN'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	\$188,758
Investment income	<u>6,509</u>
Total Additions	195,267
DEDUCTIONS	
Plan benefits	193,481
Administrative	<u>1,786</u>
Total Deductions	<u>195,267</u>
NET INCREASE	-0-
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>217,877</u>
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</u>	<u>\$217,877</u>

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

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

**NOTES TO FINANCIAL STATEMENTS**

**1. PLAN DESCRIPTION, AND SIGNIFICANT ACCOUNTING POLICIES**

The Policemen'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 state law. 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 Policemen'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

On August 19, 1983, the City of Alexandria entered into a merger contract with the Municipal Police Employees' Retirement System (MPERS). The purpose of the merger was to transfer all active policemen who were currently participating in the City's Policemen's Pension and Relief Fund into the state wide Municipal Police Employees' Retirement System in accordance with Act 577 of the 1981 Legislative Session. In addition to the active policemen, all retirees, widows, and survivors were also merged. All full-time policemen hired after July 12, 1977 were directly enrolled in the MPERS through legislative mandate.

In conjunction with the merger of active policemen with the MPERS, the City entered into a private agreement, "No Loss in Benefit Guarantee," with the local policemen which guaranteed that no member would lose any rights or benefits that the member would have been entitled to under Policemen's Pension and Relief Fund of the City of Alexandria. Specifically, the Policemen's Pension and Relief Fund provided a retirement eligibility requirement of 20 years of service at any age. These eligibility requirements were more liberal than those of MPERS in that benefits are not payable until age 50 with 20 years of service, age 55 with a minimum of 12 years of service, or at any age with 25 years of service. Therefore, if a policeman retires prior to age 50, the agreement guarantees that the City will pay the benefit until age 50 at which time MPERS will commence retirement benefit payments.

As a result of the merger, all active policemen are now subject to the benefit formula and retirement eligibility requirements prescribed by MPERS. In addition, all retirees, widows, and survivors were guaranteed to continue receiving their current benefits regardless of MPERS' benefit provisions.

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

**NOTES TO FINANCIAL STATEMENTS**

At April 30, 1999, Fund membership consisted of:

Current employees	
Vested (20 years of service and age less than 50)	-0-
Retirees and survivors currently receiving benefits	<u>8</u>
Total	8

Retirement benefits vest after twenty years of creditable service. The plan provides normal retirement benefits after twenty years of service of two-thirds of the highest average monthly salary for any continuous twelve month period of time worked prior to retirement.

Covered employees are not required to contribute to the Fund. The City of Alexandria is required to contribute twenty percent of municipal court fines, ten percent of beer and alcohol licenses, and an amount equal to the current operating deficit of the Fund without regard for reserve requirements accruing or having accrued on an actuarial basis. Benefit and contribution provisions are established by state law and may be amended only by the Legislature of the State of Louisiana.

Significant Accounting Policies

Basis of Accounting - The Fund's financial statements are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

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, which consist of certificates of deposit, are valued at cost which equals fair value. The certificates of deposit at year end were entirely covered by federal depository insurance.



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

NOTES TO FINANCIAL STATEMENTS

Short-term Interfund Receivables/Payables - During the course of operations, numerous transactions occur between individual funds. These receivables are classified as "due from other funds" on the Statement of Plan Net Assets.

**REQUIRED SUPPLEMENTAL INFORMATION**

POLICEMEN'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 Policemen'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**

POLICEMEN'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		\$ 23,181
Receipts		
Employer contributions	175,000	
Interest received	<u>6,528</u>	
Total Receipts		<u>181,528</u>
TOTAL CASH AVAILABLE		204,709
Disbursements		
Purchase of investments	748	
Plan benefits	193,481	
Administrative and other expenses	<u>1,786</u>	
Total Disbursements		<u>(196,015)</u>
<u>CASH IN BANK, APRIL 30, 1999</u>		<u>\$ 8,694</u>

See independent auditor's report.

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

**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

**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  
Policemen's Pension and Relief Fund  
City of Alexandria, Louisiana

We have audited the financial statements of the Policemen'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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Policemen'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 Policemen'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





PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor, City Council,  
and Board of Trustees  
Policemen'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 Policemen's Pension and Relief Fund, and the Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Payne, Moore & Herrington, LLP*  
Certified Public Accountants

August 17, 1999