

4847

RECEIVED
LEGISLATIVE AUDITOR
04 NOV -1 PM 12: 23

FIREMEN'S PENSION AND RELIEF FUND

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 11-10-04

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

APRIL 30, 2004

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1-2
Required Supplemental Information Management's Discussion and Analysis		3-5
Financial Statements		6
Statement of Plan Net Assets	A	7
Statement of Changes in Plan Net Assets	B	8
Notes to Financial Statements		9-10
Additional Information		11
	<u>SCHEDULE</u>	
Schedule of Cash Receipts and Disbursements	1	12
Report Required by <i>Government Auditing Standards</i> and <i>Louisiana Governmental Audit Guide</i>		13
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		14-16
Schedule of Findings and Questioned Costs		17-18



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, 2004, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 discussed in Note 1, these 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above 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, 2004, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 5 is not a required part of the 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 presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

MARVIN A. JUNEAU, C.P.A. | ROBERT L. LITTON, C.P.A. | MICHAEL A. JUNEAU, C.P.A.
N. FRED RANDOW, C.P.A. | ROBERT W. DVORAK, C.P.A. | JAMES N. BALLARD, C.P.A.
ERNEST F. SASSER, C.P.A. | REBECCA B. MORRIS, C.P.A. | L. PAUL HOOD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

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

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 financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2004, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Payne, Moore & Herrington, LLP
Certified Public Accountants

July 25, 2004

REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 2004**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

The following is management's discussion and analysis of the financial performance of the City of Alexandria's Firemen's Pension and Relief Fund. It is presented as a narrative overview and analysis for the purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

FINANCIAL HIGHLIGHTS

The net assets held in trust for pension benefits increased \$2,713, or 3% over the prior year.

Interest revenue decreased by \$1,211 or 348%. Employer contributions decreased \$20,000, or 40%.

Benefits paid to retirees decreased \$12,762, or 27% from the prior year as the number of beneficiaries decreased.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the Firemen's Pension and Relief Fund's financial statements, required supplemental information, and the supporting schedules as described below:

Statement of Plan Net Assets – This statement reports the Fund's assets, liabilities, and the resultant net assets held in trust for pension benefits. This statement should be read with the understanding that it discloses the Fund's financial position as of April 30, 2004.

Statement of Changes in Plan Net Assets – This statement reports the results of operations during the year, categorically disclosing the additions to and deduction from plan net assets.

Notes to the Financial Statements – The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes follows:

Note 1 (Plan Description) provides a general description of the Fund, rules for eligibility, and its related history. This note also discloses significant accounting policies which convey to the reader accounting basis, accounting principles, estimates, and other data used in the formulation of the financial statements.

Note 2 (Contributions Required and Contributions Made) describes the funding policies and the Fund's compliance with those policies.

See Independent Auditor's Report.

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 2004**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONCLUDED)**

Additional Information – shows the Schedule of Cash Receipts and Cash Disbursements. This simply shows the reader the sources and uses of cash flowing through the Fund in a given year.

FINANCIAL ANALYSIS

Due to the merger, the Fund will continue to reduce its benefits paid with the passage of time as recipients merge onto the statewide Firefighters' Retirement System. Payment of benefits is the only major use of assets in the Fund. The only source of assets is interest revenue and the deficit support transfer from the City's General Fund. Whatever the future may hold for interest revenue, the combination of use of existing net assets combined with the deficit support from the City's General Fund ensure that this Fund will have sufficient sources to fulfill its purpose until the last recipient is no longer eligible.

REQUEST FOR INFORMATION

This financial report for the Firemen's Pension and Relief Fund is designed to provide a general overview of the Fund's finances for interested parties. Any request for additional information should be directed to the City of Alexandria, P.O. Box 71, Alexandria, LA 71309.

See Independent Auditor's Report.

FINANCIAL STATEMENTS

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
STATEMENT OF PLAN NET ASSETS
APRIL 30, 2004**

EXHIBIT A

ASSETS

Cash	\$ 1,427
Investments, at fair value	
Certificate of deposit	<u>82,861</u>
Total Assets	84,288

LIABILITIES

-

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

\$ 84,288

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, 2004**

EXHIBIT B

ADDITIONS

Employer contributions	\$ 30,000
Investment income	<u>1,560</u>
<i>Total Additions</i>	31,560

DEDUCTIONS

Plan benefits	<u>34,273</u>
---------------	---------------

NET INCREASE (2,713)

**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS,
BEGINNING OF YEAR**

87,001

**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS,
END OF YEAR**

\$ 84,288

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

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 2004**

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 basic 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 accounting principles generally accepted in the United States of America.

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, 2004, Fund membership consisted of:

Current employees	
Vested (20 years of service and age less than 50)	15
Retirees and survivors currently receiving benefits	<u>6</u>
	21

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
APRIL 30, 2004**

NOTES TO FINANCIAL STATEMENTS

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.

Required Supplemental Information Not Disclosed - Management has elected to omit the two schedules of historical trend information, a *Schedule of Funding Progress* and a *Schedule of Employer Contributions*, that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the 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 accounting principles generally accepted in the United States of America 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.

Certificates of deposit classified as investments were entirely covered by federal depository insurance. The GNMA certificate is held by the Fund in the Fund's name.

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, 2004.

ADDITIONAL INFORMATION

**FIREMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED APRIL 30, 2004**

SCHEDULE 1

CASH RECEIPTS

Employer contributions	\$ 30,000
Interest received	1,800
Principal collections on GNMA certificate	<u>104</u>
Total Cash Receipts	31,904

CASH DISBURSEMENTS

Purchase of certificate of deposit	1,679
Plan benefits paid	<u>34,273</u>
Total Cash Disbursements	<u>35,952</u>

NET INCREASE (DECREASE) IN CASH (4,048)

CASH, BEGINNING OF YEAR 5,475

CASH, END OF YEAR \$ 1,427

See independent auditor's report.

**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

CERTIFIED PUBLIC ACCOUNTANTS

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 of the City of Alexandria, Louisiana, as of and for the year ended April 30, 2004, and have issued our report thereon dated July 25, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 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.

MARVIN A. JUNEAU, C.P.A. | ROBERT L. LITTON, C.P.A. | MICHAEL A. JUNEAU, C.P.A.
H. FRED RANDOW, C.P.A. | ROBERT W. DVORAK, C.P.A. | JAMES N. BALLARD, C.P.A.
ERNEST F. SASSER, C.P.A. | REBECCA B. MORRIS, C.P.A. | L. PAUL HOOD, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200
PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM



PAYNE, MOORE & HERRINGTON, LLP

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

This report is intended solely for the information and use of the Honorable Mayor, City Council, Board of Trustees, management of the Firemen's Pension and Relief Fund of the City of Alexandria, Louisiana 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. However, under Louisiana Revised Statute 21:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants

August 25, 2004

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, 2004**

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.