

# CITY OF ALEXANDRIA FINANCIAL REPORT

ALEXANDRIA, LOUISIANA

APRIL 30, 2002

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Release Date 11/13/02

2002-11-13 14:32

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APRIL 30, 2002**

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Alexandria, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Alexandria, Louisiana, as of April 30, 2002, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the City of Alexandria, Louisiana'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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Alexandria, Louisiana, as of April 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Alexandria, Louisiana, as of April 30, 2002, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2002, on our consideration of the internal control over financial reporting of the City of Alexandria, Louisiana, and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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.

MARVIN A. JUNEAU, C.P.A.  
H. FRED RANDOW, C.P.A.  
ERNEST F. SASSER, C.P.A.

ROBERT L. LITTON, C.P.A.  
ROBERT W. DVORAK, C.P.A.  
REBECCA B. MORRIS, C.P.A.

MICHAEL A. JUNEAU, C.P.A.  
JAMES N. BALLARD, C.P.A.  
L. PAUL HOOD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council  
City of Alexandria, Louisiana

As discussed in Note 1 to the financial statements, the City changed its method of accounting for sales tax revenue as required by the provisions of Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, of the Governmental Accounting Standards Board.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements of the City of Alexandria, Louisiana. The accompanying financial information listed as additional information in the table of contents, including the schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Alexandria, Louisiana. Such information, except for the summary of utility service customers and the listing of insurance in force marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

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

September 30, 2002

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

The General Purpose Financial Statements include all funds and account groups of the City and are designed to provide an overview of the financial position and results of operations for the City as a whole. Additional information in the form of combining, individual fund, and account group statements and schedules is included elsewhere in this report.

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 APRIL 30, 2002

	Primary Government				
	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>ASSETS AND OTHER DEBITS</b>					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 220,652	\$ 3,318,339	\$	\$ 4,903,744	\$ 3,813,361
Equity in pooled cash and investments	8,493,133		806,543	18,613,223	4,011,594
Investments			2,786,365		
Receivables (net of allowance for uncollectibles)					
Taxes	12,805	1,617,113	144	25,070	
Accounts					7,887,843
Intergovernmental	990,294	229,626			19,864
Other	195,651	7,248	17,691		1,113
Due from other funds	3,442,199	10,144	138,397	623,005	50,658
Prepaid expenses					
Inventories	182,004	4,000			1,978,863
Restricted assets					
Equity in pooled cash and investments					28,444,628
Advances to other funds					150,000
Fixed assets (net, where applicable, of accumulated depreciation)					102,020,401
Bond issuance costs					993,494
<b>OTHER DEBITS</b>					
Amount available in debt service funds					
Amount to be provided for retirement of general long-term debt					
<b><u>TOTAL ASSETS AND OTHER DEBITS</u></b>	<b><u>\$ 13,536,738</u></b>	<b><u>\$ 5,186,470</u></b>	<b><u>\$ 3,749,140</u></b>	<b><u>\$ 24,165,042</u></b>	<b><u>\$ 149,371,819</u></b>

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

EXHIBIT A  
(Continued)

Primary Government				Component Units			Total (Memorandum Only) Reporting Entity
Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Total (Memorandum Only) Primary Government	Alexandria City Marshal	Alexandria City Court	
Internal Service	Trust	General Fixed Assets	General Long-Term Debt				
\$ 197,407	\$ 1,733,685	\$	\$	\$ 14,187,188	\$ 150,692	\$ 682,560	\$ 15,020,440
8,607,622				40,532,115			40,532,115
	65,303,542			68,089,907		140,000	68,229,907
				1,655,132			1,655,132
				7,887,843			7,887,843
				1,239,784		2,667	1,242,451
310,805	648,939			1,181,447	23,014	16,700	1,221,161
34,503	101,885			4,400,791	10,094	92,110	4,502,995
				-		1,559	1,559
				2,164,867			2,164,867
				28,444,628			28,444,628
				150,000			150,000
2,359	2,819	100,560,739		202,586,318	208,870	381,908	203,177,096
				993,494			993,494
			3,744,896	3,744,896			3,744,896
			31,729,688	31,729,688	8,600		31,738,288
<u>\$ 9,152,696</u>	<u>\$ 67,790,870</u>	<u>\$ 100,560,739</u>	<u>\$ 35,474,584</u>	<u>\$ 408,988,098</u>	<u>\$ 401,270</u>	<u>\$ 1,317,504</u>	<u>\$ 410,706,872</u>

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 APRIL 30, 2002

	Primary Government				
	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>					
<b>LIABILITIES</b>					
Bank overdraft	\$	\$	\$ 2,970	\$ 15,531	\$ 3,272
Accounts and contracts payable	412,485	139,123		878,016	1,440,728
Accrued expense/other payables	1,017,479	9,296	1,274		1,804,178
Claims payable					
Compensated absences payable					
Payable from restricted assets					8,985,481
Due to other funds	136,831	3,568,105		151	695,563
Due to other governments		83,108			
Advance from other funds				150,000	
Deferred revenue	334,688	6,400			
General obligations payable					
Revenue bonds					44,665,000
Estimated landfill postclosure costs					36,304
Estimated liability for claims incurred					
Total Liabilities	<u>1,901,483</u>	<u>3,806,032</u>	<u>4,244</u>	<u>1,043,698</u>	<u>57,630,526</u>
<b>EQUITY AND OTHER CREDITS</b>					
Investment in general fixed assets					
Contributed capital					44,201,765
Retained earnings					
Reserved					18,292,102
Unreserved					29,247,426
Fund balances					
Reserved		256,150	3,744,896	11,626,101	
Unreserved - designated				908,960	
Unreserved - undesignated	11,635,255	1,124,288		10,586,283	
Total Equity and Other Credits	<u>11,635,255</u>	<u>1,380,438</u>	<u>3,744,896</u>	<u>23,121,344</u>	<u>91,741,293</u>
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<u>\$ 13,536,738</u>	<u>\$ 5,186,470</u>	<u>\$ 3,749,140</u>	<u>\$ 24,165,042</u>	<u>\$ 149,371,819</u>

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

EXHIBIT A  
(Concluded)

Primary Government				Component Units			Total (Memorandum Only) Reporting Entity
Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Total (Memorandum Only) Primary Government	Alexandria City Marshal	Alexandria City Court	
Internal Service	Trust	General Fixed Assets	General Long-Term Debt				
\$ 323,108	\$	\$	\$	\$ 344,881	\$	\$	\$ 344,881
54,560				2,924,912	6,989	6,377	2,938,278
10,466	420			2,843,113	61,167	432,546	3,336,826
867,516				867,516			867,516
			2,094,584	2,094,584			2,094,584
				8,985,481			8,985,481
141				4,400,791	10,094	92,110	4,502,995
				83,108			83,108
				150,000			150,000
				341,088			341,088
			27,010,000	27,010,000	8,600		27,018,600
			6,370,000	51,035,000			51,035,000
				36,304			36,304
5,298,000				5,298,000			5,298,000
6,553,791	420	-	35,474,584	106,414,778	86,850	531,033	107,032,661
		100,560,739		100,560,739	208,870	381,908	101,151,517
655,791				44,857,556			44,857,556
124,810				18,416,912			18,416,912
1,818,304				31,065,730			31,065,730
	67,790,450			83,417,597			83,417,597
				908,960			908,960
				23,345,826	105,550	404,563	23,855,939
2,598,905	67,790,450	100,560,739	-	302,573,320	314,420	786,471	303,674,211
\$ 9,152,696	\$ 67,790,870	\$ 100,560,739	\$ 35,474,584	\$ 408,988,098	\$ 401,270	\$ 1,317,504	\$ 410,706,872

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED APRIL 30, 2002

	Primary Government	
	General	Special Revenue
<b>REVENUES</b>		
Taxes	\$ 2,007,276	\$ 21,052,886
Licenses and permits	2,086,634	
Intergovernmental	7,767,830	1,616,199
Charges for services	638,345	217,034
Fines and fees	666,741	
Investment revenue	226,907	54,726
Court costs		
Other	269,053	109,446
Total Revenues	13,662,786	23,050,291
 <b>EXPENDITURES</b>		
Current		
General government	6,191,249	
Public safety	16,130,243	
Public works	8,146,910	
Special programs		1,657,684
Debt service		
Principal	605,000	
Interest and fiscal charges	1,241,551	
Capital outlay	1,882,591	546,650
Total Expenditures	34,197,544	2,204,334
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(20,534,758)	20,845,957
 <b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in (out)	18,782,785	(20,789,899)
Total Other Financing Sources (Uses)	18,782,785	(20,789,899)
 <b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(1,751,973)	56,058
 <b>FUND BALANCES, BEGINNING OF YEAR</b>		
As previously reported	11,755,482	1,324,380
Prior period adjustment - change in accounting principles	1,631,746	
As restated	13,387,228	1,324,380
 <b><u>FUND BALANCES, END OF YEAR</u></b>	\$ 11,635,255	\$ 1,380,438

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

## EXHIBIT B

Primary Government		Total (Memorandum Only) Primary Government	Component Units		Total (Memorandum Only) Reporting Entity
Debt Service	Capital Projects		Alexandria City Marshal	Alexandria City Court	
\$ 516,011	\$ 2,719,399	\$ 26,295,572	\$	\$	\$ 26,295,572
		2,086,634			2,086,634
	20,534	9,404,563		4,100	9,408,663
		855,379			855,379
		666,741		200,657	867,398
119,721	477,787	879,141	7,828	20,799	907,768
		-	124,240	123,865	248,105
	4,857,000	5,235,499	4,870	3,600	5,243,969
635,732	8,074,720	45,423,529	136,938	353,021	45,913,488
		6,191,249	95,929	250,813	6,537,991
		16,130,243			16,130,243
		8,146,910			8,146,910
		1,657,684			1,657,684
2,585,000		3,190,000	6,701		3,196,701
796,770		2,038,321	915		2,039,236
	8,559,043	10,988,284	7,519	9,003	11,004,806
3,381,770	8,559,043	48,342,691	111,064	259,816	48,713,571
(2,746,038)	(484,323)	(2,919,162)	25,874	93,205	(2,800,083)
2,655,070	8,218,808	8,866,764			8,866,764
2,655,070	8,218,808	8,866,764	-	-	8,866,764
(90,968)	7,734,485	5,947,602	25,874	93,205	6,066,681
3,697,893	15,130,399	31,908,154	79,676	311,358	32,299,188
137,971	256,460	2,026,177			2,026,177
3,835,864	15,386,859	33,934,331	79,676	311,358	34,325,365
\$ 3,744,896	\$ 23,121,344	\$ 39,881,933	\$ 105,550	\$ 404,563	\$ 40,392,046

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS  
 YEAR ENDED APRIL 30, 2002

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 1,885,000	\$ 2,007,276	\$ 122,276
Licenses and permits	1,763,200	2,086,634	323,434
Intergovernmental	7,779,435	7,767,830	(11,605)
Charges for services	593,430	638,345	44,915
Fines and fees	685,000	666,741	(18,259)
Investment revenue	250,000	226,907	(23,093)
Other	221,849	269,053	47,204
Total Revenues	<u>13,177,914</u>	<u>13,662,786</u>	<u>484,872</u>
<b>EXPENDITURES</b>			
Current			
General government	6,535,763	6,191,249	344,514
Public safety	16,419,954	16,130,243	289,711
Public works	8,587,221	8,146,910	440,311
Special programs			
Debt service			
Principal	605,000	605,000	-
Interest and fiscal charges	1,241,551	1,241,551	-
Capital outlay	2,187,697	1,882,591	305,106
Total Expenditures	<u>35,577,186</u>	<u>34,197,544</u>	<u>1,379,642</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(22,399,272)</b>	<b>(20,534,758)</b>	<b>1,864,514</b>
<b>OTHER FINANCING SOURCES (USES)</b>	<b><u>16,436,924</u></b>	<b><u>18,782,785</u></b>	<b><u>2,345,861</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(5,962,348)</b>	<b>(1,751,973)</b>	<b>4,210,375</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>			
As previously reported	11,755,482	11,755,482	-
Prior period adjustment		1,631,746	1,631,746
As restated	<u>11,755,482</u>	<u>13,387,228</u>	<u>1,631,746</u>
<b><u>FUND BALANCES, END OF YEAR</u></b>	<b><u>\$ 5,793,134</u></b>	<b><u>\$ 11,635,255</u></b>	<b><u>\$ 5,842,121</u></b>

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

## EXHIBIT C

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 20,661,435	\$ 21,052,886	\$ 391,451	\$ 532,000	\$ 516,011	\$ (15,989)
3,695,818	1,616,199	(2,079,619)			
210,724	217,034	6,310			
66,540	54,726	(11,814)	129,500	119,721	(9,779)
130,430	109,446	(20,984)			
<u>24,764,947</u>	<u>23,050,291</u>	<u>(1,714,656)</u>	<u>661,500</u>	<u>635,732</u>	<u>(25,768)</u>
5,056,694	1,657,684	3,399,010			
			2,585,000	2,585,000	-
			798,215	796,770	1,445
	546,650	(546,650)	<u>3,383,215</u>	<u>3,381,770</u>	<u>1,445</u>
<u>5,056,694</u>	<u>2,204,334</u>	<u>2,852,360</u>			
19,708,253	20,845,957	1,137,704	(2,721,715)	(2,746,038)	(24,323)
<u>(20,523,737)</u>	<u>(20,789,899)</u>	<u>(266,162)</u>	<u>2,768,887</u>	<u>2,655,070</u>	<u>(113,817)</u>
(815,484)	56,058	871,542	47,172	(90,968)	(138,140)
1,324,380	1,324,380	-	3,697,893	3,697,893	-
				137,971	137,971
<u>1,324,380</u>	<u>1,324,380</u>	<u>-</u>	<u>3,697,893</u>	<u>3,835,864</u>	<u>137,971</u>
\$ <u>508,896</u>	\$ <u>1,380,438</u>	\$ <u>871,542</u>	\$ <u>3,745,065</u>	\$ <u>3,744,896</u>	\$ <u>(169)</u>

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS/FUND BALANCES  
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
 YEAR ENDED APRIL 30, 2002

EXHIBIT D

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Pension Trusts	
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 70,063,697	\$ 2,392,999	\$	\$ 72,456,696
Member and employer contributions		3,972,489	3,962,155	7,934,644
Investment revenue			(290,418)	(290,418)
Other	323,269	264,320		587,589
Total Operating Revenues	<u>70,386,966</u>	<u>6,629,808</u>	<u>3,671,737</u>	<u>80,688,511</u>
<b>OPERATING EXPENSES</b>				
Production, distribution, treatment, and collection	45,568,988			45,568,988
Insurance claims and premiums		8,135,078		8,135,078
Cost of service	4,575,265			4,575,265
Depreciation	5,912,744			5,912,744
Plan benefit payments			5,205,691	5,205,691
Employee refunds			324,343	324,343
General and administrative expense	5,919,463	463,276	112,681	6,495,420
Total Operating Expenses	<u>61,976,460</u>	<u>8,598,354</u>	<u>5,642,715</u>	<u>76,217,529</u>
<b>OPERATING INCOME (LOSS)</b>	8,410,506	(1,968,546)	(1,970,978)	4,470,982
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grant revenue	613,722			613,722
Investment revenue	1,122,053	252,267		1,374,320
Gain (loss) on sale of fixed assets	(1,810)			(1,810)
Interest expense and fiscal charges	(3,171,650)			(3,171,650)
Total Nonoperating Revenues (Expenses)	<u>(1,437,685)</u>	<u>252,267</u>	<u>-</u>	<u>(1,185,418)</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	6,972,821	(1,716,279)	(1,970,978)	3,285,564
<b>OPERATING TRANSFERS IN (OUT)</b>	<u>(9,111,780)</u>	<u>245,016</u>	<u>-</u>	<u>(8,866,764)</u>
<b>NET LOSS</b>	(2,138,959)	(1,471,263)	(1,970,978)	(5,581,200)
<b>RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR</b>	<u>49,678,487</u>	<u>3,414,377</u>	<u>69,761,428</u>	<u>122,854,292</u>
<b>RETAINED EARNINGS/FUND BALANCES, <u>END OF YEAR</u></b>	<u>\$ 47,539,528</u>	<u>\$ 1,943,114</u>	<u>\$ 67,790,450</u>	<u>\$ 117,273,092</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 YEAR ENDED APRIL 30, 2002

EXHIBIT E  
 (Continued)

	Enterprise	Internal Service	Total (Memorandum Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 8,410,506	\$ (1,968,546)	\$ 6,441,960
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	6,259,036	7,687	6,266,723
Provision for doubtful accounts	614,984		614,984
Changes in assets and liabilities			
Customer receivables	434,461		434,461
Other receivables	56,597	(181,441)	(124,844)
Prepaid expenses		(34,503)	(34,503)
Due from other funds	115,852		115,852
Inventories	157,999		157,999
Accounts payable	(2,331,779)	(25,491)	(2,357,270)
Claims payable		247,136	247,136
Due to other funds	(174,827)	141	(174,686)
Accrued expenses and other liabilities	34,527	1,085	35,612
Customer deposits - net	86,401		86,401
Estimated liability for landfill post-closure costs	(25,696)		(25,696)
Estimated liability for claims incurred		562,000	562,000
Net Cash Provided (Used) by Operating Activities	13,638,061	(1,391,932)	12,246,129
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Bank overdraft	(170,896)	323,108	152,212
Operating transfers - net	(9,111,780)	245,016	(8,866,764)
Repayment of advances to/from other funds	600,000		600,000
Government subsidy - operations	638,114		638,114
Net Cash Provided (Used) by Noncapital Financing Activities	(8,044,562)	568,124	(7,476,438)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of property, plant, and equipment	(7,126,559)		(7,126,559)
Issuance of revenue bonds - net of costs	13,377,947		13,377,947
Proceeds from sale of property, plant, and equipment	41,686		41,686
Government subsidy - capital grant	63,736		63,736
Payments of bonds and other indebtedness	(16,850,000)		(16,850,000)
Interest paid on long-term debt	(2,984,970)		(2,984,970)
Investment income received on construction funds	374,947		374,947
Contribution in aid of construction	15,934		15,934
Net Cash Used by Capital and Related Financing Activities	(13,087,279)	-	(13,087,279)

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

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 YEAR ENDED APRIL 30, 2002

EXHIBIT E  
 (Concluded)

	Enterprise	Internal Service	Total (Memorandum Only)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net decrease in equity in pooled cash and investments	\$ 3,979,909	\$ 693,272	\$ 4,673,181
Investment income received on operating funds	747,106	252,267	999,373
Net Cash Provided by Investing Activities	4,727,015	945,539	5,672,554
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,766,765)	121,731	(2,645,034)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	6,580,126	75,676	6,655,802
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	\$ 3,813,361	\$ 197,407	\$ 4,010,768

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

CITY OF ALEXANDRIA, LOUISIANA  
APRIL 30, 2002

NOTES TO FINANCIAL STATEMENTS

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**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The City of Alexandria, Louisiana (City) is governed under the provisions of the Home Rule Charter adopted June 7, 1977. The City operates under a Mayor - City Council form of government.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units except as noted elsewhere in this report. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

**A. The Financial Reporting Entity**

As mentioned above, the City of Alexandria is governed under the provisions of the Home Rule Charter and operates under a Mayor - City Council form of government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Alexandria (the primary government) and its component units. The component units discussed in Note 1.B. are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

In evaluating how to define the City's reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a potential component unit within the reporting entity is whether the primary government is financially accountable for the potential unit. A primary government is financially accountable if it appoints a voting majority of the organization's governing body and either (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing body, a governing board appointed by a higher level government, or a jointly appointed board. An entity is fiscally dependent if it does not have the authority to do all three of the following procedures:

- a. Determine its budget without another government having the authority to approve and modify that budget.
- b. Levy taxes or set rates or charges without approval by another government.
- c. Issue debt without approval by another government.

The component units discussed in Note 1.B. are included in the City's reporting entity based upon the circumstances outlined above.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**B. Individual Component Unit Disclosures**

Blended Component Units. The Youth Baseball Recreation Board was authorized by the City Council and is governed by a four member board made up of three representatives from the various baseball leagues and one member appointed by the City. The Youth Baseball Recreation Board is reported as if it were part of the primary government because its sole purpose is to operate and maintain the City's baseball complex. The City provides a subsidy to the Board, primarily to finance the operations of the complex.

Discretely Presented Component Units. The component unit columns in the combined financial statements include the financial data of the City's other component units. They are reported in a separate column to emphasize that they are legally separate from the City. The City Marshal and the City Judge are elected by the voters of the City of Alexandria. The financial statements of each of these entities are included as of their respective fiscal years ended September 30, 2001.

1. The Alexandria City Marshal is responsible for enforcing judgments of city court, maintaining order within the city court, and collection of city court fines.
2. The Alexandria City Court is responsible for hearing court cases involving violations of city laws and ordinances and for rendering judgments thereon.

Complete financial statements for each of the two discretely presented component units can be obtained from their respective administrative offices.

Administrative Offices:

Alexandria City Marshal  
515 Washington Street  
Alexandria, Louisiana

Alexandria City Court  
515 Washington Street  
Alexandria, Louisiana

**C. Fund Accounting**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. The City maintains pension trust funds to account for the City's employee pension funds. Trust funds are used to account for assets held by the government in a trustee capacity.

The General Fixed Asset Account Group is used to account for fixed assets other than those used in the proprietary funds.

The General Long-Term Debt Account Group is used to account for long-term debt not accounted for in other funds.

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All government funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's Standards issued prior to November 30, 1989. All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debts are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

Those revenues susceptible to accrual are property taxes, franchise taxes, sales taxes, grants, interest revenue, and charges for services. Fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**E. Budgets and Budgetary Accounting**

Annual appropriated operating budgets of proposed expenditures and the means of financing them are adopted for the general, special revenue, and debt service funds. Budgets for capital projects and some special revenue funds are adopted on a project-length basis. Because these non-operating budgets primarily serve as a management control function, no comparison between budgeted and actual amounts for capital projects funds budgeted on this basis is provided in this document. Budgets established for proprietary funds are management budgets and as such are not required to be reported in this document. Budgeted amounts are as originally adopted, or as amended from time to time by the Council.

Budgets are adopted consistent with accounting principles generally accepted in the United States of America, except those which are adopted on a project-length basis.

Budgets are adopted on a line item basis. Administrative amendments can be made on a departmental basis between line item accounts only. Interdepartmental amendments, interfund amendments, and additional appropriations from one fund to another are subject to Council approval. The overall level of control is on an interdepartmental basis.

Annual operating budget appropriations expire at the close of the fiscal year to the extent not expended.

**F. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the General Fund, Special Revenue Funds, and Capital Projects Funds. Encumbrances at year end, if material, are reported as reservations of fund balances.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**G. Cash and Investments**

Cash - Cash includes amounts on hand and in demand deposits and repurchase agreements. For the purpose of the statement of cash flows, management considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Certificates of deposit classified as investments are valued at cost which equals fair value. U.S. Treasury Notes are valued based on quoted market prices. Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Securities traded on national securities exchanges are valued at the last reported sales price on the last business day of the plan year. Investments traded in the over-the-counter market are valued at the average of the last reported bid and asked prices. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar investments.

**H. Short-term Interfund Receivables/Payables**

*During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.*

**I. Advances to Other Funds**

Loans between funds not occurring during the normal course of operations are classified as advances to other funds.

**J. Inventories**

Inventories are valued at the lower of cost (first-in, first-out) or market, with the exception of central warehouse inventory and fuel, which are valued at average cost. Inventories are accounted for in the General Fund and Enterprise Funds as assets when purchased and recorded as expenditures or expenses as consumed.

**K. Restricted Assets**

Certain Enterprise Fund assets are classified as restricted assets because their use is limited to certain activities by Council action. "Revenue Bond Current Debt Service accounts" are used to report resources accumulated for May 1st maturities of revenue bonds principal and interest. "Customers' Deposit accounts" are used to account for funds received from customers for utilities deposits. "Revenue Bond Reserve accounts" are used to report resources set aside for potential future deficiencies in the Revenue Bond Current Debt Service accounts. "Revenue Bond Capital Additions and Contingencies accounts" are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. "Special Projects accounts" are funds restricted by Council action for certain designated projects. "Utilities Capital Projects accounts" are used to account for funds set aside for capital additions, renewals, and replacements. "Utilities Revenue Bond Construction accounts" are used to report the proceeds of revenue bonds that are restricted for construction.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**L. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. General fixed assets are reported on a combination of estimated historical cost and actual historical cost.

Recent purchases have been valued at historical cost. Recent donated fixed assets have been valued at market value on the date of donation. Older assets acquired have been valued at estimated historical cost.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary fund types and pension trust funds is computed using the *straight-line method*.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

**M. Bond Issuance Costs**

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond issuance costs for proprietary fund types are recorded as deferred charges.

**N. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave of governmental funds that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No accrued current expenditures are reported in the governmental funds as the amounts are considered immaterial. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**O. Long-term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**P. Fund Equity**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

**Q. Reserved Retained Earnings**

Reserved retained earnings, as reported in the combined balance sheet, represents certain restricted assets accumulated in accordance with the outstanding revenue bond indentures which are in excess of related current liabilities payable from restricted assets, and funds reserved for ongoing and future anticipated Utilities System capital construction activity.

**R. Supplemental Wages**

Certain employees of the police and fire departments receive supplemental wages from the State of Louisiana. These supplemental wages are recognized as intergovernmental revenue and public safety expenditures in the General Fund.

**S. Interfund Transactions**

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as operating transfers.

**T. 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.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**U. Memorandum Only Total Columns**

Total columns in the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**V. Change in Accounting Principle**

For the year ended April 30, 2002, the City changed its recognition of sales tax revenue in order to comply with Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, of the Governmental Accounting Standards Board. This Statement requires the City to recognize sales tax revenues in the period when the underlying exchange transaction has occurred and the resources are available. The cumulative effect of applying this Statement is reported as a restatement of beginning fund balance of the General Fund, Debt Service Fund, and the General Capital Projects Fund in the accompanying financial statements. The beginning fund balances increased by the following amounts:

General Fund	\$ 1,631,746
Debt Service Fund	137,971
General Capital Projects Fund	<u>256,460</u>
	\$ 2,026,177

**2. EQUITY IN POOLED CASH AND INVESTMENTS; CASH AND INVESTMENTS**

The City maintains separate cash and investment pools that are available for use by all funds not required to maintain separate accounts in accordance with state law or bond indentures. In addition, cash and investments are held by several of the City's funds. Each fund type's portion of this pool is displayed in the combined balance sheet as "Equity in Pooled Cash and Investments."

At April 30, 2002, the pooled cash and investments account was comprised of the following:

Cash and cash equivalents	
Cash in bank	\$ 395,943
Repurchase agreements	<u>68,580,800</u>
Total pooled cash and investments	\$ 68,976,743

A summary of equity in pooled cash and investments by fund at April 30, 2002 follows:

Unrestricted	
General Fund	\$ 8,493,133
Debt Service Funds	
General Obligation Bonds Fund	806,543

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

<b>Capital Projects Funds</b>		
General Capital Projects Fund		9,851,360
1988 Drainage Property Tax Fund		1,893,774
1993 Streets and Drainage Property Tax Fund		1,406,682
Public Safety Complex Fund		20,010
1998 Property Tax General Capital Projects Fund		5,441,397
<b>Enterprise Funds</b>		
Utilities System Fund		2,634,759
Municipal Bus Line Fund		836,152
Sanitation Fund		540,683
<b>Internal Service Funds</b>		
Risk Management Fund		7,743,649
Employee Benefits Insurance Fund		502,166
Unemployment Benefits Fund		361,807
Total Unrestricted		<u>\$ 40,532,115</u>
 <b>Restricted</b>		
Utilities System Enterprise Fund		
Customers' deposits		\$ 3,272,347
Revenue bond current debt service		5,302,254
Revenue bond reserve		6,039,836
Revenue bond capital additions and contingencies		1,000,000
Capital projects		11,513,146
Revenue bond construction		1,317,045
Total Restricted		<u>28,444,628</u>
Total equity in pooled cash and investments		<u>\$ 68,976,743</u>

Cash and cash equivalents

At April 30, 2002, cash and cash equivalents consisted of the following:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Petty cash and change funds	\$ 10,375	\$	\$ 10,375
Cash in bank	13,831,932		13,831,932
Pooled cash and investments			
Cash in bank	395,495		395,495
Repurchase agreements	<u>40,136,620</u>	<u>28,444,628</u>	<u>68,581,248</u>
Total cash and cash equivalents	<u>\$ 54,374,422</u>	<u>\$ 28,444,628</u>	<u>\$ 82,819,050</u>

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

Cash and cash equivalents are reported in the combined balance sheet as follows:

Unrestricted	
Cash and cash equivalents	\$ 14,187,188
Equity in pooled cash and investments	40,532,115
Bank overdrafts	(344,881)
Restricted	
Cash and cash equivalents	-
Equity in pooled cash and investments	<u>28,444,628</u>
	<b>\$ 82,819,050</b>

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

Investments

The City may invest in United States bonds, treasury notes, or time certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, investments as stipulated in state law, or any other federally insured investment. In addition, the City of Alexandria Employees' Retirement System plan may invest in corporate stocks and bonds.

A summary of investments at year-end is shown below. All investments are held by the City or its agent in the City's name. Certificates of deposit classified as investments were entirely covered by federal depository insurance or by collateral held by the City or its agent in the City's name, except for \$533 that is uninsured and uncollateralized.

Reported as investments in the combined balance sheet, at fair value:

Debt Service Funds	
Certificates of deposit	\$ 2,786,365
Pension Trust Funds	
Certificates of deposit	182,288
Corporate bonds	21,225,438
U.S. Treasury obligations	543,806
U.S. Government agencies	6,742,524
Zero coupon treasury receipts	7,193,181
Corporate stocks	<u>29,416,305</u>
Total Pension Trust Funds	<u>65,303,542</u>
	<b>\$ 68,089,907</b>

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

A comparison of the market values of investments to cost or amortized cost is presented below:

	Fair Value	Cost	Unrealized Gain (Loss)
Certificates of deposit	\$ 2,968,653	\$ 2,968,653	\$ -
Corporate bonds	21,225,438	21,326,618	(101,180)
U.S. Treasury obligations	543,806	496,531	47,275
U.S. Government agencies	6,742,524	6,484,097	258,427
Zero coupon treasury receipts	7,193,181	6,016,261	1,176,920
Corporate stocks	29,416,305	21,847,321	7,568,984
Total Investments	<u>\$ 68,089,907</u>	<u>\$ 59,139,481</u>	<u>\$ 8,950,426</u>

**3. RECEIVABLES**

Receivables, at April 30, 2002, consist of the following:

	Governmental Fund Types	Proprietary Fund Types	Fiduciary Fund Types	Totals
Taxes - ad valorem	\$ 95,772	\$	\$	\$ 95,772
Taxes - sales	2,066,925			2,066,925
Accounts				
Uncollected cycle billings		5,598,606		5,598,606
Estimated unbilled services		3,899,237		3,899,237
Intergovernmental				
Federal	238,289	3,121		241,410
State	378,622	16,743		395,365
Local	50,066			50,066
Interest and dividends	17,691		648,939	666,630
Other	1,797,905	311,918		2,109,823
Gross receivables	4,645,270	9,829,625	648,939	15,123,834
Allowance for uncollectibles	(1,549,628)	(1,610,000)		(3,159,628)
Net receivables	<u>\$ 3,095,642</u>	<u>\$ 8,219,625</u>	<u>\$ 648,939</u>	<u>\$ 11,964,206</u>

Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year. Taxes are levied by the City normally in October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1st of the following year. Revenues from ad valorem taxes are budgeted in the year billed. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Rapides Parish.

**CITY OF ALEXANDRIA, LOUISIANA  
APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

For the year ended April 30, 2002, taxes of 20.22 mills were levied on property with assessed values totaling \$249,906,402 and were dedicated as follows:

Streets and drainage	11.24 mills
Debt service	2.15 mills
General purpose	6.83 mills

Total taxes levied were \$5,053,104 of which \$95,772, representing current taxes, remained uncollected at April 30, 2002.

Receivables arising from utility services provided to customers consist of uncollected billings rendered customers on monthly cycle billings and estimated services provided customers between billing cycles. The allowance for uncollectible accounts includes \$1,610,000, which represents the projected uncollectible utility accounts at April 30, 2002.

**4. DUE FROM/TO OTHER FUNDS**

Amounts due from and to other funds at April 30, 2002, consist of the following:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,442,199	\$ 136,831
Special Revenue Funds		
City Sales Tax Fund		3,460,799
Community Development Block Grant Fund	144	100,516
Home Investment Partnership Fund		6,790
Youth Recreation Fund	10,000	
Debt Service Fund		
Sales Tax Bonds Fund	138,397	
Capital Projects Funds		
General Capital Projects Fund	623,005	151
Enterprise Funds		
Utilities System Fund	500	557,362
Municipal Bus Line Fund	50,158	82,366
Sanitation Fund		55,835
Internal Service Funds		
Risk Management Fund		141
Employee Benefits Fund	34,503	
Trust and Agency Funds		
Policemen's Pension and Relief Fund	101,885	
Totals	\$ 4,400,791	\$ 4,400,791

**CITY OF ALEXANDRIA, LOUISIANA  
APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**5. ADVANCES FROM/TO OTHER FUNDS**

Advances from and to other funds at April 30, 2002, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Capital Projects Funds - General Capital Projects Fund	\$	\$ 150,000
Utilities System Fund - Restricted (Current \$150,000)	150,000	
	\$ 150,000	\$ 150,000

**6. RESTRICTED ASSETS**

At April 30, 2002, restricted assets of the Utility System Enterprise Fund consist of the following:

Equity in pooled cash and investments	\$ 28,444,628
Advances to other funds	150,000
	\$ 28,594,628

Restricted assets of the Utility System Enterprise Fund by account at April 30, 2002, consisted of the following:

	<u>Equity in Pool</u>	<u>Advances</u>	<u>Total</u>
Revenue bond current debt service	\$ 5,302,254	\$	\$ 5,302,254
Customers' deposits	3,272,347		3,272,347
Special Projects		150,000	150,000
Revenue bond reserve	6,039,836		6,039,836
Revenue bond capital additions and contingencies	1,000,000		1,000,000
Utilities capital projects	11,513,146		11,513,146
Utilities revenue bond construction	1,317,045		1,317,045
	\$28,444,628	\$ 150,000	\$ 28,594,628

**7. FIXED ASSETS**

The following is a summary of changes in fixed assets during the fiscal year.

	<u>Balance 05/01/01</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>Completed Construction</u>	<u>Balance 04/30/02</u>
<b>GENERAL FIXED ASSETS ACCOUNT GROUP</b>					
Land and recreation Facilities	\$ 7,645,328	\$ 27,000	\$ -	\$ 9,210,961	\$ 16,883,289
Buildings and Improvements	60,336,281	815,581		543,134	61,694,996
Furniture and fixtures	935,604	33,632	(19,518)		949,718

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

	<u>Balance</u> <u>05/01/01</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>Completed</u> <u>Construction</u>	<u>Balance</u> <u>04/30/02</u>
Equipment	10,309,501	1,646,315	(142,516)	29,980	11,843,280
Vehicles	7,592,743	713,459	(379,284)		7,926,918
Construction in progress	5,533,925	5,512,688		(9,784,075)	1,262,538
	<u>\$ 92,353,382</u>	<u>\$8,748,675</u>	<u>\$ (541,318)</u>	<u>\$ -</u>	<u>\$100,560,739</u>

In the general fixed assets account group, a certain portion of the costs of the assets has been estimated based upon current costs. The amount of general fixed assets that is valued at actual historical cost and those valued at estimated historical cost are detailed below:

Actual historical cost	\$ 98,760,010
Estimated historical cost	<u>1,800,729</u>
Total	<u>\$100,560,739</u>

	<u>Balance</u> <u>05/01/01</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>Completed</u> <u>Construction</u>	<u>Balance</u> <u>04/30/02</u>
<b>ENTERPRISE FUNDS</b>					
<b>Utilities System</b>					
Land	\$ 1,256,939	\$	\$	\$	\$ 1,256,939
Plant and equipment	174,946,050	1,622,289	(855,384)	2,659,679	178,372,634
Vehicles	4,695,904	537,275	(305,769)		4,927,410
Construction in progress	7,482,789	4,315,798	(17,225)	(2,659,679)	9,121,683
Totals	<u>188,381,682</u>	<u>6,475,362</u>	<u>(1,178,378)</u>	<u>-</u>	<u>193,678,666</u>
<b>Sanitation Fund</b>					
Land	73,140				73,140
Vehicles	1,510,144	90,463	(17,014)		1,583,593
Furniture and equipment	105,745	4,318			110,063
Totals	<u>1,689,029</u>	<u>94,781</u>	<u>(17,014)</u>	<u>-</u>	<u>1,766,796</u>
<b>Municipal Bus Line</b>					
Buildings and terminals	1,504,267				1,504,267
Buses	2,060,828		(44,590)		2,016,238
Other vehicles	101,078	26,012			127,090
Equipment	541,868	55,857			597,725
Totals	<u>4,208,041</u>	<u>81,869</u>	<u>(44,590)</u>	<u>-</u>	<u>4,245,320</u>
Totals - Enterprise Funds	<u>\$194,278,752</u>	<u>\$6,652,012</u>	<u>\$ (1,239,982)</u>	<u>\$ -</u>	<u>199,690,782</u>
Accumulated depreciation					<u>(97,670,381)</u>
<b>NET FIXED ASSETS - ENTERPRISE FUNDS</b>					<u><b>\$102,020,401</b></u>

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 2002

NOTES TO FINANCIAL STATEMENTS

	<u>Balance 05/01/01</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>Completed Construction</u>	<u>Balance 04/30/02</u>
<b>INTERNAL SERVICE FUNDS</b>					
Risk Management					
Vehicles	\$ 15,477	\$	\$	\$	\$ 15,477
Furniture and equipment	9,462				9,462
Totals	<u>\$ 24,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	24,939
Accumulated depreciation					(22,580)
<b>NET FIXED ASSETS - INTERNAL SERVICE FUNDS</b>					<u>\$ 2,359</u>
<b>FIDUCIARY FUNDS</b>					
Employees' Retirement System					
Furniture and equipment	\$ 14,429	\$ -	\$ -	\$ -	\$ 14,429
Accumulated depreciation					(11,610)
<b>NET FIXED ASSETS - FIDUCIARY FUNDS</b>					<u>\$ 2,819</u>

Fixed assets are depreciated in the proprietary and similar trust funds using the straight-line method over the following estimated useful lives:

<b>Utilities System</b>	
Plant and equipment	8 - 50 years
Vehicles	3 - 8 years
<b>Sanitation Fund</b>	
Vehicles	6 - 10 years
Furniture and equipment	4 - 10 years
<b>Municipal Bus Line</b>	
Buildings and terminals	10 - 40 years
Buses	4 - 8 years
Other vehicles	6 - 8 years
Equipment	3 - 20 years
<b>Risk Management</b>	
Vehicles	3 years
Furniture and equipment	5 - 8 years
<b>Employees' Retirement System</b>	
Furniture and equipment	5 - 7 years

Depreciation expense included in the financial statements for the fiscal year is summarized below:

<b>Enterprise Funds</b>	
Utilities System Fund	\$ 5,901,947
Sanitation Fund	229,123
Municipal Bus Line Fund	127,966
<b>Internal Service Fund</b>	
Risk Management Fund	7,687
<b>Pension Trust Fund</b>	
Employees' Retirement System Fund	1,619
	<u>\$ 6,268,342</u>

**CITY OF ALEXANDRIA, LOUISIANA  
APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

The Utilities System depreciation expense above includes \$346,292, which is reflected in overhead in the operating statements. The Employees' Retirement System depreciation is included in administrative expenses.

A summary of significant budgeted construction or renovation projects is presented below:

	<u>Project Authorization</u>	<u>Expended To Date</u>	<u>Commitment</u>	<u>Required Further Financing</u>
Parks and recreation				
Golf course and recreation complex	\$ 15,031,000	\$ 10,716,798	\$ 3,570,117	None
Utilities System Fund				
Electric	17,501,593	8,752,694	777,481	None
Gas	974,280	469,878	61,616	None
Water	4,657,047	2,087,878	404,219	None
Wastewater	4,492,916	1,111,747	444,138	None
General and administrative	<u>9,095,888</u>	<u>62,459</u>	<u>4,657</u>	None
Totals Utilities System Fund	<u>36,721,724</u>	<u>12,484,656</u>	<u>1,692,111</u>	
	<u>\$ 51,752,724</u>	<u>\$ 23,201,454</u>	<u>\$ 5,262,228</u>	

**8. LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets of the Utilities System Enterprise Fund consisted of the following at April 30, 2002:

Payable from revenue bond current debt service accounts	\$ 3,555,000
Revenue bonds	1,747,254
Interest	
Payable from customer deposit accounts	3,272,347
Customer guaranteed deposits	
Payable from capital projects accounts	
Accounts and contracts	<u>410,880</u>
	<u>\$ 8,985,481</u>

**9. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During a prior fiscal year, the City established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage up to the maximum amounts indicated in the following table. The City purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims did not exceed this commercial coverage for the fiscal year ended April 30, 2002.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

	Loss Retained	
	Each Occurrence	In Aggregate
General liability / Law enforcement liability	\$150,000	\$3,000,000
Automobile liability	150,000	1,000,000
Workers' compensation	500,000	Statutory
Public officials and employees liability	75,000	1,000,000
Property damage	75,000	(*)

(\*) \$278,728,038 per occurrence with specified sub-limits

All funds of the City participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$5,290,000 reported in the Fund, as of April 30, 2002, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City has elected to record the liability on the discounted basis.

Changes in the Fund's claims liability amount in the fiscal year ending April 30, 2002, were as follows:

Balance, beginning of the year	\$ 4,736,000
Current year claims and changes in estimates	2,452,159
Claims payments	<u>(1,898,159)</u>
Balance, end of the year	\$ 5,290,000

At the balance sheet date, the sum of \$124,810 has been funded for catastrophic losses.

The City is a defendant in lawsuits, which are not covered by an insurance program, and is involved in ongoing disputes regarding certain class actions or potential class actions filed on behalf of past and present employees. The various disputes are primarily of an employment or wage related matters. The City denies any liability or responsibility for wages or other claims and intends to contest the claim or claims vigorously and to not seek any out-of-court settlements. Legal council has advised that there is no specific estimate which can be made of the amount or range of the potential loss or exposure, if any, at this time.

**10. EMPLOYEE BENEFITS INSURANCE**

The City employs an Employee Benefits Insurance Fund (an internal service fund) to account for and finance employee hospitalization/health insurance and certain employee life insurance. Under this program, the Employee Benefits Insurance Fund normally provides coverage for a maximum of \$50,000 per plan year for each covered employee's (and dependent's, if applicable) qualifying health claims. Commercial insurance is purchased for health claims in excess of self-insured maximum of \$50,000 for each covered employee's (and dependent's, if applicable) qualifying health claims. The Fund does not have a maximum aggregate retained loss. The Employee Benefit Insurance Fund also purchases certain employee life insurance from employee contributions.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

All funds of the City and covered employees participate in the program and make payments to the Employee Benefits Insurance Fund based on estimates of the amount needed to pay current year claims. The claims liability of \$867,516 reported in the Fund at April 30, 2002, is based upon the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in the fiscal year ending April 30, 2002, were as follows:

Balance, beginning of the year	\$ 620,380
Current year claims and changes in estimates	4,447,041
Claims payments	<u>(4,199,905)</u>
Balance, end of the year	\$ 867,516

**11. UNEMPLOYMENT BENEFITS**

The City employs an Unemployment Benefits Fund (an internal service fund) to pay self-insured unemployment claims under state statutes. All claims are administered by the state unemployment office. Approved claims are paid by the state, which invoices the City for reimbursement. All funds of the City participate in the program.

During the year ended April 30, 2002, no payments were paid to the Unemployment Benefits Fund. Management believes that sufficient investments are available in the Unemployment Benefits Fund to pay claims from investment earnings.

Claims incurred as of April 30, 2002, are considered immaterial and are not included in this report.

**12. LONG-TERM DEBT**

General Obligation Debts: General obligation liabilities are direct obligations and pledge the full faith and credit of the City. The City has incurred these liabilities to provide funds for the acquisition and construction of major capital additions, to provide funds for major capital projects, and to provide funds in connection with the merger of the City's Police Pension and Relief Fund into the statewide Municipal Police Employees' Retirement System and the City's Firemen Pension and Relief Fund into the statewide Firefighter's Retirement System. In addition, the City's obligation relative to the governmental funds' liability for compensated absences is reported as a general obligation debt.

Revenue Bonds: The City has issued two types of revenue bonds. The first type is utility revenue bonds whereby the City pledges income derived from the acquired or constructed assets to pay debt service. The second type is sales tax revenue bonds whereby the City has pledged revenue from specifically dedicated sales tax collections to pay debt service.

A summary of long-term debt, as of April 30, 2002, is presented on the following page.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

	<u>Interest Rates</u>	<u>Enterprise</u>	<u>General Long-Term Debt</u>
General Obligation			
Sales tax bonds			
1993 refunding	4.90 - 5.70	\$	\$ 4,045,000
1997 refunding	4.35 - 4.70		2,325,000
Ad valorem tax bonds	4.60 - 8.00		6,100,000
Certificates of indebtedness			
Series 1998 - capital projects	4.55 - 4.60		1,095,000
Series 1998 A & B - refunding	4.65 - 6.00		3,640,000
Series 1998 C - refunding	5.75 - 6.85		16,175,000
Compensated absences			2,094,584
Enterprise			
Revenue bonds			
1992 refunding	5.30 - 6.00	1,785,000	
1993 capital additions	4.30 - 6.40	9,275,000	
1993 refunding	4.20 - 5.30	11,270,000	
1995 capital additions	5.00 - 9.00	12,495,000	
2002 refunding	3.00 - 4.00	<u>13,730,000</u>	
Totals		48,555,000	<u>35,474,584</u>
Current portion enterprise revenue bonds included in liabilities payable from restricted assets		<u>(3,890,000)</u>	
Totals		<u>\$ 44,665,000</u>	<u>\$ 35,474,584</u>

The annual requirement to amortize outstanding long-term debt other than compensated absences, including interest of \$31,635,352, is as follows:

<u>Year Ended April 30</u>	<u>Enterprise</u>	<u>General Long-Term Debt</u>	<u>Total</u>
2003	\$ 5,939,008	\$ 5,225,933	\$ 11,164,941
2004	5,967,404	4,070,911	10,038,315
2005	5,980,176	4,059,155	10,039,331
2006	5,989,087	3,238,379	9,227,466
2007	5,986,740	3,240,112	9,226,852
2008-2022	<u>32,821,364</u>	<u>30,717,083</u>	<u>63,538,447</u>
	<u>\$ 62,683,779</u>	<u>\$ 50,551,573</u>	<u>\$ 113,235,352</u>

The amount of interest costs incurred during the current period was \$2,091,749 related to general obligation debt and \$3,171,650 related to Utilities System Enterprise Fund debt, including capitalized interest of \$56,382.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

During the year ended April 30, 2002, the following changes occurred in long-term liabilities:

	Balance 05/01/01	Additions	(Reductions)	Balance 04/30/02
General Long-Term Debt				
Sales tax bonds	\$ 7,640,000	\$	\$ (1,270,000)	\$ 6,370,000
Ad valorem tax bonds	6,370,000		(270,000)	6,100,000
Certificates of Indebtedness	22,560,000		(1,650,000)	20,910,000
Compensated absences - net	1,920,076	174,508		2,094,584
Totals	\$ 38,490,076	\$ 174,508	\$ (3,190,000)	\$ 35,474,584
Utilities System				
Revenue bonds	\$ 51,675,000	\$ 13,730,000	\$(16,850,000)	\$ 48,555,000

Defeased Debt: In prior years, the City defeased certain general obligation and revenue bonds by placing sufficient proceeds in irrevocable trusts to provide for all future debt service payments on the bonds. Accordingly, the assets of the trust accounts and the liability for the defeased bonds are not included in the City's financial statements. At year-end, defeased bonds outstanding consisted of the following:

General Obligation		
Sales tax bonds		
Series ST-1979		\$ 2,295,000
Series ST-1987		3,860,000
		\$ 6,155,000

Conduit Debt Obligations: On November 1, 1996, the City issued Industrial Revenue Bonds, Series 1996, in the amount of \$1,500,000 to provide financial assistance to a private-sector entity for the construction of industrial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received from the underlying mortgage loan. Upon repayment of these bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of April 30, 2002, the aggregate principal outstanding on the bonds was \$834,500.

Refunding Bonds, Series 2002: On March 7, 2002, the City issued \$13,730,000 of Utility Revenue Refunding Bonds, Series 2002, with interest rates ranging from 3.00% to 4.00%, to advance refund \$13,395,000 of outstanding Utility Revenue Refunding Bonds, Series 1992, with interest rates ranging from 5.50% to 6.00%. A total of \$14,023,048, consisting of net proceeds of \$13,613,306 from the Utilities Revenue Refunding Bonds, Series 2002, after payment of underwriting fees, insurance, and other issuance costs plus \$409,742 of monies reserved for Utilities System debt service, was deposited in an irrevocable trust with an escrow agent. As a result, \$13,395,000 of the Utility Revenue Refunding Bonds, Series 1992 are considered to be defeased and the liability for those bonds has been removed from the books. Subsequent to April 30, 2002, and on or about May 1, 2002, the Utility Revenue Refunding Bonds,

**CITY OF ALEXANDRIA, LOUISIANA**

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**NOTES TO FINANCIAL STATEMENTS**

Series 1992 were called and all outstanding bonds were paid in full. Although the advanced refunding resulted in the recognition of a deferred accounting loss of \$235,359, the City in effect reduced its aggregate debt service by \$677,363 over the next seven years and obtained an economic gain (the difference between the present values of the old and new debt service payments) of \$561,855.

**13. CONTRIBUTED CAPITAL**

The following changes occurred in contributed capital of enterprise funds during the year:

<u>Source</u>	<u>Utilities System</u>	<u>Municipal Bus Line</u>	<u>Sanitation Fund</u>	<u>Total</u>
Additions				
Equipment				
Government subsidy	\$	\$ 63,736	\$	\$ 63,736
General Capital Projects Fund		15,934		15,934
Balance, beginning of year	<u>37,252,076</u>	<u>6,438,236</u>	<u>431,783</u>	<u>44,122,095</u>
Balance, end of year	\$ 37,252,076	\$ 6,517,906	\$ 431,783	\$ 44,201,765

No changes occurred in the contributed capital of the Risk Management Internal Service Fund during the year.

**14. RESERVED RETAINED EARNINGS**

Retained earnings, as of April 30, 2002, were reserved for the following purposes:

Enterprise Funds		
Utilities System		
Special projects		\$ 150,000
Revenue bond debt service		6,039,836
Capital additions and contingencies		1,000,000
Capital projects		<u>11,102,266</u>
Total		18,292,102
Internal Service Funds		
Risk Management Fund		
Catastrophic losses		<u>124,810</u>
		\$ 18,416,912

**CITY OF ALEXANDRIA, LOUISIANA**  
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**15. RESERVED FUND BALANCES**

Fund balances were reserved as of April 30, 2002, for the following purposes:

Special Revenue Funds	
Riverfront Center Fund	
Riverfront Center operations	\$ 256,150
Debt Service Funds	
Sales Tax Bonds Fund	
Current debt service	1,280,803
Future debt service	1,661,650
General Obligation Bonds Fund	
Current debt service	802,443
Capital Projects Funds	
General Capital Projects Fund	
Encumbrances	1,863,856
Performing Arts Center	4,837,873
1988 Drainage Property Tax Fund	
Encumbrances	278,102
1993 Streets and Drainage Property Tax Fund	
Encumbrances	199,581
Public Safety Complex	
Encumbrances	11,948
1998 Property Tax General Capital Projects Fund	
Encumbrances	4,434,741
Pension Trust Funds	
City of Alexandria Employees' Retirement System	
Pension benefits	67,488,636
Firemen's Pension and Relief Fund	
Pension benefits	83,937
Policemen's Pension and Relief Fund	
Pension benefits	<u>217,877</u>
	<u>\$ 83,417,597</u>

**16. UNRESERVED-DESIGNATED FUND BALANCES**

Unreserved fund balances were designated as of April 30, 2002, for the following projects:

Capital Projects Funds	
General Capital Projects Funds	
Industrial park	\$ 304,664
Community center	411,268
Relocation	176,177
1998 Drainage Property Tax	
Relocation	4,750
1993 Streets and Drainage Property Tax Fund	
Relocation	<u>12,101</u>
	<u>\$ 908,960</u>

**CITY OF ALEXANDRIA, LOUISIANA**  
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**NOTES TO FINANCIAL STATEMENTS**

**17. ACCUMULATED DEFICITS**

Accumulated deficits existed in the following individual fund at year-end:

Enterprise Funds	
Municipal Bus Line Fund	\$ 4,353,262
Employee Benefits Insurance Fund	268,420

The deficit in unreserved retained earnings of the Municipal Bus Line Fund is primarily attributable to depreciation of fixed assets acquired with contributed capital. Combining contributed capital with the deficit in unreserved retained earnings results in a fund equity balance of \$2,164,644.

The deficit in the Employee Benefits Insurance Fund is expected to be funded by increased operating transfers from other City funds.

**18. SUPPLEMENTAL PAY**

Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$982,620 is recognized as intergovernmental revenue in the General Fund and as expenditures in the following public safety departments:

Police	\$ 579,050
Fire	403,570
	<u>\$ 982,620</u>

**19. ENTERPRISE FUNDS - OPERATIONS**

The City operates a utilities system, a bus line, and a solid waste system. The utilities system consists of an electric generation and distribution system, a natural gas distribution system, a water production and distribution system, and a sewerage transmission and treatment plant. The following is a condensed summary of the three enterprise funds:

	Utilities System	Municipal Bus Line	Sanitation	Total
Operating revenues	\$ 66,960,377	\$ 234,089	\$ 3,192,500	\$ 70,386,966
Operating expenses				
Depreciation	(5,555,655)	(229,123)	(127,966)	(5,912,744)
Depreciation included in overhead	(346,292)			(346,292)
Other	(51,142,159)	(1,779,471)	(2,795,794)	(55,717,424)
Operating income (loss)	<u>9,916,271</u>	<u>(1,774,505)</u>	<u>268,740</u>	<u>8,410,506</u>

**CITY OF ALEXANDRIA, LOUISIANA**

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	<u>Utilities System</u>	<u>Municipal Bus Line</u>	<u>Sanitation</u>	<u>Total</u>
Nonoperating revenues (expenses)				
Grant revenue		613,722		613,722
Investment income	1,098,782	13,666	9,605	1,122,053
Disposition of assets	2,206	(8,184)	4,168	(1,810)
Interest expense and fiscal charges	(3,171,650)			(3,171,650)
Operating transfers in (out)	<u>(10,129,770)</u>	<u>1,037,163</u>	<u>(19,173)</u>	<u>(9,111,780)</u>
Net income (loss)	<u>\$ (2,284,161)</u>	<u>\$ (118,138)</u>	<u>\$ 263,340</u>	<u>\$ (2,138,959)</u>
Current capital contributions	\$ -	\$ 79,670	\$ -	\$ 79,670
Net working capital	12,702,188	713,293	367,770	13,783,251
Revenue bonds payable	48,555,000	-	-	48,555,000
Total equity	88,788,735	2,164,644	787,914	91,741,293

Segment information for the Utilities System Enterprise Fund for the fiscal year ended April 30, 2002, follows:

	<u>Total</u>	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Waste Water</u>
Operating revenues	\$ 66,960,377	\$ 51,161,769	\$ 8,907,267	\$ 4,366,478	\$ 2,524,863
Operating expenses					
Depreciation	(5,901,947)	(2,169,783)	(1,221,409)	(1,118,546)	(1,392,209)
Other	<u>(51,142,159)</u>	<u>(34,918,291)</u>	<u>(7,831,971)</u>	<u>(4,392,933)</u>	<u>(3,998,964)</u>
Operating income (loss)	9,916,271	\$ 14,073,695	\$ (146,113)	\$ (1,145,001)	\$ (2,866,310)
Nonoperating revenue					
(expenses) - net	(2,070,662)				
Operating transfers (out) - net	<u>(10,129,770)</u>				
Net Income (Loss)	\$ (2,284,161)				

**20. LANDFILL POSTCLOSURE CARE COSTS**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at its former landfill site. This site stopped accepting waste in a prior fiscal year. In accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, an estimated liability for landfill postclosure care costs was recognized in the Sanitation Enterprise Fund. The landfill postclosure care costs are funded from current operations as incurred.

Changes in the estimated liability for landfill postclosure care costs during the fiscal year ending April 30, 2002, were as follows:

Balance, beginning of the year	\$ 62,000
Changes in estimates	(2,991)
Current year expenditures	<u>(22,705)</u>
Balance, end of the year	\$ 36,304

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**NOTES TO FINANCIAL STATEMENTS**

**21. DEDICATION OF PROCEEDS - FLOW OF FUNDS - CITY SALES AND USE TAX**

Proceeds of the 1976 one percent (1%) City Sales and Use Tax are dedicated to the following purposes:

- a. One-half is to be used for maintenance and operating expenses of the City.
- b. The other one-half is to be used in the following order of priority:
  1. On or before the 20th day of each month, there shall be transferred to a Sales Tax Bond Sinking Account in the Debt Service Fund an amount equal to 1/6th of the interest falling due on the next interest payment date and 1/12th of the principal falling due on the next principal payment date of all sales tax bond issues outstanding.
  2. Any funds remaining after the above transfers will be considered surplus and may be used for constructing, acquiring, extending, and/or improving capital improvements for the City (including, but not limited to, major thoroughfares and arterial streets with related improvements, major drainage systems, a civic convention center complex, parks, and parking facilities).

Proceeds of the 1998 one-percent (1%) City Sales and Use Tax are dedicated to the following purposes:

- a. One-third is to be used to implement and fund a comprehensive job classification and pay plan for fire, police, and other General Fund classified employees.
- b. One-third is to be used to replace General Fund revenues lost from Federal and State government funding cuts from previous years.
- c. The remaining one-third is to be dedicated to fund General Fund operations.

**22. FLOW OF FUNDS - RESTRICTIONS ON USE - UTILITIES SYSTEM ENTERPRISE FUND**

The utility revenue bonds were issued pursuant to bond ordinances which provide in substantially the following terms that:

The City, through its governing authority, has covenanted to fix, establish, maintain and collect such rates, fees, rents or other charges for the services and facilities of the Utilities System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the necessary expenses of administering, operating, and maintaining the Utilities System in each year, 120% of the principal and interest maturing on the bonds or other obligations payable therefrom as the same shall become due and payable in each year, all reserves or sinking funds or other payments required for such year by the Bond Ordinance, and all other obligations or indebtedness payable out of the revenues of the Utilities System for such year, and that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

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The City has further covenanted that all of said income and revenues earned or derived from the operation of the Utilities System shall be deposited daily as the same may be collected in the Utilities System Fund heretofore established with the regularly designated fiscal agent of the City pursuant to the Bond Resolutions; that said fund shall be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of all reasonable expenses of administration, operation, and maintenance of the Utilities System.
- (b) The maintenance of the Sinking Fund established pursuant to the bond resolutions sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any additional *pari passu* bonds issued hereafter in the manner provided by the bond ordinance, as they severally become due and payable, by transferring from the Utilities System Fund to the Sinking Fund established pursuant to the bond resolutions, monthly in advance on or before the 20th day of each month of each year, a sum equal to 1/6th of the interest falling due on the next interest payment date, and a sum equal to 1/12th of principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. The depository for the Sinking Fund shall transfer from said Sinking Fund to the paying agent bank or banks for all bonds payable from said Fund at least ten (10) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on such date.
- (c) The maintenance of the Reserve Fund established pursuant to the bond resolutions by transferring from the proceeds of the bonds a sum equal to the lesser of (i) 10% of the proceeds of the bonds or (ii) an amount which, together with moneys on deposit in the Reserve Fund, will equal the highest combined principal and interest requirements for any succeeding fiscal year on the bonds (the "Reserve Fund Requirement"), and if such moneys do not cause the balance in the Reserve Fund to equal the Reserve Fund Requirement, by transferring from said Utilities System Fund to the Reserve Fund established pursuant to the bond resolutions, monthly in advance on or before the 20th day of each month of each year, a sum at least equal to 20% of the amount required to be paid into the aforesaid Sinking Fund specified in paragraph (b) above, the payments into said Reserve Fund to continue until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on Bonds payable from the aforesaid Sinking Fund specified in paragraph (b) above as to which there would otherwise be default. In the event that additional *pari passu* bonds are issued hereafter in the manner provided by the bond ordinance, the payments into said Reserve Fund shall continue, or if the said payments have ceased because of the accumulation of the maximum amount provided above, then such payments shall be resumed, until such time as there has been accumulated in said Reserve Fund an amount of money equal to the highest combined principal and interest requirements in any succeeding fiscal year on all outstanding bonds, including such additional *pari passu* bonds.

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- (d) The maintenance of the Capital Additions and Contingencies Fund established pursuant to the bond resolutions to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the Utilities System by transferring from said Utilities System Fund to the Capital Additions and Contingencies Fund established by the bond resolutions, monthly on or before the 20th day of each month of each year, a sum equal to nine percent (9%) of the gross revenues of the Utilities System for the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b), and (c) above. Such payments into the Capital Additions and Contingencies Fund shall continue until such time as there has been accumulated in said Fund the sum of One Million Dollars (\$1,000,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of One Million Dollars (\$1,000,000), in which event such payments shall be resumed and continue until said maximum of One Million Dollars (\$1,000,000) is again accumulated. In addition to caring for extensions, additions, improvements, renewals, and replacements necessary to properly operate the Utilities System, the money in the Capital Additions and Contingencies Fund shall also be used to pay the principal of and the interest on the bonds, including any additional pari passu bonds issued hereafter in the manner provided by the bond ordinance, for the payment of which there is not sufficient money in the Sinking Fund and Reserve Fund described in paragraphs (b) and (c) above, but the money in said Capital Additions and Contingencies Fund shall never be used for the making of improvements and extensions to the Utilities System or for payment of principal or interest on Bonds if the use of said money will leave in said Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of Twenty-Five Thousand Dollars (\$25,000).

Any moneys remaining in said Utilities System Fund after making the above required payments may be used by the City for the purpose of calling and/or purchasing and paying any bonds payable from the revenues of the Utilities System, or for such other lawful corporate purposes as the governing authority may determine, whether such purposes are or are not in relation to the Utilities System.

If at any time it shall be necessary to use moneys in the Reserve Fund or the Capital Additions and Contingencies Fund above provided for the purpose of paying principal of or interest on bonds payable from the aforesaid Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received, not hereinabove required to be used for administration, operation, and maintenance or for current principal, interest, and reserve requirements. If at any time there are sufficient moneys on deposit in the Reserve Fund and Capital Additions and Contingencies Fund to retire all outstanding bonds payable from the Sinking Fund by exercising the redemption option provided by such bonds or by purchase on the open market, the City may utilize such funds for such purpose.

All or any part of the moneys in the Reserve Fund and the Capital Additions and Contingencies Fund shall, at the written request of the City, be invested in one or both of the following if and to the extent that the same are legal for the investment of funds of the City: (a) direct obligations of the United States of America, or (b) negotiable or non-negotiable certificates of deposit issued by any bank, trust company, or national banking association provided (i) such certificates of deposit are continuously and at all times secured by direct obligations of the United States of America having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit, and (ii) interest is paid thereon to the extent of one hundred per cent (100%). All income derived from such investments shall be added to the money in said respective funds or to the Utilities System Fund, and such investments shall,

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to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are created.

**23. UTILITIES SYSTEM FUND POWER PURCHASE CONTRACT COMMITMENT**

On November 15, 1982, the City entered into an electric power purchase contract with Louisiana Energy and Power Authority (LEPA), a political subdivision of the State of Louisiana, which acquired an interest in the Rodemacher Unit Number 2, a low sulfur-coal burning power plant. The City is obligated to pay 52.83% of the fixed project costs allocated to LEPA plus energy related costs when the unit is operable. This contract expires at the later of (1) the date all outstanding bonds of LEPA have been paid, (2) the date the joint operating agreement entered into by LEPA is terminated and settlement of all costs are completed, or (3) July 1, 2032.

As part of the contract, the City agreed not to issue bonds, notes, or other evidences of indebtedness or enter into any contract to incur any expenses payable from or secured by revenues of the combined utilities system superior to or having a priority over the obligation to pay for the costs incurred under this contract.

**24. DEFINED BENEFIT PENSION PLANS**

The City contributes to three single-employer defined benefit pension plans. The City also contributes to four statewide cost-sharing, multiple-employer, defined benefit public employee retirement systems.

Information relative to the four statewide cost-sharing, multiple-employer, defined benefit public employee retirement systems is presented below:

**Municipal Police Employees Retirement System of Louisiana (MPERS)**

*Plan Description.* Membership is mandatory for all full-time police officers employed by the City, provided they meet statutory criteria. Any member is eligible for normal retirement benefits after he has been a member of the System for one (1) year, if he has twenty-five (25) years of creditable service at any age, or if he has twenty (20) years of creditable service and is age fifty (50), or has twelve (12) years of creditable service and is age fifty-five (55). Benefit rates are three and one-third percent (3⅓%) of final compensation per number of years of creditable service not to exceed one hundred percent (100%). Benefit and contribution requirements are established by state law. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Police Employees' Retirement System, P. O. Box 94095, Baton Rouge, LA 70804-9095.

*Funding Policy.* Members are currently required to contribute seven and one-half percent (7½%) of their annual salary to the system, including supplemental pay. The City contributes an actuarially determined rate, presently set at nine percent (9%) of the member's salary, including supplemental pay.

CITY OF ALEXANDRIA, LOUISIANA

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**Firefighter's Retirement System of Louisiana (FRS)**

*Plan Description.* This Plan is a defined benefit pension plan covering firemen employed by a municipality, parish, or fire protection district of the State hired after December 31, 1979. Employees with twenty (20) or more years of service who have attained age fifty (50), employees who have twelve (12) years of service who have attained age fifty-five (55), or employees who have twenty-five (25) years of service at any age are entitled to annual pension benefits equal to three and one-third percent (3⅓%) of their average final compensation based on the thirty-six (36) consecutive months of highest pay multiplied by their total years of service, not to exceed one hundred percent (100%). Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Benefit and contribution requirements are established by state law. FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

*Funding Policy.* Members are currently required to contribute eight percent (8%) of their annual salary, including supplemental pay to the Plan. The City contributes an actuarially determined rate, presently at nine percent (9%) of the member's salary, including supplemental pay.

**Louisiana State Employee's Retirement System (LASERS)**

*Plan Description.* All state employees except certain classes of employees specifically excluded by statute become members of the system as a condition of employment. Statewide elected officials and officials appointed by the governor may, at their option, become members of the System. The only member of this System from the City is the city court judge. The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty (30) years of creditable service to age sixty (60) upon completing ten (10) years of creditable service.

The basic annual retirement benefit for substantially all members is equal to two and one-half percent (2½%) of average compensation multiplied by the number of years of creditable service plus three hundred dollars (\$300). Average compensation is defined as the member's average annual earned compensation for the period of thirty-six (36) consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of one hundred percent (100%) of average compensation or certain specified dollar amounts or actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to one percent (1%) of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Benefit and contribution requirements are established by state law.

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LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to P. O. Box 44213, Baton Rouge, LA 70804-4213.

Funding Policy. Judges, court officers, and legislators contribute eleven and one-half percent (11 ½%) of their salary to the System. The City contributes an actuarially determined rate, presently set at thirteen percent (13%) of the member's annual salary.

**Parochial Employees' Retirement System of Louisiana (PERSL)**

Plan Description. The only member of this System from the City of Alexandria is the Clerk of City Court. Participants become fully vested after ten (10) years of service. Any member is eligible for normal retirement at age sixty (60) with at least ten (10) years of creditable service, at age fifty-five (55) with twenty-five (25) years of creditable service, or at any age with at least thirty (30) years of creditable service. The retirement benefit, payable monthly for life, is equal to three percent (3%) of the member's final-average salary for each year of creditable service not to exceed the greater of one hundred percent of final salary (last 12 months) or final average compensation. Final average salary is the employee's average salary over the thirty-six (36) consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefit and contribution requirements are established by state law. PERSL issues a publicly available financial report that may be obtained by writing to the Parochial Employees' Retirement System, P.O. Box 14619, Baton Rouge, LA 70898-4619.

Funding Policy. The member contributes 9½% of her salary to the System. The City presently contributes 7¾% to the System as an employer match.

Required contributions. The City made the following contributions equal to the required contributions to the various multi-employer pension plans:

<u>Year Ending</u>	<u>MPERS</u>	<u>FRS</u>	<u>LASERS</u>	<u>PERSL</u>	<u>Totals</u>
04/30/02	\$ 518,603	\$ 393,578	\$ 2,610	\$ 1,288	\$ 916,079
04/30/01	498,346	360,005	4,289	1,239	863,879
04/30/00	451,501	386,547	2,808	1,241	842,097

Information relative to the three single-employer defined benefit pension plans is presented below:

**City of Alexandria Employees' Retirement System (COAERS)**

Plan Description. Substantially all employees of the City, except firemen and policemen, become members of the COAERS as a condition of employment. The COAERS provides retirement benefits, disability benefits, and survivors' benefits. Members with ten (10) years of creditable service may retire at age sixty-two (62); members with at least twenty (20) years of creditable service may retire at age fifty-five (55); members with thirty (30) years of service may retire regardless of age. The retirement allowance is equal to three (3%) percent of the member's average compensation multiplied by his number of years of creditable service, not to exceed one hundred percent (100%) of his average compensation. Average compensation is defined as the highest three year average annual compensation. Retirement benefits vest after ten (10) years of creditable service. Benefit and contribution provisions are established by state law. COAERS issues a publicly available financial report that may be obtained by writing to the City of Alexandria Employees' Retirement System, P.O. Box 71, Alexandria, Louisiana 71309-0071.

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**Policemen's Pension and Relief Fund (PPARF)**

*Plan Description.* Effective September 1, 1983, this plan was merged into the statewide Municipal and State Police Employees' Retirement System. The Fund remains liable for retirement benefits in the event that a policeman hired prior to August 1, 1976, retires before reaching age fifty (50) or 25 years of eligible service. Retirement benefits vest after twenty (20) years of creditable service. The member may retire after twenty (20) years of eligible service at two-thirds of the highest average monthly salary for any continuous twelve (12) month period of time worked prior to retirement. Upon reaching age fifty (50) or 25 years of eligible service, the retiree transfers to the Municipal and State Police Employees' Retirement System. Benefit and contribution requirements are established by state law. PPARF issues a publicly available financial report that may be obtained by writing to the Policemen's Pension and Relief Fund of the City of Alexandria, P. O. Box 71, Alexandria, Louisiana 71309-0071.

**Firemen's Pension and Relief Fund (FPARF)**

*Plan Description.* Effective May 1, 1993, the Fund merged into the statewide Firefighters' Retirement System (FRS). On this date, all retirees and survivors receiving benefits, at April 30, 1993, transferred to the FRS. In the event that a firefighter, hired prior to January 1, 1980, exercises his or her right to a twenty year retirement any time under the age of fifty (50) and is not eligible to receive benefits from the state FRS, then the Fund shall provide benefits until that person is eligible for benefits under the FRS. In addition, the City of Alexandria and the Fund guaranteed that if a firefighter dies, retires, or becomes disabled subsequent to the merger, then the Fund shall pay to the firefighter, or the firefighter's survivors and/or beneficiaries, the difference, if any, where those benefits payable under the Fund prior to the merger exceed those benefits payable under the FRS. Benefits and contribution provisions are established by state law. FPARF issues a publicly available financial report that may be obtained by writing to the Firemen's Pension and Relief Fund of the City of Alexandria, P. O. Box 71, Alexandria, Louisiana 71309-0071.

**Funding Policy and Annual Pension Cost:**

For the COAERS, employees are required by statute to contribute 10 percent of their salary to the System. The City is required by statute to contribute remaining amounts necessary to finance the COAERS at an actuarially determined rate.

For the PPARF and the FPARF, members are not required to contribute to the funds. The City is required to contribute an amount sufficient to meet the operating deficit of each fund without regard for reserve requirements accruing or having accrued on an actuarial basis.

For all three of the single-employer defined benefit pension plans of the City, benefit and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

The City's annual pension cost for the current year and related information for each of the City's single-employer plans is as follows:

	<u>COAERS</u>	<u>PPARF</u>	<u>FPARF</u>
Contribution rate			
City	15.90%	n/a	n/a
Plan members	10.00%	n/a	n/a
Annual pension cost	\$ 2,331,914	\$ 58,976	\$ 40,000
Contributions made	\$ 2,331,914	\$ 58,976	\$ 40,000
Actuarial valuation date	12/31/01	n/a	n/a
Actuarial cost method	Frozen Entry Age Normal	n/a	n/a
Remaining amortization period	19 years	n/a	n/a
Asset valuation method	Three year smoothing for stocks. Other assets at amortized cost.	n/a	n/a
Actuarial assumptions			
Investment rate of return	8.00%	n/a	n/a
Projected salary increases	5.50%	n/a	n/a
Includes inflation rate of	3.25%	n/a	n/a
Includes merit raises at	2.25%	n/a	n/a
Cost of living adjustments	None	n/a	n/a

THREE YEAR TREND INFORMATION

	<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
City of Alexandria	04/30/02	\$ 2,331,914	100%	\$ -
Employees' Retirement	04/30/01	2,441,468	100	-
System	04/30/00	2,500,949	100	-
Policemen's Pension	04/30/02	\$ 58,976	100%	\$ -
and Relief Fund	04/30/01	104,412	100	-
	04/30/00	129,430	100	-
Firemen's Pension	04/30/02	\$ 40,000	100%	\$ -
and Relief Fund	04/30/01	40,000	100	-
	04/30/00	70,000	100	-

**CITY OF ALEXANDRIA, LOUISIANA**  
**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

**25. DEFINED CONTRIBUTION PENSION PLAN**

The City sponsors a defined contribution plan (the Plan) available to unclassified employees who elect to participate. The Plan is administered by MML Investors Services, Inc. The City's covered payroll for employees participating in the Plan for the current year was \$854,225. Employer contributions for the fiscal year were \$131,411, or 15.90% of covered payroll. Employees do not contribute to the plan.

Under the provisions of the Plan, City contributions are determined annually and contributions are allocated to participants based on participant's compensation. All monies in the employee's accounts, including the City's contributions, are immediately vested.

**26. LEASES**

**A. City as Lessee**

On March 29, 1995, the City entered into a lease agreement with the England Economic and Industrial Development District (EEIDD) to lease the natural gas, water, and waste water systems located within the England Airpark. The term of the lease is for twenty (20) years beginning March 29, 1995 and ending March 28, 2015. The lease agreement provides that the City shall pay the EEIDD as rent under the lease five percent of gross charges for service billed to customers located within the Airpark boundaries including gross charges billed to the EEIDD. Lease payments are due to the EEIDD on May 15th and November 15th. It is not possible to determine the future minimum rental payments due under this lease. The City paid the EEIDD a total of \$19,195 under this lease during the fiscal year ended April 30, 2002.

**B. City as Lessor**

The City is the lessor of property under operating leases expiring in various years. The following is a summary of property on lease at April 30, 2002. These items are included in the General Fixed Assets Account Group and, accordingly, no depreciation is recorded.

	Cost
Industrial Park - land and buildings	\$ 188,792
Convention Center Complex	3,301,568
	\$ 3,490,360

Total lease revenues for the fiscal year, consisting solely of minimum rentals on the above leases, amounted to \$61,400.

Minimum future rentals to be received on non-cancelable leases as of April 30, 2002, for each of the next five years and in the aggregate are:

YEAR ENDED	Amount
<u>APRIL 30,</u>	
2003	\$ 55,700
2004	50,000
2005	50,000
2006	50,000
2007	50,000
Thereafter	433,333
Total Minimum Future Rentals	\$ 689,033

CITY OF ALEXANDRIA, LOUISIANA  
APRIL 30, 2002

NOTES TO FINANCIAL STATEMENTS

**27. COMPENSATION PAID TO MEMBERS OF THE CITY COUNCIL**

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following report reflects compensation paid to members of the City Council, City of Alexandria, for the fiscal year ended April 30, 2002.

Louis Crenshaw	\$ 10,200
Johnny H. Downs	10,200
Charles Fowler, Jr.	10,200
Everett Hobbs	10,200
Louis J. Marshall	10,200
Charles F. Smith	10,200
Richard Ranson, Jr.	10,200

**28. CONTINGENCIES**

Management has not calculated the possible rebate of arbitrage interest, as of April 30, 2002, on each of the recent tax exempt bond issues. The contingent liability, stated simply, is the interest earned from the investment of unspent bond proceeds that is in excess of the amount of earnings that would have been obtained had the investment rate been equal to the yield on the bonds. Since the rebate calculation is a cumulative calculation performed until all proceeds have been expended, management believes that the amount of the contingent liability for arbitrage interest, if any, will be eliminated in future years. In the event that the contingent liability for arbitrage interest is not eliminated, the City will be liable for remittance of the rebate amount, as subsequently calculated, to the federal government.

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 then participating in the City's Policemen's Pension and Relief Fund into the state wide retirement system. In conjunction with the merger of active policemen with MPERS, the City entered into a private agreement, "No Loss of 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 the Policemen's Pension and Relief Fund. There are potential claims where certain retired employees may file an action against the City as a result of this merger. The essence of the unasserted claims is the position of certain retired police officers that some have a significant difference in benefits received from MPERS and the benefits that would have been received under the old Policemen's Pension and Relief Fund due to the fact that under MPERS overtime is not considered in computing retirement benefits. There are significant questions as whether there is an actual obligation that the City would owe. If there is no obligation, then the City would be prohibited by the state constitution from responding to the unasserted claims. A directive and request to the Attorney General in regards to this matter is being prepared at this time.

**CITY OF ALEXANDRIA, LOUISIANA**

**APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

During fiscal years ended April 30, 1995 and April 30, 1996, the City was awarded funds by the Louisiana Department of Social Services, Office of Community Services, through the HUD Emergency Shelter Grants Program (ESGP) pursuant to Subpart B of Title IV of the Stewart B. McKinney Homeless Assistance Act, Pub. L. 100-77 and Title 24 C.F.R. Part 576, CFDA 14.321. Funds totaling \$102,894 were received. The grant funds were used for the purpose of providing homeless transitional shelter for patients with AIDS/HIV and other terminal illness. The funds were provided to Shepherd Ministries, Inc., (a non-profit organization) as recipient, for the aforementioned purpose and expended through a program commonly known as Maison de Coeur. Funds were used for renovation of a building provided by Christus St. Frances Cabrini Hospital. An agreement with Cabrini contained a reversionary clause which provided that the building would return to Cabrini in the event the program ceased operations. The shelter care program terminated on July 31, 2000. An alternative use for the building and improvements has not been found and under the terms of the agreement the building reverted to Cabrini. ESGP regulations provide that the building (renovated with grant funds) must be retained as a shelter for a period of ten (10) years. Accordingly, the entire amount of the federal funding of \$102,894 is required to be returned to the state funding agency. Since Shepherd Ministries, Inc., no longer exists as an entity, the City of Alexandria has a contingent liability for repayment of these funds.

**29. SUBSEQUENT EVENTS**

**GASB 34 Implementation**

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34 established new financial reporting requirements for all state and local governments, consisting of the following:

- A. Management Discussion and Analysis (MD&A) section providing an analysis of the government entity's overall financial position and results of operations.
- B. Basic Financial Statements:
  - 1) Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. These statements are designed to provide a broad overview of a government entity's finances, in a manner similar to private sector business.
  - 2) Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds, using the modified accrual basis of accounting, and enterprise funds, if any.
  - 3) Notes to the financial statements that include various disclosures for the government-wide and fund financial statements to ensure that a complete picture is presented.
  - 4) Required supplementary information, such as budgetary comparison schedules.

**CITY OF ALEXANDRIA, LOUISIANA  
APRIL 30, 2002**

**NOTES TO FINANCIAL STATEMENTS**

In addition, this new GASB statement requires depreciation expense to be reported in the government-wide financial statements. However, depreciation expense will not be reported in the fund statements that use the modified accrual basis of accounting.

GASB 34 becomes effective for the City of Alexandria, Louisiana and the general provisions will be implemented for the fiscal year ending April 30, 2003.

**COMBINING, INDIVIDUAL FUND, AND ACCOUNT  
GROUP FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The general operating fund of the City is used to account for operations traditionally associated with a city which are not required to be accounted for in another fund.

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
APRIL 30, 2002

EXHIBIT F-1

ASSETS

Cash	\$	220,652
Equity in pooled cash and investments		8,493,133
Receivables		
Ad valorem taxes (net of \$51,753 allowance for uncollectibles)		12,805
Intergovernmental		990,294
Other (net of \$1,491,875 allowance for uncollectibles)		195,651
Due from other funds		3,442,199
Inventory		<u>182,004</u>
 <b><u>TOTAL ASSETS</u></b>	 <b>\$</b>	 <b><u>13,536,738</u></b>

LIABILITIES AND FUND BALANCE

<b>LIABILITIES</b>		
Accounts payable	\$	412,485
Accrued expenses		1,006,912
Other current liabilities		10,567
Due to other funds		136,831
Deferred revenue		<u>334,688</u>
Total Liabilities		1,901,483
 <b>FUND BALANCE</b>		
Unreserved - undesignated		<u>11,635,255</u>
 <b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	 <b>\$</b>	 <b><u>13,536,738</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT F-2

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES (EXHIBIT F-3)</b>			
Taxes	\$ 1,885,000	\$ 2,007,276	\$ 122,276
Licenses and permits	1,763,200	2,086,634	323,434
Intergovernmental	7,779,435	7,767,830	(11,605)
Charges for services	593,430	638,345	44,915
Fines and forfeitures	685,000	666,741	(18,259)
Investment revenue	250,000	226,907	(23,093)
Other	221,849	269,053	47,204
Total Revenues	13,177,914	13,662,786	484,872
<b>EXPENDITURES (EXHIBIT F-4)</b>			
Current			
General government	6,535,763	6,191,249	344,514
Public safety	16,419,954	16,130,243	289,711
Public works	8,587,221	8,146,910	440,311
Debt service	1,846,551	1,846,551	-
Capital outlay	2,187,697	1,882,591	305,106
Total Expenditures	35,577,186	34,197,544	1,379,642
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(22,399,272)	(20,534,758)	1,864,514
<b>OTHER FINANCING SOURCES (USES) (EXHIBIT F-5)</b>	16,436,924	18,782,785	2,345,861
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(5,962,348)	(1,751,973)	4,210,375
<b>FUND BALANCE, BEGINNING OF YEAR</b>			
As previously reported	11,755,482	11,755,482	-
Prior period adjustment - change in accounting principles	-	1,631,746	1,631,746
As restated	11,755,482	13,387,228	1,631,746
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ 5,793,134	\$ 11,635,255	\$ 5,842,121

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

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT F-3

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes			
Ad valorem	\$ 1,690,000	\$ 1,666,092	\$ (23,908)
Housing Authority in lieu of taxes	10,000	27,695	17,695
Franchise	125,000	239,614	114,614
Interest and fees - delinquent taxes	60,000	73,875	13,875
Totals	1,885,000	2,007,276	122,276
Licenses and permits			
Occupational licenses	1,675,000	1,974,399	299,399
Permits	88,200	112,235	24,035
Totals	1,763,200	2,086,634	323,434
Intergovernmental			
Parish sales taxes	5,721,627	5,806,087	84,460
Beer taxes	100,000	73,687	(26,313)
Fire insurance rebate	65,492	65,493	1
State supplemental pay	981,300	982,620	1,320
Grants	911,016	839,943	(71,073)
Totals	7,779,435	7,767,830	(11,605)
Charges for services			
Police - academy fees, etc.	108,000	109,811	1,811
State ROW maintenance	56,430	75,240	18,810
Zoo and park charges	200,000	217,567	17,567
Golf course charges	199,000	195,283	(3,717)
Miscellaneous	30,000	40,444	10,444
Totals	593,430	638,345	44,915
Fines and forfeitures			
City court			
Fines	549,000	520,413	(28,587)
Civil fees	36,000	34,138	(1,862)
Legal fees	100,000	112,190	12,190
Totals	685,000	666,741	(18,259)
Investment revenue	250,000	226,907	(23,093)
Other			
Rentals	88,200	101,818	13,618
Miscellaneous	133,649	167,235	33,586
Totals	221,849	269,053	47,204
<b><u>TOTAL REVENUES</u></b>	<b>\$ 13,177,914</b>	<b>\$ 13,662,786</b>	<b>\$ 484,872</b>

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

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT F-4  
(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>CURRENT</b>			
General Government			
City Council	\$ 173,165	\$ 152,627	\$ 20,538
City Clerk's office	150,141	138,598	11,543
Mayor's office	253,387	205,644	47,743
Mayor's assistants' office	181,203	169,479	11,724
Administrative			
Professional fees	121,476	117,129	4,347
Payments in lieu of insurance	1,287,421	1,287,421	-
Street lights and hydrant charges	346,545	350,535	(3,990)
Economic development	128,856	65,142	63,714
Probation officer	110,893	103,899	6,994
Other	176,899	181,388	(4,489)
Community services	832,230	789,836	42,394
Community development	107,041	96,067	10,974
EEO Coordinator	62,493	62,096	397
City Court	265,959	248,671	17,288
City Marshal	206,100	204,314	1,786
Finance department	126,890	123,510	3,380
Accounting department	340,293	311,279	29,014
Purchasing department	235,401	224,415	10,986
Printing department	88,058	83,596	4,462
Central warehouse	227,578	212,387	15,191
Parts warehouse	68,481	67,791	690
Civil service	393,315	329,778	63,537
Legal	406,483	423,019	(16,536)
Planning	245,455	242,628	2,827
Total General Government	6,535,763	6,191,249	344,514
Public Safety			
Police	9,878,041	9,773,387	104,654
Animal shelter	226,057	216,049	10,008
Fire	6,315,856	6,140,807	175,049
Total Public Safety	16,419,954	16,130,243	289,711

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

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL FUND  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT F-4  
(Concluded)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>CURRENT</b>			
Public Works			
Director's office	\$ 161,627	\$ 141,047	\$ 20,580
Assistant director's office	551,806	518,122	33,684
Engineers' office	602,509	588,301	14,208
Street repair and drainage	1,948,633	1,875,860	72,773
Parks and recreation	1,507,605	1,341,371	166,234
Traffic signals	438,428	418,759	19,669
Building inspection	43,578	42,924	654
Buildings - utilities and maintenance	1,194,816	1,150,590	44,226
Motor pool	950,337	920,083	30,254
Urban forester	204,196	201,787	2,409
Zoo	983,686	948,066	35,620
Total Public Works	8,587,221	8,146,910	440,311
<b>DEBT SERVICE</b>			
Public Safety			
Policemen's pension merger			
Principal	225,000	225,000	-
Interest	185,290	185,290	-
Firemen's pension merger			
Principal	380,000	380,000	-
Interest	1,056,261	1,056,261	-
Total Debt Service	1,846,551	1,846,551	-
<b>CAPITAL OUTLAY</b>			
General government	219,504	187,967	31,537
Public safety	1,263,723	1,092,798	170,925
Public works	704,470	601,826	102,644
Total Capital Outlay	2,187,697	1,882,591	305,106
<b><u>TOTAL EXPENDITURES</u></b>	<b>\$ 35,577,186</b>	<b>\$ 34,197,544</b>	<b>\$ 1,379,642</b>

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

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL FUND  
STATEMENT OF OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT F-5

	Budget	Actual	Variance Favorable (Unfavorable)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in			
Special Revenue Funds			
City Sales Tax Fund	\$ 15,296,603	\$ 15,585,563	\$ 288,960
Community Development Block Grant Fund -			
Indirect cost allocation	46,856	70,759	23,903
Home Investment Partnership Fund -			
Indirect cost allocation		4,774	4,774
Enterprise Funds			
Utilities System Fund			
In lieu of taxes	3,646,464	3,646,464	-
Other	24,000	24,000	-
Indirect cost allocation	1,260,990	1,307,620	46,630
Sanitation Fund - Indirect cost allocation	321,561	354,799	33,238
Municipal Bus Line Fund - Indirect cost allocation	238,967	230,561	(8,406)
Operating transfers (out)			
Special Revenue Funds			
Youth Recreation Fund	(31,000)	(41,000)	(10,000)
Riverfront Center Fund	(25,000)	(25,000)	-
Capital Projects Funds			
1988 Property Tax Fund	(2,000,000)	(2,000,000)	-
Enterprise Funds			
Utilities System Fund	(712,579)		712,579
Sanitation Fund	(321,561)	(354,799)	(33,238)
Internal Service Funds			
Risk Management Fund	(1,287,421)		1,287,421
Employee Benefits Fund	(20,956)	(20,956)	-
<b><u>TOTAL OTHER FINANCING SOURCES (USES)</u></b>	<b><u>\$ 16,436,924</u></b>	<b><u>\$ 18,782,785</u></b>	<b><u>\$ 2,345,861</u></b>

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

## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**CITY SALES TAX FUND** is used to account for the proceeds of the 1976 one-percent (1%) city sales and use tax. One-half of the net proceeds is transferred to the General Fund for operations, and the other one-half is dedicated to payment of principal and interest on sales tax bonds and for capital improvements.

In addition, the fund is used to account for the 1998 one-percent (1%) city sales and use tax. The proceeds are dedicated as follows: one-third to implement a comprehensive job classification and pay plan for Fire, Police, and General Fund classified employees; one-third to replace General Fund revenues lost from Federal and State government; and one-third dedicated to fund General Fund operations.

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND** is used to account for grants dedicated for priority activities which benefit low or moderate income persons or aid in prevention or elimination of slums and blight. Financing is provided primarily by grants under Title I, Housing and Development Act of 1974.

**HUD EMERGENCY SHELTER PROGRAM FUND** accounts for funds provided for the rehabilitation of a facility for use as emergency shelter for the terminally ill.

**HOME INVESTMENT PARTNERSHIP PROGRAM FUND** accounts for funds provided under the HOME Program created under Title II (the Home Investments Partnership Act) of the National Affordable Housing Act of 1990. The funds are available for rehabilitation of owner occupied and rental property.

**ECONOMIC DEVELOPMENT FUND** was established to account for economic development funds previously held in the Community Development Block Grant Fund. Funds are available for this specified purpose only.

**YOUTH RECREATION FUND** is used to account for certain proceeds of the Alexandria baseball complex and the subsequent expenditure of these monies for the operation of the complex and operating support for soccer programs.

**RIVERFRONT CENTER FUND** accounts for funds received from the State of Louisiana and a hotel-motel occupancy tax for the operations of the Alexandria Riverfront Center. The Alexandria Riverfront Center is managed by the Alexandria/Pineville Area Convention and Visitors Bureau for the City of Alexandria.

CITY OF ALEXANDRIA, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
APRIL 30, 2002

EXHIBIT G-1

	City Sales Tax	Community Development Block Grant	HUD Emergency Shelter Program	Home Investment Partnership Program	Economic Development	Youth Recreation	Riverfront Center	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,982,083	\$ 243,996	\$	\$ 4,547	\$ 602,057	\$ 26,959	\$ 458,697	\$ 3,318,339
Receivables	1,617,113							1,617,113
Taxes								229,626
Intergovernmental		208,861	8,547	12,218			7,248	229,626
Other								7,248
Due from other funds		144				10,000		10,144
Inventory						4,000		4,000
<b>TOTAL ASSETS</b>	<b>\$ 3,599,196</b>	<b>\$ 453,001</b>	<b>\$ 8,547</b>	<b>\$ 16,765</b>	<b>\$ 602,057</b>	<b>\$ 40,959</b>	<b>\$ 465,945</b>	<b>\$ 5,186,470</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$	\$ 93,308	\$ 8,547	\$ 3,466	\$	\$ 22,860	\$ 10,942	\$ 139,123
Accrued expenses		8,187		1,109				9,296
Due to other funds	3,460,799	100,516		6,790			83,108	3,568,105
Due to other governments		1,000		5,400				83,108
Deferred revenues								6,400
Total Liabilities	3,460,799	203,011	8,547	16,765	-	22,860	94,050	3,806,032
<b>FUND BALANCES (Exhibit G-2)</b>								
Reserved - Riverfront Center operations							256,150	256,150
Unreserved - Undesignated	138,397	249,990	-	-	602,057	18,099	115,745	1,124,288
Total Fund Balances	138,397	249,990	-	-	602,057	18,099	371,895	1,380,438
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,599,196</b>	<b>\$ 453,001</b>	<b>\$ 8,547</b>	<b>\$ 16,765</b>	<b>\$ 602,057</b>	<b>\$ 40,959</b>	<b>\$ 465,945</b>	<b>\$ 5,186,470</b>

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

CITY OF ALEXANDRIA, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED APRIL 30, 2002

EXHIBIT G-2

	City Sales Tax	Community Development Block Grant	HUD Emergency Shelter Program	Home Investment Partnership Program	Economic Development	Youth Recreation	Riverfront Center	Total
<b>REVENUES</b>								
Taxes	\$20,759,753						\$ 293,133	\$21,052,886
Intergovernmental		1,181,846	40,385	393,968				1,616,199
Charges for services					16,204	81,506	135,528	217,034
Investment revenue	21,040	6,878				26	10,578	54,726
Other		23,730		31,285	50,000		4,431	109,446
<b>Total Revenues</b>	<u>20,780,793</u>	<u>1,212,454</u>	<u>40,385</u>	<u>425,253</u>	<u>66,204</u>	<u>81,532</u>	<u>443,670</u>	<u>23,050,291</u>
<b>EXPENDITURES</b>								
Current - Special programs and projects		588,168	40,385	442,302		107,703	479,126	1,657,684
Capital outlay		546,650						546,650
<b>Total Expenditures</b>	<u>-</u>	<u>1,134,818</u>	<u>40,385</u>	<u>442,302</u>	<u>-</u>	<u>107,703</u>	<u>479,126</u>	<u>2,204,334</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	20,780,793	77,636	-	(17,049)	66,204	(26,171)	(35,456)	20,845,957
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in (out)		(20,780,366)		17,049	(21,823)		25,000	(20,789,899)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	427	6,877	-	-	44,381	14,829	(10,456)	56,058
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>137,970</u>	<u>243,113</u>	<u>-</u>	<u>-</u>	<u>557,676</u>	<u>3,270</u>	<u>382,351</u>	<u>1,324,380</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 138,397</u>	<u>\$ 249,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 602,057</u>	<u>\$ 18,099</u>	<u>\$ 371,895</u>	<u>\$ 1,380,438</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
CITY SALES TAX SPECIAL REVENUE FUND  
STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT G-3

	1976 SALES TAX			1998 SALES TAX			TOTAL		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>									
<b>Taxes</b>									
Sales tax collected	\$	\$10,549,563	\$	\$	\$10,549,421	\$	\$	\$21,098,984	\$
Collection charges		(169,624)			(169,607)			(339,231)	
Net Received		10,379,939			10,379,814			20,759,753	
Investment revenue		10,521			10,519			21,040	
<b>Total Revenues</b>	<u>10,197,735</u>	<u>10,390,460</u>	<u>192,725</u>	<u>10,197,735</u>	<u>10,390,333</u>	<u>192,598</u>	<u>20,395,470</u>	<u>20,780,793</u>	<u>385,323</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in (out)									
General Funds for									
Operations and maintenance	(5,098,868)	(5,195,230)	(96,362)	(6,798,490)	(6,926,889)	(128,399)	(11,897,358)	(12,122,119)	(224,761)
Pay plan				(3,399,245)	(3,463,444)	(64,199)	(3,399,245)	(3,463,444)	(64,199)
Debt Service Funds	(1,625,700)	(1,511,883)	113,817				(1,625,700)	(1,511,883)	113,817
Capital Projects Funds	(3,473,167)	(3,682,920)	(209,753)				(3,473,167)	(3,682,920)	(209,753)
Total Other Financing Sources (Uses)	<u>(10,197,735)</u>	<u>(10,390,033)</u>	<u>(192,298)</u>	<u>(10,197,735)</u>	<u>(10,390,333)</u>	<u>(192,598)</u>	<u>(20,395,470)</u>	<u>(20,780,366)</u>	<u>(384,896)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER OTHER FINANCING USES</b>	-	427	427	-	-	-	-	427	427
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>137,970</u>	<u>137,970</u>	-	-	-	-	<u>137,970</u>	<u>137,970</u>	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 137,970</u>	<u>\$ 138,397</u>	<u>\$ 427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,970</u>	<u>\$ 138,397</u>	<u>\$ 427</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT G-4

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental - grants	\$ 2,275,781	\$ 1,181,846	\$ (1,093,935)
Investment revenue	15,000	6,878	(8,122)
Other - program revenue	15,000	23,730	8,730
Total Revenues	2,305,781	1,212,454	(1,093,327)
<b>EXPENDITURES</b>			
Current			
Special programs and projects			
Demolition and code enforcement	296,323	201,188	95,135
Rehabilitation - deferred loans	396,351	129,445	266,906
Rehabilitation - administration	38,867	30,353	8,514
Other programs and projects	642,460	124,677	517,783
General and administration	191,503	102,505	88,998
Capital Outlay			
Streets, sidewalks and drainage	87,589	20,963	66,626
Land acquisition	187,000	1,400	185,600
Community Center	524,287	524,287	-
Total Expenditures	2,364,380	1,134,818	1,229,562
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(58,599)	77,636	136,235
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out)			
General Fund - indirect cost allocation	(184,514)	(70,759)	113,755
Total Other Financing Sources (Uses)	(184,514)	(70,759)	113,755
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(243,113)	6,877	249,990
<b>FUND BALANCE, BEGINNING OF YEAR</b>	243,113	243,113	-
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ -	\$ 249,990	\$ 249,990

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

CITY OF ALEXANDRIA, LOUISIANA  
 HUD EMERGENCY SHELTER PROGRAM SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

EXHIBIT G-5

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental - grants	\$ 102,225	\$ 40,385	\$ (61,840)
EXPENDITURES			
Current			
Special programs and projects			
Emergency shelter program	102,225	40,385	61,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-
<u>FUND BALANCE, END OF YEAR</u>	\$ -	\$ -	\$ -

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

CITY OF ALEXANDRIA, LOUISIANA  
HOME INVESTMENT PARTNERSHIP PROGRAM SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2001

EXHIBIT G-6

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental - grants	\$ 1,317,812	\$ 393,968	\$ (923,844)
Other - program revenue	64,180	31,285	(32,895)
Total Revenues	1,381,992	425,253	(956,739)
<b>EXPENDITURES</b>			
Current			
Special programs and projects			
Rehabilitation - deferred loans	488,305	250,672	237,633
Other programs and projects	890,025	113,783	776,242
General and administration	112,053	77,847	34,206
Total Expenditures	1,490,383	442,302	1,048,081
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(108,391)	(17,049)	91,342
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out)			
General Fund - indirect cost allocation	247	(4,774)	(5,021)
Special Revenue Funds	108,144	21,823	(86,321)
Total Other Financing Sources (Uses)	108,391	17,049	(91,342)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ -	\$ -	\$ -

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

CITY OF ALEXANDRIA, LOUISIANA  
 ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

EXHIBIT G-7

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Investment revenue	\$ 25,500	\$ 16,204	\$ (9,296)
Other - lease income	50,000	50,000	-
Total Revenues	75,500	66,204	(9,296)
 <b>EXPENDITURES</b>			
Current			
Special programs and projects			
Economic development	525,032		525,032
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(449,532)	66,204	515,736
 <b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out)			
Special Revenue Funds	(108,144)	(21,823)	86,321
 <b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(557,676)	44,381	602,057
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	557,676	557,676	-
 <b><u>FUND BALANCE, END OF YEAR</u></b>	\$ -	\$ 602,057	\$ 602,057

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

CITY OF ALEXANDRIA, LOUISIANA  
 YOUTH RECREATION SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

EXHIBIT G-8

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services - concessions	\$ 62,000	\$ 81,506	\$ 19,506
Investment revenue		26	26
Total Revenue	62,000	81,532	19,532
<b>EXPENDITURES</b>			
Current			
Special programs and projects			
Ball park operations	93,000	97,703	(4,703)
Soccer program		10,000	(10,000)
	93,000	107,703	(14,703)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(31,000)	(26,171)	4,829
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out)			
General Fund	31,000	41,000	10,000
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	-	14,829	14,829
<b>FUND BALANCE, BEGINNING OF YEAR</b>	3,270	3,270	-
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ 3,270	\$ 18,099	\$ 14,829

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

CITY OF ALEXANDRIA, LOUISIANA  
RIVERFRONT CENTER SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED APRIL 30, 2002

EXHIBIT G-9

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes - hotel occupancy	\$ 287,005	\$ 293,133	\$ 6,128
Charges for services - facility rental	148,724	135,528	(13,196)
Investment revenue	5,000	10,578	5,578
Other	1,250	4,431	3,181
Total Revenues	441,979	443,670	1,691
<b>EXPENDITURES</b>			
Current			
Special programs and projects			
Facility operations			
Salaries and fringe benefits	229,343	227,257	2,086
Contracted services	38,000	46,882	(8,882)
Utilities	75,705	75,052	653
Rent	900		900
Operating supplies	15,300	33,179	(17,879)
Repairs and maintenance	31,380	24,660	6,720
Office supplies and expenses	27,550	14,559	12,991
Insurance	21,000	22,180	(1,180)
Other	42,496	35,357	7,139
Total Expenditures	481,674	479,126	2,548
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(39,695)	(35,456)	4,239
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in General Fund	25,000	25,000	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	(14,695)	(10,456)	4,239
<b>FUND BALANCE, BEGINNING OF YEAR</b>	382,351	382,351	-
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ 367,656	\$ 371,895	\$ 4,239

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

### **DEBT SERVICE FUNDS**

Debt Service funds are used to accumulate and account for resources for payment of principal and interest on certificates of indebtedness, sales tax bonds, and general obligation bonds as they mature.

CITY OF ALEXANDRIA, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
APRIL 30, 2002

EXHIBIT H-1

	Sales Tax Bonds	Certificates of Indebtedness	General Obligation Bonds	Total
<b>ASSETS</b>				
Equity in pooled cash and investments	\$	\$	\$ 806,543	\$ 806,543
Investments				
Certificates of deposit	2,786,365			2,786,365
Receivables				
Ad valorem taxes (net of \$5,000 allowance for uncollectibles)			144	144
Interest	17,691			17,691
Due from other funds	138,397	-	-	138,397
<b><u>TOTAL ASSETS</u></b>	<b>\$ 2,942,453</b>	<b>\$ -</b>	<b>\$ 806,687</b>	<b>\$ 3,749,140</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Bank overdraft	\$	\$	\$ 2,970	\$ 2,970
Other payables			1,274	1,274
Total Liabilities	-	-	4,244	4,244
<b>FUND BALANCES (Exhibit H-2)</b>				
Reserved for debt service				
Current	1,280,803			1,280,803
Future	1,661,650	-	802,443	2,464,093
Total Fund Balances	2,942,453	-	802,443	3,744,896
<b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b>\$ 2,942,453</b>	<b>\$ -</b>	<b>\$ 806,687</b>	<b>\$ 3,749,140</b>

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

CITY OF ALEXANDRIA, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
YEAR ENDED APRIL 30, 2002

EXHIBIT H-2

	Sales Tax Bonds	Certificates of Indebtedness	General Obligation Bonds	Total
<b>REVENUES</b>				
Ad valorem taxes - net	\$	\$	\$ 516,011	\$ 516,011
Investment revenue	95,945	-	23,776	119,721
Total Revenues	95,945	-	539,787	635,732
<b>EXPENDITURES - DEBT SERVICE</b>				
Principal retirement	1,270,000	1,045,000	270,000	2,585,000
Interest	355,701	98,187	339,928	793,816
Paying agents' fees	1,476	-	1,478	2,954
Total Expenditures	1,627,177	1,143,187	611,406	3,381,770
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,531,232)	(1,143,187)	(71,619)	(2,746,038)
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in				
Special Revenue Funds	1,511,883	-	-	1,511,883
Capital Projects Funds	-	1,143,187	-	1,143,187
Total Other Financing Sources	1,511,883	1,143,187	-	2,655,070
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	(19,349)	-	(71,619)	(90,968)
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
As previously reported	2,823,831	-	874,062	3,697,893
Prior period adjustment -				
Change in accounting principles	137,971	-	-	137,971
As restated	2,961,802	-	874,062	3,835,864
<b><u>FUND BALANCES, END OF YEAR</u></b>	\$ 2,942,453	\$ -	\$ 802,443	\$ 3,744,896

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

CITY OF ALEXANDRIA, LOUISIANA  
 SALES TAX BONDS DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

EXHIBIT H-3

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment revenue	\$ 106,000	\$ 95,945	\$ (10,055)
EXPENDITURES - DEBT SERVICE			
Principal retirement	1,270,000	1,270,000	-
Interest	355,700	355,701	(1)
Paying agents' fees	3,000	1,476	1,524
Total Expenditures	1,628,700	1,627,177	1,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,522,700)	(1,531,232)	(8,532)
OTHER FINANCING SOURCES			
Operating transfers in Special Revenue Funds	1,625,700	1,511,883	(113,817)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	103,000	(19,349)	(122,349)
FUND BALANCE, BEGINNING OF YEAR			
As previously reported	2,823,831	2,823,831	-
Prior period adjustment - Change in accounting principles	-	137,971	137,971
As restated	2,823,831	2,961,802	137,971
<u>FUND BALANCE, END OF YEAR</u>	\$ 2,926,831	\$ 2,942,453	\$ 15,622

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

CITY OF ALEXANDRIA, LOUISIANA  
 CERTIFICATES OF INDEBTEDNESS DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

EXHIBIT H-4

	Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES - DEBT SERVICE</b>			
Principal retirement	\$ 1,045,000	\$ 1,045,000	\$ -
Interest	98,187	98,187	-
Total Expenditures	1,143,187	1,143,187	-
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in			
Capital Projects Funds	1,143,187	1,143,187	-
Total Other Financing Sources	1,143,187	1,143,187	-
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	-	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	-	-	-
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ -	\$ -	\$ -

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

CITY OF ALEXANDRIA, LOUISIANA  
 GENERAL OBLIGATION BONDS DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

EXHIBIT H-5

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Ad valorem taxes - net	\$ 532,000	\$ 516,011	\$ (15,989)
Investment revenue	23,500	23,776	276
Total Revenues	555,500	539,787	(15,713)
<b>EXPENDITURES - DEBT SERVICE</b>			
Principal retirement	270,000	270,000	-
Interest	339,928	339,928	-
Paying agents' fees	1,400	1,478	(78)
Total Expenditures	611,328	611,406	(78)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(55,828)	(71,619)	(15,791)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	874,062	874,062	-
<b><u>FUND BALANCE, END OF YEAR</u></b>	\$ 818,234	\$ 802,443	\$ (15,791)

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

## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**GENERAL CAPITAL PROJECTS FUND** accounts for various capital projects. Funding is provided by intergovernmental grants and transfers of funds designated for capital improvements from the City Sales Tax Fund.

**1988 DRAINAGE PROPERTY TAX FUND** accounts for drainage improvements financed with a special property tax approved by voters during 1988.

**1993 STREETS AND DRAINAGE PROPERTY TAX FUND** accounts for street and drainage improvements financed with a special property tax approved by voters during 1993.

**PUBLIC SAFETY COMPLEX FUND** accounts for acquisition and construction of the police and fire department's public safety complex.

**1998 PROPERTY TAX GENERAL CAPITAL PROJECTS FUND** accounts for various capital projects financed with a special property tax approved by voters during 1998.

CITY OF ALEXANDRIA, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 APRIL 30, 2002

EXHIBIT I-1

	1998			1999			2000			
	General Capital Projects	Drainage Property Tax	Streets And Drainage Property Tax	Public Safety Complex	Property Tax General Capital Projects	Total	General Capital Projects	Public Safety Complex	Property Tax General Capital Projects	Total
Cash and cash equivalents	\$ 4,903,744	\$	\$	\$	\$	\$ 4,903,744				
Equity in pooled cash and investments	9,851,360	1,893,774	1,406,682	20,010	5,441,397	18,613,223				
Receivables										
Ad valorem taxes (Net of \$1,000 allowance for uncollectibles)					25,070	25,070				
Due from other funds										
Special Revenue Funds	623,005					623,005				
<b>TOTAL ASSETS</b>	<b>\$ 15,378,109</b>	<b>\$ 1,893,774</b>	<b>\$ 1,406,682</b>	<b>\$ 20,010</b>	<b>\$ 5,466,467</b>	<b>\$ 24,165,042</b>				

ASSETS

Cash and cash equivalents  
 Equity in pooled cash and investments  
 Receivables  
     Ad valorem taxes (Net of \$1,000 allowance for uncollectibles)  
     Due from other funds  
     Special Revenue Funds

**TOTAL ASSETS**

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LIABILITIES AND FUND BALANCES

LIABILITIES	\$	\$	\$	\$	\$	\$	\$	\$	\$
Bank overdraft									
Accounts and contracts payable	339,597	16,218	1,622		520,579	878,016			
Due to other funds									
Municipal Bus Line Fund	151					151			
Advance from Utilities Enterprise Fund	150,000					150,000			
Total Liabilities	489,748	16,218	1,622	-	536,110	1,043,698			
FUND BALANCES (Exhibit I-2)									
Reserved									
Encumbrances	1,863,856	278,102	199,581	11,948	4,434,741	6,788,228			
Performing Arts Center	4,837,873					4,837,873			
Unreserved									
Designated for									
Industrial park	304,664					304,664			
Community Center	411,268					411,268			
Utility Relocation	176,177	4,750	12,101		495,616	193,028			
Undesignated	7,294,523	1,594,704	1,193,378	8,062	495,616	10,586,283			
Total Fund Balances	14,888,361	1,877,556	1,405,060	20,010	4,930,357	23,121,344			
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,378,109</b>	<b>\$ 1,893,774</b>	<b>\$ 1,406,682</b>	<b>\$ 20,010</b>	<b>\$ 5,466,467</b>	<b>\$ 24,165,042</b>			

**TOTAL LIABILITIES AND FUND BALANCES**

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

CITY OF ALEXANDRIA, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 YEAR ENDED APRIL 30, 2002

EXHIBIT I-2

	1993		1998		1998		Total
	General Capital Projects	Drainage Property Tax	Streets And Drainage Property Tax	Public Safety Complex	Property Tax General Capital Projects	Property Tax General Capital Projects	Total
<b>REVENUES</b>							
Taxes - ad-valorem	\$	\$	\$	\$	\$	\$	\$
Intergovernmental - grants	201	20,333	1,653		2,717,746	2,719,399	20,534
Investment revenue	333,460	56,626	44,756	964	41,981	477,787	4,857,000
Other	4,857,000					4,857,000	
Total Revenues	<u>5,190,661</u>	<u>56,626</u>	<u>66,742</u>	<u>964</u>	<u>2,759,727</u>	<u>8,074,720</u>	
<b>EXPENDITURES - CAPITAL OUTLAY</b>							
Public works	2,019,397	200,399	294,500		5,833,811	8,348,107	
Public safety	177,354			17,648		195,002	
Enterprise Funds	15,934					15,934	
Total Expenditures	<u>2,212,685</u>	<u>200,399</u>	<u>294,500</u>	<u>17,648</u>	<u>5,833,811</u>	<u>8,559,043</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,977,976	(143,773)	(227,758)	(16,684)	(3,074,084)	(484,323)	
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in (out)							
General Fund					2,000,000	2,000,000	
Special Revenue Funds	3,682,920				3,681,192	3,682,920	
Enterprise Funds - net	(2,117)				1,000,000	3,679,075	
Capital Project Funds	(1,000,000)				(1,143,187)	-	
Debt Service Funds					5,538,005	(1,143,187)	
Total Other Financing Sources (Uses)	<u>2,680,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,538,005</u>	<u>8,218,808</u>	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	5,658,779	(143,773)	(227,758)	(16,684)	2,463,921	7,734,485	
<b>FUND BALANCES, BEGINNING OF YEAR</b>							
As previously reported	8,973,122	2,021,329	1,632,818	36,694	2,466,436	15,130,399	
Prior period adjustment - change in accounting principles	256,460					256,460	
As restated	<u>9,229,582</u>	<u>2,021,329</u>	<u>1,632,818</u>	<u>36,694</u>	<u>2,466,436</u>	<u>15,386,859</u>	
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 14,888,361</u>	<u>\$ 1,877,556</u>	<u>\$ 1,405,060</u>	<u>\$ 20,010</u>	<u>\$ 4,930,357</u>	<u>\$ 23,121,344</u>	

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

CITY OF ALEXANDRIA, LOUISIANA  
GENERAL CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED APRIL 30, 2002

EXHIBIT I-3

REVENUES

Intergovernmental - grants	
Federal	\$ 201
Investment revenue	333,460
Other - Contributions in aid of construction	<u>4,857,000</u>
Total Revenues	5,190,661

EXPENDITURES - CAPITAL OUTLAY

Public Works	
Drainage	1,036,286
Streets	124,668
Zoological park	125,211
Parks and recreation	74,734
Building renovations/improvements	538,527
Other	119,971
Public Safety	
Animal shelter	21,768
Fire department	42,531
Police department	113,055
Enterprise Funds	<u>15,934</u>
Total Expenditures	<u>2,212,685</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES 2,977,976

OTHER FINANCING SOURCES (USES)

Operating transfers in (out)	
Special Revenue Funds	3,682,920
Capital Projects Funds	(1,000,000)
Enterprise Funds	<u>(2,117)</u>
Total Other Financing Sources (Uses)	<u>2,680,803</u>

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER  
EXPENDITURES AND OTHER FINANCING USES 5,658,779

FUND BALANCE, BEGINNING OF YEAR

As previously reported	8,973,122
Prior period adjustment - change in accounting principles	<u>256,460</u>
As restated	<u>9,229,582</u>

FUND BALANCE, END OF YEAR \$ 14,888,361

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

CITY OF ALEXANDRIA, LOUISIANA  
1988 DRAINAGE PROPERTY TAX CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED APRIL 30, 2002

EXHIBIT I-4

REVENUES	
Investment revenue	\$ 56,626
EXPENDITURES - CAPITAL OUTLAY	
Public Works - drainage	<u>200,399</u>
EXCESS OF REVENUES OVER EXPENDITURES	(143,773)
FUND BALANCE, BEGINNING OF YEAR	<u>2,021,329</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 1,877,556</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
 1993 STREETS AND DRAINAGE PROPERTY TAX CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED APRIL 30, 2002

EXHIBIT I-5

REVENUES

Intergovernmental grants	\$ 20,333
Federal	1,653
Taxes - ad valorem	44,756
Investment revenue	<u>66,742</u>
Total Revenues	66,742

EXPENDITURES - CAPITAL OUTLAY

Public Works	61,817
Drainage	232,683
Streets	<u>294,500</u>
Total Expenditures	<u>294,500</u>

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (227,758)

FUND BALANCE, BEGINNING OF YEAR 1,632,818

FUND BALANCE, END OF YEAR \$ 1,405,060

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

CITY OF ALEXANDRIA, LOUISIANA  
PUBLIC SAFETY COMPLEX CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED APRIL 30, 2002

EXHIBIT I-6

REVENUES	
Investment revenue	\$        964
EXPENDITURES - CAPITAL OUTLAY	
Public Safety - Public Safety Complex	<u>17,648</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,684)
FUND BALANCE, BEGINNING OF YEAR	<u>36,694</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$    20,010</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
 1998 PROPERTY TAX GENERAL CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED APRIL 30, 2002

EXHIBIT I-7

<b>REVENUES</b>	
Taxes - ad valorem	\$ 2,717,746
Investment revenue	41,981
Total Revenues	2,759,727
 <b>EXPENDITURES - CAPITAL OUTLAY</b>	
Public Works	
Drainage	28,015
Streets	136,514
Parks and recreation	5,669,282
Total Expenditures	5,833,811
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 (3,074,084)
 <b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfers in (out)	
General Fund	2,000,000
Enterprise Funds	3,681,192
Capital Projects Funds	1,000,000
Debt Service Funds	(1,143,187)
Total Other Financing Sources (Uses)	5,538,005
 <b>EXCESS OF REVENUES OVER EXPENDITURES AND FINANCING USES</b>	 2,463,921
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	 2,466,436
 <b><u>FUND BALANCE, END OF YEAR</u></b>	 <b><u>\$ 4,930,357</u></b>

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

## **ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

UTILITIES SYSTEM FUND is used to account for electricity, natural gas, water, and wastewater services provided to residents of the City and some residents of the parish. All activities incident to providing these services are accounted for in the fund. The Utilities System Fund also provides support to general governmental operations and the bus line by transferring monies to the General Fund and Municipal Bus Line Fund.

MUNICIPAL BUS LINE FUND is used to account for the operation of a bus transit system. Financing of operations is provided by passenger fares, advertising, intergovernmental operating and capital grants, and operating transfers from the Utilities System Fund.

SANITATION FUND is used to account for services provided to the public in the form of solid waste collection and disposal.

CITY OF ALEXANDRIA, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
APRIL 30, 2002

EXHIBIT J-1  
(Continued)

	Utilities System	Municipal Bus Line	Sanitation	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 3,813,277	\$	\$ 84	\$ 3,813,361
Equity in pooled cash and investments	2,634,759	836,152	540,683	4,011,594
Utility receivables, net of allowance for doubtful accounts	3,988,606			3,988,606
Estimated unbilled receivables	3,724,082		175,155	3,899,237
Other receivables	857	256		1,113
Due from other funds	500	50,158		50,658
Due from other governments		19,864		19,864
Inventories	<u>1,978,863</u>			<u>1,978,863</u>
Total Current Assets	16,140,944	906,430	715,922	17,763,296
<b>RESTRICTED ASSETS</b>				
Revenue bond current debt service accounts	5,302,254			5,302,254
Customers' deposit accounts	3,272,347			3,272,347
Special projects accounts	150,000			150,000
Revenue bond reserve accounts	6,039,836			6,039,836
Revenue bond capital additions and contingencies accounts	1,000,000			1,000,000
Capital projects accounts	11,513,146			11,513,146
Revenue bond construction accounts	<u>1,317,045</u>			<u>1,317,045</u>
Total Restricted Assets	28,594,628	-	-	28,594,628
<b>PROPERTY, PLANT, AND EQUIPMENT</b>				
Property, plant, and equipment	193,678,666	4,245,320	1,766,796	199,690,782
Accumulated depreciation	<u>(93,529,760)</u>	<u>(2,793,969)</u>	<u>(1,346,652)</u>	<u>(97,670,381)</u>
Net Property, Plant, and Equipment	100,148,906	1,451,351	420,144	102,020,401
<b>OTHER ASSETS</b>				
Bond issuance costs	<u>993,494</u>			<u>993,494</u>
Total Other Assets	<u>993,494</u>	-	-	<u>993,494</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 145,877,972</u></b>	<b><u>\$ 2,357,781</u></b>	<b><u>\$ 1,136,066</u></b>	<b><u>\$ 149,371,819</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
APRIL 30, 2002

EXHIBIT J-1  
(Concluded)

	Utilities System	Municipal Bus Line	Sanitation	Total
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</b>				
Bank overdraft	\$	\$ 3,272	\$	\$ 3,272
Accounts payable	1,344,148	1,249	95,331	1,440,728
Due to other funds	557,362	82,366	55,835	695,563
Accrued expenses	1,388,134	106,250	160,682	1,655,066
Other current liabilities	149,112			149,112
Estimated landfill postclosure costs			36,304	36,304
Total	3,438,756	193,137	348,152	3,980,045
<b>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>				
Payable from				
Revenue bond current debt service	5,302,254			5,302,254
Customer deposit accounts	3,272,347			3,272,347
Capital projects accounts	410,880			410,880
Total	8,985,481	-	-	8,985,481
Total Current Liabilities	12,424,237	193,137	348,152	12,965,526
<b>NONCURRENT LIABILITIES</b>				
Revenue bonds payable	44,665,000			44,665,000
Total Noncurrent Liabilities	44,665,000	-	-	44,665,000
Total Liabilities	57,089,237	193,137	348,152	57,630,526
<b>EQUITY</b>				
Contributed capital	37,252,076	6,517,906	431,783	44,201,765
Retained earnings (Accumulated Deficit)				
Reserved	18,292,102			18,292,102
Unreserved	33,244,557	(4,353,262)	356,131	29,247,426
Total Retained Earnings (Accumulated Deficit)	51,536,659	(4,353,262)	356,131	47,539,528
Total Equity	88,788,735	2,164,644	787,914	91,741,293
<b><u>TOTAL LIABILITIES AND EQUITY</u></b>	<b><u>\$ 145,877,972</u></b>	<b><u>\$ 2,357,781</u></b>	<b><u>\$ 1,136,066</u></b>	<b><u>\$ 149,371,819</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)  
YEAR ENDED APRIL 30, 2002

EXHIBIT J-2

	<u>Utilities System</u>	<u>Municipal Bus Line</u>	<u>Sanitation</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 66,648,658	\$ 225,087	\$ 3,189,952	\$ 70,063,697
Other	311,719	9,002	2,548	323,269
Total Operating Revenues	<u>66,960,377</u>	<u>234,089</u>	<u>3,192,500</u>	<u>70,386,966</u>
<b>OPERATING EXPENSES</b>				
Production, distribution, treatment, and collection	45,568,988			45,568,988
Cost of service		1,779,471	2,795,794	4,575,265
Depreciation	5,555,655	229,123	127,966	5,912,744
General and administrative	5,919,463			5,919,463
Total Operating Expenses	<u>57,044,106</u>	<u>2,008,594</u>	<u>2,923,760</u>	<u>61,976,460</u>
<b>OPERATING INCOME (LOSS)</b>	9,916,271	(1,774,505)	268,740	8,410,506
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grant revenue		613,722		613,722
Investment revenue	1,098,782	13,666	9,605	1,122,053
Gain on disposition of property, plant, and equipment	2,206	(8,184)	4,168	(1,810)
Interest expense and fiscal charges	(3,171,650)			(3,171,650)
Total Nonoperating Revenues (Expenses)	<u>(2,070,662)</u>	<u>619,204</u>	<u>13,773</u>	<u>(1,437,685)</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	7,845,609	(1,155,301)	282,513	6,972,821
<b>OPERATING TRANSFERS IN (OUT)</b>	<u>(10,129,770)</u>	<u>1,037,163</u>	<u>(19,173)</u>	<u>(9,111,780)</u>
<b>NET INCOME (LOSS)</b>	(2,284,161)	(118,138)	263,340	(2,138,959)
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT), BEGINNING OF YEAR</b>	<u>53,820,820</u>	<u>(4,235,124)</u>	<u>92,791</u>	<u>49,678,487</u>
<b>RETAINED EARNINGS (ACCUMULATED DEFICIT), END OF YEAR</b>	<u>\$ 51,536,659</u>	<u>\$ (4,353,262)</u>	<u>\$ 356,131</u>	<u>\$ 47,539,528</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED APRIL 30, 2002

EXHIBIT J-3

	Utilities System	Municipal Bus Line	Sanitation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 9,916,271	\$(1,774,505)	\$ 268,740	\$ 8,410,506
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	5,901,947	229,123	127,966	6,259,036
Provision for doubtful accounts	614,984			614,984
Changes in assets and liabilities				
Customer receivables	455,130		(20,669)	434,461
Other receivables	56,853	(256)		56,597
Due from other funds	780	(44,919)	159,991	115,852
Inventories	157,999			157,999
Accounts payable	(2,340,445)	702	7,964	(2,331,779)
Due to other funds	(279,229)	48,567	55,835	(174,827)
Other current liabilities	(54,790)			(54,790)
Accrued expenses	59,299	17,147	12,871	89,317
Customer deposits - net	86,401			86,401
Estimated liability for landfill postclosure costs			(25,696)	(25,696)
Net Cash Provided (Used) by Operating Activities	14,575,200	(1,524,141)	587,002	13,638,061
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Bank overdraft		(118,130)	(52,766)	(170,896)
Operating transfers - net	(10,129,770)	1,037,163	(19,173)	(9,111,780)
Repayment of advances to/from other funds	776,998		(176,998)	600,000
Government subsidy - operations		638,114		638,114
Net Cash Provided (Used) by Noncapital Financing Activities	(9,352,772)	1,557,147	(248,937)	(8,044,562)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of property, plant, and equipment	(6,949,908)	(81,869)	(94,782)	(7,126,559)
Issuance of revenue bonds	13,730,000			13,730,000
Bond issuance costs	(352,053)			(352,053)
Payments of revenue bonds and other indebtedness	(16,850,000)			(16,850,000)
Interest paid on long-term debt	(2,984,970)			(2,984,970)
Proceeds received from the sale of property, plant, and equipment	35,203	2,315	4,168	41,686
Investment income received on construction funds	374,947			374,947
Government subsidy - capital grant		63,736		63,736
Contribution in aid of construction		15,934		15,934
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,996,781)	116	(90,614)	(13,087,279)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net decrease (increase) in equity in pooled cash and investments	4,283,669	(46,788)	(256,972)	3,979,909
Investment income received on operating funds	723,835	13,666	9,605	747,106
Net Cash Provided (Used) by Investing Activities	5,007,504	(33,122)	(247,367)	4,727,015
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(2,766,849)	-	84	(2,766,765)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	6,580,126	-	-	6,580,126
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 3,813,277	\$ -	\$ 84	\$ 3,813,361

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

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 BALANCE SHEET  
 APRIL 30, 2002

EXHIBIT J-4  
 (Continued)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	3,813,277
Equity in pooled cash and investments		2,634,759
Utility receivables (net of \$1,610,000 allowance for uncollectibles)		3,988,606
Estimated unbilled receivables		3,724,082
Other receivables		857
Due from other funds		500
Inventories		1,978,863
Total Current Assets		16,140,944

RESTRICTED ASSETS

Revenue bond current debt service accounts		5,302,254
Customers' deposit accounts		3,272,347
Special projects accounts		150,000
Revenue bond reserve accounts		6,039,836
Revenue bond capital additions and contingencies accounts		1,000,000
Capital projects accounts		11,513,146
Revenue bond construction accounts		1,317,045
Total Restricted Assets		28,594,628

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment		193,678,666
Accumulated depreciation		(93,529,760)
Net Property, Plant, and Equipment		100,148,906

OTHER ASSETS

Bond issuance costs		993,494
Total Other Assets		993,494

TOTAL ASSETS

\$ 145,877,972

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

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 BALANCE SHEET  
 APRIL 30, 2002

EXHIBIT J-4  
 (Concluded)

LIABILITIES AND EQUITY	
<b>CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)</b>	
Accounts payable	\$ 1,344,148
Due to other funds	557,362
Accrued expenses	1,388,134
Other current liabilities	<u>149,112</u>
Total	3,438,756
<b>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)</b>	
Payable from revenue bond current debt service accounts	
Revenue bonds	3,890,000
Interest	1,412,254
Payable from customer deposit accounts	
Customer guaranteed deposits	3,272,347
Payable from capital projects accounts	
Accounts and contracts	<u>410,880</u>
Total	<u>8,985,481</u>
Total Current Liabilities	12,424,237
<b>NONCURRENT LIABILITIES</b>	
Revenue bonds payable	<u>44,665,000</u>
Total Noncurrent Liabilities	<u>44,665,000</u>
Total Liabilities	57,089,237
<b>EQUITY</b>	
Contributed capital	37,252,076
Retained earnings	
Reserved for	
Special projects	150,000
Revenue bond debt service	6,039,836
Capital additions and contingencies	1,000,000
Capital projects	<u>11,102,266</u>
Total Reserved Retained Earnings	18,292,102
Unreserved	<u>33,244,557</u>
Total Retained Earnings	<u>51,536,659</u>
Total Equity	<u>88,788,735</u>
<b><u>TOTAL LIABILITIES AND EQUITY</u></b>	<b><u>\$ 145,877,972</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
 YEAR ENDED APRIL 30, 2002

EXHIBIT J-5

	Total	Electricity	Natural Gas	Water	Waste Water
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$66,648,658	\$51,079,560	\$ 8,856,635	\$ 4,257,124	\$ 2,455,339
Other	311,719	82,209	50,632	109,354	69,524
Total	66,960,377	51,161,769	8,907,267	4,366,478	2,524,863
<b>OPERATING EXPENSES</b>					
Electricity purchases	28,859,250	28,859,250			
Natural gas purchases	4,861,507		4,861,507		
Salaries	5,475,286	2,168,569	1,139,160	911,303	1,256,254
Employee benefits	1,544,772	607,385	319,304	278,623	339,460
Supplies	382,754	94,780	34,209	82,841	170,924
Auto and truck expenses	281,898	97,610	42,427	60,468	81,393
Communications	60,060	33,325	6,422	6,790	13,523
Utilities	1,186,860	106,269	489	768,681	311,421
Repairs and maintenance	2,107,460	657,560	103,512	610,929	735,459
Depreciation	5,555,655	2,091,720	1,134,245	1,014,988	1,314,702
Other	809,141	405,892	68,221	236,927	98,101
Overhead					
Utility director	138,000	43,828	30,006	35,650	28,516
Budget director	112,825	35,832	24,532	29,146	23,315
Billing office	346,612	110,082	75,366	89,541	71,623
Billing and collections	1,387,446	440,643	301,679	358,420	286,704
Meter readers	588,438	235,560	161,273	191,605	
Data processing	1,146,394	364,087	249,266	296,149	236,892
Utility services	735,928		234,488	278,591	222,849
Provision for doubtful accounts	603,339	462,399	80,175	38,538	22,227
Payments in lieu of insurance	762,821	242,267	165,864	197,060	157,630
Other	97,660	31,016	21,235	25,229	20,180
Total	57,044,106	37,088,074	9,053,380	5,511,479	5,391,173
<b>OPERATING INCOME (LOSS)</b>	9,916,271	<u>\$14,073,695</u>	<u>\$ (146,113)</u>	<u>\$ (1,145,001)</u>	<u>\$(2,866,310)</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>					
Interest income	1,098,782				
Gain on disposition of fixed assets	2,206				
Interest expense and fiscal charges	(3,171,650)				
Net	(2,070,662)				
<b>INCOME BEFORE OPERATING TRANSFERS</b>	7,845,609				
<b>OPERATING TRANSFERS IN (OUT)</b>	(10,129,770)				
<b>NET INCOME (LOSS)</b>	(2,284,161)				
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	53,820,820				
<b>RETAINED EARNINGS, END OF YEAR</b>	\$51,536,659				

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

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED APRIL 30, 2002

EXHIBIT J-6

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 9,916,271
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	5,901,947
Provision for doubtful accounts	614,984
Changes in assets and liabilities	
Customer receivables	455,130
Other receivables	56,853
Due from other funds	780
Inventories	157,999
Accounts payable	(2,340,445)
Due to other funds	(279,229)
Other current liabilities	(54,790)
Accrued expenses	59,299
Customer deposits - net	86,401
Net Cash Provided by Operating Activities	<u>14,575,200</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating transfers out - net	(10,129,770)
Repayment of advances from other funds	776,998
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(9,352,772)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of property, plant, and equipment	(6,949,908)
Issuance of revenue bonds	13,730,000
Bond issuance costs	(352,053)
Payments of revenue bonds and other indebtedness	(16,850,000)
Interest paid on long-term debt	(2,984,970)
Proceeds received from the sale of property, plant, and equipment	35,203
Interest received on construction funds	374,947
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(12,996,781)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net decrease (increase) in equity in pooled cash and investments	4,283,669
Interest received on operating funds	723,835
Net Cash Provided by Investing Activities	<u>5,007,504</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,766,849)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>6,580,126</u></b>
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	<b><u>\$ 3,813,277</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
MUNICIPAL BUS LINE ENTERPRISE FUND  
BALANCE SHEET  
APRIL 30, 2002

EXHIBIT J-7

ASSETS

CURRENT ASSETS

Equity in pooled cash and investments	\$ 836,152
Other receivable	256
Due from other funds	50,158
Due from other governments - grants	19,864
Total Current Assets	906,430

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment	4,245,320
Accumulated depreciation	(2,793,969)
Net Property, Plant, and Equipment	1,451,351

TOTAL ASSETS

\$ 2,357,781

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Bank overdraft	\$ 3,272
Accounts payable	1,249
Accrued expenses	106,250
Due to other funds	82,366
Total Current Liabilities	193,137

EQUITY

Contributed capital	6,517,906
Accumulated deficit	(4,353,262)
Total Equity	2,164,644

TOTAL LIABILITIES AND EQUITY

\$ 2,357,781

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

CITY OF ALEXANDRIA, LOUISIANA  
MUNICIPAL BUS LINE ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN ACCUMULATED DEFICIT  
YEAR ENDED APRIL 30, 2002

EXHIBIT J-8

<b>OPERATING REVENUES</b>	
Passenger	\$ 225,087
Advertising	8,512
Other	490
Total Operating Revenues	234,089
 <b>OPERATING EXPENSES</b>	
Salaries	843,897
Pension fund contributions	132,696
Hospitalization and life insurance	77,216
Other payroll taxes	11,134
Uniforms	6,367
Professional fees	8,640
Contract labor	43,779
Fuel and oil	117,693
Repairs and maintenance	271,403
Buses, vans, and other vehicles	
Buildings and equipment	17,721
Tires	18,751
Payments in lieu of insurance premiums	203,592
Other operating costs	26,582
Depreciation	229,123
Total Operating Expenses	2,008,594
 <b>OPERATING INCOME (LOSS)</b>	 (1,774,505)
 <b>NONOPERATING REVENUES</b>	
Federal and state grants	613,722
Investment revenue	13,666
Loss on disposition of property, plant, and equipment	(8,184)
Net Nonoperating Revenues	619,204
 <b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	 (1,155,301)
 <b>OPERATING TRANSFERS IN (OUT)</b>	 <u>1,037,163</u>
 <b>NET INCOME (LOSS)</b>	 (118,138)
 <b>ACCUMULATED DEFICIT, BEGINNING OF YEAR</b>	 <u>(4,235,124)</u>
 <b><u>ACCUMULATED DEFICIT, END OF YEAR</u></b>	 <u>\$ (4,353,262)</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
MUNICIPAL BUS LINE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED APRIL 30, 2002

EXHIBIT J-9

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (1,774,505)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities	
Depreciation	229,123
Changes in assets and liabilities	
Other receivables	(256)
Due from other funds	(44,919)
Accounts payable	702
Due to other funds	48,567
Accrued expenses	17,147
Net Cash Provided (Used) by Operating Activities	<u>(1,524,141)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Bank overdraft	(118,130)
Operating transfers - net	1,037,163
Government subsidy - operating grants	638,114
Net Cash Provided by Noncapital Financing Activities	<u>1,557,147</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of equipment	(81,869)
Proceeds from sale of equipment	2,315
Contributed capital	
Government subsidy	63,736
General Capital Projects Fund	15,934
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>116</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net decrease (increase) in equity in pooled cash and investments	(46,788)
Investment revenue	13,666
Net Cash Provided (Used) by Investing Activities	<u>(33,122)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	-
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>-</u>
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	<b><u>\$ -</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
SANITATION ENTERPRISE FUND  
BALANCE SHEET  
APRIL 30, 2002

EXHIBIT J-10

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	84
Equity in pooled cash and investments		540,683
Estimated unbilled receivables		175,155
Total Current Assets		715,922

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment		1,766,796
Accumulated depreciation		(1,346,652)
Net Property, Plant, and Equipment		420,144

TOTAL ASSETS

\$ 1,136,066

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Accounts payable	\$	95,331
Accrued expenses		160,682
Due to other funds		55,835
Estimated liability for landfill postclosure costs		36,304
Total Current Liabilities		348,152

EQUITY

Contributed capital		431,783
Retained earnings		356,131
Total Equity		787,914

TOTAL LIABILITIES AND EQUITY

\$ 1,136,066

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

CITY OF ALEXANDRIA, LOUISIANA  
SANITATION ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
YEAR ENDED APRIL 30, 2002

EXHIBIT J-11

OPERATING REVENUES	
Charges for services	\$ 3,189,952
Other	<u>2,548</u>
Total Operating Revenues	3,192,500
OPERATING EXPENSES	
Salaries	971,068
Employee fringe benefits	267,931
Disposal costs	938,821
Payments in lieu of insurance	139,165
Operating supplies	94,121
Vehicle costs - gas and oil	69,042
Vehicle costs - repairs and maintenance	172,640
Recycling program	46,591
Litter reduction - Cenla Pride	45,477
Provision for doubtful accounts	11,645
Other operating costs	39,293
Depreciation	<u>127,966</u>
Total Operating Expenses	<u>2,923,760</u>
OPERATING INCOME	268,740
NONOPERATING REVENUES	
Investment revenue	9,605
Gain on disposition of property, plant, and equipment	<u>4,168</u>
Total Nonoperating Revenues	<u>13,773</u>
INCOME BEFORE OPERATING TRANSFERS	282,513
OPERATING TRANSFERS IN (OUT)	<u>(19,173)</u>
NET INCOME	263,340
RETAINED EARNINGS, BEGINNING OF YEAR	<u>92,791</u>
<u>RETAINED EARNINGS, END OF YEAR</u>	<u>\$ 356,131</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
SANITATION ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED APRIL 30, 2002

EXHIBIT J-12

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 268,740
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	127,966
Changes in assets and liabilities	
Estimated unbilled receivables	(20,669)
Due from other funds	159,991
Accounts payable	7,964
Due to other funds	55,835
Accrued expenses	12,871
Estimated liability for landfill postclosure costs	(25,696)
Net Cash Provided by Operating Activities	587,002
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Bank overdraft	(52,766)
Operating transfers - net	(19,173)
Payment on advances from other funds	(176,998)
Net Cash Provided (Used) by Noncapital Financing Activities	(248,937)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	
Acquisition of property, plant, and equipment	(94,782)
Proceeds from the sale of property, plant, and equipment	4,168
Net Cash Provided (Used) by Capital Financing Activities	(90,614)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net decrease (increase) in equity in pooled cash and investments	(256,972)
Investment revenue	9,605
Net Cash Provided (Used) by Investing Activities	(247,367)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>84</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>-</b>
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	<b>\$ 84</b>

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

## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis.

**RISK MANAGEMENT FUND** is used to account for the provision of various insurance coverages to the other funds of the City through incorporation of self insurance and premiums paid for third party coverage for certain stop loss levels.

**EMPLOYEE BENEFITS INSURANCE FUND** is used to account for the provision of hospitalization/health insurance to employees of the City. A defined amount is self insured and provision is made for excess coverage through premiums paid to a third party. In addition, certain life insurance is provided for employees through premiums paid to a third party insurance carrier.

**UNEMPLOYMENT BENEFITS FUND** is used to account for the provision of unemployment benefits to the other funds of the City through self-insurance coverage.

CITY OF ALEXANDRIA, LOUISIANA  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
APRIL 30, 2002

EXHIBIT K-1

	<u>Risk Management</u>	<u>Employee Benefits Insurance</u>	<u>Unemployment Benefits</u>	<u>Total</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 77,039	\$ 120,368	\$	\$ 197,407
Equity in pooled cash and investments	7,743,649	502,166	361,807	8,607,622
Due from other funds		34,503		34,503
Stop loss and subrogation claims receivable		310,805		310,805
Total Current Assets	7,820,688	967,842	361,807	9,150,337
<b>PROPERTY, PLANT, AND EQUIPMENT</b>				
Property, plant, and equipment	24,939			24,939
Accumulated depreciation	(22,580)			(22,580)
Net Property, Plant, and Equipment	2,359	-	-	2,359
<b><u>TOTAL ASSETS</u></b>	<b>\$ 7,823,047</b>	<b>\$ 967,842</b>	<b>\$ 361,807</b>	<b>\$ 9,152,696</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdraft	\$	\$ 323,108	\$	\$ 323,108
Accounts payable	6,564	45,638	2,358	54,560
Accrued expenses	10,466			10,466
Due to other funds	141			141
Claims payable		867,516		867,516
Estimated liability for claims incurred	2,283,000			2,283,000
Total Current Liabilities	2,300,171	1,236,262	2,358	3,538,791
<b>NONCURRENT LIABILITIES</b>				
Estimated liability for claims incurred	3,015,000			3,015,000
Total Liabilities	5,315,171	1,236,262	2,358	6,553,791
<b>EQUITY</b>				
Contributed capital	655,791			655,791
Retained earnings				
Reserved for catastrophic losses	124,810			124,810
Unreserved (accumulated deficit)	1,727,275	(268,420)	359,449	1,818,304
Total Retained Earnings (deficit)	1,852,085	(268,420)	359,449	1,943,114
Total Equity	2,507,876	(268,420)	359,449	2,598,905
<b><u>TOTAL LIABILITIES AND EQUITY</u></b>	<b>\$ 7,823,047</b>	<b>\$ 967,842</b>	<b>\$ 361,807</b>	<b>\$ 9,152,696</b>

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

CITY OF ALEXANDRIA, LOUISIANA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)  
YEAR ENDED APRIL 30, 2002

EXHIBIT K-2

	Risk Management Fund	Employee Benefits Insurance Fund	Unemployment Benefits Fund	Total
<b>OPERATING REVENUES</b>				
Charges for services				
Required risk contributions- other funds	\$ 2,392,999	\$	\$	\$ 2,392,999
Member and employer contributions				
Employer contributions		2,671,840		2,671,840
Employee contributions		1,300,649		1,300,649
Other				
Stop loss reimbursements		190,682		190,682
Subrogation claims	73,638			73,638
Total Operating Revenues	<u>2,466,637</u>	<u>4,163,171</u>	<u>-</u>	<u>6,629,808</u>
<b>OPERATING EXPENSES</b>				
Insurance premiums				
General liability	236,271			236,271
Workmen's compensation	84,803			84,803
Automobile liability	158,696			158,696
Property coverage	293,538			293,538
Hospitalization/health		367,302		367,302
Life		84,500		84,500
Claims incurred				
General liability	172,333			172,333
Workmen's compensation	1,264,969			1,264,969
Automobile liability	1,013,362			1,013,362
Unemployment benefits			10,768	10,768
Law enforcement liability	1,495			1,495
Hospitalization/health		4,447,041		4,447,041
Administrative costs/Wellness program	241,146	222,130		463,276
Total Operating Expenses	<u>3,466,613</u>	<u>5,120,973</u>	<u>10,768</u>	<u>8,598,354</u>
OPERATING INCOME (LOSS)	(999,976)	(957,802)	(10,768)	(1,968,546)
<b>NONOPERATING REVENUE</b>				
Investment revenue	210,277	31,803	10,187	252,267
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(789,699)	(925,999)	(581)	(1,716,279)
OPERATING TRANSFERS IN	210,513	34,503	-	245,016
NET INCOME (LOSS)	(579,186)	(891,496)	(581)	(1,471,263)
RETAINED EARNINGS, BEGINNING OF YEAR	2,431,271	623,076	360,030	3,414,377
<b><u>RETAINED EARNINGS (ACCUMULATED DEFICIT), END OF YEAR</u></b>	<b><u>\$ 1,852,085</u></b>	<b><u>\$ (268,420)</u></b>	<b><u>\$ 359,449</u></b>	<b><u>\$ 1,943,114</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED APRIL 30, 2002

EXHIBIT K-3

	<u>Risk Management Fund</u>	<u>Employee Benefits Insurance Fund</u>	<u>Unemployment Benefits Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (999,976)	\$ (957,802)	\$ (10,768)	\$ (1,968,546)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	7,687			7,687
Changes in assets and liabilities				
Stop loss and subrogation claims receivable		(181,441)		(181,441)
Due from other funds		(34,503)		(34,503)
Accounts payable	1,958	(25,776)	(1,673)	(25,491)
Claims payable		247,136		247,136
Due to other funds	141			141
Accrued expenses	1,085			1,085
Estimated liability for claims incurred	562,000			562,000
Net Cash Provided (Used) by Operating Activities	<u>(427,105)</u>	<u>(952,386)</u>	<u>(12,441)</u>	<u>(1,391,932)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Bank overdraft		323,108		323,108
Operating transfers in	210,513	34,503		245,016
Net Cash Provided (Used) by Noncapital Financing Activities	<u>210,513</u>	<u>357,611</u>	<u>-</u>	<u>568,124</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net decrease (increase) in equity in pooled cash and investments	43,361	647,657	2,254	693,272
Investment revenue	210,277	31,803	10,187	252,267
Net Cash Provided (Used) by Investing Activities	<u>253,638</u>	<u>679,460</u>	<u>12,441</u>	<u>945,539</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>37,046</b>	<b>84,685</b>	<b>-</b>	<b>121,731</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>39,993</u>	<u>35,683</u>	<u>-</u>	<u>75,676</u>
<b><u>CASH, END OF YEAR</u></b>	<u>\$ 77,039</u>	<u>\$ 120,368</u>	<u>\$ -</u>	<u>\$ 197,407</u>

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

## TRUST FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity.

### PENSION TRUST FUNDS

CITY EMPLOYEES' RETIREMENT SYSTEM FUND is used to accumulate resources for retirement benefits for City employees covered under the plan. Participants contribute ten percent (10%) of their salaries to the Fund. The City contributes a percentage of covered participants' salaries determined by the System's actuary.

FIREMEN'S PENSION AND RELIEF FUND is used to account for benefits paid to members of this plan. Effective May 1, 1993, this plan was merged into the statewide Firefighter's Retirement System. In the event that a member, hired prior to January 1, 1980, exercises his or her right to a twenty year retirement any time under the age of fifty and is not eligible to receive benefits from the state system, then the Fund shall provide benefits until that person is eligible to receive benefits under the state system. 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 on an actuarial basis.

POLICEMEN'S PENSION AND RELIEF FUND is used to account for benefits paid to members of this plan. Effective September 1, 1983, this plan was merged into the statewide Municipal and State Police Employees' Retirement System. The Fund remains liable for retirement benefits in the event that a police officer, hired prior to August 1, 1976, retires before reaching age fifty or twenty-five years of eligible service. Members 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 on an actuarial basis.

CITY OF ALEXANDRIA, LOUISIANA  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF PLAN NET ASSETS  
YEAR ENDED APRIL 30, 2002

EXHIBIT L-1

	<u>City Employees' Retirement System (12/31/01)</u>	<u>Firemen's Pension And Relief Fund</u>	<u>Policemen's Pension And Relief Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 1,716,528	\$ 1,945	\$ 15,212	\$ 1,733,685
Accrued interest and dividends receivable	648,455	237	247	648,939
Due from General Fund			101,885	101,885
Investments, at fair value	65,121,254	81,755	100,533	65,303,542
Furniture, fixtures, and equipment, at cost, net of accumulated depreciation	<u>2,819</u>			<u>2,819</u>
Total Assets	<u>67,489,056</u>	<u>83,937</u>	<u>217,877</u>	<u>67,790,870</u>
<b>LIABILITIES</b>				
Payroll taxes withheld	<u>420</u>	<u>-</u>	<u>-</u>	<u>420</u>
<b>NET ASSETS HELD IN TRUST FOR <u>PENSION BENEFITS</u></b>				
	<u>\$ 67,488,636</u>	<u>\$ 83,937</u>	<u>\$ 217,877</u>	<u>\$ 67,790,450</u>

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

CITY OF ALEXANDRIA, LOUISIANA  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
YEAR ENDED APRIL 30, 2002

EXHIBIT L-2

	<u>City Employees' Retirement System (12/31/2001)</u>	<u>Firemen's Pension And Relief Fund</u>	<u>Policemen's Pension And Relief Fund</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 2,414,828	\$ 40,000	\$ 58,976	\$ 2,513,804
Plan members	<u>1,448,351</u>			<u>1,448,351</u>
Total Contributions	3,863,179	40,000	58,976	3,962,155
Investment income				
Interest	2,086,943	1,253	5,200	2,093,396
Dividends	472,230			472,230
Net depreciation in fair value of investments	<u>(2,856,044)</u>			<u>(2,856,044)</u>
Total Investment income (loss)	<u>(296,871)</u>	<u>1,253</u>	<u>5,200</u>	<u>(290,418)</u>
Total Additions	3,566,308	41,253	64,176	3,671,737
<b>DEDUCTIONS</b>				
Plan benefits	4,840,347	47,285	64,176	4,951,808
Transfers to other systems	253,883			253,883
Refunds of contributions	324,343			324,343
Administrative expenses	<u>112,681</u>			<u>112,681</u>
Total Deductions	<u>5,531,254</u>	<u>47,285</u>	<u>64,176</u>	<u>5,642,715</u>
<b>NET INCREASE (DECREASE)</b>	(1,964,946)	(6,032)	-	(1,970,978)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>69,453,582</u>	<u>89,969</u>	<u>217,877</u>	<u>69,761,428</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</b>	<u>\$ 67,488,636</u>	<u>\$ 83,937</u>	<u>\$ 217,877</u>	<u>\$ 67,790,450</u>

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

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

This group of accounts is used to account for fixed assets other than those used in the proprietary and similar trust funds.

CITY OF ALEXANDRIA, LOUISIANA  
STATEMENT OF GENERAL FIXED ASSETS  
APRIL 30, 2002

EXHIBIT M-1

<b>GENERAL FIXED ASSETS</b>	
Land and recreation facilities	\$ 16,883,289
Buildings and improvements	61,694,996
Furniture and fixtures	949,718
Equipment	11,843,280
Vehicles	7,926,918
Construction in progress	<u>1,262,538</u>
<b><u>TOTAL GENERAL FIXED ASSETS</u></b>	<b><u>\$ 100,560,739</u></b>
<b>INVESTMENT IN GENERAL FIXED ASSETS</b>	
General obligation bonds	\$ 3,795,695
Capital projects	56,251,955
Grants	24,605,355
General public	3,439,233
Other sources	<u>12,468,501</u>
<b><u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u></b>	<b><u>\$ 100,560,739</u></b>

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

CITY OF ALEXANDRIA, LOUISIANA  
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
 YEAR ENDED APRIL 30, 2002

EXHIBIT M-2

	<u>Land and Recreation Facilities</u>	<u>Buildings And Improvements</u>	<u>Furniture And Fixtures</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Construction In Progress</u>	<u>Total</u>
BEGINNING OF YEAR	\$ 7,645,328	\$ 60,336,281	\$ 935,604	\$ 10,309,501	\$ 7,592,743	\$ 5,533,925	\$ 92,353,382
ADDITIONS							
Capital projects revenues		492,581		616,922		5,512,688	6,622,191
Other (General Fund) revenues			33,632	796,845	713,459		1,543,936
Grants				232,548			232,548
Contributions from public	27,000	323,000					350,000
RETIREMENTS			(19,518)	(142,516)	(379,284)		(541,318)
COMPLETED CONSTRUCTION	<u>9,210,961</u>	<u>543,134</u>		<u>29,980</u>		<u>(9,784,075)</u>	<u>-</u>
END OF YEAR	<u>\$ 16,883,289</u>	<u>\$ 61,694,996</u>	<u>\$ 949,718</u>	<u>\$ 11,843,280</u>	<u>\$ 7,926,918</u>	<u>\$ 1,262,538</u>	<u>\$ 100,560,739</u>

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

**GENERAL LONG-TERM DEBT ACCOUNT GROUP**

This group of accounts is used to account for long-term debt not accounted for in any other fund.

CITY OF ALEXANDRIA, LOUISIANA  
 COMBINING STATEMENT OF GENERAL LONG-TERM DEBT  
 APRIL 30, 2002

EXHIBIT N-1

	<u>Certificates of Indebtedness</u>	<u>Sales Tax Bonds</u>	<u>General Obligation Bonds</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT					
Amount Available in Debt Service Funds	\$	\$ 2,942,453	\$ 802,443	\$	\$ 3,744,896
Amount to be provided for the retirement of general long-term debt principal from					
Ad valorem taxes	1,095,000				1,095,000
City sales and use tax		3,427,547			3,427,547
General Fund revenues	19,815,000		5,297,557	2,094,584	27,207,141
	<u>\$ 20,910,000</u>	<u>\$ 6,370,000</u>	<u>\$ 6,100,000</u>	<u>\$ 2,094,584</u>	<u>\$ 35,474,584</u>
<u>TOTAL AVAILABLE AND TO BE PROVIDED</u>					
GENERAL LONG-TERM DEBT PAYABLE					
Bonds payable	\$	\$ 6,370,000	\$ 6,100,000	\$	\$ 12,470,000
Certificates of indebtedness	20,910,000				20,910,000
Compensated absences payable				2,094,584	2,094,584
	<u>\$ 20,910,000</u>	<u>\$ 6,370,000</u>	<u>\$ 6,100,000</u>	<u>\$ 2,094,584</u>	<u>\$ 35,474,584</u>
<u>TOTAL GENERAL LONG-TERM DEBT PAYABLE</u>					

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

**ADDITIONAL INFORMATION**

CITY OF ALEXANDRIA, LOUISIANA  
UTILITIES SYSTEM ENTERPRISE FUND  
UNAUDITED SUMMARY OF UTILITY SERVICE CUSTOMERS  
APRIL 30, 2002

SCHEDULE 1

<u>TYPE OF SERVICE</u>	<u>NUMBER OF CUSTOMERS</u> <u>APRIL 30, 2002</u>
Electricity	24,952
Water	20,296
Gas	17,083
Wastewater	16,235

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR  
 REVENUE BOND INDENTURES  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 2

	Cash With Paying Agent	Bond Current Debt Service	Bond Reserve	Capital Additions and Contingencies	Total
ASSETS, BEGINNING OF YEAR	\$ -	\$ 4,847,540	\$ 6,144,861	\$ 1,000,000	\$ 11,992,401
ADDITIONS					
Transfers from operating account		6,596,814			6,596,814
Transfers from current debt service	6,142,100				6,142,100
Total Additions	<u>6,142,100</u>	<u>6,596,814</u>	<u>-</u>	<u>-</u>	<u>12,738,914</u>
TOTAL ASSETS AVAILABLE	6,142,100	11,444,354	6,144,861	1,000,000	24,731,315
DEDUCTIONS					
Principal payments	3,455,000				3,455,000
Interest and paying agent fees	2,687,100				2,687,100
Transfers to operating account			105,025		105,025
Transfer to paying agent		6,142,100			6,142,100
Total Deductions	<u>6,142,100</u>	<u>6,142,100</u>	<u>105,025</u>	<u>-</u>	<u>12,389,225</u>
<u>ASSETS, END OF YEAR</u>	<u>\$ -</u>	<u>\$ 5,302,254</u>	<u>\$ 6,039,836</u>	<u>\$ 1,000,000</u>	<u>\$ 12,342,090</u>

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 RECONCILIATION OF EXCESS OF REVENUES OVER EXPENDITURES  
 (NON-GAAP BUDGETARY BASIS) TO NET INCOME (LOSS) (GAAP BASIS)  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 3

<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	
Utilities System Enterprise Fund (Schedule 4)	\$ (4,941,423)
Utilities System Capital Projects Fund (Schedule 5)	(24,184)
Utilities System Revenue Bond Construction Funds (Schedule 6)	<u>(1,206,918)</u>
Total	(6,172,525)
 <b>RECONCILIATION TO NET INCOME (LOSS)</b>	
Capital additions	6,403,198
Debt service requirements net of interest and fiscal charges	4,331,076
Repayments of advances to other funds	(776,998)
Depreciation	(5,901,947)
Amortization of bond issuance costs	<u>(166,965)</u>
 <b><u>NET INCOME (LOSS) (EXHIBIT J-5)</u></b>	 <b><u>\$ (2,284,161)</u></b>

Notes:

For financial reporting purposes, the above funds are consolidated into the Utilities System Enterprise Fund. Interfund receivables/payables and operating transfers between these funds are eliminated.

For budgetary control purposes, each of the above funds is recognized as a separated entity. The following is a brief description of the differences between the City's non-GAAP budgetary basis excess (deficiency) of revenues over expenditures and GAAP net income reported in the financial statements. Capital additions, net debt service requirements, and bond issuance costs are treated as expenditures. Utilities revenue bond proceeds, intergovernmental grants and other items of contributed capital, and transfers of excess funds in reserved retained earnings to operations are treated as revenues. Depreciation is not recognized. Operating transfers between the various Utilities System Funds are not eliminated.

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM ENTERPRISE FUND  
 COMPARISON OF REVENUES AND EXPENDITURES -  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 4

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Electric	\$ 52,639,595	\$ 51,403,613	\$ (1,235,982)
Natural gas	9,637,000	8,884,349	(752,651)
Water	4,026,450	4,149,840	123,390
Wastewater	2,207,525	2,254,793	47,268
Investment revenue	930,000	723,836	(206,164)
Other	278,390	285,473	7,083
Operating transfers in			
Sanitation Enterprise Fund	98,779	111,686	12,907
Municipal Bus Line Enterprise Fund	26,367	52,205	25,838
Repayment of advances			
General Capital Projects Fund	600,000	600,000	-
Sanitation Enterprise Fund	176,997	176,997	-
Totals	70,621,103	68,642,792	(1,978,311)
<b>EXPENDITURES</b>			
Electrical production	35,233,031	30,142,801	5,090,230
Electrical distribution	3,843,694	3,685,860	157,834
Gas division	8,054,580	6,758,376	1,296,204
Water purification and distribution	3,006,574	2,831,565	175,009
Wastewater treatment, collection, and testing	3,376,370	2,941,006	435,364
Utility director	297,605	215,409	82,196
Budget director	119,892	110,789	9,103
Business office	373,072	350,171	22,901
Billings and collections	1,686,999	1,979,867	(292,868)
Meter readers	683,380	628,384	54,996
Data processing	1,450,281	1,368,688	81,593
Utility services	827,623	708,677	118,946
Payments in lieu of insurance	762,821	762,821	-
Bank service charges	19,379	19,379	-
Economic development	177,500	1,000	176,500
Debt service - principal, interest, paying agent fees, and bond issue costs	6,245,120	7,335,761	(1,090,641)
Operating transfers out			
General Fund			
In lieu of taxes	3,670,464	3,670,464	-
Indirect cost allocation	1,260,990	1,307,620	(46,630)
1998 Property Tax General Capital Projects Fund	3,681,192	3,681,192	-
Utilities System Capital Projects Fund	3,450,000	3,450,000	-
Sanitation Enterprise Fund	98,779	111,686	(12,907)
Municipal Bus Line Enterprise Fund	1,327,420	1,319,014	8,406
Risk Management Internal Service Fund	193,207	193,207	-
Employee Benefits Insurance Fund	10,478	10,478	-
Totals	79,850,451	73,584,215	6,266,236
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>	<b><u>\$ (9,229,348)</u></b>	<b><u>\$ (4,941,423)</u></b>	<b><u>\$ 4,287,925</u></b>

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 5

<b>REVENUES</b>		
Transfer from Utilities System Fund		\$ 3,450,000
Investment revenue		<u>313,536</u>
Total		3,763,536
<b>EXPENDITURES</b>		
Electrical Division		
Power plant improvements		86,739
Extensions and improvements		1,390,165
Repair and maintenance projects		34,345
Water Division		
Extensions and improvements		664,369
Repair and maintenance projects		232,362
Professional fees		184,518
Gas		
Extensions and improvements		165,119
Waste Water Division		
Treatment plant improvements		96,343
Extensions and improvements		575,049
Repair and maintenance projects		344,087
General and Administrative		
Buildings and improvements		13,302
Professional fees		<u>1,322</u>
Total		<u>3,787,720</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u></b>		<b><u>\$ (24,184)</u></b>

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
 UTILITIES SYSTEM REVENUE BOND CONSTRUCTION FUNDS  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 6

	<u>1993 Utility Revenue Bonds</u>	<u>1995 Utility Revenue Bonds</u>	<u>Total</u>
REVENUES			
Investment revenue	\$ 17,057	\$ 44,354	\$ 61,411
EXPENDITURES			
Electrical Division			
Extensions and improvements	<u>1,061,908</u>	<u>206,421</u>	<u>1,268,329</u>
EXCESS (DEFICIENCY) OF REVENUES OVER <u>EXPENDITURES</u>	<u>\$ (1,044,851)</u>	<u>\$ (162,067)</u>	<u>\$ (1,206,918)</u>

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
MUNICIPAL BUS LINE ENTERPRISE FUND  
COMPARISON OF REVENUES AND EXPENDITURES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED APRIL 30, 2002

SCHEDULE 7

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services - passenger revenue	\$ 224,500	\$ 225,087	\$ 587
Advertising revenue	5,000	8,512	3,512
Investment revenue	18,000	13,666	(4,334)
Grant revenue			
Operating	609,376	613,722	4,346
Capital		63,736	63,736
Proceeds from sale of equipment	2,315	(8,184)	(10,499)
Other income	1,300	490	(810)
Operating transfers in			
Capital Projects Fund - operations		2,117	2,117
Capital Projects Fund - capital		15,934	15,934
Utilities System Fund	1,327,420	1,319,014	(8,406)
Total Revenues	2,187,911	2,254,094	66,183
<b>EXPENDITURES</b>			
Salaries	867,160	843,897	23,263
Pension fund contributions	139,320	132,696	6,624
Hospitalization and life insurance	96,029	77,216	18,813
Other payroll taxes	13,081	11,134	1,947
Uniforms	8,693	6,367	2,326
Professional fees	8,850	8,640	210
Contract labor	43,839	43,779	60
Payments in lieu of insurance	203,595	203,595	-
Vehicle costs - fuel and oil	127,566	117,693	9,873
Vehicle costs - repairs and maintenance	293,813	271,403	22,410
Vehicle costs - tires	25,000	18,751	6,249
Repairs and maintenance	18,600	17,721	879
Other operating costs	73,632	26,582	47,050
Capital additions	2,200	81,869	(79,669)
Operating transfers out			
General Fund - indirect costs	238,967	230,561	8,406
Employee Benefits Fund	1,199	1,199	-
Utilities System Fund - indirect costs	26,367	52,205	(25,838)
Total Expenditures	2,187,911	2,145,308	42,603
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>108,786</b>	<b>\$ 108,786</b>
<b>RECONCILIATION TO NET INCOME</b>			
Capital additions		81,869	
Capital contributions		(79,670)	
Depreciation		(229,123)	
<b>NET LOSS - GAAP BASIS (Exhibit J-8)</b>		<b>\$ (118,138)</b>	

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
SANITATION ENTERPRISE FUND  
COMPARISON OF REVENUES AND EXPENDITURES -  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
YEAR ENDED APRIL 30, 2002

SCHEDULE 8

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Charges for services			
Collection fees	\$ 2,073,396	\$ 1,948,894	\$ (124,502)
Disposal fees	1,069,000	1,217,656	148,656
Garbage bags	20,000	23,402	3,402
Investment revenue	12,000	9,605	(2,395)
Proceeds from sale of equipment	4,168	4,168	-
Other income	2,291	2,548	257
Operating transfers in			
General Fund	321,561	354,799	33,238
Utilities System Fund	98,779	111,686	12,907
Total Revenues	3,601,195	3,672,758	71,563
<b>EXPENDITURES</b>			
Salaries	1,007,327	971,068	36,259
Employee fringe benefits	303,873	267,931	35,942
Disposal costs	1,000,000	941,812	58,188
Payments in lieu of insurance	139,165	139,165	-
Operating supplies	94,122	94,121	1
Vehicle costs - gas and oil	65,160	69,042	(3,882)
Vehicle costs - repairs and maintenance	171,494	172,640	(1,146)
Recycling program	46,800	46,591	209
Litter reduction - Cenla Pride	48,700	45,477	3,223
Provision for doubtful accounts	11,645	11,645	-
Other operating costs	46,949	39,293	7,656
Landfill closure costs	35,000	(2,991)	37,991
Capital additions	106,450	94,782	11,668
Payments on advance from other fund	176,997	176,998	(1)
Operating transfers out			
General Fund - indirect costs	321,561	354,799	(33,238)
Utilities System Fund - indirect costs	98,779	111,686	(12,907)
Risk Management Fund	17,303	17,303	-
Employee Benefits Fund	1,870	1,870	-
Total Expenditures	3,693,195	3,553,232	139,963
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (92,000)</b>	<b>119,526</b>	<b>\$ 211,526</b>
<b>RECONCILIATION TO NET INCOME</b>			
Capital additions		94,782	
Payments on advance from other fund		176,998	
Depreciation		(127,966)	
<b>NET INCOME - GAAP BASIS (Exhibit J-11)</b>		<b>\$ 263,340</b>	

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
UNAUDITED LISTING OF INSURANCE IN FORCE  
APRIL 30, 2002

SCHEDULE 9  
(Continued)

PROPERTY

Insurer: Allianz Insurance Company  
Expiration date: May 6, 2002  
Coverage:  
Real property, comprising buildings, and personal property  
Self insured retention:  
\$75,000 per occurrence deductible  
Policy limits of liability:  
\$278,728,038 per occurrence with specified sublimits

BOILER AND MACHINERY

Insurer: Boston Old Colony  
Expiration date: May 6, 2002  
Coverage:  
Comprehensive boiler and machinery coverage including production machines  
Loss retention:  
Varies with a minimum of \$50,000 per occurrence  
Policy limits of liability:  
\$25,000,000 per accident with specified sublimits

GENERAL LIABILITY / LAW ENFORCEMENT

Insurer: Lloyds of London  
Expiration date: May 6, 2002  
Coverage:  
Bodily injury and property damage, personal and advertising injury, employee benefits and law enforcement liability  
Self insured retention:  
\$150,000 per occurrence  
Policy limits of liability:  
\$3,000,000 general aggregate limit  
\$1,000,000 products/completed operations aggregate limit  
\$1,000,000 BI, PD Personal and advertising injury limit per occurrence

PUBLIC OFFICIALS AND EMPLOYERS LIABILITY

Insurer: Lloyds of London  
Expiration date: May 6, 2002  
Coverage:  
Claims made, retro date 05/06/1994 - Actual or alleged error or misstatement, act of neglect or breach of duty, misinformation, malfeasance and nonfeasance, protection for civil rights violations, discrimination or wrongful termination, employment related wrongful acts, punitive damage coverage, faulty preparation of bid specifications, architect/engineer E & O  
Self insured retention:  
\$75,000 per occurrence  
Policy limits of liability:  
\$1,000,000 each claim  
\$1,000,000 annual aggregate

CITY OF ALEXANDRIA, LOUISIANA  
UNAUDITED LISTING OF INSURANCE IN FORCE  
APRIL 30, 2002

SCHEDULE 9  
(Continued)

**AUTOMOBILE LIABILITY**

Insurer: Lloyds of London

Expiration date: May 6, 2002

Coverage:

Bodily injury or property damage caused by an accident and resulting from the ownership, maintenance or use of any automobile

Self Insured retention:

\$150,000 per occurrence

Policy limits of liability:

\$1,000,000 per occurrence

Under the Lloyds of London ALA package policy which addresses the following lines of coverage, general liability, law enforcement liability, automobile, public officials liability the City's accumulation of payments within the self insured retentions is limited to a maximum amount (I.e. Stop Loss Aggregate) per policy term as follows: \$2,300,000 stop loss aggregate, \$1,000,000 limit of insurance. The Stop Loss Aggregate is applicable to general liability, law enforcement liability, auto liability, and public officials liability retentions combined. Should losses within the retentions exceed \$2,300,000 the carrier will pay additional losses within self insured retentions until the \$1,000,000 limit of insurance is exhausted.

**COMMERCIAL UMBRELLA LIABILITY**

Insurer: T I G Insurance

Expiration date: May 6, 2002

Coverage:

Affords coverage in excess of designated liability policies or self-insurance retention for employer's liability, general liability, law enforcement liability, and automobile liability. The policy requires that specified levels of underlying insurance be maintained.

Self insurance retention:

\$10,000 per occurrence

Policy limits of liability:

\$1,000,000 each occurrence

\$1,000,000 combined aggregate for all losses other than automobile liability

CITY OF ALEXANDRIA, LOUISIANA  
UNAUDITED LISTING OF INSURANCE IN FORCE  
APRIL 30, 2002

SCHEDULE 9  
(Concluded)

**SPECIFIC EXCESS WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INDEMNITY**

Insurer: Midwest Employers Casualty Company

Expiration date: May 6, 2002

Coverage:

Workers' compensation - statutory

Employers' liability - any cause of action by an employee against the City for bodily injury or disease in the course of employment

Loss retention:

\$500,000 per occurrence

Policy limits of liability:

Workers' compensation - statutory

Employers' liability - \$1,000,000 per occurrence

**PUBLIC OFFICIALS BOND**

Insurer: Western Surety Bond

Expiration Date: September 9, 2002

Coverage: Mayor

Policy limits of liability: \$100,000

**FIDELITY BOND**

Insurer: Fidelity and Deposit Company of Maryland

Expiration date: May 11, 2002

Coverage: Tax Collector

Policy limits of liability: \$10,000

**PUBLIC EMPLOYEES HONESTY BOND**

Insurer: Fidelity and Deposit Company of Maryland

Expiration date: September 1, 2002

Coverage:

Employees in the Divisions of Finance, Public Works, Planning and CADS

Loss retention: \$1,000 per occurrence

Policy limits of liability: \$100,000 per employee

CITY OF ALEXANDRIA, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 10  
 (Continued)

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Agency or Pass-through Grant Number	Award Amount	Amount Expended	Amount Provided Subrecipients
<b>U.S. Department of Housing and Urban Development Community Planning and Development</b>					
Direct					
Community Development Block Grants - Entitlement Program	14.218	Various	\$ 8,858,000	\$ 1,575,814	\$ 254,826
Passed-through the State of Louisiana					
Emergency Shelter Grants Program	14.231	Various	<u>102,225</u>	<u>40,385</u>	<u>40,385</u>
Agency Totals			8,960,225	1,616,199	295,211
<b>U.S. Department of Justice (Continued)</b>					
Bureau of Justice Assistance					
Direct					
Local Law Enforcement Block Grants Program	16.592	Various	382,977	198,971	-
2001 Bulletproof Vest Partnership Grant Program	16.607		36,851	33,825	-
Passed-through the State of Louisiana					
Byrne Formula Grant Program	16.579	Various	40,392	25,601	-
<b>Violence Against Women Grants Office</b>					
Passed-through the State of Louisiana					
Violence Against Women Formula Grants	16.588	M00-3-001	15,295	5,707	-
<b>Victim Assistance Program</b>					
Passed-through the State of Louisiana					
Victim Assistance Investigation	16.575	C01-3-004	26,680	18,123	-
<b>Office of Community Oriented Policing Services</b>					
Direct					
Public Safety Partnerships and Community Policing Grants	16.710	Various	1,286,836	54,567	-

See independent auditor's report.

CITY OF ALEXANDRIA, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED APRIL 30, 2002

SCHEDULE 10  
 (Concluded)

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ <u>PROGRAM TITLE</u>	Federal CFDA Number	Agency or Pass-through Grant Number	Award Amount	Amount Expended	Amount Provided Subrecipients
U.S. Department of Justice (Concluded) Federal Bureau of Investigation Direct Organized Crime Drug Enforcement Task Forces Agency Totals	245F-NO-62649	-	\$ 10,000	\$ 4,512	\$ -
			1,799,031	341,306	-
U.S. Department of Transportation Federal Transit Administration Direct Federal Transit Capital and Operating Assistance Formula Grants	20.507	Various	4,996,140	631,188	-
			<u>\$15,755,396</u>	<u>\$ 2,588,693</u>	<u>\$ 295,211</u>
<b><u>TOTALS</u></b>					

Note:  
 Expenditures for CFDA #20.507 are reported on the accrual basis of accounting. All other expenditures are reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the City's accounting policies.

See independent auditor's report.

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND OMB CIRCULAR A-133**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE, COMBINING,  
INDIVIDUAL FUND, AND ACCOUNT GROUP 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 GENERAL PURPOSE, COMBINING, INDIVIDUAL FUND, AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and City Council  
City of Alexandria, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 2002, and have issued our report thereon dated September 30, 2002. 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 City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as Finding 2002-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Alexandria, Louisiana'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. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as Finding 2002-01 through Finding 2002-04.

MARVIN A. JUNEAD, C.P.A.  
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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.PMNCPA.COM



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The Honorable Mayor and City Council  
City of Alexandria, Louisiana

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Finding 2002-02 to be a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Alexandria, Louisiana, in a separate letter, entitled *Other Comments and Recommendations*, dated September 30, 2002.

This report is intended solely for the information and use of the Mayor, members of the City Council, management of the City of Alexandria, Louisiana, federal awarding agencies, pass-through entities, and the Legislative Auditor's office of the State of Louisiana. This report is not intended to be, and should not be, used by anyone other than these specified parties.

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

September 30, 2002

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and City Council
City of Alexandria, Louisiana

Compliance

We have audited the compliance of the City of Alexandria, Louisiana, with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended April 30, 2002.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

In our opinion, City of Alexandria, Louisiana, complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended April 30, 2002.

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PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council  
City of Alexandria, Louisiana

Internal Control Over Compliance

The management of City of Alexandria, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Alexandria, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. 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 noncompliance with applicable requirements of laws, regulations, and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Mayor, members of the City Council, management of the City of Alexandria, Louisiana, federal awarding agencies, pass-through entities, and the Legislative Auditor's office of the State of Louisiana. This report is not intended to be, and should not be, used by anyone other than these specified parties.

  
Certified Public Accountants

September 30, 2002

**CITY OF ALEXANDRIA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2002**

**PART I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	<u>  X  </u>	Yes	<u>      </u> No
Reportable condition(s) identified not considered to be material weaknesses?	<u>  X  </u>	Yes	<u>      </u> None reported
Noncompliance material to the financial statements?	<u>  X  </u>	Yes	<u>      </u> No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u>      </u>	Yes	<u>  X  </u> No
Reportable condition(s) identified not considered to be material weaknesses?	<u>      </u>	Yes	<u>  X  </u> None reported
Type of auditor's report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	<u>      </u>	Yes	<u>  X  </u> No
Identification of major programs:			
CFDA # 14.218 Community Development Block Grants/Entitlement Grants			
CFDA # 20.507 Federal Transit Capital and Operating Assistance Formula Grants			
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000		
Auditee qualified as a low-risk auditee?	<u>      </u>	Yes	<u>  X  </u> No

**CITY OF ALEXANDRIA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2002**

**PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE  
REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDITING STANDARDS**

FINDING 2002-01

PERSONAL USE OF CELL PHONES

*Criteria:* The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. It is a violation of R.S. 42:1461(A) to make personal calls on cell phones provided by the City and fail to reimburse the City.

*Condition:* The City's policy requires that employees reimburse the City for personal use of City provided cell phones. The policy requires each employee to review a copy of his or her itemized cell phone invoice monthly. The employee is to indicate which charges are for personal calls and return the approved invoice with any required reimbursement to the accounting department.

We found that this policy was not being consistently enforced. In some instances, approved invoices are not returned to the accounting department. As a result, in certain circumstances, a determination cannot be made regarding personal use, if any.

*Recommendation:* We recommend that the policy of the City as established be followed for all employees.

*Management's Response:* See Management's Corrective Action Plan.

FINDING 2002-02

BUSINESS OFFICE OPERATIONS

*Criteria:* The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

*Condition:* The responsibilities of the business office include accounting for property taxes, licenses and similar permits, processing the majority of payments received by the City, and performing certain control procedures to ensure the proper accounting for these items and safeguarding monies received. The following deficiencies were noted:

- Checks issued by property owners and others in payment of ad-valorem taxes that are returned from banking institutions due to non sufficient funds (NSF) are not properly accounted for by the business office.
- NSF checks are not processed a second time with the banking institution. Therefore, they may be considered a negotiable instrument. The NSF checks are kept on a cashier's desk or the tax collector's desk until they are sent to the District Attorney's office.
- Accounting department does not maintain a subsidiary listing of NSF checks.

**CITY OF ALEXANDRIA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2002**

- Errors in recording and accounting for cash receipts are not corrected timely. According to the policy established by Director of Finance, "all corrective entries must be made no later than the week following the last business day of the month". As of 04/30/02, we noted corrections required to be made that dated February 27, 2002.

*Recommendation:*

- A notation on the tax roll should be made immediately upon the receipt of a NSF check in order to reflect the property taxes as unpaid. Subsequently, the property should be included with other properties as part of the tax sale. Failure to collect the property taxes by this means would require a lien to be placed on the property to protect the City's interest in unpaid taxes.
- NSF checks should be processed through the banking institution a second time and maintained in a secure location preferably in the vault within the accounting office.
- A subsidiary listing of NSF checks should be maintained to reconcile to the general ledger control account.
- The established policies of the Director of Finance should be followed and all correcting entries should be made within the time frame as established in the policy.

*Management's Response:* See Management's Corrective Action Plan.

FINDING 2002-03

STOP LOSS RECOVERY

*Criteria:* The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

*Condition:* The City maintains stop loss recovery insurance within the Employee Benefits Insurance Fund for individual claims that exceed \$50,000. The City employs a third party administrator, Risk Management, Inc., for the Employee Benefits Insurance Fund. As of the end of the previous fiscal year the administrator reported stop loss receivables from claims outstanding in the amount of \$120,122.79. No recovery was made on behalf of the City during FYE 04/30/02. As of April 30, 2002, the administrator reported estimated stop loss claims receivable of \$245,344.89 and an additional \$65,459.63 in projected receivables. As of the date of our field work, we were informed that no claims have been received and or filed.

*Cause:* We were unable to receive a reasonable explanation as to why recovery has not been made.

*Recommendations:* We suggest that management consult with the administrator of the plan regarding this matter.

*Management's Response:* See Management's Corrective Action Plan.

**CITY OF ALEXANDRIA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2002**

FINDING 2002-04

FUEL AND OIL INVENTORY

*Criteria:* The objectives of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

*Condition:* A significant adjustment was necessary to adjust the general ledger control account for the fuel and oil inventory to agree to the year-end physical inventory. We computed indicated ending inventory in gallons for gasoline and diesel by adding the April 30, 2001 physical inventory for these fuels in gallons to purchases for the current fiscal year per the vendor's invoices and subtracting fuel used per the daily pump reports for the fiscal year. We compared the computed ending inventory to the year-end physical inventory. The difference between the computed ending inventory and the ending physical inventory was insignificant indicating incorrect postings to the general ledger control account for the fuel and oil inventory.

Two electronic keys are necessary to activate the City's fuel pumps at central facilities. One is a vehicle key and the other is an employee key. There are no procedures in place to ensure that the employee key is deactivated when the employee terminates his or her employment with the City.

*Cause:* A number of factors contributed to the adjustment including incorrect average prices per gallon used to charge out fuel and incomplete reports used to record fuel usage by department. Other contributing causes were lack of adequate training provided to the clerk at central facilities that monitors the fuel and oil inventory, lack of daily reconciliation of the physical and perpetual inventory, and an old software system that appears to be inadequate to meet current needs of the City.

*Recommendations:* We provide the following recommendations to improve controls over the fuel and oil inventory:

- Provide additional training to the clerk responsible for the fuel and oil inventory.
- Prepare periodic reconciliation of the perpetual and physical inventory for fuel and oil.
- Reconcile the total number of gallons used per the daily usage reports to the monthly charge report to ensure the accuracy of the monthly charge report.
- Review monthly the computation of the average cost per gallon for the various fuels and oils.
- Consider upgrading or replacing the current software used to monitor fuel and oil usage.
- Have department heads provide the clerk with written authorizations to issue the electronic keys.
- Have the personnel department notify the clerk of all terminations so that any electronic employee keys can be deactivated.
- Review the current electronic employee key list for terminated and active employees that should be removed from the list.

*Management's Response:* See Management's Corrective Action Plan.

**CITY OF ALEXANDRIA, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED APRIL 30, 2002**

**PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None reported.

**OTHER COMMENTS AND RECOMMENDATIONS**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

OTHER COMMENTS AND RECOMMENDATIONS

The Mayor and City Council  
City of Alexandria, Louisiana

In planning and performing our audit of the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Alexandria, Louisiana, as of and for the year ended April 30, 2002, we considered the City's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls, operating efficiency, and compliance. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report, dated September 30, 2002 contains our report on reportable conditions on the City's internal control. This letter does not affect our report, dated September 30, 2002 on the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Alexandria, Louisiana.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management personnel, and we will be pleased to discuss them in detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

September 30, 2002

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

## MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS

### FINDING 2002-05

### UTILITY CUSTOMER ACCOUNT DELINQUENCY CODES

*Condition:* The utility customer account delinquency codes control penalizing accounts for late payment and generating cut-off notices on delinquent accounts. Our testing located approximately forty accounts of the estimated 25,000 active accounts with missing or incorrect delinquency codes. Due to the missing or incorrect codes, these accounts would not be penalized for late payment or cut-off for nonpayment. These accounts would also not be reported on the standard delinquent exception reports. The majority of these accounts had current balances at year-end.

*Recommendation:* The information systems department created two special reports to detect and list accounts with incorrect delinquency codes. These reports should be printed and reviewed monthly.

*Management's Response:* See Management's Corrective Action Plan.

### FINDING 2002-06

### SECURITY FOR DAILY RECEIPTS

*Criteria:* One of the objectives of internal controls is to provide management with reasonable assurance that assets are safeguarded against loss.

*Condition:* We observed an instance in which the daily receipts at the Utility Customer Service Office were left unattended and unsecured for approximately fifteen minutes from the time the daily reconciliation was prepared until a police officer arrived to escort the courier to the night depository. We also observed change funds left unsecured in an unlocked vault.

*Recommendations:* We recommend procedures be established and enforced to safeguard daily receipts until deposited into the night depository.

*Management's Response:* See Management's Corrective Action Plan.

### FINDING 2002-07

### EMPLOYEE TIME RECORDS

*Condition:* Certain City departments do not require employees to complete individual time records. Instead, these departments rely on time records completed by foremen and approved by supervisors.

*Recommendation:* As recommended in our prior audit, we believe that requiring all employees to complete and sign individual time records would significantly strengthen payroll control procedures. The individual time records should be reviewed and approved by appropriate supervisory personnel. In addition, we recommend that management investigate the feasibility of implementing an electronic time record management system.

*Management's Response:* See Management's Corrective Action Plan.

**SPECIAL LETTER  
RE: RESOLUTION NUMBER 2431-1982  
REQUIREMENT OF SPECIFIC RECOMMENDATIONS**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and City Council  
City of Alexandria, Louisiana

RE: Resolution Number 2431-1982 -  
Requirement of specific  
recommendations

In accordance with Resolution Number 2431-1982, "a resolution relative to the fulfillment of commitments of the City of Alexandria relative to the Combined Utilities System", as engaged independent certified public accountants, we are requested to include specific recommendations to ensure that the City and the Combined Utilities System generate sufficient revenues to pay operation and maintenance expenses of the Combined Utilities System and debt service on outstanding revenue bonds payable from such revenue, and to make all budgeted transfers to other funds of the City. During the current year, the City fulfilled each of these commitments.

For future periods, the City should continue to accomplish the following steps:

- 1) Prepare and approve an annual operating budget of the Combined Utilities System based upon the best criteria of revenue and expense estimates that can be developed.
- 2) Provide for budgetary control on a line item basis and monitor budget variances on a current basis. Amendments should be addressed for any unusual exceptions as they are encountered.
- 3) Provide projected monthly cash flow schedules with comparisons to actual, prior, and current amounts. Any unusual variances should be investigated.
- 4) Maintain current and accurate accounting records relative to financial activity of the system.
- 5) Reconcile subsidiary ledgers to appropriate general ledger control accounts on a current basis.

MARVIN A. JONEAU, C.P.A.  
H. FRED RANDOW, C.P.A.  
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1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200  
PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM



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The Honorable Mayor and City Council  
City of Alexandria, Louisiana

- 6) Provide for a complete review of the accounting trial balance and underlying transactions on a current basis for obvious posting errors. Investigate and/or correct unusual items as needed.
- 7) Update utility rate studies as practical and adjust rates as necessary to provide adequate revenues to meet budgeted needs.
- 8) Implement other recommendations relative to the Combined Utilities System as noted in our accompanying schedule of findings and questioned costs.

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

September 30, 2002

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

**CITY OF ALEXANDRIA  
CITY OF ALEXANDRIA, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED APRIL 30, 2002**

<b>SECTION I: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
Finding 2002-01  Response	<p><u>PERSONAL USE OF CELL PHONES</u></p> <p>A formal written policy regarding the use of cell phones was implemented May 1, 2002. Included in the policy are guidelines for the documentation and reimbursement for personal calls as well as penalties for noncompliance.</p>
Finding 2002-02  Response	<p><u>BUSINESS OFFICE OPERATIONS</u></p> <p>The return check event for property taxes is presently recorded on the Accounts Receivable software. This will also be recorded on the manual tax roll. Those that are not paid timely will be included with other properties in the tax sale. NSF checks will be deposited a second time in order to exhaust primary efforts at collection, and undeposited checks will be kept under lock to prevent theft. A subsidiary list will be maintained of return checks relating to property taxes and other sources. The policy set forth by the Director of Finance regarding correcting entries will be adhered to.</p>
Finding 2002-03  Response	<p><u>STOP LOSS RECOVERY</u></p> <p>The Plan Administrator will be contacted and an inquiry made as to the time frame for the receipt of the stop loss recoveries, along with the reason(s) for the delay .</p>
Finding 2002-04  Response	<p><u>FUEL AND OIL INVENTORY</u></p> <p>An upgrade to the existing software is scheduled for October, 2002. The responsible clerk will receive training on the upgrade. Stick readings will be done on the fuel weekly if electronic readings appear accurate, or daily if electronic readings appear inaccurate. The results of the software upgrade will be monitored to see that discrepancies between daily and monthly charge reports are eliminated. Options are being explored for a means to timely inform Motor Pool of employee changes in order to assure the legitimacy of chip key issuances.</p>

**CITY OF ALEXANDRIA  
CITY OF ALEXANDRIA, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED APRIL 30, 2002**

<b>SECTION III: OTHER COMMENTS AND RECOMMENDATIONS (MANAGEMENT LETTER)</b>	
Finding 2002-05 Response	<p style="text-align: center;"><u>UTILITY CUSTOMER ACCOUNT DELINQUENCY CODES</u></p> <p>The two special reports will be reexamined for effectiveness, and then run on a monthly basis for review.</p>
Finding 2002-06 Response	<p style="text-align: center;"><u>SECURITY FOR DAILY RECEIPTS</u></p> <p>Receipts will at no time be unattended. The depositing employee will keep receipts in close proximity and within eyesight. In the event the employee has to step away for a time, the receipts will be placed in the control of an accountant. Change box fund and corresponding key will remain in the custody and control of an assigned accountant at all times, except when in overnight storage in main vault. Accountant is responsible for securing boxes. Accountant may temporarily place change fund in custody of another accountant in the event of absence, however change fund will be counted before return of custody to original accountant.</p>
Finding 2002-07 Response	<p style="text-align: center;"><u>EMPLOYEE TIME RECORDS</u></p> <p>In Fiscal 2002, the City amended its budget to include 2 centralized technology systems: Cash Receipting and Decentralized Time Keeping. At present, it is felt that the Cash Receipting be given priority as it will help our customer service response to our citizenry. The Decentralized Time Keeping is slated to be implemented after the successful implementation of Cash Receipting, given the City's limited IS staff.</p>

**MANAGEMENT'S SCHEDULE OF PRIOR YEAR FINDINGS**

**CITY OF ALEXANDRIA, LOUISIANA  
MANAGEMENT'S SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED APRIL 30, 2002**

<b>SECTION I: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>		
Finding 2001-01	Allegations of Unauthorized Work Performed on Private Property	Resolved.
Finding 2001-02	Possible Payroll Fraud	Resolved.
Finding 2001-03	Cooperative Endeavor Agreements	Resolved.
Finding 2001-04	Recreational and Educational Programs	Resolved.
Finding 2001-05	Delinquent Customer Utility Accounts	Partially Resolved. See 2002-05
Finding 2001-06	Grass Cutting	Resolved
Finding 2001-07	Business Office Operations	Partially Resolved. See 2002-02

<b>SECTION II: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>		
	None reported.	

<b>SECTION III: OTHER COMMENTS AND RECOMMENDATIONS (MANAGEMENT LETTER)</b>		
Finding 2001-08	Customer Deposits	Resolved.
Finding 2001-09	Journal Entries	Resolved.
Finding 2001-10	Reconciliation of Subsidiary Grant Records	Resolved.
Finding 2001-11	Employee Time Records	Unresolved. See 2002-07
Finding 2001-12	Summer Parks Program	Resolved.
Finding 2001-13	Personal Use of Cell Phone	Partially Resolved. See 2002-01