City of Alexandria, Louisiana

April 30, 2016

City of Alexandria, Louisiana
April 30, 2016
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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
Established 1945

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alexandria, Louisiana, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Alexandria, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Mayor and City Council
City of Alexandria, Louisiana

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alexandria, Louisiana, as of April 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 1 to the financial statements, during the fiscal year ended April 30, 2016 the City of Alexandria, Louisiana adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress for postemployment health care and life insurance benefits, schedules of employer's share of net pension liability, schedules of employer contributions, and notes to the required supplemental information labeled "Required Supplemental Information" in the table of contents (Part 1 and Part II) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Alexandria, Louisiana's basic financial statements. The summary of utility service customers, the listing of insurance in force, and the schedule of compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and are not a required

The Honorable Mayor and City Council
City of Alexandria, Louisiana

part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards and the schedule of compensation, benefits, and other payments to the agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of compensation, benefits, and other payments to the agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The summary of utility service customers and listing of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2016, on our consideration of the City of Alexandria, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Alexandria, Louisiana's internal control over financial reporting and compliance.

Payne, Moore + Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

October 26, 2016

Required Supplemental Information – Part I

Management's Discussion and Analysis

Our discussion and analysis of the City of Alexandria's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2016. Please read it in conjunction with the City's financial statements, which begin on page 17. For ease of understanding, figures are rounded to the nearest tenth of $1 million or the nearest $1 thousand, as appropriate.

Financial Highlights

- The City's assets exceeded liabilities by $286.4 million. Of this total, $21.3 million in net position are unrestricted, and may be used to meet future obligations of the City's creditors.
- The City's net position increased by $23.5 million during the 2016 fiscal year. This is the result of an increase of around $6.8 million in net position from governmental activities and an increase in net position from business – type activities of $16.7 million.
- Unrestricted net position increased by $17.5 million in Fiscal 2016. This is the combined result of an increase of $1.9 million from governmental activities and an increase of $15.6 million from business – type activities.
- Unassigned fund balance in the General Fund is $20.2 million, which amounts to approximately 35% of the expenditures of the General Fund in Fiscal 2016.
- The City's long-term debt increased by nearly $50.4 million prior to the 2015 restatement. It should be noted that this increase, along with the significant decrease in net position, is largely due to the adoption of Government Accounting Standards Board (GASB) Statement #68 by the City in Fiscal 2016. The impact of GASB #68 will alter the way the City accounts for the costs of pensions, requiring the recording of obligations earned by employees sooner than previously required. The City participates in three major defined benefit pension systems: the City of Alexandria Employees' Retirement System, which has only employees of the City; along with the Municipal Police Employees' Retirement System and Firefighters' Retirement System, both of which are run by the State of Louisiana with multiple cities participating. The application of GASB #68 will give the appearance of sudden financial distress, but there is no additional obligation recorded, merely a recalculation of existing obligations. Additional information on GASB #68 and its effects on the City's financial statements can be found in Note 1 (R) and Note 16.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 19 and 20) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 21. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting On The City As A Whole

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting,* which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

See Independent Auditor's Report.

These two statements report the City's *net position* and changes in them. You can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health, or *financial position.* Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works and parks departments, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.

- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utilities, sanitation, and transit are reported here.

- Component units - The City has no component units at the present time.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 21 and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following these fund financial statements.

See Independent Auditor's Report.

- *Proprietary funds* - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's Risk Management.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary,* for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 30 and 31. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The following table reflects a condensed version of the Statement of Net Position displaying 2016 and 2015:

City of Alexandria, LA
Condensed Statement of Net Position (in millions)
April 30, 2016 and April 30, 2015

	2016	Restated 2015	2016	Restated 2015	2016	Restated 2015
	Governmental		Business-Type		Total	
Assets						
Current & Other Assets	$ 65.6	$ 63.8	$ 34.3	$ 24.5	$ 99.9	$ 88.3
Restricted Assets	-	-	39.9	82.2	39.9	82.2
Capital Assets	170.0	171.8	240.0	199.1	410.0	370.9
Total Assets	235.6	235.6	314.2	305.8	549.8	541.4
Deferred Outflows of Resources	17.9	5.5	12.0	3.8	29.9	9.3
Liabilities						
Current Liabilities	11.4	14.3	13.6	20.5	25.0	34.8
Long-Term Liabilities	87.2	78.0	171.3	164.3	258.5	242.3
Total Liabilities	98.6	92.3	184.9	184.8	283.5	277.1
Deferred Inflows of Resources	7.5	8.2	2.3	2.5	9.8	10.7
Net Position						
Invested in Capital Assets (Net)	140.9	140.7	93.0	91.2	233.9	231.9
Restricted	29.6	24.9	1.6	2.3	31.2	27.2
Unrestricted	(23.1)	(25.0)	44.4	28.8	21.3	3.8
Total Net Position	$ 147.4	$ 140.6	$ 139.0	$ 122.3	$ 286.4	$ 262.9

See Independent Auditor's Report.

As of April 30, 2016 the City's Net Position totaled $286.4 million, showing an increase of about 9% compared to the 2015 restated net position of $262.9 million. Roughly $233.9 million, or 82%, of the City's total Net Position resides in the Invested in Capital Assets category. These are land, buildings, infrastructure, equipment, and other items required for the City to furnish its goods and services to citizens on the governmental side of operations and customers on the business side of operations. These assets are not available for appropriation (spending), as they are not intended to be sold. Restricted Assets account for $31.2 million, or 11%, of the total. Restrictions are placed by entities outside the City government, such as bondholders. These assets are also not available for appropriation. The remaining $21.3 million, or 7%, of Net Position is Unrestricted and is available for appropriation.

The following table is a condensed version of the Statement of Activities displaying 2016 and 2015:

City of Alexandria, LA
Condensed Statement of Activities (in millions)
April 30, 2016 and April 30, 2015

	2016	2015	2016	2015	2016	2015
	Governmental		Business-Type		Total	
Revenues						
Program Revenues:						
Charges for Services, Fines, Fees	$ 5.0	$ 5.5	$ 112.8	$ 109.3	$ 117.8	$ 114.8
Grants & Contributions	4.8	5.0	1.4	1.3	6.2	6.3
General Revenues:						
Sales Taxes	46.7	44.9			46.7	44.9
Other Taxes	9.4	8.6	1.3	1.1	10.7	9.7
Other	1.6	2.5	-3.0	-1.1	-1.4	1.4
Total Revenues	67.5	66.5	112.5	110.6	180.0	177.1
Expenses						
General government	17.3	16.6			17.3	16.6
Public safety	30.4	28.2			30.4	28.2
Public works	19.2	25.2			19.2	25.2
Community and economic development	.6	1.1			.6	1.1
Interest on long-term debt	1.9	1.7	3.5	5.6	5.4	7.3
Electricity			46.9	60.0	46.9	60.0
Gas			11.3	14.7	11.3	14.7
Water			6.4	6.9	6.4	6.9
Wastewater			8.8	8.5	8.8	8.5
Transit			2.8	3.1	2.8	3.1
Sanitation			3.9	3.9	3.9	3.9
Zoological Park			2.5	2.1	2.5	2.1
Golf Course			1.0	1.0	1.0	1.0
Total Expenses	69.4	72.8	87.1	105.8	156.5	178.6
Change in Net Position before Transfers	-1.9	-6.3	25.4	4.8	23.5	-1.5
Transfers	8.7	7.7	-8.7	-7.7	-	-
Increase (Decrease) In Net Position	6.8	1.4	16.7	-2.9	23.5	-1.5

See Independent Auditor's Report.

	2016	2015	2016	2015	2016	2015
	Governmental		Business-Type		Total	
Net Position, Beginning of Year	$ 140.6	$ 174.8	$ 122.3	$ 127.1	$ 262.9	$ 301.9
Net Position, End of Year	147.4	176.2	139.0	124.2	286.4	300.4
Change in Accounting Principle	-	(35.6)	-	(1.9)	-	(37.5)
Net Position, End of Year, as Restated	$ 147.4	$ 140.6	$ 139.0	$ 122.3	$ 286.4	$ 262.9

Net position was required to be restated due to the City's adoption of GASB Statement #68.

The City's total revenues were $180.0 million and total expenses were $156.5 million for Fiscal 2016. This results in an increase of net position before transfers of $23.5 million. This can be broken down first by governmental and business - activities, then broken down further by function.

Net Position in Governmental Activities increased by $6.8 million in Fiscal 2016 compared to an increase of $1.4 in Fiscal 2015. Examining the expenses for the 2 years, we see that they are down from $72.8 million in 2015 to $69.4 million in 2016, roughly a 5% difference. We see an increase of $.7 million in General Government, an increase in Public Safety of nearly $2.2 million; and an increase of $.2 million in Interest on Long Term Debt. These are more than offset by a decrease of $.5 million in Community & Economic Development and a decrease of $6.0 million in Public Works. Revenues saw less change from the prior year reflecting an increase of $1.0 million. Sales Taxes account for $1.8 million of the increase, while Other Taxes show an increase of $.8 million. These more than offset decreases in Charges for Services of $.5 million; Grants & Contributions of $.2 million, and Other Revenues of $.9 million. Fluctuations in expenses can be deceptive in that Capital Projects Funds can raise or lower them in a given year depending on the progress of active construction projects. Expenditures in the combined capital projects were actually down $8.6 million for Fiscal 2016 compared to the prior year, reflected mostly in Public Works activities.

Business-Type Activities Net Position increased $16.7 for Fiscal 2016, compared to a decrease in the prior year of $2.9 million. Expenses are down $18.7 million, a decrease of nearly 18%. This decrease is largely due to Electric and Gas Fuel Cost, the City's cost for purchasing electricity and gas for sale to customers, which decreased from the prior year by approximately $16.5 million. Other decreases in expenses include Interest on Long-Term Debt of $2.1 million; Water of $.5 million, and Bus Line of $.3 million. Increases in the other categories including Zoo for $.4 million and Wastewater of $.3 million account for the remainder. Revenues are up from $110.6 million in 2015 to $112.5 million in 2016, a change of nearly $1.9 million, or 2%, largely due to an increase of $1.8 million in electrical sales. Other minor offsets account for the remainder.

In the long run, the City's costs for Electric and Gas fuel are passed on to the customers and have no effect on the City's finances. In the short run, however, the City can be either recovering costs or rebating costs depending on which way fuel prices are going. These fluctuations in revenue can cause significant differences in the short-term.

Individual Fund Analysis

We will briefly analyze the activity and fund balances of the major funds of the Governmental Funds category and the Business (Proprietary) Funds category, beginning with the General Fund. Differences are rounded to the nearest tenth of $1 million for ease of discussion.

See Independent Auditor's Report.

Governmental Funds

General Fund

The General Fund ended Fiscal 2016 with a decrease in Unassigned Fund Balance of nearly $1.1 million. In short, the General Fund took in less than it spent by this amount. In order to see the change, a comparison of revenues and expenditures of Fiscal 2016 and 2015 is needed.

Revenues and Transfers In increased by roughly $2.1 million. Revenues show the greatest changes in an increase in Taxes of $1.7 million and an increase in Transfers In of $.5 million. Other relatively minor changes account for the remainder.

Expenditures and Transfers Out increased $4.4 million when compared to the previous year. This is due to a variety of factors. Increases in Capital Outlay totaled $1.7 million, while General Government and Public Works increased $.5 million and $.2 million respectively. The greatest difference is an increase in Transfers Out of $2.0 million. Other minor changes account for the remainder.

Overall, Expenditures in the General Fund exceeded Revenues leading to the previously mentioned decrease in Fund Balance of $1.1 million.

General Fund Budgetary Highlights

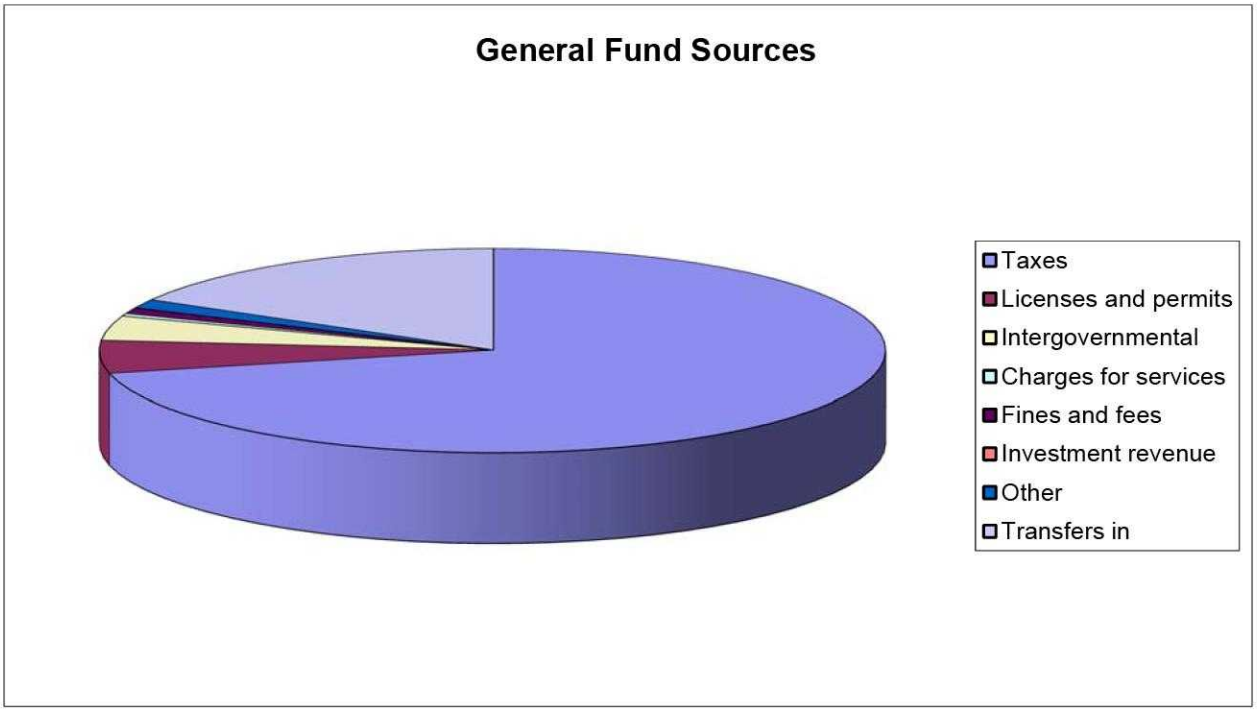
The original budget of the General Fund reflects the City's plan and financial intent at the beginning of the fiscal year. This is routinely adjusted during the year to better reflect actual revenues available and actual expenditures incurred. The City does its most comprehensive adjustment at Major Budget Amendment (MBA). Revenues, Transfers In, and Use of Fund Balance were adjusted resulting in a net increase of over $4.8 million (8%). City Sales Taxes account for most of the increase in the Taxes category at $2.8 million, while Parish Taxes increased another $.7 million. Other adjustments in Taxes include Property and Franchise taxes totaling $.5 million. Licenses and Permits were increased $.1 million, while grants in the Intergovernmental category were increased roughly $.4 million. Transfers In and Budgeted Use of Fund Balance were each reduced by $.3 million. Other minor changes in Revenues account for the remaining difference. The City originally budgeted $5.3 million in use of fund balance for Fiscal 2016, and finished the year with a budgeted use of $5.0 million.

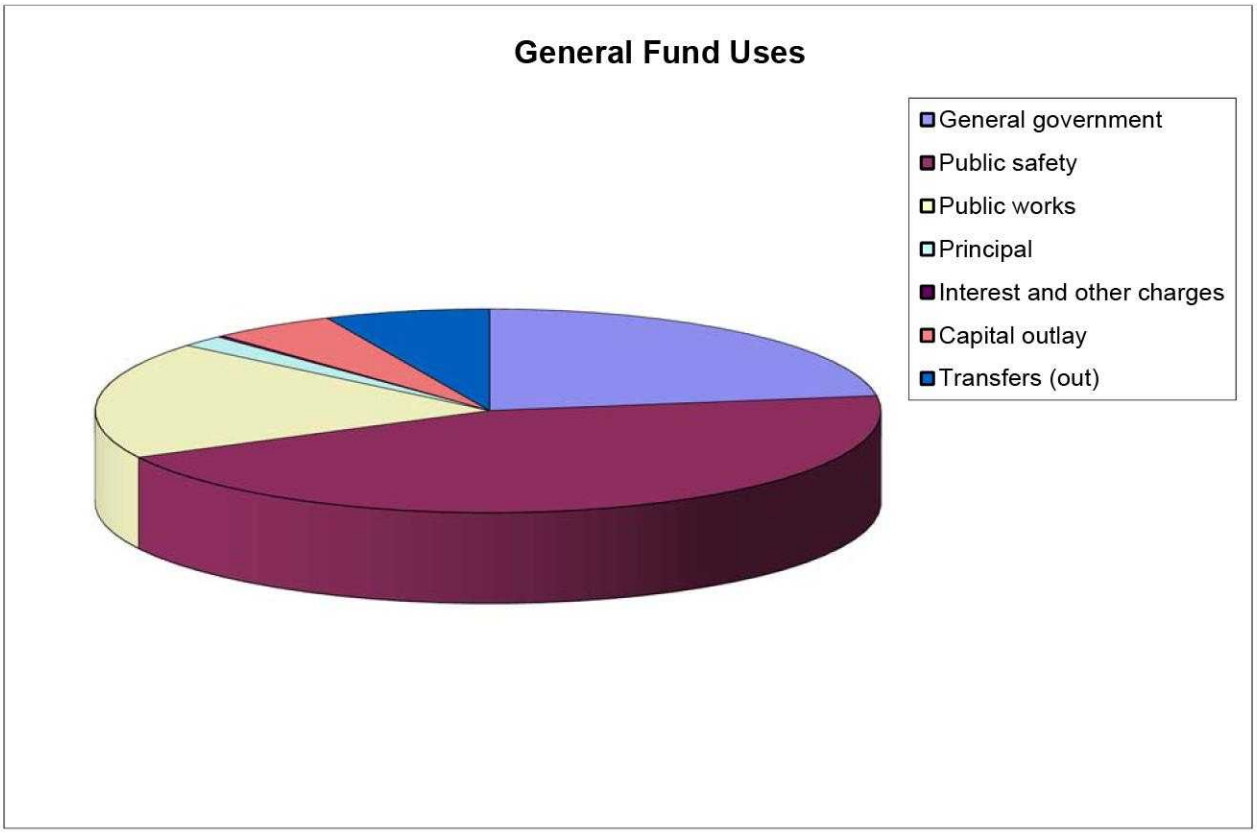
Budgeted Expenditures and Transfers Out were adjusted up during the year by $4.8 million due to a variety of factors. Healthcare line items were increased by $1.0 million to reflect new rates; Transfers Out was increased by $3.1 million; Contract Labor was increased by $.3; Overtime in the various departments was increased $.4 million; and Vehicles Repairs was increased $.2 million. Other minor adjustments account for the remainder.

Fortunately, the City did not use the $5.0 in fund balance budgeted for Fiscal 2016 but, as previously noted, used roughly $1.1 million. Actual Revenues and Transfers In were roughly $.2 million below budget, while actual Expenditures and Transfers Out were about $4.1 million less than budgeted. There were various offsets in the revenues, but the greatest factor was the Transfers In coming in below the budgeted figures. The greatest factor in the expenditures coming in so much lower than budgeted is attrition; i.e., vacant employee positions during the year that were budgeted but had no employees to be paid from them. The combined salary and fringes for these vacancies translated to roughly $1.9 million in reduced expenditures, even after adjusting budgets down at Major Budget Amendment. Along with this factor, a timing issue existed with Capital Outlay as $.5 million in purchases were not made in Fiscal 2016 and will be made in the subsequent year. Reductions in discretionary spending; such as $.3 million in Vehicle Fuel & Oil; $.4 million in Professional Fees; and $.3 million in Programming by the departments account for the remainder of the difference in General Fund Expenditures.

See Independent Auditor's Report.

The following charts represent the actual sources and uses of General Fund monies for Fiscal 2016:





See Independent Auditor's Report.

General Capital Projects Fund

Revenues and Other Financing Sources are up in this fund by over $.2 million, due in part to increased City Sales Tax Revenues of $.2 million, along with increases in Intergovernmental Revenues and Investment Revenue of $.1 million. Proceeds from Sale of Assets are also down $.1 million.

Expenditures and Transfers Out for Fiscal 2016 are $1.4 million less than the previous year. Expenditures can vary greatly over two consecutive years in a capital projects fund depending on how far along individual large projects are. Once a project is designed and construction begins, funds can be expended in a relatively short time. Significant progress was achieved in multiple projects in Fiscal 2016, including Port of Alexandria Rail Spur, Chatlain Lake Drainage, Prescott Road Sidewalk Improvements, and Sugarhouse Road.

Overall Fund Balance increased $3.7 million for Fiscal 2016.

Utilities System Fund

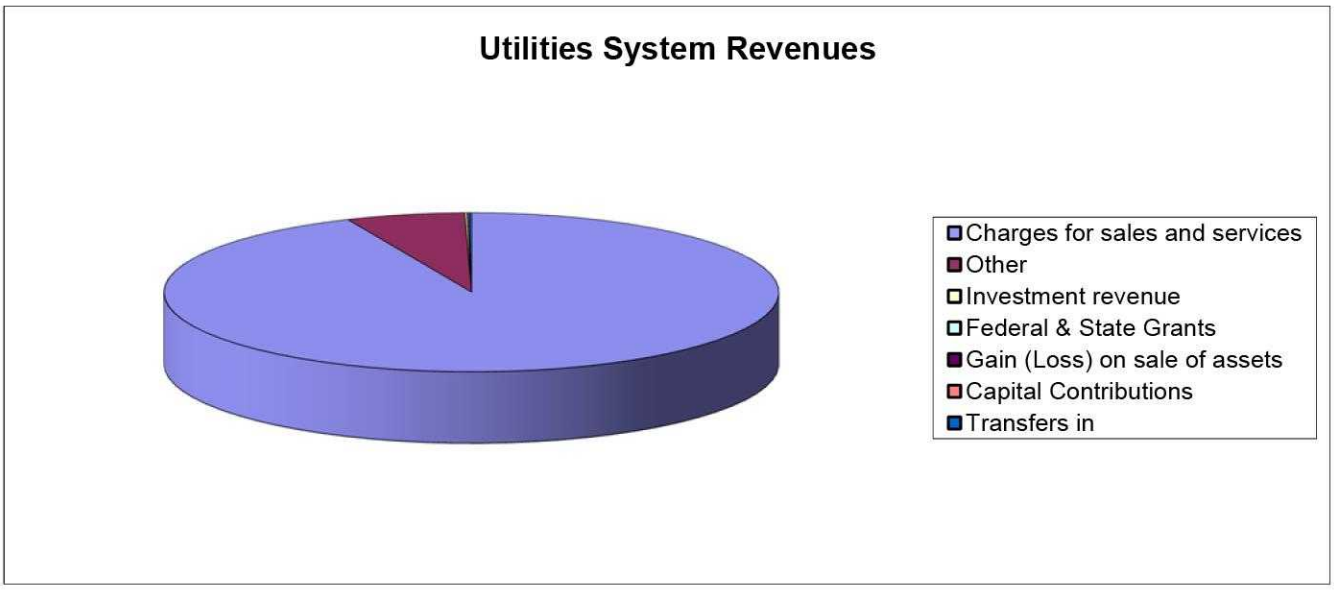
The Utilities System Fund is the largest of the City's proprietary funds, dwarfing the Sanitation Fund, Municipal Transit Fund, Zoo Fund and Golf Course Fund. Revenues in the Utilities System are based primarily on the sales of electricity, water, natural gas, and wastewater service to customers. These revenues, Charges for Services, are down $3.0 million compared to the prior year. This is partially due to fuel cost recovery. The City does not benefit from fuel cost because that is simply the passing on of costs incurred by the City to its customers, but the incurring and subsequent recovery of these costs can cause considerable fluctuations in the revenue and expense of the System. Electric and Gas fuel recovery accounts are down a combined $5.0 million in Fiscal 2016 compared to the prior year, while Sales to customers increased roughly $2.0 million over the prior year.

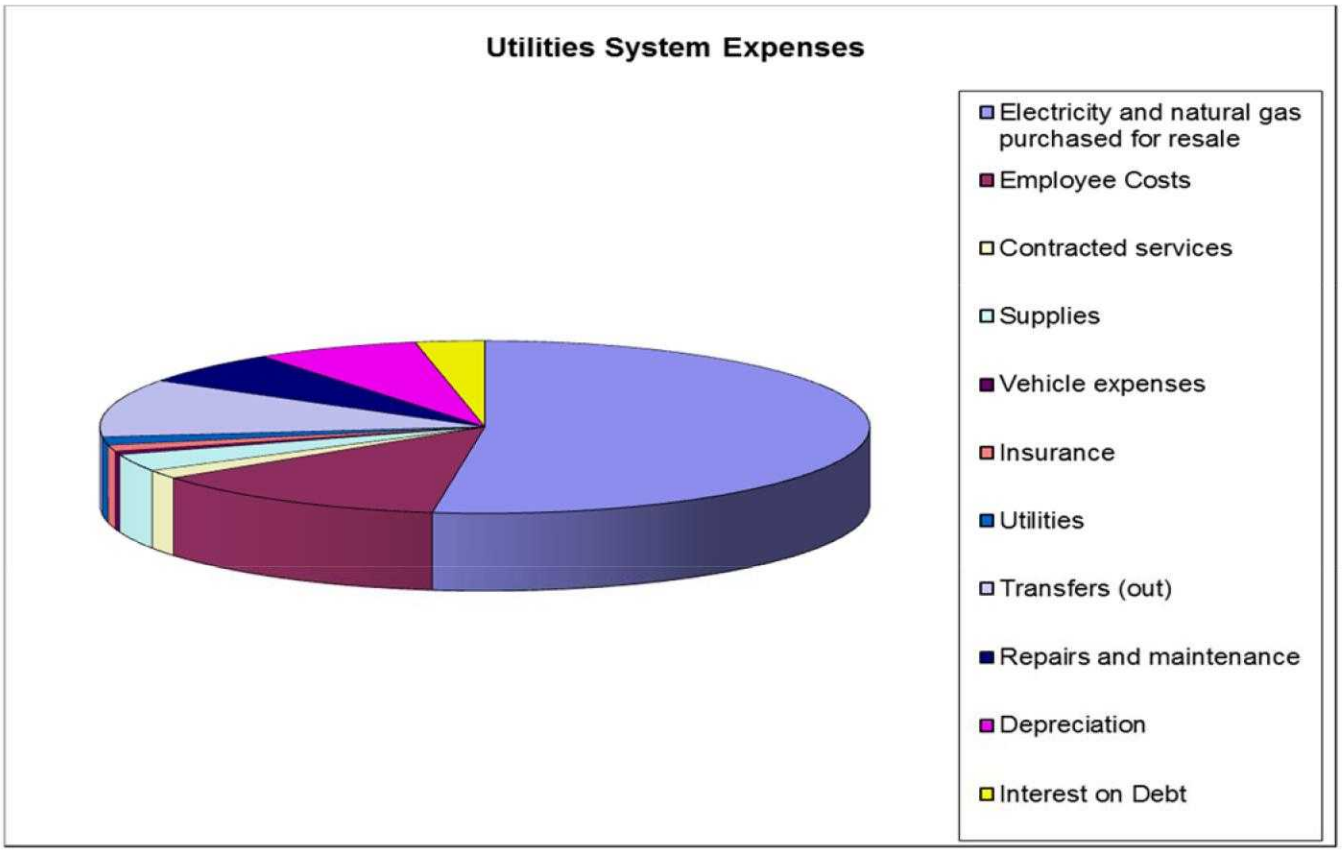
Operating expenses are down $16.9 million in Fiscal 2016 compared to the previous year. The biggest factor here is the expense side of fuel cost, which is down about $16.9 million compared to prior year. It should be noted that whereas the revenue and expense of fuel cost are both down, they are not equal due to timing differences and fluctuations in consumption. This condition can significantly influence the net income or net loss of a given year in the Utilities System Fund as is the case in Fiscal 2016. Other differences include increases in salary and fringe of $.7 million and in Contracted Services of $.8 million; offset by decrease in Payments in Lieu of Insurance of $1.3 million. Other relatively minor changes account for the remainder.

See Independent Auditor's Report.

The results of the above were an increase in Net Position to the Utilities System Fund of over $16.3 million for Fiscal 2016.

The following charts show the breakdown of Revenues and Expenses of the Utilities System Fund for Fiscal 2016:





See Independent Auditor's Report.

Capital Asset and Debt Administration

Capital Assets

Capital Assets (Net of Depreciation)

	Governmental		Business-Type	
	2016	2015	2016	2015
Land	$ 14.3	$ 14.3	$ 3.5	$ 3.5
Construction in Progress	15.8	18.0	6.7	53.9
Buildings	59.2	58.8	6.1	6.6
Furniture & Fixtures	-	-	.1	.1
Equipment	3.8	3.1	-	-
Vehicles	3.6	3.4	5.0	5.0
Infrastructure	73.3	74.2	218.6	130.0
Net Capital Assets	$ 170.0	$ 171.8	$ 240.0	$ 199.1

In Governmental Activities, we see that Construction in Progress decreased $2.2 million as work completed on Bolton Avenue Traffic Softening, while work continues on Hudson Bridge at Hynson Bayou, Chatlain Lake Drainage, and Woodale Drainage Outfall. Vehicles increased $.2 million; Buildings increased $.4 million; and Equipment increased by $.7 million. Infrastructure decreased $.9 million as depreciation in this category for the year exceeded completed projects.

In Business-Type Activities, Construction in Progress is down by $47.2 million; while Infrastructure is up $88.6 million due to mostly to the completion of the City's new electrical generation facility that will utilize RICE (Reciprocating Internal Combustion Engines) technology to enhance the City's self-generation capability in a cost effective manner. Work also continues on projects such as Martin Park Gas and Water Replacement. Buildings saw a decrease of $.5 million as depreciation exceeded the amount of completed projects.

Governmental Activities

The City had a net decrease of $1.8 million in capital assets this year in Governmental Activities. These capital assets would include buildings, vehicles, equipment, as well as infrastructure, net of depreciation.

Business-Activities

The City had a net increase of $40.9 million in capital assets this year in Business-Type Activities. These capital assets would include buildings, vehicles, equipment, as well as infrastructure, net of depreciation.

Debt Administration

Governmental Activities

In the Governmental Activities, Bonded Long-Term Debt decreased $4.6 million. The City partially refunded (refinanced) the 2008 Sales Tax Bonds with the 2015 Sales Tax Refunding Bonds, obtaining a lower interest rate. The other changes in debt merely reflect scheduled payments of principal.

See Independent Auditor's Report.

Enterprise Funds

In the Enterprise Funds, Bonded Long-Term Debt decreased $2.6 million. The City issued $.1 million in new debt for the Utilities System in Fiscal 2016. This was in the form of Revolving Loans with the State of Louisiana for Water & Wastewater system improvements. The other changes in debt merely reflect scheduled payments of principal. For further information on debt, please see Note 10 to the financial statements.

Bonded Long-Term Debt

	Governmental		Business-Type	
	2016	2015	2016	2015
Sales Tax Revenue Bonds	$ 25.5	$ 26.7	$ -	$ -
Ad Valorem Tax Bonds	-	.6	-	-
Limited Tax Bonds	10.9	13.7	-	-
Utility Revenue Bonds	-	-	155.2	157.8
Total Outstanding Debt	$ 36.4	$ 41.0	$ 155.2	$ 157.8

Future Outlook

Economic conditions deteriorated during Fiscals 2009-2011. There were some signs of improvement beginning in Fiscal 2012, but those have not been consistent. Economic forecasts of the City and its surrounding area have indicated no growth in 2017. This could adversely affect the City in a multitude of ways. Sales taxes accounted for over 64% of General Fund Revenue sources in 2016. As previously noted, City Sales Taxes were up in Fiscal 2016 by over 4%; while Parish Sales Taxes were up roughly 3%. In the first 4 months of Fiscal 2017, combined Sales Taxes are actually over 1% below the previous year. Although the prior year looked favorable, these taxes are very elastic, meaning they rise and fall quickly with changes in the economy. Typically, economic downturns as we have seen cause rapid decreases in Sales tax collections in state and local government as people have less to spend. Sales taxes are expected to rise slightly in the near future at best, with the distinct possibility of them staying flat or even decreasing. The situation is further harmed by the suspension of Sales Tax exemptions on the State level, and the passing of a new overlapping sales tax by the School Board. These additional taxes could serve to deter people from making large purchases. Falling earnings in investments also translate to less interest revenue in all of the City's funds, and can mean fewer earnings for the pension systems that the City contributes to on behalf of its employees. Reduced earnings for the pension systems could raise the City's contribution rate to these systems. The City belongs to State run pension systems for Police and Fire employees. Those rates for the last 7 years have nearly doubled, although recent years have seen slight decreases. Health care rates continue to rise for the City as well as most other employers, leading the City to the unpleasant option of either absorbing the additional cost or passing it on to the employees. The long-term effects of the Affordable Healthcare Act are not known at present, and this could certainly affect the sustainability of the City's health care. The General Fund by its nature is very labor intensive with salaries and fringes amounting to nearly 58% of total expenditures for Fiscal 2016. Any increases in these costs could become extremely burdensome to the General Fund.

In Business-Type Activities, the Utilities System Fund as previously mentioned shows an increase in Net Position of $16.3 million for Fiscal 2016 after posting a decrease in Net Position of $3.3 million in Fiscal 2015. Although this can be as previously noted due to the "swings" in timing of the fuel cost expense and the subsequent recovery, it underlines the short-term effect such swings have on the net income and cash flows on the Utilities System Fund. As previously noted, this difference should even out in the long run, but can cause fluctuations in net income and cash flow in the short run. The combined fuel cost for electricity and gas amounted to almost 45% of Expenses and Transfers Out for Fiscal 2016.

Contacting the Finance Division of the City

This report is intended as a brief overview of the City's financial condition. Any questions should be directed to the Director of Finance, P.O. Box 71, Alexandria, LA 71309.

David L. Crutchfield, CPA
Director of Finance
City of Alexandria, Louisiana

See Independent Auditor's Report.

Basic Financial Statements

Government-Wide
Financial Statements (GWFS)

City of Alexandria
Alexandria, Louisiana
Statement of Net Position
April 30, 2016

Exhibit A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 2,574,946	$ 4,034,652	$ 6,609,598
Certificates of deposit	2,493,592	8,179,492	10,673,084
Equity in pooled cash and certificates of deposit	55,904,817	5,259,745	61,164,562
Receivables	4,660,444	12,443,184	17,103,628
Internal balances	(361,191)	361,191	-
Inventories	264,351	3,991,905	4,256,256
Restricted assets			
Cash and equity in pooled cash and certificates of deposit	-	39,926,892	39,926,892
Prepaid expenses/other assets	113,180	-	113,180
Capital assets, net of depreciation			
Nondepreciable			
Land and improvements	14,261,292	3,489,049	17,750,341
Construction and infrastructure in progress	15,824,258	6,665,865	22,490,123
Depreciable			
Other capital assets	139,909,385	229,818,688	369,728,073
Total Assets	235,645,074	314,170,663	549,815,737
Deferred Outflows of Resources			
Unamortized bond refunding charges	-	808,215	808,215
Deferred outflows related to pensions	17,940,421	11,192,774	29,133,195
Total Deferred Outflows of Resources	17,940,421	12,000,989	29,941,410
Liabilities			
Accounts and contracts payable	1,585,433	7,116,580	8,702,013
Accrued expenses/other current liabilities	327,051	3,364,935	3,691,986
Salaries payable	705,720	376,248	1,081,968
Long-term liabilities			
Due within one year			
Bonds and other	4,715,000	2,485,000	7,200,000
Compensated absences	560,360	279,167	839,527
Claims and judgments	3,520,917	-	3,520,917
Due in more than one year			
Bonds and other	31,630,000	152,740,140	184,370,140
Customer guaranteed deposits	-	5,187,848	5,187,848
Compensated absences	3,175,373	1,581,955	4,757,328
Claims and judgments	5,106,469	-	5,106,469
Other noncurent liability - net			
Post employment benefit obligation	1,765,623	-	1,765,623
Pension liability	45,499,340	11,731,265	57,230,605
Total Liabilities	98,591,286	184,863,138	283,454,424
Deferred Inflows of Resources			
Deferred inflows related to pensions	7,557,719	2,363,625	9,921,344
Net Position			
Net investment in capital assets	140,859,935	93,039,715	233,899,650
Restricted for			
Capital projects, net of related debt	26,747,788	-	26,747,788
Debt service	2,934,657	487,218	3,421,875
Capital additions and contingencies	-	1,000,000	1,000,000
Unrestricted	(23,105,890)	44,417,956	21,312,066
Total Net Position	$ 147,436,490	$ 138,944,889	$ 286,381,379

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

City of Alexandria
Alexandria, Louisiana
Statement of Activities
For the Year Ended April 30, 2016

Exhibit B

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental activities							
General government	$ 17,300,804	$ 4,281,190	$ 389,467	$ -	$ (12,630,147)	$	$ (12,630,147)
Public safety	30,382,137	616,562	3,055,921	-	(26,709,654)		(26,709,654)
Public works	19,181,448	100,425	-	820,508	(18,260,515)		(18,260,515)
Community and economic development	577,187	290	556,288	-	(20,609)		(20,609)
Interest on long-term debt	1,918,507	-	-	-	(1,918,507)		(1,918,507)
Total Governmental Activities	69,360,083	4,998,467	4,001,676	820,508	(59,539,432)		(59,539,432)
Business-type activities							
Electricity	46,936,708	86,076,694	-	2,028		39,142,014	39,142,014
Natural gas	11,292,339	8,076,173	-	-		(3,216,166)	(3,216,166)
Water	6,349,541	6,727,474	-	-		377,933	377,933
Waste water	8,817,076	5,337,615	-	90,000		(3,389,461)	(3,389,461)
Municipal transit	2,783,728	462,969	1,003,405	186,839		(1,130,515)	(1,130,515)
Sanitation	3,949,763	4,871,984	133,719	-		1,055,940	1,055,940
Zoological park	2,488,034	629,769	-	18,345		(1,839,920)	(1,839,920)
Golf course	975,019	636,994	-	-		(338,025)	(338,025)
Interest on long-term debt	3,505,950	-	-	-		(3,505,950)	(3,505,950)
Total Business-Type Activities	87,098,158	112,819,672	1,137,124	297,212	-	27,155,850	27,155,850
Total Primary Government	$ 156,458,241	$ 117,818,139	$ 5,138,800	$ 1,117,720	(59,539,432)	27,155,850	(32,383,582)
General Revenues							
Taxes							
Property taxes					8,177,625	1,146,571	9,324,196
Sales tax					46,719,939	-	46,719,939
Hotel occupancy taxes					521,759	-	521,759
Franchise and miscellaneous taxes					654,630	-	654,630
Entitlements and shared revenues					78,900	-	78,900
Investment earnings					203,994	153,330	357,324
Miscellaneous					301,412	-	301,412
Gain (loss) on sale of assets					947,355	(2,976,623)	(2,029,268)
Transfers					8,725,380	(8,725,380)	-
Total General Revenues and Transfers					66,330,994	(10,402,102)	55,928,892
Change in Net Position					6,791,562	16,753,748	23,545,310
Net Position, Beginning of Year, as Restated					140,644,928	122,191,141	262,836,069
Net Position, End of Year					$ 147,436,490	$ 138,944,889	$ 286,381,379

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

Fund Financial Statements

City of Alexandria
Alexandria, Louisiana
Balance Sheet
Governmental Funds
April 30, 2016

Exhibit C

	General Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 520,108	$ 77,100	$ 1,920,738	$ 2,517,946
Certificates of deposit	-	-	2,493,592	2,493,592
Equity in pooled cash and certificates of deposit	18,046,386	19,378,747	9,600,458	47,025,591
Receivables (net of allowances for uncollectible)	3,255,999	334,477	756,544	4,347,020
Due from other governments	81,416	65,010	109,948	256,374
Due from other funds	366,757	-	18,897	385,654
Inventories	264,351	-	-	264,351
Total Assets	$ 22,535,017	$ 19,855,334	$ 14,900,177	$ 57,290,528
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 697,946	$ 416,719	$ 345,141	$ 1,459,806
Salaries payable	705,720	-	-	705,720
Due to other funds	692,919	-	53,832	746,751
Total Liabilities	2,096,585	416,719	398,973	2,912,277
Deferred Inflows of Resources				
Unavailable revenues	-	-	464,005	464,005
Fund Balances				
Nonspendable				
Inventories	264,351	-	-	264,351
Restricted				
Debt service	-	-	2,934,657	2,934,657
Capital projects	-	18,338,615	8,409,173	26,747,788
Committed				
Capital projects	-	1,100,000	-	1,100,000
Economic development	-	-	1,770,245	1,770,245
Assigned	-	-	923,124	923,124
Unassigned	20,174,081	-	-	20,174,081
Total Fund Balances	20,438,432	19,438,615	14,037,199	53,914,246
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 22,535,017	$ 19,855,334	$ 14,900,177	$ 57,290,528

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

City of Alexandria
Alexandria, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
April 30, 2016

Exhibit D

Total Fund Balance - Governmental Funds	$ 53,914,246
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statement but are reported in the governmental activities of the Statement of Net Position.	169,994,935
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred outflows of resources	17,940,421
Deferred inflows of resources	(7,557,719)
Some liabilities (such as compensated absences, bonds payable and pension liabilities) are not due and payable in the current period and are not included in the fund financial statement but are included in the governmental activities of the Statement of Net Position.	
Bonds payable	(36,345,000)
Compensated absences	(3,735,733)
Pension liability	(45,499,340)
Interest on long-term debt is accrued in the Statement of Net Position but not in the governmental funds.	(327,051)
Unavailable revenues are reported in governmental funds but not in the Statement of Net Position.	464,005
The assets and liabilities of certain internal service funds are not included in the fund financial statement but are included in the governmental activities of the Statement of Net Position.	(1,412,274)
Net Position of Governmental Activities in the Statement of Net Position	$ 147,436,490

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

City of Alexandria
Alexandria, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended April 30, 2016

Exhibit E

	General Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Property taxes	$ 3,476,660	$ -	$ 4,700,965	$ 8,177,625
Sales taxes	39,052,006	4,707,680	2,960,254	46,719,940
Other	654,630	-	521,759	1,176,389
Intergovernmental	2,356,256	716,661	674,422	3,747,339
Fees, commissions, and fines	526,773	-	-	526,773
Licenses and permits	3,140,839	-	-	3,140,839
Charges for services	272,295	-	547,089	819,384
Investment earnings	53,204	81,082	39,998	174,284
Miscellaneous	824,902	-	31,432	856,334
Total Revenues	50,357,565	5,505,423	9,475,919	65,338,907
Expenditures				
Current				
General government	13,966,905	-	521,511	14,488,416
Public safety	27,572,392	-	-	27,572,392
Public works	11,497,277	-	-	11,497,277
Community and economic development	-	-	684,354	684,354
Capital outlay	3,136,693	2,501,320	2,846,948	8,484,961
Debt service				
Principal	1,125,000	-	3,970,000	5,095,000
Interest and other charges	147,795	-	1,126,654	1,274,449
Total Expenditures	57,446,062	2,501,320	9,149,467	69,096,849
Excess (Deficiency) of Revenues over Expenditures	(7,088,497)	3,004,103	326,452	(3,757,942)
Other Financing Sources (Uses)				
Transfers in	10,147,511	100,000	1,957,957	12,205,468
Transfers out	(4,171,685)	(443,971)	(2,060,600)	(6,676,256)
Proceeds from sale of bonds	-	-	15,795,000	15,795,000
Bond issuance premium	-	-	1,607,576	1,607,576
Bond issue costs	-	-	(289,402)	(289,402)
Payment to escrow agent to defease bonds	-	-	(17,375,793)	(17,375,793)
Proceeds from sale of assets	29,080	1,000,000	-	1,029,080
Total Other Financing Sources (Uses)	6,004,906	656,029	(365,262)	6,295,673
Net Change in Fund Balances	(1,083,591)	3,660,132	(38,810)	2,537,731
Fund Balances, Beginning of Year	21,522,023	15,778,483	14,076,009	51,376,515
Fund Balances, End of Year	$ 20,438,432	$ 19,438,615	$ 14,037,199	$ 53,914,246

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

City of Alexandria
Alexandria, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2016

Exhibit F

Net Change in Fund Balances - Total Governmental Funds	$	2,537,731
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Capital outlays meeting the capitalization threshold		5,760,282
Depreciation included in the Statement of Activities		(7,489,233)
Governmental funds report proceeds from the disposition of capital assets as revenue. The Statement of Activities reports the gain or loss from the disposition of capital assets (proceeds less basis).		(81,725)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Unavailable revenue		(57,740)
Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		
Principal Payments		5,095,000
Redemption of the Sales Tax Revenue Bonds, Series 2008		15,345,000
The issuance of long-term debt provides current financial resources to governmental funds and does not have any effect on net position.		(15,795,000)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:		
Interest expense		68,561
Compensated absences		(53,171)
Pension expense		489,717
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		972,140
Change in Net Position of Governmental Activities	$	6,791,562

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

City of Alexandria
Alexandria, Louisiana
Statement of Net Position
Proprietary Funds
April 30, 2016

Exhibit G

	Enterprise Funds			
	Utilities System	Other Enterprise Funds	Total	Internal Service Funds
Assets				
Current Assets				
Cash and cash equivalents	$ 3,483,797	$ 550,855	$ 4,034,652	$ 57,000
Certificates of deposit	8,179,492	-	8,179,492	-
Equity in pooled cash and certificates of deposit	-	5,259,745	5,259,745	8,879,224
Receivables (net of allowances for uncollectible)	11,942,874	328,020	12,270,894	57,050
Due from other funds	774,473	58,672	833,145	-
Due from other governments	12,632	159,658	172,290	-
Inventories	3,991,905	-	3,991,905	-
Prepaid expenses/other assets	-	-	-	113,180
Total Current Assets	28,385,173	6,356,950	34,742,123	9,106,454
Non-Current Assets				
Restricted assets				
Cash and equity in pooled cash and certificates of deposit	39,926,892	-	39,926,892	-
Capital assets				
Land and improvements	2,398,084	1,090,965	3,489,049	-
Construction in progress	6,562,940	102,925	6,665,865	-
Property, plant, equipment, and infrastructure	365,758,118	28,152,553	393,910,671	-
Less accumulated depreciation	(150,631,771)	(13,460,212)	(164,091,983)	-
Total Non-Current Assets	264,014,263	15,886,231	279,900,494	-
Total Assets	292,399,436	22,243,181	314,642,617	9,106,454
Deferred Outflows of Resources				
Unamortized bond refunding charges	808,215	-	808,215	-
Deferred outflows related to pensions	8,660,904	2,531,870	11,192,774	-
Total Deferred Outflows of Resources	9,469,119	2,531,870	12,000,989	-
Liabilities				
Current Liabilities				
Accounts payable	2,411,976	317,337	2,729,313	125,624
Salaries payable	289,134	87,114	376,248	-
Due to other funds	52,863	419,090	471,953	95
Accrued expenses/other current liabilities	-	4,026	4,026	-
Compensated absences	225,505	53,662	279,167	-
Estimated liability for claims incurred	-	-	-	3,520,917
Liabilities payable from restricted assets:				
Accounts and contracts payable	4,387,268	-	4,387,268	-
Interest	3,360,909	-	3,360,909	-
Revenue bonds	2,485,000	-	2,485,000	-
Total Current Liabilities	13,212,655	881,229	14,093,884	3,646,636
Non-Current Liabilities				
Compensated absences	1,277,862	304,093	1,581,955	-
Customer guaranteed deposits	5,187,848	-	5,187,848	-
Estimated liability for claims incurred	-	-	-	5,106,469
Post employment benefit obligation	-	-	-	1,765,623
Revenue bonds	152,740,140		152,740,140	-
Net pension liability	9,077,585	2,653,680	11,731,265	-
Total Non-Current Liabilities	168,283,435	2,957,773	171,241,208	6,872,092
Total Liabilities	181,496,090	3,839,002	185,335,092	10,518,728
Deferred Inflows of Resources				
Deferred inflows related to pensions	1,828,959	534,666	2,363,625	-
Net Position				
Net investment in capital assets	77,153,484	15,886,231	93,039,715	-
Restricted for debt service	487,218	-	487,218	-
Restricted for capital additions and contingencies	1,000,000	-	1,000,000	-
Unrestricted	39,902,804	4,515,152	44,417,956	(1,412,274)
Total Net Position	$ 118,543,506	$ 20,401,383	$ 138,944,889	$ (1,412,274)

City of Alexandria
Alexandria, Louisiana
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended April 30, 2016

Exhibit H

	Enterprise Funds			
	Utilities System	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Charges for services	$ 99,559,000	$ 6,591,936	$ 106,150,936	$ 13,484,554
Miscellaneous	6,658,956	9,780	6,668,736	291,002
Total Operating Revenues	106,217,956	6,601,716	112,819,672	13,775,556
Operating Expenses				
Electricity and natural gas purchases	37,587,636	-	37,587,636	-
Personnel costs	14,327,000	4,322,402	18,649,402	52,941
Contractual and professional services	2,480,063	570,440	3,050,503	1,302,241
Disposal costs	-	1,078,089	1,078,089	-
Utilities	1,800,983	519,605	2,320,588	-
Repairs and maintenance	5,150,864	229,363	5,380,227	-
Vehicle expense	533,289	1,072,268	1,605,557	-
Other supplies and expenses	1,828,054	461,348	2,289,402	74
Miscellaneous expenses	1,411	172,382	173,793	1,467
Payments in lieu of insurance	1,275,000	337,000	1,612,000	-
Insurance, claims, and related expenses	-	-	-	15,204,401
Depreciation	7,823,544	1,489,634	9,313,178	-
Total Operating Expenses	72,807,844	10,252,531	83,060,375	16,561,124
Operating Income (Loss)	33,410,112	(3,650,815)	29,759,297	(2,785,568)
Nonoperating Revenues (Expenses)				
Investment earnings	135,919	17,410	153,329	29,708
Property taxes	-	1,146,571	1,146,571	-
Operating grants and contributions	-	1,137,124	1,137,124	-
Interest expense	(3,505,950)	-	(3,505,950)	-
Gain (loss) on sale of assets	(2,942,855)	(33,768)	(2,976,623)	-
Total Nonoperating Revenues (Expenses)	(6,312,886)	2,267,337	(4,045,549)	29,708
Income (Loss) Before Contributions and Transfers	27,097,226	(1,383,478)	25,713,748	(2,755,860)
Transfers in	154,878	3,755,684	3,910,562	3,728,000
Transfers out	(11,025,841)	(2,141,933)	(13,167,774)	-
Capital contributions	92,028	205,184	297,212	-
Change in Net Position	16,318,291	435,457	16,753,748	972,140
Net Position, Beginning of Year, as Restated	102,225,215	19,965,926	122,191,141	(2,384,414)
Net Position, End of Year	$ 118,543,506	$ 20,401,383	$ 138,944,889	$ (1,412,274)

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

City of Alexandria
Alexandria, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2016

Exhibit I
(Continued)

	Enterprise Funds			
	Utilities System	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers	$ 104,045,542	$ 6,600,596	$ 110,646,138	$ 2,652,219
Internal activity - receipts from other funds	1,513,149	-	1,513,149	11,066,287
Other receipts	164,230	-	164,230	-
Payments for personnel costs	(14,094,902)	(3,797,351)	(17,892,253)	(83,910)
Payments to vendors and others	(47,177,035)	(1,870,541)	(49,047,576)	(16,223,488)
Internal activity - payments to other funds	(3,399,306)	(2,904,972)	(6,304,278)	(1,440)
Net Cash Provided by (Used in) Operating Activities	41,051,678	(1,972,268)	39,079,410	(2,590,332)
Cash Flows from Noncapital Financing Activities				
Property taxes	-	1,146,571	1,146,571	-
Operating grants and subsidies	-	1,143,776	1,143,776	-
Transfers between funds	(16,640,086)	1,973,000	(14,667,086)	3,727,997
Net Cash Provided by (Used in) Noncapital Financing Activities	(16,640,086)	4,263,347	(12,376,739)	3,727,997
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital debt	587,573	-	587,573	-
Capital grants	92,028	205,184	297,212	-
Interest received on construction funds	76,319	-	76,319	-
Proceeds from sale of capital assets	33,451	(33,768)	(317)	-
Acquisition or construction of capital assets	(59,226,318)	(481,289)	(59,707,607)	-
Principal paid on capital debt	(2,734,000)	-	(2,734,000)	-
Interest paid on capital debt	(3,222,718)	-	(3,222,718)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(64,393,665)	(309,873)	(64,703,538)	-
Cash Flows from Investing Activities				
Net change in equity in pooled cash and investments	41,297,543	(1,586,822)	39,710,721	(1,202,076)
Interest received on operating funds	59,599	17,410	77,009	29,708
Net Cash Provided by (Used in) Investing Activities	41,357,142	(1,569,412)	39,787,730	(1,172,368)
Net Increase (Decrease) in Cash and Cash Equivalents	1,375,069	411,794	1,786,863	(34,703)
Cash and Cash Equivalents, Beginning of Year	2,108,728	139,061	2,247,789	91,703
Cash and Cash Equivalents, End of Year	$ 3,483,797	$ 550,855	$ 4,034,652	$ 57,000

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

City of Alexandria
Alexandria, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended April 30, 2016

Exhibit I
(Concluded)

	Enterprise Funds			
	Utilities System	**Other Enterprise Funds**	**Total Enterprise Funds**	**Internal Service Funds**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	$ 33,410,112	$ (3,650,815)	$ 29,759,297	$ (2,785,568)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	7,823,544	1,489,634	9,313,178	-
Changes in assets and liabilities				
Receivables	(659,265)	(1,120)	(660,385)	(57,050)
Inventories	168,330	-	168,330	-
Accounts payable	(87,372)	123,578	36,206	51,783
Accrued expenses and other current liabilities	241,846	102,910	344,756	(3,508)
Estimated liability for claims incurred	-	-	-	117,827
Post employment benefit obligation	-	-	-	113,645
Compensated absences	(9,747)	(36,455)	(46,202)	(27,461)
Customer guaranteed deposits	164,230	-	164,230	-
Net Cash Provided by (Used in) Operating Activities	$ 41,051,678	$ (1,972,268)	$ 39,079,410	$ (2,590,332)

Additional required disclosure:
There were no material noncash investing, noncapital financing, or capital and related financing activities.

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

City of Alexandria
Alexandria, Louisiana
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended

Exhibit J

	Pension Trust Funds		
	City of Alexandria Employees' Retirement System (12/31/15)	City of Alexandria Firemen's Pension and Relief Fund (4/30/16)	Total
Assets			
Cash and cash equivalents	$ 5,238,150	$ 18,666	$ 5,256,816
Receivables			
Interest and dividends	768,641	-	768,641
Investments, at fair value			
Corporate bonds	47,004,267	-	47,004,267
Corporate stocks	80,465,934	-	80,465,934
U.S. Government agency notes	6,228,989	-	6,228,989
GNMA notes	4,619	-	4,619
Certificate of deposit	-	97,145	97,145
Total Investments	133,703,809	97,145	133,800,954
Capital assets			
Furniture, fixtures, and equipment, net	1,593	-	1,593
Total Capital Assets	1,593	-	1,593
Total Assets	139,712,193	115,811	139,828,004
Liabilities			
Payroll taxes withheld	612	-	612
Total Liabilities	612	-	612
Net Position			
Net Position Restricted for Pensions	$ 139,711,581	$ 115,811	$ 139,827,392

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

City of Alexandria
Alexandria, Louisiana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended

Exhibit K

	Pension Trust Funds		
	City of Alexandria Employees' Retirement System (12/31/15)	City of Alexandria Firemen's Pension and Relief Fund (4/30/16)	Total
Additions			
Contributions			
Employer	$ 4,858,476	$ 22,000	$ 4,880,476
Plan members	1,790,965	-	1,790,965
Purchased service, transfers, etc.	146,848	-	146,848
Total Contributions	6,796,289	22,000	6,818,289
Investment earnings			
Net appreciation (depreciation) in fair value of investments	(8,639,505)	-	(8,639,505)
Interest	2,200,117	125	2,200,242
Dividends	2,061,039	-	2,061,039
Total Investment Earnings	(4,378,349)	125	(4,378,224)
Total Additions	2,417,940	22,125	2,440,065
Deductions			
Benefit payments, excluding DROP benefits	8,327,661	18,392	8,346,053
DROP benefits	676,372	-	676,372
Employee refunds	353,939	-	353,939
Administrative expenses	150,777	-	150,777
Total Deductions	9,508,749	18,392	9,527,141
Net Increase (Decrease)	(7,090,809)	3,733	(7,087,076)
Net Position Restricted for Pensions, Beginning of Year	146,802,390	112,078	146,914,468
Net Position Restricted for Pensions, End of Year	$ 139,711,581	$ 115,811	$ 139,827,392

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

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 accompanying 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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all relevant GASB pronouncements as set forth in the *Codification for Governmental Accounting and Financial Reporting.*

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

A. The Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of the primary government (the City), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Effective May 1, 2012, the City adopted the provisions of Statement No. 61 (GASBS 61), *The Financial Reporting Entity: Omnibus,* of the Governmental Accounting Standards Board. GASBS 61 amends the criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has established criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and
    a. The ability of the City to impose its will on that organization and/or
    b. The potential for the organization to provide specific financial benefits to the City or to impose specific financial burdens on the City.

2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, the City has no component units. In reaching this conclusion, the operations of the City Court System (Alexandria City Court and Alexandria City Marshall) were considered. However, it was determined that the City Court System did not meet the necessary criteria for classification as a component unit. Component unit status does not apply because the City Court System is managed by elected officials and functions in a fiscally independent manner.

B. Basis of Presentation and Accounting

The accounting system is organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City's funds are grouped into two broad fund categories and six generic fund types for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and capital projects. Proprietary funds include enterprise funds and internal service funds. The City has two pension trust funds.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements, "*Statement of Net Position*" and "*Statement of Activities*", report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Pension trust funds are excluded from the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses (both direct and indirect) and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Indirect expenses are not allocated to governmental activities functions in the Statement of Activities but are allocated to business-type functions. Program revenues include (a) fees, fines, and charges paid by the recipients if goods or services are offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenue are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds, debt service funds, and capital project funds with their respective net position use.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting by fund type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Therefore, separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balance that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the City Council. Formal action taken by the City to establish or rescind committed funds is through adopting a resolution in a public meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. In cases where restricted and unrestricted monies are received by the City for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental funds are:

- General Fund – This is the City's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund.

- General Capital Projects Fund – This fund accounts for various capital projects. Funding is provided by intergovernmental grants and sales taxes dedicated to capital improvements.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be measurable and available (i.e., collectible with the current period or within 60 days after year end and available to pay obligations in the current period). This includes 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. Reimbursements due for federal and state funded projects are accrued as revenue at the time the expenditures are made or, when received in advance, are deferred until expenditures are made.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resource measurement focus is connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled service receivables are recorded at each year-end.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds include charges to customers for sales and services, transit fees, and employer and employee insurance premiums. All revenues not meeting this definition are reported as non-operating revenues. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, benefits paid, and depreciation on capital assets.

The major proprietary fund of the City is the Utilities System Fund, which accounts for electricity, natural gas, water, and wastewater services provided to residents of the City and general surrounding areas.

The City maintains three internal service funds as follows:

- Risk Management Fund is used to account for the provision of various insurance coverage 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 a 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.

Fiduciary Funds

The City currently has two pension trust fiduciary funds as follows:

- City of Alexandria Employees' Retirement System Fund is used to accumulate resources for retirement benefits for City employees covered under the plan.

- City of Alexandria Firemen's Pension and Relief Fund is used to account for benefits paid to members of this plan. 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.

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 the above 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 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.

C. 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 as required by law. Budgeted amounts are as originally adopted, or as amended from time to time by the Council. Adopted budgets are consistent with accounting principles generally accepted in the United States of America.

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.

D. Cash and Cash Equivalents; Certificates of Deposit; and Investments

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

Certificates of Deposit and 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 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.

E. Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and materials provided by the City, including amounts for unbilled services. Receivables are also recognized for property taxes, sales taxes, assessments, loan receivables, and intergovernmental grants.

Taxes and tax increments receivable consist of uncollected taxes levied and payable in prior years, net of allowance for uncollectible taxes. These receivables are deferred to indicate they are not available to finance expenditures of the current fiscal period. Loans receivable include both the current and long-term portions of loans issued by the City. Most of these loans receivable are reported as an asset in the amount of loan proceeds disbursed.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualify for reporting in this category, which includes unamortized bond refunding charges and deferred outflows related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has loan receivable balances that qualify for reporting in this category and are reported as unavailable revenues in the governmental funds balance sheet. These amounts are recognized as an inflow of resources in the period that amounts become available. Unavailable revenues are eliminated in the Government-Wide Financial Statements. Deferred inflows related to pensions are recognized in the Government-Wide Financial Statements for both governmental and business-type activities in the Proprietary Fund Financial Statements.

G. Internal Balances (Due from/to Other Funds)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the statement of net position and as due from/to other funds in the fund financial statements.

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

H. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements.

I. 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 funds using the consumption method, whereby expenditures are recognized as inventory is used.

J. Restricted Assets

Certain Enterprise Fund assets are classified as restricted assets because their use is restricted to certain activities by law or bond covenants. "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. "Utilities Capital Projects accounts" are used to account for funds set aside for capital additions, renewals, and replacements.

K. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds.

In the Government-Wide Financial Statements, capital assets, including general capital assets are capitalized and depreciated on a straight-line basis over their estimated useful lives. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized. The valuation basis for capital assets is historical cost, or when historical cost is not available, estimated historical cost. Donated capital assets are valued at estimated fair value on date of donation. The minimum capitalization threshold is as follows:

Land	All costs
Buildings and building improvements	Greater than $100,000
Machinery and equipment	Greater than $ 5,000
Furniture and fixtures	Greater than $ 5,000
Vehicles	Greater than $ 5,000
Infrastructure	Greater than $250,000

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for general capital assets. Donated assets are capitalized at estimated fair market value on the date donated.

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. $3,809,691 of interest was capitalized during the current period.

L. Bond Issuance Costs

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are to be expensed as incurred.

M. Compensated Absences

Vested or accumulated leave is accrued in the period the liability is incurred. Compensated absences expected to be financed from governmental funds are not reported in the Balance Sheet of the Fund Financial Statements; however, compensated absences are reported in the Statement of Net Position in the Government-Wide Financial Statements. Vested or accumulated 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.

N. Long-term Liabilities

Long-term liabilities expected to be financed from governmental funds are not reported in the Balance Sheet of the Fund Financial Statements; however, such long-term obligations are reported in the Statement of Net Position in the Government-Wide Financial Statements. Interest expense on long-term debt is recognized in the Government-Wide Financial Statements as the interest accrues, regardless of when it is due. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

O. On-Behalf Payments

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. In the Government-Wide Financial Statements, these supplemental wages are recognized as operating grants and contributions and public safety expenses.

The Municipal Police Employees Retirement System of Louisiana and the Firefighters' Retirement System of Louisiana receive non-employer pension contributions from the State of Louisiana on-behalf of the City. In the Government-Wide Financial Statements, these on-behalf payments are recognized as operating grants and contributions and public safety expenses.

P. 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 transfers.

Q. 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.

R. GASB Statement No. 68 and GASB Statement No. 71 Implementation

Effective for the year ending April 30, 2016, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68.* The guidance contained in these statements will change how governments calculate and report the costs and obligations associated with pensions in important ways. It is designed to improve the usefulness of reported pension information and to increase the transparency, consistency, and comparability of pension information across governments. While this information will, in some cases, give the appearance that a government is financially weaker than it was previously, the financial reality of the government's situation will not have changed.

These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. These Statements also require enhanced note disclosures and schedules of required supplemental information that will be presented by the pension plans that are within its scope.

The implementation of GASB Statement No. 68, as amended, had the following effect:

	Governmental Activities	Utilities System	Other Enterprise Funds	Business-Type Activities
Net position, April 30, 2015	$ 176,251,279	$103,724,561	$ 20,404,235	$ 124,128,796
GASB No. 68 and GASB No. 71	(35,606,351)	(1,499,346)	(438,309)	(1,937,655)
Restated net position, April 30, 2015	$ 140,644,928	$102,225,215	$ 19,965,926	$ 122,191,141

2. Cash and Cash Equivalents, Certificates of Deposit, Equity in Pooled Cash and Certificates of Deposit, and Investments

Cash and cash equivalents and equity in pooled cash and investments – Governmental and business-type activities

At year-end, the City's deposits were covered by depository insurance or collateral held by the City or its agent in the City's name.

At year-end, the City's pooled cash and, certificates of deposit were covered by depository insurance or collateral held by the City or its agent in the City's name. At April 30, 2016, the City of Alexandria had the following cash and cash equivalents along with cash and equity in pooled cash and certificates of deposit:

	Governmental Activities	Business-Type Activities
Unrestricted		
Cash and cash equivalents	$ 2,574,946	$ 4,034,652
Equity in pooled cash and certificates of deposit	55,904,817	5,259,745
Total	$ 58,479,763	$ 9,294,397
Restricted		
Cash held with the paying agent	$ -	$ 5,845,909
MISO deposits	-	496,603
Revenue bond reserve future debt service	-	64,048
Customers' deposits	-	5,187,848
Special projects	-	150,000
Utilities capital projects – unexpended bond funds	-	11,913,458
Utilities capital projects – other	-	14,781,807
Revenue bond future debt service	-	487,219
Revenue bond future debt service	-	1,000,000
Total	$ -	$ 39,926,892

Certificates of deposit – governmental and business-type activities

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. At year-end, the City had unrestricted certificates of deposit with maturities of less than one year totaling $10,673,084. These certificates of deposit were covered by depository insurance or collateral held by the City or its agent in the City's name.

Cash and equivalents – City of Alexandria Employees' Retirement System (COAERS)

At year-end, the City's deposits were covered by depository insurance or collateral held by the City or its agent in the City's name.

Investments – City of Alexandria Employees' Retirement System (COAERS)

At December 31, 2015, the City of Alexandria Employees' Retirement System (System) had the following investments and maturities:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less than 1	1 – 5	6 – 10	More than 10
Corporate bonds	$ 47,004,267	$ -	$ 1,350,867	$12,603,869	$ 33,049,531
GMNA notes	4,619	355	4,264	-	-
U.S. government agency notes	6,228,989	-	-	493,919	5,735,070
Total interest-bearing	$ 53,237,875	$ 355	$ 1,355,131	$13,097,788	$ 38,784,601
Common stocks	78,266,686				
Preferred stocks	2,199,248				
	$133,703,809				

Interest Rate Risk: The System does not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from rising interest rates.

Credit Risk: The System 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 System may invest in corporate stocks and bonds. The System's investment policies limit its corporate debt investments to bonds rated at least BBB by Standards and Poor's or Baa by Moody's Investor Services. Moody's Investor Services credit ratings of the System's corporate bonds are summarized below. Due to the extraordinary market conditions experienced during the past several years, management determined that it would be detrimental to the System to sell the bonds whose credit ratings dropped below Baa.

Moody's Investor Services Credit Rating	Fair Value
A or better	$ 42,295,354
Baa	10,928,956
Less than Baa	13,565
	$ 53,237,875

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All of the System's investments are held by the System or its agents in the System's name.

3. Receivables

Receivables as shown in the fund financial statements, at April 30, 2016, consist of the following:

	Governmental Funds	Proprietary Funds	Internal Service Funds	Totals
Receivables				
Taxes - sales	$ 3,029,441	$ -	$ -	$ 3,029,441
Taxes - ad valorem	2,812,213	-	-	2,812,213
Accounts				
Uncollected cycle billings	-	7,660,338	-	7,660,338
Estimated unbilled services	-	5,920,764	-	5,920,764
Interest	58	36	-	94
Other	1,338,428	289,756	57,050	1,685,234
Gross receivables	7,180,140	13,870,894	57,050	21,108,084
Allowance for uncollectibles	(2,833,120)	(1,600,000)	-	(4,433,120)
Net receivables	4,347,020	12,270,894	57,050	16,674,964
Intergovernmental				
Federal	208,550	102,380	-	310,930
State	5,005	69,910	-	74,915
Local	42,819	-	-	42,819
Total Intergovernmental	256,374	172,290	-	428,664
Total Receivables	$ 4,603,394	$ 12,443,184	$ 57,050	$ 17,103,628

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. For the year ended April 30, 2016, taxes of 24.18 mills were levied on property with assessed values totaling $380,516,599 and were dedicated as follows:

Streets and Drainage	11.25 mills
General purpose	6.93 mills
Recreation and Zoo	6.00 mills

Total taxes levied were $9,241,395 of which a balance of $-0- representing current taxes (net of allowance for uncollectibles) remained uncollected at April 30, 2016.

Receivables arising from utility services provided to customers consist of uncollected billings rendered to customers on monthly cycles and estimated services provided to customers between billing cycles. The allowance for uncollectible accounts includes $1,600,000, which represents the projected uncollectible utility accounts at April 30, 2016.

4. Due From/To Other Funds and Transfers

Amounts due from and to other funds as reported in the fund financial statements, at April 30, 2016, consist of the following:

Receivable Fund	Payable Fund	Amount
General	Community Development Block Grant	$ 29,203
General	Home Investment Partnership Program	4,194
General	Sanitation	133,620
General	Zoological Park	52,796
General	Municipal Bus Line	146,849
General	Risk Management	95
Home Investment Partnership Program	Community Development Block Grant	18,897
Total Governmental Funds		385,654
Utilities System	General	688,648
Utilities System	Golf Course	1,791
Utilities System	Zoological Park	84,034
Sanitation	Utilities System	46,672
Sanitation	Community Development Block Grant	600
Golf Course	General	4,271
Municipal Bus Line	Utilities System	6,191
Municipal Bus Line	Community Development Block Grant	938
Total Enterprise Funds		833,145
Total Due From/To Other Funds		$ 1,218,799

The balances reflected in interfunds represent either routine charges for goods and services or permanent (non-loan) transfers from one fund to another. These balances are settled periodically. The amounts here represent activity since the last settlement.

Transfers, for the year ending April 30, 2016, shown in the fund financial statements were as follows:

Transfers in	Transfers out	Amount
General	Utilities System	$ 7,629,456
General	General Capital Projects	411,000
General	Sanitation	643,516
General	Municipal Bus Line	624,057
General	Zoological Park	688,804
General	Golf Course	30,678
General	Pre-Trial Intervention	120,000
General Capital Projects	Utilities System	100,000
Debt Service	General	17,357
Debt Service	General Capital Projects Property Tax Call	1,940,600
Total Governmental Funds		12,205,468
Utilities System	Sanitation	133,069
Utilities System	Municipal Bus Line	21,809
Municipal Bus Line	General Capital Projects	32,971
Municipal Bus Line	Utilities System	2,242,385
Golf Course	General	214,000
Zoological Park	General	1,266,328
Total Enterprise Funds		3,910,562
Employee Benefits Insurance	Utilities System	1,054,000
Employee Benefits Insurance	General Fund	2,674,000
Total Internal Service Funds		3,728,000
Total Transfers		$ 19,844,030

The transfers are movements of money from one fund to another. These can be required by law or merely serve as a means to finance activities in the receiving fund (Utility transfers to General Fund and Transit Fund). For the year ending April 30, 2016, the Utilities System Fund and the General Fund transferred $3,728,000 to the Employee Benefits Insurance fund in an effort to fund the deficit. As in the interfunds above, these are not loans, i.e., the receiving fund does not pay it back.

5. Restricted Assets

At April 30, 2016 assets of the Utility System Enterprise Fund consist of equity in pooled cash and certificates of deposit totaling $39,926,892 as follows:

Revenue bond current debt service	$ 5,845,909
Customers' deposits	5,187,848
Special projects	150,000
Deposits - MISO	496,603
Revenue bond reserve future debt service	64,048
Revenue bonds future debt service	487,219
Revenue bond capital additions and contingencies	1,000,000
Utilities capital projects - unexpended bond funds	11,913,458
Utilities capital projects - other	14,781,807
	$ 39,926,892

6. Capital Assets and Depreciation

Capital asset activity for the year ended April 30, 2016 was as follows:

	Balance May 1, 2015	Increases	Decreases	Balance April 30, 2016
Governmental Activities				
Capital Assets not Being Depreciated				
Land and land improvements	$ 14,261,292	$ -	$ -	$ 14,261,292
Construction and Infrastructure in progress	18,062,944	3,401,015	(5,639,701)	15,824,258
Total Capital Assets not Being Depreciated	32,324,236	3,401,015	(5,639,701)	30,085,550
Other Depreciable Capital Assets				
Buildings and improvements	100,112,510	3,087,440	(149,625)	103,050,325
Furniture and fixtures	798,935	-	(10,267)	788,668
Equipment	14,414,745	1,502,379	(1,062,212)	14,854,912
Vehicles	13,600,761	790,938	(462,145)	13,929,554
Infrastructure	122,526,067	2,618,211	-	125,144,278
Total Other Depreciable Capital Assets	251,453,018	7,998,968	(1,684,249)	257,767,737
Accumulated Depreciation				
Buildings and improvements	(41,338,440)	(2,610,099)	106,368	(43,842,171)
Furniture and fixtures	(794,806)	-	10,267	(784,539)
Equipment	(11,356,775)	(725,493)	1,032,434	(11,049,834)
Vehicles	(10,145,441)	(655,841)	453,455	(10,347,827)
Infrastructure	(48,336,181)	(3,497,800)	-	(51,833,981)
Total Accumulated Depreciation	(111,971,643)	(7,489,233)	1,602,524	(117,858,352)
Other Depreciable Capital Assets, Net	139,481,375	509,735	(81,725)	139,909,385
Net Capital Assets	$171,805,611	$ 3,910,750	$(5,721,426)	$169,994,935

Depreciation was charged to functions as follows:

Governmental Activities	
General government	$ 1,700,479
Public safety	1,008,522
Public works	4,780,232
Total Depreciation Expense for Governmental Activities	$ 7,489,233

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Furniture and fixtures	3 - 10 years
Equipment	3 - 50 years
Vehicles	3 - 10 years
Infrastructure	25 - 40 years

The City considers individual projects in determining when to capitalize infrastructure. To be capitalized, the project cost must be $250,000 or greater. Donated assets, such as by developers, are subject to the threshold. Actual cost is used when available, estimated cost is used otherwise.

Estimated useful lives are as follows:	
Streets	40 years
Drainage	25 years
Traffic signals	25 years

	Balance May 1, 2015	Increases	Decreases	Balance April 30, 2016
Business-Type Activities				
Capital Assets not Being Depreciated				
Land	$ 3,489,049	$ -	$ -	$ 3,489,049
Construction in progress	53,862,634	49,652,811	(96,849,580)	6,665,865
Total Capital Assets not Being Depreciated	57,351,683	49,652,811	(96,849,580)	10,154,914
Other Depreciable Capital Assets				
Plant and infrastructure	290,722,041	99,117,386	(22,827,644)	367,011,783
Buildings and improvements	10,229,445	-	-	10,229,445
Vehicles and buses	14,661,412	1,233,397	(677,911)	15,216,898
Furniture, fixtures, and equipment	1,409,139	75,528	(32,122)	1,452,545
Total Other Depreciable Capital Assets	317,022,037	100,426,311	(23,537,677)	393,910,671
Accumulated Depreciation				
Plant and infrastructure	(160,766,582)	(7,539,009)	19,878,689	(148,426,902)
Buildings and improvements	(3,602,103)	(577,375)	-	(4,179,478)
Vehicles and buses	(9,648,692)	(1,163,554)	610,645	(10,201,601)
Furniture, fixtures, and equipment	(1,282,884)	(33,240)	32,122	(1,284,002)
Total Accumulated Depreciation	(175,300,261)	(9,313,178)	20,521,456	(164,091,983)
Other Depreciable Capital Assets, Net	141,721,776	91,113,133	(3,016,221)	229,818,688
Net Capital Assets	$199,073,459	$140,765,944	$ (99,865,801)	$239,973,602

Depreciation was charged to functions as follows:

Business-Type Activities	
Electricity	$ 3,637,098
Natural gas	1,344,599
Water	1,132,700
Wastewater	1,709,147
Municipal bus line	428,603
Sanitation	287,445
Municipal zoo	546,954
Municipal golf course	226,632
Total Depreciation Expense for Business-Type Activities	$ 9,313,178

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Furniture and fixtures	3 - 10 years
Plant, equipment, and infrastructure	3 - 50 years
Vehicles	3 - 10 years

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

	Project Authorization	Expended to Date	Commitment	Required Further Financing
Utilities System Enterprise Fund				
Electric	$147,175,277	$ 91,415,044	$ 5,281,869	None
Water	11,695,475	5,477,851	235,716	None
Gas	3,665,725	2,760,362	330,556	None
Wastewater	8,670,897	3,219,885	419,577	None
General and administrative	2,678,390	539,378	80,261	None
	$173,885,764	$103,412,520	$ 6,347,979	

7. 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. The City employs 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, 2016. All claims are now handled by the City Attorney's office with the City primarily liable for any and all claim settlements.

	Loss Retained Each Occurrence	Limits of Insurance In Aggregate
General liability/Law enforcement liability	$ 500,000	$ 4,000,000
Workers' compensation	600,000	Statutory
Public officials and employees liability	500,000	4,000,000
Automobile	200,000	1,000,000
Property damage	100,000	(*)

(*) $300,000,000 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 $8,108,469 as of April 30, 2016 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 City's claims liability amount in the fiscal year ending April 30, 2016, were as follows:

Balance, beginning of the year	$ 7,976,631
Current year claims and changes in estimates	3,686,358
Claims payments	(3,554,520)
Balance, end of the year	$ 8,108,469

8. 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 $125,000 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 $125,000 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 Benefits Insurance Fund also purchases certain employee life insurance from employee contributions.

Applicable 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 $518,917 reported in the Fund at April 30, 2016, 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, 2016, were as follows:

Balance, beginning of the year	$ 532,928
Current year claims and changes in estimates	9,179,412
Claims payments	(9,193,423)
Balance, end of the year	$ 518,917

9. 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, 2016, claim payments of $6,297 were paid by 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, 2016, are considered immaterial and are not included in this report.

10. Long-Term Liabilities

Governmental activities long-term 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 of Alexandria Firemen Pension and Relief Fund into the statewide Firefighters' Retirement System. In addition, the City's obligation relative to the governmental funds' liability for compensated absences and extended risk management claims is reported as a governmental activities long-term liability.

The City's limited tax bonds are secured by and payable from an irrevocable pledge and dedication of specified ad valorem tax millages.

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 state revolving loan funds are a special classification of the utility revenue bonds. This long-term debt is reported in the business-type activities. The second type is sales tax revenue bonds whereby the City has pledged revenue from specifically dedicated sales tax collections to pay debt service and is reported as governmental activities long-term liabilities.

A summary of long-term debt, as of April 30, 2016 follows:

	Maturity Dates	Interest Rates	Business-type Activities	Governmental Activities
Governmental activities				
Sales tax revenue bonds				
Series 2008 – Capital projects	2017 - 2029	4.00 - 5.00	$ -	$ 3,380,000
Series 2014 - Refunding	2017 - 2024	2.00 - 4.50	-	6,295,000
Series 2015 – Refunding	2017 - 2029	2.00 - 5.00	-	15,795,000
Limited tax bonds				
Series 2008 – Capital projects	2017 - 2018	4.00	-	3,665,000
Series 2012 (Taxable) – Refunding	2017 - 2022	1.46 - 2.52	-	7,210,000
Compensated absences			-	3,735,733
Risk Management Claims			-	8,627,386
Business-type activities				
Enterprise Funds				
Utilities System revenue bonds series				
2013A refunding 2004A	2017 - 2024	3.00 - 5.00	8,525,000	-
2013B refunding 2004B	2017 - 2024	1.70 - 4.53	12,310,000	-
2013A capital improvements	2025 - 2043	4.00 - 5.00	96,150,000	-
2014 capital improvements	2017 - 2043	2.00 - 5.00	28,075,000	-
State Revolving loan funds series				
2010 capital improvements	2018 - 2030	3.45	2,573,000	-
2011 capital improvements	2018 - 2030	3.45	4,909,761	-
2012 capital improvements	2017 - 2026	.95	2,682,379	-
Customer guaranteed deposits			5,187,848	-
Compensated absences			1,861,122	-
Totals			162,274,110	48,708,119
Current portion			(2,764,167)	(8,796,277)
Totals			$ 159,509,943	$ 39,911,842

During the year ended April 30, 2016, the following changes occurred in governmental activities long-term liabilities:

	Balance May 1, 2015	Additions	(Reductions)	Balance April 30, 2016
Governmental Activities Long-Term Debt				
Sales tax bonds	$ 26,645,000	$ 15,795,000	$ (16,970,000)	$ 25,470,000
Ad valorem tax bonds	620,000	-	(620,000)	-
Limited tax bonds	13,725,000	-	(2,850,000)	10,875,000
Compensated absences - net	3,682,562	53,171	-	3,735,733
Risk management claims	8,509,559	12,865,770	(12,747,943)	8,627,386
Totals	$ 53,182,121	$ 28,713,941	$ (33,187,943)	$ 48,708,119

	Balance April 30, 2016	Due within one year	Due in more than one year
Governmental Activities Long-Term Debt			
Sales tax bonds	$ 25,470,000	$ 1,775,000	$ 23,695,000
Limited tax bonds	10,875,000	2,940,000	7,935,000
Compensated absences - net	3,735,733	560,360	3,175,373
Risk management claims	8,627,386	3,520,917	5,106,469
Totals	$ 48,708,119	$ 8,796,277	$ 39,911,842

The annual requirements to amortize outstanding governmental activities long-term debt excluding compensated absences and risk management claims are as follows:

Year ended April 30,	Principal Payments	Interest Payments	Total
2017	$ 4,715,000	$ 1,220,622	$ 5,935,622
2018	4,935,000	1,061,437	5,996,437
2019	3,170,000	895,316	4,065,316
2020	3,275,000	809,031	4,084,031
2021	3,380,000	724,999	4,104,999
2022-2026	11,470,000	2,080,690	13,550,690
2027-2029	5,400,000	264,200	5,664,200
	$ 36,345,000	$ 7,056,295	$ 43,401,295

On November 24, 2015, the City issued $15,795,000 in Sales Tax Refunding Bonds, Series 2015, with an average interest rate of 1.84%, to advance refund $15,345,000 of outstanding Sales Tax revenue Bonds, Series 2008, with an average rate of interest of 2.37%. The net proceeds of $17,253,318 (including an original issue premium of $1,607,576 less underwriters' discount of $134,258 and surety bond premium of $15,000) were deposited in an irrevocable trust with an escrow agent to provide for redemption on August 1, 2018 of $15,345,000 of outstanding Sales Tax Revenue Bonds, Series 2008. As a result, $15,345,000 of the Sales Tax Revenue Bonds, Series 2008, are considered to be defeased and the liability for those bonds has been removed from the Government-Wide Statement of Net Position.

The City completed the advance refunding to reduce its total debt service payments over the next 12 years by $670,375. The advanced refunding resulted in an economic gain (the difference between the present values of the old and new debt service payments) of $525,371.

Defeased debt outstanding at year-end amounted to $15,345,000.

During the year ended April 30, 2016, the following changes occurred in business-type activities long-term liabilities:

	Balance May 1, 2015	Additions	(Reductions)	Balance April 30, 2016
Business-Type Activities Long-Term Debt				
Revenue bonds	$ 147,200,000	$ -	$ (2,140,000)	$ 145,060,000
State revolving loan funds	10,641,910	117,230	(594,000)	10,165,140
Compensated absences - net	1,907,325	-	(46,203)	1,861,122
Customer guaranteed deposits - net	5,023,618	164,230	-	5,187,848
Totals	$ 164,772,853	$ 281,460	$ (2,780,203)	$ 162,274,110

	Balance April 30, 2016	Due within one year	Due in more than one year
Business-Type Activities Long-Term Debt			
Revenue bonds	$145,060,000	$ 2,485,000	$ 142,575,000
State revolving loan funds	10,165,140	-	10,165,140
Compensated absences- net	1,861,122	279,167	1,581,955
Customer guaranteed deposits- net	5,187,848	-	5,187,848
Totals	$162,274,110	$ 2,764,167	$ 159,509,943

The annual requirements to amortize outstanding business-type activities long-term debt excluding customer guaranteed deposits and compensated absences are as follows:

Year ended April 30,	Principal Payments	Interest Payments	Total
2017	$ 2,485,000	$ 6,707,495	$ 9,192,495
2018	3,217,000	6,916,226	10,133,226
2019	3,304,000	6,825,143	10,129,143
2020	3,408,000	6,718,600	10,126,600
2021	3,526,000	6,597,171	10,123,171
2022-2026	19,849,000	30,726,092	50,575,092
2027-2031	23,756,140	26,182,668	49,938,808
2032-2036	28,845,000	20,357,372	49,202,372
2037-2041	38,620,000	11,971,725	50,591,725
2042-2043	28,215,000	2,141,825	30,356,825
	$ 155,225,140	$125,144,317	$ 280,369,457

11. 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 $1,538,264 is recognized as intergovernmental revenue in the General Fund and as expenditures in the following public safety departments:

Police	$ 886,649
Fire	651,615
	$ 1,538,264

12. Enterprise Funds – Segment Information

The City operates a utilities system consisting 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 City issued revenue bonds for capital improvements of the utilities system. These revenue bonds rely on revenues generated by the utilities system as a whole for repayment. The following is a condensed summary of this fund:

	Utilities System
Condensed Statement of Net Position	
Assets	
Current assets	
Due from other funds	$ 774,473
Other current assets	27,610,700
Noncurrent assets	
Restricted cash and equity in pooled cash and certificates of deposit	39,926,892
Capital assets	224,087,371
Total Assets	292,399,436
Deferred Outflows of Resources	
Unamortized bond refunding charges	808,215
Deferred outflows related to pensions	8,660,904
Total Deferred Outflows of Resources	9,469,119
Liabilities	
Current liabilities	
Due to other funds	52,863
Other current liabilities	2,926,615
Liabilities payable from restricted assets	10,233,177
Noncurrent liabilities	168,283,435
Total Liabilities	181,496,090
Deferred Inflows of Resources	1,828,959
Net Position	
Net investment in capital assets	77,153,484
Restricted	1,487,218
Unrestricted	39,902,804
Total Net Position	$ 118,543,506

Condensed Statement of Revenues, Expenses and Changes in Net Position	
Operating revenues (operating revenues are pledged against revenue bonds)	$ 106,217,956
Operating expenses	
Depreciation	(7,823,544)
Other	(64,984,300)
Operating income (loss)	33,410,112
Nonoperating revenues (expenses)	
Investment income	135,919
Gain (loss) on sale of assets	(2,942,855)
Interest expense and fiscal charges	(3,505,950)
Capital contributions	92,028
Transfers in (out)	(10,870,963)
Change in Net Position	16,318,291
Net Position, beginning, as restated	102,225,215
Net Position, ending	$ 118,543,506
Condensed Statement of Cash Flows	
Net cash provided by (used in)	
Operating activities	$ 41,051,678
Noncapital financing activities	(16,640,086)
Capital and related financing activities	(64,393,665)
Investing activities	41,357,142
Net increase (decrease)	1,375,069
Cash and cash equivalents, beginning	2,108,728
Cash and cash equivalents, ending	$ 3,483,797

Segment information for the Utilities System Enterprise Fund for the fiscal year ended April 30, 2016 follows:

	Total	Electric	Gas	Water	Wastewater
Operating revenues	$106,217,956	$ 86,076,694	$ 8,076,173	$ 6,727,474	$ 5,337,615
Operating expenses					
Depreciation	(7,823,544)	(3,637,098)	(1,344,599)	(1,132,700)	(1,709,147)
Other	(64,984,300)	(43,125,530)	(9,826,104)	(5,047,334)	(6,985,332)
Operating income (loss)	$ 33,410,112	$ 39,314,066	$ (3,094,530)	$ 547,440	$ (3,356,864)

13. 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, they should transfer 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 2008 one-percent (1%) City Sales and Use Tax are dedicated to fund General Fund operations including:

a. No less than one-third of the tax collected is dedicated to fire, police, and General Fund classified employees' salaries.

b. Replace General Fund revenues lost from federal and state government funding cuts from previous years.

c. Street repair; street cleaning; maintenance of city drainage systems; grass cutting; maintenance of parks and recreational facilities; police and fire services and programs; general building maintenance; demolition of condemned structures; and city planning.

Proceeds of the 2005 one-half percent (½%) City Sales and Use Tax are dedicated to paying salaries and related benefits for police, fire, and other City employees funded through the City's General Fund.

14. Flow of Funds - Restrictions on Use - Utilities System Enterprise Fund

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

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. The City will always provide revenues in each year sufficient to pay the necessary expenses of administering, operating, and maintaining the Utilities System; 120% of the principal and interest maturing on the bonds or other obligations payable there from 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. The City's 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.

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 Funds 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 become due and payable, by transferring from the Utilities System Fund to the Sinking Funds 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 becomes due. The depository for the Sinking Funds shall transfer from said Sinking Funds to the paying agent bank or banks for all bonds payable from said Fund at least one day 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 Funds established pursuant to the bond resolutions by transferring from the proceeds of the bonds a sum equal to the lesser of (i) ten percent (10%) of the proceeds of the bonds or (ii) an amount which, together with monies on deposit in the Reserve Funds, will equal the highest combined principal and interest requirements for any succeeding fiscal year (ending 4/30) on the bonds (the "Reserve Funds Requirement"), (iii) or one hundred twenty-five percent (125%) of the aggregate amount of principal installments and interest becoming due in any fiscal year on the bonds (ending 04/30). If such monies do not cause the balance in the Reserve Funds to equal the Reserve Funds Requirement, by transferring from said Utilities System Fund to the Reserve Funds 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 twenty percent (20%) of the amount required to be paid into the aforesaid Sinking Fund specified in paragraph (b) above, the payments into said Reserve Funds to continue until such time as there has been accumulated therein a sum equal to the Reserve Funds Requirement. The money in the Reserve Funds shall be retained solely for the purpose of paying the principal 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 Funds 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.

The indentures for Utilities Revenue Bonds, Series 2004 provided for the establishment and maintenance of a "Reserve Fund - 2004". The City had the option of funding the Reserve Fund - 2004 by (i) depositing a sum equal to the reserve fund requirement into the Reserve Fund - 2004, or (ii) depositing to the credit of the Reserve Fund - 2004 a surety bond, letter of credit or insurance policy equal to the reserve fund requirement. The City satisfied the reserve fund requirement by depositing to the credit of the Reserve Fund - 2004 the surety bond issued by the reserve insurer.

(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 monies 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 monies 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 monies so used shall be replaced from the revenues first thereafter received, not herein above required to be used for administration, operation, and maintenance or for current principal, interest, and reserve requirements. If at any time there are sufficient monies 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 monies 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 percent (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, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are created.

15. 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.

16. Defined Benefit Pension Plans

Effective for the year ending April 30, 2016, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68.* These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, these Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. These Statements also require that the City recognize its proportionate share of the net pension liability in its financial statements. At year-end, the City reports net pension liability from the following systems in the Statement of Net Position:

	Governmental Activities	Business-Type Activities	Total
Municipal Police Employees' Retirement System of Louisiana	$ 24,204,210	$ -	$ 24,204,210
Firefighters' Retirement System of Louisiana	14,010,018	-	14,010,018
City of Alexandria Employees' Retirement System	7,129,292	11,731,265	18,860,557
City of Alexandria Firemen's Pension and Relief Fund	155,820	-	155,820
	$ 45,499,340	$ 11,731,265	$ 57,230,605

The City contributes to two statewide cost-sharing, multiple-employer, defined benefit public employee retirement systems and two single-employer defined benefit pension plans. Information relative to these systems is presented below:

Municipal Police Employees' Retirement System of Louisiana (MPERS)

General Information about the Pension Plan

Plan Description

The Municipal Police Employees' Retirement System of Louisiana (MPERS) is a cost-sharing multiple-employer plan. Membership in MPERS is mandatory for any full-time police officer employed by the City that is engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. MPERS provides retirement benefits for municipal police officers. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233. MPERS issues a publicly available financial report that is available for download at www.lampers.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

A member who has joined the System before January 1, 2013 is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200 per month, whichever is greater.

The eligibility of a member who joins the System on or after January 1, 2013, for regular retirement, early retirement, disability, and survivor benefits is based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System

for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or $200 per month, whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

The Board of Trustees of the System's Plan is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor, or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Contributions

Contribution for all members are actually determined as required by state law but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay.

The employer's contribution rate for the year ended June 30, 2015, was 31.5% for all members hired prior to January 1, 2013, and Hazardous Duty members hired after January 1, 2013, and 33.5% for Non-Hazardous Duty members hired after January 1, 2013. The employer's contribution rate for any member whose earnable compensation is less than or equal to the poverty guidelines which is issued by the United States Department of Health and Human services, will be 34%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At April 30, 2016, the City reported a liability of $24,204,210 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2015, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The City's proportion of the NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was 3.089654%, which was a decrease of 0.077221% from its proportion measured as of June 30, 2014.

For the year ended April 30, 2016, the City recognized a pension expense of $3,054,959.

At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 444,745
Changes of assumptions	2,111,986	3,486
Difference between projected and actual earnings on pension plan investments	2,820,955	3,280,612
Changes in proportion and differences between employer contributions and proportionate share of contributions	228,803	432,854
Employer contributions subsequent to the measurement date	2,052,658	-
Total	$ 7,214,402	$ 4,161,697

The $2,052,658 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase in pension expense as follows:

Year Ending April 30,	
2017	$ 98,048
2018	98,051
2019	98,710
2020	705,238

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 and 2014 are as follows:

Valuation Date	June 30, 2015 and 2014
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.5%, net of investment expense
Expected Remaining Service Lives	2015 – 4 years 2014 – 4 years
Inflation Rate	2015 – 2.875% 2014 – 3%

Salary increases, including inflation and merit

June 30, 2015	
Years of Service	Salary Growth Rate
1 – 2	9.75%
3 – 23	4.75%
Over 23	4.25%

June 30, 2014	
Years of Service	Salary Growth Rate
1	10.00%
2	6.00%
3 – 19	4.30%
20 – 29	5.50%
30 & Over	4.00%

Mortality Rate Assumption

June 30, 2015

Based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality.

June 30, 2014

Based upon an experience study performed on plan data for the period July 1, 2003 through June 30, 2008 and review of similar law enforcement mortality.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Employee's Retirement Systems Actuarial Committee (PERSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the employers' proportionate share of the Net Position Liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	1.0% Decrease (6.50%)	Current Discount Rate (7.50%)	1.0% Increase (8.50%)
Employer's proportionate share of the net pension liability	$ 33,653,303	$ 24,204,210	$ 16,286,033

Support of Non-Employer Contributing Entities

MPERS receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contribution entity and is appropriated by the legislature each year based on an actuarial study. For the year ended April 30, 2016, the City's proportionate share of these non-employer contributions received by MPERS on behalf of the city was $513,776.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Audit Report online at *www.lampers.org*.

Firefighters' Retirement System of Louisiana (FRS)

General Information about the Pension Plan

Plan Description

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees

through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. FRS issues a publicly available financial report that is available for download at *www.lafirefightersret.com*.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Deferred Retirement Option Plan

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Contributions

Employer contributions are actuarially determined each year. For the year ended June 30, 2015, employer and employee contributions for members above the poverty line were 29.25% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 31.25% and 8.0%, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At April 30, 2016, the City reported a liability of $14,010,018 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2015, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The City's proportion of the NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, The City's proportion was 2.595836%, which was a decrease of 0.011088% from its proportion measured as of June 30, 2014.

For the year ended April 30, 2016, the City recognized a pension expense of $2,240,711.

At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 641,309
Changes of assumptions	175,593	5,939
Difference between projected and actual earnings on pension plan investments	2,271,625	772,231
Changes in proportion and differences between employer contributions and proportionate share of contributions		540,128
Employer contributions subsequent to the measurement date	1,438,362	-
Total	$ 3,885,580	$ 1,959,607

The $1,438,362 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending April 30,	
2017	$ 117,183
2018	117,183
2019	117,185
2020	374,595
2021	(193.312)
Thereafter	(45,223)

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 and 2014 are as follows:

Valuation Date	June 30, 2015 and 2014
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.5%, net of investment expense
Expected Remaining Service Lives	2015 – 7 years 2014 – 7 years
Inflation Rate	2015 – 2.875% 2014 – 3%
	Salary Increases Vary from 15% in the first two years of service to 4.75% after 25 years
Mortality Rate Assumption	June 30, 2015 Based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014.
	June 30, 2014 Based upon an experience study performed on plan data for the period July 1, 2006 through June 30, 2010.

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Employee's Retirement Systems Actuarial Committee (PERSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.5%, as well as what the employers' proportionate share of the Net Position Liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	1.0% Decrease (6.50%)	Current Discount Rate (7.50%)	1.0% Increase (8.50%)
Employer's proportionate share of the net pension liability	$ 19,874,591	$ 14,010,019	$ 9,080,231

Support of Non-employer Contributing Entities

FRS receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contribution entity and is appropriated by the legislature each year based on an actuarial study. For the year ended April 30, 2016, the City's proportionate share of these non-employer contributions received by FRS on behalf of the City from the State of Louisiana was $621,040.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Audit Report online at *www.lafirefightersret.com*.

City of Alexandria Employees' Retirement System (COAERS)

General Information about the Pension Plan

Plan Description

Plan Administration - The City of Alexandria Employees Retirement System (the System) is the administrator of a single-employer defined benefit plan established by Act 459 of the Louisiana Legislature of 1948, as amended (Louisiana Revised Statutes (RS) 11:3001 to 13:3017), and administered by the City of Alexandria. Substantially all employees of the City, except firemen and policemen, become members of the System as a condition of employment. The System issues publicly available financial reports that are available by contacting the System's management at P.O. Box 71, Alexandria, LA 71309.

RS 11:3011 provides that the Board shall consist of seven trustees as follows:

a) The Mayor of the City;
b) The Director of Finance of the City;
c) The Director of Civil Service and Personnel of the City;
d) Two municipal employees, who are members of the System and who are selected by plurality vote of the members of the System;
e) Two retired municipal employees of the City who are members of the System and who are selected by plurality vote of the retired municipal employee members of the System.

Plan Membership - Municipal employees of the City of Alexandria are eligible to become members of the system, other than those public officials and City employees who receive per diem allowance in lieu of earnable compensation, patient or inmate help in City charitable, penal, and corrective institutions, and independent contractors employed to render service on a contractual basis, including independent contractual professional services. Membership in this system shall be optional with any class of elected official or with any class of officials appointed by the Mayor or appointed for fixed terms. The Board of trustees may, in its discretion, deny the right to membership in this system to any class of employees whose compensation is only partly paid by the City or who are occupying positions on a part-time or intermittent basis. The Board may, in its discretion, make optional with employees in any such classes their individual entrance into the system.

At December 31, 2015, pension plan membership consisted of:

Inactive plan members and beneficiaries currently receiving benefits	357
Inactive plan members entitled to but not yet receiving benefits	158
Active plan members	497
Total	1,012

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

Retirement Benefits - Members with ten years of creditable service may retire at age sixty-two; members with at least twenty years of creditable service may retire at age sixty; members with twenty-five years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's average compensation multiplied by number of years of creditable service, not to exceed one hundred percent of average compensation. Average compensation is defined as the highest three year average annual compensation.

Members may receive their benefits as a life annuity, or in lieu of such, a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 1 –If the member dies before he has received in annuity payments the present value of his member's annuity, as it was at the time of retirement, the balance is paid to his beneficiary.

Option 2 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 –Upon retirement, the member elects to receive a board-approved benefit that is actuarially equivalent to the maximum benefit.

Option 5 – Upon retirement, the member elects to receive the amount of his maximum retirement and upon death, if survived by a spouse, the spouse will receive one-half of the member's maximum benefit.

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

Survivor Benefits - Three years of creditable service are required in order to be eligible for survivor benefits. The survivor is entitled to twice the amount of accumulated contributions or two months' salary, whichever is greater, plus $1,000. If the member has completed fifteen or more years of service, the surviving spouse is entitled to an automatic option 2 benefit (an actuarially equivalent joint and full survivor benefit) which ceases if the spouse remarries. In lieu of option 2, the spouse may receive the greater of a refund of twice the member's contributions with interest earnings or two months' salary. Widows, who are at least age fifty, of members who die prior to retirement but subsequent to becoming eligible to retire, are entitled to automatic option 2 benefits.

Deferred Retirement Option Plan (DROP) - In lieu of terminating employment and accepting a service retirement allowance, any member of the System who has at least ten years of creditable service and who is eligible to receive a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Creditable service shall not include service reciprocally recognized pursuant to R.S. 11:142. Upon commencement of participation in the DROP plan, active membership in the System terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain, as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account balance (or any other method of payment subject to approval by the Board of Trustees); in addition, the member receives the monthly benefits that were paid into the fund during the period of participation. After a member has terminated his participation in the plan, the member's individual account balance in the plan will earn interest at the actual rate of return earned on such funds left on deposit with the System. Such funds will be invested in accordance with a policy adopted by the Board of Trustees. The accrued interest will be credited to the individual account on an annual basis. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the System. The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

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

Contribution Rates - The retirement system is financed by employee contributions of 10% of pay plus employer contributions that are set according to actuarial requirements. Employer contributions rates for the year ended December 31, 2015 were 28.78% for January 1, 2015 through April 30, 2015 and 24.70% for May 1, 2015 through December 31, 2015. The employer contribution rate is determined annually by actuarial valuation. The rate so determined is adjusted on May 1, of the calendar year following the year in which the report is issued. The City is required by statute to contribute remaining amounts necessary to finance the System at an actuarially determined rate. Benefit and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

Cost of Living Increases - The board of trustees is authorized to use interest earnings on investments of the system in excess of normal requirements to grant retired members, and widows of members, an annual cost of living increase of 2.00% of their original benefit (not less than ten dollars per month). For calendar 2015, the board authorized a 2.00% cost of living increase based on 2014 investment earnings exceeding normal requirements in accordance with R.S. 11:3009. The increase in benefits resulted in an increase in the present value of future benefits of approximately $1.25 million.

Administrative Costs - Administrative costs of the plan are financed through investment earnings.

Basis of Accounting - The System's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments - Louisiana statutes allow the System to invest in securities issued, guaranteed, or insured by the United States government; bonds and other evidence of indebtedness issued by states or their political subdivisions; stocks, bonds, or other securities or evidence of indebtedness issued by any solvent corporation created under the laws of the United States or any of the states of the United States; and certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana.

Investments are reported at fair value. Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Securities traded on the national securities exchange 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 and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and asked prices.

The System's investment policies are established by and may be amended by the Board of Trustees by a majority vote of Board members. It is the policy of the System that all assets shall be managed with the care that an institutional investor of ordinary prudence, discretion, and intelligence exercises in management of large institutional investments considering probable safety of capital as well as probable income. The primary considerations of the investment manager shall be to minimize the risk of loss of principal value and to achieve the greatest rate of return on investments consistent with the level of risk incurred and to provide for future benefits. The management of the pension fund assets and the responsibility for investment decisions is delegated to the secretary of the retirement board who shall be the investment manager. The System's investment policy limits investments to common or preferred stock, corporate or government securities, certificates of deposit, government guaranteed mortgage pools, Guaranteed Investment Contracts' repurchase agreements, and sufficient cash reserves to meet the System's liquidity needs.

The following is the Board's adopted asset allocation policy as of year-end:

Asset Class	Target Allocation
Cash and short term investments	2% to 15%
Long-term fixed income securities and preferred stocks	40% to 90%
Equities	5% to 60%

Contributions

The retirement system is financed by employee contributions of 10% of pay plus employer contributions that are set according to actuarial requirements. Employer contributions rates for the year ended December 31, 2015 were 28.78% for January 1, 2015 through April 30, 2015 and 24.70% for May 1, 2015 through December 31, 2015. The employer contribution rate is determined annually by actuarial valuation. The rate so determined is adjusted on May 1, of the calendar year following the year in which the report is issued. The City is required by statute to contribute remaining amounts necessary to finance the System at an actuarially determined rate. Benefit and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

Actuarial Methods and Assumptions

Actuarial Assumptions: The Total Pension Liability as stated in this report is based on the Individual Entry Age Normal actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of December 31, 2015 and were based on December 31, 2015 data. The current year actuarial assumptions utilized for this report are based on the assumptions used in the December 31, 2015 actuarial funding valuation, which were based on results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, unless otherwise specified in this report.

Investment rate of return, net of investment expense, including inflation	7.25%
Salary increases, including inflation and merit increases	4.75%
Inflation	2.75%

Mortality Rates: In the case of mortality, a study of system mortality was conducted in 2016. The data for the study was collected over the period of January 1, 2014 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the fund's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward 1 year for males with no set forward for females) projected to 2029 using scale AA as published by the Society of Actuaries were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employee Sex Distinct Tables set back 4 years for males and set back 3 years for females was selected. The RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females was selected for disabled annuitants.

Expected Remaining Service Lives – The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

The Expected Remaining Service Lives (ERSL) for the year ending December 31, 2015 are:

Beginning of Year	ERSL (in years)
2015	4
2014	4

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from the participating employers and non-employer contributing entities will be made at actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees. Based on these assumptions and the other assumptions and methods as specified in this report, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The components of the change in the System's Net Pension Liability (NPL) for the year ended December 31, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at December 31, 2014	$ 150,137,360	$ 146,802,390	$ 3,334,970
Changes for the year			
Service cost	3,263,636	-	3,263,636
Interest	11,165,902	-	11,165,902
Changes in benefit terms	1,249,682	-	1,249,682
Differences between expected and actual experience	(1,157,889)	-	(1,157,889)
Changes in assumptions	3,124,571	-	3,124,571
Benefit payments	(9,004,033)	(9,004,033)	-
Refunds of contributions	(353,939)	(353,939)	-
Other	146,848	146,848	-
Contributions – members	-	1,790,965	(1,790,965)
Contributions – employer	-	4,858,476	(4,858,476)
Projected earnings on pension plan investments	-	10,910,301	(10,910,301)
Difference between projected and actual earnings on pension plan investments	-	(15,288,650)	15,288,650
Administrative expenses	-	(150,777)	150,777
Balance at December 31, 2015	$ 158,572,138	$ 139,711,581	$ 18,860,557
Plan fiduciary net position as a percentage of the total pension liability			
Beginning of the year	97.78%		
End of the year	88.11%		

Sensitivity to Changes in Discount Rate

The following presents the Net Pension Liability using the discount rate of 7.25%, as well as what the Net Position Liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
Net Pension Liability	$ 36,178,173	$ 18,860,557	$ 4,169,579

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At April 30, 2016, the City reported a liability of $18,860,557 for the Net Pension Liability (NPL) as follows:

	Governmental Activities	Business-Type Activities	Total
Governmental activities	$ 7,129,292	$ -	$ 7,129,292
Enterprise Funds			
Utilities System Enterprise Fund	-	9,077,585	9,077,585
Other Enterprise Funds	-	2,653,680	2,653,680
Total Enterprise Funds	-	11,731,265	11,731,265
	$ 7,192,292	$ 11,731,265	$ 18,860,557

The NPL was measured as of December 31, 2015, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The City's NPL was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

For the year ended April 30, 2016, the City recognized a pension expense of $6,394,341 as follows:

Governmental Activities	$ 2,417,062
Enterprise Funds	
Utilities System Enterprise Fund	3,077,596
Other Enterprise Funds	899,683
	$ 6,394,341

At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,103,872
Changes of assumptions	4,142,080	-
Difference between projected and actual earnings on pension plan investments	12,230,920	1,696,168
Employer contributions subsequent to the measurement date	1,621,814	-
Total	$ 17,994,814	$ 3,800,040

The $1,621,814 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended April 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ending April 30,	
2017	$ 3,265,610
2018	3,265,611
2019	2,984,009
2020	3,057,730

City of Alexandria Firemen's Pension and Relief Fund (FPARF)

General Information about the Pension Plan

Plan Description

Plan Administration - The City of Alexandria Firemen's Pension and Relief Fund (the Fund) of the City of Alexandria, Louisiana, is the administrator of a single-employer defined benefit plan established by Act 12 of the Louisiana Legislature of 1940, as amended (Louisiana Revised Statutes (RS) 11:3101 to 13:3118), and administered by the City of Alexandria. The Fund issues publicly available financial reports that are available by contacting the Fund's management at P.O. Box 71, Alexandria, LA 71309.

RS 11:3104 provides that the Board shall consist of seven trustees as follows:

a) The Mayor of the City;
b) The Director of Finance of the City;
c) Five active members of the Fire Department of the City, not above the rank of Station Captain, who must have served at least two years in that Department before being eligible to serve on the Board and must be elected by the members of the Fire Department.

RS 11:3103 provides that the Board will control and manage the City of Alexandria Firemen's Pension and Relief Fund and will make all rules and regulations for the proper administration of the Fund not to conflict with Act 12 of the Louisiana Legislature of 1940, as amended.

Plan Membership - Effective May 1, 1993, the City of Alexandria Firemen's Pension and Relief Fund merged with the statewide Firefighters' Retirement System. On this date, all retirees and survivors receiving benefits at April 30, 1993, transferred to the Firefighters' Retirement System.

The City of Alexandria and the Firemen's Pension and Relief Fund of the City of Alexandria guaranteed that no active member, retiree, beneficiary, or survivor merged into the Firefighters' Retirement System would lose any rights or benefits that he or she would have been entitled to under the City of Alexandria Firemen's Pension and Relief Fund. Specifically, it is agreed that if a firefighter dies, retires, or becomes disabled subsequent to the merger, the Fund shall pay or cause to be paid to the firefighter or the firefighter's survivors and/or beneficiaries any difference in benefits, if any, where those benefits payable under the Fund prior to the merger exceed those benefits payable under the State system. It is further agreed and understood that if a firefighter exercises his or her right to a twenty year retirement any time before the age 50 and is not eligible to receive benefits from the State System, then the Fund shall provide benefits until that person is eligible for benefits under the State System.

As of April 30, 2016, five (5) retirees and survivors are currently receiving benefits under the City of Alexandria Firemen's Pension and Relief Fund. No remaining employees are vested in the Fund with twenty (20) years of service and less than fifty (50) years of age; therefore, this fund is closed to any new retirees. Once the retirees and survivors who are currently receiving benefits are deceased, this fund will cease to exist.

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

Contributions

There are no covered employees remaining in the Fund. The City is required to contribute an amount sufficient to meet any deficit of the Fund without regard for reserve requirements accruing or having accrued on an actuarial basis. Benefits and contribution provisions are established by state law and may be amended only by the Louisiana Legislature.

Actuarial Methods and Assumptions

Actuarial Assumptions: The Total Pension Liability as stated in this report is based on the Individual Entry Age Normal actuarial cost method as described in Statement 67 of the Government Accounting Standards Board (GASB 67). Calculations were made as of April 30, 2016 and were based on April 30, 2016 data. The current year actuarial assumptions utilized for this report are based on the assumptions used in the April 30, 2016 actuarial funding valuation, which were based on 1994 Uninsured Pensioners Mortality Table and discount rates from Bond Buyer 20-Bond GO Municipal Bond Index. The investment rate of return, net of investment expense, including inflation actuarial assumption used was 3.32%.

Discount Rate: The discount rate used to measure the total pension liability was 3.32%. GASB 67 requires that the discount rate to be used in determining the total pension liability is the long-term expected return on pension plan investments to the extent that the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments. Since the City of Alexandria Firemen's Pension and Relief Fund is not actuarially funded and is, and has always been, a pay-as-you-go system, projections mandated by GASB 67 are inapplicable and the discount rate stipulated by GASB 67 for the unfunded portion of projected benefit payments, in this case all of the projected payments, would apply and that rate would be used to determine the total pension liability. For this purpose the rates for April 30, 2015 and April 30, 2016 from the Bond Buyer 20-Bond GO Municipal Bond Index have been used.

Expected Remaining Service Lives – The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

The Expected Remaining Service Lives (ERSL) for the year ending April 30, 2016 are:

Beginning of Year	ERSL (in years)
2016	4
2015	4

Changes in the Net Pension Liability

The components of the change in the Fund's Net Pension Liability (NPL) for the year ended April 30, 2016 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at April 30, 2015	$ 240,335	$ 112,078	$ 128,257
Changes for the year			
Interest	8,367	-	8,367
Differences between expected and actual experience	33,370	-	33,370
Changes in assumptions	7,951	-	7,951
Benefit payments	(18,392)	(18,392)	-
Contributions – employer	-	22,000	(22,000)
Projected earnings on pension plan investments	-	125	(125)
Balance at April 30, 2016	$ 271,631	$ 115,811	$ 155,820
Plan fiduciary net position as a percentage of the total pension liability			
Beginning of the year	46.63%		
End of the year	42.64%		

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the system calculated using the discount rate of 3.32%, as well as what the fund's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.32%) or one percentage point higher (4.32%) than the current rate (assuming all other assumptions remain unchanged):

	1% Decrease (2.32%)	Current Discount Rate (3.32%)	1% Increase (4.32%)
Net Pension Liability (Asset)	$ 175,998	$ 155,820	$ 123,994

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At April 30, 2016, the City reported a liability of $155,520 for the Net Pension Liability (NPL).

The NPL was measured as of April 30, 2016, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date.

For the year ended April 30, 2016, the City recognized a pension expense of $22,278.

At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,027	$ -
Changes of assumptions	13,372	-
Total	$ 38,399	$ -

The amounts reported as deferred outflows of resources related to pensions will be recognized as an increase in pension expense as follows:

Year Ending April 30,	
2017	$ 14,036
2018	14,035
2019	10,328

17. Defined Contribution Pension Plan

The City contributes to the City of Alexandria Unclassified Employees Retirement Plan (the Plan), a defined contribution pension plan, for its unclassified employees who elect to participate in the Plan in lieu of Social Security. The Plan is administered by the Trustees of the Plan. The City appoints and designates one or more persons to serve as the trustee or trustees of the Plan. The Trustees of the Plan may appoint a bank or trust company in accordance with the terms of the Plan, under which the bank's or trust company's duties shall be of a custodial, clerical, and record-keeping nature. The powers granted to the trustees shall be exercised in the sole fiduciary discretion of the Trustees. However, if participants are so empowered by the Plan or by the employer, each participant may direct the Trustees to separate and keep separate all or any portion of his or her Plan account; and in such event, each participant is authorized and empowered, in his or her sole and absolute discretion, to give directions to the Trustees pursuant to the procedures established by the employer and in such form as the Trustees may require concerning the investments of the participant's directed investment account.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Council. For each electing unclassified employee in the pension plan, the City is authorized to contribute to the Plan for the account of each eligible participant an amount of money equal to the "normal contribution" (as described in Louisiana Revised Statute 11:3013(B) and (C)) which the City would have been required to contribute to the statutory plan (City of Alexandria Employees Retirement System) on behalf of those employees, subject to any basic annual limitation proved by statute or regulation. The contribution rate is set May 1st of each year at the normal contribution rate for the City of Alexandria Employees Retirement System for the prior calendar year. For the year ended April 30, 2016, the rate was set at 9.18%. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. For the year ended April 30, 2016, employee contributions totaled $368,081, and the City recognized pension expense of $144,348.

All employer and employee contributions and earnings are immediately vested.

18. Post-employment benefits

Plan Description - The City of Alexandria's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by a retirement system whose retirement eligibility provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 20 years of service; or age 62 and 10 years of service. Complete plan provisions are included in the official plan document.

Contribution Rates - Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy - Until 2008, the City of Alexandria recognized the cost of providing post-employment medical benefits (the City of Alexandria's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2016 and 2015, the City of Alexandria's portion of health care premiums cost for retired employees totaled $440,550 and $407,917, respectively.

Effective May 1, 2008, the City of Alexandria implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution - The City of Alexandria's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2016	2015
Normal cost	$ 180,094	$ 173,167
30 year UAL amortization amount	403,556	388,035
Annual required contribution (ARC)	$ 583,650	$ 561,202

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Alexandria's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending April 30:

	2016	2015
Beginning Net OPEB Obligation	$ 1,651,978	$ 1,525,900
Annual required contribution	583,650	561,202
Interest on Net OPEB Obligation	66,079	61,036
ARC Adjustment	(95,534)	(88,243)
OPEB Cost	554,195	533,995
Current year retiree premium	(440,550)	(407,917)
Change in Net OPEB Obligation	113,645	126,078
Ending Net OPEB Obligation	$ 1,765,623	$ 1,651,978

The following table shows the City of Alexandria's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded other post-employment benefits (OPEB) liability for last year and this year:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Liability (Asset)
April 30, 2016	$ 554,195	79.49%	$ 1,765,623
April 30, 2015	$ 533,995	76.39%	$ 1,651,978

Funded Status and Funding Progress - In 2016 and 2015, the City of Alexandria made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the May 1, 2014 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year April 30, 2016 was $7,257,153 which is defined as that portion, as determined by a particular actuarial cost method (the City of Alexandria uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	2016	2015
Actuarial Accrued Liability (AAL)	$ 7,257,153	$ 6,978,032
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 7,257,153	$ 6,978,032
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	$ 32,710,418	$ 33,043,090
UAAL as a percentage of covered payroll	22.19%	21.12%

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Alexandria and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Alexandria and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Alexandria and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets - There are no plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value will be consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%. It has also been assumed that 40% of future eligible retirees will decline coverage because of the high retiree contributions required.

Post-employment Benefit Plan Eligibility Requirements - Based on past experience, it has been assumed that entitlement to benefits will commence three years after the earliest retirement eligibility, as described above under "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) - GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The City pays a portion of the retiree premium (based on the blended active/retired rate) before Medicare eligibility, but does not pay any portion of the premium after the retiree's eligibility for Medicare (age 65). Since GASB 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used, we have estimated the "unblended" rates for retirees before Medicare eligibility. It has been assumed that the total retiree rate before Medicare eligibility is 130% of the total blended active/retired rate.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

OPEB Cost and Contributions

	FY 2014	FY 2015	FY 2016
OPEB Cost	$ 548,689	$ 533,995	$ 554,195
Contribution	-	-	-
Retiree Premium	344,649	407,917	440,550
Total contribution and premium	344,649	407,917	440,550
Change in net OPEB obligation	$ 204,040	$ 126,078	$ 113,645
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	62.81%	76.39%	79.49%

19. Leases

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 wastewater 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. At the present time, they are operating on a month to month basis. The lease agreement provides that the City shall pay the EEIDD as rent under the lease five percent (5%) of gross charges for services 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. During the current period, the City paid EEIDD $28,762, under the terms of the lease representing fiscal year ended April 30, 2016 obligations.

On February 24, 2012, the City of Alexandria agreed to lease equipment from Wells Fargo Financial Leasing, Inc., for the sum of $11,373 payable on the 30th day of each month for 49 consecutive months. This lease term ended on April 30, 2016. The City of Alexandria entered into a new lease agreement with Wells Fargo Leasing, Inc. for the sum of $10,350 payable on the 1st day of each month for 48 consecutive months. The lease term will end on April 1, 2020.

On July 7, 2012, the City of Alexandria agreed to lease from the Community Receiving Home, Inc. 74.92 acres for the sum of $125 per acre or $9,887 payable on the 15th day of May annually. The rent will increase by 2.75% annually for the term of the lease which will expire on September 31, 2031. The term commenced on September 15, 2011.

Annual lease payments total $135,537 for the current fiscal year.

Future minimum rentals to be paid in the future under non-cancelable leases are:

Year ending April 30,	
2017	$ 10,725
2018	11,020
2019	11,324
2020	11,635
2021	11,955
2022-2026	64,890
2027-2031	74,317
	$ 195,866

City as Lessor

On April 6, 2012, the City of Alexandria entered into a formal lease agreement with Sutherland Global Services, Inc. to lease 41,293 square feet of the building located at Power Center Mall, Alexandria, Louisiana. This lease shall be for a term of seven years commencing on April 13, 2012 and ending on April 12, 2019, subject, however, to earlier termination as provided in this lease. The carrying amount of the leased space is approximately $2,730,040. Total income from this lease totaled $144,526 for the current fiscal year.

On January 1, 2015, the City of Alexandria entered into a formal lease agreement with Manchac Technologies to lease 3,349 square feet of office spaces located at 1501-A Wimbledon Drive, Alexandria, Louisiana. This lease shall be for a term of two years commencing on January 1, 2015 and ending on December 31, 2016. Total income from this lease totaled $89,760 for the current fiscal year.

Future minimum rentals to be received in the future under non-cancelable leases are:

2017	$ 204,366
2018	144,526
2019	144,526
	$ 493,418

20. 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, 2016.

Charles L. Fowler, Jr.	$	18,000
Harry B. Silver		18,000
Edward Larvadain, III		18,000
James A. Villard		18,000
Lee Rubin		18,000
Jules R. Green		18,000
Roosevelt Johnson		18,000

21. Deficit Balance - Non-Major Individual Funds

The following non-major funds had deficit balances at April 30, 2016:

Self-Insurance Risk Management Fund	$	1,023,115
Employee Benefits Fund		687,772

The Self Insurance Risk Management Fund deficit was primarily due to the accrual for claims incurred but not paid at year-end. Management will provide additional funding to offset this deficit. The Employee Benefits Fund deficit was primarily due to the actuarial accrual for post-retirement benefit obligations. Management intends to provide additional funding from the various funds in the future to offset this deficit.

22. Contingencies

Management has not calculated the possible rebate of arbitrage interest, as of April 30, 2016, 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.

The City is a defendant in a suit entitled “Charles W. Armand, et al vs. City of Alexandria” referred to as the “dual pay plan”. Nothing is currently set or pending but the claim is viable. No class has been certified and the plaintiff’s counsel must attempt to define the class. In the opinion of legal counsel, some contingent exposure for possible payment of wages and other considerations may be considered. Management and legal counsel for the City are unable to provide reasonable estimates of the claims amount, if any, and it is not practical to calculate such amounts under current known facts and conditions.

23. Net Position and Fund Balances

Governmental

Nonspendable Fund Balances

The City has recorded a nonspendable fund balance of $264,351 for unused inventory in the Fund Financial Statements. This amount is recorded as unrestricted net position in the Government-Wide Financial Statements.

Restricted Fund Balances and Net Position

The City has restricted the fund balance and restricted net position in the amount of $2,934,657 for debt service.

The City also has restricted the fund balance and restricted net position for capital projects in the amount of $26,747,788.

Committed Fund Balances

The City has committed the use of $1,770,245 for community and economic development purposes. In addition, the City has formally committed the use of $1,100,000 for capital projects. These amounts are shown as unrestricted net position in the Government-Wide Financial Statements.

Assigned Fund Balances

The City's assigned fund balance totaling $923,124 is primarily to be used in support of the Safe Alex initiative.

Business-Type

Restricted Net Position

In accordance with revenue bond indentures, the City has restricted the net position balances in the amount of $487,218 for debt service and $1,000,000 for capital additions and contingencies.

24. Subsequent Events

Management has evaluated subsequent events and determined that the City did not have any events through October 26, 2016, which is the date of the financials were available to be issued, requiring recording or disclosure in the financial statements for the year ended April 30, 2016.

Required Supplemental Information - Part II

City of Alexandria, Louisiana
General Fund
Budgetary Comparison Schedule
For the Year Ended April 30, 2016

Schedule 1

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Property taxes	$ 3,267,000	$ 3,827,000	$ 3,476,660	$ (350,340)
Sales taxes	35,200,000	38,700,000	39,052,006	352,006
Other	720,000	700,000	654,630	(45,370)
Intergovernmental	1,890,000	2,250,000	2,356,256	106,256
Fees, commissions, and fines	634,000	627,000	526,773	(100,227)
Licenses and permits	2,790,000	2,950,000	3,140,839	190,839
Charges for services	225,000	274,000	272,295	(1,705)
Investment earnings	-	25,000	53,204	28,204
Miscellaneous	410,000	621,000	824,902	203,902
Total Revenues	45,136,000	49,974,000	50,357,565	383,565
Expenditures				
Current				
General government	19,449,221	15,853,700	13,966,905	1,886,795
Public safety	26,550,979	29,010,839	27,572,392	1,438,447
Public works	10,133,112	11,775,292	11,497,277	278,015
Capital outlay	3,462,338	3,630,471	3,136,693	493,778
Debt service				
Principal	1,125,000	1,120,200	1,125,000	(4,800)
Interest and other charges	147,795	159,280	147,795	11,485
Total Expenditures	60,868,445	61,549,782	57,446,062	4,103,720
Deficiency of Revenues over Expenditures	(15,732,445)	(11,575,782)	(7,088,497)	4,487,285
Other Financing Sources (Uses)				
Transfers in	10,424,000	10,735,000	10,147,511	(587,489)
Transfers out	(4,317,348)	(4,174,348)	(4,171,685)	2,663
Proceeds from sale of capital assets	-	24,000	29,080	5,080
Total Other Financing Sources (Uses)	6,106,652	6,584,652	6,004,906	(579,746)
Net Change in Fund Balances	(9,625,793)	(4,991,130)	(1,083,591)	3,907,539
Fund Balances, Beginning of Year	21,522,023	21,522,023	21,522,023	-
Fund Balances, End of Year	$11,896,230	$16,530,893	$20,438,432	$ 3,907,539

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Funding Progress

Schedule 2

Post employment Health Care and Life Insurance Benefits

Actuarial Valuation Date	4/30/2010	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015	4/30/2016
Actuarial Value of Assets (a)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actuarial Accrued Liability (AAL) (b) -- Medical*	4,883,089	5,986,492	6,225,952	6,252,400	6,502,496	6,978,032	7,257,153
Unfunded AAL (UAAL) (b-a)	$ 4,883,089	$ 5,986,492	$ 6,225,952	$ 6,252,400	$ 6,502,496	$ 6,978,032	$ 7,257,153
Funded Ratio (a/b)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll (c)	$ 39,116,116	$ 37,015,424	$ 33,197,812	$ 32,860,687	$ 38,442,579	$ 33,043,090	$ 32,710,418
Unfunded AAL (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)	12.48%	16.17%	18.75%	19.03%	16.91%	21.12%	22.19%

* The unit credit cost method is used for funding purposes.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees' Retirement System (MPERS)

Schedule 3

	4/30/2016
Employer's Proportion of the Net Pension Liability (Asset)	3.089654%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 24,204,210
Employer's Covered-Employee Payroll	$ 8,265,621
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	292.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.73%
The amounts presented have a measurement date of:	6/30/2015

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Employer Contributions
Municipal Police Employees' Retirement System (MPERS)

Schedule 4

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	$ 2,603,348	$ 2,603,348	$ -	$ 8,265,621	31.50%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Notes to Required Supplemental Information
Municipal Police Employees' Retirement System (MPERS)
For the Year Ended April 30, 2016

Schedule 5

Changes in Benefit Terms include:

There were no changes of benefit terms for the plan year ended June 30, 2015.

Changes of Assumptions

For the plan year ended June 30, 2015, the following changes in assumptions occurred:

The assumed inflation rate decreased from 3% at June 30, 2014, to 2.875% at June 30, 2015.

For the plan year ended June 30, 2015, the mortality rate assumption used was based upon an experience study performed by the actuary on plan data for the period July 1, 2009 through June 30, 2014. For the plan year ended June 30, 2014, the mortality rate assumption used was based on an experience study performed by the actuary on plan data for the period July 1, 2003 through June 30, 2008.

The salary growth rate, including inflation and merit raises, used for the plan year ended June 30, 2015 decreased when compared to the salary growth rated used for the plan year ended June 30, 2014.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Employer's Share of Net Pension Liability
Firefighters' Retirement System

Schedule 6

	4/30/2016
Employer's Proportion of the Net Pension Liability (Asset)	2.595836%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 14,010,018
Employer's Covered-Employee Payroll	$ 5,524,733
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	253.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.45%
The amounts presented have a measurement date of:	6/30/2015

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Employer Contributions
Firefighters' Retirement System

Schedule 7

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	$ 1,615,984	$ 1,615,984	$ -	$ 5,524,733	29.25%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Notes to Required Supplemental Information
Firefighters' Retirement System
For the Year Ended April 30, 2016

Schedule 8

Changes in Benefit Terms:

There were no changes of benefit terms for the plan year ended June 30, 2015.

Changes of Assumptions

For the plan year ended June 30, 2015, the following changes in assumptions occurred:

The assumed inflation rate decreased from 3% at June 30, 2014, to 2.875% at June 30, 2015.

For the plan year ended June 30, 2015, the mortality rate assumptions used were based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. For the plan year ended June 30, 2014, the mortality rate assumptions used were based upon an experience study performed on plan data for the period July 1, 2006 through June 30, 2010.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Changes in Net Pension Liability and Related Ratios
City of Alexandria Employees' Retirement System

Schedule 9

	12/31/2015
Total Pension Liability	
Service cost	$ 3,263,636
Interest	11,165,902
Changes in benefit terms	1,249,682
Differences between expected and actual experience	(1,157,889)
Changes in assumptions	3,124,571
Benefit payments	(9,004,033)
Refunds of member contributions	(353,939)
Other	146,848
Net Change in Total Pension Liability	8,434,778
Total Pension Liability - Beginning	150,137,360
Total Pension Liability - Ending (a)	$ 158,572,138
Plan Fiduciary Net Position	
Contributions	
Member	$ 1,790,965
Employer	4,858,476
Net investment income	(4,378,349)
Benefit payments	(9,004,033)
Refunds of member contributions	(353,939)
Administrative expenses	(150,777)
Other	146,848
Net Change in Plan Fiduciary Net Position	(7,090,809)
Plan Fiduciary Net Position - Beginning	146,802,390
Plan Fiduciary Net Position - Ending (b)	$ 139,711,581
Net Pension Liability - Ending ((a) - (b))	$ 18,860,557
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.11%
Covered-Employee Payroll	$ 18,643,423
Net Pension Liability as a Percentage of Covered-Employee Payroll	101.16%

Notes to Schedule:

The amounts presented have a measurement date of: 12/31/2015

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Employer Contributions
City of Alexandria Employees' Retirement System

Schedule 10

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	$ 4,843,760	$ 4,843,760	$ -	$ 19,610,365	24.70%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Changes in Net Pension Liability and Related Ratios
City of Alexandria Firemen's Pension and Relief Fund

Schedule 11

	4/30/2016
Total Pension Liability	
Service cost	$ -
Interest	8,367
Changes in benefit terms	-
Differences between expected and actual experience	33,370
Changes in assumptions	7,951
Benefit payments	(18,392)
Other	-
Net Change in Total Pension Liability	31,296
Total Pension Liability - Beginning	240,335
Total Pension Liability - Ending (a)	$ 271,631
Plan Fiduciary Net Position	
Contributions	
Member	$ -
Employer	22,000
Net investment income	125
Benefit payments	(18,392)
Refunds of member contributions	-
Administrative expenses	-
Other	-
Net Change in Plan Fiduciary Net Position	3,733
Plan Fiduciary Net Position - Beginning	112,078
Plan Fiduciary Net Position - Ending (b)	$ 115,811
Net Pension Liability - Ending ((a) - (b))	$ 155,820
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.64%
Covered-Employee Payroll	$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	N/A

Notes to Schedule:

The amounts presented have a measurement date of: 4/30/2016

This plan is closed to any new members and no city employees contribute to this plan.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

City of Alexandria, Louisiana
Schedule of Employer Contributions
City of Alexandria Fireman's Pension and Relief Fund

Schedule 12

	Contributions	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
4/30/2016	$ 22,000	$ 18,267	$ (3,733)	$ -	N/A

Notes to Schedule:
This plan is closed to any new members and no City employees contribute to this plan.

The City is statutorily required to contribute an amount sufficient to meet any deficit in the plan without regard to reserve requirements accruing or having accrued on an actuarial basis.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

Supplemental Information

City of Alexandria, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2016

Schedule 13
(Continued)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grant Number	Amount Expended	Amount Provided Subrecipients
U.S. Department of Housing and Urban Development				
Office of Community Planning and Development				
Direct				
Community Development Block Grants/Entitlement Grants	14.218		$ 550,678	$ -
Home Investment Partnerships Program	14.239		17,234	10,000
Passed-through the State of Louisiana				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-08-DI-22-0001	682,893	-
Passed-through Louisiana Housing Corporation				
Emergency Solutions Grant Program	14.231	LHA13-13-15-01	14,441	14,441
Agency Totals			1,265,246	24,441
U.S. Department of Justice				
Bureau of Justice Assistance				
Passed-through the State of Louisiana				
Passed-through the Louisiana Commission on Law Enforcement and the Administration of Criminal Justice				
Crime Victim Assistance	16.575	2013-VA-03/01/02/04 1832	5,016	-
Crime Victim Assistance	16.575	2014-VA-02-2352	8,586	-
Total CFDA 16.575			13,602	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0415	31,560	-
	16.738	2014-DJ-01-2237	19,500	-
	16.738	2015-MU-BX-0471	13,237	-
Total CFDA 16.738			64,297	-
Direct				
Bulletproof Vest Partnership Program	16.607		13,694	-
Agency Totals			91,593	-
U.S. Environmental Protection Agency				
Office of Water				
Passed-through the State of Louisiana				
Capitalization Grants for Clear Water State Revolving Funds	66.458	221475-01	117,229	-
Agency Totals			117,229	-
U.S. Department of Transportation				
Federal Transit Administration				
Direct				
Federal Transit Formula Grants	20.507		881,555	-
Federal Highway Administration (FHWA)				
Passed-through the State of Louisiana				
Department of Transportation and Development Cluster				
Highway Planning and Construction	20.205	H.010172.6	112,540	-
Recreational Trails Program	20.219	H.009350	14,511	-
Total for Cluster			127,051	-

City of Alexandria, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2016

Schedule 13
(Concluded)

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grant Number	Amount Expended	Amount Provided Subrecipients
National Highway Traffic Safety Administration				
Passed-through the State of Louisiana				
Department of Transportation and Development				
State and Community Highway Safety	20.600	PT-2015-30-11	8,811	-
	20.600	PT-2016-30-11	16,446	-
Total CFDA 20.600			25,257	-
Agency Totals			1,033,863	-
U.S. Department of Homeland Security				
Passed-through the Rapides Parish Police Jury				
Homeland Security Grant Program	97.067	EMW-2014-SS00075-501	15,755	-
Homeland Security Grant Program	97.067	EMW-2015-SS00075-501	2,190	-
Total CFDA 97.067			17,945	-
Agency Totals			17,945	-
U.S. Department of Agriculture				
Rural Business Cooperative Service				
Direct				
Rural Business Enterprise Grant	10.769		116,563	-
Agency Totals			116,563	-
TOTALS			$ 2,642,439	$ 24,441

Notes:

(1) The Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the City of Alexandria, Louisiana, (the City) under programs of the federal government for the year ended April 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Expenditures for CFDA #20.507 are reported on the accrual basis of accounting. All other expenditures 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.

(3) The City of Alexandria, Louisiana did not elect to use the ten percent (10%) *de minimus* indirect cost rate as allowed under the Uniform Guidance.

See independent auditor's report.

City of Alexandria, Louisiana
Utilities System Enterprise Fund
Unaudited Summary of Utility Service Customers
April 30, 2016

Schedule 14

Type of Service	Number of Customers April 30, 2016
Electricity	24,898
Water	22,025
Gas	16,142
Wastewater	17,691

See independent auditor's report.

City of Alexandria, Louisiana
Unaudited Listing of Insurance in Force
April 30, 2016

Schedule 15
(Continued)

Property

Insurer: The Travelers Insurance Companies
Expiration date: May 6, 2016
Coverage:
Real property, comprising buildings, and personal property
Self-insured retention:
$100,000 per occurrence deductibles
Policy limits of liability:
$300,000,000 per occurrence with specified sublimits

Boiler and Machinery

Insurer: The Travelers Insurance Companies
Expiration date: May 6, 2016
Coverage:
Comprehensive boiler and machinery coverage including production machines
Loss retention:
Varies with a minimum of $50,000 per occurrence
Policy limits of liability:
$50,000,000 per accident with specified sublimits

Insurer: XL Insurance America, Inc.
Expiration date: March 4, 2018
Coverage:
Comprehensive boiler and machinery coverage including production machines
Loss retention:
Varies with a minimum of $250,000 per occurrence ($100,000 on transformers)
Policy limits of liability:
$37,000,000 per accident with specified sublimits

General Liability/Law Enforcement

Insurer: Ace American Insurance Company
Expiration date: May 6, 2016
Coverage:
Bodily injury and property damage, personal and advertising injury,
and law enforcement liability
Self-insured retention:
$500,000 each and every loss and/or claim and/or occurrence
Policy limits of liability:
$2,000,000 each and every loss and/or occurrence Combined Single Limit
$4,000,000 in the aggregate annually as respects products/completed operations
Public Officials Errors and Omissions
Coverage:
Any actual or alleged error or misstatement, omission, act of neglect or breach
of duty including misfeasance, malfeasance and non-feasance by the Insured;
includes actual or alleged violations of US or state constitutions or any law
affording protection for civil rights

See independent auditor's report.

City of Alexandria, Louisiana
Unaudited Listing of Insurance in Force
April 30, 2016

Schedule 15
(Concluded)

Employee Benefits Liability
Insurer: Ace American Insurance Company
Expiration date: May 6, 2016
Coverage:
Any negligent act, error or omission in the administration of the Insured's employee benefits programs
Self-insured retention:
$500,000 each and every loss and/or claim and/or occurrence
Policy limits of liability:
$2,000,000 each and every loss and/or occurrence Combined Single Limit
$4,000,000 in the aggregate annually as respects products/completed operations

Specific Excess Workers' Compensation and Employers Liability Indemnity
Insurer: Safety National Casualty Company
Expiration date: May 6, 2016
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:
$600,000 per occurrence
Policy limits of liability:
Workers' compensation - statutory
Employers' liability - $1,000,000 per occurrence

Fidelity Bond
Insurer: Ohio Casualty Insurance Company
Expiration date: May 21, 2016
Coverage: Tax Collector
Policy limits of liability: $10,000

Public Employees Honesty Bond
Insurer: Fidelity and Deposit Company of Maryland
Expiration date: September 1, 2016
Coverage:
Employees in the Divisions of Finance, Public Works, Planning and CADS
Loss retention: $10,000 per occurrence
Policy limits of liability: $100,000 per employee

See independent auditor's report.

City of Alexandria, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to the Agency Head
April 30, 2016

Schedule 16

Agency Head: The Honorable Mayor Jacques Roy

Purpose	Amount
Salary	$ 121,929
Benefits - medicare	1,969
Benefits - life insurance	22
Benefits - health insurance	15,294
Benefits-retirement/457 plan	11,195
Car allowance	8,001
Travel	6,393
Registration fees	3,365
Conference travel	9,065
Special meals	1,485
Total	$ 178,718

See accompanying independent auditor's report.

Other Reports Required by
Government Auditing Standards
and the Uniform Guidance

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

PM◆H

PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
Established 1945

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alexandria, Louisiana (the City), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Alexandria, Louisiana's basic financial statements and have issued our report thereon dated October 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Payne, Moore + Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

October 26, 2016

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

PM◆H

PAYNE, MOORE & HERRINGTON, LLP

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Honorable Mayor and City Council
City of Alexandria, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Alexandria, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended April 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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The Honorable Mayor and City Council
City of Alexandria, Louisiana

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Alexandria, Louisiana's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

PAYNE, MOORE & HERRINGTON, LLP

The Honorable Mayor and City Council
City of Alexandria, Louisiana

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Payne, Moore + Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

October 26, 2016

City of Alexandria, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2016

Part I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Unmodified		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	Yes	X	None reported
Noncompliance material to the financial statements?	_____	Yes	X	No
Management's Corrective Action Plan		Not applicable		
Management's Summary Schedule of Prior Year Findings		Not applicable		

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	Yes	X	None reported
Type of auditor's report issued on compliance for major programs:		Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	Yes	X	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and Type B programs		$750,000		
Auditee qualified as a low-risk auditee?	_____	Yes	X	No

City of Alexandria, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended April 30, 2016

Part II - Findings Relating to the Financial Statements which are Required to be Reported Under *Government Auditing Standards*

None reported.

Part III - Findings and Questioned Costs for Federal Awards

None reported.

Special Letter
Re: Resolution Number 2341-1982
Requirement of Specific Recommendations

PM•H

PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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The Honorable Mayor and City Council
City of Alexandria, Louisiana

RE: Resolution Number 2341-1982
Requirement of specific recommendations

As engaged independent certified public accountants, we were requested to include specific recommendations in accordance with Resolution Number 2341-1982, which is "a resolution relative to the fulfillment of commitments of the City of Alexandria, Louisiana relative to the Combined Utilities System." These recommendations are intended 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 reasonably 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.

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, if any, relative to the Combined Utilities System as noted in our accompanying schedule of findings and questioned costs.

Payne, Moore + Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

October 26, 2016

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Independent Auditors' Report on Compliance
With Utilities Revenue Bond Series 2014 and Series 2013A

PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditors' Report on Compliance With Utilities Revenue Bonds Series 2014 and 2013A

The Honorable Mayor and City Council
City of Alexandria, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alexandria, Louisiana (the City), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Alexandria, Louisiana's basic financial statements and have issued our report thereon dated October 26, 2016.

In connection with our audit, no default on the part of the City of any covenant or obligation as stated in the Utilities Revenue Bonds, Series 2014 or Utilities Revenue Bonds, Series 2013A was noted. However, our audit was not directed primarily towards obtaining such knowledge.

The purpose of this report is solely to describe the City's compliance with the requirements of the Utilities Revenue Bonds, Series 2014 and Utilities Revenue Bonds, Series 2013A. Accordingly, this report is not suitable for any other purpose.

Payne, Moore + Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

October 26, 2016

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