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PAROCHIAL EMPLOYEES' RETIREMENT  
SYSTEM OF LOUISIANA  
Baton Rouge, Louisiana

AUDIT REPORT  
December 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-17-96

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

I have audited the Balance Sheet of the Parochial Employees' Retirement System (the "System") as of December 31, 1995, and the related Statements of Revenues, Expenses and Changes in Fund Balance for the year then ended, as listed in the foregoing table of contents. These financial statements are the responsibility of the System's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of December 31, 1995 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the table of contents as supplemental information are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Parochial Employees' Retirement System. Such statistical information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

  
Bruce H. Stagg, CPA

May 15, 1996

# BRUCE H. STAGG

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

I have audited the financial statement of the Parochial Employees' Retirement System of Louisiana, for the year ended December 31, 1995, and have issued my report thereon dated May 15, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.


Compliance with laws, regulations, contracts, and grants applicable to the Parochial Employees' Retirement System of Louisiana is the responsibility of the Parochial Employees' Retirement System of Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed test of the Parochial Employees' Retirement System of Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, the Parochial Employees' Retirement System of Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Parochial Employees' Retirement System of Louisiana had not complied, in all material respects, with those provisions.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

This report is intended solely for the information of the Board of Trustees, the Legislative Auditor, and management. However, this report is a matter of public record and its distribution is not limited.

  
Bruce H. Stagg, CPA

May 15, 1996

# BRUCE H. STAGG

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

I have audited the financial statements of the Parochial Employees' Retirement System of Louisiana for the year ended December 31, 1995, and have issued my report thereon dated May 15, 1996. My audit was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Solely to assist me in planning and performing my audit, I made a study and evaluation of the internal accounting controls of the Parochial Employees' Retirement System of Louisiana. For the purpose of this report, I have classified the significant accounting controls in the following categories: (1) cash and cash equivalents, (2) investments, (3) receivables, (4) property and equipment, (5) payables and accrued liabilities and (6) fund balance. My study and evaluation of these items was limited to a preliminary review of the system to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because I concluded that the audit could be performed more efficiently by expanding substantive audit test, my study did not extend beyond this preliminary review phase. Accordingly, I do not express an opinion on the system of internal accounting control taken as a whole. Also, my examination, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the system of internal accounting control.

During my examination, however, I did not become aware of any conditions that I believe to be a material weakness.

This report is intended solely for the use of management and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Parochial Employees' Retirement System of Louisiana, is a matter of public record.

  
Bruce H. Stagg, CPA

May 15, 1996

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

BALANCE SHEET  
December 31, 1995

ASSETS

Cash-demand deposits	\$ 16,268,445
Contributions receivable	13,828,041
Accrued interest receivable	2,227,727
Dividends Receivable	335,640
Debt Securities at amortized cost	524,409,759
Capital Stock Equities at cost	144,422,739
Other	2,079
Furniture and fixtures (Net of accumulated depreciation of \$177,305)	28,542
Security deposits	2,525
Deferred Compensation Plan	<u>21,500</u>
Total assets	<u>\$701,546,997</u>

LIABILITIES

Accounts payable	\$ 1,535,727
Accrued leave time	4,505
Refunds payable	539,752
Retirement allowances payable	2,730,302
Deferred Compensation payable	<u>21,500</u>
Total liabilities	<u>4,831,786</u>

Net assets available for  
benefits \$696,715,211

FUND BALANCE

Actuarial present value of projected benefits payable to current retirants and beneficiaries	\$311,177,423
Actuarial present value of projected benefits payable to terminated vested participants	14,968,667
Actuarial present value of credited projected benefits for active employees	163,201,324
Member contributions Employer and taxing bodies financed portion	<u>310,966,586</u>
Total actuarial present value of credited projected benefits	800,314,000
Unfunded actuarial present value of credited projected benefits	<u>103,598,789</u>
Total fund balance	<u>\$696,715,211</u>

See Notes to Financial Statements.



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE  
Year ended December 31, 1995

REVENUE	
Contributions:	
Members	\$ 25,918,361
Employers	21,496,466
Taxing bodies	2,557,260
Investment income	53,325,283
Actuarial Transfers from other systems	778,168
Miscellaneous	<u>64,328</u>
Total revenue	<u>\$104,139,866</u>
EXPENSES	
Pensions paid	\$ 35,622,309
Refunds of deposits	8,624,934
Investment fees	700,590
Transfer to other systems	5,592,442
Administrative expenses (including depreciation expense of \$9,950)	<u>623,747</u>
Total expenses	<u>\$ 51,164,022</u>
EXCESS OF REVENUE OVER EXPENSES	52,975,844
FUND BALANCE, Beginning of year	<u>\$643,739,367</u>
FUND BALANCE, End of year	<u><u>\$696,715,211</u></u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995

1. PLAN DESCRIPTION

The following brief description of the Parochial Employees' Retirement System Pension Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The Parochial Employees' Retirement System of Louisiana, a Public Employee Retirement System (PERS), is the administrator of a cost sharing multiple-employer plan that was established by the Louisiana legislature as of January 1, 1953, by Act 205 of 1952. The system was revised by Act No. 765 of 1979, effective January 1, 1980, to create the Plan A Fund and Plan B Fund to replace the "regular plan" and the "supplemental plan". Plan B Fund replaced the "regular plan". The system is administered by a Board of Trustees consisting of seven members.

The Retirement System is governed by the Louisiana Revised Statutes, Title 11, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Employers that may participate are: Any parish in the State of Louisiana, excepting Orleans and East Baton Rouge; the Police Jury or any other governing body of a parish which employs and pays persons serving the parish; the Police Jury Association of Louisiana; the Louisiana School Boards Association, and this Retirement System; members of School Boards at their option; any taxing district of a parish or any branch or section of a parish including a hospital district, water district, library, district indigent defender program in this state; and soil and water conservation districts.

Of the above named types of employers, there were 193 participating in Plan A and 49 participating in Plan B.

Any person who is a permanent employee and works at least 28 hours a week and whose compensation is paid wholly or partly by a covered employer is covered by this system.

As of December 31, 1995, employee membership data related to the Pension Plans were as follows:

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
 December 31, 1995  
 (Continued)

	PLAN A	PLAN B
Retirees and beneficiaries currently receiving benefits	\$ 3,860	\$ 328
Terminated employees entitled to benefits but not receiving them	268	44
Terminated employees due a refund of contributions	<u>4,788</u>	<u>910</u>
Total	<u>\$ 8,916</u>	<u>\$1,282</u>
Active plan participants:		
Vested	\$ 4,170	324
Non-vested	8,158	1,240
Members participating in DROP	<u>90</u>	<u>4</u>
Total	<u>\$12,418</u>	<u>\$1,568</u>

Membership is mandatory for all employees of taxing districts of a parish or any branch or section of a parish including a hospital district, water district or library that is a member of the retirement system providing they meet the statutory criteria.

(A) Plan A Fund Benefits:

Any member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60.

The retirement allowance is equal to three percent of the member's final average compensation (defined as the average of the highest consecutive 36 months) multiplied by his years of creditable service; however, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

(Continued)

member's final salary (last 12 months) or the final average compensation.

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement and suffers disability which has been certified by the State Medical Disability Board. The rate is 3 per cent of the member's final compensation multiplied by his years of creditable service under certain conditions outlined in the statutes.

Upon the death of a member with 5 or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 30 to 60 per cent of the member's final compensation.

(B) Plan B Fund Benefits:

Any member is eligible for normal retirement if he has at least 30 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 62 if the preceding requirements are met. Early retirement is allowed at age 60, provided that benefits are reduced by 3% for each year below age 62. The monthly amount of the retirement allowance is 2 per cent, subject to the provisions of the statutes, of the member's final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) less the amount of \$1200.00 times his years of creditable service.

A member is eligible to retire and receive disability benefits if he has at least 10 years of creditable service, is not eligible for normal retirement and suffers disability. The disability must be certified by the State Medical Disability Board. The disability rate is 2 per cent of the member's final compensation, multiplied by his years of creditable service under certain conditions outlined in the statutes.

The Plan provides benefits for surviving spouses and minor children under certain provisions in the

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

statutes.

(C) Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member who has been an active contributing member for one full year after becoming eligible for a normal retirement allowance may elect to participate in the Deferred Retirement Option Plan, and defer the receipt of benefits.

The duration of participation in the plan shall be specified and shall not exceed three years.

Upon the effective date of the commencement of participation in the plan, membership in the system shall terminate. Employer contributions shall continue to be payable by the employer during the person's participation in the plan, but payments of employee contributions shall cease upon the effective date of the person's commencement of participation in the plan.

The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, shall be paid into the Deferred Retirement Option Plan Fund, which shall not earn interest.

Upon termination of employment at the end of the specified period of participation, a participant in the plan shall receive, at his option, a lump sum payment from the Deferred Retirement Option Plan Fund equal to the payments made to that fund on his behalf, a true annuity based upon his account in that fund, or any other method of payment approved by the Board of Trustees.

(D) Member Contributions:

Member contributions, established by Statute at 9.5% of total compensation for Plan A and at 2.0% of total compensation less \$100 per month for Plan B, are deducted from the member's salary, and remitted by the participating employers. The Annuity Savings Fund of Plans A and B represents member contributions, less refunds, and less transfers to the Annuity Reserve Fund of Plans A and B.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

(E) Employer Contributions:

Employer contributions are actuarially determined every fiscal year according to statutory process. Written notice of these rates is provided to employers annually. In 1995, these employer rates are 8.00% for Plan A and 1.00% for Plan B.

(F) Taxing Bodies' Contributions:

The Sheriffs and ex-officio tax collectors of all parishes except Orleans and East Baton Rouge remit one-fourth of one per cent of the amount of taxes which are being collected. This contribution is pro-rated between the Plan A Fund and the Plan B Fund based on the salaries of members for the previous fiscal year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

The financial statements of the Parochial Employees' Retirement System of Louisiana are prepared on the accrual basis of accounting. Contributions from employers and employees are recognized as revenue in the period in which employees provide services to the employers. Investment income is recognized when earned by the Pension Plans.

All investments other than equity in stocks are reflected in the balance sheet at amortized cost. Premiums and discounts on long-term investments, other than zero coupon U.S. Treasury Bonds which pay interest at maturity, are amortized over the life of the investment using the straight-line method. Differences between the straight-line method and the interest method are considered immaterial. Discounts on zero coupon bonds are amortized using the interest method over the life of the investment.

Stock equities are carried at cost.

No investment in any one organization represents 5% or more of the net assets available for pension benefits.

There are no investments in, loans to, or leases with parties related to the Pension Plans.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

(Continued)

A comparison of amortized cost with market value as of December 31, 1995, is as follows:

	<u>AMORTIZED COST</u>	<u>MARKET VALUE</u>
PLAN A FUND		
Bonds	\$190,273,781	\$238,904,059
Loans, mortgages, notes, etc.	<u>288,955,080</u>	<u>307,020,338</u>
Total	<u>\$479,228,861</u>	<u>\$545,924,397</u>
PLAN B FUND		
Bonds	\$ 17,898,346	\$ 21,182,553
Loans, mortgages, notes, etc.	<u>26,713,169</u>	<u>29,035,447</u>
Total	<u>\$ 44,611,515</u>	<u>\$ 50,218,000</u>
TOTALS		
Bonds	\$208,172,127	\$260,086,612
Loans, mortgages, notes, etc.	<u>315,668,249</u>	<u>336,055,785</u>
Total	<u>\$523,840,376</u>	<u>\$596,142,397</u>

A comparison of cost and market value of Capital Stock Equities of Plan A is as follows:

	<u>COST</u>	<u>MARKET VALUE</u>
Capital Stock Equities	<u>\$144,422,739</u>	<u>\$194,455,436</u>

State statutes and Board of Trustees policies permit the system to use investments of Plan A to enter into securities lending transactions - loans of securities to broker-dealers or other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The system's securities custodians are agents in lending the plan's domestic securities for cash or securities issued, or guaranteed as to principal and interest, by the United States Government, its agents or instrumentalities, as collateral of 102 percent. The cash received as collateral is invested in securities issued, or guaranteed as to principal and interest, by the United States Government, its

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

agencies or instrumentalities and/or repurchase agreements collateralized by such investments and money market mutual funds which invest in those securities. Securities on loan at year-end are presented as unclassified in the following schedule. At year-end, the system has no credit risk exposure to borrowers because the amounts the system owes the borrowers exceed the amounts the borrowers owe the system. Contracts with the lending agents require them to indemnify the system if the borrowers fail to return the securities (and the collateral is inadequate to replace the loaned securities) or fail to pay the system for income distributions by the securities' issuers while the securities are on loan.

The net amount earned by the system during the year from security lending transactions was \$221,457, which is included in the financial statements as investment revenue.

The following represents the balances relating to the securities lending transactions at December 31, 1995:

<u>Securities Loaned</u>	<u>Fair Value of Underlying Securities</u>	<u>Collateral Received</u>	<u>Collateral Investment Value</u>	<u>Type of Collateral</u>
U.S. Government and Agency Securities	\$ 78,681,581	\$ 79,503,053	\$ 80,255,213	Cash
U.S. Government and Agency Securities	2,991,310	3,051,136	3,061,094	U.S. Gov't & Agency Securities
Corporate Equities	<u>27,198,027</u>	<u>27,741,988</u>	<u>27,741,988</u>	Cash
Totals	<u>\$108,870,918</u>	<u>\$110,296,177</u>	<u>\$111,058,295</u>	

Fixed assets of the Parochial Employees' Retirement System of Louisiana are carried at historical costs. Depreciation is recognized on the straight-line method over the useful lives of the assets which range from five to ten years for equipment.

The Parochial Employees' Retirement System of Louisiana adopts an annual budget only for the Expense Fund. This budget is utilized only for forecasting purposes and is not legally binding on the System. Unspent allocations lapse at year end.



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

(Continued)

All demand deposits and time deposits (with the exception of the Expense Fund checking account) are held in trust. The Expense Fund checking account (\$149,750) is covered by insurance and/or fully collateralized, while all trust accounts are fully collateralized.

Employees' leave, cumulative without limitation, is accrued at rates of 12 to 18 days per year depending upon length of service. Upon separation, employees are compensated for unused accumulated annual leave, not to exceed \$800.00. Employees are not compensated for accumulated sick leave upon separation.

The liability for accrued annual leave at December 31, 1995, was \$4,505 as shown on the balance sheet.

3. FUNDING STATUS AND PROGRESS

Presented below is the total pension benefit obligation of the Parochial Employees' Retirement System of Louisiana. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5 that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of the PERS financial statements to (a) assess the Parochial Employees' Retirement System of Louisiana funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among PERS.

Because the standardized measurement is used only for disclosure purposes by the Parochial Employees' Retirement System of Louisiana, the measurement is independent of the method used to determine contributions to the PERS. The funding method used to determine contributions to the PERS is explained in Note 4.

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

obligation and these assumptions are summarized below:

- (a) The present value of future pension payments was computed by using a discount rate of 8%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the Pension Plans.
- (b) Future pension payments reflect an assumption of a 5.5% annual salary increase as a result of inflation.
- (c) Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the unfunded pension benefit obligation as of December 31, 1995, is as follows:

<u>PENSION BENEFIT OBLIGATION</u>	<u>PLAN A</u>	<u>PLAN B</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Retirees and beneficiaries				
currently receiving benefits	\$297,968,996	\$ 13,208,427	\$ -	\$311,177,423
Terminated employees not				
yet receiving benefits	13,334,111	1,634,556	-	14,968,667
Current employees	<u>451,590,423</u>	<u>22,577,487</u>	<u>-</u>	<u>474,167,910</u>
Total pension benefit obligation	\$762,893,530	\$ 37,420,470	-	800,314,000
Net assets available for				
benefits at amortized cost	<u>647,645,108</u>	<u>48,304,460</u>	<u>765,643</u>	<u>696,715,211</u>
Unfunded pension benefit obligation	<u>\$115,248,422</u>	<u>(\$10,883,990)</u>	<u>(\$765,643)</u>	<u>\$103,598,789</u>

CHANGES IN VALUATIONS METHODS, ASSUMPTIONS, AMORTIZATION PERIODS: For fiscal 1988, the amortization illustrated for Plan A was over 41 years and costs were determined on the Frozen Attained Age Normal Method. For this valuation the unfunded accrued liability was recalculated and frozen to be amortized over 40 years as required by Act 81 of the 1988 legislative session. Prior to Act 81 of 1988, actuarial assets values excluded property, plant, and equipment. Since Act 81 of 1988, actuarial asset value includes the allocated share of all Expense Fund assets.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

METHOD OF RECOGNIZING GAINS AND LOSSES: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

4. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Employer and employee contributions to the Pension Plans are established by state statute. Employer contributions are set at 8.00 % of covered wages for Plan A and at 1.00% of covered wages for Plan B. Employee contributions are set at 9.50% of covered wages for Plan A and 2.00% of covered wages for Plan B. In addition to the aforementioned contributions the tax collectors of various parishes contribute one fourth of one percent of all tax collections. These payments are pro-rated between the plans based upon total salaries.

Contributions required and made during the year are as follows:

	<u>PLAN A</u>	<u>PLAN B</u>	<u>TOTAL</u>
Employer	\$21,196,094	\$ 300,372	\$21,496,466
Employee	25,007,892	576,542	25,584,434
Taxing bodies	<u>2,295,567</u>	<u>261,693</u>	<u>2,557,260</u>
Total	<u>\$48,499,553</u>	<u>\$1,138,607</u>	<u>\$49,638,160</u>

The actuary for the Pension Plans, G.S. Curran and Company, LTD, has determined the actuarially required contributions as established by state statute.

The actuarially required employer contribution for Plan A was determined by adding to the normal cost an amortization payment on the unfunded accrued liability which was based on a 40 year annuity with payments increasing at 4% per year. This payment method conforms to legislation passed during 1988 by the Louisiana Legislature. The resulting employers' net actuarially required contribution for 1996 is \$23,463,733 or 7.78% of payroll. This plan currently receives employee contributions of 9.5% of payroll together with employer contributions of 8.00% of payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

Thus, the net employer contribution for fiscal 1996 is 7.75% of payroll or .53% of payroll less than the amount required to fund the plan according to the methods and assumptions stipulated in this report.

The actuarially required employer contribution as determined by the funding method and assumptions specified in the report for Plan B for 1996 is \$1,043,626 or 2.44% of payroll. The Plan currently receives employee contributions amounting to 2.0% of payroll on salaries in excess of \$100 per month and employer contributions of 1.0% of payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies. Thus, for Plan B the estimated net employer contribution for fiscal 1996 amounts to 2.50% of payroll or .06% of payroll more than the amount required to fund the plan according to the methods and assumptions stipulated in this report.

5. LOCATION OF TEN-YEAR HISTORICAL TREND INFORMATION

Ten-year historical trend information related to the Pension Plans is presented on pages 24-26. The information is presented to enable the reader to assess the progress made by the Parochial Employees' Retirement System of Louisiana in accumulating sufficient assets to pay pension benefits as they become due.

Present net assets of the system were creditable as follows:

	<u>PLAN A</u>	<u>PLAN B</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Annuity Savings Fund	\$162,272,214	\$ 5,337,807	\$ -	\$167,610,021
Annuity Reserve Fund	297,968,996	13,208,427	-	311,177,423
Pension Accumulation Fund	184,955,407	29,682,109	-	214,637,516
Deferred Retirement Option Plan	2,448,491	76,117	-	2,524,608
Unreserved	-	-	<u>765,643</u>	<u>765,643</u>
Total	<u>\$647,645,108</u>	<u>\$48,304,460</u>	<u>\$765,643</u>	<u>\$696,715,211</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
COMBINING BALANCE SHEET  
December 31, 1995

	PLAN A FUND	PLAN B FUND	EXPENSE FUND	TOTAL
<u>ASSETS</u>				
Cash-demand deposits	\$ 12,851,188	\$ 3,267,507	\$ 149,750	\$ 16,268,445
Debt Securities at amortized cost	479,228,861	44,611,515	569,383	524,409,759
Capital Stock Equities at cost	144,422,739	-	-	144,422,739
Contributions receivable	13,407,569	420,472	-	13,828,041
Accrued interest receivable	2,032,700	153,977	41,050	2,227,727
Due to/from other funds	7,313	(7,313)	-	-
Dividends receivable	335,640	-	-	335,640
Other current assets	2,079	-	-	2,079
Fixed assets				
Furniture and fixtures	-	-	205,847	205,847
Accumulated depreciation	-	-	(177,305)	(177,305)
Other assets				
Security deposits	-	-	2,525	2,525
Deferred Compensation Plan	-	-	21,500	21,500
Total assets	<u>\$652,288,089</u>	<u>\$48,446,158</u>	<u>\$ 812,750</u>	<u>\$701,546,997</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Retirement allowances payable	\$ 2,609,950	\$ 120,352	\$ -	\$ 2,730,302
Refunds payable	518,406	21,346	-	539,752
Accounts payable	1,514,625	-	21,102	1,535,727
Accrued leave payable	-	-	4,505	4,505
Deferred Compensation payable	-	-	21,500	21,500
Total liabilities	<u>\$ 4,642,981</u>	<u>\$ 141,698</u>	<u>\$ 47,107</u>	<u>\$ 4,831,786</u>
Fund Equity:				
Annuity savings fund	\$162,272,214	\$ 5,337,807	\$ -	\$167,610,021
Annuity reserve fund	297,968,996	13,208,427	-	311,177,423
Pension accumulation fund	184,955,407	29,682,109	-	214,637,516
Deferred Retirement Option Plan	2,448,491	76,117	-	2,524,608
Unreserved	-	-	765,643	765,643
Total fund equity	<u>\$647,645,108</u>	<u>\$48,304,460</u>	<u>\$ 765,643</u>	<u>\$696,715,211</u>
Total liabilities and fund equity	<u>\$652,288,089</u>	<u>\$48,446,158</u>	<u>\$ 812,750</u>	<u>\$701,546,997</u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND  
 CHANGES IN FUND BALANCE  
 December 31, 1995

	PLAN A FUND	PLAN B FUND	EXPENSE FUND	TOTAL
<b>REVENUE</b>				
Contributions:				
Members-current payroll	\$ 25,007,892	\$ 576,542	\$ -	\$ 25,584,434
Members-purchase of prior service and refunds repaid	167,676	7,030	-	174,706
Members-transfers from other systems	153,805	5,416	-	159,221
Employers	21,196,094	300,372	-	21,496,466
Taxing bodies	2,295,567	261,693	-	2,557,260
Investment income	49,714,635	3,563,446	47,202	53,325,283
Transfers from other systems, other than member contributions	759,155	19,013	-	778,168
Miscellaneous	<u>53,396</u>	<u>10,932</u>	-	<u>64,328</u>
Total revenue	<u>\$ 99,348,220</u>	<u>\$ 4,744,444</u>	<u>\$ 47,202</u>	<u>\$104,139,866</u>
<b>EXPENSES</b>				
Pensions paid	\$ 34,079,726	1,542,583	\$ -	\$ 35,622,309
Refunds of deposits	8,429,255	195,679	-	8,624,934
Transfer to other systems				
Member contributions	2,002,410	10,062	-	2,012,472
Employer and Actuarial transfers	3,533,886	46,084	-	3,579,970
Investment fees	700,590	-	-	700,590
Operating expenses	<u>1,511</u>	<u>452</u>	<u>621,784</u>	<u>623,747</u>
Total expenses	<u>\$ 48,747,378</u>	<u>\$ 1,794,860</u>	<u>\$ 621,784</u>	<u>\$ 51,164,022</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE TRANSFERS	\$ 50,600,842	\$ 2,949,584	\$(574,582)	\$ 52,975,844
OPERATING TRANSFERS				
Transfers to (from) other funds	<u>(581,038)</u>	<u>(61,917)</u>	<u>642,955</u>	<u>-</u>
EXCESS OF REVENUE AND TRANSFERS OVER EXPENSES	\$ 50,019,804	\$ 2,887,667	\$ 68,373	\$ 52,975,844
FUND BALANCE, Beginning of year	<u>\$597,625,304</u>	<u>\$45,416,793</u>	<u>\$ 697,270</u>	<u>\$643,739,367</u>
FUND BALANCE, End of year	<u>\$647,645,108</u>	<u>\$48,304,460</u>	<u>\$ 765,643</u>	<u>\$696,715,211</u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
 SCHEDULE OF OPERATING EXPENSES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>SALARIES AND RELATED EXPENSE:</b>			
Salaries	\$244,282	\$239,769	\$ 4,513
Retirement	19,542	19,142	400
Group Hospitalization	16,486	14,462	2,024
Medicare & P/R Taxes	2,600	2,421	179
<b>PROFESSIONAL SERVICES:</b>			
Actuarial Consultant	42,120	39,120	3,000
Custodian Bank	101,000	92,928	8,072
Auditor	15,000	14,600	400
Legal Counsel	11,250	5,304	5,946
Investment Counseling	17,000	29,000	(12,000)
Computer Programing	7,000	2,599	4,401
Medical Board	5,100	3,997	1,103
<b>COMMUNICATIONS:</b>			
Printing	12,000	19,073	(7,073)
Telephone	8,850	7,281	1,569
Postage	17,000	17,219	(219)
Travel	22,950	17,955	4,995
Per Diem	1,875	2,175	(300)
Equipment Rental	19,200	18,514	686
<b>GENERAL OFFICE:</b>			
Rent	36,500	35,828	672
Supplies	4,000	5,939	(1,939)
Dues & Subscriptions	6,500	5,456	1,044
Equipment Maintenance	17,500	15,505	1,995
Insurance	4,000	3,418	582
Microfilm	4,500	-	4,500
Training	1,800	-	1,800
Legislative Auditor	600	-	600
GIS	1,500	-	1,500
Miscellaneous	-	129	(129)
DEPRECIATION	<u>-</u>	<u>9,950</u>	<u>(9,950)</u>
 Total operating expenses	 <u>\$640,155</u>	 <u>\$621,784</u>	 <u>\$ 18,371</u>

Also included in Budget was \$2,800 for Capital Items, of which \$909 was expended.

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
 SCHEDULE OF LONG-TERM INVESTMENTS IN DEBT SECURITIES  
 December 31, 1995

	PLAN A FUND						PLAN B FUND						TOTALS					
	AMORTIZED		AMORTIZED		AMORTIZED		AMORTIZED		AMORTIZED		AMORTIZED		AMORTIZED		AMORTIZED			
	FACE	COST	FACE	COST	MARKET	FACE	COST	FACE	COST	MARKET	FACE	COST	FACE	COST	MARKET	FACE	COST	MARKET
Government National Mortgage Association	\$ 79,471,296	\$ 78,152,423	\$ 78,452,979	\$ 81,472,074		\$ 9,485,904	\$ 8,984,833	\$ 9,119,921	\$ 9,985,230		\$ 88,957,200	\$ 87,137,256	\$ 87,572,900	\$ 91,457,304				
Collateralized Mortgage Obligations	119,456,707	116,240,742	116,466,268	120,882,680		8,505,483	8,456,271	8,471,182	9,121,795		127,962,190	124,697,013	124,937,450	130,004,475				
FILMC REMIC-ZS	101,964,640	92,599,841	94,035,833	104,665,584		8,603,579	8,445,262	8,466,841	9,268,422		110,568,219	101,045,103	102,502,674	113,934,006				
U.S. Zero Coupon Bonds	211,854,675	64,976,137	80,227,900	98,890,904		33,362,750	8,950,877	12,990,801	15,725,998		245,217,425	73,927,014	95,218,701	114,616,902				
U.S. Agency Zero Coupon Bonds	285,235,000	51,200,018	69,294,485	96,070,235		-	-	-	-		285,235,000	51,200,018	69,294,485	96,070,235				
U.S. Treasury Notes and Bonds	29,600,000	30,150,653	30,132,109	32,732,656		4,820,000	4,871,802	4,874,283	5,420,775		34,420,000	35,022,455	35,006,392	38,153,431				
Government Guaranteed Bonds	4,522,809	4,485,309	4,495,790	4,835,050		36,000	27,431	33,262	35,780		4,558,809	4,512,740	4,529,052	4,870,830				
Corporate Bonds and Debentures	6,340,000	5,931,908	6,123,497	6,375,214		-	-	-	-		6,340,000	5,931,908	6,123,497	6,375,214				
Government Guaranteed Mortgages	-	-	-	-		3,000,000	468,120	655,225	660,000		3,000,000	468,120	655,225	660,000				
Totals	\$838,445,127	\$443,737,031	\$479,228,861	\$545,924,397		\$67,813,716	\$40,204,596	\$44,611,515	\$50,218,000		\$906,258,843	\$483,941,627	\$523,840,376	\$596,142,397				

See Notes to Financial Statements.



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
COMBINING SCHEDULE OF CHANGES IN RESERVES  
Year ended December 31, 1995

	PLAN A FUND				PLAN B FUND				TOTAL						
	Amnity Savings	Amnity Reserve	Pension Accumulation	Deferred Retirement Option Plan	Amnity Savings	Amnity Reserve	Pension Accumulation	Deferred Retirement Option Plan							
BALANCE,															
Beginning of Year	\$152,899,341	\$277,432,081	\$165,614,476	\$1,679,406	\$597,625,304	\$5,177,026	\$11,787,975	\$28,420,992	\$30,800	\$45,416,793	\$158,076,367	\$289,220,056	\$194,035,468	\$1,710,206	\$643,042,097
ADDITIONS-Current															
Contributions	\$25,175,568	-	\$23,491,661	-	\$48,667,229	\$583,572	-	\$562,065	-	\$1,145,637	\$25,759,140	-	\$24,053,726	-	\$49,812,866
Net investment income	-	-	49,714,635	-	49,714,635	-	-	3,563,446	-	3,563,446	-	-	53,278,081	-	53,278,081
Transfers from other systems	153,805	-	759,155	-	912,960	5,416	-	19,013	-	24,429	159,221	-	778,168	-	937,389
Miscellaneous income	-	-	53,396	-	53,396	-	-	10,932	-	10,932	-	-	64,328	-	64,328
Total additions	\$25,329,373	-	\$74,018,847	-	\$99,348,220	\$588,988	-	\$4,155,456	-	\$4,744,444	\$25,918,361	-	\$78,174,303	-	\$104,092,664
DEDUCTIONS-Current															
Pensions paid	\$8,429,255	-	-	-	\$504,832	\$34,079,726	-	\$1,542,583	-	\$1,542,583	-	\$35,117,477	-	\$504,832	\$35,622,309
Refunds	2,002,410	-	3,533,886	-	5,536,296	10,062	-	46,084	-	56,146	2,012,472	-	3,579,970	-	5,592,442
Transfer to other systems	-	-	581,038	-	581,038	-	-	61,917	-	61,917	-	-	642,955	-	642,955
Transfer to expense fund	-	-	702,101	-	702,101	-	-	452	-	452	-	-	702,553	-	702,553
Service fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total deductions	\$10,431,665	\$33,574,894	\$4,817,025	\$504,832	\$49,328,416	\$205,741	\$1,542,583	\$108,453	-	\$1,856,777	\$10,637,406	\$35,117,477	\$4,925,478	\$504,832	\$51,185,193
TRANSFERS															
Annuities awarded	\$ (5,524,835)	\$ 5,524,835	-	-	\$ (222,466)	\$ 222,466	-	-	-	\$ (5,747,301)	\$ 5,747,301	-	-	-	-
Present value of benefits	-	48,586,974	(48,586,974)	-	-	-	2,740,569	(2,740,569)	-	-	-	51,327,543	(51,327,543)	-	-
Deferred Retirement Option Plan	-	-	(1,273,917)	1,273,917	-	-	-	(45,317)	45,317	-	-	-	(1,319,234)	1,319,234	-
Total transfers	\$ (5,524,835)	\$ 54,111,809	\$ (49,860,891)	\$ 1,273,917	\$ 2,963,035	\$ (2,785,886)	\$ 45,317	\$ (5,747,301)	\$ 57,074,844	\$ (52,646,777)	\$ 1,319,234	\$ -	\$ -	\$ 814,402	\$ 52,907,471
NET ADDITIONS (DEDUCTIONS)-Current	\$ 9,372,873	\$ 20,536,915	\$ 19,340,931	\$ 769,085	\$ 50,019,804	\$ 160,781	\$ 1,420,452	\$ 1,261,117	\$ 45,317	\$ 2,887,667	\$ 9,553,654	\$ 21,957,367	\$ 20,602,048	\$ 814,402	\$ 52,907,471
BALANCE, End of year	\$162,272,214	\$297,968,996	\$184,955,407	\$2,448,491	\$647,645,108	\$5,337,807	\$13,208,427	\$29,682,109	\$76,117	\$48,304,460	\$167,610,021	\$311,177,423	\$214,637,516	\$2,524,608	\$695,949,568

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION  
ANALYSIS OF FUNDING PROGRESS

	Fiscal Year	Net Assets Available for Benefits*	Pension Benefit Obligation	Percentage Funded	Unfunded (Excess) Actuarial Present Value of Credited Projected Benefits	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
<u>PLAN A</u>	1986	\$252,628,713	\$422,799,906	59.75	\$170,151,193	\$185,814,428	91.57
	1987	\$286,641,345	\$455,886,386	62.88	\$169,245,041	\$180,664,292	93.68
	1988	\$320,851,063	\$437,222,149	73.38	\$116,371,086	\$185,672,600	62.68
	1989	\$360,627,667	\$471,465,862	76.49	\$110,838,195	\$193,371,480	57.32
	1990	\$408,221,417	\$527,114,240	77.44	\$118,892,823	\$209,331,956	56.80
	1991	\$458,686,781	\$577,689,301	79.40	\$119,002,520	\$225,064,826	52.87
	1992	\$523,737,985	\$629,488,310	82.38	\$110,927,516	\$235,758,497	47.05
	1993	\$572,585,613	\$678,722,913	84.36	\$106,137,300	\$247,325,379	42.91
	1994	\$597,625,304	\$691,858,596	86.38	\$ 94,233,292	\$250,437,323	37.63
	1995	\$647,645,108	\$762,893,530	84.89	\$115,248,422	\$261,736,015	44.03
<u>PLAN B</u>	1986	\$ 20,555,910	\$ 20,508,640	100.23	\$ ( 47,270)	\$ 23,645,491	( .20)
	1987	\$ 23,841,837	\$ 20,272,023	117.61	\$ (3,569,814)	\$ 16,892,960	(21.13)
	1988	\$ 25,997,268	\$ 19,302,902	134.68	\$ (6,694,366)	\$ 16,934,107	(39.53)
	1989	\$ 29,297,359	\$ 20,868,885	140.39	\$ (8,428,474)	\$ 17,409,136	(48.41)
	1990	\$ 31,671,159	\$ 22,678,693	139.65	\$ (8,992,466)	\$ 19,618,490	(45.84)
	1991	\$ 33,958,189	\$ 25,553,291	132.89	\$ (8,404,898)	\$ 23,241,088	(36.16)
	1992	\$ 37,256,737	\$ 27,815,412	133.94	\$ (9,441,325)	\$ 25,134,051	(37.56)
	1993	\$ 42,222,677	\$ 30,493,879	138.46	\$ (11,728,798)	\$ 26,512,361	(44.23)
	1994	\$ 45,416,793	\$ 32,761,741	138.63	\$ (12,655,052)	\$ 28,640,627	(44.18)
	1995	\$ 48,304,460	\$ 37,420,470	129.09	\$ (10,883,990)	\$ 30,348,093	(35.86)

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Parochial Employees' Retirement System of Louisiana PERS funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

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\*Net assets other than Capital Stock Equities are presented at amortized cost values as explained in the notes to the financial statements. Capital Stock Equities are carried at cost.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
REVENUES BY SOURCE AND EXPENSES BY TYPE  
Year ended December 31, 1995

FISCAL YEAR	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	CONTRIBUTIONS			TRANSFERS	TOTALS
			TAXING BODIES	INVESTMENT INCOME	OTHER	TO/FROM OTHER FUNDS	
<b>PLAN A</b>							
1986	17,964,164	13,307,461	1,663,786	29,006,387	75,919	402,525	62,420,242
1987	17,409,862	12,877,731	1,464,123	25,934,853	33,583	357,800	58,077,952
1988	17,324,766	12,792,028	1,710,327	29,758,392	45,374	119,416	61,750,303
1989	18,124,046	13,541,720	1,857,633	32,705,688	126,246	407,565	66,762,898
1990	19,966,981	17,855,048	1,888,875	37,488,417	74,908	-	77,273,629
1991	21,800,152	18,962,932	1,939,314	39,951,717	395,836	-	83,049,951
1992	23,083,529	22,526,722	2,070,885	47,486,597	317,662	-	95,485,395
1993	24,111,040	22,154,882	2,167,192	44,366,296	426,085	-	93,225,495
1994	24,864,093	21,427,838	2,220,970	41,992,980	662,207	-	91,168,088
1995	25,329,373	21,196,094	2,295,567	49,714,635	812,551	-	99,348,220
<b>PLAN B</b>							
1986	1,214,245	1,350,560	254,872	1,988,665	34,703	47,475	4,890,520
1987	1,078,140	1,148,934	278,914	2,284,249	1,638	42,200	4,834,075
1988	840,005	875,244	238,634	2,440,701	3,885	14,084	4,412,553
1989	865,894	938,074	179,230	2,733,580	4,168	42,435	4,763,381
1990	401,507	374,887	166,543	2,817,241	77,169	-	3,837,347
1991	434,237	3,849	180,675	3,087,996	10,837	-	3,717,594
1992	508,008	241,691	223,849	3,732,744	74,128	-	4,780,420
1993	521,198	519,455	230,572	5,323,511	6,894	-	6,601,630
1994	580,422	425,625	260,110	3,637,071	122,476	-	5,025,704
1995	588,988	300,372	261,693	3,563,446	29,945	-	4,744,444
<b>EXPENSE FUND</b>							
1986	-	648,630	-	38,833	-	-	687,463
1987	-	632,168	-	28,432	-	-	660,600
1988	-	610,227	-	36,082	-	-	646,309
1989	-	638,391	-	39,938	-	-	678,329
1990	-	-	-	34,209	-	384,353	418,562
1991	-	-	-	32,400	-	702,145	734,545
1992	-	-	-	25,348	-	197,315	222,663
1993	-	-	-	18,100	-	572,140	590,240
1994	-	-	-	23,467	18	598,321	621,806
1995	-	-	-	47,202	-	642,955	690,157
<b>TOTALS</b>							
1986	19,178,409	15,306,651	1,919,658	31,033,885	110,622	450,000	67,998,225
1987	18,488,002	14,658,833	1,743,037	28,247,534	35,221	400,000	63,572,627
1988	18,164,771	14,277,499	1,948,961	32,235,175	49,259	133,500	66,809,165
1989	18,989,940	15,118,185	2,036,863	35,479,206	130,414	450,000	72,204,608
1990	20,367,888	18,229,935	2,055,418	40,339,867	152,077	384,353	81,529,538
1991	22,234,389	18,966,781	2,119,989	43,072,113	406,673	702,145	87,502,090
1992	23,591,537	22,768,413	2,294,734	51,244,689	391,790	197,315	100,488,478
1993	24,632,238	22,674,337	2,397,764	49,707,907	432,979	572,140	100,417,365
1994	25,444,515	21,853,463	2,481,080	45,653,518	784,701	598,321	96,815,598
1995	25,918,361	21,496,466	2,557,260	53,325,283	842,496	642,955	104,782,821

See Notes to Financial Statements

FISCAL YEAR	BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	TRANSFERS TO OTHER SYSTEMS	TRANSFERS TO OTHER FUNDS	TOTALS
PLAN A						
1986	14,968,259	-	6,176,046	129,242	-	21,273,547
1987	17,585,626	-	6,419,042	60,652	-	24,065,320
1988	19,826,394	-	7,622,060	92,131	-	27,540,585
1989	21,711,130	-	5,268,527	4,637	-	26,984,294
1990	23,660,346	-	5,640,507	28,693	350,333	29,679,879
1991	25,418,665	21,089	6,392,771	109,942	642,120	32,584,587
1992	27,697,866	152,642	7,398,505	181,366	181,003	35,611,382
1993	30,048,484	366,337	8,028,031	239,982	517,842	39,200,676
1994	32,206,033	553,965	8,252,478	24,642,382	473,539	66,128,397
1995	34,079,726	702,101	8,429,255	5,536,296	581,038	49,328,416
PLAN B						
1986	599,963	61	517,732	18,1657	-	1,135,923
1987	717,393	47	811,338	19,370	-	1,548,148
1988	842,096	35	1,413,311	1,680	-	2,257,122
1989	938,176	20	521,312	3,772	-	1,463,280
1990	1,039,923	3	382,745	6,866	34,020	1,463,557
1991	1,120,614	-	235,710	14,215	60,025	1,430,564
1992	1,209,268	357	231,859	24,076	16,312	1,481,872
1993	1,323,950	-	227,136	30,306	54,298	1,635,690
1994	1,432,936	-	239,000	34,870	124,782	1,831,588
1995	1,542,583	452	195,679	56,146	61,917	1,856,777
EXPENSE FUND						
1986	-	407,846	-	-	450,000	857,846
1987	-	339,313	-	-	400,000	739,313
1988	-	336,932	-	-	133,500	470,432
1989	-	410,044	-	-	450,000	860,044
1990	-	411,938	-	-	-	411,938
1991	-	699,256	-	-	-	699,256
1992	-	515,410	-	-	-	515,410
1993	-	561,545	-	-	-	561,545
1994	-	591,538	-	-	-	591,538
1995	-	621,784	-	-	-	621,784
TOTALS						
1986	15,568,222	407,907	6,693,778	147,409	450,000	23,267,316
1987	18,303,019	339,360	7,230,380	80,022	400,000	26,352,781
1988	20,668,490	336,967	9,035,371	93,811	133,500	30,268,139
1989	22,649,306	410,064	5,789,839	8,409	450,000	29,307,618
1990	24,700,269	411,941	6,023,252	35,559	384,353	31,555,374
1991	26,539,279	720,345	6,628,481	124,157	702,145	34,714,407
1992	28,907,134	668,409	7,630,364	205,442	197,315	37,608,664
1993	31,372,434	927,882	8,255,167	270,288	572,140	41,397,911
1994	33,638,969	1,145,503	8,491,478	24,677,252	598,321	68,551,523
1995	35,622,309	1,324,337	8,624,934	5,592,442	642,955	51,806,977

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13116

The Board of Trustees of the Parochial Employees' Retirement System of Louisiana, Baton Rouge, Louisiana

This letter is intended to confirm that the Board is fully informed about significant matters relating to the conduct of the annual audit of the Parochial Employees' Retirement System of Louisiana so that you can appropriately discharge your oversight responsibility and so that I comply with my obligations to you under professional standards. This letter is intended solely for the use of the Board of Trustees of the Parochial Employees' Retirement System of Louisiana.

The following summarizes various matters which were communicated to you under generally accepted auditing standards.

## The Auditor's Responsibility Under Generally Accepted Standards

I originally communicated to the Board of Trustees an arrangement letter dated September 8, 1995, that the audit be conducted in accordance with generally accepted auditing standards. An audit, as such, is not designed to detect defalcations, irregularities or illegal acts, nor to provide assurance in accordance with generally accepted auditing standards about the financial statements, nor to provide assurance that the financial statements are free from material misstatements. I have accomplished those objectives.

## Significant Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies adopted for the System. The System did not adopt accounting policies and procedures during 1995 that should be brought to your attention.

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## Disagreements

I encourage  
application of  
management's  
the audit, or  
financial state  
financial statements

## Consultation With

I am not aware  
management had  
accounting or auditing  
discussed regarding  
auditing standards in

## Difficulties Encountered

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PAROCHIAL EMPLOYEES' RETIREMENT  
SYSTEM OF LOUISIANA  
Baton Rouge, Louisiana

AUDIT REPORT  
December 31, 1995

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-17-96

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

I have audited the Balance Sheet of the Parochial Employees' Retirement System (the "System") as of December 31, 1995, and the related Statements of Revenues, Expenses and Changes in Fund Balance for the year then ended, as listed in the foregoing table of contents. These financial statements are the responsibility of the System's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of December 31, 1995 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS



My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the table of contents as supplemental information are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Parochial Employees' Retirement System. Such statistical information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

  
Bruce H. Stagg, CPA

May 15, 1996

# BRUCE H. STAGG

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

I have audited the financial statement of the Parochial Employees' Retirement System of Louisiana, for the year ended December 31, 1995, and have issued my report thereon dated May 15, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.


Compliance with laws, regulations, contracts, and grants applicable to the Parochial Employees' Retirement System of Louisiana is the responsibility of the Parochial Employees' Retirement System of Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed test of the Parochial Employees' Retirement System of Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, the Parochial Employees' Retirement System of Louisiana complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Parochial Employees' Retirement System of Louisiana had not complied, in all material respects, with those provisions.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

This report is intended solely for the information of the Board of Trustees, the Legislative Auditor, and management. However, this report is a matter of public record and its distribution is not limited.

  
Bruce H. Stagg, CPA

May 15, 1996

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

I have audited the financial statements of the Parochial Employees' Retirement System of Louisiana for the year ended December 31, 1995, and have issued my report thereon dated May 15, 1996. My audit was made in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Solely to assist me in planning and performing my audit, I made a study and evaluation of the internal accounting controls of the Parochial Employees' Retirement System of Louisiana. For the purpose of this report, I have classified the significant accounting controls in the following categories: (1) cash and cash equivalents, (2) investments, (3) receivables, (4) property and equipment, (5) payables and accrued liabilities and (6) fund balance. My study and evaluation of these items was limited to a preliminary review of the system to obtain an understanding of the control environment and the flow of transactions through the accounting system. Because I concluded that the audit could be performed more efficiently by expanding substantive audit test, my study did not extend beyond this preliminary review phase. Accordingly, I do not express an opinion on the system of internal accounting control taken as a whole. Also, my examination, made in accordance with the standards mentioned above, would not necessarily disclose material weaknesses in the system of internal accounting control.

During my examination, however, I did not become aware of any conditions that I believe to be a material weakness.

This report is intended solely for the use of management and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Parochial Employees' Retirement System of Louisiana, is a matter of public record.

  
Bruce H. Stagg, CPA

May 15, 1996

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

BALANCE SHEET  
December 31, 1995

ASSETS

Cash-demand deposits	\$ 16,268,445
Contributions receivable	13,828,041
Accrued interest receivable	2,227,727
Dividends Receivable	335,640
Debt Securities at amortized cost	524,409,759
Capital Stock Equities at cost	144,422,739
Other	2,079
Furniture and fixtures (Net of accumulated depreciation of \$177,305)	28,542
Security deposits	2,525
Deferred Compensation Plan	<u>21,500</u>
Total assets	<u>\$701,546,997</u>

LIABILITIES

Accounts payable	\$ 1,535,727
Accrued leave time	4,505
Refunds payable	539,752
Retirement allowances payable	2,730,302
Deferred Compensation payable	<u>21,500</u>
Total liabilities	<u>4,831,786</u>

Net assets available for  
benefits \$696,715,211

FUND BALANCE

Actuarial present value of projected benefits payable to current retirants and beneficiaries	\$311,177,423
Actuarial present value of projected benefits payable to terminated vested participants	14,968,667
Actuarial present value of credited projected benefits for active employees	
Member contributions	163,201,324
Employer and taxing bodies financed portion	<u>310,966,586</u>
Total actuarial present value of credited projected benefits	800,314,000
Unfunded actuarial present value of credited projected benefits	<u>103,598,789</u>
Total fund balance	<u>\$696,715,211</u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA  
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE  
 Year ended December 31, 1995

REVENUE	
Contributions:	
Members	\$ 25,918,361
Employers	21,496,466
Taxing bodies	2,557,260
Investment income	53,325,283
Actuarial Transfers from other systems	778,168
Miscellaneous	<u>64,328</u>
Total revenue	<u>\$104,139,866</u>
EXPENSES	
Pensions paid	\$ 35,622,309
Refunds of deposits	8,624,934
Investment fees	700,590
Transfer to other systems	5,592,442
Administrative expenses (including depreciation expense of \$9,950)	<u>623,747</u>
Total expenses	<u>\$ 51,164,022</u>
EXCESS OF REVENUE OVER EXPENSES	52,975,844
FUND BALANCE, Beginning of year	<u>\$643,739,367</u>
FUND BALANCE, End of year	<u>\$696,715,211</u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995

1. PLAN DESCRIPTION

The following brief description of the Parochial Employees' Retirement System Pension Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The Parochial Employees' Retirement System of Louisiana, a Public Employee Retirement System (PERS), is the administrator of a cost sharing multiple-employer plan that was established by the Louisiana legislature as of January 1, 1953, by Act 205 of 1952. The system was revised by Act No. 765 of 1979, effective January 1, 1980, to create the Plan A Fund and Plan B Fund to replace the "regular plan" and the "supplemental plan". Plan B Fund replaced the "regular plan". The system is administered by a Board of Trustees consisting of seven members.

The Retirement System is governed by the Louisiana Revised Statutes, Title 11, Sections 1901 through 2015, specifically, and other general laws of the State of Louisiana.

Employers that may participate are: Any parish in the State of Louisiana, excepting Orleans and East Baton Rouge; the Police Jury or any other governing body of a parish which employs and pays persons serving the parish; the Police Jury Association of Louisiana; the Louisiana School Boards Association, and this Retirement System; members of School Boards at their option; any taxing district of a parish or any branch or section of a parish including a hospital district, water district, library, district indigent defender program in this state; and soil and water conservation districts.

Of the above named types of employers, there were 193 participating in Plan A and 49 participating in Plan B.

Any person who is a permanent employee and works at least 28 hours a week and whose compensation is paid wholly or partly by a covered employer is covered by this system.

As of December 31, 1995, employee membership data related to the Pension Plans were as follows:

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

	PLAN A	PLAN B
Retirees and beneficiaries currently receiving benefits	\$ 3,860	\$ 328
Terminated employees entitled to benefits but not receiving them	268	44
Terminated employees due a refund of contributions	<u>4,788</u>	<u>910</u>
Total	<u>\$ 8,916</u>	<u>\$1,282</u>
Active plan participants:		
Vested	\$ 4,170	324
Non-vested	8,158	1,240
Members participating in DROP	<u>90</u>	<u>4</u>
Total	<u>\$12,418</u>	<u>\$1,568</u>

Membership is mandatory for all employees of taxing districts of a parish or any branch or section of a parish including a hospital district, water district or library that is a member of the retirement system providing they meet the statutory criteria.

(A) Plan A Fund Benefits:

Any member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60.

The retirement allowance is equal to three percent of the member's final average compensation (defined as the average of the highest consecutive 36 months) multiplied by his years of creditable service; however, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

member's final salary (last 12 months) or the final average compensation.

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement and suffers disability which has been certified by the State Medical Disability Board. The rate is 3 per cent of the member's final compensation multiplied by his years of creditable service under certain conditions outlined in the statutes.

Upon the death of a member with 5 or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 30 to 60 per cent of the member's final compensation.

(B) Plan B Fund Benefits:

Any member is eligible for normal retirement if he has at least 30 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 62 if the preceding requirements are met. Early retirement is allowed at age 60, provided that benefits are reduced by 3% for each year below age 62. The monthly amount of the retirement allowance is 2 per cent, subject to the provisions of the statutes, of the member's final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) less the amount of \$1200.00 times his years of creditable service.

A member is eligible to retire and receive disability benefits if he has at least 10 years of creditable service, is not eligible for normal retirement and suffers disability. The disability must be certified by the State Medical Disability Board. The disability rate is 2 per cent of the member's final compensation, multiplied by his years of creditable service under certain conditions outlined in the statutes.

The Plan provides benefits for surviving spouses and minor children under certain provisions in the

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

statutes.

(C) Deferred Retirement Option Plan

In lieu of terminating employment and accepting a service retirement allowance, any member who has been an active contributing member for one full year after becoming eligible for a normal retirement allowance may elect to participate in the Deferred Retirement Option Plan, and defer the receipt of benefits.

The duration of participation in the plan shall be specified and shall not exceed three years.

Upon the effective date of the commencement of participation in the plan, membership in the system shall terminate. Employer contributions shall continue to be payable by the employer during the person's participation in the plan, but payments of employee contributions shall cease upon the effective date of the person's commencement of participation in the plan.

The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, shall be paid into the Deferred Retirement Option Plan Fund, which shall not earn interest.

Upon termination of employment at the end of the specified period of participation, a participant in the plan shall receive, at his option, a lump sum payment from the Deferred Retirement Option Plan Fund equal to the payments made to that fund on his behalf, a true annuity based upon his account in that fund, or any other method of payment approved by the Board of Trustees.

(D) Member Contributions:

Member contributions, established by Statute at 9.5% of total compensation for Plan A and at 2.0% of total compensation less \$100 per month for Plan B, are deducted from the member's salary, and remitted by the participating employers. The Annuity Savings Fund of Plans A and B represents member contributions, less refunds, and less transfers to the Annuity Reserve Fund of Plans A and B.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

(E) Employer Contributions:

Employer contributions are actuarially determined every fiscal year according to statutory process. Written notice of these rates is provided to employers annually. In 1995, these employer rates are 8.00% for Plan A and 1.00% for Plan B.

(F) Taxing Bodies' Contributions:

The Sheriffs and ex-officio tax collectors of all parishes except Orleans and East Baton Rouge remit one-fourth of one per cent of the amount of taxes which are being collected. This contribution is pro-rated between the Plan A Fund and the Plan B Fund based on the salaries of members for the previous fiscal year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

The financial statements of the Parochial Employees' Retirement System of Louisiana are prepared on the accrual basis of accounting. Contributions from employers and employees are recognized as revenue in the period in which employees provide services to the employers. Investment income is recognized when earned by the Pension Plans.

All investments other than equity in stocks are reflected in the balance sheet at amortized cost. Premiums and discounts on long-term investments, other than zero coupon U.S. Treasury Bonds which pay interest at maturity, are amortized over the life of the investment using the straight-line method. Differences between the straight-line method and the interest method are considered immaterial. Discounts on zero coupon bonds are amortized using the interest method over the life of the investment.

Stock equities are carried at cost.

No investment in any one organization represents 5% or more of the net assets available for pension benefits.

There are no investments in, loans to, or leases with parties related to the Pension Plans.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

(Continued)

A comparison of amortized cost with market value as of December 31, 1995, is as follows:

	<u>AMORTIZED COST</u>	<u>MARKET VALUE</u>
PLAN A FUND		
Bonds	\$190,273,781	\$238,904,059
Loans, mortgages, notes, etc.	<u>288,955,080</u>	<u>307,020,338</u>
Total	<u>\$479,228,861</u>	<u>\$545,924,397</u>
PLAN B FUND		
Bonds	\$ 17,898,346	\$ 21,182,553
Loans, mortgages, notes, etc.	<u>26,713,169</u>	<u>29,035,447</u>
Total	<u>\$ 44,611,515</u>	<u>\$ 50,218,000</u>
TOTALS		
Bonds	\$208,172,127	\$260,086,612
Loans, mortgages, notes, etc.	<u>315,668,249</u>	<u>336,055,785</u>
Total	<u>\$523,840,376</u>	<u>\$596,142,397</u>

A comparison of cost and market value of Capital Stock Equities of Plan A is as follows:

	<u>COST</u>	<u>MARKET VALUE</u>
Capital Stock Equities	<u>\$144,422,739</u>	<u>\$194,455,436</u>

State statutes and Board of Trustees policies permit the system to use investments of Plan A to enter into securities lending transactions - loans of securities to broker-dealers or other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The system's securities custodians are agents in lending the plan's domestic securities for cash or securities issued, or guaranteed as to principal and interest, by the United States Government, its agents or instrumentalities, as collateral of 102 percent. The cash received as collateral is invested in securities issued, or guaranteed as to principal and interest, by the United States Government, its

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

agencies or instrumentalities and/or repurchase agreements collateralized by such investments and money market mutual funds which invest in those securities. Securities on loan at year-end are presented as unclassified in the following schedule. At year-end, the system has no credit risk exposure to borrowers because the amounts the system owes the borrowers exceed the amounts the borrowers owe the system. Contracts with the lending agents require them to indemnify the system if the borrowers fail to return the securities (and the collateral is inadequate to replace the loaned securities) or fail to pay the system for income distributions by the securities' issuers while the securities are on loan.

The net amount earned by the system during the year from security lending transactions was \$221,457, which is included in the financial statements as investment revenue.

The following represents the balances relating to the securities lending transactions at December 31, 1995:

<u>Securities Loaned</u>	<u>Fair Value of Underlying Securities</u>	<u>Collateral Received</u>	<u>Collateral Investment Value</u>	<u>Type of Collateral</u>
U.S. Government and Agency Securities	\$ 78,681,581	\$ 79,503,053	\$ 80,255,213	Cash
U.S. Government and Agency Securities	2,991,310	3,051,136	3,061,094	U.S. Gov't & Agency Securities
Corporate Equities	<u>27,198,027</u>	<u>27,741,988</u>	<u>27,741,988</u>	Cash
Totals	<u>\$108,870,918</u>	<u>\$110,296,177</u>	<u>\$111,058,295</u>	

Fixed assets of the Parochial Employees' Retirement System of Louisiana are carried at historical costs. Depreciation is recognized on the straight-line method over the useful lives of the assets which range from five to ten years for equipment.

The Parochial Employees' Retirement System of Louisiana adopts an annual budget only for the Expense Fund. This budget is utilized only for forecasting purposes and is not legally binding on the System. Unspent allocations lapse at year end.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

(Continued)

All demand deposits and time deposits (with the exception of the Expense Fund checking account) are held in trust. The Expense Fund checking account (\$149,750) is covered by insurance and/or fully collateralized, while all trust accounts are fully collateralized.

Employees' leave, cumulative without limitation, is accrued at rates of 12 to 18 days per year depending upon length of service. Upon separation, employees are compensated for unused accumulated annual leave, not to exceed \$800.00. Employees are not compensated for accumulated sick leave upon separation.

The liability for accrued annual leave at December 31, 1995, was \$4,505 as shown on the balance sheet.

3. FUNDING STATUS AND PROGRESS

Presented below is the total pension benefit obligation of the Parochial Employees' Retirement System of Louisiana. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5 that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of the PERS financial statements to (a) assess the Parochial Employees' Retirement System of Louisiana funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among PERS.

Because the standardized measurement is used only for disclosure purposes by the Parochial Employees' Retirement System of Louisiana, the measurement is independent of the method used to determine contributions to the PERS. The funding method used to determine contributions to the PERS is explained in Note 4.

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

obligation and these assumptions are summarized below:

- (a) The present value of future pension payments was computed by using a discount rate of 8%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the Pension Plans.
- (b) Future pension payments reflect an assumption of a 5.5% annual salary increase as a result of inflation.
- (c) Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the unfunded pension benefit obligation as of December 31, 1995, is as follows:

<u>PENSION BENEFIT OBLIGATION</u>	<u>PLAN A</u>	<u>PLAN B</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Retirees and beneficiaries currently receiving benefits	\$297,968,996	\$ 13,208,427	\$ -	\$311,177,423
Terminated employees not yet receiving benefits	13,334,111	1,634,556	-	14,968,667
Current employees	<u>451,590,423</u>	<u>22,577,487</u>	<u>-</u>	<u>474,167,910</u>
Total pension benefit obligation	\$762,893,530	\$ 37,420,470	-	800,314,000
Net assets available for benefits at amortized cost	<u>647,645,108</u>	<u>48,304,460</u>	<u>765,643</u>	<u>696,715,211</u>
Unfunded pension benefit obligation	<u>\$115,248,422</u>	<u>(\$10,883,990)</u>	<u>(\$765,643)</u>	<u>\$103,598,789</u>

CHANGES IN VALUATIONS METHODS, ASSUMPTIONS, AMORTIZATION PERIODS: For fiscal 1988, the amortization illustrated for Plan A was over 41 years and costs were determined on the Frozen Attained Age Normal Method. For this valuation the unfunded accrued liability was recalculated and frozen to be amortized over 40 years as required by Act 81 of the 1988 legislative session. Prior to Act 81 of 1988, actuarial assets values excluded property, plant, and equipment. Since Act 81 of 1988, actuarial asset value includes the allocated share of all Expense Fund assets.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
 December 31, 1995  
 (Continued)

METHOD OF RECOGNIZING GAINS AND LOSSES: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

4. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Employer and employee contributions to the Pension Plans are established by state statute. Employer contributions are set at 8.00 % of covered wages for Plan A and at 1.00% of covered wages for Plan B. Employee contributions are set at 9.50% of covered wages for Plan A and 2.00% of covered wages for Plan B. In addition to the aforementioned contributions the tax collectors of various parishes contribute one fourth of one percent of all tax collections. These payments are pro-rated between the plans based upon total salaries.

Contributions required and made during the year are as follows:

	<u>PLAN A</u>	<u>PLAN B</u>	<u>TOTAL</u>
Employer	\$21,196,094	\$ 300,372	\$21,496,466
Employee	25,007,892	576,542	25,584,434
Taxing bodies	<u>2,295,567</u>	<u>261,693</u>	<u>2,557,260</u>
Total	<u>\$48,499,553</u>	<u>\$1,138,607</u>	<u>\$49,638,160</u>

The actuary for the Pension Plans, G.S. Curran and Company, LTD, has determined the actuarially required contributions as established by state statute.

The actuarially required employer contribution for Plan A was determined by adding to the normal cost an amortization payment on the unfunded accrued liability which was based on a 40 year annuity with payments increasing at 4% per year. This payment method conforms to legislation passed during 1988 by the Louisiana Legislature. The resulting employers' net actuarially required contribution for 1996 is \$23,463,733 or 7.78% of payroll. This plan currently receives employee contributions of 9.5% of payroll together with employer contributions of 8.00% of payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies.



PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
December 31, 1995  
(Continued)

Thus, the net employer contribution for fiscal 1996 is 7.75% of payroll or .53% of payroll less than the amount required to fund the plan according to the methods and assumptions stipulated in this report.

The actuarially required employer contribution as determined by the funding method and assumptions specified in the report for Plan B for 1996 is \$1,043,626 or 2.44% of payroll. The Plan currently receives employee contributions amounting to 2.0% of payroll on salaries in excess of \$100 per month and employer contributions of 1.0% of payroll. In addition, the System also receives a percentage of tax revenues from various taxing bodies. Thus, for Plan B the estimated net employer contribution for fiscal 1996 amounts to 2.50% of payroll or .06% of payroll more than the amount required to fund the plan according to the methods and assumptions stipulated in this report.

5. LOCATION OF TEN-YEAR HISTORICAL TREND INFORMATION

Ten-year historical trend information related to the Pension Plans is presented on pages 24-26. The information is presented to enable the reader to assess the progress made by the Parochial Employees' Retirement System of Louisiana in accumulating sufficient assets to pay pension benefits as they become due.

Present net assets of the system were creditable as follows:

	<u>PLAN A</u>	<u>PLAN B</u>	<u>EXPENSE FUND</u>	<u>TOTAL</u>
Annuity Savings Fund	\$162,272,214	\$ 5,337,807	\$ -	\$167,610,021
Annuity Reserve Fund	297,968,996	13,208,427	-	311,177,423
Pension Accumulation Fund	184,955,407	29,682,109	-	214,637,516
Deferred Retirement Option Plan	2,448,491	76,117	-	2,524,608
Unreserved	-	-	765,643	765,643
Total	<u>\$647,645,108</u>	<u>\$48,304,460</u>	<u>\$765,643</u>	<u>\$696,715,211</u>

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
COMBINING BALANCE SHEET  
December 31, 1995

	PLAN A FUND	PLAN B FUND	EXPENSE FUND	TOTAL
<u>ASSETS</u>				
Cash-demand deposits	\$ 12,851,188	\$ 3,267,507	\$ 149,750	\$ 16,268,445
Debt Securities at amortized cost	479,228,861	44,611,515	569,383	524,409,759
Capital Stock Equities at cost	144,422,739	-	-	144,422,739
Contributions receivable	13,407,569	420,472	-	13,828,041
Accrued interest receivable	2,032,700	153,977	41,050	2,227,727
Due to/from other funds	7,313	(7,313)	-	-
Dividends receivable	335,640	-	-	335,640
Other current assets	2,079	-	-	2,079
Fixed assets				
Furniture and fixtures	-	-	205,847	205,847
Accumulated depreciation	-	-	(177,305)	(177,305)
Other assets				
Security deposits	-	-	2,525	2,525
Deferred Compensation Plan	-	-	21,500	21,500
Total assets	<u>\$652,288,089</u>	<u>\$48,446,158</u>	<u>\$ 812,750</u>	<u>\$701,546,997</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Retirement allowances payable	\$ 2,609,950	\$ 120,352	\$ -	\$ 2,730,302
Refunds payable	518,406	21,346	-	539,752
Accounts payable	1,514,625	-	21,102	1,535,727
Accrued leave payable	-	-	4,505	4,505
Deferred Compensation payable	-	-	21,500	21,500
Total liabilities	<u>\$ 4,642,981</u>	<u>\$ 141,698</u>	<u>\$ 47,107</u>	<u>\$ 4,831,786</u>
Fund Equity:				
Annuity savings fund	\$162,272,214	\$ 5,337,807	\$ -	\$167,610,021
Annuity reserve fund	297,968,996	13,208,427	-	311,177,423
Pension accumulation fund	184,955,407	29,682,109	-	214,637,516
Deferred Retirement Option Plan	2,448,491	76,117	-	2,524,608
Unreserved	-	-	765,643	765,643
Total fund equity	<u>\$647,645,108</u>	<u>\$48,304,460</u>	<u>\$ 765,643</u>	<u>\$696,715,211</u>
Total liabilities and fund equity	<u>\$652,288,089</u>	<u>\$48,446,158</u>	<u>\$ 812,750</u>	<u>\$701,546,997</u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
 COMBINING SCHEDULE OF REVENUE, EXPENSES AND  
 CHANGES IN FUND BALANCE  
 December 31, 1995

	PLAN A FUND	PLAN B FUND	EXPENSE FUND	TOTAL
<b>REVENUE</b>				
Contributions:				
Members-current payroll	\$ 25,007,892	\$ 576,542	\$ -	\$ 25,584,434
Members-purchase of prior service and refunds repaid	167,676	7,030	-	174,706
Members-transfers from other systems	153,805	5,416	-	159,221
Employers	21,196,094	300,372	-	21,496,466
Taxing bodies	2,295,567	261,693	-	2,557,260
Investment income	49,714,635	3,563,446	47,202	53,325,283
Transfers from other systems, other than member contributions	759,155	19,013	-	778,168
Miscellaneous	<u>53,396</u>	<u>10,932</u>	<u>-</u>	<u>64,328</u>
Total revenue	<u>\$ 99,348,220</u>	<u>\$ 4,744,444</u>	<u>\$ 47,202</u>	<u>\$104,139,866</u>
<b>EXPENSES</b>				
Pensions paid	\$ 34,079,726	1,542,583	\$ -	\$ 35,622,309
Refunds of deposits	8,429,255	195,679	-	8,624,934
Transfer to other systems				
Member contributions	2,002,410	10,062	-	2,012,472
Employer and Actuarial transfers	3,533,886	46,084	-	3,579,970
Investment fees	700,590	-	-	700,590
Operating expenses	<u>1,511</u>	<u>452</u>	<u>621,784</u>	<u>623,747</u>
Total expenses	<u>\$ 48,747,378</u>	<u>\$ 1,794,860</u>	<u>\$ 621,784</u>	<u>\$ 51,164,022</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE TRANSFERS	\$ 50,600,842	\$ 2,949,584	\$(574,582)	\$ 52,975,844
OPERATING TRANSFERS				
Transfers to (from) other funds	<u>(581,038)</u>	<u>(61,917)</u>	<u>642,955</u>	<u>-</u>
EXCESS OF REVENUE AND TRANSFERS OVER EXPENSES	\$ 50,019,804	\$ 2,887,667	\$ 68,373	\$ 52,975,844
FUND BALANCE, Beginning of year	<u>\$597,625,304</u>	<u>\$45,416,793</u>	<u>\$ 697,270</u>	<u>\$643,739,367</u>
FUND BALANCE, End of year	<u>\$647,645,108</u>	<u>\$48,304,460</u>	<u>\$ 765,643</u>	<u>\$696,715,211</u>

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
 SCHEDULE OF OPERATING EXPENSES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year ended December 31, 1995

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<b>SALARIES AND RELATED EXPENSE:</b>			
Salaries	\$244,282	\$239,769	\$ 4,513
Retirement	19,542	19,142	400
Group Hospitalization	16,486	14,462	2,024
Medicare & P/R Taxes	2,600	2,421	179
<b>PROFESSIONAL SERVICES:</b>			
Actuarial Consultant	42,120	39,120	3,000
Custodian Bank	101,000	92,928	8,072
Auditor	15,000	14,600	400
Legal Counsel	11,250	5,304	5,946
Investment Counseling	17,000	29,000	(12,000)
Computer Programing	7,000	2,599	4,401
Medical Board	5,100	3,997	1,103
<b>COMMUNICATIONS:</b>			
Printing	12,000	19,073	(7,073)
Telephone	8,850	7,281	1,569
Postage	17,000	17,219	(219)
Travel	22,950	17,955	4,995
Per Diem	1,875	2,175	(300)
Equipment Rental	19,200	18,514	686
<b>GENERAL OFFICE:</b>			
Rent	36,500	35,828	672
Supplies	4,000	5,939	(1,939)
Dues & Subscriptions	6,500	5,456	1,044
Equipment Maintenance	17,500	15,505	1,995
Insurance	4,000	3,418	582
Microfilm	4,500	-	4,500
Training	1,800	-	1,800
Legislative Auditor	600	-	600
GIS	1,500	-	1,500
Miscellaneous	-	129	(129)
DEPRECIATION	-	9,950	(9,950)
 Total operating expenses	 <u>\$640,155</u>	 <u>\$621,784</u>	 <u>\$ 18,371</u>

Also included in Budget was \$2,800 for Capital Items, of which \$909 was expended.

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION

SCHEDULE OF LONG-TERM INVESTMENTS IN DEBT SECURITIES

December 31, 1995

	PLAN A FUND						PLAN B FUND						TOTALS						
	AMORTIZED			AMORTIZED			AMORTIZED			AMORTIZED			AMORTIZED			AMORTIZED			
	FACE	COST	MARKET	FACE	COST	MARKET	FACE	COST	MARKET	FACE	COST	MARKET	FACE	COST	MARKET	FACE	COST	MARKET	
Government National Mortgage Association Collateralized Mortgage Obligations	\$ 79,471,296	\$ 78,152,423	\$ 81,472,074	\$ 9,485,904	\$ 8,984,833	\$ 9,119,921	\$ 9,985,230						\$ 88,957,200	\$ 87,137,256	\$ 87,572,900	\$ 91,457,304			
FHLMC REMIC-ZS	119,456,707	116,240,742	120,882,680	8,505,483	8,456,271	8,471,182	9,121,795						127,982,190	124,697,013	124,937,450	130,004,475			
U.S. Zero Coupon Bonds	101,964,640	92,599,841	104,665,584	8,603,579	8,445,262	8,466,841	9,268,422						110,568,219	101,045,103	102,502,674	113,934,006			
U.S. Agency Zero Coupon Bonds	211,854,675	64,976,137	98,890,904	33,362,750	8,950,877	12,990,801	15,725,998						245,217,425	73,927,014	93,218,701	114,616,902			
U.S. Treasury Notes and Bonds	285,235,000	51,200,018	96,070,235	-	-	-	-						285,235,000	51,200,018	69,294,485	96,070,235			
Government Guaranteed Bonds	29,600,000	30,150,653	32,732,656	4,820,000	4,871,802	4,874,283	5,420,775						34,420,000	35,022,455	35,006,392	38,153,431			
Corporate Bonds and Debentures	4,522,809	4,485,309	4,835,050	36,000	27,431	33,262	35,780						4,558,809	4,512,740	4,529,052	4,870,830			
Government Guaranteed Mortgages	6,340,000	5,931,908	6,375,214	-	-	-	-						6,340,000	5,931,908	6,123,497	6,375,214			
	-	-	-	3,000,000	468,120	655,225	660,000						3,000,000	468,120	655,225	660,000			
Totals	\$838,445,127	\$443,737,031	\$545,924,397	\$67,813,716	\$40,204,596	\$44,611,515	\$50,218,000						\$906,258,843	\$483,941,627	\$523,840,376	\$596,142,397			

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
COMBINING SCHEDULE OF CHANGES IN RESERVES  
Year ended December 31, 1995

	PLAN A FUND				PLAN B FUND				TOTAL						
	Annuity Savings	Annuity Reserve	Pension Accumulation	Deferred Retirement Option Plan	Total	Annuity Savings	Annuity Reserve	Pension Accumulation	Deferred Retirement Option Plan	Total	Annuity Savings	Annuity Reserve	Pension Accumulation	Deferred Retirement Option Plan	Total
BALANCE, Beginning of Year	\$152,899,341	\$277,432,081	\$165,614,476	\$1,679,406	\$597,625,304	\$5,177,026	\$11,787,975	\$28,420,992	\$30,800	\$45,416,793	\$158,076,367	\$289,220,056	\$194,035,468	\$1,710,206	\$643,042,097
ADDITIONS-Current															
Contributions	\$ 25,175,568	-	\$ 23,491,661	-	\$ 48,667,229	\$ 583,572	-	\$ 562,065	-	\$ 1,145,637	\$ 25,759,140	-	\$ 24,053,726	-	\$ 49,812,866
Net investment income	-	-	49,714,635	-	49,714,635	-	-	3,563,446	-	3,563,446	-	-	-	53,278,081	-
Transfers from other systems	153,805	-	759,155	-	912,960	5,416	-	19,013	-	24,429	159,221	-	778,168	-	937,389
Miscellaneous income	-	-	53,396	-	53,396	-	-	10,932	-	10,932	-	-	64,328	-	64,328
Total additions	\$ 25,329,373	-	\$ 74,018,847	-	\$ 99,348,220	\$ 588,988	-	\$ 4,155,456	-	\$ 4,744,444	\$ 25,918,361	-	\$ 78,174,303	-	\$104,092,664
DEDUCTIONS-Current															
Pensions paid	\$ -	\$ 33,574,894	\$ -	\$ 504,832	\$ 34,079,726	\$ -	\$ 1,542,583	\$ -	\$ -	\$ 1,542,583	\$ -	\$ 35,117,477	\$ -	\$ 504,832	\$ 35,622,309
Refunds	8,429,255	-	-	-	8,429,255	195,679	-	-	-	195,679	8,624,934	-	-	-	8,624,934
Transfer to other systems	2,002,410	-	3,533,886	-	5,536,296	10,062	-	46,084	-	56,146	2,012,472	-	3,579,970	-	5,592,442
Transfer to expense fund	-	-	581,038	-	581,038	-	-	61,917	-	61,917	-	-	642,955	-	642,955
Service fees	-	-	702,101	-	702,101	-	-	452	-	452	-	-	702,553	-	702,553
Total deductions	\$ 10,431,665	\$ 33,574,894	\$ 4,817,025	\$ 504,832	\$ 49,328,416	\$ 205,741	\$ 1,542,583	\$ 108,453	\$ -	\$ 1,856,777	\$ 10,637,406	\$ 35,117,477	\$ 4,925,478	\$ 504,832	\$ 51,185,193
TRANSFERS															
Annuities awarded	\$ (5,524,835)	\$ 5,524,835	\$ -	\$ -	\$ -	\$ (222,466)	\$ 222,466	\$ -	\$ -	\$ -	\$ (5,747,301)	\$ 5,747,301	\$ -	\$ -	\$ -
Present value of benefits	-	48,586,974	(48,586,974)	-	-	-	2,740,569	(2,740,569)	-	-	-	51,327,543	(51,327,543)	-	-
Deferred Retirement Option Plan	-	-	(1,273,917)	1,273,917	-	-	-	(45,317)	45,317	-	-	-	(1,319,234)	1,319,234	-
Total transfers	\$ (5,524,835)	\$ 54,111,809	\$ (49,860,891)	\$ 1,273,917	\$ -	\$ (222,466)	\$ 2,963,035	\$ (2,785,886)	\$ 45,317	\$ -	\$ (5,747,301)	\$ 57,074,844	\$ (52,646,777)	\$ 1,319,234	\$ -
NET ADDITIONS (DEDUCTIONS)-Current	\$ 9,372,873	\$ 20,536,915	\$ 19,340,931	\$ 769,085	\$ 50,019,804	\$ 160,781	\$ 1,420,452	\$ 1,261,117	\$ 45,317	\$ 2,887,667	\$ 9,553,654	\$ 21,957,367	\$ 20,602,048	\$ 814,402	\$ 52,907,471
BALANCE, End of year	\$162,272,214	\$297,968,996	\$184,955,407	\$2,448,491	\$647,645,108	\$5,337,807	\$13,208,427	\$29,682,109	\$76,117	\$48,304,460	\$167,610,021	\$311,177,423	\$214,637,516	\$2,524,608	\$695,949,568

See Notes to Financial Statements.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION  
ANALYSIS OF FUNDING PROGRESS

	Fiscal Year	Net Assets Available for Benefits*	Pension Benefit Obligation	Percentage Funded	Unfunded (Excess) Actuarial Present Value of Credited Projected Benefits	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
<u>PLAN A</u>	1986	\$252,628,713	\$422,799,906	59.75	\$170,151,193	\$185,814,428	91.57
	1987	\$286,641,345	\$455,886,386	62.88	\$169,245,041	\$180,664,292	93.68
	1988	\$320,851,063	\$437,222,149	73.38	\$116,371,086	\$185,672,600	62.68
	1989	\$360,627,667	\$471,465,862	76.49	\$110,838,195	\$193,371,480	57.32
	1990	\$408,221,417	\$527,114,240	77.44	\$118,892,823	\$209,331,956	56.80
	1991	\$458,686,781	\$577,689,301	79.40	\$119,002,520	\$225,064,826	52.87
	1992	\$523,737,985	\$629,488,310	82.38	\$110,927,516	\$235,758,497	47.05
	1993	\$572,585,613	\$678,722,913	84.36	\$106,137,300	\$247,325,379	42.91
	1994	\$597,625,304	\$691,858,596	86.38	\$ 94,233,292	\$250,437,323	37.63
	1995	\$647,645,108	\$762,893,530	84.89	\$115,248,422	\$261,736,015	44.03
<u>PLAN B</u>	1986	\$ 20,555,910	\$ 20,508,640	100.23	\$ ( 47,270)	\$ 23,645,491	( .20)
	1987	\$ 23,841,837	\$ 20,272,023	117.61	\$ (3,569,814)	\$ 16,892,960	(21.13)
	1988	\$ 25,997,268	\$ 19,302,902	134.68	\$ (6,694,366)	\$ 16,934,107	(39.53)
	1989	\$ 29,297,359	\$ 20,868,885	140.39	\$ (8,428,474)	\$ 17,409,136	(48.41)
	1990	\$ 31,671,159	\$ 22,678,693	139.65	\$ (8,992,466)	\$ 19,618,490	(45.84)
	1991	\$ 33,958,189	\$ 25,553,291	132.89	\$ (8,404,898)	\$ 23,241,088	(36.16)
	1992	\$ 37,256,737	\$ 27,815,412	133.94	\$ (9,441,325)	\$ 25,134,051	(37.56)
	1993	\$ 42,222,677	\$ 30,493,879	138.46	\$ (11,728,798)	\$ 26,512,361	(44.23)
	1994	\$ 45,416,793	\$ 32,761,741	138.63	\$ (12,655,052)	\$ 28,640,627	(44.18)
	1995	\$ 48,304,460	\$ 37,420,470	129.09	\$ (10,883,990)	\$ 30,348,093	(35.86)

Isolated analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Parochial Employees' Retirement System of Louisiana PERS funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

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\*Net assets other than Capital Stock Equities are presented at amortized cost values as explained in the notes to the financial statements. Capital Stock Equities are carried at cost.

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
REVENUES BY SOURCE AND EXPENSES BY TYPE  
Year ended December 31, 1995

FISCAL YEAR	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	CONTRIBUTIONS			TRANSFERS TO/FROM OTHER FUNDS	TOTALS
			TAXING BODIES	INVESTMENT INCOME	OTHER		
PLAN A							
1986	17,964,164	13,307,461	1,663,786	29,006,387	75,919	402,525	62,420,242
1987	17,409,862	12,877,731	1,464,123	25,934,853	33,583	357,800	58,077,952
1988	17,324,766	12,792,028	1,710,327	29,758,392	45,374	119,416	61,750,303
1989	18,124,046	13,541,720	1,857,633	32,705,688	126,246	407,565	66,762,898
1990	19,966,981	17,855,048	1,888,875	37,488,417	74,908	-	77,273,629
1991	21,800,152	18,962,932	1,939,314	39,951,717	395,836	-	83,049,951
1992	23,083,529	22,526,722	2,070,885	47,486,597	317,662	-	95,485,395
1993	24,111,040	22,154,882	2,167,192	44,366,296	426,085	-	93,225,495
1994	24,864,093	21,427,838	2,220,970	41,992,980	662,207	-	91,168,088
1995	25,329,373	21,196,094	2,295,567	49,714,635	812,551	-	99,348,220
PLAN B							
1986	1,214,245	1,350,560	254,872	1,988,665	34,703	47,475	4,890,520
1987	1,078,140	1,148,934	278,914	2,284,249	1,638	42,200	4,834,075
1988	840,005	875,244	238,634	2,440,701	3,885	14,084	4,412,553
1989	865,894	938,074	179,230	2,733,580	4,168	42,435	4,763,381
1990	401,507	374,887	166,543	2,817,241	77,169	-	3,837,347
1991	434,237	3,849	180,675	3,087,996	10,837	-	3,717,594
1992	508,008	241,691	223,849	3,732,744	74,128	-	4,780,420
1993	521,198	519,455	230,572	5,323,511	6,894	-	6,601,630
1994	580,422	425,625	260,110	3,637,071	122,476	-	5,025,704
1995	588,988	300,372	261,693	3,563,446	29,945	-	4,744,444
EXPENSE FUND							
1986	-	648,630	-	38,833	-	-	687,463
1987	-	632,168	-	28,432	-	-	660,600
1988	-	610,227	-	36,082	-	-	646,309
1989	-	638,391	-	39,938	-	-	678,329
1990	-	-	-	34,209	-	384,353	418,562
1991	-	-	-	32,400	-	702,145	734,545
1992	-	-	-	25,348	-	197,315	222,663
1993	-	-	-	18,100	-	572,140	590,240
1994	-	-	-	23,467	18	598,321	621,806
1995	-	-	-	47,202	-	642,955	690,157
TOTALS							
1986	19,178,409	15,306,651	1,919,658	31,033,885	110,622	450,000	67,998,225
1987	18,488,002	14,658,833	1,743,037	28,247,534	35,221	400,000	63,572,627
1988	18,164,771	14,277,499	1,948,961	32,235,175	49,259	133,500	66,809,165
1989	18,989,940	15,118,185	2,036,863	35,479,206	130,414	450,000	72,204,608
1990	20,367,888	18,229,935	2,055,418	40,339,867	152,077	384,353	81,529,538
1991	22,234,389	18,966,781	2,119,989	43,072,113	406,673	702,145	87,502,090
1992	23,591,537	22,768,413	2,294,734	51,244,689	391,790	197,315	100,488,478
1993	24,632,238	22,674,337	2,397,764	49,707,907	432,979	572,140	100,417,365
1994	25,444,515	21,853,463	2,481,080	45,653,518	784,701	598,321	96,815,598
1995	25,918,361	21,496,466	2,557,260	53,325,283	842,496	642,955	104,782,821

See Notes to Financial Statements



<u>FISCAL</u> <u>YEAR</u>	<u>BENEFITS</u>	<u>ADMINISTRATIVE</u> <u>EXPENSES</u>	<u>REFUNDS</u>	<u>TRANSFERS</u> <u>TO OTHER</u> <u>SYSTEMS</u>	<u>TRANSFERS</u> <u>TO OTHER</u> <u>FUNDS</u>	<u>TOTALS</u>
PLAN A						
1986	14,968,259	-	6,176,046	129,242	-	21,273,547
1987	17,585,626	-	6,419,042	60,652	-	24,065,320
1988	19,826,394	-	7,622,060	92,131	-	27,540,585
1989	21,711,130	-	5,268,527	4,637	-	26,984,294
1990	23,660,346	-	5,640,507	28,693	350,333	29,679,879
1991	25,418,665	21,089	6,392,771	109,942	642,120	32,584,587
1992	27,697,866	152,642	7,398,505	181,366	181,003	35,611,382
1993	30,048,484	366,337	8,028,031	239,982	517,842	39,200,676
1994	32,206,033	553,965	8,252,478	24,642,382	473,539	66,128,397
1995	34,079,726	702,101	8,429,255	5,536,296	581,038	49,328,416
PLAN B						
1986	599,963	61	517,732	18,1657	-	1,135,923
1987	717,393	47	811,338	19,370	-	1,548,148
1988	842,096	35	1,413,311	1,680	-	2,257,122
1989	938,176	20	521,312	3,772	-	1,463,280
1990	1,039,923	3	382,745	6,866	34,020	1,463,557
1991	1,120,614	-	235,710	14,215	60,025	1,430,564
1992	1,209,268	357	231,859	24,076	16,312	1,481,872
1993	1,323,950	-	227,136	30,306	54,298	1,635,690
1994	1,432,936	-	239,000	34,870	124,782	1,831,588
1995	1,542,583	452	195,679	56,146	61,917	1,856,777
EXPENSE FUND						
1986	-	407,846	-	-	450,000	857,846
1987	-	339,313	-	-	400,000	739,313
1988	-	336,932	-	-	133,500	470,432
1989	-	410,044	-	-	450,000	860,044
1990	-	411,938	-	-	-	411,938
1991	-	699,256	-	-	-	699,256
1992	-	515,410	-	-	-	515,410
1993	-	561,545	-	-	-	561,545
1994	-	591,538	-	-	-	591,538
1995	-	621,784	-	-	-	621,784
TOTALS						
1986	15,568,222	407,907	6,693,778	147,409	450,000	23,267,316
1987	18,303,019	339,360	7,230,380	80,022	400,000	26,352,781
1988	20,668,490	336,967	9,035,371	93,811	133,500	30,268,139
1989	22,649,306	410,064	5,789,839	8,409	450,000	29,307,618
1990	24,700,269	411,941	6,023,252	35,559	384,353	31,555,374
1991	26,539,279	720,345	6,628,481	124,157	702,145	34,714,407
1992	28,907,134	668,409	7,630,364	205,442	197,315	37,608,664
1993	31,372,434	927,882	8,255,167	270,288	572,140	41,397,911
1994	33,638,969	1,145,503	8,491,478	24,677,252	598,321	68,551,523
1995	35,622,309	1,324,337	8,624,934	5,592,442	642,955	51,806,977

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

SUPPLEMENTAL INFORMATION  
 PER DIEM PAID TRUSTEES  
 Year ended December 31, 1995

The per diem paid to the trustees is an expenditure of the Expense Fund. In accordance with the Louisiana Revised Statutes, Title 11, Section 182 A (1) the trustees receive per diem at the rate of \$75.00 for each regularly scheduled and special meeting of the Board of Trustees that they attend. Particulars of the per diem paid to the trustees for the year ended December 31, 1995, are as follows:

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS ATTENDED</u>	<u>PER DIEM</u>
C. Reagan Sutton	6	\$ 450
Walter Comeaux	1	75
Terri Rodrigue	5	375
Ray Brignac	6	450
Gwen LeBlanc	6	450
Arlan E Rawles	<u>5</u>	<u>375</u>
Total		<u>\$2,175</u>

# BRUCE H. STAGG

CERTIFIED PUBLIC ACCOUNTANT

3206 MACARTHUR DRIVE  
ALEXANDRIA, LOUISIANA 71301  
PHONE: (504) 443-7217  
FAX: (504) 442-2652

To the Board of Trustees  
Parochial Employees' Retirement System of Louisiana  
Baton Rouge, Louisiana

This letter is intended to confirm that the Board is fully informed about significant matters relating to the conduct of the annual audit of the Parochial Employees' Retirement System of Louisiana so that you can appropriately discharge your oversight responsibility and so that I comply with my obligations to you under professional standards. This letter is intended solely for the use of the Board of Trustees of the Parochial Employees' Retirement System of Louisiana.

The following summarizes various matters which must be communicated to you under generally accepted auditing standards.

## **The Auditor's Responsibility Under Generally Accepted Auditing Standards**

I originally communicated to the Board of Trustees in my arrangement letter dated September 8, 1995, that the audit would be conducted in accordance with generally accepted auditing standards. An audit, as such, is not designed to include a detailed audit of all transactions nor to discover all defalcations, irregularities or illegal acts, should any exist. An audit conducted in accordance with generally accepted auditing standards is designed to obtain reasonable rather than absolute assurance about the financial statements. I believe that my audit accomplished those objectives.

## **Significant Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies and procedures used by the System. The System did not adopt any significant new accounting policies and procedures during the current year which should be brought to your attention.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

## **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed me that they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and I concur with the results of those estimate.

## **Significant Audit Adjustments**

There were 55 audit adjustments made from the original trial balance presented to me to begin my audit.

## **Other Information in Documents Containing Audited Financial Statements**

I have not been informed of any documents that contain your audited financial statements. If there were such documents, I have a responsibility to determine that financial information included in those documents is not materially inconsistent with the audited financial statements of the System.

## **Disagreements With Management**

I encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements or on the wording of my report on the financial statements.

## **Consultation With Other Accountants**

I am not aware nor have I been informed of any consultations management had with other independent accountants about accounting or auditing matters. Also, there were no major issues discussed regarding the application of accounting principles or auditing standards in connection with my engagement.


## **Difficulties Encountered in Performing the Audit**

I encountered no difficulty with management relating to the performance of the audit.

### Material Contingencies

The financial statements reflect no disclosures associated with material contingencies and there were no matters I believe should be disclosed as such.

I would be pleased to respond to any questions you have about the foregoing or to discuss any other matter you would like to discuss.



Bruce H. Stagg, CPA

May 15, 1996