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R E P O R T

**LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
(STATE OF LOUISIANA)**

JUNE 30, 1967 AND 1966

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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.

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LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
(STATE OF LOUISIANA)

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JUNE 30, 1987 AND 1988

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INDEPENDENT AUDITOR'S REPORT

August 25, 1997

Louisiana Clerks' of Court,
Retirement and Relief Fund
11245 Brickstone Ave., Suite B-1
Baton Rouge, Louisiana 70810

We have audited the accompanying statements of plan net assets of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 1997 and 1996, and the related statement of changes to plan net assets for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 9 to the financial statements, the Louisiana Clerks' of Court Retirement and Relief Fund changed its method of recording investments in 1996.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 1997 and 1996 and the results of operations and changes in net assets for the years then ended in conformity with generally accepted accounting principles.

We have audited the financial statements of the Fund for the years ending June 30, 1997 and 1996 and issued our unqualified opinion on each financial statement. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information on pages 66 - 68 and the supplemental schedules listed on pages 12 - 15 are presented for the purposes

of additional analysis and are not a part of the basic financial statements. Such required statistical information for the years ending June 30, 1992 - 1993 and supplemental schedules for the years ending June 30, 1997 and 1998 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with government auditing standards, we have also issued a report dated August 29, 1997 on our consideration of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control structure and a report dated August 29, 1997 on its compliance with laws and regulations.

Deplanche, Chapman, Hogan & Madsen LLP

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 1997 AND 1998

	1997	1998
ASSETS:		
Cash:		
In bank	\$ 1,300,033	\$ 1,347,064
Receivables:		
Member contributions	324,404	311,169
Employer contributions	452,888	466,868
Miscellaneous receivable	3,973	2,900
Accrued interest and dividends	984,166	1,000,166
Total receivables	<u>1,765,331</u>	<u>1,781,103</u>
Investments at fair value: (Note 3 and 4) (Page 13)		
Corporate bonds	22,280,444	16,494,803
Government securities	23,638,692	23,539,826
Mortgage backed securities	13,345,890	12,464,664
Marketable securities	62,660,027	49,190,071
Short-term cash equivalents	10,379,340	7,548,250
Total investments at fair value	<u>120,294,393</u>	<u>107,237,514</u>
Property, plant and equipment: (Note 3)		
Net of accumulated depreciation \$48,363		
in 1997 and \$50,505 in 1998	<u>22,113</u>	<u>31,733</u>
Total assets	<u>131,337,577</u>	<u>117,247,317</u>
LIABILITIES:		
Accounts payable	135,007	130,653
Withholding taxes payable	15,813	---
Retiree levied taxes	2,884	---
Total liabilities	<u>153,694</u>	<u>130,653</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 131,183,883	\$ 117,116,664
[A schedule of funding progress for the plan is presented on page 17]		

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF CHANGES IN PLAN NET ASSETS
YEARS ENDED JUNE 30, 1997 AND 1996

	1997	1996
ADDITIONS: (Note 1)		
Contributions:		
Member	\$ 3,080,383	\$ 3,086,279
Employer	5,369,860	5,409,290
Ad valorem tax	2,968,276	2,729,020
Revenue sharing	329,448	313,680
Total contributions	<u>12,746,967</u>	<u>12,538,269</u>
Investment income: (Note 1)		
Net appreciation in fair value of investments	12,202,473	9,839,371
Interest income	4,528,241	4,168,170
Dividend income	1,124,881	1,997,327
	<u>17,855,595</u>	<u>15,995,171</u>
Less: Investment expense:		
Custodial fees	38,218	64,897
Investment management services	508,171	567,379
Investment consulting services	40,000	48,080
	<u>576,389</u>	<u>679,356</u>
Net investment income	<u>17,279,206</u>	<u>15,315,815</u>
Other additions:		
Transfer fees collected	68	160
Miscellaneous income	3,004	16,181
Transfer from another system	38,948	3,385
Total other additions	<u>41,919</u>	<u>19,726</u>
Total additions	<u>28,291,125</u>	<u>24,740,689</u>
DEDUCTIONS: (Note 1)		
Annuity benefits	7,756,085	6,803,178
Disability benefits	89,418	90,658
Refunds to terminated employees	850,884	798,689
Prop. benefits	1,742,567	208,675
Reimbursement to affiliate for administrative expenses (Note 1)	86,800	86,800
Administrative expenses (Page 14)	87,317	80,594
Depreciation	9,898	8,511
Transfer to another system	53,209	9,399
Total deductions	<u>12,119,420</u>	<u>8,185,398</u>
NET INCREASE BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	16,159,727	16,560,300
Cumulative effect on prior years resulting from changes in accounting principles (Note 5)	—	6,323,474
Net Increase	16,159,727	22,883,774
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - BEGINNING OF YEAR	312,278,688	68,282,889
END OF YEAR	\$ 328,438,415	\$ 111,206,664

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987 AND 1986

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) was established and provided for by R.S. 11:1901 of the Louisiana Revised Statutes (LRS). The Fund is administered by a board of trustees made up of ten members composed of three directors of the Clerks' Association, one retired clerk, the immediate past president, the president, first vice-president and treasurer of the Clerks' Association, the chairman of the Retirement Committee of the Louisiana House of Representatives, and the chairman of the Finance Committee of the Senate, or their designees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

Basis of Accounting:

Louisiana Clerks' of Court Retirement and Relief Fund's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the Legislature.

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Equipment and Fixtures:

Equipment and fixtures of the Louisiana Clerks' of Court Retirement and Relief Fund are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation. Depreciation expense for the years ended June 30, 1987 and 1986 is \$9,858 and \$8,301, respectively.

2. PLAN DESCRIPTION:

The Louisiana Clerks' of Court Retirement and Relief Fund is the administrator of a cost sharing multiple-employer plan. The fund is a statewide retirement plan for the clerk of the supreme court, each of the courts of appeal, each of the district courts, and each of the city and traffic courts in cities having a population in excess of four hundred thousand, and the employees of such clerks, whether full-time or part-time, and the employees of the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Retirement and Relief Fund, and Louisiana Clerks' of Court Insurance Fund. Employer and employee membership data as of June 30, 1987 and 1986 consists of:

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1997 AND 1998

2. PLAN DESCRIPTION (Continued)

	1997	1998
<u>Employer Members - Contributing</u>		
Parish courts	66	85
Supreme court	1	1
Circuit courts of appeals	6	6
City courts of New Orleans	2	2
Traffic court of New Orleans	1	1
Louisiana Clerks' of Court Association	1	1
<u>TOTAL EMPLOYER MEMBERS - CONTRIBUTING</u>	<u>78</u>	<u>93</u>
<u>Employee Members</u>		
Current retirees and survivors	882	867
Terminated, agevested, vested members not yet receiving benefits	180	168
D.B.P. members	51	33
Fully vested, partially and agevested active employees covered	2,063	1,906
<u>TOTAL PARTICIPANTS AS OF THE VALUATION DATE</u>	<u>3,183</u>	<u>2,975</u>

Those employees considered eligible for membership in the Louisiana Clerks' of Court Retirement and Relief Fund include all regular employees who work more than an average of 20 hours per week. Members are vested after 12 years of service time.

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more, and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the average monthly salary. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

A member who has been officially certified as disabled by the State Medical Probability Board shall be paid disability retirement benefits determined and computed as follows:

(1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1991 AND 1990

2. PLAN DESCRIPTION: (Continued)

(2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced 1/4 of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who has been an active contributing member for one full year after becoming eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

2. PLAN DESCRIPTION: (Continued)

using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 180% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

3. CONTRIBUTIONS, RESERVES AND FUNDS:

Contributions:

Contributions for all members are established by state statute at 8.2% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating parish or court.

Contributions for all employers are established by state statute at 11.80% for 1997 and 11.50% for 1996 of employee's earnable compensation. In accordance with state statute the fund also receives 1/4 of 1% of all various taxes collected within the respective parishes and state revenue sharing funds. These additional sources of income are used as additional employer contributions.

Administrative costs of the fund are financed through employer contributions.

Reserves:

Use of the term "reserves" by the Fund indicates that a portion of the fund balance is legally restricted for a specific future use. The nature and purpose of the reserves are explained below:

A) Deferred Retirement Option Account:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, at which time the member may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 1997 and 1996 is \$2,748,996 and \$3,583,212, respectively. The Deferred Retirement Option Account is fully funded.

LOUISIANA ELEKTRIC OF COAST RETIREMENT AND WELFARE FUND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1987 AND 1986

3. CONTRIBUTIONS, RESERVES AND FUNDS: (Continued)

Funds:

The following funds account for the activity of the Fund:

A) Annuity Savings Fund:

The Annuity Savings Fund is credited with contributions made by members of the Fund. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings Fund to the Annuity Reserve Fund. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve Fund to provide part of the benefits payable. The Annuity Savings Fund as of June 30, 1987 and 1986 is \$30,008,909 and \$28,508,866, respectively. The Annuity Savings Fund is fully funded.

B) Employer Reserve Fund:

The Employer Reserve Fund consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve Fund to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Employer Reserve Fund as of June 30, 1987 and 1986 is \$99,274,089 and \$89,503,624, respectively. The Employer Reserve fund is 30.32 percent funded.

C) Annuity Reserve Fund:

The Annuity Reserve Fund consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve Fund as of June 30, 1987 and 1986 is \$46,200,724 and \$59,746,170, respectively. The Annuity Reserve fund is fully funded.

4. ACTUARIAL COST METHOD:

The "Frozen Attained Age Normal" cost method was used to calculate the funding requirements of the Fund. Funding of pension plans under this method consists of two components. The first of these components is the Employer Normal Cost of the plan. In addition, amortization payments on the Fund's unfunded liability must be made. The actuarial present value of future normal cost is called the actuarial accrued liability. Act 81 of the 1988 legislative session requires that the unfunded accrued liability be amortized over a forty year period beginning on July 1, 1989 with payments increasing at 4.75% per year. The actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute pension benefit obligations.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

9. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 15 - 18.

8. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Fund's deposits, cash equivalents and investments at June 30, 1997 and 1996:

	1997	1996
Deposits (bank balance)	\$ 1,085,343	\$ 1,912,383
Cash equivalents	18,371,743	3,548,310
Investments	117,868,873	281,828,583
	<u>\$137,325,959</u>	<u>\$311,289,276</u>

Deposits:

The Fund's bank deposits were entirely covered by federal depository insurance and securities pledged.

Cash Equivalents:

Cash equivalents consist of a short term diversified asset fund. The funds are managed and held by a separate money manager and are in the name of the fund.

Investments:

Statutes authorize the Fund to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the system to act with care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the Fund shall not invest more than fifty-five percent of the total portfolio in common stock. However, the Fund's external investment policy states that the Fund shall not invest more than forty-five percent of the total portfolio in common stock, with a permissible range of plus or minus 5%.

The fund's investments are categorized below to give an indication of the level of risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Fund or its agents in the Fund's name. Category 2 includes uncovered and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the fund's name. Category 3 includes uncovered and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the fund's name.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

6. **RECEIVABLES, CASH EQUIVALENTS AND INVESTMENTS:** (Continued)

	1997		1996	
	MARKET VALUE	CATEGORIES	MARKET VALUE	CATEGORIES
	Corporate bonds	\$ 22,390,404	1	\$16,444,060
Government securities	23,538,890	1	23,538,025	3
Mortgage backed securities	11,345,898	1	12,454,654	3
Marketable securities	62,683,852	1	48,150,871	3
	<u>\$117,958,044</u>		<u>\$100,587,610</u>	

7. **REIMBURSEMENT TO LOUISIANA CLERKS' OF COURT ASSOCIATION:**

The Fund shares an office building, equipment, and expenses with the Clerks' of Court Association and Insurance Funds, two related parties. Most of the expenses, including the salaries of employees of all three funds, are paid out of the Association Fund. The Fund reimbursed the Association for shared expenses for the years ended June 30, 1997 and 1996 in the amount of \$96,408. The building is owned by the Association and Insurance Fund. There is no formal lease between the related parties.

8. **USE OF ESTIMATES:**

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

9. **CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:**

During 1996, the Fund changed its method of accounting for investments. In prior years, bonds were recorded at the lower of amortized cost or market if the decline was deemed permanent. Stocks were recorded at the lower of cost or market if the decline was deemed permanent. In 1996, all investments were recorded at fair value to conform with new requirements of the Governmental Accounting Standards Board (GASB). The effect of this change was to increase income for the year by \$6,373,404. The financial statements for 1996 have not been restated and the cumulative effect of the change is shown as a one time credit to income in the statement of changes in plan net assets.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN RESERVE BALANCES
FOR THE YEARS ENDED JUNE 30, 1997 AND 1998

200

	1997		1998		1999	
	AMOUNT \$1,000	PER CENT	AMOUNT \$1,000	PERCENT \$1,000	PERCENTAGE OF FUND AS LIABILITY	1999
BALANCE - BEGINNING	\$ 11,029,000		\$ 11,363,100		\$ 106,080,000	1,117,718,000
REVENUES AND TRANSFERS:						
Employer - county flat fees	1,000,000	--	--	--	--	1,000,000
Employer - county flat fees	--	--	--	1,204,000	--	1,204,000
Net. Transferred Income	--	--	--	11,000,000	--	11,000,000
Ten member contributions	--	--	--	1,000,000	--	1,000,000
Revenue sharing contributions	--	--	--	100,000	--	100,000
Other Income - Various	--	--	--	1,000	--	1,000
Transfer From Asset by Members	--	--	1,000,000	--	--	1,000,000
Transfer From Asset by Revenue	--	1,000,000	--	--	--	1,000,000
Transfers, Ten member system	--	--	--	10,000	--	10,000
Artificial transfer	--	--	11,000,000	--	--	11,000,000
	<u>2,000,000</u>	<u>1,000,000</u>	<u>11,000,000</u>	<u>25,000,000</u>	<u>--</u>	<u>18,000,000</u>
EXPENDITURES AND TRANSFERS:						
Refunds to Department of Employees	100,000	--	--	--	--	100,000
Transfer to Asset by Revenue	1,000,000	--	--	--	--	1,000,000
Transfer to OMB	--	--	1,000,000	--	--	1,000,000
Fixed fee paid contractors	--	--	7,000,000	--	--	7,000,000
Repayment	--	--	--	100,000	--	100,000
OMB benefits	--	1,000,000	--	--	--	1,000,000
Artificial transfer	--	--	--	10,000,000	10.10	10,000,000
Transfer to member system	--	--	--	10,000	--	10,000
	<u>1,100,000</u>	<u>1,000,000</u>	<u>8,000,000</u>	<u>10,100,000</u>	<u>10.10</u>	<u>18,110,000</u>
NET INCREASE (DECREASE)						
BEFORE CHANGES IN EFFECT OF ISSUES IN ACCOUNTING PRINCIPLES	1,000,000	0.14,000	3,000,000	3,000,000	28.00	30,000,000
Estimated effect on prior years resulting from changes in accounting principles	--	--	--	--	--	--
NET INCREASE (DECREASE)	<u>1,000,000</u>	<u>0.14,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>28.00</u>	<u>30,000,000</u>
BALANCE - ENDING	\$ 12,029,000		\$ 14,363,100		\$ 136,080,000	1,147,718,000

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENTS
 JUNE 30, 1997 AND 1996

	JUNE 30, 1997		
	PAR VALUE	ORIGINAL COST VALUE	MARKET VALUE
BONDS:			
Government securities	\$ 21,590,900	\$ 21,576,904	\$ 21,605,932
Mortgage backed securities	11,393,188	11,340,462	11,345,890
Corporate bonds	22,849,502	22,874,508	22,360,404
TOTAL BONDS	\$ 55,833,590	\$ 55,800,232	\$ 55,325,046

	COST	MARKET VALUE
STOCKS:		
Common stocks	\$ 49,774,353	\$ 62,693,017

	JUNE 30, 1996		
	PAR VALUE	ORIGINAL COST VALUE	MARKET VALUE
BONDS:			
Government securities	\$ 23,553,680	\$ 23,684,313	\$ 23,528,625
Mortgage backed securities	12,605,389	12,601,325	12,454,854
Corporate bonds	16,489,680	16,437,684	16,444,680
TOTAL BONDS	\$ 52,785,399	\$ 52,823,326	\$ 52,437,600

	COST	MARKET VALUE
STOCKS:		
Common stocks	\$ 38,985,263	\$ 49,181,873

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF ADMINISTRATIVE EXPENSES
 FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

	1997	1996
PERSONAL SERVICES:		
Board Member - per diem	\$ 2,625	\$ 2,800
Secretary's fee for board meeting	—	1,250
	<u>2,625</u>	<u>4,050</u>
PROFESSIONAL SERVICES:		
Accountant	13,640	14,475
Actuarial	13,984	14,329
Legal	18,280	19,200
Program consultant	5,362	8,173
	<u>48,609</u>	<u>48,999</u>
COMMUNICATIONS:		
Travel	<u>3,187</u>	<u>3,415</u>
OTHER:		
Office supplies	8,381	9,840
Bank charges	6,154	7,415
Miscellaneous	2,031	956
Repair and maintenance	880	290
	<u>17,496</u>	<u>18,411</u>
TOTAL EXPENSES	\$ <u>87,317</u>	\$ <u>80,896</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PER DIEM PAID TO TRUSTEES
 FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

The per diem paid to the trustees is an expenditure of the fund. For 1996 the trustees received per diem at the rate of \$75.00 for attendance of a regularly scheduled meeting of the Board of Trustees. Per diem paid to the trustees for the years ended June 30, 1997 and 1996 are as follows:

1997		
TRUSTEE	NO. OF MEETINGS	AMOUNT
Eugene Dunn	5	\$ 375.00
Bollie Knippers	5	375.00
Patrick Sautier	2	150.00
Lawrence Bergeron	5	375.00
Peter Fitzgerald, Jr.	4	300.00
W. J. Hedge	5	375.00
Ambrose Landry	4	300.00
Ann Walworth	5	375.00
		<u>\$2,325.00</u>

1996		
TRUSTEE	NO. OF MEETINGS	AMOUNT
Eugene Dunn	2	\$ 150.00
Bollie Knippers	2	150.00
Patrick Sautier	5	375.00
Curtis Warren	2	150.00
Lawrence Bergeron	7	525.00
Peter Fitzgerald, Jr.	5	375.00
W. J. Hedge	6	450.00
Louis Bernard	5	375.00
Ambrose Landry	7	525.00
Ann Walworth	7	525.00
		<u>\$3,800.00</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
 FISCAL YEAR 1992 THROUGH 1997

FISCAL YEAR	ACTUARIAL REQUIRED CONTRIBUTIONS EMPLOYER	ACTUARIAL REQUIRED CONTRIBUTIONS OTHER SOURCES	PERCENT CONTRIBUTED EMPLOYER	PERCENT CONTRIBUTED OTHER SOURCES
1992	\$3,490,962	\$2,482,224	87.95A	100.00
1993	3,493,284	2,575,080	103.79	100.00
1994	4,335,113	2,795,080	84.42	100.00
1995	5,208,049	2,928,000	80.34	99.45
1996	5,305,918	3,087,007	101.00	98.40
1997	4,080,982	3,155,534	106.79	104.89

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF FUNDING PROCESS
 JUNE 30, 1992 THROUGH 1997

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL LIABILITY (LAL)	UNFUNDED AMT (UAM)	FUNDED RATIO	CONTRIB RATIO	UAM AS A PERCENTAGE OF FUNDED PAYROLL
June 30, 1992	\$ 87,894,511	\$152,839,828	\$ 64,945,317	60.1%	\$39,837,765	182.4%
June 30, 1993	76,386,826	143,799,791	67,412,965	53.1	41,669,867	180.4
June 30, 1994	79,277,314	148,237,768	68,960,454	53.46	43,549,830	168.18
June 30, 1995	81,458,873	152,513,519	71,054,646	54.78	46,328,626	152.31
June 30, 1996	106,198,803	198,361,822	92,163,019	64.44	47,318,772	154.63
June 30, 1997	125,303,104	200,377,668	75,074,514	62.43	48,661,964	153.93

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS AND
 SCHEDULE OF FUNDING PROGRESS
JUNE 30, 1992 THROUGH 1991

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 1990
Actuarial Cost Method	Frozen Attained Age Normal Method
Amortization Method	In accordance with state statute, the payment amounts increase at 4.75% each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis) The required payment amount under the parameters of the current accounting standards produces a payment in the amount of \$5,801,146. This amount is approximately 9.65% higher than the amount required by state statute. The difference is not accounted for in the required supplemental schedules.
Remaining Amortization Period	32 years
Asset Valuation Method:	Based on the market value of investment securities adjusted to defer one-half of all realized and unrealized capital gains or losses for one year.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	4.6% (3.25% Inflation, 1.35 Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. Future cost of living increases are only granted to specific target ratios are met. Cost of living increases granted to participants under age 55 are financed through employer contributions. Cost of living increases granted to participants over age 55 are financed through earnings in excess of 6%.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1992

August 29, 1992

Louisiana Clerks' of Court
Retirement and Relief Fund
11745 Brookstone Ave., Suite 9-1
Baton Rouge, Louisiana 70806

We have audited the financial statements of Louisiana Clerks' of Court Retirement and Relief Fund, and for the year ended June 30, 1992, and have issued our report thereon dated August 29, 1992.

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

The management of the Louisiana Clerks' of Court Retirement and Relief Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Louisiana Clerks' of Court Retirement and Relief Fund, for the year ended June 30, 1992, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1992

(Continued)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Trustees, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Douglas, Chapman, Hayes & Mader LLP

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1997

August 29, 1997

Louisiana Clerks' of Court
Retirement and Relief Fund
11745 Newkirk Ave., Suite B-1
Baton Rouge, Louisiana 70816

We have audited the financial statements of the Louisiana Clerks' of Court Retirement and Relief Fund, for the year ended June 30, 1997, and have issued our report thereon dated August 29, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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 Louisiana Clerks' of Court Retirement and Relief Fund, is the responsibility of the Fund's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Fund's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Board of Trustees, management, and the Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Debra L. Thompson, CPA