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R E P O R T

**SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA**

JUNE 30, 1987 AND 1986

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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 7-18-91

2/12

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA

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JUNE 30, 1987 AND 1988

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INDEPENDENT AUDITOR'S REPORT

September 25, 1997

Board of Trustees of the
Sheriffs' Pension and Relief Fund
State of Louisiana
Monroe, Louisiana

We have audited the statements of plan net assets of the Sheriffs' Pension and Relief Fund, State of Louisiana as of June 30, 1997 and 1996 and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the management of the Sheriffs' Pension and Relief Fund. 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. These 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 12 to the financial statements, the Sheriffs' Pension 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 Sheriffs' Pension and Relief Fund as of June 30, 1997 and 1996 and the results of its 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 such financial statements. 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 19 - 21 and the supplemental schedules on pages 25 - 30 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, 1996 - 1997 and supplemental schedules for the years ending June 30, 1997 and 1996, 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 reports dated September 25, 1997 on our consideration of Sheriff's Pension and Relief Fund's internal control structure and on its compliance with laws and regulations.

Douglas, Chapman, Hogan & Maden LLP

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2007 AND 2006

	2007	2006
ASSETS:		
Cash	\$ 304,844	\$ 384,518
Receivables and prepaid expenses:		
Member contributions	1,320,000	1,002,143
Employer contributions	780,148	779,806
Accrued interest and dividends	4,749,518	4,969,946
Sold investments receivable	1,315,872	3,048,698
Other receivables	7,804	18,220
Prepaid expense	7,493	8,775
Total	<u>7,987,669</u>	<u>10,599,596</u>
Investments (At fair value): (Notes 1 and 6) (Page 16)		
Cash equivalents	40,035,751	26,508,121
collateral held under Securities Lending Program (Notes 6 and 7)	—	180,760,625
Bonds	324,167,823	381,099,087
Stocks	193,114,481	149,704,655
Total	<u>557,317,855</u>	<u>537,099,488</u>
Property, plant and equipment: (Note 1)		
Office furnishings and equipment	237,098	276,141
Less: Accumulated depreciation	<u>189,068</u>	<u>176,369</u>
	48,030	99,772
Total assets	<u>585,858,363</u>	<u>589,043,350</u>
LIABILITIES:		
Investments purchased payable	2,147,451	4,167,563
Refunds payable	181,329	300,577
Payroll and pension withholding payable	179,834	131,386
Accounts payable	408,655	368,947
Pension payable	34,821	14,364
Accrued leave payable	45,432	27,679
Obligation under Securities Lending Program (Notes 6 and 7)	—	108,780,625
Total liabilities	<u>3,806,082</u>	<u>109,870,941</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 582,052,281	\$ 489,172,409
(A schedule of funding progress for the plan is presented on Page 28)		

See accompanying notes.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1997 AND 1996

	1997	1996
ADDITIONS:		
Contributions:		
Members	\$ 18,445,828	\$ 18,688,067
Employers	12,865,267	11,638,028
Ad valorem taxes, state revenue sharing and general funds	5,487,796	8,032,441
Total contributions	<u>36,798,891</u>	<u>38,358,536</u>
Investment income: (Note 1)		
Interest income	24,121,514	22,228,948
Dividend income	2,253,829	2,208,128
Net appreciation in fair value of investments	42,679,845	17,424,828
Commission receipts	58,200	32,732
	<u>69,113,388</u>	<u>41,943,636</u>
Less investment expense:		
Investment advisory fee	1,641,322	1,264,928
Custodian fee and bank charges	128,865	148,128
	<u>1,770,187</u>	<u>1,413,056</u>
Net investment income	<u>67,343,191</u>	<u>40,530,580</u>
Other additions:		
Transfers from other retirement systems	1,158,080	866,810
Processing fees	194	156
Gain on sale of equipment	--	50
Total other additions	<u>1,158,274</u>	<u>867,016</u>
Total additions	<u>105,298,883</u>	<u>77,574,360</u>
DEDUCTIONS:		
Benefits	21,155,582	17,829,811
Refund of contributions	4,843,045	3,546,409
Transfers to other state retirement systems	227,621	87,816
Administrative expenses	622,529	526,463
Depreciation	18,684	18,228
Loss on sale of equipment	387	--
Total deductions	<u>27,608,500</u>	<u>21,817,916</u>
NET INCREASE BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	77,690,383	55,756,451
Cumulative effect on prior years resulting from changes in accounting principles (Note 12)	--	28,174,426
NET INCREASE	77,690,383	83,930,877
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	382,222,818	298,291,542
END OF YEAR	\$ 460,663,201	\$ 382,222,419

See accompanying notes.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987 AND 1986

The Sheriffs' Pension and Relief Fund (Fund) is a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2771 to provide retirement, disability and survivor benefits to employees of sheriffs' offices throughout the State of Louisiana. Before passage of legislation in 1985 allowing noncommissioned employees to be members of the Fund, sheriffs and deputies were the only sheriffs' office employees eligible to participate in the Fund. Employees of the Louisiana Sheriffs' Association (LSA) and the Sheriffs' Pension Fund office are also members of the Fund.

The Fund is governed by a Board of Trustees composed of 14 elected members and two ex-officio members, all of whom are voting members consisting of a president, secretary-treasurer, three active, participating sheriffs, and three full-time participating deputy sheriffs, three retired sheriffs and three retired deputy sheriffs participating in the fund, and the chairman of the Senate Finance and House Retirement Committee serve as ex-officio members. The President may be either an active or retired sheriff, elected by the members of the LSA for a term of two years from the date of taking office. Re-election is permissible. At the annual sheriffs' conference, the general membership of the LSA elects one active sheriff and one retired sheriff to serve three-year staggered terms on the Board. Active and retired deputy sheriff members are elected from their respective ranks to three-year staggered terms. The Secretary-Treasurer is elected annually by the members of the LSA. Office personnel and retained professionals serve as authorized by the Board.

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:

The 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 and dividend income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature. Insurance premium tax income is recorded in the period received.

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.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property, Plant and Equipment:

Property, plant and equipment 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.

2. PLAN DESCRIPTION:

The Sheriffs' Pension and Relief Fund, State of Louisiana, is the administrator of a cost-sharing multiple-employer plan. The Sheriffs' Pension and Relief Fund received a favorable determination from the IRS regarding its status as a qualified plan in August 1999. The determination applied to plan years beginning after December 31, 1988.

The Sheriffs' Pension and Relief Fund, State of Louisiana, provides retirement benefits for employees of sheriffs' offices throughout the State of Louisiana. There are sixty-four contributing sheriff offices, with employees of the Louisiana Sheriffs' Association office and the Sheriffs' Pension Fund staff also contributing. At June 30, 1997 and 1996 statewide retirement membership consists of:

	1997	1996
Current retirees and beneficiaries	1,404	1,347
EROP participants	170	190
Members, terminated with deferred vested benefits	188	150
Members, terminated, associated with contributions remaining on deposit with the fund	1,304	1,254
Fully vested, partially and nonvested active employees covered	<u>9,206</u>	<u>9,623</u>
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	<u>12,172</u>	<u>12,064</u>

Laws that govern the Fund are located in the Louisiana Revised Statutes beginning with 11:2171 et seq. which deals specifically with the Sheriffs' Pension Fund, and 11:11 et seq., which governs all public retirement systems in Louisiana.

Eligibility Requirements:

Membership in the fund is required for all eligible sheriffs and full time deputies. Court orders of specified courts may become members. A recent change allows unappointed employees to be members. They are eligible immediately upon employment as long as they meet statutory criteria as to age and physical condition. All salaried employees of the Sheriffs' Pension and Relief Fund and the Louisiana Sheriffs' Association who meet certain requirements are also eligible to become members of the fund. Members are vested after twelve years of service time.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

2. PLAN DESCRIPTION: (Continued)

Retirement Benefits:

A member is eligible to retire after at least twelve years of service at age 55. The retirement allowance is equal to the appropriate retirement accrual rate multiplied by the number of years of creditable service multiplied by average monthly salary for the thirty-six highest successive months of employment. The service credit accrual rate is 2.84 for members with less than fifteen years of service, 2.75% for members with at least fifteen but less than twenty years of service, and 3% for members with twenty or more years of service. The annual accrual rate is increased by 0.25% for service rendered on or after January 1, 1980. After reduction for optional payment form (i.e. joint and survivor annuities), the benefit may not exceed 100% of average final compensation. Members with twenty or more years of service may retire with an actuarially reduced retirement at the age of fifty. Members who had twelve or more years of service credit and were at least age forty-five on September 1, 1980, are also eligible for an actuarially reduced early retirement.

Deferred Benefits:

The Fund does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Disability Benefits:

A member is eligible to receive disability benefits if he has at least ten years of creditable service when a non-service related disability is incurred; there are no service requirements for a service related disability. Disability benefits shall be the lesser of 1) a sum equal to the greater of 45% of final average compensation or the members' accrued retirement benefit at the time of termination of employment due to disability or 2) the retirement benefit which would be payable assuming continued service to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

Survivor Benefits:

Survivor benefits for death solely as a result of injuries received in the line of duty are based on the following. For a spouse alone, a sum equal to 50% of the member's final average compensation with a minimum of \$150 per month. If a spouse is entitled to benefits and has a child or children under eighteen years of age (or over said age if physically or mentally incapacitated and dependent upon the member at the time of his death), an additional sum of 30% of the member's final average compensation is paid to each child with total benefits paid to spouse and children not to exceed 80%. If a member dies with no surviving spouse, surviving children under age eighteen will receive monthly benefits of 50% of the member's final average compensation up to a maximum of 80% of final average compensation if there are more than four children. If a

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987 AND 1988

2. PLAN DESCRIPTION: (Continued)

Survivor Benefits: (Continued)

member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option 2 benefit. The additional benefit payable to children shall be the same as those available for members who die in the line of duty. In lieu of receiving option 2 benefit, the surviving spouse may receive a refund of the member's accumulated contributions. All benefits payable to surviving children shall be extended through age twenty-three, if the child is a full time student in good standing.

DROP Benefits

In lieu of terminating employment and accepting a service retirement allowance, any member who has twelve or more years of service and is at least age fifty-five, or who has thirty or more years of service and is at least age fifty-three, may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the system terminates. During participation in the plan, employer contributions are payable but employee contributions cease unless the member enters the DROP prior to age fifty-six. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest until after termination of DROP participation, at which time interest is credited annually based on a rate established by the Board of Trustees. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the deferred retirement option plan fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions in the current year for all members are established by statute at 8.7% of variable compensation and are deducted from the member's salary and remitted monthly by the participating parish.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1993 AND 1992

3. CONTRIBUTIONS AND RESERVES: (Continued)

Contributions: (Continued)

Gross employer contributions are determined by actuarial valuation and are subject to change each year in accordance with R.S. 11:160. For fiscal 1993, the employers contributed 8% of members' salaries. Also, the fund annually receives revenue sharing funds, .5% of the aggregate amount of the tax shown to be collected by the tax rolls of each respective parish, and additional funds as indicated by valuation and apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premium taxes described in RS 22:3418.

Administrative costs of the Fund are financed through employer contributions.

Reserves:

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

A) Annuity Savings:

The Annuity Savings 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 reserve. 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 to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to Annuity Reserve to provide part of the benefits. The Annuity Savings as of June 30, 1993 is \$165,280,965. The Annuity Savings is fully funded.

B) Pension Accumulation Reserve:

The Pension Accumulation Reserve consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the Actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also released when expenditures are not covered by other accounts. The Pension Accumulation Reserve as of June 30, 1993 is \$340,719,938. The Pension Accumulation Reserve is 66.78% funded.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

3. CONTRIBUTIONS AND RESERVES (Continued)

Reserves (Continued)

C) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to retired members and to the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of June 30, 1997 is \$175,179,826. The Annuity Reserve is fully funded.

D) Deferred Retirement Option Account:

The Deferred Retirement Option account consists of the reserves for all members who upon retirement 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, and upon termination may receive his benefits in a lump sum payment or by a true annuity. For those entering on July 1, 1990 or thereafter, only a lump sum payment is available. The deferred retirement option account as of June 30, 1997 is \$3,682,158. The Deferred Retirement Option account 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 required that the unfunded accrued liability be amortized over a forty year period beginning on July 1, 1989 with payments increasing at 3.5% per year.

5. REQUIRED SUPPLEMENTARY SCHEDULE INFORMATION:

Information in the Required Supplementary Schedules is designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 18-21.

6. 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 balances)	\$ 2,980,480	\$ 3,047,258
Cash equivalents	48,035,751	28,585,321
Investments	\$17,780,004	\$21,089,280
	<u>\$68,796,235</u>	<u>\$52,721,859</u>

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Deposits:

The Fund's bank deposits were fully insured or collateralized with securities held by the entity or its agent in the entity's name.

Cash Equivalents:

Cash equivalents consist of government backed pooled funds. The funds are held by a sub-custodian, are managed by separate money managers and are in the name of the Fund's custodian's trust department.

Investments:

Statutes authorize the fund to invest under the Prudent-Man Rule. Pursuant to Louisiana Revised Statute 11:203(C), the Prudent-Man rule requires each fiduciary of a retirement system and each board of trustees acting collectively on behalf of each system to act with the 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.

The Fund's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. That is, the risk associated with the exposure to potential loss from unauthorized transfer of a financial instrument. Category 1 includes investments that are insured or registered or for which the securities are held by the retirement system or its agents in the retirement system's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the retirement system's name. Category 3 includes uninsured 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 retirement system's name.

	1997		1996	
	Carrying Amount (Market Value)	Category	Carrying Amount (Market Value)	Category
Collateral held under Securities Lending Program	\$ --	2	\$108,387,825	2
Bonds	309,167,503	3	231,090,140	3
Stocks	150,114,400	3	119,016,089	3
Investments held by broker-dealers in which collateral may be reinvested:				
Bonds	--	3/A	36,266,547	3/A
Stocks	--	3/A	38,855,301	3/A

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1996

7. SECURITIES LENDING AGREEMENTS: (Continued)

The term to maturity of the securities loaned is matched with the term to maturity of the investment of the cash collateral by inserting only in repurchase agreements with maturities of one to two days.

For the fiscal years ending June 30, 1996 to June 30, 1997, the Fund had a contract with a bank which acted as their securities lending agent. This contract was terminated during the current fiscal year. Subsequent to June 30, 1997, the Fund entered into a new securities lending contract.

8. EMPLOYEES DEFERRED COMPENSATION PLAN:

Effective November 19, 1992 the Sheriffs' Pension and Relief Fund accepted the National Association of Counties' Deferred Compensation Program and adopted an eligible deferred compensation plan, as defined in IRC Section 457, that covers all employees electing to participate. No contributions have been made to the plan by the fund on behalf of the employees.

The plan documents provide that assets of the plan remain the property of the Sheriffs' Pension and Relief Fund until paid, subject only to claims of the Fund's general creditors. No amounts are reflected in the financial statements for the plan since the Fund's investment is offset by the amount due to the participants as follows:

	<u>1997</u>	<u>1996</u>
Amounts invested in plan		
by participants	\$54,407	\$40,788
Less:		
Amounts due to participants	\$8,402	\$8,788
Net investment by Fund	<u>\$ 46,005</u>	<u>\$ 32,000</u>

9. ANNUAL AND SICK LEAVE:

In prior years the Fund adhered to Executive Order No. 58, which governs accrual of annual and sick leave for all officers and employees in the State service except department heads appointed by the governor, elected officials, and those positions covered by the Department of Civil Service. (Employee's leave, cumulative without limitation, is accrued at rates of 12 to 24 days per year depending upon length of service. Upon separation employees were compensated for accumulated annual leave, not to exceed 308 hours. Employees are not compensated for accumulated sick leave upon termination.

During the current year the Fund adopted a change in policy relating to compensatory time and annual leave. There was no change related to compensation for sick leave. Employees are still not compensated for sick leave at termination.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1997 AND 1998

9. ANNUAL AND SICK LEAVE: (Continued)

Effective in this year the Fund will make a one-time payment of accrued compensatory time for the staff. Any future compensatory time payments will be made on an emergency basis only.

The Fund also changed its policy relating to accrued annual leave. The amount of unpaid annual leave as of June 30, 1997 is frozen, effective July 1, 1998 only 80 additional hours may be accrued for an employee.

The liability for compensatory time and annual leave accrued at June 30, 1997 is \$46,412.

The liability for annual leave accrued at June 30, 1998 under the policy in effect at that time was \$27,538.

10. OPERATING BUDGET:

The budget is under the control of the Board of Trustees and is not an appropriated budget but is considered a budgetary execution for management purposes.

11. 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.

12. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:

During 1998, 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 1998, 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 \$28,124,426.



SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN RESERVE BALANCES
FOR THE YEARS ENDED JUNE 30, 1987 AND 1988

JUNE 30, 1987

	ANNUITY RESERVE	ANNUITY SAVINGS	PENSION ACCUMULATION RESERVE	DEFERRED ANNUITY OPTION PLAN (DOP)	DEFERRED ACTUAL ON- LINE PLAN
BALANCE - BEGINNING OF YEAR	\$ 282,962,878	\$ 86,826,918	\$ 202,852,256	\$ 2,783,873	\$ 387,108,811
WITHHOLD AND TRANSFERS:					
Contributions	--	18,888,888	18,287,811	--	--
Net Income from Investments	--	--	87,898,194	--	--
Penaltying fees	--	--	100	--	--
Amortized dividend from accumulated savings	4,411,210	--	--	--	--
Gain on sale of assets	--	--	--	--	--
Contributions for purchased or transferred services	--	248,708	888,218	--	--
ERP payments accumulated from Annuity Reserve	--	--	--	1,411,861	--
Actual net transfer	<u>28,001,718</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>28,778,889</u>
Total resources and transfers	<u>40,412,928</u>	<u>19,137,596</u>	<u>88,186,223</u>	<u>1,411,861</u>	<u>28,778,889</u>
EXPENSES AND TRANSFERS:					
Retirement allowances paid during the period	28,411,218	--	--	--	--
Transfer to Annuity Reserve	--	4,411,210	--	--	--
Refunds to members	--	4,411,210	--	--	--
Administrative expenses and depreciation	--	--	641,882	--	--
Loss on sale of assets	--	--	267	--	--
Cash transferred to another system	--	--	551,813	--	--
Pension paid into ERP	1,411,861	--	--	--	--
Pension paid out of ERP	--	--	--	1,118,118	--
Actual net transfer	<u>--</u>	<u>--</u>	<u>28,428,995</u>	<u>--</u>	<u>--</u>
Total expenses and transfers	<u>31,244,937</u>	<u>8,822,420</u>	<u>29,021,698</u>	<u>1,118,118</u>	<u>--</u>
Net increase (decrease) before cumulative effect of changes in accounting principles	31,167,991	9,315,176	31,264,525	(124,257)	28,778,889
Cumulative effect on prior years resulting from changes in accounting principles	--	--	--	--	--
Net increase (decrease)	31,167,991	9,315,176	31,264,525	(124,257)	28,778,889
BALANCE - END OF YEAR	\$ 314,130,869	\$ 96,142,094	\$ 234,116,781	\$ 2,659,616	\$ 415,887,700

2007-06-30

(B)(6)	AMOUNT RECEIVED	AMOUNT PAID (OUTGO)	POSITION ACCUMULATED FOR (B)(7)(F)	DEFERRED BENEFIT FROM PLAN (B)(7)(G)	DEFERRED BENEFIT FROM OTHER PLAN (B)(7)(H)	DEFERRED BENEFIT FROM OTHER PLAN (B)(7)(I)	TOTAL
\$ 283,211,419	\$ 145,922,172	\$ 87,244,828	\$ 216,884,446	\$ 2,111,288	\$ (21,086,288)	\$ --	\$ 488,211,582
37,781,881	--	15,884,063	19,555,218	--	--	--	63,221,169
47,844,181	--	--	49,428,478	--	--	--	97,272,659
211	--	--	--	--	--	--	211
6,411,211	4,284,487	--	--	--	--	--	10,695,704
--	--	--	42	--	--	--	42
1,167,268	--	752,848	447,144	--	--	--	861,568
1,837,881	--	--	--	2,041,288	--	--	3,879,169
18,828,448	22,458,481	--	--	--	--	--	41,286,929
177,228,211	21,180,206	14,668,881	95,717,294	2,041,288	--	--	307,228,211
19,407,278	21,180,206	--	--	--	--	--	40,587,484
4,412,212	--	4,448,487	--	--	--	--	8,860,704
4,883,288	--	--	--	--	--	--	9,766,576
442,282	--	--	242,227	--	--	--	684,509
282	--	--	--	--	--	--	282
222,411	--	--	82,288	--	--	--	304,704
1,547,281	2,041,288	--	--	--	--	--	3,588,569
1,718,278	--	--	--	472,288	--	--	2,190,566
38,828,448	--	--	12,884,228	--	--	--	51,712,676
31,128,227	18,788,206	8,218,888	18,228,114	472,288	--	2,041,288	68,868,943
78,478,884	6,728,482	8,228,228	48,118,448	1,548,288	--	(9,282,228)	124,788,884
--	--	--	22,228,228	--	21,228,228	(22,228,228)	21,228,228
78,478,884	6,728,482	8,228,228	70,346,676	1,548,288	21,228,228	(22,228,228)	124,788,884
\$ 542,821,281	\$ 111,118,472	\$ 95,478,828	\$ 211,811,718	\$ 1,711,278	\$ (21,086,288)	\$ (22,228,228)	\$ 863,211,582

SHERIFFS' PENSION AND RELIEF FUND
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENTS
 FOR THE YEARS ENDED JUNE 30, 1997 AND 1998

INVESTMENTS	JUNE 30, 1997		
	PAR VALUE	ORIGINAL COST	MARKET VALUE
Cash equivalents	\$ <u>40,245,708</u>	\$ <u>40,039,791</u>	\$ <u>40,039,791</u>
Bonds:			
Corporate and Aid bonds	71,150,000	71,728,425	72,259,187
U.S. Government Securities and Mortgage Backed Securities	240,366,089	240,098,362	251,908,338
Total bonds	<u>311,516,089</u>	<u>311,826,787</u>	<u>324,167,525</u>
Stocks	<u>148,023,800</u>	<u>149,023,800</u>	<u>193,114,400</u>
TOTAL INVESTMENTS	\$ <u>508,585,863</u>	\$ <u>518,875,418</u>	\$ <u>557,317,600</u>

	JUNE 30, 1996	
FAR	DEVELOP	MARKET
VALUE	COST	VALUE
\$ 25,667,851	\$ 25,667,045	\$ 26,565,171
62,150,800	62,502,312	61,980,250
<u>217,866,958</u>	<u>218,115,823</u>	<u>219,218,752</u>
<u>296,215,658</u>	<u>300,209,338</u>	<u>301,180,682</u>
<u>128,384,521</u>	<u>128,364,513</u>	<u>129,704,655</u>
\$ 448,043,180	\$ 455,046,658	\$ 457,467,778

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 1991 AND 1996

	1991	1996
Salaries and related cost	\$ 282,899	\$ 249,801
Office supplies and expense	88,438	88,747
Professional retainers and legal fees	199,404	119,318
Travel expense and per diem	51,174	96,944
Telephone and telegraph	7,890	3,838
Payroll taxes	4,853	3,806
Group medical and bond insurance	31,127	32,470
Microfilming	428	2,194
Professional development	6,888	8,518
Liaison/representative education	11,708	--
	\$ 622,679	\$ 525,493

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
PER DIEM AND TRAVEL EXPENSES PAID TO BOARD OF TRUSTEES
FOR THE YEARS ENDED JUNE 30, 1997 AND 1998

	1997			1998		
	PER DIEM	TRAVEL REIMBURSEMENT	TOTAL	PER DIEM	TRAVEL REIMBURSEMENT	TOTAL
Belaia Bergeron	\$ 1,875	\$ 678	\$ 2,553	\$ 1,200	\$ 988	\$ 2,188
Bernold Tridico	1,800	718	2,518	—	45	45
B. R. Mitchell	1,125	1,481	2,606	750	1,084	1,834
Bob Page	525	814	1,339	375	258	633
Ray Gillard	1,850	2,685	4,535	1,275	2,492	3,767
Will Fletcher	1,850	2,268	4,118	675	882	1,557
Keith Paxton	875	268	1,143	1,050	888	1,938
Laura Endrey	—	125	125	—	588	588
Bob Billieberry	—	—	—	—	45	45
Lynnan Gobeis	1,500	2,284	3,784	—	—	—
	\$ 11,100	\$ 11,284	\$ 22,384	\$ 5,305	\$ 2,111	\$ 7,416

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1992 THROUGH 1997

FISCAL YEAR	ACTUARIAL REQUIRED CONTRIBUTIONS EMPLOYER	ACTUARIAL REQUIRED CONTRIBUTIONS OTHER SOURCES	PERCENT CONTRIBUTED (EMPLOYER)	PERCENT CONTRIBUTED OTHER SOURCES
1992	\$ 6,000,194	\$ 6,444,063	107.56%	59.38%
1993	7,400,911	10,387,533	140.37	100.54
1994	7,660,768	9,682,660	95.44	100.22
1995	8,794,233	10,386,064	99.29	99.69
1996	11,749,668	8,195,700	99.89	98.81
1997	10,308,267	6,089,808	104.49	105.48

SHERIFFS' PENSION AND RELIEF FUND
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 JUNE 30, 1992 THROUGH 1997

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCUMULATED LIABILITY (RMB)	UNFUNDED BAL. (RMB)	FUNDED BAL. (RMB)	COVERED PAYROLL	PERCENTAGE OF COVERED PAYROLL
June 30, 1992	\$ 276,411,432	\$ 344,388,283	\$ 74,976,790	76,471,114	\$ 145,151,192	52.04%
June 30, 1993	304,644,458	396,388,737	76,676,289	85,331,114	137,898,040	50.34
June 30, 1994	339,711,399	408,388,730	76,488,280	87,301,114	144,777,100	47.93
June 30, 1995	411,361,338	500,388,883	88,326,776	84,821,114	164,794,000	45.47
June 30, 1996	484,118,888	548,388,883	81,821,800	81,501,114	184,806,000	41.99
June 30, 1997	541,111,888	628,388,883	84,487,800	84,441,114	214,807,100	39.34

SHERIFFS' PENSION AND RELIEF FUND
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS AND
 SCHEDULE OF FUNDING PROGRESS
 JUNE 30, 1992 THROUGH 1997

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, 1997
Actuarial Cost Method	Frozen Attained Age Normal Method
Amortization Method	In accordance with state statute, the payment amounts increase at 3.5% each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis)
Remaining Amortization Period	32 years
Actuarial Asset Items: Bonds and Equities	Market value adjusted to reflect the deferral of one-half of all realized and unrealized gains and losses.
Actuarial Assumptions: Investment Rate of Return Projected Salary Increases Cost of Living Adjustments	8% 8% (3.25% Inflation, 4.75 Merit) The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Change in Actuarial Assumptions:	The method of calculating the actuarial value of assets was changed from valuing equities at market value and bonds at the average of amortized cost and market value to deferring one-half of all realized and unrealized capital gains or losses during the fiscal year for one year. The actuarial assumption change resulted in a decrease of the actuarial value of the assets in the amount of \$21,339,803.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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, 1987

September 25, 1987

Board of Trustees
Sheriffs' Pension
and Relief Fund
State of Louisiana
Baton Rouge, Louisiana

We have audited the financial statements of the Sheriffs' Pension and Relief Fund, State of Louisiana, as of and for the year ended June 30, 1987, and have issued our report thereon, dated September 25, 1987.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Sheriffs' Pension and Relief Fund, State of Louisiana, 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 Sheriffs' Pension and Relief Fund, State of Louisiana, for the year ended June 30, 1987, 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.

SHERIFFS' PENSION AND RELIEF FUND
STATE OF LOUISIANA
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, 1997

(Continued)

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

During the audit we noted that the applications of 45 individuals electing participation in the Deferred Retirement Option Plan (DROF) had not been processed as of June 30, 1997. As a result, the balances transferable to the DROF Plan had to be estimated as of June 30, 1997. We recommend that all participant applications for the DROF Plan be processed in a timely manner.

A material weakness is a reportable condition in which the design or operation of one or more of the specific 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described above is not a material weakness.

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

Douglas H. Chapman, Hogan & Walker LLP

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

September 25, 1997

Board of Trustees
 Sheriffs' Pension
 and Relief Fund
 State of Louisiana
 Monroe, Louisiana

We have audited the financial statements of the Sheriffs' Pension and Relief Fund, State of Louisiana, as of and for the year ended June 30, 1997 and have issued our report thereon dated September 25, 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 and regulations, applicable to the Sheriffs' Pension and Relief Fund, is the responsibility of the retirement system's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the retirement system's compliance with certain provisions of laws and regulations. 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. However, this report is a matter of public record and its distribution is not limited.

Debra L. Hagan, CPA, Hagan & Maden, L.L.P.