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R E P O R T

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

JUNE 30, 1998 AND 1997

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.

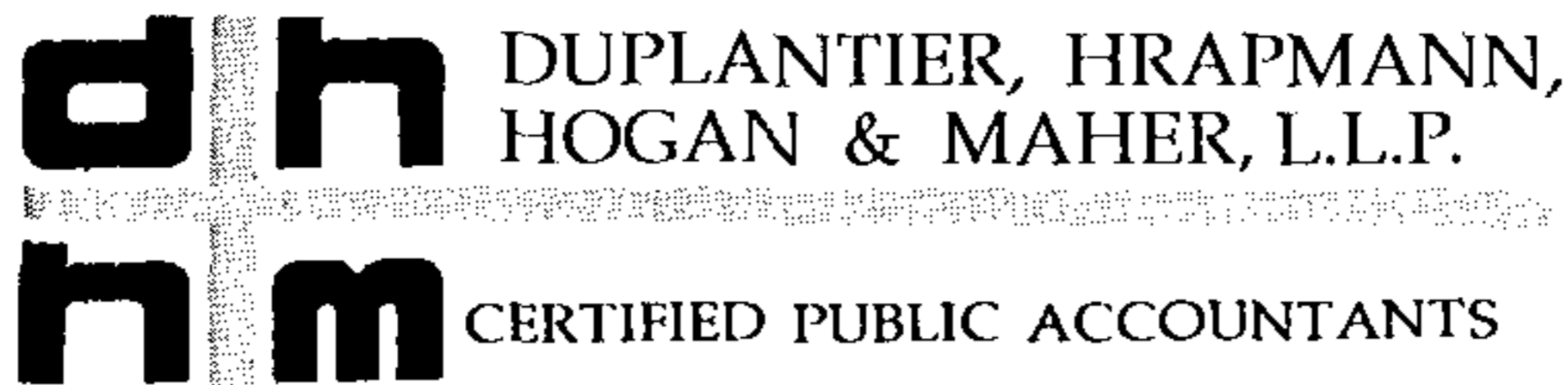
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DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

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SOCIETY OF I.A. C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

September 18, 1998

Board of Trustees
District Attorneys' Retirement System
State of Louisiana
1645 Nicholson Drive
Baton Rouge, Louisiana 70802-8143

We have audited the statements of plan net assets of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 1998 and 1997, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System'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.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 1998 and 1997, 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 System for the years ending June 30, 1998 and 1997, 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 17-18 and the supplemental schedules on pages 12-16 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, 1993 - 1998 and supplemental schedules for the years ending June 30, 1998 and 1997, 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 September 18, 1998 on our consideration of District Attorneys' Retirement System of the State of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Duplantier, Hapman, Hogan & Maki LLP

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS:		
Cash (Note 5)	\$ 724,328	\$ 713,720
Receivables:		
Member contributions	218,131	191,873
Employer contributions	37,528	68,608
Accrued interest and dividends	390,888	459,461
Ad valorem taxes	41,786	--
Investments receivable	70,770	--
Total	<u>759,103</u>	<u>719,942</u>
Investments (At fair value): (Note 1 and 5) (Page 14)		
Cash equivalents	10,347,714	9,469,671
Bonds	36,522,724	31,366,330
Stocks	79,580,081	64,730,543
Mortgages	238,409	247,762
Total	<u>126,688,928</u>	<u>105,814,306</u>
Total assets	<u>128,172,359</u>	<u>107,247,968</u>
LIABILITIES:		
Refunds payable	17,900	--
Investments payable	477,103	--
Total liabilities	<u>495,003</u>	<u>--</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 127,677,356</u>	<u>\$ 107,247,968</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ADDITIONS: (Note 1)		
Contributions:		
Members - regular	\$ 2,028,833	\$ 1,828,796
Members - repayment of refunds	19,118	70,209
Employers	365,290	663,529
Ad valorem taxes	1,920,550	2,389,329
State revenue sharing funds	211,123	218,092
Total contributions	<u>4,544,914</u>	<u>5,169,955</u>
Investment income:		
Interest income	2,909,435	2,465,284
Dividend income	1,093,154	956,862
Miscellaneous revenue	200	68,961
Net appreciation in fair value of investments	15,962,982	13,482,690
Less investment expense	(669,778)	(667,889)
Net investment income	<u>19,295,993</u>	<u>16,305,908</u>
Other additions:		
Interest on contribution repayments	43,673	101,312
Transfers from other retirement systems	331,915	25,866
Class action suit settlement	--	1,871
Total additions	<u>375,588</u>	<u>129,049</u>
Total additions	<u>24,216,495</u>	<u>21,604,912</u>
DEDUCTIONS: (Note 1)		
Benefits	2,513,542	2,158,494
DROP withdrawal	89,217	503,470
Refund of contributions	488,170	490,901
Transfers to other retirement systems	516,831	--
Administrative expenses (Page 15)	179,347	94,539
Total deductions	<u>3,787,107</u>	<u>3,247,404</u>
NET INCREASE	20,429,388	18,357,528
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	107,247,968	88,890,440
END OF YEAR	<u>\$ 127,677,356</u>	<u>\$ 107,247,968</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

The District Attorneys' Retirement System (System) was created on August 1, 1956 by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing retirement allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefits, are provided as specified in the plan.

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 System'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. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments.

2. PLAN DESCRIPTION:

The District Attorney's Retirement System, State of Louisiana is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys. The statewide retirement system membership consists of:

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

2. PLAN DESCRIPTION: (Continued)

	<u>1998</u>	<u>1997</u>
Current retirees and beneficiaries	99	92
Terminated vested members not yet receiving benefits	157	138
Fully vested, partially vested, and non-vested active employees covered	633	581
DROP participants	<u>6</u>	<u>5</u>
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	<u>895</u>	<u>816</u>

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, 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 the option factors used as if

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

2. PLAN DESCRIPTION: (Continued)

the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

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

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In order for the Board to grant either of these increases the System must meet certain criteria detailed in state statute related to funding status and interest earnings.

In lieu of terminating employment and accepting a service retirement allowance, any member in the New Plan who is eligible for normal retirement or any member of the Old Plan who is eligible for unreduced benefits 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 continues and the member's status changes to inactive. During participation in the plan, employer contributions are payable but employee contributions are reduced to one-half of one percent. 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 account. This fund does not earn interest. 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 or systematic disbursements from his account in any manner 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 is 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:

The fund is financed by employee contributions established by state statute at 7% of salary for active members, and .5% of salary for DROP participants. In addition, the fund receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of .2% of the ad valorem taxes shown to be collected.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

3. CONTRIBUTIONS AND RESERVES: (Continued)

Contributions: (Continued)

According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee. For the fiscal years ended June 30, 1998 and 1997, the direct employer actuarially required contribution was 0% and 1.33%, respectively. However, state statutes require that the direct employer contribution rates be set in advance, based on the current actuarial assumptions. The rates so determined for fiscal years 1998 and 1997 were 1.25% and 2.5%, respectively, of payroll. It has been determined that no employer contribution will be required for fiscal year 1999.

Administrative costs of the fund are financed through employer contributions.

Reserves:

Use of the term "reserve" by the System 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) Pension Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the reserve from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve. The Pension Reserve balance as of June 30, 1998 and 1997 was \$23,258,341 and \$22,016,856, respectively, and was fully funded for both years.

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. 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. When a member retires, the amount of his accumulated contributions is transferred to the Pension Reserve to provide part of the benefits. The Annuity Savings balance as of June 30, 1998 and 1997 was \$16,106,038 and \$14,732,932, respectively, and was fully funded for both years.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve is charged annually with an amount, determined by the actuary, to be transferred to the Pension Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation balance as of June 30, 1998 and 1997 was \$72,516,635 and \$63,292,362, respectively, and was fully funded for both years.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

3. CONTRIBUTIONS AND RESERVES: (Continued)

D) Deferred Retirement Option Plan Account:

The Deferred Retirement Option Plan (DROP) Account receives and holds the monthly retirement benefits deposited on behalf of DROP participants while they continue to work. At termination, a participant may receive a lump sum payment of the DROP deposits or systematic disbursements approved by the board of trustees. The DROP account balance as of June 30, 1998 and 1997 was \$660,124 and \$464,474, respectively, and was fully funded for both years.

4. ACTUARIAL COST METHOD:

The Aggregate Actuarial Cost Method was used to calculate the funding requirements of the District Attorneys' Retirement System for the fiscal years ended June 30, 1998 and 1997 valuations. This funding method allocates pension costs as a level percentage of payroll over the future working lifetime of current members. The Aggregate Actuarial Cost Method produces no unfunded accrued liability. Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs. Based on actual experience future normal costs will increase or decrease.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents and investments at June 30, 1998 and 1997:

	<u>1998</u>	<u>1997</u>
Cash (bank balance)	\$ 736,550	\$ 671,955
Cash equivalents	10,347,714	9,469,671
Investments	<u>116,341,214</u>	<u>96,344,635</u>
	<u>\$127,425,478</u>	<u>\$106,486,261</u>

Deposits:

The System's bank deposits were fully covered by federal depository insurance and pledged securities held in the name of the System.

Cash Equivalents:

Cash equivalents are held by a sub-custodian, are managed by a separate money manager and are in the name of the System.

Investments:

Statutes authorize the System 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 System shall not invest more than fifty-five percent of the total portfolio in common stock based on original cost.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

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

Investments: (Continued)

The System's investments are categorized 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 System or its agent in the 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 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 System's name.

	<u>1998</u>		<u>1997</u>	
	<u>MARKET VALUE</u>	<u>CATEGORY</u>	<u>MARKET VALUE</u>	<u>CATEGORY</u>
Bonds:				
U. S. Government and Agency Issues	\$ 27,509,391	1	\$ 22,265,993	1
Corporate bonds	9,013,333	1	9,100,337	1
Stocks:				
Equities	<u>79,580,082</u>	1	<u>64,730,543</u>	1
	116,102,806		96,096,873	
LDAA Mortgage	<u>238,409</u>	1	<u>247,762</u>	1
TOTAL	<u>\$116,341,215</u>		<u>\$96,344,635</u>	

At June 30, 1998, all investments are held in safekeeping by Fidelity Investments in Cincinnati, Ohio. The investments were held by First National Bank of Commerce in New Orleans, Louisiana through June 30, 1997.

6. 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.

8. REQUIRED SUPPLEMENTARY SCHEDULE INFORMATION:

Information in the Required Supplementary Schedule is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits and is presented on pages 17-18.

9. OFFICE LEASING:

The System leases office space on a month-to-month basis. Monthly rent was \$1,650 for the year ended June 30, 1998. Monthly rent for the year ended June 30, 1997 was \$400. Total rent expense for the years ended June 30, 1998 and 1997 was \$19,800 and \$4,800, respectively.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

10. TRANSACTIONS WITH RELATED ORGANIZATION:

The System shares certain common functions and costs with the Louisiana District Attorney's Association (LDAA). The LDAA provides office space, office equipment, administrative and accounting services for the System. The System incurred \$58,837 and \$6,508 during the years ended June 30, 1998 and 1997, respectively, in costs associated with the LDAA.

11. ENGAGEMENT APPROVAL:

The audit engagement of the System has been approved by the Legislative Auditor of the State of Louisiana, in accordance with state statutes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 1998

	PENSION RESERVE	ANNUITY SAVINGS	DROP	PENSION ACCUMULATION	EXCESS NET ASSETS	TOTAL
BALANCES, JULY 1, 1997	\$ 22,016,856	\$ 14,732,932	\$ 464,474	\$ 63,292,362	\$ 6,741,344	\$ 107,247,968
REVENUES AND TRANSFERS:						
Contributions:						
Members	--	2,047,951	--	--	--	2,047,951
Employers	--	--	--	365,290	--	365,290
Net income from investments and other sources	--	--	--	19,160,319	--	19,160,319
Ad valorem taxes and state revenue sharing funds	--	--	--	2,131,673	--	2,131,673
Transfers from annuity savings	366,394	--	--	--	--	366,394
Transfers from other systems	--	65,825	--	266,090	--	331,915
Pensions transferred from pension reserve	--	--	284,867	--	--	284,867
Interest on accumulated savings	--	266,817	--	--	--	266,817
Actuarial transfers	3,673,500	--	--	--	8,394,874	12,068,374
Total revenues and transfers	4,039,894	2,380,593	284,867	21,923,372	8,394,874	37,023,600
EXPENSES AND TRANSFERS:						
Retirement allowances paid	2,513,542	--	89,217	--	--	2,602,759
Refunds to members	--	488,170	--	--	--	488,170
Transfers to pension reserve	--	366,394	--	--	--	366,394
Transfers from other systems	--	152,923	--	363,908	--	516,831
Pensions transferred to DROP	284,867	--	--	--	--	284,867
Interest transferred to annuity savings	--	--	--	266,817	--	266,817
Actuarial transfer	--	--	--	12,068,374	--	12,068,374
Total expenses and transfers	2,798,409	1,007,487	89,217	12,699,099	--	16,594,212
NET INCREASE	1,241,485	1,373,106	195,650	9,224,273	8,394,874	20,429,388
BALANCES - JUNE 30, 1998	\$ 23,258,341	\$ 16,106,038	\$ 660,124	\$ 72,516,635	\$ 15,136,218	\$ 127,677,356

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 1997

	<u>PENSION RESERVE</u>	<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>PENSION ACCUMULATION</u>	<u>EXCESS NET ASSETS</u>	<u>TOTAL</u>
BALANCES, JULY 1, 1996	\$ 16,258,042	\$ 13,775,278	\$ 581,299	\$ 54,673,073	\$ 3,602,748	\$ 88,890,440
REVENUES AND TRANSFERS:						
Contributions:						
Members	--	1,899,005	--	--	--	1,899,005
Employers	--	--	--	663,529	--	663,529
Net income from investments and other sources	--	--	--	16,314,552	--	16,314,552
Ad valorem taxes and state revenue sharing funds	--	--	--	2,607,421	--	2,607,421
Transfers from annuity savings	708,463	--	--	--	--	708,463
Transfers from other systems	--	12,291	--	13,595	--	25,886
Pensions transferred from pension reserve	--	--	386,645	--	--	386,645
Interest on accumulated savings	--	245,722	--	--	--	245,722
Actuarial transfers	7,595,490	--	--	--	3,138,596	10,734,086
Total revenues	<u>8,303,953</u>	<u>2,157,018</u>	<u>386,645</u>	<u>19,599,097</u>	<u>3,138,596</u>	<u>33,585,309</u>
EXPENSES AND TRANSFERS:						
Retirement allowances paid	2,158,494	--	503,470	--	--	2,661,964
Refunds to members	--	490,901	--	--	--	490,901
Transfers to pension reserve	--	708,463	--	--	--	708,463
Pensions transferred to DROP	386,645	--	--	--	--	386,645
Interest transferred to annuity savings	--	--	--	245,722	--	245,722
Actuarial transfer	--	--	--	10,734,086	--	10,734,086
Total expenditures	<u>2,545,139</u>	<u>1,199,364</u>	<u>503,470</u>	<u>10,979,808</u>	<u>--</u>	<u>15,227,781</u>
NET INCREASE (DECREASE)	<u>5,758,814</u>	<u>957,654</u>	<u>(116,825)</u>	<u>8,619,289</u>	<u>3,138,596</u>	<u>18,357,528</u>
BALANCES - JUNE 30, 1997	<u>\$ 22,016,856</u>	<u>\$ 14,732,932</u>	<u>\$ 464,474</u>	<u>\$ 63,292,362</u>	<u>\$ 6,741,344</u>	<u>\$ 107,247,968</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
JUNE 30, 1998 AND 1997

	FACE VALUE	1998 MARKET VALUE	ORIGINAL COST
Cash equivalents	\$ 10,347,714	\$ 10,347,714	\$ 10,347,714
Bonds:			
U. S. Government and Agency Issues	32,337,221 9,731,110	27,509,391 9,013,333	26,141,233 8,910,495
Corporate bonds			
Stocks:			
Equities	54,513,019	79,580,081	54,513,019
Mortgages	238,409	238,409	238,409
 TOTAL	 \$ <u>107,167,473</u>	 \$ <u>126,688,928</u>	 \$ <u>100,150,870</u>

	FACE VALUE	1997 MARKET VALUE	ORIGINAL COST
Cash equivalents	\$ 9,469,671	\$ 9,469,671	\$ 9,469,671
Bonds:			
U. S. Government and Agency Issues	23,046,555 13,714,899	22,265,993 9,100,337	21,892,268 9,144,634
Corporate bonds			
Stocks:			
Equities	45,248,798	64,730,543	45,248,798
Mortgages	247,762	247,762	247,762
 TOTAL	 \$ <u>91,727,685</u>	 \$ <u>105,814,306</u>	 \$ <u>86,003,133</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Advertising - legislative	\$ --	\$ 52
Assessment - State Treasurer	602	556
Auditing and legal	8,614	10,297
Dues	100	100
Expense of board meetings	6,244	4,821
Miscellaneous	382	47
Office supplies and printing	1,324	1,796
Postage	1,159	1,974
Rent	4,800	4,800
LDAAs expenses:		
Salaries	29,898	4,462
Fringe benefits	6,675	422
Travel	5,122	368
Rent	11,250	--
Office expenses	5,892	1,256
Equipment purchases - expensed	18,776	--
Secretary - manager's salary	69,848	56,420
Surety bond	4,009	3,709
Telephone	3,939	2,780
Utilities	713	679
TOTAL	<u>\$ 179,347</u>	<u>\$ 94,539</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF PER DIEM AND TRAVEL EXPENSES TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS ATTENDED</u>	<u>1998</u>			
		<u>NUMBER OF MEETINGS PAID</u>	<u>A M O U N T S P A I D</u>		
			<u>MEETINGS</u>	<u>TRAVEL</u>	<u>TOTAL</u>
Edwin Ware	7	6	\$ 450	\$ 2,361	\$ 2,811
John Mamoulides	6	5	375	329	704
J. William Pucheu	7	6	450	729	1,179
John Rowley	6	--	--	--	--
Morgan Goudeau	2	2	150	35	185
Bernard Boudreaux	1	1	75	--	75
Houston Gascon	6	5	<u>375</u>	<u>26</u>	<u>401</u>
			<u>\$1,875</u>	<u>\$ 3,480</u>	<u>\$ 5,355</u>

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS ATTENDED</u>	<u>1997</u>			
		<u>NUMBER OF MEETINGS PAID</u>	<u>A M O U N T S P A I D</u>		
			<u>MEETINGS</u>	<u>TRAVEL</u>	<u>TOTAL</u>
Edwin Ware	7	6	\$ 450	\$ 1,624	\$ 2,074
John Mamoulides	6	5	375	168	543
J. William Pucheu	7	6	450	180	630
John Rowley	6	--	--	--	--
Morgan Goudeau	4	4	300	389	689
Bernard Boudreaux	6	5	<u>375</u>	<u>--</u>	<u>375</u>
			<u>\$1,950</u>	<u>\$ 2,361</u>	<u>\$ 4,311</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1993 THROUGH 1998

<u>FISCAL YEAR</u>	<u>ACTUARIAL REQUIRED CONTRIBUTIONS EMPLOYER</u>	<u>ACTUARIAL REQUIRED CONTRIBUTIONS OTHER SOURCES</u>	<u>PERCENT CONTRIBUTED EMPLOYER</u>	<u>PERCENT CONTRIBUTED OTHER SOURCES</u>
1993	\$ --	\$1,785,209	--%	99.81%
1994	538,228	2,162,733	--	100.42
1995	731,259	2,300,764	81.32	99.42
1996	669,582	2,427,291	123.92	98.12
1997	362,778	2,482,096	182.90	105.05
1998	--	2,128,041	--	100.17

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1993 THROUGH 1998

The information presented in the Schedule of Contributions - Employer and Other 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, 1998
Actuarial Cost Method	The Aggregate Actuarial Cost Method with allocation based on earnings. (This method does not identify and separately amortize unfunded actuarial liabilities.)
Asset Valuation Method:	The actuarial value of assets is based on the market value of investment securities adjusted to smooth realized and unrealized capital gains over a three year period by deferring one-third of such gains accrued in the prior fiscal year and two thirds of such gains accrued in the current fiscal year.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	6.75% (3.25% Inflation, 3.5 Merit)
Cost of Living Adjustments	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. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of the benefit increase. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Actuarial Required Contributions-Employer	State statute requires that employer rates be set one year in advance, based on current actuarial assumptions. To the extent that prospective experience differs from that assumed, adjustments are made to subsequent contribution levels to account for previous contribution excesses or shortages. Accordingly, actual contributions for a certain fiscal period may not correlate to required amounts, but the difference is adjusted in the subsequent period. The actual employer contribution for the year ended June 30, 1998 was \$365,290.
Change in Actuarial Assumptions	The actuarial value of assets was changed from an adjusted market value two year smoothing of realized and unrealized capital gains and losses to three year smoothing of such gains and losses. This actuarial assumption change resulted in a decrease of the actuarial value of assets in the amount of \$7,154,727.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1998

September 18, 1998

Board of Trustees
District Attorneys' Retirement System
State of Louisiana
1645 Nicholson Drive
Baton Rouge, Louisiana 70802-8143

We have audited the financial statements of the District Attorneys' Retirement System of the State of Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 18, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Duplantier, Chapman, Hogan & Maher LLP