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R E P O R T

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

JUNE 30, 1999 AND 1998

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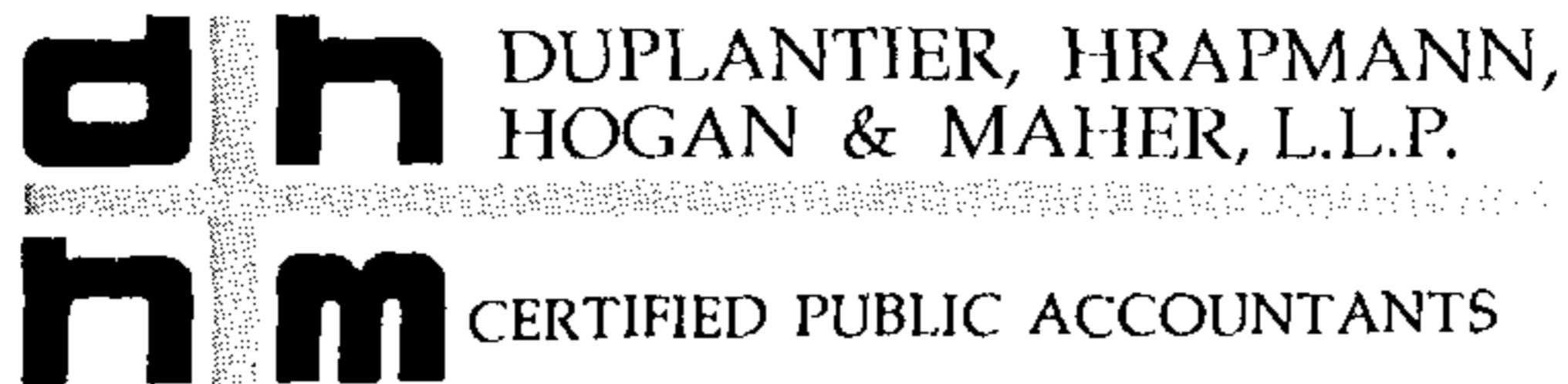
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DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

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MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
DAVID A. BURGARD, C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
DAVID J. MUMFREY, C.P.A.
GUY L. DUPLANTIER, C.P.A.
BONNIE J. McAFEE, C.P.A.

MICHELLE H. CUNNINGHAM, C.P.A.
KENNETH J. BROOKS, C.P.A., ASSOCIATE

1340 Poydras St., Suite 2000 • New Orleans, LA 70112
(504) 586-8866
FAX (504) 525-5888
cpa@dhhmcpa.com

A.J. DUPLANTIER, JR., C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR., C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR., C.P.A.
(1920-1996)
JAMES MAHER, JR., C.P.A.
(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA. C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

October 1, 1999

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, 1999 and 1998, 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 audits.

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, 1999 and 1998, 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, 1999 and 1998, 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, required schedule on year 2000, and the supplemental schedules listed in the foregoing index are presented for the purposes of additional analysis and are not a part of the basic financial statements. The required supplemental schedule on the year 2000 issue has not been subjected to procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it; however, such required statistical information for the years ending June 30, 1994 - 1999 and supplemental schedules for the years ending June 30, 1999 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 October 1, 1999 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.

Duglantier, Hepburn, Hogan & Mader LLP

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
ASSETS:		
Cash (Note 5)	\$ <u>1,607,787</u>	\$ <u>724,328</u>
Receivables:		
Member contributions	229,479	218,131
Employer contributions	--	37,528
Accrued interest and dividends	370,592	390,888
Ad valorem taxes	--	41,786
Investments receivable	--	70,770
Total	<u>600,071</u>	<u>759,103</u>
Investments (At fair value): (Note 1 and 5) (Page 14)		
Cash equivalents	4,974,551	10,347,714
Bonds	45,681,297	36,522,724
Stocks	70,955,683	79,580,081
Mutual funds	15,067,920	--
Mortgages	228,380	238,409
Total	<u>136,907,831</u>	<u>126,688,928</u>
Total assets	<u>139,115,689</u>	<u>128,172,359</u>
LIABILITIES:		
Refunds payable	--	17,900
Investments payable	--	477,103
Total liabilities	<u>--</u>	<u>495,003</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ <u><u>139,115,689</u></u>	\$ <u><u>127,677,356</u></u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
ADDITIONS: (Note 1)		
Contributions:		
Members - regular	\$ 2,125,375	\$ 2,028,833
Members - repayment of refunds	19,018	19,118
Employer	3,810	365,290
Ad valorem taxes	1,845,517	1,920,550
State revenue sharing funds	175,550	211,123
Total contributions	<u>4,169,270</u>	<u>4,544,914</u>
Investment income:		
Interest income	2,930,181	2,909,435
Dividend income	954,395	1,093,154
Miscellaneous revenue	--	200
Net appreciation in fair value of investments	7,381,105	15,962,982
Less investment expense	(634,343)	(655,194)
Net investment income	<u>10,631,338</u>	<u>19,310,577</u>
Other additions:		
Interest - other	50,004	43,673
Transfers from other retirement systems	171,209	331,915
Total other additions	<u>221,213</u>	<u>375,588</u>
Total additions	<u>15,021,821</u>	<u>24,231,079</u>
DEDUCTIONS: (Note 1)		
Benefits	2,644,250	2,513,542
DROP withdrawal	130,073	89,217
Refund of contributions	391,296	488,170
Transfers to other retirement systems	248,181	516,831
Administrative expenses (Page 15)	169,688	193,931
Total deductions	<u>3,583,488</u>	<u>3,801,691</u>
NET INCREASE	11,438,333	20,429,388
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	127,677,356	107,247,968
END OF YEAR	<u>\$ 139,115,689</u>	<u>\$ 127,677,356</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

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, 1999 AND 1998

2. PLAN DESCRIPTION: (Continued)

	<u>1999</u>	<u>1998</u>
Current retirees and beneficiaries	97	99
Terminated vested members not yet receiving benefits	182	157
Fully vested, partially vested, and non-vested active employees covered	628	633
DROP participants	<u>5</u>	<u>6</u>
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	<u>912</u>	<u>895</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 an 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, 1999 AND 1998

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 lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the 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 while a person is participating in the DROP. 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. All amounts which remain credited to the individual's sub-account after termination of participation in the plan earn interest at the portfolio rate of return less one-half of one percent.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

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. 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, 1999 and 1998, there was no direct employer actuarially required contribution. 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 1999 and 1998 were -0-% and 1.25%, respectively, of payroll. It has been determined that no employer contribution will be required for fiscal year 2000.

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, 1999 and 1998 was \$24,514,411 and \$23,258,341, 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, 1999 and 1998 was \$17,828,507 and \$16,106,038, respectively, and was fully funded for both years.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

3. CONTRIBUTIONS AND RESERVES: (Continued)

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, 1999 and 1998 was \$85,778,511 and \$72,516,635, respectively, and was fully funded for both years.

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, 1999 and 1998 was \$752,529 and \$660,124, 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, 1999 and 1998 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. Any experience more favorable than the actuarial assumptions will reduce future normal costs; any experience less favorable than assumptions will increase future normal costs. Changes in plan benefits as well as changes in actuarial assumptions are also funded over future normal costs.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents and investments at June 30, 1999 and 1998:

	<u>1999</u>	<u>1998</u>
Cash (bank balance)	\$ 1,626,217	\$ 736,550
Cash equivalents	4,974,551	10,347,714
Investments	<u>131,933,280</u>	<u>116,341,214</u>
	<u>\$138,534,048</u>	<u>\$127,425,478</u>

Deposits:

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

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

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

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. Act 379 of the 1999 Legislative session temporarily authorizes the System to invest up to sixty-five percent of its portfolio in equity securities as part of a pilot program as long as at least ten percent of the total equity portfolio is in one or more index funds that seek to replicate the performance of the chosen index. The program automatically phases out after July 1, 2003.

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>1999</u>		<u>1998</u>	
	<u>MARKET VALUE</u>	<u>CATEGORY</u>	<u>MARKET VALUE</u>	<u>CATEGORY</u>
Bonds:				
U. S. Government and Agency Issues	\$ 34,736,600	1	\$ 27,509,391	1
Corporate bonds	10,944,697	1	9,013,333	1
Stocks:				
Equities	70,955,683	1	79,580,082	1
Mutual Funds	15,067,920	N/A	--	--
	<u>131,704,900</u>		<u>116,102,806</u>	
LDAAs Mortgage	228,380	1	238,409	1
	<u>228,380</u>		<u>238,409</u>	
TOTAL	<u>\$131,933,280</u>		<u>\$116,341,215</u>	

At June 30, 1999 and 1998, all investments are held in safekeeping by Fidelity Investments in Cincinnati, Ohio.

At June 30, 1999, the System has one mutual fund with a market value of \$15,067,920 which represents 11% of the System's net assets.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

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.

7. 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 17-19.

In accordance with GASB, the required schedule on Page 20 is designed to provide information about the year 2000 issue.

8. OFFICE LEASING:

The System leases office space on a month-to-month basis. Monthly rent was \$1,250 for the year ended June 30, 1999. Monthly rent for the year ended June 30, 1998 was \$1,650. Total rent expense for the years ended June 30, 1999 and 1998 was \$17,500 and \$16,050, respectively.

9. 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 \$70,901 and \$58,837 during the years ended June 30, 1999 and 1998, respectively, in costs associated with the LDAA.

10. 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.

11. RECLASSIFICATIONS:

Certain items from 1998 have been reclassified to conform to the 1999 presentation.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 1999

	<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, 1998	\$ 23,258,341	\$ 16,106,038	\$ 660,124	\$ 72,516,635	\$ 15,136,218	\$ 127,677,356
REVENUES AND TRANSFERS:						
Contributions:						
Member	--	2,144,393	--	--	--	2,144,393
Employer	--	--	--	3,810	--	3,810
Net income from investments and other sources	--	--	--	10,511,654	--	10,511,654
Ad valorem taxes and state revenue sharing funds	--	--	--	2,021,067	--	2,021,067
Transfers from annuity savings	237,577	--	--	--	--	237,577
Transfers from other systems	--	28,957	--	142,252	--	171,209
Pensions transferred from pension reserve	--	--	222,478	--	--	222,478
Interest on accumulated savings	--	244,773	--	--	--	244,773
Actuarial transfers	3,885,221	--	--	1,009,266	--	4,894,487
Total revenues and transfers	<u>4,122,798</u>	<u>2,418,123</u>	<u>222,478</u>	<u>13,688,049</u>	<u>--</u>	<u>20,451,448</u>
EXPENSES AND TRANSFERS:						
Retirement allowances paid	2,644,250	--	130,073	--	--	2,774,323
Refunds to members	--	391,296	--	--	--	391,296
Transfers to pension reserve	--	237,577	--	--	--	237,577
Transfers to other systems	--	66,781	--	181,400	--	248,181
Pensions transferred to DROP	222,478	--	--	--	--	222,478
Interest transferred to annuity savings	--	--	--	244,773	--	244,773
Actuarial transfer	--	--	--	--	4,894,487	4,894,487
Total expenses and transfers	<u>2,866,728</u>	<u>695,654</u>	<u>130,073</u>	<u>426,173</u>	<u>4,894,487</u>	<u>9,013,115</u>
NET INCREASE (DECREASE)	<u>1,256,070</u>	<u>1,722,469</u>	<u>92,405</u>	<u>13,261,876</u>	<u>(4,894,487)</u>	<u>11,438,333</u>
BALANCES - JUNE 30, 1999	<u>\$ 24,514,411</u>	<u>\$ 17,828,507</u>	<u>\$ 752,529</u>	<u>\$ 85,778,511</u>	<u>\$ 10,241,731</u>	<u>\$ 139,115,689</u>

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:						
Member	--	2,047,951	--	--	--	2,047,951
Employer	--	--	--	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	<u>4,039,894</u>	<u>2,380,593</u>	<u>284,867</u>	<u>21,923,372</u>	<u>8,394,874</u>	<u>37,023,600</u>
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 to 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	<u>2,798,409</u>	<u>1,007,487</u>	<u>89,217</u>	<u>12,699,099</u>	<u>--</u>	<u>16,594,212</u>
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
SCHEDULES OF INVESTMENTS
JUNE 30, 1999 AND 1998

	<u>PAR VALUE</u>	<u>1999 MARKET VALUE</u>	<u>ORIGINAL COST</u>
Bonds:			
U. S. Government and Agency Issues	\$ 44,035,832	\$ 34,736,600	\$ 35,015,932
Corporate bonds	<u>12,526,110</u>	<u>10,944,697</u>	<u>11,228,491</u>
	<u>\$ 56,561,942</u>	<u>\$ 45,681,297</u>	<u>\$ 46,244,423</u>
Equities		<u>\$ 70,955,683</u>	<u>\$ 54,805,585</u>
Cash equivalents		<u>\$ 4,974,551</u>	<u>\$ 4,974,551</u>
Mutual funds		<u>\$ 15,067,920</u>	<u>\$ 13,719,045</u>
Mortgages		<u>\$ 228,380</u>	<u>\$ 228,380</u>
		<u>1998</u>	
	<u>PAR VALUE</u>	<u>MARKET VALUE</u>	<u>ORIGINAL COST</u>
Bonds:			
U. S. Government and Agency Issues	\$ 32,337,221	\$ 27,509,391	\$ 26,141,233
Corporate bonds	<u>9,731,110</u>	<u>9,013,333</u>	<u>8,910,495</u>
	<u>\$ 42,068,331</u>	<u>\$ 36,522,724</u>	<u>\$ 35,051,728</u>
Equities		<u>\$ 79,580,081</u>	<u>\$ 54,513,019</u>
Cash equivalents		<u>\$ 10,347,714</u>	<u>\$ 10,347,714</u>
Mutual funds		<u>\$ --</u>	<u>\$ --</u>
Mortgages		<u>\$ 238,409</u>	<u>\$ 238,409</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Assessment - State Treasurer	\$ 600	\$ 602
Auditing and legal	13,218	8,614
Dues	300	100
Equipment purchases - expensed	--	18,776
Expense of board meetings	5,626	6,244
LDAAs expenses:		
Fringe benefits	6,984	6,675
Office expenses	5,465	5,892
Rent	17,500	11,250
Salaries	36,760	29,898
Travel	4,192	5,122
Miscellaneous	2,890	382
Office supplies and printing	447	1,324
Postage	16	1,159
Rent	--	4,800
Retainer fees	17,287	14,584
Salaries	52,269	69,848
Surety bond	4,818	4,009
Telephone	1,243	3,939
Utilities	73	713
TOTAL	\$ <u>169,688</u>	\$ <u>193,931</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, 1999 AND 1998

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS ATTENDED</u>	1999		<u>A M O U N T S P A I D</u>		
		<u>NUMBER OF MEETINGS PAID</u>	<u>MEETINGS</u>	<u>TRAVEL</u>	<u>TOTAL</u>	
Edwin Ware	4	4	\$ 300	\$2,116	\$2,416	
John Mamoulides	4	4	300	307	607	
J. William Pucheu	4	4	300	776	1,076	
John Rowley	3	--	--	--	--	
Morgan Goudeau	2	2	150	54	204	
Houston Gascon	4	4	<u>300</u>	<u>400</u>	<u>700</u>	
			<u>\$1,350</u>	<u>\$3,653</u>	<u>\$5,003</u>	

<u>TRUSTEE</u>	<u>NUMBER OF MEETINGS ATTENDED</u>	1998		<u>A M O U N T S P A I D</u>		
		<u>NUMBER OF MEETINGS PAID</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>	

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1994 THROUGH 1999

<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>
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
1999	--	2,023,879	--	99.86

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1994 THROUGH 1999

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, 1999
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.
Change in Actuarial Assumptions	None

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1994 THROUGH 1999

Change in Plan Provisions

Act 33 provides for interest to be paid on DROP account balances for members who have completed their DROP participation. Interest will be credited after the end of each fiscal year at a rate equal to the realized return on the System's portfolio for that fiscal year less one-half of one percent.

Act 379 provides for the creation of a temporary pilot program authorizing this System to prudently exceed the fifty-five percent equity limit applicable to all other Systems. As part of this pilot program, the board of trustees of this System will invest an amount equal to at least ten percent of the System's total equity portfolio in one or more index funds that seek to replicate the performance of the chosen index. Under this program the board of trustees may invest up to sixty-five percent of the System's total portfolio in equity securities. This program automatically phases out after July 1, 2003, with a one-year portfolio transition period following that date.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
YEAR 2000 ISSUE
JUNE 30, 1999
(UNAUDITED)

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the System's operations.

Information necessary for the performance of actuarial valuations and the determination of contributions is maintained in the accounting and computer systems of the System and its Trustee bank.

The System has completed a process of identifying computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the System's operations. The systems and equipment have been tested and results reviewed to determine that converted systems operate properly. The System's management believes that computer software and hardware are year 2000 compliant.

Every effort has been made to assure that the System is year 2000 compliant. However, because of the unprecedented nature of the year 2000 issue, its effect and the success of related efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that parties with whom the System does business will be year 2000 ready.

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, 1999

October 1, 1999

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, 1999, and have issued our report thereon dated October 1, 1999. 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, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hapman, Hogan & Mahon LLP