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REPORT
**REGISTRARS OF VETERANS
EMPLOYERS' RETIREMENT SYSTEM
(STATE OF LOUISIANA)**

JUNE 30, 1966

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Release Date: DEC 17 1966

Lucy P. Adkins, Com.
Executive Auditor

By g+k
11-27-66

REGISTRARS OF NOTERS EMPLOYEES' RETIREMENT SYSTEM
(STATE OF LOUISIANA)

TABLE OF CONTENTS

JUNE 30, 1996

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
FINANCIAL STATEMENTS:	
Statement of Plan Net Assets.....	3
Statement of Changes in Plan Net Assets.....	4
Notes to Financial Statements.....	5 - 12
SUPPLEMENTARY INFORMATION:	
Statement of Changes in Reserve Balances - Retirement System Trust Fund.....	13
Schedule of Investments.....	14
Schedule of Administrative Expenses.....	15
Schedule of Per Diem Paid Trustees.....	16
Schedule of Contributions - Employer and Other Sources.....	17
Notes to Schedule of Contributions.....	18
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	19 - 20
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	21



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

NEW ORLEANS OFFICE: 210 P.O. BOX 10111, NEW ORLEANS, LA 70108-0111
PHONE: (504) 581-1111
FAX: (504) 581-1111

MEMPHIS OFFICE: 1000 SOUTH MAIN STREET, SUITE 1000, MEMPHIS, TN 38102
PHONE: (901) 522-1111
FAX: (901) 522-1111

821 Governor St., Suite 1300 • New Orleans, LA 70112

(504) 581-6966

Fax (504) 525-9999

NEW ORLEANS OFFICE: 210 P.O. BOX 10111, NEW ORLEANS, LA 70108-0111

MEMPHIS OFFICE: 1000 SOUTH MAIN STREET, SUITE 1000, MEMPHIS, TN 38102

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

August 18, 1998

Board of Trustees
Registrars of Veterans Employees'
Retirement System of Louisiana
P. O. Box 57
Jennings, Louisiana 70546

We have audited the accompanying statement of plan net assets of the Registrars of Veterans Employees' Retirement System as of June 30, 1998, and the related statement of changes in plan net assets for the year 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 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. 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 audit provides a reasonable basis for our opinion.

As discussed in Note 8 to the financial statements, the Registrars of Veterans Employees' Retirement System changed its method of recording investments in 1998.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Registrars of Veterans Employees' Retirement System as of June 30, 1998 and the results of operations and changes in net assets for the year then ended in conformity with generally accepted accounting principles.

We have audited the financial statements of the System for the year ending June 30, 1998 and issued our unqualified opinion on such financial statements. Our audit was 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 listed on pages 13 - 16 are presented for the purpose of additional analysis and are not a part of the basic financial statements. Such required statistical information for the years ending June 30, 1991 - 1998 and supplemental schedules for the year ending June 30, 1998 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated August 16, 1996 on our consideration of the Registrar of Veterans Employees' Retirement System's internal control structure and a report dated August 16, 1996 on its compliance with laws and regulations.

Raytheon, Harman, Hogan & Maden LLP

REGISTRARS OF NOTES EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF PLAN NET ASSETS
JUNE 30, 1998

ASSETS

	RETIREMENT SYSTEM TRUST FUND	MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND	TOTAL (MEMORANDUM ONLY)
CASH:			
In bank (Note 6)	\$ 291,455	\$ —	\$ 291,455
RECEIVABLES:			
Member contributions (Note 1)	32,824	—	32,824
Accrued interest and dividends	176,496	12,830	189,326
Total receivables	<u>209,320</u>	<u>12,830</u>	<u>222,150</u>
INVESTMENTS AT FAIR VALUE: (Page 14)			
(Notes 1 and 6)			
Cash equivalents	5,088,421	314,629	5,403,050
Corporate bonds	8,948,876	—	8,948,876
Government securities	12,980,217	366,156	13,346,373
Marketable securities	8,810,128	—	8,810,128
Total investments	<u>35,827,642</u>	<u>680,785</u>	<u>36,508,427</u>
PROPERTY, PLANT AND EQUIPMENT: (Note 1)			
(Net of accumulated depreciation - \$10,216)	1,641	—	1,641
Total assets	<u>36,256,118</u>	<u>722,715</u>	<u>36,978,833</u>
LIABILITIES:			
Accounts payable	1,308	—	1,308
Retirement withholding	112	—	112
Total liabilities	<u>1,420</u>	<u>—</u>	<u>1,420</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 34,252,898	\$ 722,715	\$ 34,975,613

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 STATEMENT OF CHANGES IN PLAN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 1996

	RETIREMENT SYSTEM TRUST FUND	MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND	TOTAL (MEMORANDUM ONLY)
ADDITIONS: (Note 1)			
Contributions:			
Members	\$ 304,380	\$ —	\$ 304,380
Tax revenue	482,230	128,190	610,420
Total contributions	<u>786,610</u>	<u>128,190</u>	<u>914,800</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	665,357	(1,330)	664,027
Interest	1,773,129	24,245	1,797,374
Dividends	202,081	10,264	212,345
	<u>2,639,567</u>	<u>33,179</u>	<u>2,672,746</u>
Less: Investment advisory services	113,584	—	113,584
Custodial fees	14,478	—	14,478
Net investment income	<u>2,511,505</u>	<u>33,179</u>	<u>2,544,684</u>
Other additions:			
Transfer from another system	33,411	—	33,411
Miscellaneous income	127	—	127
Fee receipts	—	304	304
Total other additions	<u>33,538</u>	<u>304</u>	<u>33,842</u>
Total additions	<u>3,200,242</u>	<u>161,673</u>	<u>3,361,915</u>
DEDUCTIONS: (Note 1)			
Pensions payments	1,441,837	28,386	1,470,223
Refund of contributions	39,376	—	39,376
Administrative expenses (Page 10)	76,130	—	76,130
Depreciation	3,230	—	3,230
Transfers to other systems	27,461	—	27,461
Other	—	287	287
Total deductions	<u>1,587,834</u>	<u>28,673</u>	<u>1,616,507</u>
NET INCREASE BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	1,612,408	131,549	1,743,957
CUMULATIVE EFFECT ON PRIOR YEARS RESULTING FROM CHANGES IN ACCOUNTING PRINCIPLES (Note 2)	1,358,529	13,298	1,371,827
NET INCREASE	3,280,937	144,847	3,425,784
PLAN NET ASSETS AT BEGINNING OF YEAR	31,664,342	628,877	32,293,219
PLAN NET ASSETS AT END OF YEAR	<u>\$ 34,945,874</u>	<u>\$ 773,724</u>	<u>\$ 35,719,598</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

The Registrars of Voters Employees' Retirement System was established as of January 1, 1955 by Act 215 of 1954, under R.S. Title 11:2700, as amended, for the purpose of providing retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. 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 Registrars of Voters Employees' Retirement System prepares its financial statements 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:

Registrars of Voters Employees' Retirement System's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

Method Used to Value Investments:

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

Equipment and Fixtures:

Equipment and fixtures of the System are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation. Depreciation expense for the year ended June 30, 1998 is \$2,218.

Memorandum Only Columns:

The total columns on the Statement of Plan Net Assets and Statement of Changes in Plan Net Assets are captioned memorandum only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

REGISTRARS OF VETERANS EMPLOYEES' RETIREMENT SYSTEM
NOTICE TO FINANCIAL STATEMENTS
JUNE 30, 1995

2. PLAN DESCRIPTION:

The Registrars of Veterans Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan (Retirement System Trust Fund) and a Savings Plan (Members' Supplemental Savings Trust Fund). The System was established on the first day of January, nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of veterans, their deputies and their permanent employees in each parish. At June 30, 1995, statewide retirement membership consists of:

Current retirees and beneficiaries	108
Terminated vested members not yet receiving benefits	10
Fully vested, partially vested, and nonvested active employees covered DRDF participants	155
Total participants as of the valuation date	<u>273</u>

Retirement System Trust Fund:

Any member is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 30 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits are 3% of the average final compensation (average monthly earnings during the highest 36 consecutive months) multiplied by the number of his years of creditable service, not to exceed 50% of his average final compensation.

Any member whose withdrawal from service occurs prior to his attaining the age of sixty years, who shall have completed twelve or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of sixty years.

Disability benefits are awarded to active contributing members with at least 10 years of service established in the system and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of assessable compensation.

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

2. PLAN DESCRIPTION: (Continued)

factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 50% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with eleven or more years of service at age sixty-one, twenty-one or more years of service at age fifty-six, or thirty-one or more years of service at any age 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. 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. 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 the 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.

The Retirement System Trust Fund is financed by employee contributions of 2% of variable compensation. In addition, each sheriff and ex-officio tax collector pays the employer's share of the actuarially required contribution to fund the system up to a maximum of one-twentieth of one percent of the aggregate amount of the tax share to be collected by the tax roll of each respective parish. Should employee contributions and tax shares be insufficient to fund the system as required by R.S. 11:22 employers contribute the additional amount.

Members' Supplemental Savings Trust Fund:

The Members' Supplemental Savings Trust Fund was established by LRS 21:2139 as a defined contribution plan. All registrars of voters, their deputies and active permanent employees participate in the plan. As of June 30, 1996 there are 230 participants in the plan.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

2. PLAN DESCRIPTION: (Continued)

Members' Supplemental Savings Trust Fund: (Continued)

In accordance with state statute funds contributed to the system in excess of those required contributions to the Retirement Fund employer reserve, as established by the Public Retirement System's Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the members' supplemental savings fund is three percent of the salaries paid during the preceding fiscal year to members who were still employed by the employer at the end of the fiscal year unless the Public Retirement System's Actuarial Committee recommends a lesser percentage based on available funds and the requirements of the Defined Benefit Plan. As of June 30, 1998 there were 68 employers participating in the plan.

Should any member of the system terminate membership in the system due to resignation, retirement, disability, death, or for any other reason involving termination of employment, he shall be entitled to payment of all contributions and interest or other earnings or losses credited to his account as of the date of payment, provided he remains out of service until such time as the payments are required to be paid. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates.

Interest, dividends and realized gains or losses shall be allocated at least once each year on the valuation date or dates of the fund. Such earnings or losses shall be allocated to members in proportion to their account balances as of the first day of the period for which the earnings are credited, reduced by any distribution from such account during the valuation period.

3. CONTRIBUTIONS AND RESERVE:

Contributions:

Contributions for all members are established by state statute at 7.0% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating registrar.

Contribution requirements for all employers are actuarially determined. Employer contributions are not considered necessary since ad valorem taxes and state revenue sharing are more than sufficient to pay the employer's actuarial costs. Should employer contributions and tax monies be insufficient to fund the system as required by R.S. 11:22 employers contribute the additional amount. In accordance with state statute the fund receives 1/30 of 1% of ad valorem taxes collected within the respective parishes and state revenue sharing funds. These additional sources of income are used as employer contributions.

Administrative costs of the retirement system are financed through ad valorem taxes and state revenue sharing monies.

REGISTRARS OF NOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves:

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

A) Deferred Retirement Option Account:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 1996 is \$617,600. The Deferred Retirement Option Account is fully funded.

B) Annuity Savings Reserve:

The Annuity Savings is credited with contributions made by members of the Retirement 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 fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve to provide part of the benefits payable from that fund. The Annuity Savings as of June 30, 1996 is \$2,707,626. The Annuity Savings is fully funded.

C) Pension Accumulation Reserve:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also utilized when expenditures are not covered by other accounts. The Pension Accumulation as of June 30, 1996 is \$18,566,303. The Pension Accumulation is fully funded.

D) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, including cost-of-living increases, granted to members and to the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve as of June 30, 1996 is \$12,268,620. The Annuity Reserve is fully funded.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

E) Members' Supplemental Savings Reserve:

The Members' Supplemental Savings consists of contributions from the dedicated taxes to the system in excess of those required contributions to the Pension Accumulation, not to exceed three percent of the salaries paid during the fiscal year preceding the year in which funds are received. Upon termination a member is entitled to payment of all contributions and savings credited to his account in the fund. The Members' Supplemental Savings as of June 30, 1996 is \$322,719. The Members' Supplemental Savings is fully funded.

4. ACTUARIAL COST METHOD:

The Aggregate Cost Method was used to calculate the funding requirements of the Registrars of Voters Employees' Retirement System for the fiscal year ended June 30, 1996. This funding method allocates pension costs as a level percentage of payroll over the future working lifetime of current members. The Aggregate Cost Method produces no unfunded accrued liability. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Based on actual experience, future normal costs will increase or decrease.

5. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules 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.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Retirement System's deposits, cash equivalents and investments as June 30, 1996:

	RETIREMENT SYSTEM <u>TRUST FUND</u>	MEMBERS' SUPPLEMENTAL SAVINGS <u>TRUST FUND</u>	TOTAL
Deposits (bank balances)	\$ 390,144	\$ ---	\$ 390,144
Cash equivalents	5,896,421	314,099	6,210,540
Investments	28,280,281	326,196	28,606,477
	<u>\$34,566,846</u>	<u>\$670,295</u>	<u>\$35,237,141</u>

Deposits:

The Retirement System's bank deposits of \$390,144 (bank balances) were entirely covered by Federal depository insurance and pledged securities.

**REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1995**

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

Cash Equivalents:

The Retirement System has cash equivalents totaling \$5,322,958 which consist of government backed pooled funds. The government backed pooled funds are held and managed by a separate money manager and are in the name of the Retirement System's custodian's trust department.

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 aim. Notwithstanding the Prudent-Man Rule, the System shall not invest more than fifty-five percent of the total portfolio in common stock. However, the Retirement System's internal investment policy states that the System shall not invest more than forty percent of the total portfolio in common stock.

The Retirement System's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the 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.

	RETIREMENT SYSTEM TRUST FUND <u>MARKET VALUE</u>	MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND <u>MARKET VALUE</u>	TOTAL	CATEGORY
Bonds	\$39,835,163	\$385,056	\$39,220,219	1
Marketable securities	8,850,128	---	8,850,128	1
	<u>\$48,685,291</u>	<u>\$385,056</u>	<u>\$49,070,347</u>	

7. 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 unrecorded transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

REGISTERS OF VETERANS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1966

B. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:

During 1966, the Retirement System 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 1966, 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 \$1,572,688. The financial statements for 1966 have not been restated and the cumulative effect of the change is shown as a one time credit to income in the statement of changes in plan net assets.

REGISTRARS OF VETERANS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 STATEMENT OF CHANGES IN RESERVE BALANCES
 RETIREMENT SYSTEM TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 1998

	ANNUITY SAVINGS	ANNUITY RESERVE	DEFERRED RETIREMENT OPTION PLAN
BALANCE - BEGINNING	\$ 2,653,728	\$ 11,760,364	\$ 468,000
REVENUES AND TRANSFERS:			
Employee contributions	388,168	--	--
Net investment income	--	--	--
Perish tax collector	--	--	--
Pensions transferred from Annuity Reserve	--	--	248,459
Transfer from Annuity Savings	--	138,856	--
Actuarial transfer	--	1,968,587	--
Transfers from another system	--	--	--
Miscellaneous income	--	--	--
Total revenues	<u>388,168</u>	<u>2,107,443</u>	<u>248,459</u>
EXPENDITURES AND TRANSFERS:			
Refunds to members	39,178	--	--
Transfer to Annuity Reserve	138,856	--	--
Pensions paid	--	1,341,388	68,639
Administrative expense	--	--	--
Depreciation expense	--	--	--
Pensions transferred to DRIP	--	248,459	--
Actuarial transfer	--	--	--
Transfers to another system	--	--	--
Total expenditures	<u>178,034</u>	<u>1,589,847</u>	<u>68,639</u>
NET INCREASE (DECREASE) BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	210,134	517,596	140,820
Cumulative effect on prior years resulting from changes in accounting principles	--	--	--
NET INCREASE (DECREASE)	<u>210,134</u>	<u>517,596</u>	<u>140,820</u>
BALANCE - JUNE 30, 1998	\$ 2,787,875	\$ 12,277,960	\$ 608,820

PENSION ACCUMULATION	ASSETS IN EXCESS OF ACTUARIAL PRESENT VALUE OF CREDITED PROJECTED BENEFITS	TOTAL
\$ 13,134,099	\$ 3,045,499	\$ 16,179,598
--	--	304,580
2,465,484	--	2,465,484
402,539	--	402,539
--	--	248,468
--	--	139,866
--	--	1,989,557
33,601	--	33,601
<u>127</u>	<u>--</u>	<u>127</u>
<u>2,905,762</u>	<u>--</u>	<u>2,905,762</u>
--	--	95,175
--	--	139,866
--	--	1,441,037
75,138	--	75,138
2,230	--	2,230
--	--	248,468
1,989,557	--	1,989,557
<u>27,461</u>	<u>--</u>	<u>27,461</u>
<u>2,973,378</u>	<u>--</u>	<u>2,973,378</u>
824,384	--	1,420,909
<u>4,685,822</u>	<u>(3,848,499)</u>	<u>837,323</u>
<u>5,431,912</u>	<u>(3,848,499)</u>	<u>1,583,413</u>
\$ 10,566,901	\$ --	\$ 10,566,901

REGISTRARS OF VETERANS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENTS
 FOR THE YEAR ENDED JUNE 30, 1996

	FNR VALUE	ORIGINAL COST	MARKET VALUE
BONDS - TRUST FUNDS:			
Government obligations	\$ 18,860,157	\$ 13,383,646	\$ 12,986,277
Corporate obligations	<u>8,852,681</u>	<u>8,991,837</u>	<u>8,648,876</u>
TOTAL	25,802,838	22,375,482	19,935,153
BONDS - MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUNDS:			
Government obligations	<u>408,000</u>	<u>360,366</u>	<u>395,158</u>
TOTAL BONDS	\$ 26,210,838	\$ 22,735,848	\$ 20,330,311
MARKETABLE SECURITIES - TRUST FUNDS		\$ 7,150,387	\$ 8,810,100

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF ADMINISTRATIVE EXPENSES
 FOR THE YEAR ENDED JUNE 30, 1998

PERSONAL SERVICES:		
Staff salaries	\$ 21,380	
Board member - per diem	<u>2,280</u>	\$ 23,660
PROFESSIONAL SERVICES:		
Accountant	9,890	
Actuarial	<u>14,884</u>	24,774
COMMUNICATIONS:		
Telephone	1,510	
Travel	<u>8,366</u>	9,876
OTHER:		
Bank charges	611	
Contract labor	4,290	
Utilities	872	
Miscellaneous	3,623	
Office expense	4,324	
Payroll taxes	1,716	
Computer expense	<u>695</u>	17,615
TOTAL EXPENSES		\$ 76,138

REGISTRARS OF NOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF PER SOEM PAID TRUSTEES
FOR THE YEAR ENDED JUNE 30, 1988

NAME	NUMBER OF BILLIONS	AMOUNT
William T. Johnston	4	\$ 300
Robert Poche	8	400
Richard J. Beniston	5	400
Edwin L. McSheeh	6	400
Sue Manning	6	400
Barbara Bates	4	300
Linda Rodrigue	2	100
Louis Keller	2	100
		<u>\$2,200</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
PERIOD: 1981 THROUGH 1996

FISCAL YEAR	ACTUARIAL REQUIRED CONTRIBUTIONS EMPLOYEE	ACTUARIAL REQUIRED CONTRIBUTIONS OTHER SOURCES	PERCENT CONTRIBUTED EMPLOYER	PERCENT CONTRIBUTED OTHER SOURCES
1980	\$ --	1384,956	---	107.89%
1982	--	851,885	---	82.57
1983	--	887,517	---	100.46
1984	--	966,194	---	104.80
1985	--	511,288	---	99.49
1986	--	382,442	---	109.25

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
 JUNE 30, 1991 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	Aggregate Actuarial Cost Method
Asset Valuation Method:	Based on the market value of investment securities.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	7.0% (3.25% Inflation, 3.75% 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 increases.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
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, 1996

August 26, 1996

Registrars of Voters Employees'
Retirement System of Louisiana
P. O. Box 57
Jennings, Louisiana 70548

We have audited the financial statements of Registrars of Voters Employees' Retirement System as of and for the year ended June 30, 1996, and have issued our report thereon dated August 16, 1996.

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 Registrars of Voters Employees' Retirement System 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 Registrars of Voters Employees' Retirement System, for the year ended June 30, 1996, 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.

STATE BOARD OF VETERANS EMPLOYEES' RETIREMENT SYSTEM
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, 1998

(Continued)

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

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

Deplante, Hopmann, Hogan & Hader, LLP

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1996

August 16, 1996

Registrars of Voters Employees'
Retirement System of Louisiana
P. O. Box 57
Jennings, Louisiana 70546

We have audited the financial statements of the Registrars of Voters Employees' Retirement System as of and for the year ended June 30, 1996, and have issued our report thereon dated August 16, 1996.

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.

Compliance with laws, regulations, contracts, and grants applicable to the Registrars of Voters Employees' Retirement System 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, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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

Duglantier, Hupmann, Hogan & Maher LLP