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REPORT

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

JUNE 30, 1996

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DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

INDEX TO REPORT

JUNE 30, 1996

DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

October 4, 1996

Board of Trustees
District Attorneys' Retirement System
State of Louisiana
2109 Decatur Street
New Orleans, Louisiana 70116

We have audited the statement of plan net assets of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 1996, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Retirement 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. 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 audit provides a reasonable basis for our opinion.

As discussed in Note 7 to the financial statements, the District Attorney's Retirement System of the State of Louisiana changed its method of recording investments in 1996.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 1996, and the results of its 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 Retirement System for the year ending June 30, 1996, 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 15-16 and the supplemental schedules on pages 11-14 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, 1991 - 1996 and supplemental schedules for the year ending June 30, 1996, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 1996 on our consideration of District Attorneys' Retirement System of the State of Louisiana's internal control structure and a report dated October 4, 1996 on its compliance with laws and regulations.

Duplantier, Hrapmann, Hogan & Maher LLP

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENT OF PLAN NET ASSETS
JUNE 30, 1996

ASSETS:	
Cash (Note 5)	$ 183,170
Receivables:	
Member contributions	184,182
Employer contributions	83,579
Accrued interest and dividends	443,558
Investments	156,382
Total	867,701
Investments (At fair value): (Note 1 and 5) (Page 12)	
Cash equivalents	7,069,358
Mortgages and notes	137,205
Bonds	32,180,932
Equities	50,450,312
Total	89,837,807
Total assets	90,888,678
LIABILITIES:	
Investments payable	1,998,238
Total liabilities	1,998,238
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 88,890,440

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 1996

ADDITIONS: (Note 1)	
Contributions:	
Members'	$ 1,792,186
Employers'	829,779
Ad valorem taxes and state revenue sharing funds	2,381,580
Total contributions	5,003,545
Investment income:	
Interest income	2,381,594
Dividend income	850,126
Miscellaneous revenue	15,183
Net appreciation in fair value of investments	7,290,329
	10,537,232
Less investment expense:	
Investment advisory fee	462,273
Custodian fee	52,126
Foreign taxes	7,380
	521,779
Net investment income	10,015,453
Other additions:	
Interest on contribution repayments	21,312
Transfers from other retirement systems	21,138
	42,450
Total additions	15,061,448
DEDUCTIONS: (Note 1)	
Benefits	1,918,052
Refund of contributions	400,299
Transfers to other state retirement systems	12,835
Administrative expenses (Page 13)	88,057
Total deductions	2,419,243
NET INCREASE BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	12,642,205
Cumulative effect on prior years resulting from changes in accounting principles (Note 7)	8,691,233
NET INCREASE	21,333,438
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	67,557,002
END OF YEAR	$ 88,890,440

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

The District Attorneys' Retirement 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 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, 1996

2. PLAN DESCRIPTION: (Continued)

Current retirees and beneficiaries	84
Terminated vested members not yet receiving benefits	111
Fully vested, partially vested, and non-vested active employees covered	561
DROP participants	7
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	763

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 options factors used as if

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

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.

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 for up to two 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 two 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 in the amount 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. The rate so determined for fiscal year 1996 is 3.25% of payroll. (The rate so determined for fiscal year 1997 is 2.5% of payroll.)

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

3. CONTRIBUTIONS AND RESERVES: (Continued)

Contributions: (Continued)

Administrative costs of the fund are financed through employer contributions.

Reserves:

Use of the term "reserve" by the retirement 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 fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Pension Reserve balance is $16,258,042 and it is fully funded.

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 is $13,775,278 and it is fully funded.

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 fund 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 is $54,673,073 and it is fully funded.

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 lump sum payment of the DROP deposits is made to the participant. The DROP account balance is $58,299 and it is fully funded.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

4. ACTUARIAL COST METHOD:

The Aggregate Cost Method was used to calculate the funding requirements of the District Attorneys' Retirement System for the fiscal year ended June 30, 1996 valuation. 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.

The actuarial value of assets was changed from the use of market value for equities and amortized cost for fixed income securities to the use of market value of all investments adjusted to defer one-half of all realized and unrealized gains accrued during the fiscal year.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

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

Bank balance	$ 185,165
Cash equivalents	7,069,358
Investments	82,768,449
	$90,022,972

Deposits:

The Retirement System's bank account balances as of June 30, 1996 totaling $185,165 were entirely covered by federal depository insurance and pledged securities. Total market value of pledged securities at June 30, 1996 was $977,915.

Cash Equivalents:

Cash equivalents consist of government backed pooled funds. The funds are held by a sub-custodian, are 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 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, 1996

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

Investments: (Continued)

The Retirement 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 Retirement System or its agent 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.

	MARKET VALUE	CATEGORY
Bonds:		
U. S. Government and Agency Issues	$24,311,031	1
Corporate bonds	7,869,901	1
Stocks:		
Preferred stocks	--	1
Equities	50,450,312	1
	82,631,244	
LDAA Mortgage	137,205	
TOTAL	$82,768,449	

All investments are held in safekeeping by First National Bank of Commerce in New Orleans, Louisiana.

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. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:

During 1996, 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 1996, all investments were recorded at fair value to conform with new requirements of the Governmental Accounting Standards Board (GASB). The effect of this change was to increase income for the year by $8,691,233. The financial statements for 1995 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.

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 is presented on pages 15-16.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 1996

	PENSION RESERVE	ANNITY SAVINGS	DROP	PENSION ACCUMULATION	EXCESS NET ASSETS	NET ASSETS IN EXCESS OF ACTUARIAL PRESENT VALUE OF CREDITED PROJECTED BENEFITS	TOTAL
BALANCES, JULY 1, 1995	$ 15,675,100	$ 12,271,818	$ 212,978	$ 39,379,403	$ --	$ 17,703	$ 67,557,002
REVENUES AND TRANSFERS:							
Contributions:							
Members	--	1,792,186	--	--	--	--	1,792,186
Employers	--	--	--	829,779	--	--	829,779
Net income from investments and other sources	--	--	--	9,948,708	--	--	9,948,708
Ad valorem taxes and state revenue sharing funds	--	--	--	2,381,580	--	--	2,381,580
Transfers from Annuity Savings	117,085	--	--	--	--	--	117,085
Transfers from other systems	--	5,751	--	15,387	--	--	21,138
Pensions transferred from Pension Reserve	--	--	480,663	--	--	--	480,663
Interest on accumulated savings	--	228,873	--	--	--	--	228,873
Actuarial transfers	2,752,230	--	--	--	2,360,475	--	5,112,705
Total revenues	2,869,315	2,026,810	480,663	13,175,454	2,360,475	--	20,912,717
EXPENSES AND TRANSFERS:							
Retirement allowances paid	1,805,710	--	112,342	--	--	--	1,918,052
Refunds to members	--	400,299	--	--	--	--	400,299
Transfers to Pension Reserve	--	117,085	--	--	--	--	117,085
Pensions transferred to DROP	480,663	--	--	--	--	--	480,663
Transfers to other systems	--	5,966	--	6,869	--	--	12,835
Interest transfered to Annuity Savings	--	--	--	228,873	--	--	228,873
Actuarial transfer	--	--	--	5,112,705	--	--	5,112,705
Total expenditures	2,286,373	523,350	112,342	5,348,447	--	--	8,270,512
NET INCREASE BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES	582,942	1,503,460	368,321	7,827,007	2,360,475	--	12,642,205
Cumulative effect on prior years resulting from change in accounting principles	--	--	--	7,466,663	1,242,273	(17,703)	8,691,233
NET INCREASE (DECREASE)	582,942	1,503,460	368,321	15,293,670	3,602,748	(17,703)	21,333,438
BALANCE - JUNE 30, 1996	$ 16,258,042	$ 13,775,278	$ 581,299	$ 54,673,073	$ 3,602,748	$ --	$ 88,890,440

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENTS
JUNE 30, 1996

	FACE VALUE	ORIGINAL COST	MARKET VALUE
Cash equivalents	$ 7,069,358	$ 7,069,358	$ 7,069,358
Bonds:			
U. S. Government and Agency Issues	25,972,915	24,459,359	24,311,031
Corporate bonds	7,865,528	7,866,494	7,869,901
Stocks:			
Equities	39,459,484	39,459,484	50,450,312
Mortgage and notes	137,205	137,205	137,205
TOTAL	$ 80,504,490	$ 78,991,900	$ 89,837,807

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED JUNE 30, 1996

Advertising - legislative	$ 37
Assessment - State Treasurer	47
Auditing and legal	7,605
Dues	100
Expense of board meetings	3,794
Miscellaneous	117
Office supplies and printing	1,695
Postage	1,498
Rent	4,800
Retainer fees	14,655
Secretary - manager's salary	46,744
Surety bond	3,709
Telephone	2,640
Utilities	616
TOTAL	$ 88,057

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF PER DIEM AND TRAVEL EXPENSES TO TRUSTEES
FOR THE YEAR ENDED JUNE 30, 1996

TRUSTEE	NUMBER OF MEETINGS ATTENDED	NUMBER OF MEETINGS PAID	AMOUNTS PAID MEETINGS	AMOUNTS PAID TRAVEL	AMOUNTS PAID TOTAL
Edwin Ware	6	6	$ 450	$1,134	$1,584
John Mamoulides	6	6	450	--	450
J. William Pucheu	4	4	300	98	398
John Rowley	5	--	--	--	--
Morgan Goudeau	5	5	375	--	375
Bernard Boudreaux	4	4	300	--	300
			$1,875	$1,232	$3,107

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1991 THROUGH 1996

FISCAL YEAR	ACTUARIAL REQUIRED CONTRIBUTIONS EMPLOYER	ACTUARIAL REQUIRED CONTRIBUTIONS OTHER SOURCES	PERCENT CONTRIBUTED EMPLOYER	PERCENT CONTRIBUTED OTHER SOURCES
1991	$ --	$1,980,000	--%	94.02%
1992	--	1,647,816	--	99.81
1993	--	1,785,209	--	99.81
1994	538,228	2,162,733	0.0	100.42
1995	731,259	2,300,764	81.32	99.42
1996	669,582	2,427,291	123.92	98.12

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1991 THROUGH 1996

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, 1996
Actuarial Cost Method	The Aggregate Actuarial Cost Method with allocation based on earnings.
Asset Valuation Method:	The actuarial value of assets is based on the market value of investment securities adjusted to defer one-half of all realized and unrealized capital gains or losses for one year.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	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 Fiscal Year 1994	Although employer contributions were required for fiscal year 1994, state statute requires that employer rates be set in advance and therefore actual contributions did not begin until July 1, 1994, an adjustment of .26% of payroll was made to the fiscal 1995 contribution rate to account for the shortfall in fiscal 1994.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 1996

October 4, 1996

Board of Trustees
District Attorneys' Retirement System
State of Louisiana
2109 Decatur Street
New Orleans, Louisiana 70116

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, 1996, and have issued our report thereon dated October 4, 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 District Attorneys' Retirement System of the State of Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the District Attorneys' Retirement System of the State of Louisiana 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.

DUPLANTIER, HRAPMANN, HOGAN & MAHER, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
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October 4, 1996

Board of Trustees
District Attorneys' Retirement System
2109 Decatur Street
New Orleans, Louisiana 70116

In planning and performing our audit of the financial statements of the District Attorneys' Retirement System for the year ended June 30, 1996 we considered its internal control structure 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 structure.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of 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.

One management comment not related to internal control came to our attention during the course of the audit which we felt should be presented to management.

<u>INVESTMENTS</u>:

L.R.S. 11:263 requires that the System shall not invest more than fifty-five percent of its total investment portfolio in equities. This statute does not specify if this percentage should be calculated using original cost or market value. At June 30, 1996, the System's investment portfolio consisted of fifty percent equities when calculated based on original cost and fifty-six percent equities when calculated based on market value.

We recommend that the System obtain a legal opinion to determine whether the equity percentage should be calculated using original cost or market value.

This report is intended for the information of the Board of Trustees, management, and the Legislative Auditor.

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

William Stamm

William G. Stamm, CPA
Partner

WGS/djt