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R E P O R T

LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
(STATE OF LOUISIANA)

JUNE 30, 1998 AND 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

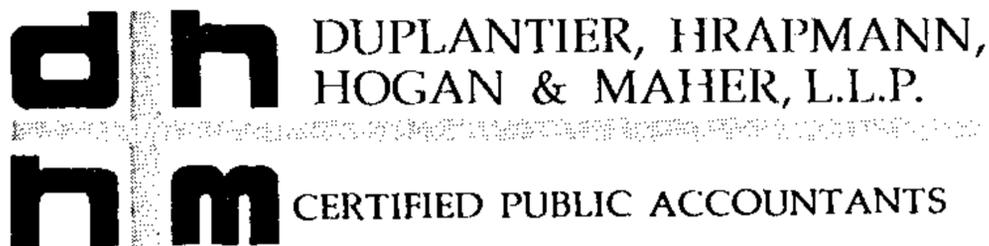
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LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
(STATE OF LOUISIANA)

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INDEPENDENT AUDITOR'S REPORT

September 8, 1998

Louisiana Clerks' of Court
Retirement and Relief Fund
11745 Bricksome Ave., Suite B-1
Baton Rouge, Louisiana 70816

We have audited the accompanying statements of plan net assets of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 1998 and 1997, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 1998 and 1997 and the results of operations and changes in net assets for the years then ended in conformity with generally accepted accounting principles.

We have audited the financial statements of the Fund for the years ending June 30, 1998 and 1997 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information on pages 17 - 19 and the supplemental schedules listed on pages 13 - 16 are presented for the purposes of additional analysis and are not a part of the basic financial statements. Such required statistical information for the years ending June 30, 1993 - 1998 and supplemental schedules for the years ending June 30, 1998 and 1997 have been subjected

to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 8, 1998 on our consideration of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control structure and on its compliance with laws and regulations.

Duslantier, Hapmann, Hogan & Mahler LLP

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS:		
Cash:		
In bank	\$ <u>1,916,966</u>	\$ <u>1,300,033</u>
Receivables:		
Member contributions	356,903	324,494
Employer contributions	433,133	432,658
Miscellaneous receivable	2,888	3,973
Ad valorem taxes receivable	70,806	--
Investment receivable	1,713,322	--
Accrued interest and dividends	920,852	984,188
Total receivables	<u>3,497,904</u>	<u>1,745,313</u>
Investments at fair value: (Note 1 and 6) (Page 13)		
Corporate bonds	26,602,129	22,260,464
Government securities	15,205,750	21,618,692
Mortgage backed securities	20,386,162	11,345,890
Marketable securities	76,692,971	62,693,027
Mutual fund	7,915,957	--
Short-term cash equivalents	11,414,374	10,371,743
Total investments at fair value	<u>158,217,343</u>	<u>128,289,816</u>
Property, plant and equipment: (Note 1)		
Net of accumulated depreciation \$49,840 in 1998 and \$40,163 in 1997	<u>13,995</u>	<u>22,115</u>
Total assets	<u>163,646,208</u>	<u>131,357,277</u>
LIABILITIES:		
Accounts payable	177,059	135,007
Withholding taxes payable	86	15,015
Retiree levied taxes	--	2,864
Total liabilities	<u>177,145</u>	<u>152,886</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS (A schedule of funding progress for the plan is presented on page 17)	\$ <u>163,469,063</u>	\$ <u>131,204,391</u>

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ADDITIONS: (Note 1)		
Contributions:		
Member	\$ 4,172,714	\$ 3,893,363
Employer	5,221,512	5,359,858
Ad valorem tax	3,258,335	2,989,275
Revenue sharing	312,764	320,448
Total contributions	<u>12,965,325</u>	<u>12,562,944</u>
Investment income: (Note 1)		
Net appreciation in fair value of investments	24,405,254	12,202,473
Interest income	4,742,275	4,329,241
Dividend income	1,206,669	1,134,651
	<u>30,354,198</u>	<u>17,666,365</u>
Less: Investment expense:		
Custodial fees	52,614	38,918
Investment management services	603,730	500,171
Investment consulting services	50,000	40,000
	<u>706,344</u>	<u>579,089</u>
Net investment income	<u>29,647,854</u>	<u>17,087,276</u>
Other additions:		
Transfer fees collected	520	80
Miscellaneous income	--	3,906
Transfer from another system	119,581	38,949
Total other additions	<u>120,101</u>	<u>42,935</u>
Total additions	<u>42,733,280</u>	<u>29,693,155</u>
DEDUCTIONS: (Note 1)		
Annuity benefits	8,182,282	7,756,085
Disability benefits	109,543	99,418
Refunds to terminated employees	873,657	850,984
DROP benefits	716,265	1,782,357
Reimbursement to affiliate for administrative expenses (Note 7)	99,800	86,400
Administrative expenses (Page 14)	84,335	67,317
Depreciation	9,677	9,658
Transfer to another system	393,049	53,209
Total deductions	<u>10,468,608</u>	<u>10,705,428</u>
NET INCREASE	32,264,672	18,987,727
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS -		
BEGINNING OF YEAR	<u>131,204,391</u>	<u>112,216,664</u>
END OF YEAR	<u>\$ 163,469,063</u>	<u>\$ 131,204,391</u>

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) was established and provided for by R.S. 11:1501 of the Louisiana Revised Statutes (LRS). The Fund is administered by a board of trustees made up of ten members composed of three directors of the Clerks' Association, one retired clerk, the immediate past president, the president, first vice-president and treasurer of the Clerks' Association, the chairman of the Retirement Committee of the Louisiana House of Representatives, and the chairman of the Finance Committee of the Senate, or their designees.

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:

Louisiana Clerks' of Court Retirement and Relief Fund's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest 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 Louisiana Clerks' of Court Retirement and Relief Fund are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation.

2. PLAN DESCRIPTION:

The Louisiana Clerks' of Court Retirement and Relief Fund is the administrator of a cost sharing multiple-employer plan. The Fund is a statewide retirement plan for the clerk of the supreme court, each of the courts of appeal, each of the district courts, and each of the city and traffic courts in cities having a population in excess of four hundred thousand, and the employees of such clerks, whether full-time or part-time, and the employees of the Louisiana Clerks' of Court Association, the Louisiana Clerks' of Court Retirement and Relief Fund, and Louisiana Clerks' of Court Insurance Fund. Employer and employee membership data as of June 30, 1998 and 1997 consists of:

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

2. PLAN DESCRIPTION: (Continued)

	<u>1998</u>	<u>1997</u>
<u>Employer Members - Contributing</u>		
Parish courts	65	65
Supreme court	1	1
Circuit courts of appeals	5	5
City courts of New Orleans	2	2
Traffic court of New Orleans	1	1
Louisiana Clerks' of Court Association	1	1
Civil Court of New Orleans	1	1
Criminal Court of New Orleans	<u>1</u>	<u>1</u>
 TOTAL EMPLOYER MEMBERS - CONTRIBUTING	 <u>77</u>	 <u>77</u>
 <u>Employee Members</u>		
Current retirees and survivors	614	602
Terminated, nonvested, vested members not yet receiving benefits	179	198
DROP members	59	51
Fully vested, partially and nonvested active employees covered	<u>2,091</u>	<u>2,063</u>
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	<u>2,943</u>	<u>2,914</u>

Those employees considered eligible for membership to the Louisiana Clerks' of Court Retirement and Relief Fund include all regular employees who work more than an average of 20 hours per week. Members are vested after 12 years of service time.

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more, and terminating employment. Regular retirement benefits, payable monthly for life, equal 3 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the average monthly salary. Monthly average final compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

A member who has been officially certified as disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

(1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

2. PLAN DESCRIPTION: (Continued)

compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.

(2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, 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 factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced $1/4$ of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid $1/2$ of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. 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 of the Fund who has been an active contributing member for one full year after becoming eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

2. PLAN DESCRIPTION: (Continued)

active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

3. CONTRIBUTIONS, RESERVES AND FUNDS:

Contributions:

Contributions for all members are established by state statute at 8.25% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating parish or court.

According to state statute, contributions for all employers are actuarially determined each year. The actuarially determined employer contribution rate for fiscal year ending June 30, 1998 was 8%. However, the actual employer contribution rate for fiscal year ending June 30, 1998 was 10%. Under the provisions of Act 347 of the 1997 legislative session the Board of Trustees elected to freeze the employer contribution rate at the prior year higher level. The additional revenue generated will be used to reduce the frozen unfunded accrued liability while maintaining the original amortization payment schedule. The net result will be to reduce the number of years over which payments on the frozen unfunded accrued liability will be required and/or to reduce the amount of the last payment. The dollar effect of the additional employer contributions made during fiscal year ending June 30, 1998 could not be determined.

In accordance with state statute the Fund also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes and state revenue sharing funds. These additional sources of income are used as additional employer contributions.

Administrative costs of the Fund are financed through employer contributions.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

3. CONTRIBUTIONS, RESERVES AND FUNDS: (Continued)

Reserves:

Use of the term "reserve" by the Fund 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, at which time the member may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 1998 and 1997 is \$3,270,451 and \$2,748,996, respectively. The Deferred Retirement Option Account is fully funded.

Funds:

The following funds account for the activity of the Fund:

A) Annuity Savings Fund:

The Annuity Savings Fund is credited with contributions made by members of the Fund. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this 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 Fund to the Annuity Reserve Fund. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve Fund to provide part of the benefits payable. The Annuity Savings Fund as of June 30, 1998 and 1997 is \$31,946,216 and \$30,150,939, respectively. The Annuity Savings Fund is fully funded.

B) Employer Reserve Fund:

The Employer Reserve Fund 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 Fund to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Employer Reserve Fund as of June 30, 1998 and 1997 is \$114,092,188 and \$99,274,009, respectively. The Employer Reserve Fund is 50.01 percent funded.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

3. CONTRIBUTIONS, RESERVES AND FUNDS: (Continued)

C) Annuity Reserve Fund:

The Annuity Reserve Fund 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 Annuity Reserve Fund as of June 30, 1998 and 1997 is \$71,197,491 and \$68,203,724, respectively. The Annuity Reserve Fund is fully funded.

4. ACTUARIAL COST METHOD:

The "Frozen Attained Age Normal" cost method was used to calculate the funding requirements of the Fund. Funding of pension plans under this method consists of two components. The first of these components is the Employer Normal Cost of the plan. In addition, amortization payments on the Fund's unfunded liability must be made. The actuarial present value of future normal cost is called the actuarial accrued liability. Act 81 of the 1988 legislative session requires that the unfunded accrued liability be amortized over a forty year period beginning on July 1, 1989 with payments increasing at 4.75% per year.

5. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 16 - 18.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

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

	<u>1998</u>	<u>1997</u>
Deposits (Bank balance)	\$ 2,093,736	\$ 1,865,343
Cash equivalents	11,414,374	10,371,743
Investments	146,802,969	117,918,073
	<u>\$160,311,079</u>	<u>\$130,155,159</u>

Deposits:

The Fund's bank deposits were entirely covered by federal depository insurance and securities pledged.

Cash Equivalents:

Cash equivalents consist of a short term diversified asset fund. The funds are managed and held by a separate money manager and are in the name of the Fund.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

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

Investments:

Statutes authorize the Fund 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 Fund shall not invest more than fifty-five percent of the total portfolio in common stock. However, the Fund's internal investment policy states that the Fund shall not invest more than fifty percent of the total portfolio in common stock, with a permissible range of plus or minus 5%.

The Fund'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 Fund or its agents in the Fund'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 Fund'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 Fund's name.

	1998		1997	
	MARKET VALUE	CATEGORY	MARKET VALUE	CATEGORY
Corporate bonds	\$ 26,602,129	1	\$ 22,260,464	1
Government securities	15,205,750	1	21,618,692	1
Mortgage backed securities	20,386,162	1	11,345,890	1
Marketable securities	76,692,971	1	62,693,027	1
Mutual fund	7,915,957	N/A	--	--
	<u>\$146,802,969</u>		<u>\$117,918,073</u>	

7. REIMBURSEMENT TO LOUISIANA CLERKS' OF COURT ASSOCIATION:

The Fund shares an office building, equipment, and expenses with the Clerks' of Court Association and Insurance Fund, two related parties. Most of the expenses, including the salaries of employees of all three funds, are paid out of the Association Fund. The Fund reimbursed the Association for shared expenses for the years ended June 30, 1998 and 1997 in the amount of \$99,800 and 86,400, respectively. The building is owned by the Association and Insurance Fund. There is no formal lease between the related parties.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998 AND 1997

8. 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.

9. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment are as follows:

	<u>1998</u>	<u>1997</u>
Beginning balance	\$ 62,278	\$ 62,278
Additions	1,557	--
Deletions	--	--
	<u>63,835</u>	<u>62,278</u>
Less accumulated depreciation	<u>(49,840)</u>	<u>(40,163)</u>
	<u>\$ 13,995</u>	<u>\$ 22,115</u>

Depreciation expense for the years ended June 30, 1998 and 1997 was \$9,677 and \$9,658, respectively.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 STATEMENTS OF CHANGES IN RESERVE BALANCES
 FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

1998

	ANNUITY SAVINGS	DROP	ANNUITY RESERVE	EMPLOYER RESERVE	UNFUNDED ACTUARIAL LIABILITY	TOTAL
BALANCE - BEGINNING	\$ 30,150,939	\$ 2,748,996	\$ 68,203,724	\$ 99,274,009	\$ (69,173,277)	\$ 131,204,391
REVENUES AND TRANSFERS:						
Employee contributions	4,172,714	--	--	--	--	4,172,714
Employer contributions	--	--	--	5,221,512	--	5,221,512
Net investment income	--	--	--	29,647,854	--	29,647,854
Tax collector contributions	--	--	--	3,258,335	--	3,258,335
Revenue sharing contributions	--	--	--	312,764	--	312,764
Miscellaneous income	--	--	--	520	--	520
Transfer from Annuity Savings	--	--	1,364,319	--	--	1,364,319
Transfer from Annuity Reserve	--	1,217,475	--	--	--	1,217,475
Transfers from another system	--	--	--	119,581	--	119,581
Actuarial transfer	--	--	11,158,993	--	12,135,994	23,294,987
	<u>4,172,714</u>	<u>1,217,475</u>	<u>12,523,312</u>	<u>38,560,566</u>	<u>12,135,994</u>	<u>68,610,061</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	873,657	--	--	--	--	873,657
Transfer to Annuity Reserve	1,364,319	--	--	--	--	1,364,319
Transfer to DROP	--	--	1,217,475	--	--	1,217,475
Pensions paid	--	--	8,312,070	--	--	8,312,070
Administrative	--	--	--	184,135	--	184,135
Depreciation	--	--	--	9,677	--	9,677
DROP benefits	--	696,020	--	--	--	696,020
Actuarial transfer	--	--	--	23,294,987	--	23,294,987
Transfers to another system	139,461	--	--	253,588	--	393,049
	<u>2,377,437</u>	<u>696,020</u>	<u>9,529,545</u>	<u>23,742,387</u>	<u>--</u>	<u>36,345,389</u>
NET INCREASE (DECREASE)	<u>1,795,277</u>	<u>521,455</u>	<u>2,993,767</u>	<u>14,818,179</u>	<u>12,135,994</u>	<u>32,264,672</u>
BALANCE - ENDING	\$ 31,946,216	\$ 3,270,451	\$ 71,197,491	\$ 114,092,188	\$ (57,037,283)	\$ 163,469,063

1997

ANNUITY SAVINGS	DROP	ANNUITY RESERVE	EMPLOYER RESERVE	UNFUNDED ACTUARIAL LIABILITY	TOTAL
\$ 28,528,816	\$ 3,503,212	\$ 59,746,170	\$ 89,583,624	\$ (69,145,158)	\$ 112,216,664
3,893,363	--	--	--	--	3,893,363
--	--	--	5,359,858	--	5,359,858
--	--	--	17,087,276	--	17,087,276
--	--	--	2,989,275	--	2,989,275
--	--	--	320,448	--	320,448
--	--	--	3,986	--	3,986
--	--	1,420,256	--	--	1,420,256
--	1,028,141	--	--	--	1,028,141
--	--	--	38,949	--	38,949
--	--	15,920,942	--	--	15,920,942
3,893,363	1,028,141	17,341,198	25,799,792	--	48,062,494
850,984	--	--	--	--	850,984
1,420,256	--	--	--	--	1,420,256
--	--	1,028,141	--	--	1,028,141
--	--	7,855,503	--	--	7,855,503
--	--	--	153,717	--	153,717
--	--	--	9,658	--	9,658
--	1,782,357	--	--	--	1,782,357
--	--	--	15,892,823	28,119	15,920,942
--	--	--	53,209	--	53,209
2,271,240	1,782,357	8,883,644	16,109,407	28,119	29,074,767
1,622,123	(754,216)	8,457,554	9,690,385	(28,119)	18,987,727
\$ 30,150,939	\$ 2,748,996	\$ 68,203,724	\$ 99,274,009	\$ (69,173,277)	\$ 131,204,391

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENTS
 JUNE 30, 1998 AND 1997

	<u>PAR VALUE</u>	JUNE 30, 1998 <u>ORIGINAL COST VALUE</u>	<u>MARKET VALUE</u>
BONDS:			
Government securities	\$ 14,595,000	\$ 14,959,626	\$ 15,205,750
Mortgage backed securities	20,077,876	20,161,412	20,386,162
Corporate bonds	<u>25,061,469</u>	<u>25,219,444</u>	<u>26,602,129</u>
TOTAL BONDS	<u>\$ 59,734,345</u>	<u>\$ 60,340,482</u>	<u>\$ 62,194,041</u>

	<u>COST</u>	<u>MARKET VALUE</u>
STOCKS:		
Common stocks	\$ 53,641,660	\$ 76,692,971
MUTUAL FUND:		
Wellington Trust	\$ 8,027,994	\$ 7,915,957

	<u>PAR VALUE</u>	JUNE 30, 1997 <u>ORIGINAL COST VALUE</u>	<u>MARKET VALUE</u>
BONDS:			
Government securities	\$ 21,590,000	\$ 21,575,384	\$ 21,618,692
Mortgage backed securities	11,393,189	11,340,462	11,345,890
Corporate bonds	<u>22,049,562</u>	<u>21,974,386</u>	<u>22,260,464</u>
TOTAL BONDS	<u>\$ 55,032,751</u>	<u>\$ 54,890,232</u>	<u>\$ 55,225,046</u>

	<u>COST</u>	<u>MARKET VALUE</u>
STOCKS:		
Common stocks	\$ 48,774,353	\$ 62,693,027

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF ADMINISTRATIVE EXPENSES
 FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
PERSONAL SERVICES:		
Board Member - per diem	\$ 3,150	\$ 2,625
PROFESSIONAL SERVICES:		
Accountant	11,453	12,543
Actuarial	17,225	15,994
Legal	12,940	10,200
Program consultant	13,329	5,302
	<u>54,947</u>	<u>44,039</u>
COMMUNICATION:		
Travel	<u>6,710</u>	<u>3,197</u>
OTHER:		
Office supplies	3,575	8,381
Bank charges	5,277	6,154
Miscellaneous	483	2,031
Repair and maintenance	1,208	890
Meetings and seminars	5,386	--
Archiving expense	3,599	--
	<u>19,528</u>	<u>17,456</u>
TOTAL EXPENSES	\$ <u>84,335</u>	\$ <u>67,317</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PER DIEM PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

The per diem paid to the trustees is an expenditure of the Fund. For 1998 the trustees received per diem at the rate of \$75.00 for attendance of a regularly scheduled meeting of the Board of Trustees. Per diem paid to the trustees for the years ended June 30, 1998 and 1997 are as follows:

1998		
<u>TRUSTEE</u>	<u>NO. OF MEETINGS</u>	<u>AMOUNT</u>
Eugene Dunn	5	375
Doug Welborn	6	450
Elray Lemoine	5	375
Lawrence Bergeron	7	525
Peter Fitzgerald, Jr.	6	450
W. J. Hodge	5	375
Ambroise Landry	5	375
Carolyn Ryland	3	225
		<u>\$3,150</u>

1997		
<u>TRUSTEE</u>	<u>NO. OF MEETINGS</u>	<u>AMOUNT</u>
Eugene Dunn	5	\$ 375
Dollie Knippers	5	375
Patrick Saunier	2	150
Lawrence Bergeron	5	375
Peter Fitzgerald, Jr.	4	300
W. J. Hodge	5	375
Ambroise Landry	4	300
Ann Walsworth	5	375
		<u>\$2,625</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1993 THROUGH 1998

<u>FISCAL</u> <u>YEAR</u>	<u>ACTUARIAL</u> <u>REQUIRED</u> <u>CONTRIBUTIONS</u> <u>EMPLOYER</u>	<u>ACTUARIAL</u> <u>REQUIRED</u> <u>CONTRIBUTIONS</u> <u>OTHER SOURCES</u>	<u>PERCENT</u> <u>CONTRIBUTED</u> <u>EMPLOYER</u>	<u>PERCENT</u> <u>CONTRIBUTED</u> <u>OTHER SOURCES</u>
1993	\$3,491,294	\$2,575,000	103.79%	105.83%
1994	4,335,113	2,795,000	84.52	100.03
1995	5,208,909	2,928,869	90.34	99.45
1996	5,355,218	3,087,027	101.01	98.40
1997	4,881,962	3,155,534	109.79	104.89
1998	4,084,984	3,514,962	127.82	101.60

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
JUNE 30, 1993 THROUGH 1998

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED AAL (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
June 30, 1993	\$ 76,396,308	\$143,255,201	\$ 66,858,893	53.33%	\$41,680,452	160.41
June 30, 1994	79,277,314	148,227,754	68,950,440	53.48	43,549,830	158.33
June 30, 1995	91,458,923	162,513,519	71,054,596	56.28	46,528,626	152.71
June 30, 1996	108,196,803	181,361,822	73,165,019	59.66	47,314,712	154.63
June 30, 1997	125,103,154	200,377,668	75,274,514	62.43	48,901,964	153.93
June 30, 1998	143,131,403	220,506,346	77,374,943	64.91	51,914,476	149.04

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS AND
 SCHEDULE OF FUNDING PROGRESS
JUNE 30, 1993 THROUGH 1998

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 1998
Actuarial Cost Method	Frozen Attained Age Normal Method
Amortization Method	In accordance with state statute, the payment amounts increase at 4.75% each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis) The required payment amount under the parameters of the current accounting standards produces a payment in the amount of \$4,110,534. This amount is approximately 8.08% higher than the amount required by state statute. The difference is not accounted for in the required supplemental schedules.
Remaining Amortization Period	31 years
Asset Valuation Method:	Based on the market value of investment securities adjusted to smooth realized and unrealized capital gains or losses over a three year period by deferring one-third of such gains or losses accrued in the prior fiscal year and two-thirds of such gains and losses accrued in the current fiscal year.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	6.0% (3.25% Inflation, 2.75 Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. Future cost of living increases are only granted if specific target ratios and inflation indexes are met. General cost of living increases granted to all participants are financed through employer contributions. Cost of living increases granted to participants over age 65 are financed through investment earnings in excess of the valuation interest rate of 8%.
Change in Actuarial Valuation:	The smoothing period for realized and unrealized capital gains on investments was extended to three years from two years. This change in valuation method resulted in a decrease of the actuarial value of assets in the amount of \$8,135,033.

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

September 8, 1998

Louisiana Clerks' of Court
Retirement and Relief Fund
Board of Trustees
11745 Bricksome Ave., Suite B-1
Baton Rouge, Louisiana 70816

We have audited the financial statements of Louisiana Clerks' of Court Retirement and Relief Fund, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 8, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Louisiana Clerks' of Court Retirement and Relief Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 Louisiana Clerks' of Court Retirement and Relief Fund'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. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hapman, Hogan & Mabe LLP