

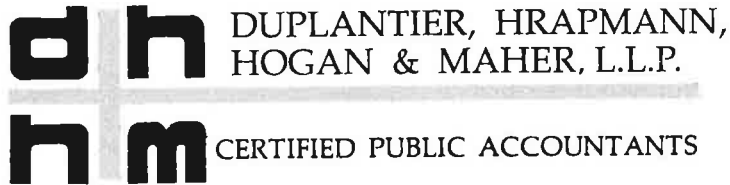
REPORT
STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 2002 AND 2001

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
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JUNE 30, 2002 AND 2001

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INDEPENDENT AUDITOR'S REPORT

August 16, 2002

Board of Trustees
State of Louisiana
School Employees' Retirement System
Baton Rouge, Louisiana

We have audited the accompanying statements of plan net assets of the State of Louisiana School Employees' Retirement System (Plan), a component unit of the State of Louisiana, as of June 30, 2002 and 2001, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the State of Louisiana School Employees' Retirement System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 State of Louisiana School Employees' Retirement System as of June 30, 2002 and 2001, and the results of its operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the State of Louisiana School Employees' Retirement System adopted the provisions of the Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, during the year ended June 30, 2002.

Management's discussion and analysis on Pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the Plan for the years ending June 30, 2002 and 2001 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 23 - 27, and the supplemental schedules listed on pages 28 - 67 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, 1999 - 2002 and supplemental schedules for the years ending June 30, 2002 and 2001, 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. We have not examined the financial statements of the Plan for any period prior to the year ended June 30, 1999. Accordingly, we do not express an opinion or any other form of assurance on the required statistical information relating to any period prior to June 30, 1999. The financial statements of the Plan prior to June 30, 1999, were audited by other auditors whose reports expressed an unqualified opinion on those financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 16, 2002 on our consideration of State of Louisiana School Employees' Retirement System's internal control over financial reporting and on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Chapman, Hogan & Maher LLP

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2002**

The following is management's discussion and analysis of the financial performance of Louisiana School Employees' Retirement System (LSERS). It is presented as a narrative overview and analysis for purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

FINANCIAL HIGHLIGHTS

- Act 897 of the Louisiana 2001 Regular Legislative Session amended a previous Act to increase the benefit accrual rate to 3.33 percent for members retiring on or after July 1, 2001. Under the previous Act the accrual rate was 2.50 percent for the first 20 years of service and three percent for each year after 20 years. Under Act 897 any member retiring on or after July 1, 2001 shall receive 3.33 percent for all years of service. This increase in the accrual rate has a direct impact on the increase of \$7,631,771 (nine percent) in retirement benefits paid in fiscal year 2002.
- Other operating revenues increased by \$553,602 or 871 percent, primarily, due to an increase in the number of transfers into LSERS from other retirement systems. This was due to the increased benefit accrual rate established by Act 897.
- The net assets held in trust for pension benefits decreased by \$109 million or seven percent. The decrease was, primarily, due to the downturn in the markets and to an increase in benefit payments.
- As of June 30, 2002, the date of the most recent actuarial valuation, the System is actuarially funded at 90.5 percent, which is less than June 30, 2001 funded level of 103.0 percent.
- The rate of return on the System's investments was a negative 3.44 percent based on the market value. This is less than last years 1.85 percent rate of return due, primarily, to a downturn in the markets.
- Member contributions increased by \$3,253,595 or twenty-one percent. This increase is primarily due to Act 897 of the Louisiana Regular 2001 Legislative Session. This Act changed the contribution rate for plan members from 6.35 percent to 7.50 percent of their annual covered salary effective July 1, 2001.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the System's basic financial statements, which are comprised of three components:

- Statement of plan net assets
- Statement of changes in plan net assets, and
- Notes to the financial statements

This report also contains required supplemental information in addition to the basic financial statements themselves.

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2002**

The statements of plan net assets report the pension fund's assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2002 and June 30, 2001.

The statement of changes in plan net assets reports the results of the pension fund's operations during the year disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

LSERS FINANCIAL ANALYSIS

LSERS provides retirement benefits to all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children. Employee contributions, employer contributions, and earnings on investments fund these benefits.

**Statement of Plan Net Assets
June 30, 2002 and 2001**

	<u>2002</u>	<u>2001</u>
Cash	\$ 4,807,269	\$ 2,522,776
Receivables	14,567,646	23,041,785
Investments	1,542,478,893	1,646,498,152
Property and equipment	4,125,355	4,263,813
Total Assets	<u>1,565,979,163</u>	<u>1,676,326,526</u>
 Total Liabilities	 <u>188,981,557</u>	 <u>190,026,070</u>
 Net Assets Held In Trust For Pension Benefits	 <u>\$ 1,376,997,606</u>	 <u>\$ 1,486,300,456</u>

**Statement of Changes in Plan Net Assets
For the Years Ended June 30, 2002 and 2001**

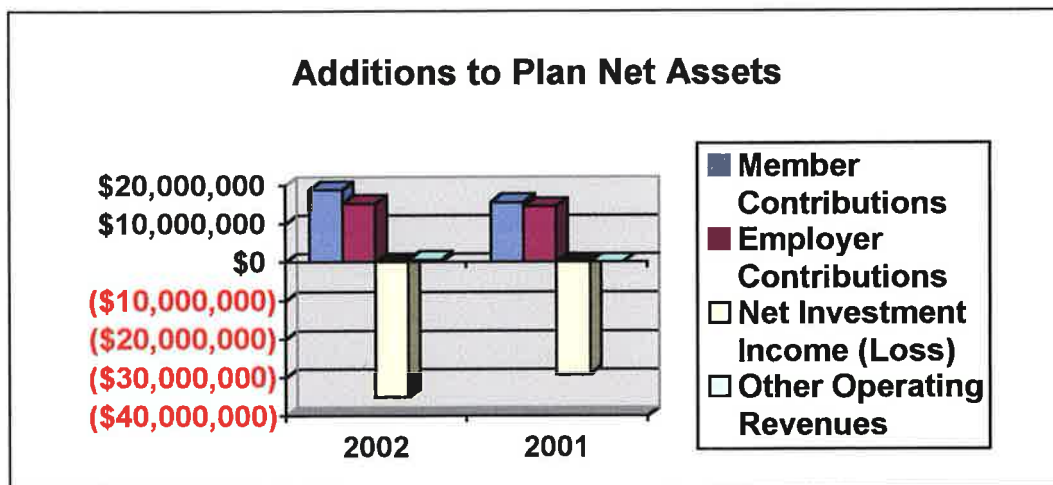
	<u>2002</u>	<u>2001</u>
Additions:		
Contributions	\$ 34,068,824	\$ 30,101,365
Investment loss	(34,986,556)	(29,122,817)
Other	625,367	71,765
Total Additions	<u>(292,365)</u>	<u>1,050,313</u>
 Total Deductions	 <u>109,010,485</u>	 <u>100,917,981</u>
 Decrease in Plan Net Assets	 <u>\$ (109,302,850)</u>	 <u>\$ (99,867,668)</u>

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2002**

Additions to Plan Net Assets

Additions to LSERS plan net assets were derived from member and employer contributions. Member contributions increased \$3,253,595 or 21 percent while employer contributions increased \$713,864 or five percent. The increase in member contributions is primarily due to Act 897 of the Louisiana Regular 2001 Legislative Session, which increased the contributions for plan members from 6.35 percent to 7.5 percent of their annual covered salary effective July 1, 2001. The System experienced a net investment loss of \$34,986,556 as compared to a net investment loss of \$29,122,817. The decrease in investment income was mainly due to the downturn in world equity markets.

	2002	2001	Increase (Decrease) Percentage
Member Contributions	\$ 18,827,944	\$ 15,574,349	21%
Employer Contributions	15,240,880	14,527,016	5%
Net Investment Income (Loss)	(34,986,556)	(29,122,817)	20
Other Operating Revenues	625,367	71,765	871%
Total	<u>\$ (292,365)</u>	<u>\$ 1,050,313</u>	

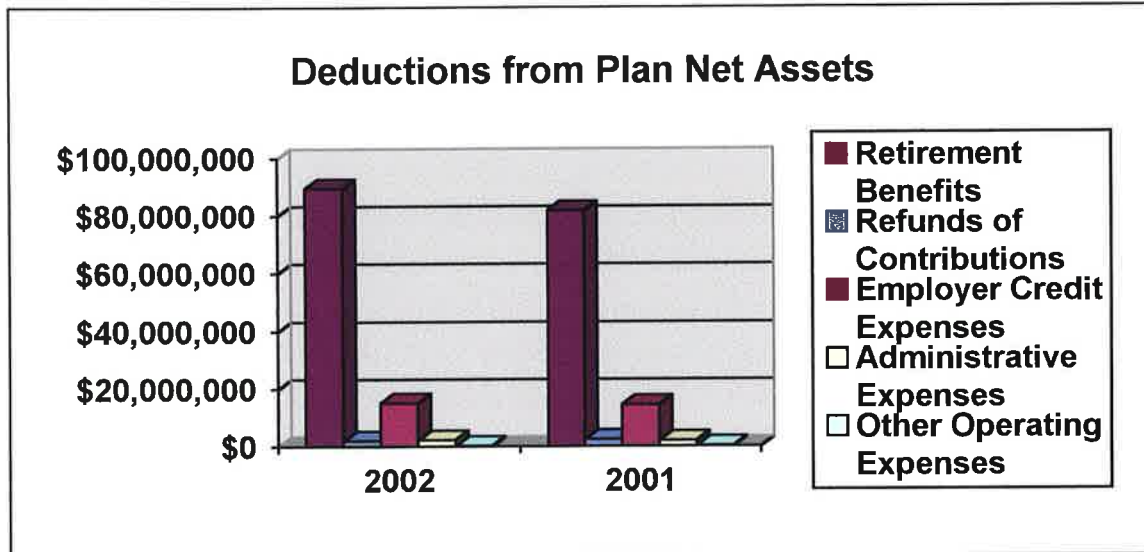


Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death and survivor benefits, employer credit expenses, and administrative expenses. Deductions from plan net assets totaled \$109,010,485 in fiscal year 2002. This is an increase of \$8,092,504, primarily, due to an increase in retirement benefit payments. The increase in retirement benefit payments is mainly the result of three factors: 1) the cost of living adjustment granted to eligible recipients, 2) an increase in the number of retirees, and 3) Act 897 of the Louisiana 2001 Regular Legislative Session, which increased the benefit accrual rate to 3.33 percent for any member retiring on or after July 1, 2001. The cost of administering LSERS benefits per member during 2002 was \$87 per individual compared to \$82 per individual in 2001.

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2002**

	2002	2001	Increase (Decrease) Percentage
Retirement Benefits	\$ 89,516,977	\$ 81,885,206	9%
Refunds of Contributions	1,992,256	2,389,111	(17%)
Employer Credit Expenses	15,134,981	14,432,160	5%
Administrative Expenses	2,194,150	2,020,864	9%
Other Operating Expenses	<u>172,121</u>	<u>190,640</u>	(10%)
Total	<u>\$109,010,485</u>	<u>\$100,917,981</u>	

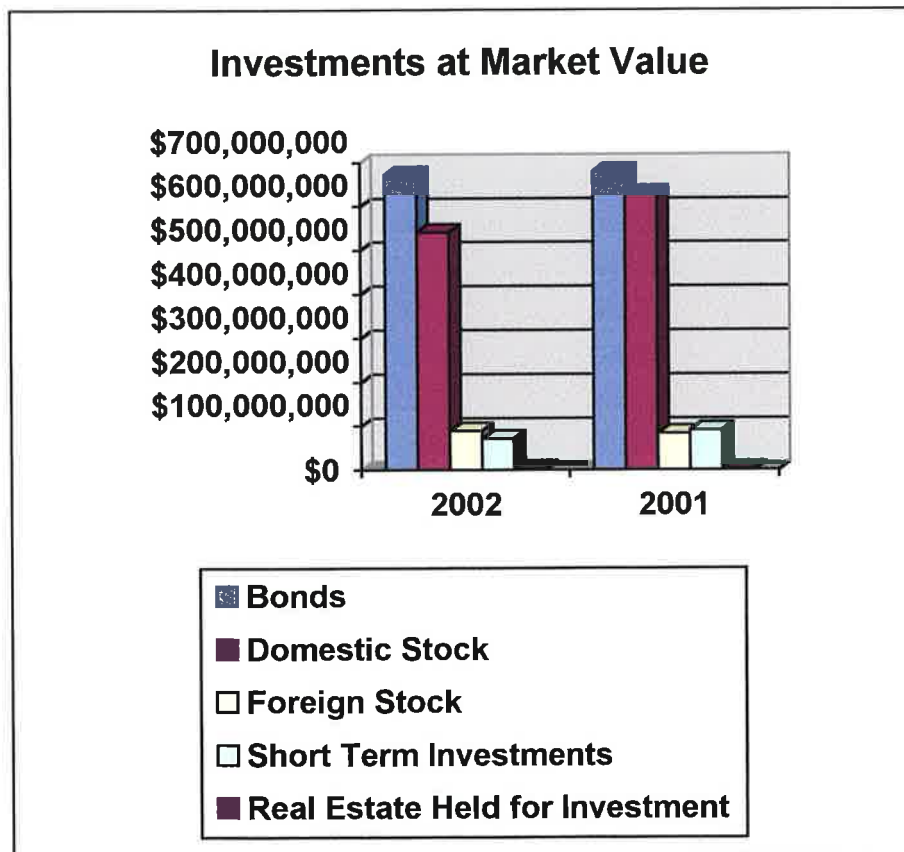


Investments

LSERS is responsible for the prudent management of funds held in trust for the exclusive benefits of our members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2002 amounted to \$1.4 billion, as compared to \$1.5 billion at June 30, 2001, which is a decrease of \$138.6 million or nine percent. The major contributing factor to this decrease is the downturn in the domestic and international equity markets. LSERS investments in various markets at the end of the 2002 and 2001 fiscal years are indicated in the following table:

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2002**

	2002	2001	Increase (Decrease) Amount	Increase (Decrease) Percentage
Bonds	\$ 672,599,946	\$ 709,018,913	\$ (36,418,967)	(5%)
Domestic Stock	540,572,342	629,601,392	(89,029,050)	(14%)
Foreign Stock	89,736,320	83,864,421	5,871,899	7%
Short Term Investments	71,001,982	90,325,916	(19,323,934)	(21%)
Real Estate Held for Investment	<u>3,292,010</u>	<u>3,038,799</u>	<u>253,211</u>	8%
Total	<u>\$1,377,202,600</u>	<u>\$1,515,849,441</u>	<u>\$(138,646,841)</u>	(9%)



REQUESTS FOR INFORMATION

Questions concerning any of the information provided or request for additional financial information should be addressed to Charlene Quinn, Louisiana School Employees' Retirement System, P.O. Box 44526, Baton Rouge, Louisiana 70804-4516.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
CASH:		
In bank	\$ 4,807,269	\$ 2,522,776
RECEIVABLES: (Notes 1 and 3)		
Member contributions	2,759,542	2,827,750
Accrued interest and dividends	7,515,286	9,311,004
Investment receivable	4,292,452	10,902,665
Other	366	366
Total receivables	<u>14,567,646</u>	<u>23,041,785</u>
INVESTMENTS, AT FAIR VALUE:		
(Notes 1, 5, 6, and 7) (Pages 29 - 66)		
U.S. Government and agency obligations	78,163,387	30,490,702
Bonds - domestic and foreign	594,436,559	678,528,211
Marketable securities - domestic	540,572,342	629,601,392
Marketable securities - foreign	89,736,320	83,864,421
Collateral held under securities lending program	165,276,293	130,648,711
Short term investments	71,001,982	90,325,916
Real estate held for investment	3,292,010	3,038,799
Total investments	<u>1,542,478,893</u>	<u>1,646,498,152</u>
PROPERTY AND EQUIPMENT, AT COST: (Notes 1 and 9)		
Building	3,553,274	3,553,274
Land	976,558	976,558
Furniture and equipment	909,967	876,304
	<u>5,439,799</u>	<u>5,406,136</u>
Less accumulated depreciation	1,314,444	1,142,323
Total property and equipment	<u>4,125,355</u>	<u>4,263,813</u>
Total assets	<u>1,565,979,163</u>	<u>1,676,326,526</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	758,390	830,047
Accrued expenses and benefits	216,132	222,224
Obligations under securities lending program (Notes 5 and 6)	165,276,293	130,648,711
Investment payable	22,730,742	58,325,088
Total liabilities	<u>188,981,557</u>	<u>190,026,070</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ <u>1,376,997,606</u>	\$ <u>1,486,300,456</u>
(A schedule of funding progress for the Plan is presented on Page 25)		

See accompanying notes.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
ADDITIONS:		
Contributions: (Notes 1 and 3)		
Member contributions	\$ 18,827,944	\$ 15,574,349
Employer contributions	15,240,880	14,527,016
Total contributions	<u>34,068,824</u>	<u>30,101,365</u>
Investment Income: (Note 1)		
Net depreciation in fair value of investments	(87,628,017)	(88,623,650)
Interest	45,652,372	53,185,251
Securities lending income	3,714,782	11,116,362
Dividends	9,203,145	8,809,804
Real estate income	280,885	279,113
	<u>(28,776,833)</u>	<u>(15,233,120)</u>
Less Investment Expense:		
Investment advisory fee	2,531,030	2,810,316
Custodian and bank fees	222,783	262,239
Foreign currency exchange loss	39,584	124,406
Securities lending expense	3,304,946	10,578,246
Real estate expense	111,380	114,490
	<u>6,209,723</u>	<u>13,889,697</u>
Net investment loss	<u>(34,986,556)</u>	<u>(29,122,817)</u>
Other Additions:		
Transfers from other systems - employee	168,594	21,798
Transfers from other systems - employer and interest	441,513	49,967
Miscellaneous income	15,260	--
	<u>625,367</u>	<u>71,765</u>
Total additions (deductions)	<u>(292,365)</u>	<u>1,050,313</u>
DEDUCTIONS:		
Retirement benefits paid	89,516,977	81,885,206
Refunds of contributions	1,992,256	2,389,111
Employer contribution refund	15,134,981	14,432,160
Administrative expenses (Page 67)	2,194,150	2,020,864
Depreciation expense	172,121	190,640
Total deductions	<u>109,010,485</u>	<u>100,917,981</u>
NET DECREASE	<u>(109,302,850)</u>	<u>(99,867,668)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	<u>1,486,300,456</u>	<u>1,586,168,124</u>
END OF YEAR	<u>\$ 1,376,997,606</u>	<u>\$ 1,486,300,456</u>

See accompanying notes.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

The State of Louisiana School Employees' Retirement System was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes (LRS). The Plan is administered by a board of trustees made up of ten members composed of the President of the Louisiana School Bus Operators' Association, the chairman of the House Retirement Committee, the chairman of the Senate Retirement Committee, the Secretary of State, the State Treasurer, a service retiree elected by the retirees of the Plan, and a resident of each of the four districts of the Retirement System elected by the members of the Retirement System for a term of four years each.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of State of Louisiana School Employees' Retirement System (Plan) are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor of the National Council on Governmental Accounting (NCGA).

In addition, these financial statements include the implementation of GASB Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and related standards. This new standard provides for inclusion of a management discussion and analysis as supplementary information and other changes.

Financial Reporting Entity

In June 1991, the Governmental Accounting Standards Board (GASB) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability.

In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or there is a potential for the organization to provide specific financial burdens to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. There are no component units of the Plan.

The Plan is a component unit of the State of Louisiana and its financial statements are included in the financial statements of the State of Louisiana.

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting.

Employer and employee contributions are recognized in the period that the employee is compensated for services performed.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

Benefits and refunds paid are recognized when due and payable in accordance with the terms of the Plan.

Interest income is recognized when earned and dividends are recognized at the declaration date.

Expenditures are recognized in the period incurred.

Investments are reported at fair value. Changes in market value are reported as gains or losses in the year the change occurred. 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.

The Plan reports securities lent through the securities lending program as assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Liabilities resulting from securities lending transactions are reported as well.

The Plan invests in S&P 500 Index futures. The changes in the market value of the contracts are reported as gains and losses in the period in which the change occurs.

The investment in real estate consists of the leasing of office space. The investment is valued at fair market value which is based upon comparable market rentals.

Property and Equipment:

Land, building, equipment and furniture are carried at historical cost. Depreciation is computed by the straight-line method based upon useful lives of 40 years for the building and 3 to 10 years for equipment and furniture.

2. PLAN DESCRIPTION:

The State of Louisiana School Employees' Retirement System ("the Plan") is the administrator of a cost-sharing multiple-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the State's CAFR as a Pension Trust Fund. The Plan was established and provided for by R.S.11:1001 of the Louisiana Revised Statutes (LRS). The accompanying statements present information only as to transactions of the program of the Plan as authorized by Louisiana Revised Statutes. For the year ended June 30, 2002, the local government contributors consisted of 66 school boards and 23 other agencies contributing to the Plan. For the year ended June 30, 2001, the local government contributors consisted of 66 school boards and 21 other agencies contributing to the Plan.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

2. PLAN DESCRIPTION: (Continued)

The Plan provides retirement benefits to non-teacher school employees excluding those classified as lunch workers within the public school system of Louisiana. At June 30, 2002 and 2001 plan membership consisted of:

	<u>2002</u>	<u>2001</u>
Retirees and beneficiaries currently receiving benefits	9,702	9,391
Terminated employees entitled to benefits but not yet receiving them	63	59
Terminated vested employees who have not withdrawn contributions (DROP)	796	766
Fully vested, partially and nonvested active employees	<u>14,638</u>	<u>14,633</u>
TOTAL PARTICIPANTS	<u><u>25,199</u></u>	<u><u>24,849</u></u>

Eligibility Requirements:

Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153.

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employee who works less than 20 hours per week and does not have at least 10 years of credited service will be refunded their contributions.

Benefits:

A member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

The maximum retirement benefit is an amount equal to 2 1/2% of the average compensation for the three highest consecutive years of membership service, multiplied by the number of years of service up to twenty years (an additional 1/2% of average compensation times years of creditable service in excess of twenty years), plus a supplementary allowance of \$2.00 per month for each year of service. The supplementary allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplementary allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

Any member retiring on or after January 1, 1992 shall receive for their first 20 years of service a 2 1/2% accrual rate, with a 3% accrual rate for each year after 20 years. Any member retiring on or after July 1, 2001 shall receive a 3 1/3% accrual rate for all years of service.

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board.

Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from \$300 up to 75% of the member's average compensation for the three highest consecutive years of membership service.

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation of the Plan. 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 Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. All amounts which remain credited to the individual's subaccount are credited with interest at the end of the fiscal year at a rate equal to the realized return of the Plan's portfolio for the Plan year less one-half of one percent.

Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment for the account or systematic disbursements.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with the DROP account, Louisiana Revised Statutes 11:1152(F)(3).

3. CONTRIBUTIONS AND RESERVES:

Contributions for plan members are established by state statute at 6.35% of their annual covered salary for the year ended June 30, 2001 and 7.5% of their annual covered salary for the year ended June 30, 2002. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The actuarially required contribution rate has been less than the rate required by the Constitution. The employer rate for the year ended June 30, 2002 has been the rate required by the Constitution of 6%. Act 278 of the 1999 regular session provided for the establishment of an Employer Credit Account consisting of the accumulated excess employer contributions which exceeded the actuarially required employer rate. As of July 1, 2001, the account had a balance of \$55.6 million which was available to offset future required employer contributions. During the year the account funded the required employer contributions. Employer contributions were not collected from the school boards in the current year. As of June 30, 2002, the account had a balance of \$39.2 million.

Administrative costs are included in aggregate normal cost.

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:

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

A) Administrative:

The Administrative Fund Reserve provides for general and administrative expenses of the Plan and those expenses not funded through other specific legislative appropriations. Funding consists of transfers from the investment earnings and is made as needed. The Administrative Fund Reserve as of June 30, 2002 and 2001 is \$-0- and \$-0-, respectively. Any excess funds at year end are closed out to the Pension Accumulation Fund per Louisiana Statute.

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the Plan. 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. 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 Survivor Benefit Reserve. When a member retires, the amount of his accumulated contributions is transferred to Pension Reserve to provide part of the benefits. The Annuity Savings as of June 30, 2002 and 2001 is \$136,976,066 and \$132,821,805, respectively. The Annuity Savings is fully funded.

C) Pension Accumulation Fund:

The Pension Accumulation Fund consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account 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 Fund as of June 30, 2002 and 2001 is \$555,501,854 and \$543,467,051, respectively. The Pension Accumulation Fund is 56% funded at June 30, 2002 and 92% funded at June 30, 2001.

D) Pension Reserve and Survivors Benefit Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of active members receive benefits from the Survivors Benefit Reserve account. The Pension Reserve as of June 30, 2002 and 2001 is \$757,256,289 and \$675,991,389, respectively. The Survivors Benefit Reserve as of June 30, 2002 and 2001 is \$87,986,179 and \$80,592,831, respectively. Both Reserves are fully funded.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

3. CONTRIBUTIONS AND RESERVES:(Continued)

Reserves: (Continued)

E) Deferred Retirement Option Account:

The Deferred Retirement Option account consists of the reserves for all members who upon retirement 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 as of June 30, 2002 and 2001 is \$43,796,273 and \$39,067,044, respectively. The Deferred Retirement Option account is fully funded.

F) Initial Benefit Retirement Plan Reserve:

The Initial Benefit Retirement Plan Reserve consists of the reserves for all participants who elect to take a lump sum benefit payment up front and subsequently receive a reduced monthly benefit. The maximum amount a member may receive up front is 36 months times the maximum benefit. The Initial Benefit Retirement Plan Reserve as of June 30, 2002 and 2001 is \$555,241 and \$482,437, respectively. The Initial Benefit Retirement Plan Reserve is fully funded.

G) Employer Credit Account:

Act 278 of the 1999 regular session provided for the establishment of an Employer Credit Account. The Employer Credit Account consists of the accumulated excess employer contributions which exceed the actuarially required employer rate and are available to offset future required employer contributions. Beginning July 1, 2001, the Employer Credit Account had a balance of \$55,565,376 which was available to offset future required employer contributions. During the year, the account funded \$15,134,981 of employer contributions. It decreased by interest in the amount of \$1,246,551. The balance as of June 30, 2002 in the amount of \$39,183,844 can be used to offset future contributions. The Employer Credit Account is fully funded.

4. ACTUARIAL COST METHOD:

The individual "Entry Age Normal" cost method was used to calculate the funding requirements of the Retirement System. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal cost is called the actuarial accrued liability.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

Following are the components of the Plan's deposits, cash equivalents and investments at June 30, 2002 and 2001:

	<u>2002</u>	<u>2001</u>
Deposits (bank balance)	\$ 4,894,017	\$ 1,279,339
Cash equivalents	71,001,982	90,325,916
Investments	<u>1,471,476,911</u>	<u>1,556,172,236</u>
	<u>\$ 1,547,372,910</u>	<u>\$ 1,647,777,491</u>

Deposits:

The Plan's bank deposits were entirely covered by federal depository insurance and by pledged securities. The pledged securities were held at the Federal Reserve in joint custody.

Cash Equivalents:

Cash equivalents in the amount of \$3,746,187 consist of government pooled investments. The funds are managed and held by a separate money manager, and are in the name of the Plan. Cash equivalents in the amount of \$67,130,910 consist of government pooled investments and a government agency note. The funds are managed and held by a separate money manager and are in the name of the Plan. Cash equivalents in the amount of \$124,885 consist of a U. S. Treasury Bill managed by a separate money manager, and held by the Plan's custodian, and are in the name of the Plan.

Investments:

In accordance with LRS 11:263, the Plan is authorized to invest under the Prudent-Man Rule. The Prudent-Man Rule means that, in investing, the governing authorities of the Plan "shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income." Notwithstanding the Prudent-Man Rule, the Plan shall not invest more than sixty-five percent of the total portfolio in equity investments. However, the Plan's internal investment policy limits the portion of the portfolio that can be invested in equities to fifty percent.

The Plan'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 securities are held by the Plan or its agent in the Plan's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments: (Continued)

trust department or agent in the Plan'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 Plan's name.

	<u>2002</u>	
	<u>Market Value</u>	<u>Category</u>
U.S. Government and Government Agency Securities	\$ 3,022,234	1
Corporate bonds	192,449,168	1
Mortgage backed securities	283,668,933	1
Collateralized mortgage obligations	33,854,817	1
Other bonds	67,954,442	1
Marketable securities - domestic	478,836,606	1
Marketable securities - foreign	78,326,887	1
Real estate held for investment	3,292,010	N/A
Investments held by broker-dealers in which collateral may be reinvested:		
U.S. Government Securities	72,472,340	N/A
Corporate bonds	16,509,199	N/A
Marketable securities - domestic	60,002,762	N/A
Marketable securities - foreign	11,409,433	N/A
Investments held by broker-dealers in which collateral may not be reinvested:		
U.S. Government Securities	2,668,813	1
Marketable securities - domestic	1,732,974	1
Collateral held under securities lending program - short term investment pool	<u>165,276,293</u>	N/A
TOTAL	<u>\$1,471,476,911</u>	

	<u>2001</u>	
	<u>Market Value</u>	<u>Category</u>
U.S. Government and Government Agency Securities	\$ 398,413	1
Corporate bonds	249,051,457	1
Mortgage backed securities	214,467,295	1

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments: (Continued)

	2001	
	<u>Market Value</u>	<u>Category</u>
Collateralized mortgage obligations	\$ 66,395,357	1
Other bonds	109,377,126	1
Marketable securities - domestic	576,728,265	1
Marketable securities - foreign	65,597,824	1
Real estate held for investment	3,038,799	N/A
Investments held by broker-dealers in which collateral may be reinvested:		
U.S. Government Securities	20,511,785	N/A
Corporate bonds	36,787,073	N/A
Marketable securities - domestic	51,976,395	N/A
Marketable securities - foreign	17,962,113	N/A
Investments held by broker-dealers in which collateral may not be reinvested:		
U.S. Government Securities	9,580,504	1
Corporate bonds	2,449,903	1
Marketable securities - domestic	896,732	1
Marketable securities - foreign	304,484	1
Collateral held under securities lending program - short term investment pool	<u>130,648,711</u>	N/A
TOTAL	<u>\$1,556,172,236</u>	

There were no investments in any one organization which represented 5% of plan net assets at June 30, 2002 and 2001.

6. SECURITY LENDING TRANSACTIONS:

State statutes and Board of Trustees' policies permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Plan entered into a contract with a company which acts as their third-party securities lending agent. The lending agent has access to the Plan's lendable portfolio or available assets. The agent lends available assets such as U.S. and non U.S. equities, corporate bonds, and non-U.S. government securities. Securities are loaned versus collateral that may include cash, U.S. Government securities, and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. At year-end, the Plan has no credit risk exposure to borrowers

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

6. SECURITY LENDING TRANSACTIONS: (Continued)

because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The contract with the Plan's agent requires it to provide borrower identification. The custodian's responsibility includes performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

All security loans can be terminated on demand by either the Plan or the borrower, although the average term of a loan is 69 days. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted-average maturity of thirty days. Cash collateral may also be invested separately in "term loans", in which the investments match the loan term. These loans can be terminated on demand by either lender or borrower. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the security loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan cannot pledge or sell collateral securities received unless the borrower defaults. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses are known to the securities lending agent

The Plan has the following securities on loan:

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
	Market	Market
	(Carrying Value)	(Carrying Value)
U. S. Government Securities	\$ 75,141,153	\$ 30,092,289
Corporate bonds	16,509,199	39,236,976
Marketable Securities – domestics	61,735,736	52,873,127
Marketable Securities – foreign	<u>11,409,433</u>	<u>18,266,597</u>
	<u>\$ 164,795,521</u>	<u>\$140,468,989</u>

Securities on loan at June 30, 2002 and 2001, for which the Plan received cash collateral, are presented as unclassified under footnote 5. Securities on loan as of June 30, 2002 and 2001, for which the Plan received noncash collateral are presented as classified under footnote 5.

The term to maturity of the securities loaned is matched with the term to maturity of the investment of the cash collateral at June 30, 2001. Such matching did exist at June 30, 2002 since loans may be terminated on demand.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

7. FUTURES:

The Plan has entered into futures contracts for the purpose of maintaining market exposure for excess cash. At June 30, 2002 and 2001, the Plan had four and three outstanding S&P future contracts, respectively. The notional value of the open contracts at June 30, 2002 and 2001 was \$1,023,800 and \$949,975, respectively. The fair value of the open contracts at June 30, 2002 and 2001 was \$ 969,600 and \$923,775, respectively.

The Plan is exposed to credit loss in the event of nonperformance by the other parties to the futures contracts. However, the Plan does not anticipate nonperformance by the counterparties. The Plan is exposed to market risk as a result of possible future changes in market prices. The maximum amount of credit or market risk to the Plan is the notional value of the contracts. During the year ended June 30, 2002 and 2001, the Plan realized net losses of \$142,792 and \$183,180, respectively, on futures trading. The net losses are recorded on the financial statements in net depreciation in fair value income.

Additionally, the Plan is required to place on deposit \$75,000 for the trading account.

8. PER DIEM PAID TO BOARD MEMBERS

Per diem paid to board members, as presented in Page 28, was established at \$75.00 per day in accordance with Louisiana Revised Statute 42:700.2.

9. PROPERTY AND EQUIPMENT:

Changes in property and equipment are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Building	\$ 3,553,274	\$ --	\$ --	\$ 3,553,274
Land	976,558	--	--	976,558
Furniture and equipment	876,304	33,663	--	909,967
Accumulated depreciation	<u>(1,142,323)</u>	<u>--</u>	<u>(172,121)</u>	<u>(1,314,444)</u>
	<u>\$ 4,263,813</u>	<u>\$33,663</u>	<u>\$(172,121)</u>	<u>\$ 4,125,355</u>

Depreciation expense for the years ended June 30, 2002 and 2001 was \$172,121 and \$190,640, respectively.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002 AND 2001

10. SUPPLEMENTARY INFORMATION:

In accordance with GASB 25, required supplementary information can be found in the attached schedules on pages 25 through 27.

11. TAX QUALIFICATION:

The Plan is a Tax Qualified Plan Under IRS Code Section 401(a).

12. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

13. OPERATING LEASES:

The Plan leases office space recorded as real estate held for investment under an operating lease expiring October 31, 2005.

Minimum future rentals to be received on operating leases for each of the next 5 years and in the aggregate are:

<u>JUNE 30</u>	
2003	\$ 280,313
2004	280,313
2005	280,313
2006	93,441
2007	--
	<u>\$ 934,380</u>

The lease may be terminated under various circumstances by both parties.

SUPPLEMENTARY INFORMATION

<u>IBRP</u>	<u>Pension Accumulation</u>	<u>Administrative Fund</u>	<u>Employer Credit Account</u>	<u>Surplus (Unfunded) Actuarial Liability</u>	<u>Total</u>
\$ 482,437	\$ 543,467,051	\$ --	\$ 55,565,376	\$ (41,687,477)	\$ 1,486,300,456
--	--	--	--	--	18,827,944
--	15,240,880	--	--	--	15,240,880
--	(33,724,745)	--	(1,246,551)	--	(34,971,296)
--	--	--	--	--	12,850,021
498,318	--	--	--	--	11,712,091
--	441,513	--	--	--	610,107
--	--	2,178,127	--	--	2,178,127
--	--	16,023	--	--	16,023
--	32,443,426	--	--	--	202,570,663
<u>498,318</u>	<u>14,401,074</u>	<u>2,194,150</u>	<u>(1,246,551)</u>	<u>--</u>	<u>229,034,560</u>
425,514	--	--	--	--	89,516,977
--	--	--	--	--	1,992,256
--	--	--	--	--	12,850,021
--	--	--	--	--	291,703
--	--	--	--	--	10,922,070
--	--	--	--	--	498,318
--	--	--	15,134,981	--	15,134,981
--	--	--	--	--	--
--	172,121	--	--	--	172,121
--	--	2,194,150	--	--	2,194,150
--	2,178,127	--	--	--	2,178,127
--	16,023	--	--	--	16,023
--	--	--	--	202,570,663	202,570,663
<u>425,514</u>	<u>2,366,271</u>	<u>2,194,150</u>	<u>15,134,981</u>	<u>202,570,663</u>	<u>338,337,410</u>
72,804	12,034,803	--	(16,381,532)	(202,570,663)	(109,302,850)
<u>\$ 555,241</u>	<u>\$ 555,501,854</u>	<u>\$ --</u>	<u>\$ 39,183,844</u>	<u>\$ (244,258,140)</u>	<u>\$ 1,376,997,606</u>

<u>IBRP</u>	<u>Pension Accumulation</u>	<u>Administrative Fund</u>	<u>Employer Credit Account</u>	<u>Surplus (Unfunded) Actuarial Liability</u>	<u>Total</u>
\$ 288,745	\$ 433,291,195	\$ --	\$ 58,667,456	\$ 235,677,809	\$ 1,586,168,124
--	--	--	--	--	15,574,349
--	4,200,294	--	10,326,722	--	14,527,016
--	(30,126,175)	--	1,003,358	--	(29,122,817)
--	--	--	--	--	10,733,143
700,500	--	--	--	--	11,895,485
--	49,967	--	--	--	71,765
--	--	2,057,543	--	--	2,057,543
--	36,679	--	--	--	36,679
--	138,263,274	--	--	--	277,365,286
<u>700,500</u>	<u>112,424,039</u>	<u>2,057,543</u>	<u>11,330,080</u>	<u>--</u>	<u>303,138,449</u>
506,808	--	--	--	--	81,885,206
--	--	--	--	--	2,389,111
--	--	--	--	--	10,733,143
--	--	--	--	--	290,796
--	--	--	--	--	10,904,189
--	--	--	--	--	700,500
--	--	--	14,432,160	--	14,432,160
--	--	--	--	--	--
--	190,640	--	--	--	190,640
--	--	2,020,864	--	--	2,020,864
--	2,057,543	--	--	--	2,057,543
--	--	36,679	--	--	36,679
--	--	--	--	277,365,286	277,365,286
<u>506,808</u>	<u>2,248,183</u>	<u>2,057,543</u>	<u>14,432,160</u>	<u>277,365,286</u>	<u>403,006,117</u>
193,692	110,175,856	--	(3,102,080)	(277,365,286)	(99,867,668)
<u>\$ 482,437</u>	<u>\$ 543,467,051</u>	<u>\$ --</u>	<u>\$ 55,565,376</u>	<u>\$ (41,687,477)</u>	<u>\$ 1,486,300,456</u>

STATE OF LOUISIANA
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 (DOLLAR AMOUNTS IN THOUSANDS)
JUNE 30, 1997 THROUGH 2002

<u>Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>(Surplus) Underfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a/c)</u>
1997	\$1,173,453	\$1,067,252	\$ (106,201)	110.0%	\$219,264	-%
1998	1,344,550	1,142,252	(202,297)	117.7	225,734	-
1999	1,464,041*	1,213,230	(250,811)	120.7	236,001	-
2000	1,556,270*	1,291,823	(264,447)	120.5	241,128	-
2001	1,516,236*	1,472,423	(43,813)	103.0	249,674	-
2002	1,431,060*	1,582,071	151,011	90.5	258,876	58.3

* The actuarial value of assets are reduced by the employer credit account.

STATE OF LOUISIANA
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 1997 THROUGH 2002

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution</u>	<u>Percentage Contributed</u>
1997	\$ 8,523,085	154.9%
1998	9,644,559	140.3
1999	5,050,989	282.3
2000	3,982,375	101.64
2001	3,782,309	111.05
2002	17,784,367	85.29

The actuarially required contribution differs significantly from actual contributions made due to the Plan's requirement to contribute the greater of the actuarially required amount or the contribution percentage required by the Louisiana Constitution in the amount of 6%. The statutory rate has been higher than the actuarially required rate. Beginning July 1, 1999, the excess contributions collected is added to the employer credit account. The employer credit account was used to fund the actuarially required employer contributions.

STATE OF LOUISIANA
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO SCHEDULE OF FUNDING PROGRESS AND
 SCHEDULE OF CONTRIBUTIONS
JUNE 30, 1997 THROUGH 2002

The information presented in the required supplementary schedules was determined from the actuarial valuations at the dates indicated. Additional information as of actuarial valuation date of June 30, 2002 follows:

Valuation date	June 30, 2002
Actuarial cost method	Entry Age
Amortization method	Level Percentage of Projected Payroll, the amortization period is for a specified number of years (closed basis)
Remaining amortization period	27 years
Asset valuation method	The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in the unrealized gain or loss in the value of all assets.
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	The rate of annual salary growth is based on 1981-1986 salary scale experience of the Plan. The rates were smoothed then the table was increased by .5% at all durations to account for the continuing affects of inflation.
Cost of living adjustments	The liability for cost of living raises already granted is included in the retiree reserve. 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 benefit increases.

STATE OF LOUISIANA
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF PER DIEM PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

<u>TRUSTEE</u>	NUMBER OF <u>MEETINGS</u>	<u>JUNE 30, 2002</u>		<u>TOTAL</u>
		<u>AMOUNTS</u>		
		<u>MEETINGS</u>	<u>TRAVEL</u>	
Jeffrey Faulk	8	\$ 600	\$ 372	\$ 972
Betty Crain	15	1,125	1,031	2,156
Betty Jacobs	15	1,125	--	1,125
Sylvia Myers	9	675	964	1,639
Joe Seymour	15	1,125	1,748	2,873
Boyd Zitzmann	15	1,125	1,523	2,648
Larry Wilmer	14	<u>1,050</u>	<u>1,000</u>	<u>2,050</u>
TOTALS		<u>\$6,825</u>	<u>\$6,638</u>	<u>\$13,463</u>

<u>TRUSTEE</u>	NUMBER OF <u>MEETINGS</u>	<u>JUNE 30, 2001</u>		<u>TOTAL</u>
		<u>AMOUNTS</u>		
		<u>MEETINGS</u>	<u>TRAVEL</u>	
Howard Broussard	3	\$ 225	\$ 265	\$ 490
Betty Crain	2	150	296	446
Betty Jacobs	15	1,125	--	1,125
Sylvia Myers	8	600	442	1,042
Joe Seymour	12	900	2,391	3,291
Boyd Zitzmann	15	1,125	1,626	2,751
Larry Wilmer	15	<u>1,125</u>	<u>1,202</u>	<u>2,327</u>
TOTALS		<u>\$5,250</u>	<u>\$6,222</u>	<u>\$11,472</u>

The Board holds regular two-day meetings each quarter, and one-day Investment Committee meetings during the months those regular meetings are not held.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF U.S. GOVERNMENT OBLIGATIONS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
<u>U.S. Government Agency</u>				
FHLMC	5.750	1/15/12	\$ 940,000	\$ 965,089
Federal Nat'l Mortgage Assoc.	5.250	4/15/07	7,940,000	8,220,758
Federal Nat'l Mortgage Assoc.	6.125	3/15/12	2,455,000	2,588,356
				<u>11,774,203</u>
<u>U.S. Government Obligations</u>				
U S Treasury Bonds	8.875	2/15/19	1,690,000	2,298,873
U S Treasury Bonds	7.875	2/15/21	1,870,000	2,353,750
U S Treasury Notes	8.000	11/15/21	5,570,000	7,125,757
U S Treasury Bonds	6.875	8/15/25	1,380,000	1,590,353
U S Treasury Notes	6.125	8/15/29	4,630,000	4,918,449
U S Treasury Notes	5.375	2/15/31	9,145,000	8,954,967
U S Treasury Notes	6.750	5/15/05	805,000	878,561
U S Treasury Notes	4.875	2/15/12	16,000,000	16,060,000
U S Treasury Notes	3.625	3/31/04	7,975,000	8,100,367
U S Treasury Notes	3.375	4/30/04	1,105,000	1,116,901
U S Treasury Notes	4.375	5/15/07	12,815,000	12,991,206
				<u>66,389,184</u>
TOTAL U.S. GOVERNMENT OBLIGATIONS				<u>\$ 78,163,387</u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
CORPORATE BONDS:				
Apache Corp	7.000	2/1/18	\$ 10,000,000	\$ 10,464,700
Arrow Electronics Inc	8.700	10/1/05	5,000,000	5,160,550
Bard C R Inc.	6.700	12/1/26	4,500,000	4,700,790
Bell Tel Co Pennsylvania	7.375	3/15/33	6,000,000	5,860,380
Boeing Co.	7.950	8/15/24	3,300,000	3,816,549
British Telecom Plc	8.875	12/15/30	835,000	904,539
Cit Group	5.500	2/15/04	3,000,000	2,885,700
Champion International Corp.	6.650	12/15/37	10,000,000	10,452,100
Charter One Bank	6.375	5/15/12	510,000	521,577
Citigroup Inc	6.000	2/21/12	885,000	891,027
Citigroup Inc	4.125	6/30/05	2,760,000	2,757,792
Citizens Communications Co.	8.500	5/15/06	875,000	858,681
Conagra Inc	6.750	9/15/11	10,000,000	10,548,700
Continental Airlines	6.503	6/15/11	1,000,000	978,640
Countrywide Home Loan	5.625	5/15/07	1,115,000	1,139,898
Erp Operating	7.100	6/23/04	1,380,000	1,459,033
Ford Motor Credit Co	6.875	2/1/03	5,000,000	5,150,950
Ford Motor Credit Co	7.250	10/25/11	1,510,000	1,508,248
Gte Corp	6.360	4/15/06	1,500,000	1,509,810
General Electric Capital Corp	6.750	3/15/32	650,000	640,011
General Electric Capital Corp	6.000	6/15/12	570,000	568,056
General Motors Acceptance Corp	6.625	10/15/05	3,000,000	3,126,360
General Motors Acceptance Corp	5.250	5/16/05	895,000	901,381
Georgia Power Company	5.500	12/1/05	4,000,000	4,142,960
Global Marine Inc	7.125	9/1/07	5,000,000	5,300,700
Hertz Corp	6.300	11/15/06	6,500,000	6,548,100
Hertz Corporation Global	7.625	6/1/12	675,000	661,183
Household Finance Corporation Nt	6.400	6/17/08	10,000,000	10,120,200
Household Finance Corporation Crp	7.000	5/15/12	1,000,000	1,001,670
Ing Cap Funding Trst Iii	8.439	12/31/49	1,155,000	1,287,819
Imperial Tobacco	7.125	4/1/09	425,000	442,633
International Business Machs	4.875	10/1/06	5,000,000	5,031,050
International Lease Finance	5.625	6/1/07	935,000	946,734
Kerr-Mcgee Corp.	7.875	9/15/31	5,000,000	5,507,050
Kraft Foods Inc	6.250	6/1/12	3,000,000	3,094,680
Liberty Media Corporation	7.875	7/15/09	2,000,000	1,983,980
Lockheed Martin Corp.	7.200	5/1/36	3,000,000	3,133,440
Louis Dreyfus Natural Gas	6.875	12/1/07	710,000	755,831
Louisiana Land & Exploration	7.625	4/15/13	5,000,000	5,362,300

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
CORPORATE BONDS: (Continued)				
Marathon Oil Corp.	6.125	3/15/12	5,000,000	5,002,900
Michigan Bell	7.500	2/15/23	3,000,000	3,105,480
Nabisco Inc	7.050	7/15/07	1,305,000	1,428,283
National Re Corporation	8.850	1/15/05	2,500,000	2,765,900
News America Holdings	8.000	10/17/16	1,580,000	1,673,236
Noble Affiliates, Inc.	8.000	4/1/27	670,000	686,717
Phillips Petroleum Company	8.490	1/1/23	5,000,000	5,312,500
Praxair	6.500	3/1/08	1,260,000	1,340,653
Proctor & Gamble	4.750	6/15/07	1,850,000	1,871,904
Pulte Homes	7.875	6/15/32	1,575,000	1,579,426
Raytheon Co	6.150	11/1/08	610,000	620,462
Reinsurance Group Of America	6.750	12/15/11	3,500,000	3,542,455
Rj Reynolds Tobacco Holdings	7.250	6/1/12	610,000	608,835
Koninklijke Kpn Nv	8.000	10/1/10	595,000	601,123
Sears Roebuck & Co	7.000	2/1/11	10,000,000	10,427,600
Sears Roebuck Acceptance	7.000	6/1/32	705,000	672,796
South Carolina Elec & Gas	6.625	2/1/32	785,000	790,566
Southern California Gas	7.375	3/1/23	1,500,000	1,534,695
Target Corp	6.350	1/15/11	5,000,000	5,225,700
Tele-Communications Inc	7.875	8/1/13	900,000	816,396
Tenneco Packaging	7.950	12/15/25	705,000	730,225
Textron Financial Corp	5.875	6/1/07	1,315,000	1,329,715
USA Networks Inc	6.750	11/15/05	980,000	983,940
Union Pacific Resources	6.750	5/15/08	10,000,000	10,637,100
Union Planters Bank	5.125	6/15/07	1,125,000	1,132,020
Valero Energy Corp.	7.500	4/15/32	3,000,000	3,010,260
Virginia Electric & Power Co	8.625	10/1/24	3,500,000	3,774,855
Weyerhaeuser Company	7.500	3/1/13	3,000,000	3,221,849
Weyerhaeuser Company	6.950	10/1/27	2,500,000	2,404,974
				<u>208,958,367</u>
Total Corporate Bonds				
FOREIGN GOVERNMENT BONDS:				
Republic Of Chile	5.625	7/23/07	510,000	503,518
Republic Of Italy	5.625	6/15/12	3,670,000	3,745,565
United Mexican States	10.375	2/17/09	1,310,000	1,506,199
				<u>5,755,282</u>
Total Foreign Government Bonds				

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
PRIVATE PLACEMENTS:				
Coors Brewing Co	6.375	5/15/12	1,000,000	1,033,150
Electronic Data System	7.125	5/15/05	10,850,000	11,614,600
Merita Bank	7.150	12/29/49	2,100,000	2,119,299
Nationwide Mutual Ins	8.250	12/1/31	610,000	636,340
Oversea-Chinese Banking	7.750	9/6/11	1,200,000	1,275,852
Pccw-Hkfc Capital Ltd	7.750	11/15/11	795,000	801,455
Petronas Capital	7.000	5/22/12	1,100,000	1,116,324
Sprint Capital Corp	8.750	3/15/32	465,000	344,305
Telekom Malaysia	7.875	8/1/25	560,000	571,200
Unicredito Itali Crdit	9.200	10/5/10	1,130,000	1,316,461
Total Private Placements				<u>20,828,986</u>
TRUST CAPITAL SECURITIES:				
NB Capital Trust IV	8.250	4/15/27	5,000,000	5,377,150
NGC Corporation Capital Trust	8.316	6/1/27	4,000,000	1,634,920
Total Trust Capital Securities				<u>7,012,070</u>
YANKEE BONDS:				
Republic Of Chile	6.875	4/28/09	635,000	643,522
Husky Energy Inc	6.250	6/15/12	2,030,000	2,045,590
Inco Ltd	7.750	5/15/12	600,000	626,172
Royal Bk Of Scot Grp	7.375	4/1/49	700,000	746,711
Suncor Energy Inc	7.150	2/1/32	255,000	251,282
Total Yankee Bonds				<u>4,313,277</u>
COLLATERALIZED MORTGAGE OBLIGATIONS:				
FHLMC REMIC 2054 PC	6.250	7/15/22	5,000,000	5,162,200
FHLMC REMIC 2064 TE	7.000	6/15/28	5,373,000	5,681,518
FHLMC REMIC 2081 - PB	6.250	6/15/24	7,000,000	7,222,880
FHLMC REMIC 2129 EA	6.000	6/15/25	1,527,112	1,559,059
FHLMC REMIC 2131 YC	6.000	12/15/26	1,425,092	1,414,604
FHLMC REMIC 2143	6.000	12/15/24	4,525,000	4,693,873
FNMA REMIC G92 - 53 J	7.000	9/25/22	1,506,886	1,604,110
FNMA REMIC CL H SER 1992-210	6.500	3/25/19	473,622	474,825
FNMA REMIC 1993-87	6.500	10/25/21	2,909,678	3,004,417
FNMA REMIC 1993-194E	5.700	6/25/08	438,702	447,191
FNMA REMIC TR SERIES 1993-198 CL P	6.500	3/25/23	2,000,000	2,084,100
FNMA REMIC 1997-1B	6.500	2/18/04	498,893	506,042
Total Collateralized Mortgage Obligations				<u>33,854,819</u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
FEDERAL HOME LOAN MORTGAGE CORPORATION:				
FGLMC G00432	8.000	1/1/26	751,450	803,510
FGLMC GOLD D88187	7.000	4/15/28	1,521,976	1,579,324
FGLMC GOLD D88413	7.000	4/15/28	1,609,927	1,670,589
FGLMC E73765	6.000	12/15/13	3,148,062	3,253,050
FGLMC GOLD C00844	7.000	8/15/29	2,515,082	2,607,385
FHLMC GOLD POOLS C00690	6.000	12/1/28	5,285,690	5,319,783
FGLMC GOLD C20133	7.000	1/15/29	1,265,497	1,313,181
FHLMC GOLD E00927	7.000	12/1/15	2,791,778	2,933,125
FGLMC C80437	9.000	7/15/26	167,113	182,210
Total Federal Home Loan Mortgage Corporation				19,662,157
FEDERAL NATIONAL MORTGAGE ASSOCIATION:				
FNMA 1999-49 YP	6.500	9/25/29	4,029,793	4,070,373
FNMA 250200	9.000	1/1/25	67,350	74,076
FNMA 250030	7.000	5/1/24	1,364,656	1,422,940
FNMA 251901	6.500	8/1/13	1,486,165	1,550,367
FNMA 254007	6.500	10/1/31	28,548,381	29,152,179
FNMA 25420	7.000	3/1/32	9,746,490	10,103,894
FNMA 296823	9.000	12/1/24	22,093	24,300
FNMA 297999	9.000	11/1/24	460,149	506,108
FNMA 299371	9.000	12/1/24	87,786	96,554
FNMA 300178	9.000	12/1/24	281,090	309,166
FNMA 303909	7.000	5/1/26	2,591,362	2,702,040
FNMA 303890	7.000	5/1/26	3,078,902	3,202,581
FNMA 303945	7.000	12/1/10	1,522,862	1,613,670
FNMA 408933	6.500	7/1/13	619,246	645,998
FNMA 433213	6.500	7/1/13	1,537,410	1,603,826
FNMA 434075	6.500	7/1/13	1,298,504	1,354,599
FNMA 449149	6.000	12/1/28	4,739,577	4,768,631
FNMA 481539	6.000	1/1/29	2,540,018	2,555,589
FNMA 535126	6.000	12/1/28	4,929,578	4,959,797
FNMA 535838	6.500	4/1/31	5,994,882	6,120,714
FNMA 545482	7.000	3/1/32	3,564,713	3,695,431
FNMA 545259	7.500	12/1/29	8,093,827	8,523,610
FNMA 547723	7.000	9/1/30	2,517,970	2,609,095
FNMA 552715	7.500	10/1/30	2,975,927	3,121,837
FNMA 580398	6.000	5/1/16	8,308,227	8,487,684
FNMA 582094	6.000	5/1/16	5,122,488	5,233,133
FNMA 586633	6.000	5/1/16	2,727,412	2,786,324
FNMA592334	6.000	6/1/16	1,994,732	2,037,818
FNMA 596449	6.500	6/1/31	6,764,067	6,907,127

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
FEDERAL NATIONAL MORTGAGE ASSOCIATION: (Continued)				
FNMA 602064	7.000	9/1/31	6,495,470	6,733,658
FNMA 613152	6.500	11/1/31	12,241,887	12,500,802
FNMA 11858	7.000	1/1/32	15,379,764	15,943,740
FNMA 628038	6.500	2/1/32	6,951,280	7,099,551
FNMA 631381	6.500	3/1/32	5,978,750	6,106,277
FNMA 631382	7.000	3/1/32	4,814,441	4,993,105
Total Federal National Mortgage Association				<u>173,616,594</u>
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION:				
GNMA 371693	7.000	3/15/24	1,915,178	2,003,544
GNMA 392903	9.000	1/15/25	316,145	348,041
GNMA 408175	7.000	12/15/25	311,303	325,056
GNMA 408844	7.000	11/15/25	436,223	455,496
GNMA 423825	8.000	6/15/26	517,041	554,439
GNMA 426366	7.000	1/15/26	502,565	524,141
GNMA 426408	7.000	2/15/26	544,625	568,005
GNMA 429363	6.500	3/15/26	2,518,995	2,590,937
GNMA 434789	8.500	6/15/30	5,056,879	5,416,120
GNMA 446690	7.000	9/15/28	3,377,771	3,512,984
GNMA 456641	7.000	8/15/28	2,619,675	2,724,540
GNMA 456786	7.000	4/15/28	4,661,877	4,848,492
GNMA 460758	7.000	2/15/28	1,438,412	1,495,992
GNMA 462543	7.000	2/15/28	1,291,846	1,343,559
GNMA 462554	7.000	2/15/28	855,595	889,844
GNMA 465526	6.500	5/15/28	2,302,459	2,362,461
GNMA 468232	7.000	9/15/28	4,488,886	4,668,576
GNMA 486877	6.000	1/15/29	11,783,126	11,843,220
GNMA 209750	9.000	6/15/17	31,999	35,588
GNMA 196068	8.000	4/15/17	125,710	136,040
GNMA 201202	9.000	1/15/17	67,539	75,114
GNMA 238006	8.000	2/15/18	378,291	409,375
GNMA 231923	8.000	7/15/17	90,198	97,610
GNMA 293329	9.500	8/15/20	13,510	15,128
GNMA 293326	9.000	8/15/20	39,848	44,211
GNMA 288373	9.000	5/15/20	39,634	43,973
GNMA 291014	9.500	8/15/20	20,506	22,961
GNMA 306559	8.500	1/15/22	565,877	617,281
GNMA 319273	8.500	11/15/21	795,905	868,205
GNMA 780601	7.000	7/15/27	866,854	903,496
GNMA 781096	6.500	12/15/28	7,984,278	8,188,835
GNMA 781288	6.500	5/15/31	5,000,001	5,119,551
Total Government National Mortgage Association				<u>63,052,815</u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2002

	Interest Rate	Due Date	Par Value	Fair Value
OTHER ASSET BACKED SECURITIES:				
Aames Mortgage Trust	6.091	5/15/23	54,522	54,497
Arcadia Automobile Receivable	6.510	9/15/04	3,092,279	3,156,382
Asset Securitization Corporation	7.400	10/13/26	3,450,000	3,757,016
Chase Commercial Mortgage Sec	7.543	9/15/09	2,700,693	2,950,291
Contimortgage Home Equity Loan Trust	6.440	12/15/12	4,507	4,504
Contimortgage Home Equity Loan Trust	6.280	9/15/16	3,393,591	3,418,602
Contimortgage Home Equity Loan Trust	6.480	7/25/23	3,195,000	3,273,565
Green Tree Financial Corp	6.900	7/15/18	1,208,059	1,253,942
Green Tree Home Improvement Loan Trust	6.950	9/15/28	877,813	883,510
Morgan Stanley Dean Witter Capital I	5.980	1/15/39	3,180,000	3,246,716
Residential Accredited Loans Inc	6.250	3/25/14	4,188,588	4,275,543
Salomon Brothers Mortgage Se2001-Cpb1	6.592	12/25/30	1,035,390	1,062,797
Total Other Asset Backed Securities				<u>27,337,365</u>
PRIVATE MORTGAGE BACKED SECURITIES:				
Commercial Resecuritization Trust	6.740	1/27/09	3,024,875	3,132,167
FFCA Secured Lending Corporat Priv Mb	7.270	2/18/11	1,345,948	1,404,480
Total Private Mortgage Backed Securities				<u>4,536,647</u>
MORTGAGE-BACKED TBA SECURITIES:				
FHLMC TBA		7/1/32	16,955,000	<u>17,288,844</u>
Z Tranche CMO:				
FHLMC REMIC 1433-Z	7.000	2/15/22	7,808,233	<u>8,219,336</u>
TOTAL BONDS				<u>\$ 594,436,559</u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2002

	Shares	Cost	Fair Value
ABC Bancorp	2,600	\$ 34,808	\$ 38,714
ADC Telecommunications Inc.	18,400	243,780	42,136
Aflac Inc.	40,200	1,224,211	1,286,400
Agl Resources Inc.	21,500	494,612	498,800
Ag Services Of America	2,100	27,299	25,662
AES Corporation	12,400	370,504	67,208
AMR Corp	3,600	82,399	60,696
AOL Time Warner	301,100	7,323,705	4,429,181
AT & T Corp	88,085	1,894,145	942,510
Atmi Inc.	6,900	180,790	154,353
A T & T Wireless Services	62,775	1,109,879	367,234
AZZ Incorporated	3,700	40,765	57,720
Abbott Labs	36,200	1,371,194	1,362,930
Accredo Health Inc.	24,100	1,128,509	1,111,974
Aceto Corp.	2,300	20,769	24,520
Activision Inc.	32,300	694,797	938,638
Actrade Financial Tech	3,900	64,502	40,638
Actuate Corporation	32,500	396,155	146,250
Actuant Corp. - Cl A	1,360	25,908	56,100
Acuity Brands Inc.	19,600	331,107	356,720
Axion Corp.	24,800	328,526	433,752
Adaptec Inc.	60,350	820,454	476,162
Adobe Systems Inc	5,600	88,465	159,600
Advance Auto Parts	9,425	555,376	513,757
Aeroflex Inc.	43,900	473,216	305,105
Advanced Micro Devices Inc.	7,900	145,415	76,788
Advanta Corp - Cl A	5,600	120,765	60,816
Aetna Inc	13,300	698,251	638,001
Affiliated Managers Group	8,400	407,543	516,600
Agilent Technologies Inc.	10,755	394,244	254,356
Agile Software Corp.	59,565	522,206	433,038
Air Methods Corp.	3,300	12,105	29,766
Air Products & Chemical	5,300	217,394	267,491
Airnet Systems Inc.	7,000	28,783	59,500
Albany Intl Corp. - Cl A	2,000	20,595	53,820
Alberto-Culver Co	1,300	39,416	62,140
Albertson's Inc.	9,443	322,964	287,634
Alcoa Inc	80,444	2,430,588	2,666,719
Alexion Pharmaceuticals Inc.	19,700	360,662	298,455
Alfa Corporation	4,900	63,725	57,330
All American Semiconductor	1,100	10,208	3,124

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SCHEDULE OF DOMESTIC STOCKS
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	Shares	Cost	Fair Value
Allegheny Energy Inc.	2,900	122,928	74,675
Allegry Technologies Inc	1,900	74,108	30,020
Allegiant Bancorp Inc.	4,900	49,545	89,033
Allergan Inc	30,700	1,969,100	2,049,225
Alliance Gaming Corp.	17,700	257,769	220,896
Alliance Imaging Inc.	36,100	444,854	487,350
Allied Capital Corp.	15,600	311,791	353,340
Allied Research Corp.	2,300	20,027	58,328
Allied Waste Industries, Inc.	4,600	78,211	44,160
Allou Health & Beauty- Cl A	2,200	11,852	17,160
Allstate Corp	16,500	501,631	610,170
Alltel Corp	7,200	311,083	338,400
Altera Corporation	8,900	324,866	121,040
Ambac Inc	10,400	570,741	698,880
Ambassadors Group Inc.	3,900	37,415	56,004
Ambassadors International	3,900	27,027	39,234
Amerada Hess Corporation	2,100	125,496	173,250
Ameren Corp	3,300	130,461	141,933
American Axle & Mfg Holdings	10,400	339,645	309,296
American Business Finl Svcs	1,300	18,285	14,040
American Capital Strategies	31,100	688,906	854,317
American Electric Power	42,600	1,804,470	1,704,852
American Express Co	83,000	2,406,528	3,014,560
American Greetings Corporation	15,200	220,597	253,232
American Home Mtg Holdings	4,500	56,624	56,205
American International Group	133,293	8,368,644	9,094,581
American Power Conversion	43,800	700,380	553,194
American Standard Companies	1,700	129,064	127,670
American Tech Ceramics Corp.	3,300	32,110	16,500
Americanwest Bancorporation	2,200	22,934	28,600
Ameristar Casinos Inc.	12,300	277,907	357,438
Ameron International Corp	1,200	43,374	86,700
Amerus Group Co.	6,400	175,500	237,440
Amerisourcebergen Corp.	2,436	156,389	185,136
Ameriserv Financial Inc.	3,500	23,009	16,030
Ametek Inc.	4,000	73,080	149,000
Amgen, Inc.	77,600	3,933,660	3,249,888
Amkor Technology Inc.	28,700	455,329	178,514
Ampco-Pittsburgh Corp.	5,000	79,129	60,000
Amsouth Bancorporation	8,400	212,839	187,992
Amtech Systems Inc.	1,000	8,717	5,339

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	Shares	Cost	Fair Value
Anadarko Petroleum Corporation	31,202	1,546,531	1,538,259
Anadigics Inc.	22,700	360,360	187,048
Analog Devices	8,500	262,680	252,450
Anchor Bancorp Wisconsin Inc.	2,900	64,878	69,919
Andersons Inc.	5,200	55,500	70,720
Andrew Corp	2,300	54,371	34,316
Anheuser Busch Co Inc	62,400	2,338,540	3,120,000
Aon Corp	36,300	1,155,099	1,070,124
Apache Corporation	22,870	808,749	1,314,568
Apartment Investment And Mana	16,300	709,667	801,960
Apollo Group Inc. - Cl A	4,000	150,240	157,680
Apple Computer, Inc.	8,300	95,090	147,076
Apria Healthcare Group Inc.	24,140	553,272	540,736
Applera Corp. - Applied Biosy	4,900	110,860	95,501
Applied Materials Inc.	122,000	2,318,118	2,320,440
Applied Micro Circuits Corp.	6,900	400,923	32,637
Aquila Inc.	35,800	1,103,061	286,400
Arch Coal Inc.	6,000	206,034	136,260
Archer - Daniels - Midland Co.	106,801	1,518,537	1,365,985
Arctic Cat Inc.	3,700	33,511	64,339
Arkansas Best Corp.	2,600	16,427	66,248
Arqule Inc.	22,400	257,318	151,200
Arvinmeritor Inc.	28,900	669,531	693,600
Ashland Inc	1,600	73,524	64,800
Astronics Corp	1,500	14,820	12,000
Audiovox Corp.	3,300	30,359	26,235
Autodesk Inc	30,700	539,666	406,775
Automatic Data Processing Inc	14,400	462,715	627,120
Autonation Inc.	64,700	592,904	938,150
Autozone Inc.	2,400	67,964	185,520
Avaya Inc.	8,368	108,981	41,422
Avery Dennison Corp.	2,500	110,542	156,875
Aviall Inc.	3,000	16,455	42,000
Avista Corp.	27,200	595,104	375,360
Avon Prods Inc Com	5,500	213,172	287,320
Aztar Corp.	7,000	72,990	145,600
BB&T Corporation	53,600	1,826,021	2,068,960
BJ Services Co.	16,400	460,261	555,632
BMC Software	5,600	277,143	92,960

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	Shares	Cost	Fair Value
Bairnco Corp.	5,500	45,815	29,700
Baker Hughes Inc.	7,810	248,758	259,995
Ball Corporation	1,300	24,438	53,924
Bally Total Fitness Hldgs	16,600	436,356	310,586
Bancorp Conneticut Inc.	1,000	18,025	28,060
Bank Of America Corp	60,258	3,250,251	4,239,753
Bank Of The Ozarks	2,800	19,711	62,552
Bank Of New York Inc.	16,900	492,691	570,375
Bank One Corporation	27,178	1,104,515	1,045,809
Banner Corporation	4,930	68,351	122,018
Bard C R Inc.	1,200	48,894	67,896
Bausch & Lomb Inc	1,300	58,742	44,005
Baxter International	38,600	1,771,714	1,715,770
Baycorp Holdings Ltd.	4,000	36,389	47,600
Bear Stearns Cos. Inc.	2,336	120,536	142,963
Beazer Homes Usa Inc.	3,800	99,826	304,000
Becton Dickinson & Co	6,000	174,076	206,700
Bed Bath & Beyond Inc.	6,800	133,753	256,632
Bellsouth Corporation	58,900	1,715,557	1,855,350
Bemis Co.Inc.	13,400	532,721	636,500
Berry Petroleum - CI A	11,500	150,372	193,775
Best Buy Company Inc.	27,450	1,283,685	996,435
Big Lots Inc.	34,770	628,341	684,274
Biogen Inc.	3,400	284,219	140,862
Biomet Inc.	6,250	85,481	169,500
Black & Decker Corporation	1,900	71,975	91,580
Black Box Corporation	5,200	251,164	211,796
Black Hills Corp.	14,100	404,398	488,001
H & R Block	4,300	88,746	198,445
Blonder Tongue Laboratories	800	2,231	2,120
Boeing Co.	40,830	1,989,876	1,837,350
Boise Cascade Corp	1,400	48,472	48,342
Bon-Ton Stores	6,700	19,999	31,490
Bombay Company Inc.	4,400	11,132	19,756
Borg Warner Inc	14,300	540,080	825,968
Boston Acoustics Inc.	2,500	62,554	34,050
Boston Scientific Corp	9,400	266,203	275,608

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	Shares	Cost	Fair Value
Bostonfed Bancorp Inc.	1,500	21,090	48,150
Boyds Collection Ltd.	22,400	146,759	140,896
Brass Eagle Inc.	3,700	22,357	23,310
Bristol -Myers Squibb Co	45,000	1,149,889	1,156,500
Broadcom Corp. - Cl A	6,200	927,152	108,748
Brookstone Inc	3,300	42,966	58,542
Brown & Brown Inc.	11,800	373,785	371,700
Brown-Forman Corp - Cl B	1,600	86,416	110,400
Brown Shoe Inc.	8,300	114,514	233,230
Brunswick Corporation	2,100	58,861	58,800
Buckeye Technologies Inc	3,700	47,948	36,260
Buckle Inc	5,600	102,168	138,040
Building Material Holding Corp	7,100	70,284	102,027
Burlington Coat Factory Wrhs	18,800	251,830	399,500
Burlington Northern Santa Fe	8,900	266,444	267,000
Burlington Resources, Inc.	4,620	190,687	175,560
Bush Industries - Cl A	3,900	56,217	46,800
C & D Technologies Inc.	6,300	128,401	113,526
Cebt Financial Companies Inc.	2,700	38,809	76,707
Cigna Corp	19,600	1,831,274	1,909,432
Cleco Corporation (New)	17,300	389,768	378,870
Cms Energy Corp	35,800	1,073,965	393,084
Ctb International Corp.	3,500	22,929	53,760
CSK Auto Corp.	3,500	37,681	48,790
CPAC Inc.	6,800	70,194	44,064
Csg Systems Int'L Inc.	19,900	508,967	380,886
Csx Corporation	4,900	217,843	171,745
Cvs Corp	9,100	307,125	278,460
Cv Therapeutics Inc.	15,500	474,091	288,610
Cabot Oil & Gas Corp. - Cl A	5,800	129,513	132,530
Caci International Inc. - Cl	9,700	335,974	370,443
Cal Dive International Inc.	3,300	74,171	72,600
Callon Petroleum Corp.	5,600	64,792	27,328
Calpine Corporation	8,700	277,782	61,161
Camco Financial Corp.	2,800	35,437	39,480
Camden National Corp.	2,100	37,171	58,485
Campbell Soup	9,500	389,019	262,770
Candela Corp.	5,400	32,424	29,700
Capital Corp. Of The West	1,155	14,814	21,910
Capital Crossing Banks	1,700	20,132	38,165
Capital One Financial Corp.	5,100	229,544	311,355

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	Shares	Cost	Fair Value
Capitol Bancorp Ltd.	4,100	59,909	97,744
Cardinal Health Inc.	10,500	488,242	644,805
Career Education Corp.	23,200	511,841	1,044,000
Caremark Rx Inc.	57,700	1,042,062	952,050
Carnival Corporation	13,609	534,037	376,833
Carriage Services Inc. - CI A	10,300	52,015	44,290
Carrizo Oil & Gas Inc.	6,700	31,839	28,542
Cascade Corp.	4,300	55,761	66,650
Caterpillar Inc.	8,000	288,324	391,600
Cato Corp. - CI A	7,800	77,524	173,940
Cell Genesys Inc.	21,500	335,766	290,014
Celestica Inc.	34,400	961,504	781,224
Cendant Corporation	24,231	482,172	384,788
Centennial Bancorp	9,325	64,680	73,481
Centex Corporation	1,400	35,433	80,906
Centex Construction Products	600	17,417	21,840
Central Garden & Pet Co	5,900	61,467	103,427
Central Vermont Pub Serv	800	13,508	14,400
Centurytel Inc	3,300	136,680	97,350
Ceres Group Inc.	12,200	41,611	47,580
Channell Commercial Corp.	4,300	29,960	30,100
Charles River Laboratories	8,400	235,709	294,420
Charter One Fin. Inc.	5,194	122,370	178,570
Charming Shoppes Inc.	34,000	308,611	293,760
Chase Industries Inc.	4,800	39,806	66,672
Cheesecake Factory (The)	13,200	456,648	468,336
Chemical Financial Corp.	6,200	200,471	232,562
Cherokee Inc.	3,400	31,799	70,618
Chesapeake Energy Corp.	150,950	948,549	1,086,840
Chevrontexaco Corp.	56,856	4,772,561	5,031,756
Chiron Corp	4,400	192,960	155,540
Christopher & Banks Inc.	14,400	446,433	609,120
Chromcraft Revington Inc	3,700	56,529	50,505
Chubb Corp	25,300	1,776,496	1,791,240
Ciena Corp.	10,000	143,213	41,900
Cincinnati Financial Corp.	3,800	168,677	176,814
Cinergy Corp	3,900	132,423	140,361
Circuit City Stores - Circuit	4,900	81,512	91,875
Cirrus Logic Inc.	38,100	523,078	280,797
Cisco Systems, Inc.	299,800	4,708,209	4,182,210
Cintas Corp.	3,900	142,810	192,777

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	Shares	Cost	Fair Value
Citigroup Inc.	294,251	10,966,848	11,402,226
Citizens Communications Co.	6,500	94,590	54,340
Citrix Systems Inc.	4,200	178,407	25,368
Clear Channel Communications	14,200	800,245	454,684
Clorox Company	5,300	176,499	219,155
Coastal Bancorp Inc.	1,900	33,089	60,344
Cobra Electronics Corp	3,000	16,026	24,750
Coca-Cola Company Com	80,600	4,289,726	4,513,600
Coca-Cola Enterprises	10,400	320,745	229,632
Cognex Corp	14,300	338,628	286,715
Cognitronics Corp.	1,500	6,330	4,080
Colgate-Palmolive	50,900	2,597,736	2,547,545
Collins Industries Inc.	1,000	3,968	4,550
Columbia Banking System Inc.	7,035	80,741	90,822
Comfort Systems USA Inc.	7,300	30,235	36,281
Comarco Inc.	2,400	21,720	18,912
Comcast Corp Cl A Special	91,700	2,802,061	2,186,128
Comerica, Inc.	4,100	187,167	251,740
Commerce Group Inc	18,200	438,295	719,810
Commercial Federal Corp.	17,100	475,834	495,900
Commercial Metals Co.	9,300	289,458	436,542
Community Bank System Inc.	2,400	58,998	77,400
Community Health Systems	22,820	484,538	611,576
Community Trust Bancorp Inc.	4,300	99,293	120,873
Compucom Systems Inc.	13,600	42,224	52,768
Compucredit Corp.	11,800	88,295	83,072
Computer Associates Int'L.	42,600	1,349,188	676,914
Computer Sciences Corp	22,900	860,740	1,094,620
Compuware Corp.	8,700	266,259	52,809
CompX International Inc.	2,000	20,153	26,500
Comstock Resources Inc.	11,700	85,741	88,920
Comverse Technology Inc.	4,300	233,825	39,818
Conagra Inc	12,500	281,479	345,625
Concord Efs Inc.	31,400	772,713	946,396
Conoco Inc.	14,525	346,067	403,795
Conseco Inc	8,024	221,062	16,048
Consolidated Edison Inc	4,900	145,748	204,575
Consolidated Graphics Inc.	6,200	70,672	117,800
Constellation Energy Group	3,800	113,848	111,492
Convergys Corp.	4,000	169,924	77,920
Cooper Camron Corp.	6,900	343,039	334,098

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	Shares	Cost	Fair Value
Cooper Industries Ltd-CI A	2,200	101,276	86,460
Cooper Tire & Rubber	6,400	89,311	131,520
Coors (Adolph) - CI B	800	29,995	49,840
Corinthian Colleges Inc.	25,125	450,970	851,486
Cornell Companies Inc.	7,800	80,966	92,430
Corning, Inc.	22,000	598,010	78,100
Corporate Executive Board Co	18,800	540,013	643,900
Corus Bankshares Inc	6,600	242,459	303,065
Costco Wholesale Corp	10,500	208,916	405,510
Costar Group Inc.	13,550	416,144	278,182
Cotton States Life Insurance	1,200	12,930	12,072
Countrywide Credit Inds., Inc.	30,800	1,264,190	1,486,100
Cox Radio Inc. - CI A	35,000	862,710	843,500
Crane Company	1,350	35,096	34,263
Credence Systems Corp.	14,600	307,698	259,442
Cummins Inc.	1,000	57,089	33,100
Curagen Corp.	19,000	289,356	104,690
Cytex Industries Inc	10,500	255,432	330,120
DRS Technologies Inc.	10,600	346,935	453,150
DTE Energy Company	17,100	674,686	763,344
DVI Inc.	8,200	120,976	158,260
Daisytek Intl Corp.	6,000	67,334	101,760
Dana Corporation	9,793	221,860	181,464
Danaher Corp.	3,500	169,453	232,225
Darden Restaurants Inc.	4,050	35,454	100,035
Dataram Corp.	2,400	13,800	9,000
Dave & Buster'S Inc.	7,400	65,749	89,836
Deckers Outdoor Corp.	3,900	14,841	17,199
Deere & Co Com	5,500	287,620	263,450
Del Monte Foods Co.	19,700	172,732	232,460
Dell Computer Corporation	60,200	467,048	1,573,628
Delphi Corp	18,534	250,318	244,649
Delphi Financial Group - CI A	7,048	239,268	305,531
Delta Air Lines Inc.	33,400	1,001,026	668,000
Deluxe Corp	1,500	41,626	58,335
Department 56	6,100	160,247	99,308
Devon Energy Corporation	14,700	730,748	724,416
Devry Inc.	7,300	216,282	166,732
The Dial Corporation	10,000	196,500	200,200
Diamond Offshore Drilling	4,500	148,110	128,250
Diebold Inc.	12,200	460,344	454,328
Digital Lightwave Inc.	2,400	15,767	5,616
Dillard's Inc - CI A	2,000	60,381	52,580
Dimon Inc.	23,700	144,277	164,004

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	Shares	Cost	Fair Value
Diodes Inc	4,400	57,076	37,532
Disney Co	47,300	1,218,373	893,970
Documentum Inc.	35,410	639,427	424,920
Dollar General Corporation	7,716	162,368	146,835
Dominion Homes Inc.	1,800	12,327	36,414
Dominion Resources Inc/Va	6,372	300,866	421,826
Donegal Group Inc. - CI A	1,200	14,959	12,384
Donegal Group Inc. - CI B	600	7,123	6,156
Donnelley R R & Sons Company	26,000	758,808	716,300
Dover Corp.	4,700	151,536	164,500
Dow Chemical	21,005	630,367	722,152
Dow Jones & Co., Inc.	2,000	89,695	96,900
Downey Financial Corp.	11,900	422,824	562,870
Dril-Quip	20,700	493,429	516,465
Dupont (Ei) De Nemours & Co.	78,166	3,517,563	3,470,570
Duane Reade Inc.	23,800	797,766	810,390
Duckwall - Alco Stores, Inc.	5,000	89,263	70,000
Ducommun Inc.	3,900	47,131	102,336
Duke Energy Corp Com Stk	19,200	562,094	597,120
Dun & Bradstreet Corp.	9,300	257,454	307,365
Dura Automotive Systems Inc.	6,023	215,288	124,977
Dycom Industries Inc.	17,000	266,041	198,730
Dynamex Inc.	51		115
Dynegy Inc. - CI A	8,400	395,947	60,480
Elxsi Corp.	1,200	14,387	7,080
Emc Corp/Mass	51,562	766,484	389,293
Eog Resources Inc	2,700	109,462	107,190
E*Trade Group Inc.	60,300	476,672	329,238
East West Bancorp Inc.	10,200	295,890	352,104
Eastern Company (The)	1,100	16,676	15,840
Eastman Chemical Company	1,800	104,356	84,420
Eastman Kodak Co Com	6,800	459,446	198,356
Eaton Corporation	1,600	116,929	116,400
Ecolab Inc	3,000	76,801	138,690
Edelbrock Corp.	1,650	22,343	20,130
Edge Petroleum Corp/Del	4,900	24,157	26,406
Edison International	7,600	166,701	129,200
Edo Corp.	7,400	180,988	210,900
Education Management Corp.	6,800	226,288	276,964
J. D. Edwards & Co.	50,555	720,489	614,243
A. G. Edwards Inc.	22,700	956,524	882,349
Efunds Corp.	4,700	40,783	44,598
El Paso Corporation	34,051	1,429,565	701,791

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	Shares	Cost	Fair Value
El Paso Electric Company	26,500	375,513	367,025
Electronic Data Systems Corp	49,700	2,931,982	1,846,355
Perry Ellis International	3,300	34,620	50,193
Emerson Elec Co	36,300	2,058,398	1,942,413
Endo Pharmaceutical Holdings	31,800	280,624	222,600
Energen Corp.	16,600	387,602	456,500
Engelhard Corporation	40,600	1,105,195	1,149,792
Ennis Business Forms	7,700	63,377	100,485
Entergy Corp	5,200	158,829	220,688
Enzon Inc.	20,285	723,763	499,214
Eon Labs Inc	11,600	173,648	206,364
Eplus Inc.	5,400	44,361	37,638
Equifax, Inc.	3,400	63,852	91,800
Equity Marketing Inc.	2,200	28,254	29,150
Equity Office Properties Trus	42,600	1,257,300	1,282,260
Equity Oil Co.	3,600	8,892	8,280
Equity Residential	6,400	184,915	184,000
Esterline Technologies Corp.	9,900	142,877	224,730
Exar Corp.	22,600	469,684	445,672
Exelon Corporation	7,512	347,075	392,878
Exponent Inc.	7,400	63,659	95,534
Exxon Mobil Corporation	305,612	9,313,119	12,505,643
FBL Financial Group Inc. - CI	9,900	196,432	219,285
FEI Company	15,100	439,990	370,101
FMC Corp	4,400	173,316	132,748
FMC Technologies Inc.	7,566	154,280	157,070
FNB Financial Services Corp	1,200	19,691	20,616
FPL Group Inc	4,100	204,070	245,959
Factual Data Corp.	1,900	15,295	21,660
Family Dollar Stores, Inc.	4,000	111,866	141,000
Federal Home Loan Mortgage Corporatio	16,100	701,649	985,320
Federal National Mortgage Association	44,000	2,922,747	3,245,000
Federated Department Stores	23,300	910,770	925,010
Fedex Corporation	6,940	220,769	370,596
Fidelity National Finl Inc.	31,100	912,437	982,760
Fifth Third Bancorp.	13,663	551,961	910,639
Financial Industries Corp.	4,000	54,185	72,280
Finlay Enterprises Inc.	5,800	67,674	95,526
First American Corporation	36,400	670,447	837,200
First Bell Bancorp Inc.	2,900	39,682	49,735
First Cash Financial Svcs Inc	3,300	10,755	30,228
First Citizens Bcschs - CI A	3,400	316,321	376,006
First Federal Capital Corp.	5,800	90,870	128,180

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	Shares	Cost	Fair Value
First Data Corp.	67,900	2,470,350	2,525,880
First Defiance Finl Corp.	2,700	31,974	54,135
First Essex Bancorp Inc.	1,300	18,755	44,460
First Financial Bankshares In	1,700	58,003	71,126
First Horizon Pharmaceutical	10,500	220,412	217,245
First Indiana Corp.	5,500	98,856	119,735
First National Corporation	1,300	30,303	39,260
First Mutual Bancshares Inc.	990	10,778	16,137
First Tennessee Nat'L Corp.	21,300	754,912	815,790
First United Corp.	1,500	26,087	26,925
Fiserv Inc.	4,400	134,623	161,524
Firstfed Financial Corp.	9,200	228,311	266,800
Firstfed American Bancorp Inc	2,686	46,538	63,927
Flagstar Bancorp Inc.	11,700	77,822	270,270
First Energy Corp	24,957	883,881	833,065
Fleet Boston Financial Corp	72,498	2,712,068	2,345,310
Fleming Companys	20,300	444,156	368,445
Fluor Corp (New)	1,900	78,409	74,005
Flushing Financial Corp.	4,300	75,093	88,107
Foamex International Inc	13,000	77,571	144,430
Foothill Independent Bancorp	500	6,913	7,300
Footstar Inc.	6,700	191,716	163,949
Ford Motor Company	42,080	1,250,795	673,280
Forest Laboratories Inc.	4,100	273,539	290,280
Forest Oil Corp.	15,600	403,037	443,508
Fortune Brands Inc	3,500	126,998	196,000
Four Seasons Hotels Inc.	2,900	133,581	136,010
Franklin Resources Inc	6,100	295,743	260,104
Fred's Inc	3,900	133,513	143,442
Freeport-Mcmoran Copper-B	3,300	84,761	58,905
Fresh Brands Inc.	1,100	19,855	18,601
Friedman Industries	2,100	8,245	5,502
Friedman's Inc. - Cl A	8,400	134,396	109,192
Frisch's Restaurants Inc.	2,100	28,747	41,475
Frontier Airlines Inc.	900	13,100	7,317
GBC Bancorp	1,100	19,352	31,845
G-Iii Apparel Group Ltd.	1,700	9,988	13,005
GTSI Corp.	4,500	17,439	35,325
Gallagher (Arthur J.) & Co.	8,100	225,783	280,665
Gametech International Inc.	6,200	24,503	26,350
Gannett Co Inc	17,600	1,211,689	1,335,840
Gap Inc.	20,100	280,325	285,420
Garan Inc.	1,300	33,989	75,205

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	Shares	Cost	Fair Value
Garden Fresh Restaurant Corp.	1,300	13,920	15,405
Gateway Inc	7,500	184,018	33,300
Gencorp Inc.	16,500	162,913	235,950
General Cable Corp.	17,200	144,871	108,360
General Dynamics Corporation	4,700	242,492	499,845
General Electric Co	365,700	9,815,775	10,623,585
General Mills Inc.	8,500	328,447	374,680
General Motors Corp	48,000	2,349,401	2,565,600
Genesco Inc.	7,300	155,208	177,755
Genesee & Wyoming Inc.- Cl A	3,825	17,301	86,292
Genesis Microchip Inc.	11,500	150,544	95,910
Genuine Parts Company	24,700	666,309	861,289
Genzyme Corporation	5,000	284,892	96,200
Georgia-Pac	5,325	259,763	130,889
Giant Industries Inc.	4,100	32,321	32,800
Gillette Co.	73,700	2,772,115	2,496,219
Gladstone Capital Corp.	17,300	267,074	312,265
Global Imaging Systems Inc.	6,100	37,939	115,839
Global Power Equipment	17,100	163,237	169,290
Global Santa Fe Corp	9,709	393,238	265,541
Golden West Financial Corp.	3,600	121,043	247,608
Goodrich (B.F.)Co	2,400	90,300	65,568
Goodyear Tire & Rubber Co.	3,800	193,336	71,098
Gottschalks Inc.	5,000	21,892	13,450
W. W. Grainger, Inc.	2,200	98,191	110,220
Granite State Bankshares Inc.	1,600	40,432	52,496
Great Lakes Chemical Corporation	1,200	48,905	31,788
Great Plains Energy Inc.	23,400	532,655	476,190
Greater Bay Bancorp	16,000	478,794	492,160
Greenbrier Companies Inc.	5,300	53,993	38,690
Greif Bros Corp. - Cl A	2,100	52,710	70,058
Grey Wolf, Inc.	176,600	506,435	722,294
Group 1 Software Inc.	4,000	49,126	55,400
Guidant Corporation	7,100	201,276	214,633
HCA - The Healthcare Company	11,900	460,559	565,250
Haggar Corp.	2,600	31,415	41,730
Halliburton Co.	10,100	376,024	160,994
John Hancock Financial Svcs.	6,800	269,510	239,360
Handleman Co.	13,800	145,459	200,100
Hanover Compressor Co.	30,000	373,792	405,000
Harland (John H.) Co.	900	12,550	25,380
Harley Davidson Inc.	7,000	258,604	358,890
Harrah's Entertainment Inc.	2,700	58,323	119,745
Hartford Financial Svcs Grp.	5,700	279,454	338,979

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SCHEDULE OF DOMESTIC STOCKS
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	Shares	Cost	Fair Value
Hasbro Inc.	4,050	71,817	54,918
Haverty Furniture	3,700	39,466	73,075
Hawkins Inc.	1,400	11,023	13,076
Hawthorne Finl. Corp.	1,600	14,248	51,856
Healthsouth Corp.	9,100	201,214	116,389
Health Mgmt Associates Inc.	112,200	2,193,792	2,260,830
Health Net Inc.	4,200	82,732	112,434
Hector Communications Corp.	1,200	15,024	14,400
H J Heinz Co	43,200	1,707,145	1,775,520
Herbalife International - Cl	9,800	108,371	187,180
Heritage Commerce Corp.	1,900	14,993	18,240
Hercules Inc	2,500	100,009	29,000
Hershey Foods	3,200	189,691	200,000
Hewitt Associates Inc. - Cl A	3,100	63,475	72,230
Hewlett - Packard	90,910	1,981,072	1,389,105
Hilton Hotels Corporation	8,600	119,393	119,540
Holly Corp	5,600	35,231	93,800
Hollywood Entertainment Corp.	14,800	241,522	306,064
Home Depot Inc.	108,750	2,363,768	3,994,388
Honeywell Int'L	57,300	2,243,178	2,018,679
Horizon Financial Corp.	3,225	32,798	47,437
Horizon Health Corp.	2,000	13,060	39,400
Horizon Offshore Inc.	7,000	39,162	59,080
Hospitality Properties Trust	12,900	453,141	470,850
Household International Inc	23,486	1,070,199	1,167,254
Houston Exploration Co.	10,600	346,551	307,400
Hovnanian Enterprises - Cl A	17,477	184,071	627,075
Huffy Corp.	5,600	38,707	48,328
Hughes Supply Inc.	7,700	230,728	345,730
Humana Inc	3,900	78,753	60,957
Huntington Bancshares	5,774	127,819	112,131
Huttig Building Products Inc.	2,100	12,141	11,277
Ims Health Inc	6,700	124,185	120,265
Istar Financial Inc.	18,500	533,288	527,250
Itla Capital Corporation	2,600	39,215	77,194
Iberiabank Corp.	2,500	41,144	101,350
Itt Industries Inc.	12,900	806,272	910,740
Idacorp Inc.	21,400	673,922	592,780
Ingersoll-Rand Co - Cl A	3,900	163,059	178,074
Illinois Tool Works Inc.	7,100	392,948	484,930
Immunex Corp.	12,800	232,687	285,952
Indymac Bancorp Inc	16,400	413,237	371,952
Informatica Corp.	39,500	526,472	280,055
Innotrac Corp.	6,800	25,730	32,844

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SCHEDULE OF DOMESTIC STOCKS
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	Shares	Cost	Fair Value
Innovative Solutions & Support	3,200	21,449	24,000
Integra Lifesciences Holding	16,900	323,661	367,575
Integramed America Inc.	1,200	4,878	10,200
Integrated Electrical Svcs	20,800	124,359	130,000
Intel Corporation	304,400	8,327,746	5,561,388
Interlott Technologies Inc.	3,500	15,383	20,650
International Business Machines	63,000	4,749,410	4,536,000
Intl Flavors & Fragrances	2,200	96,296	71,478
International Game Technology Com	17,700	1,178,118	1,003,590
International Paper	36,100	1,666,528	1,573,238
Interpool Inc	26,900	257,827	464,294
Interpublic Group	8,900	220,112	220,364
Interstate National Dealer Sv	1,000	4,904	5,600
Intest Corp.	4,100	38,663	27,347
Intuit Inc.	4,900	220,442	243,628
Iron Mountain Inc.	35,650	897,713	1,099,803
Irwin Financial Corp.	14,200	244,399	285,420
Isis Pharmaceuticals Inc.	34,400	410,480	327,144
Jds Uniphase Corp.	31,600	2,563,963	84,372
J. Jill Group Inc.	2,300	56,875	87,285
Jlg Industries Inc.	4,200	43,575	58,926
Jps Industries Inc.	600	2,805	2,448
Jp Morgan Chase & Co.	63,740	2,242,612	2,162,061
Jabil Circuit Inc.	4,600	144,667	97,106
Jack In The Box Inc.	10,200	321,635	324,360
Jaco Electronics Inc.	3,100	30,292	14,570
Jakks Pacific Inc.	8,700	87,719	154,077
Jefferson Pilot Corp.	3,525	122,651	165,675
Jetblue Airways Corp.	8,900	383,420	405,484
Johnson & Johnson	140,006	4,999,412	7,316,714
Johnson Controls	9,300	746,015	758,973
Johnson Outdoors Inc - Cl A	3,800	26,846	63,954
Jones Apparel Group (Jones Of Ny)	3,000	99,116	112,500
Jos A Bank Clothiers	2,000	12,748	35,638
Kla-Tencor Corp.	4,400	171,742	193,556
Ktron International Inc	1,000	18,395	15,425
Kaman Corp - Cl A	11,500	161,363	192,740
Kb Home	1,200	28,013	61,812
Keith Cos Inc.	3,400	35,195	51,748
Kellogg Company	29,500	968,981	1,057,870
Kellwood Co	7,050	156,529	229,134
Kerr-Mcgee Corporation	21,722	1,372,166	1,163,213

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SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2002

	Shares	Cost	Fair Value
Key Energy Services Inc.	86,400	828,247	907,200
Key Production Company Inc.	4,900	105,428	95,550
Keycorp	9,900	254,745	270,270
Keyspan Corporation	36,700	1,351,425	1,381,755
Kimberly Clark Corporation	31,300	1,747,237	1,940,600
Kinder Morgan Inc.	2,800	136,747	106,456
Kindred Healthcare Inc.	6,700	294,717	297,949
King Pharmaceuticals Inc.	5,767	172,368	128,316
Knight-Rider Inc	15,000	809,476	944,250
Kohls Corp.	23,200	1,283,760	1,625,856
Kroger Co.	18,400	352,440	366,160
LSI Logic Corp.	8,600	139,442	75,250
L-3 Communications Holdgs Inc	18,800	1,068,354	1,015,200
Ladish Company Inc.	6,100	52,614	74,420
Lafarge North America Inc.	12,900	490,845	453,435
Lakes Gaming Inc	3,200	29,336	21,632
Lamson & Sessions Co.	900	8,660	3,510
Landamerica Financial Group	10,300	324,908	324,450
Laser-Pacific Media Corp.	1,400	3,579	3,514
Estee Lauder Companies - Cl A	32,600	1,006,654	1,147,520
Leggett & Platt, Inc.	4,500	95,556	105,300
Lehman Brothers Holding Inc	5,700	218,833	356,364
Lexmark Intl Group - Cl A	3,000	184,405	163,200
Libbey, Inc.	1,200	34,872	40,920
Lilly Eli & Co Com	26,100	1,637,294	1,472,040
Limited Brands	12,064	142,170	256,963
Lincoln Electric Holdings	18,800	311,061	505,720
Lincoln National Corporation Indiana	30,900	1,529,922	1,297,800
Linear Technology Corp.	7,400	370,414	232,582
Lithia Motors Inc. - Cl A	3,300	41,448	88,836
Liz Claiborne Inc	2,500	60,253	79,500
Local Financial Corp.	9,600	91,553	156,576
Lockheed Martin Corp	10,500	497,938	729,750
Loew's Corp.	4,400	235,629	233,156
Louisiana Pacific Corporation	2,400	44,632	25,416
Lowe's Cos. Inc.	40,800	1,295,244	1,852,320
Lucent Technologies Inc.	79,520	1,200,359	132,003
Lufkin Industries Inc.	2,800	71,175	80,836
William Lyon Homes	2,100	14,820	54,705
Maf Bancorp Inc.	1,200	20,399	45,120
MBIA, Inc.	29,500	1,409,285	1,667,635
MBNA Corporation	47,925	1,517,797	1,584,880
MCSI Inc.	9,200	106,718	103,399

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	Shares	Cost	Fair Value
MGIC Investment Corp.	2,500	131,474	169,500
M/I Schottenstein Homes Inc.	5,000	46,370	188,400
MKS Instruments Inc.	8,400	190,601	168,588
MSC Industrial Direct Co.- Cl A	23,600	395,596	460,200
Mts Systems Corp.	7,000	74,057	92,120
Mwave Inc.	1,100	4,798	4,015
Steven Madden Ltd.	5,800	52,537	115,008
Magellan Health Services	13,400	70,280	13,400
Magnum Hunter Resources Inc.	1,800	13,959	14,202
Mail-Well Inc.	10,800	70,401	56,160
Manchester Technologies Inc.	3,800	11,589	8,550
Manor Care Inc	2,300	70,122	52,900
Manufacturers Services Ltd.	7,800	42,510	37,674
Manugistics Group Inc.	32,230	425,100	196,925
Marathon Oil Corp.	61,800	2,011,661	1,676,016
Marinemax Inc.	7,300	59,457	94,535
Marsh & McLennan Cos	24,950	2,162,007	2,410,170
Marshall & Ilsley Corp.	41,100	1,236,815	1,271,223
Marriott Corporation - Cl A	32,700	1,287,286	1,244,235
Masco Corporation	11,200	262,162	303,632
Massbank Corp.	1,600	52,036	56,608
Mastec Inc.	27,500	375,929	202,400
Matrix Bancorp Inc.	2,600	28,603	29,123
Matrix Services Co.	3,600	24,594	30,672
Mattel Inc.	10,100	282,509	212,908
Maxim Integrated Products	7,500	412,353	287,475
Maxwell Shoe Company Inc - A	7,200	73,371	114,120
May Dept Stores Co Com	6,600	211,795	217,338
Maverick Tube Corp.	18,100	208,910	271,500
Maytag Corp.	1,800	40,131	76,770
Mc Dermott Intl. Inc.	1,500	36,677	12,150
Mc Donalds Corporation	29,500	743,624	839,275
Mcgrath Rentcorp	4,600	86,794	119,232
Mcgraw Hill Inc.	4,500	171,733	268,650
Mckesson Hboc Inc	6,707	401,723	219,319
Meadwestvaco Corp.	4,631	146,585	155,416
Medarex Inc.	35,700	591,807	264,894
Medical Staffing Network Hol.	10,100	222,952	247,450
Medicis Pharmaceutical Corp. - Cl A	10,900	544,055	466,084
Medimmune Inc.	5,800	325,215	153,120
Medtronic Inc	28,200	883,804	1,208,370
Mellon Financial Corp.	10,200	283,774	320,586
Merchants Bancshares Inc	1,800	26,736	51,156

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	Shares	Cost	Fair Value
Merck & Co. Inc.	52,500	1,862,878	2,658,600
Mercury Air Group Inc.	2,300	15,076	10,465
Mercury Interactive Corp.	1,900	150,886	43,624
Meredith Corp.	1,200	37,499	46,020
Meridian Resource Corp.	27,500	193,096	102,300
Merrill Lynch	72,800	3,087,387	2,948,400
Mesa Laboratories Inc	1,200	6,130	7,248
Mesaba Holdings Inc.	2,500	25,858	14,675
Met-Pro Corp.	1,900	18,589	27,588
Metlife Inc.	16,400	564,759	472,320
Metris Companies Inc	29,100	459,860	241,821
Microsoft Corporation	215,200	9,848,398	11,771,440
Microfinancial Inc.	7,700	91,322	60,060
Micron Technology Inc.	14,000	353,793	283,080
Microtune Inc.	34,200	468,413	304,722
Mid-State Bancshares	1,500	27,038	28,950
Midas Inc.	8,400	141,450	104,160
Midland Co.	3,300	92,335	166,551
Millipore Corporation	1,100	44,466	35,178
Mirant Corp.	48,526	1,295,081	354,240
Mission Resources Corp.	9,400	56,266	13,168
Modtech Holdings Inc.	7,200	60,835	90,648
Molex Inc.	4,525	173,790	151,723
Monro Muffler Brake Inc.	2,500	26,809	56,875
Moody's Corporation	3,600	80,927	179,100
Moog Inc. - Cl A	3,900	42,302	167,232
Morgan St Dean Witter	43,500	1,776,261	1,873,980
Mortons Restaurant Group Inc.	1,200	10,986	18,096
Motorola Inc.	168,320	3,089,691	2,427,174
Movado Group	3,300	50,726	82,995
Mueller Industries	8,400	219,385	266,700
Nabors Industries Ltd	17,300	441,201	610,690
NCI Building Systems Inc.	2,700	50,173	48,060
NCO Group Inc.	10,200	168,673	225,318
NCO Portfolio Management Inc.	2,100	14,655	15,015
NCR Corporation	23,200	1,069,488	802,720
NI Industries	20,900	274,674	318,725
Nui Corp.	5,300	133,043	145,750
National City Corp.	14,100	418,266	468,825
National-Oilwell Inc.	36,400	822,796	766,220
National Semiconductor Corp.	4,200	116,843	122,514
National Service Inds. Inc.	4,900	76,290	44,100
Natl Western Life Ins -Cl A	1,200	136,272	137,940
Natures Sunshine Prods Inc.	8,200	89,172	92,742

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	Shares	Cost	Fair Value
Nautica Enterprises Inc	17,700	248,268	229,923
Navistar International	1,400	27,728	44,800
Netflix Inc	1,600	24,360	22,384
Netiq Corp.	18,300	464,886	414,129
Network Appliance Inc.	7,700	130,042	95,788
New Century Financial Corp.	9,600	99,062	335,712
New England Business Service	7,000	120,014	175,980
New York Community Bancorp	10,200	297,914	276,420
New York Times Co. Class A	3,500	105,465	180,250
Newell Rubbermaid Inc.	6,201	218,377	217,407
Newmont Mining Corporation	9,100	242,909	239,603
Nextel Communications Inc.	18,900	369,240	60,669
Nicor, Inc.	1,000	36,676	45,750
Nike Inc - Cl B	18,100	1,008,020	971,065
Nisource Inc.	53,300	1,131,436	1,163,539
Noble Corp	3,100	126,586	119,660
Nordstrom, Inc.	3,100	69,277	70,215
Norfolk Southern	9,000	274,175	210,420
Nortek Inc.	5,700	138,969	257,070
Nortel Networks Corp.	89,020	1,250,610	129,079
North Valley Bancorp	1,000	16,525	16,000
Northern Trust Co.	5,100	221,324	224,706
Northrim Bancorp Inc.	1,870	14,154	26,797
Northrop Grumman Corporation	5,800	583,153	725,000
Northwest Natural Gas Co	9,600	275,598	276,000
Northwest Pipe Company	3,000	47,184	70,230
Northwestern Corporation	11,600	252,142	196,620
Novell Inc.	8,400	58,000	26,964
Novellus Systems, Inc.	3,400	162,585	115,600
Nu Skin Enterprises Inc. - Cl A	4,500	23,957	65,475
Nucor Corp.	1,800	95,093	117,072
Nutraceutical Intl Corp.	600	2,238	4,080
Nvidia Corp.	3,500	186,730	60,130
OM Group, Inc.	11,800	682,030	731,600
OSI Pharmaceuticals Inc.	6,800	263,711	163,336
Oakley Inc.	34,735	558,640	604,389
Occidental Petroleum Corp.	8,700	219,089	260,913
Ocean Energy Inc.	4,300	94,429	93,181
Office Depot Inc.	62,800	1,120,261	1,055,040
Offshore Logistics	11,800	210,594	281,902
Oglebay Norton Co	1,400	30,886	17,892
Oil States International Inc.	42,400	453,252	504,560
Old Dominion Freight Line	5,200	83,833	78,260
Omnicom Group, Inc.	30,500	2,512,861	1,396,900

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	Shares	Cost	Fair Value
1-800 Contacts Inc.	5,200	55,227	70,159
Onyx Acceptance Corp.	2,200	15,122	9,020
Opinion Research Corp.	1,200	8,892	7,043
Oracle Systems Corporation	127,400	1,034,353	1,206,478
Oshkosh B' Gosh Inc. - Cl A	5,400	89,009	234,845
Outlook Group Corp.	800	4,436	3,488
Overseas Shipholding Group	13,600	327,702	286,688
Oxford Industries Inc.	4,300	152,370	120,400
PC Connections Inc.	4,000	41,042	16,400
P G & E Corporation	9,000	200,025	161,010
PFF Bancorp Inc.	7,400	133,554	284,160
PMC Sierra Inc	3,900	131,246	36,153
PMI Group Inc.	27,200	819,834	1,039,040
PNC Financial Services Group	6,600	322,136	345,048
PNM Resources, Inc.	14,800	409,708	358,160
PPG Industries	3,900	217,613	241,410
PPL Corporation	3,399	86,215	112,439
Paccar, Inc.	2,700	83,821	119,853
Pacificare Health Systems	13,700	220,285	372,640
Pactiv Corporation	3,700	127,855	88,060
Pall Corp.	2,800	63,908	58,100
Palm Inc.	13,447	304,931	23,667
Papa John's Intl Inc.	2,900	87,152	96,831
Parallel Petroleum Corp.	5,700	15,718	15,105
Parametric Technology Corporation	6,000	109,951	20,580
Parker-Hannifin Corp	2,700	95,767	129,033
Parkvale Financial Corp.	1,900	40,907	54,416
Patriot Bank Corp.	1,600	16,724	22,448
Patterson - Uti Energy Inc.	48,300	898,074	1,363,509
Paychex Inc.	8,700	227,334	272,223
Payless Shoesource Inc.	11,200	617,961	645,680
Penn Treaty Amer Corp.	5,100	28,467	22,950
Penn Virginia Corp.	1,900	55,354	74,062
Penney J C Inc	6,200	269,612	136,524
Pennfed Financial Svcs Inc.	2,500	32,419	69,750
Peoples Bancorp Inc.	1,100	16,931	31,427
Peoples Energy Corp	18,500	676,625	674,510
Peoplesoft Inc.	7,200	214,493	107,136
Pepsi Bottling Group Inc.	6,600	145,990	203,280
Pepsico Inc. Capital Stock	85,540	3,256,216	4,123,028
Performance Food Group Co.	15,150	537,939	512,979
Perini Corp.	2,100	14,217	8,400
Perkinelmer Inc.	2,900	57,286	32,045

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
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SCHEDULE OF DOMESTIC STOCKS
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	Shares	Cost	Fair Value
Petco Animal Supplies Inc.	8,205	192,800	204,387
Petrocorp Inc.	2,500	22,945	23,975
Petroleum Development Corp.	8,600	40,823	50,912
Pfizer Inc Com	255,650	7,752,163	8,947,750
Pharmacia Corporation	30,005	1,165,323	1,123,687
Phelps Dodge	2,095	139,073	86,314
Philip Morris Cos	49,600	1,323,609	2,166,528
Phillips Petroleum Co	16,620	653,376	978,586
Phillips Van Heusen	9,400	127,950	146,640
Pilgrims Pride Corp - Cl A	5,050	51,973	52,419
Pinnacle West Capital	7,300	337,174	288,350
Pioneer Natural Resources Co	61,150	992,232	1,592,958
Pitney Bowes, Inc.	22,300	813,700	885,756
Plexus Corp	8,175	223,292	147,968
Plum Creek Timber Co. - Reit	4,300	130,791	132,010
Pomeroy Computer Resources	6,600	106,724	96,228
Power-One Inc.	1,800	116,199	11,196
Powerwave Technologies Inc.	28,900	406,301	264,724
Praxair Inc.	3,800	201,649	216,486
Precision Castparts Corp.	1,200	25,121	39,600
T Rowe Price Group Inc.	2,900	91,728	95,352
Pride International Inc.	20,500	474,318	321,030
Prime Medical Svcs Inc.	6,900	44,154	80,178
Prime Hospitality Corp.	4,700	44,922	61,053
Priority Healthcare Corp.	25,100	648,107	589,850
Procter & Gamble Co Com	56,700	4,189,128	5,063,310
Progress Energy Inc.	17,100	671,767	889,371
Progressive Corporation Ohio	5,100	178,816	295,035
Providian Financial Corp.	6,700	115,891	39,396
Public Service Enterprise Gp	4,800	141,035	207,840
Public Storage, Inc	2,900	106,031	107,590
Pulte Corp.	1,400	36,584	80,472
Qlogic Corp.	2,200	205,627	83,820
Quaker Chemical Corp.	3,300	57,182	80,850
Qualcomm Inc.	34,000	1,718,740	934,660
Quanex Corp.	6,500	121,663	284,050
Quanta Services Inc.	22,400	286,688	221,088
Quicksilver Resources Inc.	7,000	88,778	180,950
Quintiles Transnational Corp.	27,800	409,455	347,222
Qwest Communications Intl.	38,919	1,387,677	108,973
R & B Inc.	2,500	20,856	21,638
RCM Technologies Inc.	4,200	18,607	21,000
Radian Group Inc.	18,400	590,938	898,840

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SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2002

	Shares	Cost	Fair Value
Radiologix Inc	7,000	35,484	106,750
Radioshack Corp	4,000	64,947	120,240
Range Resources Corp.	27,700	135,608	155,120
Rare Hospitality Intl Inc.	20,500	522,845	551,860
Rational Software Corp.	4,500	105,525	36,945
Raven Industries Inc.	2,100	22,180	56,700
Raytheon Company	9,200	414,248	374,900
Reebok International Limited	1,400	55,351	41,300
Refac	1,100	7,079	3,520
Regions Financial Corp.	5,300	172,840	186,295
Rehabicare Inc.	2,700	7,817	12,960
Reliant Energy Inc	39,703	1,478,219	670,981
Remedytemp Inc - Cl A	3,000	31,748	54,600
Rent-A-Center Inc	9,100	295,103	527,891
Republic Bancorp	6,700	97,165	100,098
Republic First Bancorp Inc.	1,100	4,496	6,985
Resourtquest Intl. Inc.	9,100	33,267	51,870
Resources Connection Inc.	25,525	621,630	688,920
Rex Stores Corp.	6,975	54,260	96,325
Richardson Elec. Ltd.	5,500	67,728	59,015
Roadway Express Inc.	1,100	19,796	39,523
Robbins & Myers Inc.	4,600	119,554	120,750
Robert Half Intl Inc.	4,100	119,913	95,530
Rock-Tenn Company - Cl A	17,600	273,831	322,960
Rockwell Automation	19,400	345,959	387,612
Rockwell Collins	4,200	99,908	115,164
Rofin Sinar Technologies Inc.	3,400	32,425	30,940
Rohm & Haas Company	37,495	1,476,851	1,518,173
Rouse Co	19,900	618,182	656,700
Rowan Companies Inc.	2,200	52,406	47,190
Royal Appliance Mfg Co.	6,600	36,481	42,570
Royale Energy Inc.	1,100	5,797	7,512
Rush Enterprises Inc	2,200	23,304	23,210
Russ Berrie & Co. Inc.	2,800	56,907	99,120
Russell Corporation	5,000	74,506	96,250
Ryans Family Steak Houses, Inc.	49,950	352,976	659,840
Ryder System Inc.	1,400	41,921	37,926
Ryland Group Inc.	7,200	93,394	358,200
S & K Famous Brands Inc	1,500	14,393	18,375
S & T Bancorp Inc.	8,900	227,695	240,300
SBC Communications Inc	172,611	6,612,922	5,264,636
SLM Corp	3,600	203,269	348,840
SPS Technologies Inc.	5,200	155,356	198,484

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SCHEDULE OF DOMESTIC STOCKS
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	Shares	Cost	Fair Value
Sabre Holdings Inc.	47,151	1,796,784	1,688,006
Safeco Corp	3,000	125,214	92,670
Safeway, Inc.	11,200	596,161	326,928
St. Francis Capitol Corp.	4,800	67,026	118,992
St Jude Medical Inc	2,046	91,821	151,097
St Paul Companies Inc	4,822	202,143	187,672
Salton Inc.	5,100	88,163	73,185
John B. Sanfilippo & Son	2,900	15,163	20,271
Sanmina-Sci Corp	12,200	382,817	76,982
Sangstat Medical Corp.	20,100	366,192	461,898
Sara Lee Corporation	18,200	388,980	375,648
Saucony Inc. - Cl A	2,100	23,294	14,973
Henry Schein Inc.	7,600	274,201	338,200
Schering Plough	96,400	2,462,077	2,371,440
Schlotsky's Inc.	1,900	9,443	8,075
Schlumberger Limited	13,400	778,931	623,100
Schuff International Company	1,000	4,058	2,700
Schwab (Charles) Corp.	98,850	1,346,206	1,107,120
Schweitzer-Mauduit Intl Inc.	9,600	259,669	236,160
Scientific - Atlanta, Inc.	3,600	70,683	59,220
Seacor Holdings Inc.	6,900	331,614	326,715
Sealed Air Corp.	1,964	99,037	79,090
Sears Roebuck & Co.	39,200	1,495,304	2,128,560
Second Bancorp Inc.	1,500	37,877	40,950
Selas Corp Of America	2,400	8,304	5,208
Select Medical Corp.	38,100	594,289	596,646
Sempra Energy	17,822	435,897	394,401
Serologicals Corporation	13,200	232,518	241,428
7-Eleven Inc.	13,900	142,795	111,895
Shaw Group Inc.	13,100	243,136	402,170
Sherwin Williams Co.	3,500	103,799	104,755
Shoe Carnival Inc.	4,300	31,707	91,762
Shopko Stores Inc.	5,100	71,779	103,020
Sicor Inc.	26,950	432,097	499,653
Siebel Systems Inc.	11,000	586,871	156,420
Sifco Industries	1,300	6,981	6,695
Sigma-Aldrich Corporation	1,700	63,870	85,255
Silgan Holdings Inc.	8,500	166,958	343,740
Silicon Image Inc.	35,500	290,123	217,260
Silicon Valley Bancshares	2,400	46,630	63,264
Simmons First Natl Corp. - Cl A	1,900	41,616	80,921
Simon Property Group Inc.	4,100	147,432	151,044
Skechers Usa Inc. - Cl A	8,300	107,897	179,363

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SCHEDULE OF DOMESTIC STOCKS
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	Shares	Cost	Fair Value
Skywest Inc.	19,100	411,118	446,749
Smith International	15,235	808,745	1,038,875
Snap-On, Inc.	1,350	36,463	40,082
Sola International Inc.	9,200	108,344	105,800
Solectron Corp.	19,100	415,940	117,465
Sonic Corp.	1,100	32,455	34,551
Sonosite Inc.	18,900	302,924	272,727
Source Information Mgmt. Co.	6,600	37,199	36,300
Southern Co.	16,300	263,915	446,620
Southern Financial Bncrp	1,600	40,082	51,136
Southtrust Corp.	27,800	675,866	726,136
Southwest Air	17,943	152,810	289,959
Southwest Bancorp Inc.	1,500	22,863	41,565
Southwestern Energy Co.	13,200	153,056	200,508
Spartan Motors Inc.	4,400	25,628	67,408
Spartan Stores Inc.	10,400	118,040	31,304
Spherion Corporation	3,600	42,931	42,840
Spinnaker Exploration Co.	24,550	977,541	884,291
Sprint Corporation	154,500	3,532,821	1,639,245
Sprint Corp. (Pcs Group)	23,000	344,286	102,810
Standard Commercial Corp.	7,700	81,477	167,090
Standard Management Corp	4,200	20,318	33,600
Standard Pacific Corp.	10,700	137,991	375,356
Standex International Corp.	6,300	169,033	158,130
Stanley Works	2,000	82,037	82,020
Staples Inc.(Retail & Delivery)	10,800	224,844	212,760
Starbucks Corp.	9,000	161,634	223,650
Starwood Hotels & Resorts	4,600	144,501	151,294
State Street Corp.	7,500	242,302	335,250
Station Casinos Inc.	47,300	629,056	844,305
Steel Technologies Inc.	7,200	74,272	94,896
Steinway Musical Instruments	4,200	71,442	89,880
Stepan Co.	5,100	124,604	144,126
Sterling Bancorp - N V	2,904	37,315	103,673
Sterling Finl Corp./Spokane	5,130	52,416	102,036
Stewart & Stevenson Services	3,200	51,581	56,768
Stewart Enterprises, Inc. - Cl A	46,700	237,357	297,479
Stewart Info Svcs	7,800	151,951	160,290
Stillwater Mining Company	20,600	387,740	335,368
Stilwell Financial Inc.	5,200	139,215	94,640
Stone Energy Corp.	10,900	397,676	438,725
Strattec Security Corp.	1,500	52,935	82,980
Stride Rite Corp	2,600	16,382	20,800

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	Shares	Cost	Fair Value
Stryker Corporation	4,600	241,494	246,146
Summa Industries	1,400	12,986	13,720
Summit Bancshares Inc. (Texas)	300	6,381	7,287
Sun Microsystems	75,300	571,902	377,253
Sunoco Inc.	1,800	59,984	64,134
Sunrise Assisted Living Inc.	11,600	300,595	310,880
Sun Trust Bank Inc	16,800	1,065,088	1,137,696
Superior Energy Services Inc.	54,100	617,236	549,115
Superior Financial Corp.	4,600	70,737	88,090
Superior Uniform Group. Inc.	2,100	22,617	21,672
Super Valu Stores	3,100	53,841	76,043
Supreme Inds Inc.	8,020	79,652	45,313
Swift Energy Co.	13,400	230,038	211,586
Sylvan Inc	1,800	17,530	23,400
Symbol Technologies, Inc.	5,300	119,947	45,050
Synalloy Corp.	2,800	15,484	8,428
Synovus Financial Corp.	26,000	668,222	715,520
Sysco Corp	15,400	214,539	419,188
TBC Corp	21,900	142,918	347,772
TB Wood's Corp	700	7,495	5,810
Tcf Financial Corp.	15,900	787,839	780,690
Teco Energy Inc.	35,800	1,016,801	886,050
T-Hq Inc.	37,650	1,008,075	1,122,723
Tjx Companies Inc.	12,500	93,293	245,125
Tmbr/Sharp Drilling Inc.	2,000	24,054	29,880
TRW Inc	3,000	154,123	170,940
TSR Inc.	1,300	6,468	6,890
TMP Worldwide Inc.	2,600	146,957	55,900
TXU Corporation	6,182	236,063	318,682
Tandy Brands Accessories Inc.	1,600	23,698	18,642
Target Corp	57,300	1,720,426	2,183,130
Technip-Sponsored Adr	7,500	223,965	198,750
Technitrol Inc.	2,100	51,533	48,930
Tecumseh Products - Co.	3,600	167,477	191,088
Tektronix, Inc.	2,100	45,086	39,291
Tellabs, Inc.	9,500	273,239	58,900
Temple-Inland, Inc.	1,200	65,630	69,432
Tenet Healthcare Corporation	28,565	1,459,920	2,043,826
Teradyne, Inc.	47,500	1,664,896	1,116,250
Terex Corp.	14,000	211,606	314,860
Tesoro Petroleum Corp.	32,300	414,157	250,325
Tetra Technologies Inc.	5,400	106,164	143,370
Texas Instruments, Inc.	95,300	2,934,366	2,258,610

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	Shares	Cost	Fair Value
Textron, Inc.	3,200	199,182	150,080
Thermo Electronics Corp	46,500	930,251	767,250
Thomas & Betts Corporation	1,400	59,400	26,040
Thoratec Corp.	31,500	357,293	283,185
Three Rivers Bancorp Inc	1,800	25,125	32,058
3Tec Energy Corporation	3,700	61,259	64,491
3 M Co	9,000	919,064	1,107,000
Tiffany & Co.	3,400	103,819	119,680
Timberland Bancorp Inc.	1,100	14,746	17,600
Timberland Company	5,500	182,518	197,010
Todd Shipyards Corp.	2,500	22,365	31,375
Topps Co.	24,700	240,484	248,482
Torchmark Corp	33,700	1,275,139	1,287,340
Toro Co.	5,000	154,915	284,200
Tower Automotive Inc.	25,800	356,356	359,910
Toys R Us	4,900	147,616	85,603
Trammell Crow Co.	2,400	29,014	34,680
Transocean	22,574	755,943	703,180
Transkaryotic Therapies, Inc.	9,460	304,461	341,033
Tribune Co.	7,000	210,522	304,500
Trico Bancshares	4,100	68,744	108,568
Triumph Group Inc.	6,600	181,505	294,360
Tropical Sportswear Intl	2,900	44,537	64,351
Trover Solutions Inc.	4,600	22,774	27,140
Tupperware Corporation	17,200	400,521	357,588
Twin Disc Inc.	1,000	15,110	14,800
Tyco International Ltd.	46,349	1,469,824	626,175
Ucbh Holdings Inc.	12,300	377,909	467,523
Uil Holdings Corporation	5,400	302,412	294,084
UST Inc	3,900	114,585	132,600
US Bancorp	44,324	1,116,084	1,034,965
USA Interactive	22,200	635,932	520,590
URS Corp.	5,200	68,469	145,600
Usana Inc	1,700	6,595	10,880
Usec Inc.	4,000	28,490	35,200
Us Concrete Inc.	10,100	59,099	66,357
Unilever Nv New York Adr	13,278	798,038	860,414
Union Acceptance Corp. - Cl A	8,100	41,027	33,696
Union Pacific Corporation	5,800	382,396	367,024
Union Planters Corp.	13,850	446,777	448,325
Unisource Energy Corp Hld Co	11,400	194,784	212,040
Unisys Corp.	82,400	1,235,660	741,600
Unit Corp.	18,900	227,082	327,915
United Auto Group Inc.	2,400	22,104	50,160

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	Shares	Cost	Fair Value
United National Bancorp Nj	4,800	105,265	110,400
United States Steel Corp.	2,300	60,338	45,747
United Stationers Inc.	17,600	392,800	535,040
United Technologies	18,100	1,030,816	1,228,990
Unitedhealth Group Inc.	7,100	255,022	650,005
Universal American Financial	2,100	10,580	14,091
Universal Compression Hldgs.	13,600	274,006	326,264
Universal Corporation	8,900	200,388	326,630
Universal Forest Products	7,400	103,360	173,308
Universal Stainless & Alloy	3,300	24,643	38,775
Universal Health Services - CI B	8,200	345,287	401,800
Univision Communications - CI A	29,300	1,008,268	920,020
Unocal Corp	5,700	214,703	210,558
Unizan Financial Corp.	5,734	75,957	122,765
Unumprovident Corp	55,190	1,579,883	1,404,586
Usfreightways Corporation	1,700	49,689	64,379
Utah Medical Products Inc	775	4,704	12,299
V F Corporation	2,600	83,121	101,946
Vail Banks Inc.	3,000	34,845	40,470
Valero Energy Corp.	4,500	180,044	168,390
Varco International Inc.	16,600	324,037	291,164
Varian Medical Systems Inc.	42,500	1,566,782	1,723,375
Veritas Software Corp.	72,200	2,795,874	1,428,838
Verizon Communications	148,054	6,814,969	5,944,368
Viacom Inc. - CI B	41,047	1,193,247	1,821,255
Vintage Petroleum Inc.	33,200	530,974	395,080
Visteon Corp.	3,036	27,118	43,111
Vitesse Semiconductor Corp.	54,700	523,739	170,117
Vulcan Materials Co.	2,400	112,688	105,120
WFS Financial Inc.	7,081	112,102	194,090
W-H Energy Services Inc.	17,100	308,099	378,936
WPS Resources Corp.	700	28,682	28,581
Wfs Financial Corp.	5,700	70,333	147,459
Wackenhut Corrections Corp.	3,100	47,609	45,260
Wachovia Corp.	31,776	1,230,121	1,213,208
Wal-Mart Stores Inc.	184,900	6,548,289	10,171,349
Walgreen Co.	71,600	2,299,778	2,765,908
Walter Industries Inc.	19,000	228,926	253,650
Warren Bancorp Inc.	3,100	28,553	36,952
Washington Mutual Inc.	22,625	665,871	839,614
Waste Connections Inc.	33,350	779,473	1,041,854

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	Shares	Cost	Fair Value
Waste Holdings Inc.	4,400	32,052	31,372
Waste Management Inc.	14,337	610,974	373,479
Water Pik Technologies	5,700	50,827	71,307
Waters Corp.	3,000	116,250	80,100
Watson Pharmaceutical Inc.	2,500	119,734	63,175
Watson Wyatt & Co Holdings	14,400	253,833	348,768
Watts Industries Inc - Cl A	25,800	471,352	512,130
Wellpoint Health Networks - Cl A	3,400	165,958	264,554
Wells Fargo Company(1998)	57,200	2,160,162	2,863,432
Wendy's International, Inc.	2,700	76,090	107,541
Wesco Int'L Inc.	23,000	184,502	144,900
West Coast Bancorp/Oregon	3,400	50,888	58,310
West Corporation	19,300	448,455	425,758
Westcorp	1,923	31,969	61,440
Wet Seal Inc. - Cl A	14,150	287,479	343,845
Weyerhaeuser Co.	5,100	272,989	325,635
Whirlpool Corporation	19,100	1,307,181	1,248,376
Williams Companies Inc	45,800	1,146,156	274,342
Wilshire Oil Co Of Texas	1,800	6,480	6,336
Wilson's Leather Experts	1,200	18,125	16,800
Winn-Dixie Stores Inc.	3,300	108,499	51,447
Wolverine Tube, Inc.	6,600	125,181	49,830
Workflow Management Inc.	6,100	32,644	20,807
World Acceptance Corp	8,200	45,617	68,880
World Fuel Services Corp.	4,500	46,196	109,800
Worthington Industries	2,000	33,329	36,200
Wrigley (Wm.) Jr. Co.	12,900	624,028	714,015
Wyeth	80,200	3,857,885	4,106,240
XTO Energy Inc.	85,300	1,276,624	1,757,180
Xcel Energy Inc	84,700	2,010,477	1,420,419
Xeta Technologies Inc.	3,600	14,969	12,957
Xilinx Inc	7,800	320,823	174,954
Xerox Corporation	16,700	501,787	116,399
Yahoo! Inc.	13,900	1,648,812	205,164
Yardville National Bancorp.	2,400	27,747	47,856
York International Corp	15,000	358,069	506,850
Yum! Brands Inc	6,900	112,602	201,825
Zale Corp.	16,100	450,118	583,625
Zebra Technologies Corp. - Cl A	6,100	346,214	294,142
Zimmer Holdings Inc.	4,510	58,548	160,827
Zions Bancorporation	2,100	119,895	109,410
		<u>\$ 540,893,637</u>	<u>\$ 540,572,342</u>

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SCHEDULE OF FOREIGN STOCKS
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	Shares	Cost	Fair Value
Alcan Ltd	7,500	\$ 252,272	\$ 281,400
Barrick Gold Corp	12,533	260,978	238,002
Inco Ltd.	4,200	107,596	95,088
Placer Dome Inc.	7,700	109,574	86,317
Royal Dutch Petro-Ny Shares	49,300	2,690,065	2,724,811
Advantest Corp.	19,600	1,592,335	1,219,890
British Aerospace	330,000	2,217,360	1,685,059
BG Group Plc.	530,000	2,072,136	2,306,420
Cable & Wireless Plc	105,332	859,879	268,524
Carrefour Supermarche	36,000	1,792,331	1,948,329
CSM - N.R. Cert	90,000	2,175,365	2,162,539
China Mobile Ltd.	260,000	812,395	770,005
CLP Holdings Limited	620,000	2,396,003	2,464,118
Canon Inc.	50,000	1,226,353	1,889,705
Diageo Plc	139,300	1,446,744	1,809,036
Denso Corporation	115,000	1,743,740	1,797,055
Foster's Group Ltd.	711,877	1,745,001	1,886,169
Fuji Photo Film Co.	63,000	2,384,574	2,034,123
Fuji Machine Mfg. Co.	41,900	1,141,352	650,209
Fujisawa Pharmaceutical Co.	78,000	1,774,426	1,867,679
Fanuc	22,000	914,093	1,104,956
Ace Ltd.	6,100	233,849	192,760
Arch Capital Group Ltd.	10,400	265,200	292,760
XI Capital Ltd. - Class A	3,100	255,638	262,570
Hagemeyer Nv	65,000	1,539,327	898,712
Hirose Electric Co. Ltd.	18,500	1,904,331	1,612,923
Honda Motor Co. Ltd.	53,600	1,780,939	2,173,336
Hong Kong & China Gas	2,255,000	2,403,397	2,992,231
Hugo Boss - Pfd.	17,682	215,199	321,313
Ihc Caland Nv	35,000	1,954,918	2,092,962
Ito-Yokado Co., Ltd.	44,000	2,257,552	2,202,570
Keyence Corporation	11,600	1,330,635	2,457,233
Lvmh (Moet-Hennessy Louis Vui)	32,450	1,231,357	1,634,422
Lend Lease Corp Ltd	174,056	1,625,461	1,029,825
Mitsubishi Tokyo Financial	208	2,609,387	1,402,169
Millea Holdings Inc.	213	2,204,075	1,748,640
Mitsubishi Estate Co. Ltd.	262,000	2,423,866	2,142,166
Murata Manufacturing Co. Ltd.	13,600	894,557	873,686

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF FOREIGN STOCKS
JUNE 30, 2002

	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Nokia Ab - A Shs	37,000	144,035	541,538
Ntt Docmo, Inc	635	1,275,912	1,562,865
Nikko Securities Co. Ltd.	273,000	2,264,043	1,377,983
Ntt Corp.	290	1,998,091	1,192,808
Nippon Television Network	7,300	2,376,038	1,628,583
Novo Nordisk A/S-B	61,700	1,501,675	2,042,476
Hellenic Telecommunication Organizati	116,000	1,810,731	1,832,978
Peninsular & Oriental Steam	210,300	913,225	772,525
P & O Princess Cruises Plc.	224,900	810,765	1,422,637
Preussag Ag	57,900	1,684,715	1,410,103
Promise Co., Ltd.	17,000	878,394	856,666
Rohm Company	9,000	670,917	1,343,317
Shell Transport & Trading Co.	335,000	2,053,603	2,527,589
Secom	33,000	1,280,446	1,618,889
Shin-Etsu Chemical Co.	58,000	1,155,693	2,492,074
Sony Corp.	18,600	836,085	982,296
Sumitomo Electric Industries	97,000	1,310,862	672,510
Takefuji Corporation	20,000	1,541,637	1,389,955
Technip-Coflexip S. A.	13,100	1,842,552	1,379,138
Television Francaise (T.F.1)	34,970	1,341,695	936,277
Takeda Chemical Inds	42,000	967,052	1,843,150
Volkswagen	33,000	1,792,145	1,590,424
Woodside Petroleum Limited	400,000	1,944,934	3,047,007
Yamanouchi Pharmaceutical	63,700	1,546,289	1,652,820
		<u>\$ 88,785,794</u>	<u>\$ 89,736,320</u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF SHORT TERM INVESTMENTS
JUNE 30, 2002

<u>Automatic Sweep Vehicles</u>	
Bank One Treasury Securities Fund	\$ 3,746,187
Northern Trust Collective Government STIF	<u>44,133,210</u>
	<u>47,879,397</u>
Total Automatic Sweep Vehicles	
	<u>124,885</u>
U.S. Treasury Bill	
	<u>22,997,700</u>
FNMA Discount Note	
	<u>71,001,982</u>
Total Short Term Investments	<u><u>\$ 71,001,982</u></u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF REAL ESTATE HELD FOR INVESTMENT
JUNE 30, 2002

	<u>Cost</u>	<u>Fair Value</u>
Real Estate Held for Investment	\$ <u>2,264,916</u>	\$ <u>3,292,010</u>

STATE OF LOUISIANA
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF ADMINISTRATIVE EXPENSES
YEAR ENDED JUNE 30, 2002

EXPENSES	\$ 1,368,568
Salaries	15,094
Overtime pay	156,676
Related benefits	2,006
Student labor	6,825
Compensation - Board	<u>1,549,169</u>
OPERATING EXPENSES	
Professional improvement - Staff and Board	<u>59,897</u>
OPERATING SERVICES	
Printing	21,875
Equipment maintenance	6,451
Building expense	222,760
Dues	4,987
Postage	115,734
Telephone	47,645
Insurance	3,301
Legal	15,743
	<u>438,496</u>
SUPPLIES	
Office	30,980
Computer	34,301
	<u>65,281</u>
PROFESSIONAL SERVICES	
Medical	3,980
Actuary	35,864
Audit	22,000
	<u>61,844</u>
INTERAGENCY TRANSFERS	
Secretary of State	4,383
Civil Service	3,783
	<u>8,166</u>
OTHER CHARGES	
Legiscon	550
Miscellaneous expenses	1,639
Computer software	9,108
	<u>11,297</u>
TOTAL EXPENSES	<u>\$ 2,194,150</u>

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
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, 2002

August 16, 2002

Board of Trustees
State of Louisiana School
Employees' Retirement System
Baton Rouge, Louisiana

Board of Trustees:

We have audited the financial statements of Plan net assets of the State of Louisiana School Employees' Retirement System (Plan), a component unit of the State of Louisiana, as of and for the year ended June 30, 2002, and have issued our report thereon dated August 16, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

This report is intended for the use of the Board of Trustees, State of Louisiana Division of Administration, Office of the Legislative Auditor of the State of Louisiana, and management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Dyplante, Hupmann, Hoyer & Maher LLP

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2002

BALANCES, JULY 1, 2001			
\$	\$	\$	\$
Pension Reserve	Survivor Benefit	Annuity Savings	DROP
675,991,389	80,592,831	132,821,805	39,067,044
REVENUES AND TRANSFERS:			
--	--	18,827,944	--
Members			
Employers			
Investment income (loss)			
and other sources			
Transfers from Annuity Savings			
Transfers transferred from			
Pension Reserve	291,703	--	10,922,070
Transfers from other systems		168,594	--
Operating transfers			
Transfer from Pension Accumulation			
Actuarial transfers	9,488,580	--	--
Total revenues	9,780,283	18,996,538	10,922,070
EXPENDITURES AND TRANSFERS:			
80,511,687	2,386,935	--	6,192,841
Retirement allowances paid			
Refunds to members		1,992,256	--
Transfers to Pension Reserve		12,850,021	--
Pensions transferred to			
Survivor Benefit			
291,703			
Pensions transferred to DROP			
10,922,070			
498,318			
Pensions transferred to Option 5			
Employer contribution refund			
Transfers to other systems			
Depreciation			
Administrative expenses			
Operating transfers			
Transfer to Administration Fund			
Actuarial transfer			
Total expenditures	2,386,935	14,842,277	6,192,841
NET INCREASE (DECREASE)			
81,264,900	7,393,348	4,154,261	4,729,229
BALANCES - JUNE 30, 2002			
\$ 757,256,289	\$ 87,986,179	\$ 136,976,066	\$ 43,796,273