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THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH

Basic Financial Statements
And Independent Auditor's Report
As of and for the Year Ended
December 31, 2004
With Comparatives for 2003

KEITH J. ROVIRA
Certified Public Accountant

Release Date 7-6-05

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH, LOUISIANA

Financial Statements
and Independent Auditor's Report
As of and for the Year Ended
December 31, 2004
With Comparatives for 2003

C O N T E N T S

KEITH J. ROVIRA
CERTIFIED PUBLIC ACCOUNTANT
3331 METAIRIE ROAD
METAIRIE, LOUISIANA 70001-5297

(504) 831-4040

FAX (504) 831-4042

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of
The Employees' Retirement System of
Jefferson Parish, Louisiana
A Component Unit of Jefferson Parish

I have audited the basic financial statements of the Employees' Retirement System of Jefferson Parish, a component unit of Jefferson Parish, as of and for the years ended December 31, 2004 and 2003, as listed in the table of contents. These basic financial statements are the responsibility of the System's management. My responsibility is to express an opinion on these basic financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Employees' Retirement System of Jefferson Parish as of December 31, 2004 and 2003, and the results of its operations for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Employees' Retirement System of Jefferson Parish adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."

In accordance with Government Auditing Standards, I have also issued a report dated February 11, 2005, on my consideration of the Employees' Retirement System of Jefferson Parish's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. 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 my audits.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and express no opinion on it.

My audits were performed for the purpose of expressing an opinion on the basic financial statements taken as a whole. All other accompanying financial information listed as other supplementary information, in the table of contents is presented for informational purposes to the reader and is not a required part of the basic financial statements of the Employees' Retirement System of Jefferson Parish. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in my opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Keith J. Rovira

Keith J. Rovira
Certified Public Accountant

February 11, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Management's Discussion and Analysis
December 31, 2004 and 2003

The Management's Discussion and Analysis (MD&A) of the Employees' Retirement System of Jefferson Parish's (System) financial performance presents a narrative overview and analysis of the System's financial activities for the years ended December 31, 2004 and 2003. The System is a component unit of Jefferson Parish and is reporting as a single-employer defined benefit pension plan which is closed to new employee participants. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

FINANCIAL HIGHLIGHTS

The minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by GASB Statement No. 34 are divided into the following sections:

(a) Management's Discussion and Analysis
(b) Basic Financial Statements
(c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the System as a whole, in a format designed to make the statements easier for the reader to understand. The two statements in this section are the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets.

The Statement of Plan Net Assets is prepared on the accrual basis of accounting. Plan assets are subdivided into (a) major categories of assets held (for example, cash and cash equivalents, receivables, investments, and assets used in plan operations) and (b) the principal components of the receivables and investment categories. Assets and liabilities are presented separately on the statement. Plan liabilities generally consist of regular accounts payables for administrative expenses, retirees' payments and deductions for health insurance premiums payable, federal income tax withholdings, and accrued annual and sick leave. Plan liabilities are recognized on the accrual basis. The difference between total assets and total liabilities is called Net Assets Held in Trust for Pension Benefits. This statement may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statement of Changes in Plan Net Assets presents information showing how the System's assets changed as a result of current year operations and activities. Regardless of when cash is affected, all changes in plan net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods. This is known as accrual basis accounting. This statement presents information in two principal sections, Additions and Deductions. Additions are comprised of employer and member contributions and net investment income (loss). The resulting difference between investment income and investment expense is net investment income (loss). Deductions include benefit payments to retirees, refunds of employee contributions, and administrative expenses. The difference between total additions and total deductions is reported as the Net Increase (Decrease) in Plan Net Assets for the year.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Management's Discussion and Analysis (Continued)
December 31, 2004 and 2003

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Plan Net Assets
As of December 31, 2004 and 2003

	2004	2003
Current and other assets	$ 493,150	$ 421,215
Investments	27,259,580	26,390,200
Capital assets	6,729	7,976
Total Assets	27,759,459	26,819,391
Current liabilities	285,060	228,461
Long-term liabilities	59,072	58,020
Total Liabilities	344,132	286,481
Net Assets Held in Trust for Pension Benefits	$27,415,327	$26,532,910

All of the System's net assets are essentially held in trust at a local financial institution for the payment of future pension benefits and administrative operations.

Net assets of the System increased by $882,417, or 3.33%, from December 31, 2003 to December 31, 2004. The most significant cause for this was the overall increase in value of investments held in trust by the System.

Statement of Changes in Plan Net Assets
For the Year Ended December 31, 2004 and 2003

	2004	2003
Additions	$3,446,452	$4,793,113
Deductions	2,564,035	2,451,769
Net Increase in Plan Net Assets	$ 882,417	$2,341,344

The System's total additions decreased by $1,346,661, or 28% from 2003 to 2004. This was largely due to stock market forces affecting the overall appreciation of investments. As a sub-part of total additions, total employer and member contributions increased by $16,130. Also, total deductions increased by $112,266.

ACTUARIAL ACCRUED LIABILITY, DEBT ADMINISTRATION AND CAPITAL ASSETS

Actuarial Accrued Liability:
As noted in the Schedule of Funding Progress in the Required Supplementary Information section of the audit report, the System's actuary has calculated the actuarial accrued liability of the System as of December 31, 2004 to be $39,409,017, a $1,913,473 increase, or 5.1% from 2003 figures. The actuary calculated the "unfunded" actuarial accrued liability to be $13,403,475 at December 31, 2004, which is an increase of $1,495,830, or 12.6% from 2003.

Debt:
The System's outstanding debt on its Statement of Plan Net Assets at year end was comprised principally of regular liabilities and deductions totaling $285,060 and accrued annual and sick leave totaling $59,072. Funding of these debts will come from future employer and member contributions plus net income from investments.

Capital Assets:
At December 31, 2004, the System had only $6,729 invested in office equipment. This amount represents the original cost of the capital assets, net of accumulated depreciation, and reflects a net decrease (including additions and deductions) of $1,247 over last year's total. These amounts are truly insignificant to the overall financial position and operations of the System, and are only being presented to comply with GASB Statement No. 34 reporting requirements.

ECONOMIC FACTORS AND NEXT YEAR'S RECOMMENDED CONTRIBUTION RATES

The System's Board of Trustees, at its meeting held on May 2, 1989, adopted as its funding policy, "the recommended date of December 31, 2019 as the target date for completing funding of the System and that periodic requests for contribution rate adjustments, based on annual actuarial evaluations of the System, be made as necessary to accomplish that goal."

The annual actuarial valuation of the System is prepared as of the end of each fiscal year, and reported on, by G. S. Curran & Company, Ltd., consulting actuaries. Included in that report is the actuary's recommended employer contribution rate which is needed to meet the System's funding plan. The rate is for the fiscal year following the fiscal year in which the report is received. For example, the valuation prepared as of December 31, 2003 was received in fiscal year 2004 and contained the actuary's recommended employer contribution rate for fiscal year 2005. The valuation prepared as of December 31, 2004 will provide the recommended employer contribution rate for fiscal year 2006.

The Board of Trustees reviews each annual report, including the underlying actuarial assumptions. The Board then recommends an employer contribution rate for the following year to the Parish Administration for inclusion in the Parish budget. In accordance with the funding policy, the rate recommended by the Board to the Administration has never been less than the actuary's recommended rate.

The assumed rate of return is the average rate of total return on investments expected in the future, realizing that some years will produce greater returns and some years will produce lesser returns. This assumed rate is one of the actuarial assumptions which most affect currently recommended contribution rates. A reduction in this rate will cause contribution rates to increase, and an increase in this rate will cause contribution rates to decrease. The assumed rate of return used by the System has been 8% for many years. The appropriateness of this rate has been discussed by the Board and its actuary each of the past years. Future actuarial valuations will be based on an assumed rate of return of 7.5%. According to the System's actuary, this 0.5% reduction in the assumed rate of return was made to conform to an expected reduction in future investment earnings, and is a reflection of broad changes in the economy and not simply a result of recent investment experience.

The actuary's recommended employer contribution rates for fiscal years 2003, 2004, 2005 and 2006 are 1.04%, 1.24%, 1.34% and 1.51%, respectively.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Management's Discussion and Analysis (Continued)
December 31, 2004 and 2003

The System's Board kept the requested employer rate at 1.27% for fiscal years 2003 and 2004. Maintaining that higher rate provided a small amount of additional funding to the System, thus reducing future costs to the Parish, and provided a more stable rate for budget purposes. The employer rate for 2005 will be 1.34% as recommended by the System's actuary.

In addition to the 1.27% being collected, and the 1.34% to be collected in 2005, on all Parish employees' wages, the System collects an employer contribution of 6.05% on the wages of 2 employees who are members of the Jefferson system only. The amount of these employer contributions is fixed in the System's governing ordinance and is minor compared to the total collected on all employees' wages.

The $882,417 increase in net plan assets for year 2004, while not as large as the $2,341,344 increase for 2003, was due largely in part to a cash inflow of net investment income totaling $1,857,323 in 2004. Management believes that the System continues to be able to, and does, maintain sufficient liquid assets necessary to meet its expected needs. To test that belief, the System has a future cash flow study done about every five years to monitor the System's long-term ability to meet its cash obligations. The Board of Trustees believes the early warning of developing problems, if any, shown by these studies, as well as the Board's annual review of the actuarial valuation, will allow the System to timely adjust to changing conditions so as to provide all members all their promised benefits at the least cost to the Parish. The System plans to have its next such study done in 2005.

CONTACTING THE SYSTEM'S MANAGEMENT

This financial report is designed to provide our retirees, system beneficiaries, citizens, taxpayers, investors and creditors with a general overview of the System's finances, and to show the System's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Employees' Retirement System of Jefferson Parish, Louisiana at Suite 4100, P.O. Box 9, Gretna, Louisiana, 70054 or call them at 504-364-2668.

BASIC FINANCIAL STATEMENTS

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Statements of Plan Net Assets
December 31, 2004 and 2003

	2004	2003
ASSETS		
Cash	$ 212,560	$ 213,808
Receivables:		
Employer contributions	31,945	30,447
Members contributions	2,268	2,372
Accrued interest & dividends	246,349	173,133
Total Receivables	280,562	205,952
Prepaid expenses	28	1,455
Investments: (Note B.3.)		
Mutual fund - equities	14,568,473	14,067,131
Mutual fund - cash reserve	602,144	820,597
U.S. Treasury obligations	1,981,145	2,971,502
Corporate bonds	1,613,882	2,849,657
U.S. Government agencies	6,755,898	3,893,785
Municipal bonds	1,738,038	1,787,528
Total Investments	27,259,580	26,390,200
Office equipment, net of accumulated depreciation (Note C)	6,729	7,976
Total Assets	27,759,459	26,819,391
LIABILITIES		
Accounts payable	33,109	23,087
Retirees' premiums collected in advance	100,025	82,446
Accrued annual and sick leave	59,072	58,020
Hospitalization premiums payable	151,926	122,928
Total Liabilities	344,132	286,481
Net Assets Held in Trust for Pension Benefits (A schedule of funding progress for the plan is presented on page 22)	$27,415,327	$26,532,910

(Continued)

The accompanying notes are an integral part of this statement.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Statements of Changes in Plan Net Assets
December 31, 2004 and 2003

	2004	2003
ADDITIONS		
Contributions:		
Employer	$1,560,449	$1,530,120
Members	111,070	125,269
Total Contributions	1,671,519	1,655,389
Investment income:		
Net appreciation (depreciation) in fair value of investments	1,102,092	2,429,313
Interest	634,223	724,554
Dividends	121,008	60,275
	1,857,323	3,214,142
Less: Investment expense	(82,390)	(76,418)
Net investment income	1,774,933	3,137,724
Total Additions	3,446,452	4,793,113
DEDUCTIONS		
Benefits	2,230,383	2,123,846
Refunds of contributions	94,804	101,439
Administrative expense (Page 27)	238,848	226,484
Total Deductions	2,564,035	2,451,769
Net Increase (Decrease)	882,417	2,341,344
Net Assets Held in Trust for Pension Benefits:		
Beginning of Year	26,532,910	24,191,566
End of Year	$27,415,327	$26,532,910

(Continued)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE A - DESCRIPTION OF THE SYSTEM

The following brief description of the Employees' Retirement System of Jefferson Parish (System), established January 1, 1973, is provided for general information purposes only. Participants should refer to Ordinance No. 11027 and all amendments for more complete information.

The System is a single-employer defined benefit pension plan replacing Social Security for substantially all employees of Jefferson Parish who began their employment prior to December 15, 1979. On that date the System merged with the Parochial Employees' Retirement System of Louisiana (PERS) and became a closed system; all new employees of the Parish after that date are members of PERS only.

Beginning on January 1, 1980, PERS provided substantially all benefits to new retirees who belonged to both systems. For such retirees, the benefits provided by the Jefferson System are now limited to amounts resulting from differences between benefits provided by the two systems: Jefferson's free credit for military service to retirees who did not purchase credit from PERS, Jefferson's automatic one-half benefit to a surviving spouse, and Jefferson's guarantee that combined retirement benefits at least equal the benefits a member would have received had they remained under only Social Security and PERS until the date of their retirement, death or disability.

The System permits retirement at age 60 with at least 10 years of service. Members terminating before rendering 10 years of service may elect to receive a lump-sum distribution equal to their accumulated contributions at their termination date.

NOTE A - DESCRIPTION OF THE SYSTEM (CONTINUED)

The following employee membership data is actuarially determined and is a categorized listing of the total number of members on whom the Jefferson System retains liability as of December 31, 2004:

Retirees and beneficiaries currently receiving benefits	792
Terminated employees entitled to benefits but not yet receiving them	41
Active plan members	223
Total	1,056

Number of participating employers (Jefferson Parish)	1

The plan is closed to new entrants.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting
The System's financial statements are prepared using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when incurred. Contributions from the System and the System's employees are recognized as revenue in the period in which employees provide services to the System. Contributions made to the System by Jefferson Parish, the employer, are recognized when due and the employer has made a formal commitment to provide the contributions. Pension benefits and refunds of employee contributions are recognized when due and payable in accordance with the terms of the plan. Investment income is recognized as earned by the plan.

In addition, the System has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governments. In accordance with GASB Statement No. 34 the System will continue to follow GASB Statement No. 25 for audit reporting purposes. The minimum reporting requirements for the System as noted by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than Management's Discussion & Analysis).

2. <u>Reporting Entity</u>

In classifying the reporting entity, certain criteria for defining the organizations, functions and activities of a governmental unit should be included in the general purpose financial statements of the Employees' Retirement System of Jefferson Parish. Such information has been subjected to the auditing procedures applied in the audit of the financial statements of that governmental entity. The criteria considered and evaluated were accountability for fiscal matters, scope of public service and manifestations of oversight. Manifestations of oversight were considered to include the designation of management, the selection of the governing board and the ability to significantly influence operations. Accountability for fiscal matters was considered to include control over surpluses, responsibility for debt, managerial control of fiscal matters, certain revenue characteristics and budgetary approval, or the lack thereof.

Based on the foregoing criteria, the Employees' Retirement System of Jefferson Parish was determined to be a component unit of Jefferson Parish, the governmental entity with oversight responsibility. The accompanying financial statements present information only on those funds maintained by the System and do not present information on Jefferson Parish, the general government services provided by that governmental entity, or other governmental entities that comprise the governmental reporting entity.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Notes to the Financial Statements (Continued)
December 31, 2004 and 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Cash and Investments

The Governmental Accounting Standards Board Statement No. 3 requires the disclosure of deposits with financial institutions and investments.

Cash

At year-end, the carrying amount of the System's bank deposit was $212,560. The bank balance was $271,340, of which $100,000 was insured by federal depository insurance and $171,340 was collateralized with securities held by the pledging institution's agent in the name of the System.

Investments

All investments of the System are reported at fair (market) value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates.

As of December 31, 2004, five-percent of plan net assets equaled $1,370,766. Also, as of December 31, 2004, the System had $14,568,473 (at market value) invested in one mutual fund, which represented 53% of plan net assets. Other than this mutual fund, no investment in any one organization, other than the U.S. Government, represented 5% or more of plan net assets.

The System's investments are held in a single bank-administered trust fund. The investments at year-end are categorized to give an indication of the level of risk assumed by the System. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the System's name. Category 3 includes uninsured or investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the System's name.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Notes to the Financial Statements (Continued)
December 31, 2004 and 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The System's investments as of December 31, 2004 are categorized as follows:

	CATEGORY			Carrying
	1	2	3	Amount
U.S Treasury obligations	-	$1,981,145	-	$1,981,145
Corporate bonds	-	1,613,882	-	1,613,882
U.S. Government agencies	-	6,755,898	-	6,755,898
Municipal bonds	-	1,738,038	-	1,738,038
		$12,088,963		12,088,963
Mutual fund - equities				14,568,473
Mutual fund - cash reserve				602,144
Total Investments				$27,259,580

Since all investments are reported at fair market value the carrying amounts of all investments listed above equaled their fair market values.

There are no investments in, loans to, or leases with parties related to the pension plan.

Administrative costs are financed through investment earnings. There were no legally required reserves at December 31, 2004.

4. Contributions

Contribution rates for plan members are actuarially determined. The required contribution percentages for members depends on which retirement system that individual is a member. The rates are applied to an employee's annual covered salary. Member contribution rates may be amended only by the Jefferson Parish Council.

The employer contribution rate for the System is actuarially determined. The System's Board of Trustees can recommend a change in the employer contribution rate, however the Jefferson Parish Council has to approve the change.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Notes to the Financial Statements (Continued)
December 31, 2004 and 2003

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For 2003, 2004, and 2005, periodic employer and employee contribution rates were actuarially determined. The contribution requirements recommended by the System's actuary and the actual rates used for these years are as follows:

	2003		2004		2005	
	Recommended	Actual	Recommended	Actual	Recommended	Actual
Jefferson System only:						
Employee rate	6.05%	6.05%	6.05%	6.05%	6.05%	6.05%
Employer rate	7.09%	7.32%	7.29%	7.32%	7.39%	7.39%
PERS, Firefighters & Jefferson Systems:						
Employee rate	.8% minus $4 per month		.8% minus $4 per month		.8% minus $4 per month	
Employer rate	1.04%	1.27%	1.24%	1.27%	1.34%	1.34%
PERS & Firefighters Systems only:						
Employee rate	-	-	-	-	-	-
Employer rate	1.04%	1.27%	1.24%	1.27%	1.34%	1.34%

5. <u>Fixed Assets</u>
   Office equipment is valued at cost less accumulated depreciation, calculated on a straight-line basis over estimated useful lives of 5 and 10 years.

6. <u>Annual and Sick Leave</u>
   Annual leave (vacation) and sick leave (sick pay) are accrued when incurred for the office employees.

7. <u>Comparative Data</u>
   Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the System's financial position and operations.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Notes to the Financial Statements (Continued)
December 31, 2004 and 2003

NOTE C - OFFICE EQUIPMENT

A summary of changes in office equipment and related accumulated depreciation on those fixed assets for the year ended December 31, 2004 is as follows:

Office Equipment

	Balance January 1, 2004	Additions	Deletions	Balance December 31, 2004
Office equipment	$42,529	$1,234	$16,386	$27,377
Total	$42,529	$1,234	$16,386	$27,377

Accumulated Depreciation

	Balance January 1, 2004	Additions	Deletions	Balance December 31, 2004
Office equipment	$34,553	$2,481	$16,386	$20,648
Total	$34,553	$2,481	$16,386	$20,648

NOTE D - LITIGATION

As of December 31, 2004, the System is not a defendant in any lawsuits, and no liability should be set up in the financial statements.

NOTE E - TREND INFORMATION

Trend information gives an indication of the progress made in accumulating sufficient assets to pay pension benefits when due. *Six-year trend data may be found in the* Supplementary Information section of this report.

REQUIRED SUPPLEMENTARY INFORMATION

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Required Supplementary Information
Schedule of Funding Progress
December 31, 2004

	(A)	(B)	(B)-(A)	(A/B)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability-(AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio %
1999	$24,158,811	$34,070,857	$ 9,912,046	70.91%
2000	25,984,281	34,471,423	8,487,142	75.38
2001	26,380,787	34,743,320	8,362,533	75.93
2002	25,709,045	36,209,600	10,500,555	71.00
2003	25,587,899	37,495,544	11,907,645	68.24
2004	26,005,542	39,409,017	13,403,475	65.99

	(C)	[(B-A)/C]
Actuarial Valuation Date	Covered Payroll	UAAL as a Percentage of Covered Payroll
1999	$20,109,775	49.29%
2000	19,285,326	44.01
2001	18,638,585	44.87
2002	17,476,103	60.09
2003	16,051,437	74.18
2004	13,240,761	101.23

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Required Supplementary Information (Continued)
Schedule of Employer Contributions
December 31, 2004

	(A)	(B)	(B/A)
Year Ended December 31	Annual "Required" Contribution	Annual "Actual" Contribution	Percentage Contributed
1999	$1,384,585	$1,454,280	105.03%
2000	1,391,858	1,517,633	109.04
2001	1,256,719	1,425,679	113.44
2002	1,270,573	1,494,406	117.62
2003	1,551,896	1,530,120	98.60
2004	1,764,121	1,560,449	88.45

The information presented in these required supplementary information schedules was determined as part of the actuarial valuation methods, assumptions and amortization periods as of the dates indicated. The latest actuarial valuation data is as follows:

Valuation date: December 31, 2004

Actuarial cost method: Entry Age Normal

Amortization method: Level dollar, closed

Amortization period: 15 years remaining

Asset valuation method: 3 year smoothing of realized and unrealized capital gains

Actuarial assumptions --

* Investment rate of return: 7.5%, net of investment expense (changed from 8% in the prior year)

* Projected salary increases: 5.5% (changed from 6% in the prior year)

    * Includes an inflation rate of 3.25% and a merit rate of 2.25% (changed from 2.75% in the prior year)

Cost-of-living adjustments: None

OTHER SUPPLEMENTARY INFORMATION

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Other Supplementary Information
Summary of Historical Data
December 31, 2004

The Employees' Retirement System of Jefferson Parish began operating on January 1, 1973, after the employees of Jefferson Parish voted 87.8% in favor of such retirement system to replace Social Security.

The Parish paid all retirement benefits and other expenses of the System from January 1, 1973, through December 31, 1974, from its General Fund. Contributions to the System began on January 1, 1975.

The System was funded initially by contributions of 5.85% of total wages by both the employee and the employer from January 1, 1975, through January 6, 1978. The rate was increased to 6.05% each, effective with the January 30, 1978, payroll.

In 1979 the Louisiana Legislature amended the Parochial Employees' Retirement System law to require Jefferson Parish to pay an additional 4.3% contribution (from 1%) or abandon Jefferson Parish's supplemental system and join the revised PERS effective January 1, 1980.

On December 12, 1979, the Jefferson Parish System agreed to merge its supplemental system with PERS, effective December 15, 1979. As a result of this, the 4.3% increase in cost was avoided.

After advice by its actuary, confirmed by its legal counsel, and with a written opinion from the Louisiana Attorney General, the Employees' Retirement System of Jefferson Parish decided to join PERS' supplemental system before January 1, 1980, at no added cost to the Parish or its employees.

All of the employees who were members of the Employees' Retirement System of Jefferson Parish's separate supplemental plan on December 14, 1979 will be guaranteed all of the benefits offered by that plan, and all retirees entitled to benefits under that plan will continue to receive those benefits. The accumulated assets and funds of the Employees' Retirement System of Jefferson Parish were retained for that purpose. All persons employed after December 14, 1979 are members of the PERS only.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Other Supplementary Information (Continued)
Details of Investments
December 31, 2004

The following schedule represents a historical analysis of the types of investments and the applicable percentage of total investments at fair market value amounts for the years ended 2004 and 2003:

	2004	% of total invest-ments	2003	% of total invest-ments
Mutual fund - equities	$14,568,473	54%	$14,067,131	53%
Mutual fund - cash reserves	602,144	2	820,597	3
U.S. Treasury obligations	1,981,145	7	2,971,502	11
Corporate bonds	1,613,882	6	2,849,657	11
U.S. Government agencies	6,755,898	25	3,893,785	15
Municipal bonds	1,738,038	6	1,787,528	7
Total investments	$27,259,580	100%	$26,390,200	100%

THE EMPLOYERS' RETIREMENT SYSTEM OF JEFFERSON PARISH
Other Supplementary Information (Continued)
Schedule of Administrative Expenses
For the Year Ended December 31, 2004

Salaries	$141,338
Retirement contributions	17,859
Group insurance	20,691
Depreciation	2,482
Membership dues & publications	100
Postage	5,222
Office expenses	6,949
Insurance	4,095
Actuarial fees	17,940
Audit fees	8,900
Legal fees	3,722
Telephone	999
Expense allowance	7,875
Travel and seminar expenses	676
Total Administrative Expenses	$238,848

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Other Supplementary Information (Continued)
Schedule of Insurance Policies in Force and
Compensation Paid Board Members
As of December 31, 2004

Insurance Policies in Force

The following insurance policies were in force on December 31, 2004:

Type of Coverage	Amount of Coverage
Fidelity bond and depositor's forgery coverage, no deductible	$100,000
Employees non-owned and hired vehicles liability, combined bodily injury and property damage, no deductible	$1,000,000
Workers' compensation, no deductible	Per policy on file
General liability, no deductible	$1,000,000

Compensation Paid Board Members

Board members do not receive any compensation or per diem.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Other Supplementary Information (Continued)
Summary Schedule of Prior Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Years Ended December 31, 2004 and 2003

I have audited the accompanying general purpose financial statements of the Employees' Retirement System of Jefferson Parish, a component unit of Jefferson Parish, as of and for the years ended December 31, 2004 and 2003, and have issued my report thereon dated February 11, 2005. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audits of the financial statements as of December 31, 2004 and 2003, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in the current year's audit report (Finding No. 1).

There were no instances of noncompliance that were required to be reported in this audit report.

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

There was one prior-year audit finding, and it was the same as the current year's finding (Finding No. 1).

The Employees' Retirement System of Jefferson Parish did not receive any federal funds during either of the twelve months ended on December 31, 2004 or 2003.

THE EMPLOYEES' RETIREMENT SYSTEM OF JEFFERSON PARISH
Other Supplementary Information (Continued)
Summary Schedule of Prior Audit Findings and
Corrective Action Plan for Current Year Audit Findings
For the Years Ended December 31, 2004 and 2003

Section II - Financial Statement Finding

Finding No. 1

Fiscal Year Finding Initially Occurred: Has existed since inception.

Finding Described: The size of the System's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Contact Person:
Ms. Gwen L. Bolotte
Chairperson - Board of Trustees
The Employees' Retirement System
of Jefferson Parish, Louisiana

Anticipated Completion Date: Not applicable.

OTHER REPORT REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u>

KEITH J. ROVIRA
CERTIFIED PUBLIC ACCOUNTANT
3331 METAIRIE ROAD
METAIRIE, LOUISIANA 70001-5297

(504) 831-4040 FAX (504) 831-4042

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Trustees of
The Employees' Retirement System of
Jefferson Parish, Louisiana
A Component Unit of Jefferson Parish

I have audited the general purpose financial statements of the Employees' Retirement System of Jefferson Parish, a component unit of Jefferson Parish, as of and for the years ended December 31, 2004 and 2003, and have issued my report thereon dated February 11, 2005. I conducted my audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As a part of obtaining reasonable assurance about whether the Employees' Retirement System of Jefferson Parish's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my audits, I considered the Employees' Retirement System of Jefferson Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operations that I consider to be reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the System's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. I noted that, as a material weakness, the size of the System's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control. Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial.

A material weakness is a reportable 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 general purpose 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I considered the reportable condition described above to be a material weakness.

This report is intended solely for the use of management and the State of Louisiana Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.

Keith J. Rovira

Keith J. Rovira
Certified Public Accountant

February 11, 2005