

REPORT
REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
(STATE OF LOUISIANA)
JUNE 30, 2004 AND 2003

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

Release Date 2-2-05

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

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INDEPENDENT AUDITOR'S REPORT

November 5, 2004

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

We have audited the accompanying statements of plan net assets of the Registrars of Voters Employees' Retirement System as of June 30, 2004 and 2003, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our 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 Registrars of Voters Employees' Retirement System as of June 30, 2004 and 2003 and the results of 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 Registrar of Voters Employees' Retirement System of Louisiana adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, during the year ended June 30, 2003.

Management's Discussion and Analysis on Pages 3 through 6 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 principally 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 System for the years ending June 30, 2004 and 2003 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 24-25 and the supplemental schedules listed on pages 18-23 are presented for the purposes of additional analysis and are not a part of the basic financial statements. The required statistical information for the years ending June 30, 1999 - 2004 and supplemental schedules for the years ending June 30, 2004 and 2003 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 5, 2004 on our consideration of the Registrars of Voters 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, Hrapmann, Hogan & Maher, LLP

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

The Management's Discussion and Analysis of the Registrars of Voters Employees' Retirement System of Louisiana presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Registrars of Voters Employees' Retirement System of Louisiana's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- The Registrars of Voters Employees' Retirement System's assets exceeded its liabilities at the close of fiscal year 2004 by \$49,690,225 which represents an increase from last year. The net assets held in trust for pension benefits increased by \$4,695,452 or 10.40%. The increase was primarily due to an improved investment performance.
- Contributions to the System by members, employers and tax revenues totaled \$2,028,630, an increase of \$373,410 or 22.56%.
- The Retirement System collected employer contributions during the year. Employer contribution income for the year ended June 30, 2004 was \$247,070.
- Pension benefits paid to retirees and beneficiaries decreased by \$191,032 or 8.78%. This decrease is due to a decrease in the DROP withdrawals.
- Administrative expenses of the System totaled \$148,576, an increase of \$32,299 or 27.7%.
- Investment income was \$4,781,912 for the year ended June 30, 2004. This is an increase of 226.84% over the prior year. This increase is due to the recovery in the investment markets.

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.

The statement of plan net assets reports the system'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, 2004 and 2003.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

The statement of changes in plan net assets reports the results of the system'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.

FINANCIAL ANALYSIS OF THE SYSTEM

Registrars of Voters Employees' Retirement System provides benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. Member contributions, employer contributions and earnings on investments fund these benefits.

Statements of Plan Net Assets
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash	\$ 876,770	\$ 485,855
Receivables	441,194	415,989
Investments	48,421,546	44,147,251
Property and equipment	<u>3,101</u>	<u>4,913</u>
Total assets	49,742,611	45,054,008
Total liabilities	<u>52,386</u>	<u>59,235</u>
Net Assets Held in Trust		
For Pension Benefits	<u>\$ 49,690,225</u>	<u>\$ 44,994,773</u>

Plan net assets increased by \$4,695,452 or 10.40%. The increase in plan net assets was a result of the improved investment performance in 2004.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Additions:		
Contributions	\$ 2,028,630	\$ 1,655,220
Investment income (loss)	4,781,912	1,463,055
Other	80,654	1,987
Total additions	<u>6,891,196</u>	<u>3,120,262</u>
Total Deductions	<u>2,195,744</u>	<u>2,366,094</u>
Increase (Decrease) in Plan Net Assets	<u>\$ 4,695,452</u>	<u>\$ 754,168</u>

Additions to Plan Net Assets

Additions to the System's plan net assets were derived from member contributions, employer contributions and ad valorem taxes and state revenue sharing funds, and investment income. The System experienced a net investment income of \$4,781,912. The increase in investment income was primarily due to improved market performance in the current year.

	<u>2004</u>	<u>2003</u>	<u>Increase (Decrease) Percentage</u>
Member Contributions	\$ 522,442	\$ 468,518	11%
Employer Contributions	247,070	--	100%
Ad Valorem & State Revenue Sharing	1,259,118	1,186,702	6%
Net Investment Income (Loss)	4,781,912	1,463,055	226%
Other	80,654	1,987	396%
	<u>\$ 6,891,196</u>	<u>\$ 3,120,262</u>	

Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death and survivor benefits and administrative expenses. Deductions from plan net assets totaled \$2,195,744 in fiscal year 2004. The decrease of \$170,350 from the previous year is primarily due to a decrease in DROP benefit paid during fiscal year end June 30, 2004.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

	<u>2004</u>	<u>2003</u>	Increase (Decrease) Percentage
Retirement Benefits	\$ 1,983,723	\$ 2,174,755	(8.78%)
Refunds of Contributions	60,738	71,723	(15.32%)
Administrative Expenses	148,576	116,277	27.7%
Depreciation	<u>2,707</u>	<u>3,339</u>	(18.93%)
	<u>\$ 2,195,744</u>	<u>\$ 2,366,094</u>	

Investments

Registrars of Voters Employees' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2004 amounted to \$48,421,546 as compared to \$44,147,251 at June 30, 2003. The System's investments in various markets at the end of the 2004 and 2003 fiscal years are indicated in the following table:

	<u>2004</u>	<u>2003</u>	Increase (Decrease) Percentage
Cash Equivalents	\$ 1,359,258	\$ 1,016,958	33%
Bonds	24,178,272	23,807,770	2%
Equities	19,016,227	16,053,510	18%
Mutual Fund	<u>3,867,789</u>	<u>3,269,013</u>	18%
	<u>\$ 48,421,546</u>	<u>\$ 44,147,251</u>	

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Lorraine Dees, Executive Director, Registrars of Voters Employees' Retirement System of Louisiana, P. O. Box 57, Jennings, LA 70546.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2004 AND 2003

	2004			2003		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
ASSETS						
CASH:						
In bank (Note 6)	\$ 876,770	\$ -	\$ 876,770	\$ 485,855	\$ -	\$ 485,855
RECEIVABLES:						
Member contributions (Note 1)	50,102	-	50,102	49,349	-	49,349
Employer contributions	24,605	-	24,605	-	-	-
Investment receivable	68,056	-	68,056	72,231	-	72,231
Accrued interest and dividends	289,509	8,922	298,431	284,816	9,593	294,409
Total receivables	<u>432,272</u>	<u>8,922</u>	<u>441,194</u>	<u>406,396</u>	<u>9,593</u>	<u>415,989</u>
INVESTMENTS AT FAIR VALUE:						
(Pages 20 and 21) (Notes 1 and 6)						
Cash equivalents	1,100,148	259,110	1,359,258	742,569	274,389	1,016,958
Corporate bonds	14,517,074	385,713	14,902,787	14,370,944	-	14,370,944
Government bonds	8,359,819	915,666	9,275,485	8,522,056	914,770	9,436,826
Marketable securities	19,016,227	-	19,016,227	16,053,510	-	16,053,510
Mutual fund	3,867,789	-	3,867,789	2,925,320	343,693	3,269,013
Total investments	<u>46,861,057</u>	<u>1,560,489</u>	<u>48,421,546</u>	<u>42,614,399</u>	<u>1,532,852</u>	<u>44,147,251</u>
FURNITURE AND EQUIPMENT:						
(Notes 1 & 7)						
(Net of accumulated depreciation - \$35,619 for 2004 and \$32,912 for 2003)						
	<u>3,101</u>	<u>-</u>	<u>3,101</u>	<u>4,913</u>	<u>-</u>	<u>4,913</u>
Total assets	<u>48,173,200</u>	<u>1,569,411</u>	<u>49,742,611</u>	<u>43,511,563</u>	<u>1,542,445</u>	<u>45,054,008</u>
LIABILITIES:						
Accounts payable	52,193	-	52,193	45,242	-	45,242
Investment payable	-	-	-	9,888	-	9,888
Retirement withholding	193	-	193	4,105	-	4,105
Total liabilities	<u>52,386</u>	<u>-</u>	<u>52,386</u>	<u>59,235</u>	<u>-</u>	<u>59,235</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 48,120,814</u>	<u>\$ 1,569,411</u>	<u>\$ 49,690,225</u>	<u>\$ 43,452,328</u>	<u>\$ 1,542,445</u>	<u>\$ 44,994,773</u>

See accompanying notes.

**REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003**

	2004			2003		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
ADDITIONS: (Note 1)						
Contributions:						
Members	\$ 522,442	\$ -	\$ 522,442	\$ 468,518	\$ -	\$ 468,518
Employers	247,070	-	247,070	-	-	-
Tax revenue	1,259,118	-	1,259,118	1,186,702	-	1,186,702
Total contributions	<u>2,028,630</u>	<u>-</u>	<u>2,028,630</u>	<u>1,655,220</u>	<u>-</u>	<u>1,655,220</u>
Investment income:						
Net appreciation						
in fair value of investments	3,362,473	23,167	3,385,640	585,356	9,291	594,647
Interest	1,269,357	40,774	1,310,131	736,667	45,619	782,286
Dividends	301,850	-	301,850	258,493	1,086	259,579
	<u>4,933,680</u>	<u>63,941</u>	<u>4,997,621</u>	<u>1,580,516</u>	<u>55,996</u>	<u>1,636,512</u>
Less: Investment advisory services	178,501	-	178,501	134,631	-	134,631
Investment consulting fees	19,750	-	19,750	19,750	-	19,750
Custodial fees	17,458	-	17,458	19,076	-	19,076
Net investment income	<u>4,717,971</u>	<u>63,941</u>	<u>4,781,912</u>	<u>1,407,059</u>	<u>55,996</u>	<u>1,463,055</u>
Other additions:						
Miscellaneous income	7,684	3,565	11,249	-	1,987	1,987
Transfer from other systems - employee	20,051	-	20,051	-	-	-
Transfer from other systems - employer/interest	49,354	-	49,354	-	-	-
Total other additions	<u>77,089</u>	<u>3,565</u>	<u>80,654</u>	<u>-</u>	<u>1,987</u>	<u>1,987</u>
Total additions	<u>6,823,690</u>	<u>67,506</u>	<u>6,891,196</u>	<u>3,062,279</u>	<u>57,983</u>	<u>3,120,262</u>
DEDUCTIONS: (Note 1)						
Pensions payments	1,943,183	40,540	1,983,723	2,111,681	63,074	2,174,755
Refund of contributions	60,738	-	60,738	71,723	-	71,723
Administrative expenses (Page 22)	148,576	-	148,576	116,277	-	116,277
Depreciation	2,707	-	2,707	3,339	-	3,339
Total deductions	<u>2,155,204</u>	<u>40,540</u>	<u>2,195,744</u>	<u>2,303,020</u>	<u>63,074</u>	<u>2,366,094</u>
NET INCREASE (DECREASE)	4,668,486	26,966	4,695,452	759,259	(5,091)	754,168
PLAN NET ASSETS AT BEGINNING OF YEAR	<u>43,452,328</u>	<u>1,542,445</u>	<u>44,994,773</u>	<u>42,693,069</u>	<u>1,547,536</u>	<u>44,240,605</u>
PLAN NET ASSETS AT END OF YEAR	<u>\$ 48,120,814</u>	<u>\$ 1,569,411</u>	<u>\$ 49,690,225</u>	<u>\$ 43,452,328</u>	<u>\$ 1,542,445</u>	<u>\$ 44,994,773</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

The Registrars of Voters Employees' Retirement System (System) was established as of January 1, 1955 by Act 215 of 1954, under R.S. Title 11:2032, as amended, for the purpose of providing retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. The fund is administered by a board of trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefits, are provided as specified in the plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Registrars of Voters Employees' Retirement System prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

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.

Basis of Accounting:

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

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

Method Used to Value Investments:

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

Furniture and Equipment:

Furniture and equipment of the System are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation over its estimated useful life.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Memorandum Only Column:

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

2. PLAN DESCRIPTION:

The Registrars of Voters Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan (Retirement System Trust Fund) and a Savings Plan (Members' Supplemental Savings Trust Fund). The System was established on the first day of January, nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. At June 30, 2004 and 2003, statewide retirement membership consists of:

	<u>2004</u>	<u>2003</u>
Current retirees and beneficiaries	123	120
Terminated members due a benefit	3	4
Terminated members due a refund	15	22
Fully vested, partially vested, and nonvested active employees covered	206	212
DROP participants	<u>20</u>	<u>16</u>
Total participants as of the valuation date	<u>367</u>	<u>374</u>

Retirement System Trust Fund:

Any member is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits are 3.33% of the average final compensation (average monthly earnings during the highest 36 consecutive months) multiplied by the number of years of creditable service, not to exceed 100% of average final compensation.

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

2. PLAN DESCRIPTION: (Continued)

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

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with eleven or more years of service at age sixty-one, twenty-one or more years of service at age fifty-six, or thirty-one or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

2. PLAN DESCRIPTION: (Continued)

The Retirement System Trust Fund is financed by employee contributions of 7% of earnable compensation. In addition, each sheriff and ex-officio tax collector remits the employer's share of the actuarially required contribution to fund the System up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax monies be insufficient to fund the System as required by R.S. 11:22 employers contribute the additional amount.

Cost of living provisions for the System are detailed in R.S. 11:2073 and R.S. 11:246. R.S. 11:2073 allows the board of trustees to provide an annual cost of living increase of 3% of the retiree's original benefit from interest earnings on investments in excess of the valuation interest rate. This applies only to members who have been retired for at least two years. Louisiana statutes also allow the board of trustees to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to two percent of the benefit paid on October 1, 1977, (or the member's retirement date, if later). This raise may only be granted from investment earnings in excess of the valuation interest rate of eight percent.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount not to exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio defined in R.S. 11:242.

Members' Supplemental Savings Trust Fund:

The Members' Supplemental Savings Trust Fund (Fund) was established by LRS 11:2139 as a defined contribution plan. All registrars of voters, their deputies and active permanent employees participate in the plan. As of June 30, 2004 and 2003 the number of participants in the plan is 214 and 241, respectively.

In accordance with state statute funds contributed to the System in excess of those required contributions to the Retirement Fund employer reserve, as established by the Public Retirement Systems' Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the Members' Supplemental Savings Fund is three percent of the salaries paid during the preceding fiscal year to members who were still employed by the employer at the end of the fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lesser percentage based on available funds and the requirements of the Defined Benefit Plan. As of June 30, 2004 and 2003 there were 64 active employers participating in the Fund. There were no contributions to the Member's Supplemental Savings Fund for the years ending June 30, 2004 and 2003.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

2. PLAN DESCRIPTION: (Continued)

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

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

3. CONTRIBUTIONS AND RESERVES:

Contributions:

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

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending June 30, 2004 and 2003, the actual employer contribution rate was 3.25% and 0%, respectively. For the years ended June 30, 2004 and 2003, the actuarially determined employer contribution rate was 7.80% and 2.91%, respectively. The actual rate is less than the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. The difference in the actuarial required rate and the actual rate will increase the Fund's future normal cost accrual rate.

In accordance with state statute the fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions.

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

Reserves:

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

3. CONTRIBUTIONS AND RESERVES: (Continued)

A) Deferred Retirement Option Plan:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 2004 and 2003 is \$1,691,760 and \$1,249,077, respectively. The Deferred Retirement Option Account is fully funded.

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve to provide part of the benefits payable from that fund. The Annuity Savings as of June 30, 2004 and 2003 is \$4,058,456 and \$3,937,939, respectively. The Annuity Savings is fully funded.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation as of June 30, 2004 and 2003 is \$24,449,170 and \$23,428,449, respectively. The Pension Accumulation is fully and 98% funded for the years ending June 30, 2004 and 2003, respectively.

D) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve as of June 30, 2004 and 2003 is \$15,484,661 and \$15,294,575, respectively. The Annuity Reserve is fully funded.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

3. CONTRIBUTIONS AND RESERVES: (Continued)

E) Members' Supplemental Savings:

The Members' Supplemental Savings consists of contributions from the dedicated taxes to the System in excess of those required contributions to the Pension Accumulation, not to exceed three percent of the salaries paid during the fiscal year preceding the year in which funds are received. Upon termination a member is entitled to payment of all contributions and earnings credited to his account in the fund. The Members' Supplemental Savings as of June 30, 2004 and 2003 is \$1,569,411 and \$1,542,445, respectively. The Members' Supplemental Savings is fully funded.

4. ACTUARIAL COST METHOD:

The Aggregate Cost Method was used to calculate the funding requirements of the Registrars of Voters Employees' Retirement System for the fiscal years ended June 30, 2004 and 2003. This funding method allocates pension costs as a level percentage of payroll over the future-working lifetime of current members. The Aggregate Cost Method produces no unfunded accrued liability. Under the Aggregate Cost Method, actuarial gains and losses are spread over future normal costs. Based on actual experience, future normal costs will increase or decrease.

5. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits and is presented on pages 24-25.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents and investments at June 30, 2004 and 2003:

2004

	<u>Retirement System Trust Fund</u>	<u>Members' Supplemental Savings Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 904,048	\$ --	\$ 904,048
Cash equivalents	1,100,148	259,110	1,359,258
Investments	<u>45,760,909</u>	<u>1,301,379</u>	<u>47,062,288</u>
	<u>\$47,765,105</u>	<u>\$ 1,560,489</u>	<u>\$ 49,325,594</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

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

2003

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 579,111	\$ --	\$ 579,111
Cash equivalents	742,569	274,389	1,016,958
Investments	<u>41,871,830</u>	<u>1,258,463</u>	<u>43,130,293</u>
	<u>\$ 43,193,510</u>	<u>\$ 1,532,852</u>	<u>\$ 44,726,362</u>

Deposits:

The System's bank deposits were entirely covered by Federal depository insurance and pledged collateral held in the name of the System.

Cash Equivalents:

Cash equivalents consist of a money market fund. The funds are held and managed by the Retirement System's custodian bank and are held in the name of the Retirement System.

Investments:

Statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the System to act with care, skill, prudence and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the System shall not invest more than fifty-five percent of the total portfolio in common stock. However, the System's internal investment policy states that the System shall not invest more than fifty percent of the total portfolio in common stock.

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

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

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

Investments: (Continued)

	2004 MARKET <u>VALUE</u>	<u>CATEGORY</u>	2003 MARKET <u>VALUE</u>	<u>CATEGORY</u>
RETIREMENT SYSTEM – TRUST FUNDS				
Bonds	\$ 22,876,893	1	\$ 22,893,000	1
Marketable securities	19,016,227	1	16,053,510	1
Mutual fund	<u>3,867,789</u>	N/A	<u>2,925,320</u>	N/A
	<u>\$ 45,760,909</u>		<u>\$ 41,871,830</u>	
MEMBER'S SUPPLEMENTAL SAVINGS TRUST FUND				
Bonds	\$ 915,666	3	\$ 914,770	3
Mutual Fund	<u>385,713</u>	N/A	<u>343,693</u>	N/A
	<u>\$ 1,301,379</u>		<u>\$ 1,258,463</u>	

7. FURNITURE AND EQUIPMENT:

Change in furniture and equipment consist of the following:

	<u>2004</u>	<u>2003</u>
Balance – Beginning of year	\$ 37,825	\$ 34,996
Additions	895	3,635
Deletions	<u>--</u>	<u>(806)</u>
	38,720	37,825
Less accumulated depreciation	<u>(35,619)</u>	<u>(32,912)</u>
Balance – End of year	<u>\$ 3,101</u>	<u>\$ 4,913</u>

Depreciation expense for the years ended June 30, 2004 and 2003 was \$2,707 and \$3,339, respectively.

8. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

9. TAX QUALIFICATION:

Beginning January 1, 2005, the Retirement System Trust Fund will be a qualified plan under IRS Code Section 401(a).

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 STATEMENT OF CHANGES IN RESERVE BALANCES
 RETIREMENT SYSTEM TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2004

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	(Unfunded) Actuarial Accrued Liability	Total
BALANCE - BEGINNING	\$ 3,937,939	\$ 15,294,575	\$ 1,249,077	\$ 23,428,449	\$ (457,712)	\$ 43,452,328
REVENUES AND TRANSFERS:						
Employee contributions	522,442	-	-	-	-	522,442
Employer contributions	-	-	-	247,070	-	247,070
Transfers in - employee contributions	20,051	-	-	-	-	20,051
Transfers in - employer and interest	-	-	-	49,354	-	49,354
Net investment income (loss)	-	-	-	4,717,971	-	4,717,971
Parish tax collector	-	-	-	1,259,118	-	1,259,118
Miscellaneous income	-	-	-	7,684	-	7,684
Pensions transferred from Annuity Reserve	-	-	548,016	-	-	548,016
Transfer from Annuity Savings	-	414,622	-	-	-	414,622
Actuarial transfer	-	2,214,714	-	-	2,894,479	5,109,193
Total revenues	<u>542,493</u>	<u>2,629,336</u>	<u>548,016</u>	<u>6,281,197</u>	<u>2,894,479</u>	<u>12,895,521</u>
EXPENDITURES AND TRANSFERS:						
Refunds to members	60,738	-	-	-	-	60,738
Transfer to Annuity Reserve	361,238	-	53,384	-	-	414,622
Pensions paid	-	1,891,234	51,949	-	-	1,943,183
Administrative expense	-	-	-	148,576	-	148,576
Depreciation expense	-	-	-	2,707	-	2,707
Pensions transferred to DROP	-	548,016	-	-	-	548,016
Actuarial transfer	-	-	-	5,109,193	-	5,109,193
Total expenditures	<u>421,976</u>	<u>2,439,250</u>	<u>105,333</u>	<u>5,260,476</u>	<u>-</u>	<u>8,227,035</u>
NET INCREASE (DECREASE)	<u>120,517</u>	<u>190,086</u>	<u>442,683</u>	<u>1,020,721</u>	<u>2,894,479</u>	<u>4,668,486</u>
BALANCE - ENDING	<u>\$ 4,058,456</u>	<u>\$ 15,484,661</u>	<u>\$ 1,691,760</u>	<u>\$ 24,449,170</u>	<u>\$ 2,436,767</u>	<u>\$ 48,120,814</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 STATEMENT OF CHANGES IN RESERVE BALANCES
 RETIREMENT SYSTEM TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2003

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	Surplus (Unfunded) Actuarial Accrued Liability	Total
BALANCE - BEGINNING	\$ 3,898,188	\$ 14,911,890	\$ 1,096,975	\$ 24,195,693	\$ (1,409,677)	\$ 42,693,069
REVENUES AND TRANSFERS:						
Employee contributions	468,518	-	-	-	-	468,518
Net investment income (loss)	-	-	-	1,407,059	-	1,407,059
Parish tax collector	-	-	-	1,186,702	-	1,186,702
Pensions transferred from Annuity Reserve	-	-	372,661	-	-	372,661
Transfer from another system	-	357,044	-	-	-	357,044
Actuarial transfer	-	2,289,424	-	-	951,965	3,241,389
Total revenues	468,518	2,646,468	372,661	2,593,761	951,965	7,033,373
EXPENDITURES AND TRANSFERS:						
Refunds to members	71,723	-	-	-	-	71,723
Transfer to Annuity Reserve	357,044	-	-	-	-	357,044
Pensions paid	-	1,891,122	220,559	-	-	2,111,681
Administrative expense	-	-	-	116,277	-	116,277
Depreciation expense	-	-	-	3,339	-	3,339
Pensions transferred to DROP	-	372,661	-	-	-	372,661
Actuarial transfer	-	-	-	3,241,389	-	3,241,389
Total expenditures	428,767	2,263,783	220,559	3,361,005	-	6,274,114
NET INCREASE (DECREASE)	39,751	382,685	152,102	(767,244)	951,965	759,259
BALANCE - ENDING	\$ 3,937,939	\$ 15,294,575	\$ 1,249,077	\$ 23,428,449	\$ (457,712)	\$ 43,452,328

REGISTRARS OF VOTERS EMPLOYEES' RETIRMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<u>Par Value</u>	<u>2004 Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
Federal National Mortgage Association	\$ 5,134,828	\$ 5,292,334	\$ 5,254,935
Federal Home Loan Mortgage Corporation	<u>3,052,490</u>	<u>3,161,823</u>	<u>3,104,884</u>
Total Government Bonds	8,187,318	8,454,157	8,359,819
Corporate Bonds	<u>13,775,000</u>	<u>14,844,248</u>	<u>14,517,074</u>
TOTAL BONDS	\$ <u>21,962,318</u>	\$ <u>23,298,405</u>	\$ <u>22,876,893</u>
		<u>Original Cost Value</u>	<u>Market Value</u>
STOCK			
Common stock		\$ <u>16,310,432</u>	\$ <u>19,016,227</u>
MUTUAL FUND			
International Equity Fund		\$ <u>3,255,611</u>	\$ <u>3,867,789</u>
		<u>Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
Federal National Mortgage Association	\$ 6,909,719	\$ 7,117,053	\$ 7,181,825
Federal Home Loan Mortgage Corporation	<u>1,297,328</u>	<u>1,348,411</u>	<u>1,340,231</u>
Total Government Bonds	8,207,047	8,465,464	8,522,056
Corporate Bonds	<u>13,000,000</u>	<u>13,758,176</u>	<u>14,370,944</u>
TOTAL BONDS	\$ <u>21,207,047</u>	\$ <u>22,223,640</u>	\$ <u>22,893,000</u>
		<u>Original Cost Value</u>	<u>Market Value</u>
STOCK			
Common stock		\$ <u>15,937,325</u>	\$ <u>16,053,510</u>
MUTUAL FUND			
International Equity Fund		\$ <u>3,210,262</u>	\$ <u>2,925,320</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIRMENT SYSTEM
MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	2004		
	<u>Par Value</u>	<u>Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
U.S. Treasury Notes	\$ 558,185	\$ 563,971	\$ 566,400
Federal Home Loan Mortgage Corp.	200,000	202,520	198,422
Federal National Mortgage Assoc.	<u>150,000</u>	<u>152,719</u>	<u>150,844</u>
Total Government	<u>\$ 908,185</u>	<u>\$ 919,210</u>	<u>\$ 915,666</u>

	<u>Cost</u>	<u>Market Value</u>
MUTUAL FUND		
Pooled equity fund	<u>\$ 405,377</u>	<u>\$ 385,713</u>

	2003		
	<u>Par Value</u>	<u>Original Cost Value</u>	<u>Market Value</u>
BONDS			
Government:			
U.S. Treasury Notes	\$ 500,000	\$ 504,654	\$ 526,282
Federal Home Loan Mortgage Corp.	225,000	228,161	233,918
Federal National Mortgage Assoc.	<u>150,000</u>	<u>150,719</u>	<u>154,570</u>
Total Government	<u>\$ 875,000</u>	<u>\$ 883,534</u>	<u>\$ 914,770</u>

	<u>Cost</u>	<u>Market Value</u>
MUTUAL FUND		
Pooled equity fund	<u>\$ 405,000</u>	<u>\$ 343,693</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
PERSONAL SERVICES:		
Staff salaries	\$ 45,261	\$ 41,935
Board member-per diem	3,825	3,300
Payroll taxes	964	-
	<u>50,050</u>	<u>45,235</u>
PROFESSIONAL SERVICES:		
Accountant	19,561	21,620
Actuarial	19,440	17,760
Legal	6,122	412
	<u>45,123</u>	<u>39,792</u>
COMMUNICATIONS:		
Telephone	1,577	1,865
Travel	28,235	20,055
	<u>29,812</u>	<u>21,920</u>
OTHER:		
Bank charges	1,283	1,503
Utilities	450	485
Fidelity bond premium	-	350
Miscellaneous	12,135	226
Office rent	1,560	910
Office expense	7,595	5,366
Membership dues	400	100
Computer expense	100	267
Post office box rental	68	123
	<u>23,591</u>	<u>9,330</u>
TOTAL EXPENSES	\$ <u>148,576</u>	\$ <u>116,277</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF PER DIEM PAID TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

<u>TRUSTEE</u>	<u>2004</u>		<u>2003</u>	
	<u>NUMBER OF MEETINGS</u>	<u>AMOUNT</u>	<u>NUMBER OF MEETINGS</u>	<u>AMOUNT</u>
Deborah Waskom	8	675	8	\$ 600
John Moreau	8	675	8	600
Robert Poche	7	600	7	525
Sue Manning	--	--	4	300
Linda Rodrigue	7	600	8	600
Jimmie Hattaway	8	675	2	150
Dwayne Wall	--	--	6	450
Kristi McCormick	7	<u>600</u>	1	<u>75</u>
		<u>\$3,825</u>		<u>\$ 3,300</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 1999 THROUGH 2004

<u>Fiscal Year</u>	<u>Actuarial Required Contributions Employer</u>	<u>Actuarial Required Contributions Other Sources</u>	<u>Percent Contributed Employer</u>	<u>Percent Contributed Other Sources</u>
1999	\$ -	\$ 307,847	- %	102.78 %
2000	-	566,479	-	99.81
2001	-	985,727	-	100.12
2002	-	1,000,660	-	99.90
2003	204,712	1,189,227	-	99.79
2004	594,443	1,258,294	41.6	100.10

For the years ending June 30, 2004 and 2003, the actuarially required contribution differs from actual contributions made due to state statute that requires the contribution rate be calculated and set two years prior to the year effective.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS
JUNE 30, 1999 THROUGH 2004

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

Valuation Date	June 30, 2004
Actuarial Cost Method	Aggregate Actuarial Cost Method
Asset Valuation Method	Based on the market value adjusted to smooth realized and unrealized gains (losses) over a three year period by deferring one-third of such gains or losses accrued in the prior fiscal year and two thirds of such gains or losses accrued in the current fiscal year.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	7.0% (3.25% Inflation, 3.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of the benefit increase.
Change in Normal Cost	The System incurred an increase in normal cost in the amount of \$179,255 for the year ending June 30, 2004 due to the asset experience. The effect of the change in normal cost for years ending subsequent to June 30, 2004 has not been determined.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

November 5, 2004

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

We have audited the financial statements of Registrars of Voters Employees' Retirement System as of and for the year ended June 30, 2004, and have issued our report thereon dated November 5, 2004. 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 Registrars of Voters 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 Registrars of Voters 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. A reportable condition involves matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, would adversely affect the System's ability to record, process, summarize and report data consistent with the assertions of management in the financial statements. The reportable condition is noted below:

The System did not reconcile the activity nor the ending balances of the Deferred Retirement Option Plan ledger to the general ledger. As a result, the System recorded additional deposits to some DROP participants and one participant retired and received an additional month's benefit. The activity within the DROP ledger should be reconciled with the activity that is reported in the general ledger. In addition, detail ledgers consisting of the ending balances of DROP should be reconciled to the general ledger at year end. Not reconciling the DROP ledger resulted in incorrectly reporting and payment of member's balances. We recommend that the System develop procedures to reconcile the activity and ending balances to the general ledger on a timely basis.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended for the information of the Registrars of Voters Employees' Retirement System's Board of Trustees, Office of the Legislative Auditor of the State of Louisiana, and management of the System and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

Registrar of Voters Employees' Retirement System

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Facsimile 1 227 824 9187*

December 22, 2004

Duplantier, HRapmann Hogan & Maher, LLP
1340 Poydras St., Suite 2000
New Orleans, LA 70112

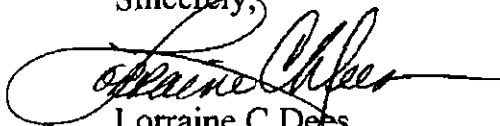
RE: 2004 Audit Findings

Dear Michelle:

I have read the findings report concerning the reconciling of the DROP ledger to the general ledger. The retirement system main computer system does accrue and give a print out each month of every DROP participant. I have implemented, as of this date, a quarterly which will be drawn up and checked for duplication and omissions effective July 1, 2004. This report should balance to the computer system when checked.

Thank you for giving me the opportunity to strengthen this system.

Sincerely,



Lorraine C Dees
Director-R.O.V.E.R.S