

R E P O R T

LOUISIANA DISTRICT ATTORNEYS
ASSOCIATION, INC.

JUNE 30, 2009

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 2/17/10

LOUISIANA DISTRICT ATTORNEYS
ASSOCIATION, INC.

INDEX TO REPORT

JUNE 30, 2009

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis.....	3
Statement of Revenues, Expenses and Other Changes – Modified Cash Basis.....	4
Statement of Functional Expenses – Modified Cash Basis.....	5
Statement of Cash Flows – Modified Cash Basis.....	6
Notes to Financial Statements	7 - 13
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	14 - 15
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	16 - 17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	18
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	20 - 22



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INDEPENDENT AUDITOR'S REPORT

December 14, 2009

Louisiana District Attorneys Association, Inc.
1645 Nicholson Drive
Baton Rouge, LA 70802-8143

We have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of Louisiana District Attorneys Association, Inc., a nonprofit organization, as of June 30, 2009 and the related statements of revenues, expenses and other changes – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Louisiana District Attorneys Association, Inc. as of June 30, 2009, and its changes in net assets and cash flows for the year then ended on the basis of accounting described in Note 1.

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In accordance with *Government Auditing Standards* we have also issued a report dated December 14, 2009 on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2009

ASSETS

Cash and cash equivalents (Notes 1 and 6)	\$ 289,405
Cash and cash equivalents - restricted (Notes 1 and 6)	40,948
Grants receivable (Note 1)	322,848
Accounts receivable (Note 1)	55,562
Property and equipment, net (Notes 5 and 8)	279,706
Utility deposit	<u>1,438</u>
 TOTAL ASSETS	 \$ <u><u>989,907</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accounts payable	\$ 3,568
Grants - unearned revenue (Note 1)	37,128
Notes payable (Note 10)	133,777
Other liabilities	<u>12,510</u>
Total liabilities	<u>186,983</u>
NET ASSETS:	
Unrestricted net assets	799,591
Temporarily restricted net assets (Notes 1 and 8)	<u>3,333</u>
Total net assets	<u>802,924</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>989,907</u></u>

See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND
OTHER CHANGES -MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Assessments (Note 1)			
Membership	\$ 488,446	\$ -	\$ 488,446
Conference & training	198,930	-	198,930
District Attorneys Retirement System (DARS)	122,678	-	122,678
Grants:			
Louisiana Commission on Law Enforcement	1,079,214	3,547	1,082,761
Louisiana Department of Social Services	90,402	-	90,402
Law enforcement handbook	19,078	-	19,078
Miscellaneous	131,974	-	131,974
Net assets released from restrictions	2,044	(2,044)	-
Total revenues	<u>2,132,766</u>	<u>1,503</u>	<u>2,134,269</u>
EXPENSES:			
Program services	1,885,351	-	1,885,351
Support services - Management and general	126,944	-	126,944
Total expenses	<u>2,012,295</u>	<u>-</u>	<u>2,012,295</u>
Change in net assets	120,471	1,503	121,974
Net assets at beginning of year	<u>679,120</u>	<u>1,830</u>	<u>680,950</u>
Net assets at end of year	<u>\$ 799,591</u>	<u>\$ 3,333</u>	<u>\$ 802,924</u>

See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	PROGRAM							
	Child Support <u>Enforcement</u>	Criminal Records <u>Improvement</u>	RICO Financial <u>Investigations</u>	Victims <u>Assistance</u>	<u>DARS</u>	Juvenile <u>Justice</u>	<u>Training</u>	Elder <u>Abuse</u>
Salaries and wages	\$ 71,289	\$ 23,739	\$ 68,709	\$ 42,299	\$ 68,527	\$ 92,969	\$ -	\$ 13,517
Payroll taxes and benefits	13,150	2,791	17,150	12,061	17,829	17,552	-	1,707
Automobile expenses	-	-	-	-	-	-	-	-
Contractual services	1,304	257,049	1,304	6,278	200	-	1,350	450
Insurance	883	1,045	1,052	657	391	202	-	-
Travel and luncheons	2,637	-	5,001	6,704	1,420	5,430	1,720	4,563
Postage	282	54	2,075	254	2,175	132	-	24
Telephone and utilities	3,786	3,283	3,407	2,324	1,619	1,553	-	1,173
Printing and newsletter	810	847	886	2,641	475	188	-	97
Consumable supplies	3,045	1,299	3,770	4,230	2,803	1,293	-	194
Repairs, maintenance and rentals	6,895	4,978	6,707	6,605	3,394	2,443	6,930	2,309
Dues, subscriptions, registration	2,300	-	668	50	159	925	-	50
Interest	-	3,201	-	-	-	-	-	-
Equipment purchased	-	11,666	-	-	-	-	-	-
Conference expenses	3,333	-	4,393	395	-	533	-	4,334
Miscellaneous expense	316	-	183	-	-	(200)	-	-
Depreciation expense	-	-	-	-	-	-	-	-
Total expenses	<u>\$ 110,030</u>	<u>\$ 309,952</u>	<u>\$ 115,305</u>	<u>\$ 84,498</u>	<u>\$ 98,992</u>	<u>\$ 123,020</u>	<u>\$ 10,000</u>	<u>\$ 28,418</u>

See accompanying notes.

SERVICES							SUPPORT SERVICES		
Electronic Equipment	Member Services	Worthless Checks	Hurricane Criminal Justice Recovery	OJP Earmark	Highway Traffic Safety	Total	Management & General	Total	
\$ -	\$ 189,152	\$ 46,845	\$ 74,966	\$ 54,807	\$ 45,053	\$ 791,872	\$ 44,369	\$ 836,241	
-	40,009	11,223	13,150	6,824	8,837	162,283	9,385	171,668	
-	8,336	-	-	-	-	8,336	1,955	10,291	
1,757	18,744	515	126,806	-	3	415,760	4,397	420,157	
-	1,933	1,090	164	158	693	8,268	453	8,721	
-	16,876	665	3,588	841	10,916	60,361	3,958	64,319	
-	10,175	139	-	-	1,143	16,453	2,387	18,840	
-	9,582	8,553	3,500	1,010	2,053	41,843	2,248	44,091	
-	31,643	774	-	-	981	39,342	7,422	46,764	
-	29,747	1,711	497	-	5,122	53,711	6,978	60,689	
-	28,405	6,378	-	-	7,414	82,458	6,663	89,121	
-	17,688	199	-	-	318	22,357	4,149	26,506	
-	2,266	881	-	2,250	-	8,598	532	9,130	
4,169	(181)	-	-	3,564	316	19,534	(43)	19,491	
-	76,854	-	-	74	3,998	93,914	18,028	111,942	
-	26,616	-	-	-	-	26,915	6,243	33,158	
-	33,346	-	-	-	-	33,346	7,820	41,166	
<u>\$ 5,926</u>	<u>\$ 541,191</u>	<u>\$ 78,973</u>	<u>\$ 222,671</u>	<u>\$ 69,528</u>	<u>\$ 86,847</u>	<u>\$ 1,885,351</u>	<u>\$ 126,944</u>	<u>\$ 2,012,295</u>	

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 121,974
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	41,166
Changes in operating assets and liabilities:	
Accounts receivable	(60,031)
Deposits	(22)
Accounts payable	2,914
Unearned revenue	<u>(123,220)</u>
Net cash used by operating activities	<u>(17,219)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of equipment	12,880
Property and equipment purchased	<u>(31,237)</u>
Net cash used by investing activities	<u>(18,357)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal payments on note payable	<u>(11,000)</u>
Net cash used by financing activities	<u>(11,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(46,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>376,929</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 330,353</u>
SUPPLEMENTAL INFORMATION:	
Interest paid	<u>\$ 9,130</u>

See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

DESCRIPTION OF OPERATIONS:

The Louisiana District Attorneys Association, Inc. (LDAA) is a non-profit corporation established to provide assistance to participating Louisiana district attorneys and their assistants. The assistance includes education, training, resources and implementation of the Prosecutor Information Management System (PIMS). Funding is received from assessments of the district attorneys and participation in other federal grant programs including child support enforcement, improvement of criminal records, RICO financial investigations, crime victims' assistance, Hurricane Criminal Justice Recovery, highway traffic safety, worthless checks and violence against women programs. These federal programs are received through the Louisiana Commission on Law Enforcement (LCLE), whereas the LDAA is sub-recipient, and the Louisiana Department of Social Services (DSS).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the major accounting policies followed in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting and Presentation:

The financial statements are prepared using the modified cash basis of accounting. Under the modified cash basis of accounting, membership assessments are recognized when received and expenses are recognized when paid. Grant revenue is considered earned when expenses have been incurred, with the exception of the grants for which funds are advanced and revenue is earned as funds are expended. Unearned revenue is reflected until funds are expended.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the LDAA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The statement of revenues, expenses and other changes – modified cash basis presents expenses of the Association's operations functionally between program and support services.

Assessments:

Members are assessed dues to cover the cost of member services provided by the Association. Separate registration fees are charged for conferences that provide continuing legal education.

Additional assessments have been made to judicial districts that are participants in programs funded by federal grants.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:

The Association is exempt from income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6). Accordingly, no provisions for Federal or State income taxes have been recorded in the financial statements.

Statement of Cash Flows:

For purposes of the statement of cash flows – modified cash basis, the Association considers cash and cash equivalents to be all items designated as “cash and cash-restricted” on the statement of assets, liabilities and net assets – modified cash basis.

Accounts Receivable:

Accounts receivable represents amounts due from district attorney offices for assessments and for grant expense reimbursements that have not been received as of June 30, 2009. Based on past experience in collections, no allowance for uncollectibility is required.

Unearned Revenue/Restricted-Cash:

Unearned revenue represents grant exchange transaction advances as of June 30, 2009. Cash related to these advances is considered restricted until funds are earned.

Net Assets:

Unrestricted net assets represent resources whose use is not limited by donors. They generally arise as a result of exchange transactions, unrestricted contributions or restricted contributions whose restrictions have expired.

Temporarily restricted net assets are amounts received with donor stipulations that limit the use of the assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

There are no permanently restricted net assets.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

2. 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.

3. PENSION PLAN:

Substantially all full-time employees of the Association are members of the Louisiana District Attorneys Retirement System, a cost - sharing, multiple - employer defined benefit pension plan administered by a separate board of trustees.

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by the Retirement System and the Louisiana District Attorneys Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board of assistant district attorneys.

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

3. PENSION PLAN: (Continued)

The fund is financed by employee and employer contributions established by state statute. Employee contributions are 7% of salary for active members, and .5% of salary for DROP participants. There were no employer contributions for the fiscal year in 2009. In addition, the fund receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of .2% of the ad valorem taxes shown to be collected. According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

The System received an actuarial valuation for the fiscal year ended June 30, 2009. The actuarial values of plan assets were \$221,051,999, \$227,804,058 and \$213,739,881 for the years ended June 30, 2009, 2008 and 2007, respectively.

During the year ended June 30, 2009, the System's actuarial valuation used the Aggregate Actuarial Cost Method based on earnings which does not identify and separately amortize unfunded actuarial liabilities. The actuarial value of assets is based on the market value of investment securities adjusted to smooth realized and unrealized capital gains over a three-year period. The actuarial assumptions include an 8% investment rate of return and projected salary increases of 6.75%. Cost of living adjustments are based on specific target ratios being met and excess interest earning available to fund a benefit increase. During fiscal year June 30, 2009, actuarial assumptions relating to rates of retirement, withdrawal, disability and DROP entry were changed to conform to recent experience and projected future experience.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the District Attorneys Retirement System of Louisiana, 1645 Nicholson Drive, Baton Rouge, Louisiana 70808.

4. SICK LEAVE:

All employees of the Association are entitled to twelve days of sick leave each year. A maximum of twenty-five days may be carried over to the following year. The Association does not pay employees for accumulated leave at termination of employment.

5. PROPERTY, PLANT AND EQUIPMENT:

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method. Depreciation expense for the period ended June 30, 2009 was \$41,165.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

5. PROPERTY, PLANT AND EQUIPMENT: (Continued)

Estimated useful life of fixed assets is as follows:

Buildings and improvements	15 years
Equipment	5-7 years
Furniture and Fixtures	5-7 years
Vehicles	5 years

The following is a summary of property, plant and equipment valued at cost, less accumulated depreciation.

Land	\$ 73,000
Buildings and improvements	589,875
Equipment	62,924
Furniture and fixtures	54,566
Vehicles	<u>40,544</u>
	820,909
Less: Accumulated depreciation	<u>541,202</u>
Net property, plant and equipment	<u>\$ 279,707</u>

Equipment includes computer equipment, software and licensing agreements purchased with federal funds. The original cost of the equipment purchased with federal funds totaled \$33,958 and the net book value as of June 30, 2009 was \$3,333. The net book value is recorded on the financial statements as temporarily restricted net assets.

6. INVESTMENTS:

At June 30, 2009, the Association held investments in Louisiana Asset Management Pool (LAMP) with a fair value of \$241,405 which includes \$40,948 deferred revenue from MacArthur Foundation. The investment in LAMP is included in cash and cash equivalents on the statement of assets, liabilities and net assets – modified cash basis.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment in its pool of assets. The primary objective of LAMP is to provide a *safe environment for the placement of public funds in short-term, high quality investments*. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

6. INVESTMENTS: (Continued)

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP's Investments Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than ninety days and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

7. TRANSACTIONS WITH RELATED ORGANIZATION:

The Association shares certain common functions and costs with the District Attorneys Retirement System of Louisiana (DARS). The LDAA provides the DARS with office space, office equipment, and administrative and accounting services. The LDAA paid expenses on behalf of the DARS in the amount of \$98,992. The LDAA also billed DARS \$24,000 for office space during the year ended June 30, 2009.

8. NET ASSET CLASSIFICATIONS:

Temporarily restricted assets relate to computer software and equipment purchased with grant funds that have been capitalized and are being depreciated over a three-year period.

During the current year \$2,044 of depreciation was expensed and thereby released from restriction.

9. LEASES:

The Association leases a copy machine under an operating lease that expires in February 2011. Minimum future rental payments under an operating lease having a remaining term of one year as of June 30, 2009 are:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2010	\$ 14,673
2011	<u>9,782</u>
Total minimum future rental payments	<u>\$ 24,455</u>

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

9. LEASE: (Continued)

The total amount charged to expense related to the copy machine lease was \$13,695 for the year ended June 30, 2009.

10. NOTE PAYABLE:

Note payable consists of the following:

Mortgage payable to Whitney National Bank, secured by the Association's building. The note bears interest of 6.806% with monthly installments of \$1,661 and matures November 2017	\$ 133,777
Less: current maturities	<u>12,627</u>
Total long-term debt	<u>\$ 121,150</u>

Following are maturities of the debt for each of the next five years and thereafter:

<u>Year Ended</u>	<u>Amount</u>
2011	\$ 13,372
2012	14,163
2013	14,998
2014	15,883
2015	16,822
Thereafter	<u>58,539</u>
	<u>\$ 133,777</u>



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JAMES MAHER, JR., C.P.A.
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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

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

December 14, 2009

Board of Directors
Louisiana District Attorneys Association, Inc.
1645 Nicholson Drive
Baton Rouge, LA 70802-8143

We have audited the financial statements of the Louisiana District Attorneys Association, Inc. (the Association) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 14, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Louisiana District Attorneys Association's, Inc. control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses, and, therefore there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting. 2009-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely for the information and use of the Board of Directors and management of Louisiana District Attorneys Association, Inc., federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

dh DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

hm CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 14, 2009

Board of Directors
Louisiana District Attorneys Association, Inc.
1645 Nicholson Drive
Baton Rouge, LA 70802-8143

Compliance

We have audited the compliance of Louisiana District Attorneys Association, Inc. (the Association), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Association's compliance with those requirements.

In our opinion, the Association complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Association is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the entity's ability to administer a federal program that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors and management of Louisiana District Attorneys Association, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Sub- Grant No.</u>	<u>2009 Expenditures</u>
Department of Health and Human Services, passed through Louisiana Department of Social Services				
U. S. Department of Social Services	Child support enforcement - (Title IV-D)	93.563	635021/ 355-701913	\$ <u>111,365</u>
Total Department of Health and Human Services				<u>111,365</u>
Department of Justice cluster, passed through Louisiana Commission on Law Enforcement				
U. S. Department of Justice	Prosecutors information management system Crime control safe streets (Criminal records improvements)	16.554	H08-8-002	312,165
U. S. Department of Justice	Crime control safe streets (RICO financial investigations)	16.579	B09-8-004	115,305
U. S. Department of Justice	Victims assistance	16.575	C06-8-005	84,498
U. S. Department of Justice	Elder Abuse Assistance	16.575	C05-8-023	28,418
U. S. Department of Justice	Hurricane Criminal Justice Infrastructure Recovery	16.738	Y07-8-003	222,671
U. S. Department of Justice	CRIMES Computer Systems	16.580	2008-DD-BX-0354	<u>69,528</u>
Total Department of Justice cluster				<u>832,585</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 943,950</u>

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards of Louisiana District Attorneys Association, Inc. has been prepared in conformity with accounting principles generally accepted in the United States of America. Expenditures are recognized when incurred.

The Association did not have any non-cash awards during the fiscal year.

2. DETERMINATION OF TYPES A AND B PROGRAMS:

Federal awards programs are classified as either Type A or Type B programs. For the period ending June 30, 2009, Type A programs consist of the federal programs that expended over \$300,000 and Type B programs are the programs that expended under \$300,000.

3. CLUSTER OF PROGRAMS:

A cluster is defined as a grouping of closely related programs that share common compliance requirements. While each individual program has its own CFDA number, the expenditures of these programs are totaled by cluster when determining Type A and Type B programs.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

PART I – Summary of Auditor’s Results

Financial Statements

1. An unqualified opinion was issued on the financial statements of Louisiana District Attorneys Association, Inc. for the year ended June 30, 2009.
2. Internal control over financial reporting:
 - Material weaknesses: None noted.
 - Significant deficiencies: Findings 09-01.
 - Noncompliance material to financial statements: None noted.

Federal Awards

1. Internal control over major programs:
 - Material weaknesses: None noted
 - Significant deficiencies: None noted
2. An unqualified opinion was issued on compliance for major programs of Louisiana District Attorneys Association, Inc.
3. There were no audit findings which are required to be reported in accordance with OMB Circular A-133, Section 510(a).
4. Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal CFDA No.</u>	<u>Expenditures</u>
U.S. Department of Justice:		
Prosecutors Information Management System	16.773	\$ 312,165
RICO Financial Investigations	16.579	115,305
Victims Assistance	16.575	84,498
Elder Abuse Assistance	16.575	28,418
CRIMES Computer System Training	16.580	69,528
Hurricane Criminal Justice Infrastructure Recovery	16.738	<u>222,671</u>
Total		<u>\$ 832,585</u>

5. The dollar threshold used for distinguishing Types A and B programs was \$300,000.
6. Louisiana District Attorneys Association, Inc. did not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

PART II – Financial Statement Findings Section

Finding No. 2009-01 Preparation of Financial Statements

Statement of

Condition: As is common in small organizations, management has chosen to engage the auditor to prepare the Association's annual financial statements. This condition is intentional by management based upon the Association's financial complexity, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Criteria: Generally accepted auditing standards now consider that the lack of a complete GAAP financial reporting package could prevent those charged with governance from identifying misstatements in a timely manner which could result in misstated or incomplete financial statements and is thereby now considered to be a significant deficiency in internal control.

Cause: Recently issued Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical. The Association has relied on its auditors to assist management in the preparation of draft financial statements.

Recommendation: As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Response: In response to the finding, management feels that it is a prudent use of public funds to engage the auditor to prepare the Association's annual financial reports. We therefore agree with the auditor's recommendation that no corrective action is necessary.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

PART III – Federal Award Findings and Questioned Cost Section

No matters are reportable.

Summary of prior year findings:

2008-01 Journal Entries

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries. Journal entries were required for financial statement misstatements related to accruals and depreciation expense. This condition is intentional by management based on the Association's financial complexity, along with the cost effectiveness of acquiring the ability to prepare the adjusting journal entries. This finding has been resolved in the current year.

2008-02 Preparation of Financial Statements

As is common in small organizations, management has chosen to engage the auditor to prepare the Association's annual financial statements. This condition is intentional by management based upon the Association's financial complexity, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles. This is repeated as finding 2009-01 in the current year.