

4314

REPORT

LOUISIANA DISTRICT ATTORNEYS  
ASSOCIATION, INC.

JUNE 30, 2013

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 APR 16 2014

LOUISIANA DISTRICT ATTORNEYS  
ASSOCIATION, INC.

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WILLIAM R. HOGAN, JR., C.P.A. (1920-1996)  
JAMES MAHER, JR., C.P.A. (1921-1999)

## INDEPENDENT AUDITOR'S REPORT

December 13, 2013

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

We have audited the accompanying financial statements of Louisiana District Attorneys Association, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2013 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Basis for Qualified Opinion**

The Association has not determined the liability relating to post employment benefits nor has it disclosed some of the related disclosures in accordance with accounting principles generally accepted in the United States of America. The effects of these departures on the financial statements are not reasonably determinable.

### **Qualified Opinion**

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana District Attorneys Association, Inc. as of June 30, 2013, and its changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards* we have also issued a report dated December 13, 2013, 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* in considering the Association's internal control over financial reporting and compliance.

*Duplaster, Hupman, Hogan & Maher LLP*

New Orleans, Louisiana

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

ASSETS

Cash and cash equivalents (Notes 1 and 6)	\$ 225,098
Cash and cash equivalents - temporarily restricted (Notes 1, 6 and 8)	16,693
Grants receivable (Note 1)	95,927
Accounts receivable (Note 1)	108,312
Life insurance policy - Cash Surrender Value (Note 12)	288,468
Property and equipment, net (Notes 5 and 8)	224,853
Property and equipment, temporarily restricted, net (Notes 5 and 8)	1,206
Deposits	<u>973</u>
 TOTAL ASSETS	 \$ <u><u>961,530</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Unearned revenue - grants (Note 1)	\$ 16,453
Accounts payable	33,707
Notes payable (Note 10)	76,234
Other liabilities	8,805
Total liabilities	<u>135,199</u>
NET ASSETS:	
Unrestricted net assets	825,834
Temporarily restricted net assets (Notes 1, 6 and 8)	<u>497</u>
Total net assets	<u><u>826,331</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>961,530</u></u>

See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Assessments (Note 1)			
Membership	\$ 725,625	\$ -	\$ 725,625
Conference and training	217,760	-	217,760
Contractual fee income	12,498	-	12,498
District Attorneys Retirement System (DARS)	155,454	-	155,454
Grants	615,719	-	615,719
Law enforcement handbook	19,148	-	19,148
Miscellaneous	75,674	-	75,674
Gain on investment	3,999	-	3,999
Net assets released from restrictions	709	(709)	-
Total revenues	<u>1,826,586</u>	<u>(709)</u>	<u>1,825,877</u>
EXPENSES:			
Program services	1,842,627	-	1,842,627
Support services - Management and general	202,992	-	202,992
Total expenses	<u>2,045,619</u>	<u>-</u>	<u>2,045,619</u>
Change in net assets	<u>(219,033)</u>	<u>(709)</u>	<u>(219,742)</u>
Net assets at beginning of year as previously stated	716,797	1,206	718,003
Prior period adjustment (Note 13)	<u>328,070</u>	<u>-</u>	<u>328,070</u>
Net assets at beginning of year as restated	<u>1,044,867</u>	<u>1,206</u>	<u>1,046,073</u>
Net assets at end of year	<u>\$ 825,834</u>	<u>\$ 497</u>	<u>\$ 826,331</u>

See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2013

	PROGRAM						
	Child Support Enforcement	Criminal Records Improvement	RICO Financial Investigations	Victims Assistance	Juvenile Justice	Training & Equipment	Elderly Services Program
Salaries and wages	\$ 79,679	\$ 23,400	\$ 76,341	\$ 64,661	\$ -	\$ -	\$ 4,842
Payroll taxes and benefits	13,422	4,592	15,478	14,762	-	-	-
Automobile expenses	-	-	-	-	-	-	-
Contractual services	1,100	61,305	-	300	-	3,900	12,850
Insurance	1,032	121	468	404	-	-	-
Travel and luncheons	848	-	2,801	327	194	-	9,222
Postage	4	-	411	55	-	-	35
Telephone and utilities	6,050	-	5,155	4,901	96	-	-
Printing and newsletter	1,548	-	306	85	67	-	814
Consumable supplies	4,238	-	3,707	107	-	-	2,241
Repairs, maintenance and rentals	12,043	-	3,678	854	-	10,000	17,348
Dues, subscriptions, registration	724	-	300	-	-	-	838
Interest	-	-	-	-	-	-	-
Equipment purchased	-	-	-	173	-	6,100	330
Conference expenses	846	-	1,458	-	39	-	105
Bad debt	-	-	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 121,534</b>	<b>\$ 89,418</b>	<b>\$ 110,103</b>	<b>\$ 86,629</b>	<b>\$ 396</b>	<b>\$ 20,000</b>	<b>\$ 48,625</b>

See accompanying notes.

SERVICES							SUPPORT SERVICES	
<u>LAVN</u>	<u>Member Services</u>	<u>Worthless Checks</u>	<u>Highway Traffic Safety</u>	<u>NAPC Services</u>	<u>DARS</u>	<u>Total</u>	<u>Management &amp; General</u>	<u>Total</u>
\$ 10,597	\$ 353,958	\$ 50,813	\$ 49,246	\$ 11,020	\$ 75,180	\$ 799,737	\$ 72,497	\$ 872,234
842	130,039	18,388	11,750	843	27,217	237,333	26,635	263,968
-	11,541	-	-	-	-	11,541	2,364	13,905
150	75,722	-	300	-	1	155,628	15,509	171,137
2,522	16,516	283	356	-	486	22,188	3,383	25,571
-	34,189	1,138	7,751	-	13,646	70,116	7,002	77,118
-	2,439	75	108	10	2,643	5,780	500	6,280
-	23,773	5,871	2,196	-	5,699	53,741	4,869	58,610
-	45,696	21	1,137	-	825	50,499	9,360	59,859
-	23,375	917	5,902	-	1,375	41,862	4,788	46,650
-	50,777	9,145	3,712	-	3,668	111,225	10,400	121,625
-	13,414	-	404	-	-	15,680	2,747	18,427
-	3,787	-	-	-	-	3,787	776	4,563
-	6,985	-	-	-	275	13,863	1,431	15,294
-	132,555	-	23,190	-	402	158,595	27,150	185,745
-	24,744	-	-	-	-	24,744	-	24,744
-	15,284	-	-	-	-	15,284	3,130	18,414
-	51,024	-	-	-	-	51,024	10,451	61,475
<u>\$ 14,111</u>	<u>\$ 1,015,818</u>	<u>\$ 86,651</u>	<u>\$ 106,052</u>	<u>\$ 11,873</u>	<u>\$ 131,417</u>	<u>\$ 1,842,627</u>	<u>\$ 202,992</u>	<u>\$ 2,045,619</u>



LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (219,742)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	61,475
Increase in cash surrender value of life insurance	39,603
Changes in operating assets and liabilities:	
Accounts and grants receivable	161,720
Deposits	205
Accounts payable and other liabilities	22,072
Unearned revenue	(711)
Net cash provided by operating activities	<u>64,622</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Property and equipment purchased	<u>(12,262)</u>
Net cash used by investing activities	<u>(12,262)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Principal payments on note payable	<u>(18,595)</u>
Net cash used by financing activities	<u>(18,595)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 33,765
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>208,026</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 241,791</u>
 <b>SUPPLEMENTAL INFORMATION:</b>	
Interest paid	<u>\$ 4,563</u>

See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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, highway traffic safety, worthless checks and violence against women programs. These federal programs are received directly from the issuing agencies, 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 accrual basis of accounting. Revenues are recorded when earned and expenses recorded when they are incurred. Unearned revenue is reflected on grants that are advanced until the funds have been expended.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) 958-205, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, 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 activities 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, 2013

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.

The Association's federal exempt organization tax returns for the years ended June 30, 2013, 2012 and 2011 are subject to examination by the Internal Revenue Service, generally three years after they are filed.

In June 2006, The Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, an Interpretation of FASB Statement No. 109, which is now Accounting Standards Codification 740 (ASC 740). ASC 740 requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination.

The Association has evaluated its tax positions and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740. Accordingly, ASC 740 does not have any impact on the accompanying financial statements.

Statement of Cash Flows:

For purposes of the statement of cash flows, the Association considers cash and cash equivalents to be all items designated as "cash and cash-restricted" on the statement of financial position.

Accounts Receivable:

Accounts receivable represents amounts due from district attorney offices for assessments that have been billed and not been received as of June 30, 2013. Based on past experience in collections, no allowance for uncollectibility is required.

Unearned Revenue/Restricted Cash:

Unearned revenue represents grant exchange transaction advances collected in advance as of June 30, 2013. Cash related to these advances is considered temporarily restricted until funds are earned.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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.

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.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

3. PENSION PLAN: (Continued)

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.

The fund is financed by employee and employer contributions established by state statute. Employee contributions are 7% of salary for active members. Employer contributions are actuarially determined and were 10.25%, 9.75% and 9% of salary for the years ended June 30, 2013, 2012 and 2011, respectively. Employer contributions totaled \$88,646, \$91,417 and \$77,740 for the years ended June 30, 2013, 2012 and 2011, respectively. 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.

During the year ended June 30, 2013, 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 a 7.5% investment rate of return. Cost of living adjustments are based on specific target ratios being met and excess interest earning available to fund a benefit increase.

The Association has not determined the cost of its plan in accordance with FASB ASC 715-30 *Defined Benefit Plans-Pension*, which is effective for plan years ending after December 15, 2008. FASB ASC 715-30 requires the cost of defined benefit plans to be recognized over the employees' respective service periods and a liability to be recognized when the accumulated benefit obligation exceeds the fair value of plan assets. The effect of that departure on the financial statements is not reasonably determinable.

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.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

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 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, 2013 was \$61,475. The Association capitalizes all property and equipment purchases in excess of \$1,000 at cost.

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	161,983
Furniture and fixtures	62,165
Vehicles	<u>66,709</u>
	953,732
Less: Accumulated depreciation	<u>727,673</u>
Net property, plant and equipment	<u>\$ 226,059</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, 2013 was \$496. The net book value is recorded on the financial statements as temporarily restricted net assets.

6. CASH AND CASH EQUIVALENTS:

At June 30, 2013, the Association held investments in Louisiana Asset Management Pool (LAMP) with a fair value of \$172,908 which is based on the original investment plus earnings. This amount includes \$16,693 unearned revenue from MacArthur Foundation which requires advanced funds to be held in a separate account. The investment in LAMP is included in cash and cash equivalents on the statement of assets, liabilities and net assets.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

6. CASH AND CASH EQUIVALENTS: (Continued)

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.

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. LAMP's investments 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 \$155,612. The LDAA also billed DARS \$24,000 for office space during the year ended June 30, 2013.

8. NET ASSET CLASSIFICATIONS:

Temporarily restricted assets relating to computer software and equipment purchased with grant funds that have been capitalized and are being depreciated over a five-year period. During the current year \$709 of depreciation was expensed and thereby released from restriction.

9. LEASES:

The Association leases a copy machine under an operating lease that expires in August 2015. Minimum future rental payments under an operating lease having a remaining term over one year as of June 30, 2013 are:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2014	\$ 10,908
2015	<u>2,727</u>
Total minimum future lease payments	<u>\$ 13,635</u>

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

9. LEASES: (Continued)

The total amount charged to expense related to the copy machine lease was \$12,373 for the year ended June 30, 2013.

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	\$ 76,234
Less: current maturities	<u>15,883</u>
Total long-term debt	<u>\$ 60,351</u>

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

<u>Year Ended</u>	<u>Amount</u>
2014	\$ 15,883
2015	16,822
2016	17,815
2017	18,866
Thereafter	<u>6,848</u>
	<u>\$ 76,234</u>

The total amount charged to expense related to the note payable was \$4,563 for the year ended June 30, 2013.

11. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through, December 13, 2013, which is the date the financial statements were available to be issued and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

12. LIFE INSURANCE:

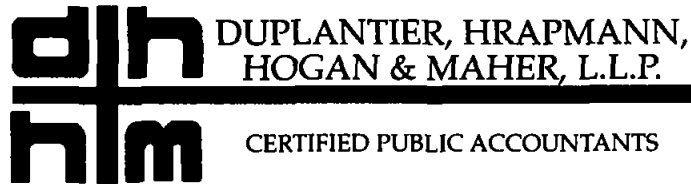
The Association is the owner and beneficiary of a \$130,000 term life insurance policy purchased in 1993 on the life of a key officer. Upon retirement or disability, the Association shall make 180 payments of \$2,667 to the officer or his beneficiary. If the officer dies prior to retirement, no benefit shall be paid. The cash surrender value as of June 30, 2013 was \$288,468 and the death benefit was \$595,916.



LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013

13. PRIOR PERIOD ADJUSTMENT:

Net assets at the beginning of 2013 has been adjusted to correct the balance of the cash surrender value of the officer's life insurance. The effect in net assets for 2012 is an increase in the amount of \$328,070.



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LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.  
GRADY C. LLOYD, III, C.P.A.

HEATHER M. JOVANOVIICH, C.P.A.  
TERRI L. KITTO, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF I.A. CPAs

MICHAEL J. O'ROURKE, C.P.A.  
DAVID A. BURGARD, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.

A.J. DUPLANTIER, JR., C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A. (1920-1996)  
JAMES MAHER, JR., C.P.A. (1921-1999)

INDEPENDENT AUDITOR'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 13, 2013

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

We have audited, in accordance with the 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, the financial statements of Louisiana District Attorneys Association, Inc. (the Association), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana District Attorneys Association, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency (2013-01) in internal control, described in the accompanying schedule of findings that we consider to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, 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 or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Duplaster, Hepburn, Wagon & Maher LLP*

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

PART I – Summary of Auditor’s Results:

Financial Statements

1. A qualified opinion was issued on the financial statements of Louisiana District Attorneys Association, Inc. for the year ended June 30, 2013.
2. Internal control over financial reporting:  
  
Material weaknesses: None noted.  
Significant deficiencies: 2013-01.
3. Compliance and other matters: None noted.

PART II – Financial Statement Findings Section:

Finding No. 2013-01 Financial Reporting

Statement of  
Condition:

The Association’s financial statements do not include the postretirement benefit liability and related disclosures as required by *FASB ASC 715-20 50*. This condition is intentional by management due to the cost of having an actuarial valuation performed to determine this liability. This is a repeat finding.

Criteria:

Louisiana audit law requires that agencies that report to the Legislative Auditor provide GAAP basis financial statements.

Cause:

The Association did not have an actuarial valuation performed to determine the post-employment benefit liability therefore the Association’s financial statements do not reflect the post-employment liability.

Recommendation:

Due to the cost of hiring an actuary, we recommend that the Association delay the recording of the post-employment benefit liability and related footnotes until this information becomes available through the District Attorney’s Retirement System.

Response:

We feel that hiring an actuary to determine the Association’s post-employment benefit liability would not be cost-effective for the Association at this time. The Association will record this liability and related disclosures when *GASB 68, Accounting and Financial Reporting for Pensions*, becomes effective and this information becomes available through the retirement system’s actuary.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.  
SUMMARY SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

PART III – Summary of Prior Year Findings:

2012-01 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 was resolved in the current year.

2012-02 Financial Reporting

The Association's financial statements do not include the postretirement benefit liability and related disclosures as required by *FASB ASC 715-20 50*. This condition is intentional by management due to the cost of having an actuarial valuation performed to determine this liability. This finding was repeated in the current year.