5/06

REPORT

LOUISIANA PUBLIC EMPLOYEES
DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA

DECEMBER 31, 2009

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA

INDEX TO REPORT

DECEMBER 31, 2009

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

CERTIFIED PUBLIC ACCOUNTANTS

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

ANN H. HEBERT, C.P.A.
GRADY C. LLOYD, III, C.P.A.
HENRY L. SILVIA, 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)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

July 6, 2010

Louisiana Public Employees
Deferred Compensation Commission
Louisiana Public Employees
Deferred Compensation Plan
Baton Rouge, Louisiana

We have audited the accompanying statement of net assets available for benefits of the Louisiana Public Employees Deferred Compensation Plan as of December 31, 2009, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of Louisiana Public Employees Deferred Compensation Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Stable Value Fixed Income Fund, also known as the Stable Asset Fund VII [State of Louisiana], an investment product managed by Great-West Life & Annuity Insurance Company, which represents 50% and 30%, respectively, of the assets and revenues of the Louisiana Public Employees Deferred Compensation Plan Pension Trust Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Stable Value Fixed Income Fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to the 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinion.

1615 Poydras Street, Suite 2100 New Orleans, LA 70112 · (504) 586-8866 · Fax (504) 525-5888
1670 Old Spanish Trail Slidell, LA 70458 · (985) 649-9996 · Fax (985) 649-9940
247 Corporate Drive Houma, LA 70360 · (985) 868-2630 · Fax (985) 872-3833
www.dhhmcpa.com

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to previously present fairly, in all material respects, the net assets available for benefits of the Louisiana Public Employees Deferred Compensation Plan as of December 31, 2009 and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Management's discussion and analysis on pages 3 through 4 is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 6, 2010 on our consideration of Louisiana Public Employees Deferred Compensation Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009

The Management's Discussion and Analysis of the Louisiana Public Employees Deferred Compensation Plan's financial performance provides an overview of the Plan's financial activities for the fiscal year ended December 31, 2009. Please read this in conjunction with the Plan's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets Available for Plan Benefits and the Statements of Changes in Net Assets Available for Plan Benefits provide information about the activities of the Plan. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

CONDENSED FINANCIAL INFORMATION

	As of and for the year ended December 31, 2009	As of and for the year ended December 31, 2008	Percentage Increase (Decrease)
Total assets	$ 936,580,195	$ 741,778,400	26%
Total liabilities	(3,905,771)	(574,469)	580%
Total net assets	$ 932,674,424	$ 741,203,931	
Additions:			
Contributions	$ 101,844,713	$ 97,202,618	5%
Net investment income/(loss)	133,828,062	(154,979,255)	186%
Total plan additions/(deletions)	235,672,775	(57,776,637)	
Deductions:			
Benefit payments	41,420,060	48,074,845	(14%)
Administrative fees	2,660,946	1,574,850	69%
Commission expenses	121,276	140,984	(14%)
Total plan deductions	44,202,282	49,790,679	
Change in plan assets	$ 191,470,493	$ (107,567,316)	

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The Plan assets increased by 26% in 2009 as the stock market provided positive returns. Participant contributions to the Plan did not change significantly in 2009. Benefit payments and direct rollovers decreased by 14% in 2009, for those participants who retired, severed employment, suffered an unforeseen financial emergency, purchased service credit from their pension system, received a loan and/or transferred assets from the Plan to another provider.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009

DESCRIPTION OF CURRENTLY KNOWN FACTS

The Louisiana Deferred Compensation Commission, in fulfilling its fiduciary responsibilities, continued to monitor the performance of the Plan's core fixed and variable investment options. With assistance from the Plan consultant, Wilshire Associates, the Commission closely monitored the investment companies that manage Plan investment options. The Commission accepted the recommendation of their consultant to re-vamp the existing Profile allocations and added two new investment options, MainStay High Yield Corporate I shares and Blackrock U.S. Treasury Inflation Protected Securities (TIPS). The Commission also accepted Wilshire's recommendation to disclose administrative fees to plan participants and move from unit value to share pricing on most of the investments in the Plan. Due to a change in the tax law, the Plan participated in the suspension of the 2009 Required Minimum Distributions at the option of the Plan participants. As always, the Commission stressed the need for participant education.

Respectfully submitted,

Emery J. Bares

Emery J. Bares, Chair
Louisiana Deferred Compensation Commission

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2009

ASSETS:	
Cash	$ 1,578,823
Investments	930,943,101
Cash surrender value of life insurance	685,523
Contributions receivable	638,128
Due from plan administrator	408,074
Receivable for securities sold	2,326,546
Total assets	936,580,195
LIABILITIES:	
Accounts payable	95,167
Payable for securities purchased	3,810,604
Total liabilities	3,905,771
NET ASSETS AVAILABLE FOR BENEFITS	$ 932,674,424

See accompanying notes.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2009

ADDITIONS:	
Contributions	$ 101,844,713
Investment income	133,828,062
Total additions	235,672,775
DEDUCTIONS:	
Administrative fees	2,660,946
Benefit payments	41,420,060
Commission expenses	121,276
Total deductions	44,202,282
NET INCREASE	191,470,493
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	741,203,931
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	$ 932,674,424

See accompanying notes.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

As required by Louisiana Revised Statutes (R.S.) 42:1301-1308, the Louisiana Public Employees Deferred Compensation Plan (the Plan) is supervised by the Louisiana Deferred Compensation Commission, a political subdivision of the State of Louisiana within the executive branch of government. The Commission is composed of seven board members who serve without compensation. The Plan was established in accordance with Section 457 of the *Internal Revenue Code of 1986*, as amended, for the purpose of allowing officers, employees, and independent contractors of the state or any of its political subdivisions to voluntarily elect to contribute a portion of their compensation into the Plan for the purposes of deferring the payment of federal and state income taxes on the contributions until such time as they are withdrawn by the participants. At December 31, 2009, approximately 39,285 participants are in the Plan. The commission has no employees.

On December 18, 2001, the commission selected Great-West Life & Annuity Insurance Company as the plan administrator for a term of eight years beginning on January 1, 2002, with an option to extend the term through December 31, 2012. On October 1, 2008, the commission elected to exercise the option to extend the term though December 31, 2012.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION:

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and reporting principles.

REPORTING ENTITY:

The State of Louisiana and any of its political subdivisions offer employees a deferred compensation plan created in accordance with Section 457 of the *Internal Revenue Code of* 1986. The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with provisions of GASB Statement No. 32, plan balances and activities are not reflected in the State of Louisiana's or its political subdivisions' financial statements.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND ACCOUNTING:

The Plan uses a pension trust fund to report on its net assets and changes in net assets. Pension trust funds are used to account for resources that are required to be held in trust for members and beneficiaries of employee benefit plans. The pension trust fund accounts for contributions, investment income, and benefits distributed to participants.

BASIS OF ACCOUNTING:

Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements, regardless of the measurement focus applied. The transactions of the Plan are accounted for using the accrual basis of accounting and on a flow of economic resources measurement focus where the aim is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets. Accordingly, revenue is recognized when earned and expenses are recognized when incurred. The Plan uses the following practices in recognizing revenues and expenses:

- Contributions

  Contributions are recognized in the period when the compensation used to calculate the contributions is reported on Internal Revenue Service Form W-2.

- Investment Income

  Investment income is accrued as earned, net of applicable investment management fees.

- Plan Expense

  Investment management fees are netted daily from investment income and, therefore, are not a liability of the Plan at December 31, 2009.

- Benefits Paid to Participants

  Benefits are recorded when paid.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments:

Investments in fixed earnings and variable earnings options are valued at the fixed earnings rates or variable unit values as reported by the investment carriers, which approximates fair value. These values represent contributions received plus investment income earned to date less applicable charges and amounts withdrawn. Purchases and sales of fixed and variable earnings investments are recorded on the trade date.

2. PLAN DESCRIPTION:

The Plan is authorized under Section 457 of the Internal Revenue Code. Amounts deferred by participants are limited to $16,500 for 2009. Participants who were age 50 or older by the end of the calendar year were eligible to make additional catch up contributions of up to $5,500 for 2009. Any amounts deferred are not subject to federal or state income tax withholding nor are they includible as gross income until actually paid or otherwise made available to the participant. At December 31, 2009, there are 557 separate entities participating in the Plan.

Participants of the Plan may withdraw funds from the Plan upon retirement as determined in accordance with retirement laws of that state, separation of service with the state, or financial hardship as approved by the Plan's hardship committee. In addition, beneficiaries of the participant may withdraw funds upon the death of the participant. Upon retirement, participants may select various benefit options, including lump sum payments and periodic payments for a designated term that is not in excess of the life expectancy of the participant or the life expectancy of the beneficiary. Participants may also withdraw funds, or be required to do so by the commission, if contributions have not been made in the past 24 months and if the total balance of the participant's account is less than $5,000.

It is the opinion of the State's legal counsel, the Louisiana Attorney General, that the State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

3. CASH:

Cash includes demand deposits. Under state law, the Plan may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The plan administrator is authorized to invest in various investment products, including mutual funds, United States Treasury bills or notes, life insurance, fixed or variable annuities, and other investments approved by the commission.

As of December 31, 2009, the Plan had cash in demand deposits (book balances) totaling $1,578,823. Deposit balances (bank balances) of $2,233,446 at December 31, 2009, are fully secured by federal deposit insurance.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

4. INVESTMENTS:

The Plan's investment policy is to provide a broad array of diverse investment options, which will enable plan participants to have the flexibility and the vehicles to develop their individual investment portfolio.

Investments are reported at fair value. Investments valued at $928,837,196 and $2,105,905 are owned by plan participants and the Commission Activity Fund, respectively. The Commission Activity Fund invests in the Stable Value Fixed Income Fund. Plan participants invest in various types of investment options. The following itemizes the various investment options and the fair value of the investments at December 31, 2009:

Product/Company Investment Options	Fair Value At December 31, 2009
Great-West Life & Annuity Insurance Company:	
Aggressive Profile – profile fund	$ 21,102,331
AIM Real Estate Fund Institutional – mutual fund	7,340,305
American Century Equity Income – mutual fund	15,470,466
American Funds Cap Wld Growth & Income R4 – mutual fund	24,705,569
American Funds Europacific R4 – mutual fund	9,730,671
American Funds Growth Fund R4 – mutual fund	31,463,560
American Funds Washington Mutual R4 – mutual fund	5,340,397
Ariel Appreciation Fund – mutual fund	16,597,154
Artisan Mid Cap Fund – mutual fund	14,568,088
Blackrock EAFE Equity Index Coll F – mutual fund	1,539,315
Blackrock Russell 1000 Index Coll F – mutual fund (2)	69,475,278
Blackrock Russell 2000 Index Coll F – mutual fund	2,561,494
Blackrock US Treasury Infl Protected Securities – mutual fund	9,101
Conservative Profile – profile fund	10,208,203
Janus Twenty Fund J – mutual fund	24,429,197
Legg Mason Value Trust – mutual fund	3,866,420
Loomis Sayles Bond I – mutual fund	19,928,976
Mainstay High Yield Corporate Bond I – mutual fund	4,600
Maxim MFS International Value Portfolio – mutual fund	17,726,280
Moderate Profile – profile fund	31,861,631
Oppenheimer Developing Markets Y – mutual fund	31,124,053
Perkins Small Cap Value Fund J – mutual fund	19,671,286
PIMCO Total Return Administrative Fund – mutual fund	21,144,639
RS Emerging Growth Fund – mutual fund	5,220,468
Touchstone Midcap Growth A – mutual fund	21,514,818
T. Rowe Price Equity Income Fund – mutual fund	29,517,726
Stable Value Fixed Income Fund – U.S. government obligations and investment grade corporate obligations (1) (2)	472,774,956
Total Great-West Life & Annuity Insurance Company	928,896,982
Commercial Life Insurance Company – annuity	62,269
Other investments – self-directed brokerage accounts	1,983,850
TOTAL INVESTMENTS	$ 930,943,101

(1) Short-term investments of $5,500,000 were valued at cost (which approximates fair value) while the remaining balance of $467,274,956 was valued by independent pricing services (fair value).

(2) Investments that represent five percent or more of the Plan's net assets as of December 31, 2009.

4. INVESTMENTS: (Continued)

The Plan also has an investment in life insurance with Reliance Standard Life Insurance Company. This investment is valued at the cash surrender value of the life insurance policies, which is $685,523 at December 31, 2009.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single user. The Plan invests in the Stable Value Fixed Income Fund, which represents 51% of total Plan investments. The Plan has no policy concerning concentration of credit risk.

Credit Risk:

Credit risk is defined as the risk that an insurer or other counter-party to an investment will not fulfill its obligations. The Plan has no policy concerning credit risk. The Plan invests in the Stable Value Fixed Income Fund which is an unrated investment product. As of December 31, 2009, the ratings of the underlying assets within the Stable Value Fixed Income Fund are unknown.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that in an event of a failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral that is in possession of an outside party. Investments managed directly by Great-West and self-directed brokerage account investments are held in separate accounts and therefore are not subject to custodial credit risk. Investments held in separate accounts represent 99% of total Plan investments. The Plan has no formal policy regarding custodial credit risk.

5. INVESTMENT INCOME:

The annual rate of interest credited to participant accounts on investments with the various investment products for the year ended December 31, 2009, is as follows:

Investment Product		
Stable Value Fixed Income Fund	Fixed annuity:	
	January – March	4.25%
	April – June	4.15%
	July – September	4.05%
	October – December	3.85%

Investment income for the Stable Value Fixed Income Fund is reported at net, less the investment management fees disclosed in Note 8.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

5. INVESTMENT INCOME: (Continued)

Investment income for the AIM Real Estate Fund, American Century Equity Income Fund, American Funds, Ariel Appreciation Fund, Artisan Mid Cap Fund, Blackrock Funds, Janus Twenty Fund, Legg Mason Value Trust, Loomis Sayles Bond Fund, Mainstay High Yield Corporate Bond Fund, Maxim MFS International Value Portfolio, Oppenheimer Developing Markets Fund, Perkins Small Cap Value Fund, PIMCO Total Return Administrative Fund, RS Emerging Growth Fund, Touchstone Midcap Growth Fund, T. Rowe Price Equity Income Fund, and the three portfolio funds, (Aggressive, Conservative, and Moderate) are not expressed as a percentage because earnings result from gains or losses arising from investment transactions and fluctuations in fair value of the applicable investments.

6. ADMINISTRATIVE FEES:

During the year the Plan incurred $2,660,946 of administrative fees. $62,873 of those fees represents miscellaneous administrative fees. The remainder, $2,598,073, represents administrative fees from Great-West Life & Annuity Insurance Company (Great-West). Administrative fees from Great-West are set at $66 per participant per annum and are designed to accurately reflect the actual costs incurred for each participant. The fees are calculated and deducted quarterly based on the number of participants at the end of each quarter. The fees are paid from the Commission Activity Fund.

7. RELATED PARTY TRANSACTIONS:

In addition to acting in the capacity of plan administrator for the Louisiana Public Employees Deferred Compensation Plan, Great-West Life Assurance Company, through its wholly-owned subsidiary, Great-West Life & Annuity Insurance Company, offers fixed annuity and mutual fund products to Plan participants. At December 31, 2009, investments in these products represent 99% of total Plan assets. These investments are held in separate asset accounts, which are not subject to the general creditors of Great-West Life & Annuity Insurance Company. See footnotes 8 and 9 for additional related party disclosures.

8. STABLE VALUE FIXED INCOME FUND:

The Commission has a contract in place with Great-West Life & Annuity Insurance Company to provide investment management services for the Stable Value Fixed Income Fund. The contract provides for an annual fee that accurately reflects the actual costs incurred for managing the assets within the Fund. These fees are in addition to the administrative fee and the fee for the Commission Activity Fund as detailed in Notes 6 and 9, respectively. Fees are calculated using a "ratcheted" rate based on the level of assets held by the Fund. As of December 31, 2009, these rates ranged from .16% to .22%. During the year ended December 31, 2009, Great-West Life & Annuity Insurance Company charged fees of $805,824 for investment management services.

LOUISIANA PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

8. STABLE VALUE FIXED INCOME FUND: (Continued)

At December 31, 2009, participant account balances in the Stable Value Fixed Income Fund totaled $458,634,116. The fair value of the net assets of the Stable Value Fixed Income Fund as of December 31, 2009, is $472,774,956. The difference between the participant account balances and the net assets of the Fund is attributable to unrealized gains or losses on investments and differences between the crediting rate and actual interest earned.

9. COMMISSION EXPENSES:

The Louisiana Public Employees Deferred Compensation Commission maintains an account referred to as the Commission Activity Fund (CAF) that is included within the pension trust fund. These funds are the property of the Plan and are used for expenses of the Commission. The CAF has a balance of $2,105,905 at December 31, 2009, which is included in the investment balance reported in the financial statements. The Commission Activity Fund is funded by fees deducted quarterly from Plan participant's accounts by Great-West. Each year the Commission determines the fees necessary to fund the CAF. The Commission has set the annual fee at .25% of Plan assets deducted quarterly from Plan participant accounts. Due to the balance in the CAF, the Commission elected to refund a portion of administrative fees to Plan participants based on their quarterly balance. During the year ending December 31, 2009, the CAF received interest in the amount of $63,547, received other income in the amount of $320,287 and collected fees in the amount of $3,720,204 of which $994,338 of the fees collected were refunded back to participants during 2009. Administrative fees to Great-West and commission expenses for the year ended December 31, 2009, totaled $2,598,073 and $121,275, respectively.

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

CERTIFIED PUBLIC ACCOUNTANTS

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

ANN H. HEBERT, C.P.A.
GRADY C. LLOYD, III, C.P.A.
HENRY L. SILVIA, 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)

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 A FINANCIAL STATEMENTS AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

July 6, 2010

Louisiana Public Employees
Deferred Compensation Commission
Louisiana Public Employees
Deferred Compensation Plan
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Public Employees Deferred Compensation Plan, as of and for the year ended December 31, 2009, and have issued our report thereon dated July 6, 2010. Our report includes a reference to other auditors. 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.

Other auditors audited the financial statements of the Stable Value Fixed Income Fund, as described in our report on Louisiana Public Employees Deferred Compensation Plan's financial statements. The financial statements of the Stable Value Fixed Income Fund were not audited in accordance with *Government Auditing Standards*.

<u>Internal Control Over Financial Reporting</u>

In planning and performing our audit, we considered Louisiana Public Employees Deferred Compensation Plan'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 an opinion on the internal control over financial reporting.

1615 Poydras Street, Suite 2100 New Orleans, LA *70112* · *(504) 586-8866* · Fax *(504) 525-5888*
1670 Old Spanish Trail Slidell, LA 70458 · (985) 649-9996 · Fax (985) 649-9940
247 Corporate Drive Houma, LA 70360 · (985) 868-2630 · Fax (985) 872-3833
www.dhhmcpa.com

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 Louisiana Public Employees Deferred Compensation Plan's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Public Employees Deferred Compensation Plan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of 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.*

This report is intended for the information and use of the Commission, the Plan and the Office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specified. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP