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DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Annual Financial Report

December 31, 2006

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 8/15/07

Table of Contents

	<u>Statement</u>	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORTS		
Management's Discussion and Analysis		4
Independent Auditor's Report		7
Statement of Net Assets	A	9
Statement of Activities	B	10
Balance Sheet - Governmental Funds	C	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets		12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	D	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities		15
Statement of Fiduciary Net Assets	E	16
Notes to Financial Statements		17
SUPPLEMENTAL INFORMATION		
Budgetary Comparison Schedule - General Fund & Special Revenue Fund		31
Fiduciary Trust Fund - Schedule of Changes in the Balance of Restitution to Victims		34

Table of Contents - continued

	<u>Statement</u>	<u>Page No.</u>
SUPPLEMENTAL INFORMATION-Continued		
Schedule of Expenditures of Federal Awards		35
Report on Internal Control over financial reporting and on Compliance and Other Matters based on our audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i>		37
Report on Compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133		39
Schedule of Findings and Questioned Costs		41

ST. TAMMANY PARISH
COVINGTON OFFICE
JUSTICE CENTER
701 N. COLUMBIA STREET
COVINGTON, LOUISIANA 70433
(985) 809-8383

SLIDELL OFFICE
520 OLD SPANISH TRAIL, SUITE 340
SLIDELL, LOUISIANA 70458
(985) 646-4111

WALTER P. REED
DISTRICT ATTORNEY
WASHINGTON - ST. TAMMANY PARISHES
22ND JUDICIAL DISTRICT



WASHINGTON PARISH
905 PEARL STREET
FRANKLINTON, LA 70438
(985) 839-6711

NON-SUPPORT DIVISION
905-B PEARL STREET
FRANKLINTON, LA 70438
(985) 839-6303

BOGALUSA OFFICE
328 AUSTIN STREET
BOGALUSA, LA 70427
(985) 732-9594

Management's Discussion and Analysis December 31, 2006

The Management's Discussion and Analysis of the District Attorney's financial performance presents a narrative overview and analysis of the District Attorney's financial activities for the year ended December 31, 2006. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which begin on page 9 and the accompanying notes to the financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

1. The District Attorney had cash and investments of \$1,487,916 at December 31, 2006 which represents a decrease of \$715,962 from prior year end.
2. The District Attorney had receivables of \$201,304 at December 31, 2006 which represents an increase of \$35,952 from prior year end.
3. The District Attorney had accounts payable and accruals of \$116,382 at December 31, 2006 which represents an increase of \$47,930 from prior year end.
4. The District Attorney had total revenues of \$3,405,096 for the year ended December 31, 2006 which represents an increase of \$451,238 from prior year.
5. The District Attorney had fees, fines and charges for services of \$216,474 for the year ended December 31, 2006 which represents an increase of \$55,144 from prior year.
6. The District Attorney had operating and capital grants of \$1,053,889 for the year ended December 31, 2006 which represents an increase of \$68,938 from prior year.
7. The District Attorney had total expenditures of \$2,813,527 for the year ended December 31, 2006 which represents an increase of \$222,169 from prior year.
8. The District Attorney had capital asset purchases of \$87,847 for the year ended December 31, 2006 which represents a decrease of \$16,795 from prior year.
9. The District Attorney had no debt service payments for the year ended December 31, 2006 which represents no change from prior year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information (other than MD&A)

These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as a whole and present a longer-term view of the District Attorney’s finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

The Statement of Net Assets and the Statement of Activities report the District Attorney’s net assets and changes in them. You can think of the District Attorney’s net assets, the difference between assets and liabilities, as one way to measure the District Attorney’s financial health, or financial position. Over time, increases or decreases in net assets may serve an indicator whether the financial position of the District Attorney of the Twenty-Second Judicial District is improving or deteriorating.

Fund financial statements start on page 11. All of the District Attorney’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney’s activities as well as what remains for future spending.

FINANCIAL ANALYSIS OF THE ENTITY

Net Assets of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana decreased by \$351,756 or 15.49% from the previous year. The decrease is the result of expenses exceeding operating and nonoperating revenues during the year ended December 31, 2006.

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana’s total revenues, net of transfers, increased by \$451,238 or 15.39% from the previous year. The total cost of all programs and services increased by \$498,238 or 15.78% from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the District Attorney of the Twenty-Second Judicial District had \$345,749, net of depreciation, invested in furniture, equipment, and vehicles. This amount represents a net decrease (including additions and decreases) of \$ 39,375 from the previous year.

Debt

The District Attorney of the Twenty-Second Judicial District had no outstanding debt at this year end and the previous year end.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$478,496 more than the budget amounts due to fees, fines and charges for services and intergovernmental revenues being more than expected.

Actual expenditures were \$411,677 more than the budgeted amounts due to operating services being more than expected.

EXPECTED FACTORS AND NEXT YEAR'S BUDGET

The District Attorney of the Twenty-Second Judicial District considered the following factors and indicators when setting next year's budget. These factors and indicators include:

1. Fees, fines, and charges for services
2. Intergovernmental revenues (federal and state grants)
3. Personal services expenses
4. Operating services expenses

The District Attorney of the Twenty-Second Judicial District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT OF THE STATE OF LOUISIANA'S MANAGEMENT

This financial report is designed to provide a general overview of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's finances for all those with an interest in the government's finances and to show the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Twenty-Second Judicial District, Justice Center, 701 North Columbia Street, Covington, LA 70433.

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 289-0050

INDEPENDENT AUDITOR'S REPORT

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

I have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as of and for the year ended December 31, 2006. These financial statements are the responsibility of management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of December 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 22, 2007, on my consideration of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting and on my 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 my 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 my audit.

MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

The Management's Discussion and Analysis on pages 4 through 6 and budgetary comparison information on pages 31 through 33 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" and is also no a required part of the basic financial statements of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana. The Schedule of Changes in the Balance of the Restitution To Victims on page 34 and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Justin J. Scanlan, CPA

June 22, 2007

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

Statement A

STATEMENT OF NET ASSETS
December 31, 2006

ASSETS

Cash and cash equivalents	\$	1,487,916
Receivables		201,304
Capital assets, net of accumulated depreciation		<u>345,749</u>
TOTAL ASSETS	\$	<u>2,034,969</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$	116,382
TOTAL LIABILITIES		<u>116,382</u>

NET ASSETS

Invested in capital assets		345,749
Unrestricted		<u>1,572,838</u>
TOTAL NET ASSETS	\$	<u>1,918,587</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

Statement B

STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2006

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit	
FUNCTIONS/PROGRAMS				
Governmental activities:				
Public safety	\$ 822,587	\$ 1,680,021	\$ -	\$ 857,434
Depreciation expense	127,223	-	-	(127,223)
Health and welfare	2,812,780	-	1,672,391	(1,140,389)
Total governmental activities	3,762,590	1,680,021	1,672,391	(410,178)
General Revenues:				
Interest and investment earnings				52,684
Gains on disposition of asset				5,738
Total general revenues and special items				58,422
Excess of expenses over revenue				(351,756)
Net assets - January 1, 2006				2,270,343
Net assets - December 31, 2006				\$ 1,918,587

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS
 BALANCE SHEET
 December 31, 2006

Statement C

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$1,393,086	\$ 94,830	\$ 1,487,916
Receivables	<u>57,915</u>	<u>143,389</u>	<u>201,304</u>
TOTAL ASSETS	<u><u>\$1,451,001</u></u>	<u><u>\$238,219</u></u>	<u><u>\$ 1,689,220</u></u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$116,382	\$ 116,382
TOTAL LIABILITIES	-	116,382	116,382
 FUND BALANCES			
Unrestricted	<u>1,451,001</u>	<u>121,837</u>	<u>1,572,838</u>
TOTAL FUND BALANCES	<u>1,451,001</u>	<u>121,837</u>	<u>1,572,838</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$1,451,001</u></u>	 <u><u>\$238,219</u></u>	 <u><u>\$ 1,689,220</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2006

Total fund balances - Governmental Funds		\$ 1,572,838
Cost of capital assets at December 31, 2006	\$ 1,170,578	
Less: accumulated depreciation as of December 31, 2006	<u>(824,829)</u>	<u>345,749</u>
Total net assets at December 31, 2006 - Governmental Activities		<u>\$ 1,918,587</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

Governmental Funds
 Statement of Revenue, Expenditures, and
 Changes in Fund Balances
 For the Year Ended December 31, 2006

Statement D

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS
REVENUE			
Commissions on fines and forfeitures	\$ 893,921	\$ -	\$ 893,921
Use of money and property-interest earnings	48,567	4,117	52,684
Grant from Louisiana Department of Social Services:			
Reimbursement of administrative costs	-	742,710	742,710
Grant - Law Enforcement	-	35,726	35,726
Grant - Victim Assistance Program	-	127,929	127,929
Grant - Juvenile Comm. Svc. Program	-	21,436	21,436
Grant - Fatherhood	-	26,454	26,454
Grant - Hurricane Katrina	91,518	-	91,518
Grant - Article 562 Grant	-	2,434	2,434
Grant - Elder Abuse	-	33,442	33,442
Grant - Career Criminal	-	63,758	63,758
Fees - Fees account	-	211,482	211,482
Fees from various entities	216,474	-	216,474
Diversionsary program	-	407,020	407,020
Other revenue	156,494	-	156,494
Asset forfeiture revenue	42,521	-	42,521
Bond forfeiture	273,355	-	273,355
Gain on disposition of assets	5,738	-	5,738
Total Revenue	<u>\$ 1,728,588</u>	<u>\$ 1,676,508</u>	<u>\$ 3,405,096</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

Governmental Funds
 Statement of Revenue, Expenditures, and
 Changes in Fund Balances
 For the Year Ended December 31, 2006

Statement D
 continued

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTALS</u>
EXPENDITURES			
General Government - Judicial:			
Salaries and related benefits	\$ -	\$ 2,700,299	\$ 2,700,299
Travel	10,933	-	10,933
Materials and supplies:			
Office	156,570	58,554	215,124
Automobile	183,901	3,876	187,777
Capital expenditures	87,100	747	87,847
Other expenditures	465,446	50,051	515,497
 Total Expenditures	 903,950	 2,813,527	 3,717,477
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES			
	\$ 824,638	\$ (1,137,019)	\$ (312,381)
 OTHER FINANCING SOURCES (USES)			
Operating Transfer In	26,667	1,105,719	1,132,386
Operating Transfer Out	(1,105,719)	(26,667)	(1,132,386)
 Total Other Financing Sources (Uses)	 (1,079,052)	 1,079,052	 -
 EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
	(254,414)	(57,967)	(312,381)
 FUND BALANCES AT BEGINNING OF YEAR			
	1,705,415	179,804	1,885,219
 FUND BALANCES AT END OF YEAR			
	<u>\$ 1,451,001</u>	<u>\$ 121,837</u>	<u>\$ 1,572,838</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING DECEMBER 31, 2006

Excess (Deficiency) of Revenue and Other Sources		\$	(312,381)
Capital Assets:			
Capital outlay capitalized	(net of dispositions)	\$	57,348
Depreciation expense for year ended December 31, 2006	(net of dispositions)		<u>(96,723)</u>
			<u>(39,375)</u>
Change in Net Assets - Government Activities		\$	<u>(351,756)</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2006

	Statement E
	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 788,034
	<hr/>
TOTAL ASSETS	<u>\$ 788,034</u>
LIABILITIES	
Due to other governmental units	\$ 788,034
	<hr/>
TOTAL LIABILITIES	<u>\$ 788,034</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Second Judicial District of Louisiana encompasses the parishes of St. Tammany and Washington.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the District Attorney of the Twenty-Second Judicial District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America.. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued in June 1999.

B. Reporting Entity

The District Attorney includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the District Attorney as an independently elected official. As an independently elected official, the District Attorney is solely responsible for the operations of his office, including fiscal and management responsibilities. Other than certain operating expenditures of the District Attorney’s office that are paid or provided by the Police Jury of Washington Parish, and by the Parish Council of St. Tammany, as required by Louisiana law, the District Attorney is financially independent. The accompanying financial statements present financial information only on the funds maintained by the District Attorney of the Twenty-Second Judicial District.

C. Fund Accounting

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Attorney functions and activities. A fund is defined as a separate a self-balancing set of accounts. Funds of the District Attorney are classified into two categories: governmental and fiduciary, as follows:

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

Governmental Funds

Governmental funds account for all or most of the District Attorney's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District Attorney. The following are the District Attorney's governmental funds:

General Fund – the primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy.

Special Revenue Funds – accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the District Attorney to be accounted for separately. The special revenue funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

- Title IV-D Fund – consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.
- Worthless Checks Collection Fee Fund – consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the District Attorney are the agency funds. The agency funds account for assets held by the District Attorney as an agent for other governmental entities. These funds are custodial in nature and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but do use

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

the modified accrual basis of accounting. The agency funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

- Asset Forfeiture Fund – is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
- Restitution Fund – is used to refund to those harmed from worthless checks
- Bond Forfeiture Fund – is used as a depository for bonds forfeited to district attorney offices. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the District Attorney, except for the fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets (Statement E) at the fund financial statement level.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Government funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet (Statement C). The Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement D) reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

Fund financial statements report detailed information about the District Attorney. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Commissions on fines and bond forfeitures are recorded in the year in which they are collected by the tax collector. Grants are recorded when the District Attorney is entitled to the funds. Fees on worthless checks are recorded in the year in which the worthless check is paid. Interest income is accrued, when its receipt occurs soon enough after the end of the accounting period so as to be measurable and available. Legal services performed under contract for various Parish entities are recorded in the month when received. Substantially all other revenue is recorded when received. Based on the criteria, commissions on fines and bond forfeitures, and grants have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions), sale of fixed assets, debt extinguishments, long-term proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

E. Budgetary Accounting

Formal budgetary accounting is employed a management control. The District Attorney prepares and adopts a budget each year for its general and all special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District Attorney amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budget amounts by five percent or more. All budget appropriations lapse at year end.

F. Cash and Cash Equivalents

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Investments

Investments are limited by R.S. 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

I. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2006, none of the receivables were considered to be uncollectible.

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. If applicable, donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation of all exhaustible capital assets used by the District Attorney are charged as an expense against operations in the Statement of Activities, Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 10 years for moveable property such as furniture and fixtures, equipment, and vehicles. The accompanying financial statements do not include property and equipment purchased by the Police Jury of Washington Parish nor by the Parish Council of St. Tammany for the District Attorney. This property and equipment is included in the financial records of those respective entities.

K. Compensated Absences

Annual and sick leave for professional staff members is granted at the discretion of the District Attorney. Clerical employees are paid principally by the parish governing authorities of St. Tammany and Washington Parishes. Annual and sick leave for clerical employees is in accordance with leave policies of the respective parishes. At December 31, 2006, the District Attorney had no accumulated and vested employee leave benefits required to be reported in accordance with the Governmental Accounting Standards Board Statement No. 16 (GASB 16).

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the District Attorney may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District Attorney may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associates and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. The deposits at December 31, 2006 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet:	\$ 187,971	\$ 1,299,945	\$ 1,487,916

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
Resource Bank	\$ 923,257
Capital One	17,521
Hancock Bank	971
Central Progressive Bank	546,167
Total	\$ 1,487,916

B. Investments

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

At December 31, 2006, the District Attorney of the Twenty-Second Judicial District had no investments.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2006:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>IV-D Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fees, Fines and charges for services	\$ 57,915	\$ -	\$ -	\$ 57,915
Intergovernmental Revenues	-	143,389	-	143,389
Total	<u>\$ 57,915</u>	<u>\$ 143,389</u>	<u>\$ -</u>	<u>\$ 201,304</u>

NOTE 4 CAPITAL ASSETS

A summary of District Attorney of the Twenty-Second Judicial District of the State of Louisiana's capital assets at December 31, 2006 follows:

	<u>Balance Dec 31, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec 31, 2006</u>
Capital Assets				
Automobile	\$ 480,630	\$ 59,083	\$ (30,500)	\$ 509,213
Leasehold Improvements	104,765	17,590	-	122,355
Equipment, Furniture & Fixtures	527,836	11,174	-	539,010
Total Capital Assets	<u>1,113,231</u>	<u>87,847</u>	<u>(30,500)</u>	<u>1,170,578</u>
Less accumulated depreciation	<u>(728,106)</u>	<u>(127,223)</u>	<u>30,500</u>	<u>(824,829)</u>
Total Capital Assets, net	<u>\$ 385,125</u>	<u>\$ (39,376)</u>	<u>\$ -</u>	<u>\$ 345,749</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

As of December 31, 2006, had no outstanding Accounts Payable or Accruals.

NOTE 6 PENSION PLANS

The District Attorney participates in two cost-sharing, multiple-employer, public employees retirement systems, (PERS). The district attorney and assistant district attorneys are members of the District Attorney's Retirement System. Other personnel of the district attorney's office are members of the Parochial Employees Retirement System of Louisiana, Plan A. These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature

A. District Attorneys' Retirement System

The district attorney and assistant district attorneys are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service, regardless of age, may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below age 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of their membership service, not to exceed 100 percent of their average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members 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 percent of the member's final average compensation multiplied by years of membership service. A member is eligible for early retirement if they are age 55 and have 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

reduced by 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 7116-2091, or by calling (504) 947-5551.

Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the District Attorney is required to contribute at an actuarially determined rate. The current contribution rate for the District Attorney at the year end was 6.00 percent. The contribution requirements of plan members and the District Attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney made \$39,577. in contributions to the System for the year ending December 31, 2006, equal to the required contributions for the year.

B. Parochial Employees' Retirement System

Substantially all other employees of the Twenty-Second Judicial District are members of the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit obligations. All employees of the District Attorney are members of Plan A.

All permanent employees working at least 28 hours per week, who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1 per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each year of service credited after the revision date. Final average salary is employees' average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions,

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.5 per cent of their annual covered salary and the Twenty-Second Judicial District is required to contribute at an actuarially determined rate. The current rate is 12.75 per cent of annual covered payroll. The contribution requirements of plan members and the Twenty-Second Judicial District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Twenty-Second Judicial Districts' contributions to the System under Plan A for the year ending December 31, 2006 was \$89,456, equal to the required contributions for the year.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

The District Attorney of the Twenty-Second Judicial District had no post employment benefits at year end.

NOTE 8 INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2006, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 26,667	\$ 1,105,719
Special Revenue Fund	1,105,719	26,667
Total	<u>\$ 1,132,386</u>	<u>\$ 1,132,386</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

NOTE 9 LEASES

The District Attorney's office has operating leases as of December 31, 2006. The lease expenditures are as follows:

Vehicles	\$88,817
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Future minimum rental commitments under operating leases are as follows:

<u>Fiscal Year</u>	<u>Vehicles</u>
2007	\$64,243
2008	\$24,566
2009	\$ 8,962

NOTE 10 LITIGATION

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana was not involved in any litigation, nor is he aware of any unasserted claims at December 31, 2006..

NOTE 11 CLAIMS AND JUDGEMENTS

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District Attorney may be required to reimburse the grantor government. The District Attorney believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District Attorney.

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements
For the Year Ended December 31, 2006

NOTE 12 RISK MANAGEMENT

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to provide any significant uninsured losses to the District Attorney.

SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
 Fund Balances - Budget (GAAP Basis) and Actual
 General and Special Revenue Funds
 For the Year Ended December 31, 2006

	General Fund				Special Revenue Funds				Total (Memo Only)			
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUE												
Commissions on fines and forfeitures	\$ 690,500	\$ 893,921	\$ 203,421	\$ -	\$ -	\$ -	\$ 690,500	\$ 893,921	\$ 203,421	\$ 690,500	\$ 893,921	\$ 203,421
Use of money and property-interest earning:	16,700	48,567	31,867	3,100	4,117	1,017	19,800	52,684	32,884	19,800	52,684	32,884
Grant from Louisiana Department of Social Services:												
Reimbursement of administrative costs	-	-	-	660,000	742,710	82,710	660,000	742,710	82,710	660,000	742,710	82,710
Grant - Victim Assistance Program	-	-	-	-	127,929	127,929	-	127,929	127,929	-	127,929	127,929
Grant - Juvenile Comm. Svc. Program	-	-	-	22,800	21,436	(1,364)	22,800	21,436	(1,364)	22,800	21,436	(1,364)
Grant - Fatherhood	-	-	-	-	26,454	26,454	-	26,454	26,454	-	26,454	26,454
Grant - Article 562 Grant	-	-	-	-	2,434	2,434	-	2,434	2,434	-	2,434	2,434
Grant - Hurricane Katrina	120,000	91,518	(28,482)	-	-	-	120,000	91,518	(28,482)	120,000	91,518	(28,482)
Grant - Career Criminal	-	-	-	-	63,758	63,758	-	63,758	63,758	-	63,758	63,758
Grant - Elder Abuse	-	-	-	-	33,442	33,442	-	33,442	33,442	-	33,442	33,442
Grant - Law Enforcement	-	-	-	223,100	35,726	(187,374)	223,100	35,726	(187,374)	223,100	35,726	(187,374)
Fees - Fees account	-	-	-	235,500	211,482	(24,018)	235,500	211,482	(24,018)	235,500	211,482	(24,018)
Fees from various entities	167,000	216,474	49,474	-	-	-	167,000	216,474	49,474	167,000	216,474	49,474
Diversionary program	-	-	-	527,000	407,020	(119,980)	527,000	407,020	(119,980)	527,000	407,020	(119,980)
Other revenue	162,000	156,494	(5,506)	-	-	-	162,000	156,494	(5,506)	162,000	156,494	(5,506)
Asset forfeiture revenue	39,200	42,521	3,321	-	-	-	39,200	42,521	3,321	39,200	42,521	3,321
Bond forfeiture	59,700	273,355	213,655	-	-	-	59,700	273,355	213,655	59,700	273,355	213,655
Gain on disposition of assets	-	5,738	5,738	-	-	-	-	5,738	5,738	-	5,738	5,738
Total Revenue	\$ 1,255,100	\$ 1,728,588	\$ 473,488	\$ 1,671,500	\$ 1,676,508	\$ 5,008	\$ 2,926,600	\$ 3,405,096	\$ 478,496	\$ 2,926,600	\$ 3,405,096	\$ 478,496

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
 Fund Balances - Budget (GAAP Basis) and Actual
 General and Special Revenue Funds - Continued
 For the Year Ended December 31, 2006

	General Fund			Special Revenue Funds			Total (Memo Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
EXPENDITURES									
General Government - Judicial:									
Salaries and related benefits	\$ -	\$ -	\$ -	\$ 2,413,300	\$ 2,700,299	\$ 286,999	\$ 2,413,300	\$ 2,700,299	\$ 286,999
Travel	14,300	10,933	(3,367)	-	-	-	14,300	10,933	(3,367)
Materials and supplies:									
Office	188,500	156,570	(31,930)	60,500	58,554	(1,946)	249,000	215,124	(33,876)
Automobile	147,800	183,901	36,101	-	3,876	3,876	147,800	187,777	39,977
Capital expenditures	174,700	87,100	(87,600)	20,000	747	(19,253)	194,700	87,847	(106,853)
Other expenditures	267,000	465,446	198,446	19,700	50,051	30,351	286,700	515,497	228,797
Total Expenditures	792,300	903,950	111,650	2,513,500	2,813,527	300,027	3,305,800	3,717,477	411,677
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 462,800	\$ 824,638	\$ 361,838	\$ (842,000)	\$ (1,137,019)	\$ (295,019)	\$ (379,200)	\$ (312,381)	\$ 66,819

DISTRICT ATTORNEY OF THE TWENTY-SECOND
 JUDICIAL DISTRICT
 STATE OF LOUISIANA
 Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in
 Fund Balances - Budget (GAAP Basis) and Actual
 General and Special Revenue Funds - Continued
 For the Year Ended December 31, 2006

	General Fund			Special Revenue Funds			Total (Memo Only)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
OTHER FINANCING SOURCES (USES)									
Operating Transfer In	\$ -	\$ 26,667	\$ 26,667	\$ 872,000	\$ 1,105,719	\$ 233,719	\$ 872,000	\$ 1,132,386	\$ 260,386
Operating Transfer Out	(872,000)	(1,105,719)	(233,719)	-	(26,667)	(26,667)	(872,000)	(1,132,386)	(260,386)
Total Other Financing Sources (Uses)	(872,000)	(1,079,052)	(207,052)	872,000	1,079,052	207,052	-	-	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (409,200)	\$ (254,414)	\$ 154,786	\$ 30,000	\$ (57,967)	\$ (87,967)	\$ (379,200)	(312,381)	\$ 66,819
FUND BALANCES AT BEGINNING OF YEAR		1,705,415			179,804			1,885,219	
FUND BALANCES AT END OF YEAR		\$ 1,451,001			\$ 121,837			\$ 1,572,838	

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

FIDUCIARY FUND TRUST

Schedule of Changes in the Balance of Restitution to Victims
For the Year Ended December 31, 2006

	<u>2006</u>
<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 18,709
 <u>ADDITIONS</u>	
Collections:	
Restitution payments	147,393
Fees	24,678
Diversionary payments	21,114
Interest income	<u>843</u>
Total additions	194,028
 <u>REDUCTIONS</u>	
Settlements:	
Restitution victims	137,878
Fees Special Revenue Fund	24,083
Diversionary payments	18,228
Bank charges	<u>-</u>
Total reductions	<u>180,189</u>
 <u>BALANCE AT END OF YEAR</u>	 <u><u>\$ 32,548</u></u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA

Parishes of St. Tammany and Washington
Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2006

<u>Federal/Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-Through State Department of Social Services; Child Enforcement Services:	93.563	DOA 355201076 DSS CFMS 574381	\$ 742,710
TANF: Temporary Assistance for Needy Families (Fatherhood Grant)	93.558	CFMS 635002	<u>26,454</u>
Total U.S. Dept of Health and Human Services			<u>\$ 769,164</u>
U.S. Department of Justice:			
Pass-Through Louisiana Commission on Law Enforcement;			
Violent Crime Prosecution:	16.579	B025-032	\$ 63,758
Victim Assistance Program:	16.575	C-01-7-010	127,929
Elderly Victims of Crime	16.575	C-04-5-02L	31,442
Juvenile Community Service Program:	16.540	399-5-013	21,436
Domestic Violence Program:	16.588	M03-7-004	35,726
Article 562, Electronic Equipment	16.588	M03-7-004	<u>2,434</u>
Total U.S. Dept of Justice			<u>\$ 282,725</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,051,889</u>

DISTRICT ATTORNEY OF THE TWENTY -SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St Tammany and Washington
Schedule of Expenditures of Federal Awards – Continued

For the Year Ended December 31, 2006

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Federal pass through funds are presented by the entity through which the organization received the federal financial assistance.

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT
4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

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

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of and for the year ended December 31, 2006, which collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements and have issued my report thereon dated June 22, 2007. I conducted my 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 my audit, I considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District Attorney of the Twenty-Second Judicial District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District Attorney of the Twenty-Second Judicial District's financial statements that is more than inconsequential will not be prevented or detected by the District Attorney of the Twenty-Second Judicial District's internal control.

MEMBER

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District Attorney of the Twenty-Second Judicial District's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's basic financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the District Attorney, the Legislative Auditor and the cognizant Federal Agency, and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Justin J. Scanlon, CPA

June 22, 2007

RECEIVED

Justin J. Scanlan, C.P.A.

CERTIFIED PUBLIC ACCOUNTANT

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4769 ST. ROCH AVE.

NEW ORLEANS, LOUISIANA 70122

TELEPHONE: (504) 288-0050

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

The Honorable Walter P. Reed
District Attorney of the Twenty-Second Judicial District
State of Louisiana
Parishes of St. Tammany and Washington

Compliance

I have audited the compliance of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana 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 December 31, 2006. The District Attorney of the Twenty-Second Judicial District of the State of Louisiana'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 District Attorney of the Twenty-Second Judicial District of the State of Louisiana's management. My responsibility is to express an opinion on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance based on my audit.

I conducted my 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 State and Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements.

In my opinion, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

MEMBER

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants

Internal Control Over Compliance

The management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana 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 my audit, I considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance. Accordingly, I do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana'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 combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity'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.

My consideration of 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the District Attorney, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, upon acceptance by the Legislative Auditor, this report is a matter of public record and its distribution is not limited.



June 22, 2007

DISTRICT ATTORNEY OF THE TWENTY-SECOND
JUDICIAL DISTRICT
STATE OF LOUISIANA
Parishes of St. Tammany and Washington

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2006

SUMMARY OF THE AUDITOR'S REPORT

1. An unqualified opinion was issued on the government-wide and fund financial statements of the auditee.
2. The statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses is not applicable.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the auditee.
4. The statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weakness is not applicable.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit disclosed no findings, which are required to be reported under Section 510 (a) of Circular A-133.
7. The major program for the year ended December 31, 2006 was Department of Health & Human Services IV-D Program.
8. The dollar threshold to distinguish between Type A and Type B programs were \$300,000.
9. The auditee did qualify as a low-risk auditee.

SCHEDULE OF FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no items identified in the course of my testing during the current year that were required to be reported.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

There were no items identified in the course of my testing during the current year that were required to be reported.

STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.