

DISTRICT ATTORNEY OF THE FOURTH
JUDICIAL DISTRICT
Parishes of Ouachita and Morehouse, Louisiana

Financial Statements
For the Year Ended December 31, 2025

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

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INDEPENDENT AUDITORS' REPORT

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), a component unit of the Ouachita Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents.

In our 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 Fourth Judicial District (District Attorney), as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The District Attorney and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District Attorney's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the District Attorney's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District Attorney's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plan and the Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 assurances.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Attorney's basic financial statements. The accompanying schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and schedule of Justice System Funding are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived directly from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, reimbursements, benefits and other payments to agency head, political subdivision head or chief executive officer and Justice System Funding schedule are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2026 on our consideration of the District Attorney's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District Attorney's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District Attorney's internal control over financial reporting and compliance.

David M. North, CPA (APAC)

West Monroe, Louisiana
May 6, 2026

BASIC FINANCIAL STATEMENTS

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Net Position
December 31, 2025

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 744,086
Investments	3,531,133
Accounts Receivable	315,080
Subscription Asset	104,830
Capital Assets:	
Depreciable	<u>134,175</u>
Total Assets	<u>4,829,304</u>
<u>Deferred Outflows of Resources</u>	
Resources Related to Pensions	24,743
<u>Liabilities</u>	
Accounts Payable	\$ 361,581
Subscription Liability - S/T	51,828
Subscription Liability - L/T	55,115
Accrued Interest Subscription Liability	184
Net Pension Liability	<u>106,548</u>
Total Liabilities	575,256
<u>Deferred Inflows of Resources</u>	
Resources Related to Pensions	135,128
<u>Net Position</u>	
Net Investment in Capital Assets	239,005
Net Position - Unrestricted	<u>3,904,658</u>
Total Net Position	<u><u>\$ 4,143,663</u></u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Activities
For the Year Ended December 31, 2025

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:					
Public Safety & Judicial					
Prosecution	<u>\$ 5,429,623</u>	<u>\$ 3,491,026</u>	<u>\$ 1,842,712</u>	<u>\$ -</u>	\$ (95,885)
General Revenues:					
Local Support					76,585
Interest Earnings					176,161
Miscellaneous					<u>92,708</u>
Total General Revenues					345,454
Changes in Net Position					249,569
Net Position - Beginning					<u>3,894,094</u>
NET POSITION - ENDING					<u>\$ 4,143,663</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Balance Sheet, Governmental Funds
December 31, 2025

	<u>Major Funds</u>		<u>Non-Major Fund</u>	
	<u>General Fund</u>	<u>Title IV-D</u>	<u>Worthless Check Collection Fee</u>	<u>Total</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 744,086	\$ -	\$ -	\$ 744,086
Investments	3,531,133	-	-	3,531,133
Accounts Receivable	180,356	134,724	-	315,080
Interfund Receivables	47,084	-	-	47,084
 <u>Total Assets</u>	 <u>\$ 4,502,659</u>	 <u>\$ 134,724</u>	 <u>\$ -</u>	 <u>\$ 4,637,383</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 336,276	\$ 25,305	\$ -	\$ 361,581
Interfund Payables	-	47,084	-	47,084
 <u>Total Liabilities</u>	 336,276	 72,389	 -	 408,665
 <u>Fund Balance</u>				
Unassigned	4,166,383	62,335	-	4,228,718
 <u>TOTAL LIABILITIES AND FUND BALANCE</u>	 <u>\$ 4,502,659</u>	 <u>\$ 134,724</u>	 <u>\$ -</u>	 <u>\$ 4,637,383</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Balance Sheet, Governmental Funds
December 31, 2025

**Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position**

*Amounts reported for governmental activities in the Statement of Net Position are
different because:*

Fund Balance, Governmental Funds:	\$ 4,228,718
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	239,005
Subscription liabilities used in governmental activiteis are not financial liabilities and, therefore, are not reported in the governmental funds	(107,127)
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(106,548)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	(110,385)
Net Position of Governmental Activities	<u>\$ 4,143,663</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2025

	Major Funds		Non-Major Fund	
	General		Worthless Check	
	Fund	Title IV-D	Collection Fee	Total
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	\$ 2,858,968	\$ -	\$ 11,320	\$ 2,870,288
Court Cost Fees	204,288	-	-	204,288
Interest Income	176,161	-	-	176,161
Intergovernmental Revenue				
Federal	328,392	677,390	-	1,005,782
State	252,562	-	-	252,562
Local	660,953	-	-	660,953
Drug Asset Forfeiture	304,893	-	-	304,893
Collection Fees	533	-	-	533
Other	89,907	-	-	89,907
Total Operating Revenue	4,876,657	677,390	11,320	5,565,367
<u>Operating Expenditures</u>				
Current:				
General Government				
Personnel Services	3,142,618	552,199	11,320	3,706,137
Contractual Charges	964,488	106,953	-	1,071,441
Materials and Supplies	362,362	13,480	-	375,842
Other Charges	242,627	4,758	-	247,385
Capital Outlay	79,956	-	-	79,956
Total Operating Expenditures	4,792,051	677,390	11,320	5,480,761
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	84,606	-	-	84,606
<u>Fund Balance - Beginning of the Year</u>	4,144,112	-	-	4,144,112
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 4,228,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,228,718</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2025

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds	\$	84,606
Governmental funds report capital outlays as expenditures. however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	79,957	
Less current year depreciation	<u>(26,522)</u>	
		53,435
Governmental funds do not report current year SBITA expenses as expenditures. However, in the statement of activities, these are reported as expenses.		(2,297)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the District's proportionate share of the plans pension expense is reported as pension expense.		-
The District's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported in the governmental funds.		<u>113,825</u>
Changes in net position of governmental activities	<u>\$</u>	<u>249,569</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Fiduciary Net Position
December 31, 2025

ASSETS

Cash and Cash Equivalents \$ 729,642

TOTAL ASSETS 729,642

LIABILITIES

Deposits Due Others 729,642

TOTAL LIABILITIES \$ 729,642

The accompanying notes are an integral part of this financial statement.

Statement H**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana****Statement of Changes in Fiduciary Net Position
December 31, 2025**

<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 825,344
Collections	645,075
Disbursements	(740,777)
<u>BALANCE AT END OF YEAR</u>	<u>\$ 729,642</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

INTRODUCTION

The Louisiana Constitution of 1974, Article V, Section 14 created the judicial districts of the State, among them the Fourth Judicial District. Article V, Section 26 created the Office of the District Attorney for each of the Judicial Districts and sets forth the duties of the office. Louisiana R.S. 16:1 establishes a District Attorney for each of the Judicial District Attorney's offices. The Fourth Judicial District Attorney exists and operates in accordance with the authorities cited.

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 the 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 Fourth Judicial District encompasses the parishes of Morehouse and Ouachita and their offices are located in Bastrop and Monroe.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION The accompanying basic financial statements of the District Attorney of the Fourth Judicial District have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) as applied to governmental units.

The schedule of expenditures of federal awards includes the federal grant activity of the District Attorney and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of Uniform Grant Guidance, Audits of State, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

B. REPORTING ENTITY The District Attorney is an independent elected official; however, the district attorney is fiscally dependent on the Morehouse and Ouachita Parish Police Juries. The police juries maintain and operate the parish courthouse in which the district attorney's office is located and provides funds for equipment and furniture of the district attorney's office.

For these reasons, the district attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity, inasmuch as it provides significantly more support to the reporting entity than does the Morehouse Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury exists.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the District Attorney is fiscally dependent on the police jury, the District Attorney was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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 fiscal and accounting entity with a self-balancing set of accounts.

Funds of the District Attorney are classified into two categories; governmental and fiduciary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

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. The following are the district attorney's governmental funds:

General Fund - The General Fund is 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 was established in compliance with Louisiana Revised Statute 15:571.11, which provides that twelve percent (12%) of the fines and forfeitures collected be transmitted to the District Attorney to defray the necessary expenses of that office.

Title IV-D - The Special Revenue Fund consists of federal reimbursement grants passed through the Louisiana Department of Children and Family 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 is to enforce the support obligation owed by absent parents to their family and children, to locate absent parents, to establish paternity, and to obtain family and child support.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

Worthless Check Collection Fee - The Worthless Check Collection Fee Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and the expenses of the office of the District Attorney but may not be used to supplement the salary of the district attorney.

Fiduciary Funds Fiduciary funds account for assets held by the district attorney in a trustee capacity or as an agent on behalf of outside parties.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the district attorney holds for others in an agency capacity. The district attorney reports the following agency funds:

Asset Forfeiture Fund - The Asset Forfeiture Fund was established for the allocation and disposition of property obtained under the provisions of Louisiana Revised Statute 40:2616. The District Attorney may (1) retain property for official use or transfer the custody to any local, state or federal agency; (2) destroy or use for investigative purposes, any illegal or controlled substances or other contraband, upon the written approval of the District Attorney after not less than twenty days after seizure; and (3) authorize a public sale without appraisal of that which is not required by law to be destroyed and which is not harmful to the public.

Property is distributed by court order first to satisfy any security interest or lien; second to reimburse expenses of seizure; and the balance shall be allocated as follows:

60% to law enforcement agency(s) making the seizure
20% to the criminal court fund
20% to District Attorney's general fund

These proceeds are to be used to further and enhance drug law enforcement. The District Attorney is required to make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. This fund is subject to public audit.

Bond Forfeiture Fund - The Bond Forfeiture Fund was established for the allocation and disposition of bonds forfeited to the District Attorney's office. 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.

Victim Restitution - The District Attorney holds these funds in escrow for the Court. These funds arise from restitution payments to victims. None of these funds have drug related origins, and thus are not a part of the drug asset forfeiture fund. The District Attorney maintains these funds in escrow until the courts provide orders for their disposition or otherwise directed for victim restitution.

Check Collection Fund - The Check Collection fund is used as a depository for funds collected from payments made on worthless checks. The funds are disbursed to the related merchants upon collection.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources 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, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - exchange transactions*. Fiduciary funds are not included in the government-wide financial statements.

Program Revenues - Program revenues included in the Statement of Activities derive directly from parties outside the District Attorney's taxpayers or citizenry, as a whole. Program revenues reduce the costs of the function to be financed from the District Attorney's general revenues.

Revenues represented by reimbursements and incentives under the Title IV-D program are recognized and recorded when program expenditures are incurred in accordance with program guidelines. Forfeited drug assets are recorded when the court ordered Judgment of Forfeiture is received. Court cost and fees provided for in Louisiana Statutes are recorded as received in cash. Collection fees for worthless checks are recorded as received in cash. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenues until earned.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund and Other Funds 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 fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for 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:

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Revenues

Commissions on fines and bond forfeitures are recorded in the year they are collected by the parish tax collectors.

Grants are recorded when the District Attorney of the Fourth Judicial District is entitled to the funds. Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS The District Attorney uses the following budget practices:

An annual operating budget is adopted each year for the General Fund and the modified accrual basis of accounting is used to reflect actual revenues and expenditures, which is consistent with accounting principles generally accepted in the United States of America.

All appropriations lapse at year-end and any unexpended fund balance is carried forward into subsequent years. Formal budget integration is not employed as a management control device, and the District Attorney of the Fourth Judicial District does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The District Attorney considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the district attorney may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS Investments are limited by Louisiana Revised Statute (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. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES (FUND FINANCIAL STATEMENTS)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

In the process of aggregating data for the statement of net position interfund payables and receivables were eliminated to minimize the "grossing up" effect of assets and liabilities within the governmental activities column.

District Attorney of the Fourth Judicial District
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Notes to the Financial Statements
December 31, 2025

I. CAPITAL ASSETS Capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. Donated assets, if any, are recorded as capital assets at their estimated fair market value at the date of donation. The District Attorney maintains a threshold level of \$5,000 or more for capitalizing capital assets.

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and office equipment	5 years
Computer hardware	5-10 years
Telephone equipment	10 years
Vehicles	5 years

J. COMPENSATED ABSENCES The District Attorney does not have a formal leave and sick policy. Employees working within the District Attorney's office are entitled to paid vacations, paid sick days and personal days off, depending on job classification, length of service and the applicable policies of Morehouse Parish Police Jury or Ouachita Parish Police Jury. *Compensated Absences balances are monitored and paid by the applicable Parish Police Jury; therefore, no liability is established for the District Attorney.*

K. RESTRICTED NET POSITION

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations other governments;
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resource as needed.

L. FUND BALANCE OF FUND FINANCIAL STATEMENTS

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the District Attorney. Committed amounts cannot be used for any other purpose unless the District Attorney removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

District Attorney of the Fourth Judicial District
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Assigned: Fund balance that is constrained by the District Attorney's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the District Attorney.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The District Attorney reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The District Attorney considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

M. ENCUMBRANCES Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in government funds.

Based on the size of the accounts and the methods used for payments, the District Attorney does not employ encumbrance accounting.

N. INTERFUND TRANSACTIONS Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

O. ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District Attorney has one item, deferred outflows related to pensions that qualifies in this category and is reported only in the governmental activities.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The District Attorney has one item, deferred inflows related to pensions that qualifies in this category and is reported only in the governmental activities.

For purposes measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

District Attorney of the Fourth Judicial District
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Notes to the Financial Statements
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Q. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS Effective with the fiscal year ended December 31, 2023, the District Attorney has adopted GASB Statement No. 96, Subscription Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. Statement 96 did not have a significant impact on the financial statements of the District Attorney.

NOTE 2 - STEWARDSHIP AND ACCOUNTABILITY

Excess of Budgeted Revenues Over Actual Revenues in Individual Funds The following fund had budgeted expenditures which was less than actual expenditures for the year ended December 31, 2025:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title IV-D	\$ 505,000	\$ 677,390	\$(172,390)

The District Attorney does not budget for the in-kind contribution for salaries and benefits paid by the Police Jury.

NOTE 3 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) 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 securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The District Attorney's policy does not address interest rate risk.

Credit Risk: The District Attorney's investments are in Certificates of Deposits which do not have credit ratings; however, the District Attorney's policy does not address credit rate risk.

Custodial Credit Risk: At year-end the District Attorney's carrying amount of deposits was \$5,004,861 and the bank balance was \$5,346,712, which includes \$3,531,133 in certificate of deposits classified as investments.

These deposits are reported as follows: Statement A - cash and cash equivalents, \$744,086, Statement A investments \$3,531,133, Statement G - cash and cash equivalents \$729,642. Of the bank balance, \$1,750,000 was covered by federal depository insurance. The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District Attorney's name. The District Attorney's policy does not address custodial credit risk. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Attorney that the fiscal agent has failed to pay deposited funds upon demand.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 2025:

	General Fund	Title IV-D	Worthless Check Collection	Total
Fines, Fees and Bond Forfeitures	\$ 135,027	\$ -	\$ -	\$ 135,027
Intergovernmental				
Federal	41,106	134,724	-	175,830
State	<u>4,223</u>	<u>-</u>	<u>-</u>	<u>4,223</u>
Total	<u>\$ 180,356</u>	<u>\$ 134,724</u>	<u>\$ -</u>	<u>\$ 315,080</u>

The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

NOTE 5 - INTERFUND RECEIVABLES/PAYABLES

The following is a summary of interfund receivables and payables at December 31, 2025:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 47,084	\$ -
Title IV-D	<u>-</u>	<u>47,084</u>
Total	<u>\$ 47,084</u>	<u>\$ 47,084</u>

The purpose of the interfund payable from the Title IV-D fund was to cover current-year expenditures for the cost reimbursement program until the reimbursement request is received. The purpose of the interfund payable (if any) from the worthless check fund is to cover general operating expenditures for the District Attorney's office until the collection fee is received.

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Notes to the Financial Statements
December 31, 2025

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2025, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Furniture & Equipment	\$ 439,654	\$ -	\$ -	\$ 439,654
Vehicles	<u>482,589</u>	<u>79,957</u>	<u>69,133</u>	<u>493,413</u>
Total	<u>922,243</u>	<u>79,957</u>	<u>69,133</u>	<u>933,067</u>
Less Accumulated Depreciation				
Furniture & Fixtures	421,770	5,365	-	\$ 427,135
Subscription Asset				
Vehicles	<u>419,733</u>	<u>21,157</u>	<u>(69,133)</u>	<u>371,757</u>
Total	<u>841,503</u>	<u>26,522</u>	<u>(69,133)</u>	<u>798,892</u>
Capital Assets, Net	<u>\$ 80,740</u>	<u>\$ 53,435</u>	<u>\$ -</u>	<u>\$ 134,175</u>

Depreciation expense of \$26,522 was charged to the public safety and judicial prosecution function.

Subscription Asset	\$ 44,697	\$ 106,943	\$ 44,697	\$ 106,943
Less Accumulated Depreciation	<u>44,697</u>	<u>2,113</u>	<u>(44,697)</u>	<u>2,113</u>
Subscription Asset, Net	<u>\$ -</u>	<u>\$ 104,830</u>	<u>\$ -</u>	<u>\$ 104,830</u>

The District Attorney has an operating lease with the Ouachita Parish Police Jury for the rental of office space to operate the Title IV-D Program. The lease is renewed on an annual basis and the current year lease payments paid to the Police Jury totaled \$21,896.

NOTE 7 - PENSION PLAN

District Attorney's Retirement System of Louisiana (System)

Plan Description

The District Attorney's employees are provided with benefits through the following multiple-employer cost-sharing plan:

- District Attorneys' Retirement System of Louisiana provides retirement benefits to district attorneys and assistant district attorneys in any parish in the State of Louisiana, or any employees of the Plan and the Louisiana District Attorneys' Association, except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state who are currently receiving benefits. Membership is a condition of employment.

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General information about the Plan:

- Members who joined the Plan before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of creditable service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 or more years of creditable service regardless of age. The normal retirement benefit is equal to 3% of the member average final compensation for each year of creditable service.

Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of creditable service receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of creditable service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

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

Disability and survivor benefits are also provided by the Plan. Upon withdrawal from service, members not entitled to a retirement benefit are paid a refund of accumulated contributions upon request. Such refund cancels all accrued rights in the Plan.

The Plan's Board of Trustees is authorized to grant retired members and surviving beneficiaries of members who have retired an annual cost-of-living increase of 3% of their original benefit (not to exceed \$60 per month).

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to receive a Back-Deferred Retirement Option Program ("Back-DROP") benefit. The Back-DROP benefit is based on the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement, the member's maximum monthly retirement benefit is based upon his service, final average compensation, and Plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period. In lieu of receiving the lump-sum payment, the member may leave the funds on deposit with the Plan in an interest-bearing account.

District Attorney of the Fourth Judicial District
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Notes to the Financial Statements
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General information about the Plan (continued):

Prior to January 1, 2009, eligible members could elect to participate in the Deferred Retirement Option Program ("DROP") for up to three years in lieu of terminating employment and accepting a service benefit. During participation in DROP, employer contributions were payable and employee contributions were reduced to ½ of 1%. The monthly retirement benefits that would have been payable to the member were paid into a DROP account, which did not earn interest while the member was participating in DROP. Upon termination of participation, the participant in the Plan received, at his option, a lump-sum from the account equal to the payments into the account systematic disbursements from his account in any manner approved by the Plan's Board of Trustees. Monthly benefits that were being paid into DROP would then be paid to the retiree. All amounts which remain credited to the individual's sub-account after termination of participation in the Plan were invested in liquid money market funds. Interest was credited thereon as actually earned.

For the plan year ended June 30, 2025, the actual employer contribution rate was 12.25%.

The Plan receives ad valorem and state revenue sharing funds as employer contributions and those amounts are considered support from nonemployer contributing entities, but are not considered as special funding situations.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of December 31, 2025 (plan year ended June 30, 2025) the District Attorney reported a total of \$106,548 for its proportionate share of the net pension liability (asset) of the Plan.

The net pension liability was measured as of June 30, 2025, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District Attorney's proportion of the net pension asset was based on a projection of the District Attorney's long-term contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The District Attorney's proportion of the Plan as of June 30, 2025 was 0.466452%.

For the year ended December 31, 2025, the District Attorney recognized pension expense (benefit) of \$21,883.

District Attorney of the Fourth Judicial District
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Notes to the Financial Statements
December 31, 2025

In addition, the District Attorney reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Changes in proportion	\$ -	\$ 24,595
Differences between expected and actual experience	4,829	9,026
Changes of assumptions	-	1,639
Net difference between projected and actual earnings on pension plan investments	-	99,868
Contributions subsequent to the measurement date	19,914	-
	<u>\$ 24,743</u>	<u>\$ 135,128</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	\$ 3,597
2027	(73,961)
2028	(44,291)
2029	(15,644)
2030	-
Thereafter	-

Actuarial assumptions:

The total pension liabilities in the June 30, 2025 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.20%
Salary increases	4.50%
Investment rate of return, net	6.10%
Actuarial cost method	Entry age normal
Expected remaining service lives	4-5 years

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Notes to the Financial Statements
December 31, 2025

Mortality rates were based on the Pub-2016 Public Employee Retirement Plans Mortality Table for active members, Healthy Annuitant Table for healthy annuitants multiplied by 110% for males and 115% for females, using MP2021 scale for annuitant and beneficiary mortality, and Disabled Lives Mortality Tables for disabled annuitants with the same modifications for males and females.

The investment rate of return was determined based on a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The resulting long term rate of return is 7.80% for the year ended June 30, 2025.

Target asset allocation

The Plan's target asset allocation as of June 30, 2025, is as follows:

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Long-term Expected Nominal Rate of Return</u>
Equity			
Domestic	45.00%	7.50%	3.37%
International	5.00%	8.50%	0.43%
Fixed income			
Domestic	32.50	2.50%	0.81%
International	10.00%	3.50%	0.35%
Alternatives	<u>7.50%</u>	4.50%	<u>0.34</u>
Plan Totals	<u>100.00%</u>		5.30%
Inflation			<u>2.50%</u>
Expected arithmetic nominal return			<u>7.80%</u>

Sensitivity of the proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the proportionate share of the net pension liability (net pension asset) of the plan, calculated using the discount rates as shown above, as well as what the proportionate share of the net pension liability (net pension asset) would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>1% Decrease (5.1%)</u>	<u>Current Discount Rate (6.10%)</u>	<u>1% Increase (7.10%)</u>
\$ <u>471,379</u>	\$ <u>106,548</u>	\$ <u>(198,980)</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Financial Statements
December 31, 2025

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separately issued financial statements of the Plan.

NOTE 8 - AGENCY FUNDS A summary of the changes in the District Attorney's agency funds is as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Asset Forfeiture Fund	\$ 596,871	\$ 125,504	\$ 302,867	\$ 419,508
Bond Forfeiture Fund	55,188	343,166	266,929	131,425
Victim Restitution Fund	129,175	97,006	90,927	135,254
Check Collection Fund	44,110	79,399	80,054	43,455
Total	<u>\$ 825,344</u>	<u>\$ 645,075</u>	<u>\$ 740,777</u>	<u>\$ 729,642</u>

Of the \$129,175 recorded for victim restitution fund, approximately \$121,000 is considered to be unreconciled as the District Attorney is unable to identify the individual payees because of the number of years that have elapsed.

NOTE 9 - LITIGATION AND CLAIMS

Litigation The District Attorney is involved in various legal actions and claims rising in the normal course of business. After taking into consideration the District Attorney's evaluation of such actions, it is of the opinion that their outcome will not materially affect the financial statements.

Grant Disallowances The District Attorney participates in a number of state and federally assisted programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 10 - EXPENDITURES OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the District Attorney paid out of the criminal court funds, the Morehouse Parish Police Jury, the Ouachita Parish Police Jury, or directly by the State. Those expenditures are summarized as follows:

The Morehouse Parish Police Jury, the Ouachita Parish Police Jury and the state fund a majority portion of the attorneys and support staffs' salaries and benefits.

The Criminal Court Fund is controlled and expended jointly between the District Attorney and the Fourth Judicial Court. The District Attorney normally expends funds for transcripts, witness fees and expert witness fees; the balance is utilized by the Fourth Judicial Court.

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NOTE 11 - FEDERAL FINANCIAL ASSISTANCE PROGRAM The District Attorney participates in the United States Department of Health and Human Services Support Enforcement, Title IV-D Program, Catalog of Federal Domestic Assistance Number 93.563. This program is funded by indirect assistance payments in the form of reimbursements for related expenditures, received from the Louisiana Department of Children and Family Services.

For the year ended December 31, 2025, the District Attorney for the Fourth Judicial District expended \$677,390 for the program.

The reimbursement payments are restricted by a formal agreement between the District Attorney and Department of Children and Family Services and include a budget of expected expenditures for each fiscal year ending June 30. The District Attorney submits reimbursements requests to the Department of Children and Family Services on a monthly basis.

The reimbursement payments may be subjected to further review and audit by the federal grantor agency. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit. Based on prior experience, the District Attorney feels such disallowances, if any, will be immaterial.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 6, 2026, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

NOTE 13 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Lessor Leases:

The District's Subscription Based Technology Arrangements (SBITA) consists primarily of contracts for the use of Technology related to legal research, filings, and legal documents. The terms of these SBITAs are generally for periods ranging from 1 to 3 years at various payment frequencies and amounts. In accordance with GASB Statement No. 96, SBITAs, a liability has been recorded for the present value of SBITA payments to be made over the SBITA term for each agreement. As of December 31, 2025, the combined value of the liabilities were \$106,943. In determining the present value, a discount rate of 4.18% was generally applied to reflect a borrowing rate of the District Attorney. Also, a corresponding right-of-use asset is recorded as a capital asset to be amortized to expense over the term of the contract. The balance of the right-of-use less accumulated amortization at December 31, 2025 is \$104,830.

The future SBITA principal and interest payments as of December 31, 2025, are as follows:

<u>Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 51,828	\$ 3,528	\$ 55,356
2027	<u>55,115</u>	<u>1,348</u>	<u>56,463</u>
Totals	<u>\$106,973</u>	<u>\$ 4,876</u>	<u>\$ 111,819</u>

REQUIRED SUPPLEMENTAL INFORMATION

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	Budgetary Basis	Final Budget Over(Under)
<u>Operating Revenue</u>				
Fines, Fees and Bond Forfeitures	\$ 2,460,800	\$ 2,711,800	\$ 2,858,968	\$ 147,168
Court Cost Fees	181,000	194,000	204,288	10,288
Interest Income	52,300	128,600	176,161	47,561
Intergovernmental Revenue				
Federal	350,000	350,000	328,392	(21,608)
State	356,000	359,000	252,562	(106,438)
Local	693,716	650,650	660,953	10,303
Drug Asset Forfeiture	175,000	200,500	304,893	104,393
Collection Fees	500	600	533	(67)
Other Revenues	9,000	9,000	89,907	80,907
Total Operating Revenues	<u>\$4,278,316</u>	<u>\$4,604,150</u>	<u>\$4,876,657</u>	<u>\$272,507</u>
<u>Operating Expenditures</u>				
General Government				
Personnel Services	2,639,150	3,184,820	3,142,618	42,202
Contractual Charges	905,350	948,366	964,488	(16,122)
Materials and Supplies	440,100	372,500	362,362	10,138
Other Charges	211,700	210,550	242,627	(32,077)
Capital Outlay	-	22,655	79,956	(57,301)
Total Expenditures	<u>4,196,300</u>	<u>4,738,891</u>	<u>4,792,051</u>	<u>(53,160)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	82,016	(134,741)	84,606	219,347
<u>Fund Balance - Beginning of the Year</u>	<u>4,144,112</u>	<u>4,144,112</u>	<u>4,144,112</u>	<u>-</u>
<u>FUND BALANCE - END OF THE YEAR</u>	<u>\$ 4,226,128</u>	<u>\$ 4,009,371</u>	<u>\$ 4,228,718</u>	<u>\$ 219,347</u>

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
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Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget to Actual
Special Revenue - Title IV-D
For the Year Ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
				<u>Over (Under)</u>
<u>Operating Revenue</u>				
Intergovernmental Revenue				
Federal	\$ 675,000	\$ 705,000	\$ 677,390	\$ (27,610)
Total Operating Revenues	675,000	705,000	677,390	(27,610)
<u>Operating Expenditures</u>				
General Government				
Personnel Services	390,000	360,000	552,199	(192,199)
Contractual Charges	145,000	145,000	106,953	38,047
Materials and Supplies	-	-	13,480	(13,480)
Capital Outlay	-	-	-	-
Other Charges	-	-	4,758	(4,758)
Total Expenditures	535,000	505,000	677,390	(172,390)
<u>Excess (Deficiency) of Revenues Over</u>				
<u>Expenditures</u>	140,000	200,000	-	(200,000)
<u>Fund Balance - Beginning of the Year</u>	-	-	-	-
<u>FUND BALANCE - END OF THE YEAR</u>	\$ 140,000	\$ 200,000	\$ -	\$ (200,000)

The accompanying notes are an integral part of this financial statement.

Schedule III

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2025

<u>Fiscal Year</u>	<u>Agency's proportion of the net pension liability (asset)</u>	<u>Agency's proportionate share of the net pension liability (asset)</u>	<u>Agency's covered payroll</u>	<u>Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2016	1.21539%	\$ 232,635	\$ 735,264	32%	62.11%
2017	0.90560%	\$ 244,259	\$ 511,630	48%	62.49%
2018	0.78489%	\$ 252,571	\$ 488,003	52%	63.94%
2019	0.81432%	\$ 261,970	\$ 478,823	55%	93.13%
2020	0.78484%	\$ 621,806	\$ 486,874	128%	84.86%
2021	0.64211%	\$ 114,316	\$ 402,484	28%	96.79%
2022	0.54087%	\$ 582,634	\$ 349,987	166%	81.65%
2023	0.49251%	\$ 422,353	\$ 328,043	129%	85.85%
2024	0.47392%	\$ 227,771	\$ 331,637	69%	92.33%
2025	0.47392%	\$ 106,548	\$ 329,290	32%	96.47%

Amounts presented were determined as of the measurement date (previous fiscal year end).

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule IV

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana
Schedule of Employer Contributions to Pension Plan
For the Year Ended December 31, 2025

<u>Fiscal Year</u>	<u>(a) Statutorily required contribution</u>	<u>(b) Contributions in relation to the statutorily required contribution</u>	<u>(a-b) Contribution deficiency</u>	<u>Agency's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2016	\$ 11,323	\$ 11,323	\$ -	\$ 735,264	1.54%
2017	\$ -	\$ -	\$ -	\$ 511,630	0.00%
2018	\$ 3,001	\$ 3,001	\$ -	\$ 488,003	0.61%
2019	\$ 12,741	\$ 12,741	\$ -	\$ 482,660	2.64%
2020	\$ 18,555	\$ 18,555	\$ -	\$ 463,878	4.00%
2021	\$ 24,571	\$ 24,571	\$ -	\$ 363,767	6.75%
2022	\$ 31,463	\$ 31,463	\$ -	\$ 331,191	9.50%
2023	\$ 35,549	\$ 35,549	\$ -	\$ 330,543	10.75%
2024	\$ 40,058	\$ 40,058	\$ -	\$ 330,387	12.12%
2025	\$ 40,338	\$ 40,338	\$ -	\$ 329,290	12.25%

Amounts presented were determined as of the end of the fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The accompanying notes are an integral part of this financial statement.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended December 31, 2025

A. BUDGETS

General Budget Practices The District Attorney follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year in December, the accountant prepares and submits a proposed budget to the District Attorney for review. Public hearings are conducted to obtain taxpayer comments, prior to the adoption of the budget. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the District Attorney. Legally, the District Attorney must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the District Attorney to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

SUPPLEMENTARY INFORMATION

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

AGENCY FUNDS
Combining Schedule of Fiduciary Assets and Liabilities
For the Year Ended December 31, 2025

	<u>Asset Forfeiture Agency Fund</u>	<u>Bond Forfeiture Agency Fund</u>	<u>Victim Restitution Agency Fund</u>	<u>Check Collection Agency Fund</u>	<u>Total</u>
Assets					
Cash and Cash Equivalents	\$ 419,508	\$ 131,425	\$ 135,254	\$ 43,455	\$ 729,642
TOTAL ASSETS	<u>419,508</u>	<u>131,425</u>	<u>135,254</u>	<u>43,455</u>	<u>729,642</u>
Liabilities					
Deposits Due Others	419,508	131,425	135,254	43,455	729,642
TOTAL LIABILITIES	<u>\$ 419,508</u>	<u>\$ 131,425</u>	<u>\$ 135,254</u>	<u>\$ 43,455</u>	<u>\$ 729,642</u>

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2025

Agency Head (District Attorney) : Robert S. Tew, District Attorney

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 122,500
Benefits – Insurance	\$ 0
Benefits – Retirement	\$9,800
Per diem	\$ 0
Travel	\$ 0
Dues	\$ 0

District Attorney for the 4th Judicial District

Justice System Funding Schedule - Collecting/Disbursing Schedule

Cash Basis Presentation

As Required by La. R.S. 24:515.2

	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
1. Beginning Cash Balance	3,647,544	4,849,072
2. Collections		
a. Civil Fees	-	-
b. Bond Fees	211,785	128,381
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	190,627	193,395
e. Pre-Trial Diversion Program Fees	916,502	1,117,038
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	59,257	37,999
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	6,401	5,451
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	42,810	36,588
Total Collected	1,427,382	1,518,852
3. Deductions: Collections Retained by the District Attorney for the 4th Judicial District		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	-	-
b. Bond Fees	15,681	64,436
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	14,000	47,128
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the District Attorney for the 4th Judicial District	29,681	111,564
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	95,881	75,877
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	-	-
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	95,881	75,877
5. Deductions: Total Disbursements to Other Governments & Nonprofits	100,292	339,657
6. Total Amounts Disbursed/Retained	225,854	527,098
7. Ending Cash Balance	4,849,072	5,840,826
8. Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

District Attorney for the 4th Judicial District**Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form**

Cash Basis Presentation

As Required by La. R.S. 24:515.2

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	Disbursement Description [Fund, Program, etc.]	Legal Authority to Disburse Money	Disbursement Type	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
	(Optional)				
Ouachita Parish Sheriff	§571.11. Dispositions of fines and forfeitures	R.S. 15:571.11	c. Cash Bonds	15,014	57,863
Ouachita Parish Police Jury	§571.11. Dispositions of fines and forfeitures	R.S. 15:571.11	f. Criminal Court Costs/Fees	27,145	100,363
4th Judicial District Public Defender	§571.11. Dispositions of fines and forfeitures	R.S. 15:571.11	c. Cash Bonds	10,454	42,957
Morehouse Parish Police Jury	§571.11. Dispositions of fines and forfeitures	R.S. 15:571.11	f. Criminal Court Costs/Fees	-	4,705
Morehouse Parish Sheriff	§2616. Allocation of forfeited property; creation of special funds; reporting	R.S. 40:2616	d. Asset Forfeiture/Sale	-	8,759
City of Monroe	§2616. Allocation of forfeited property; creation of special funds; reporting	R.S. 40:2616	d. Asset Forfeiture/Sale	4,437	71,633
Out of State: Louisiana State Police	§2616. Allocation of forfeited property; creation of special funds; reporting	R.S. 40:2616	d. Asset Forfeiture/Sale	-	1,504
City of West Monroe	§2616. Allocation of forfeited property; creation of special funds; reporting	R.S. 40:2616	d. Asset Forfeiture/Sale	-	5,475
Metro Narcotics of Ouachita Parish	§2616. Allocation of forfeited property; creation of special funds; reporting	R.S. 40:2616	d. Asset Forfeiture/Sale	43,242	46,398

District Attorney for the 4th Judicial District
Justice System Funding Schedule - Receiving Schedule

Cash Basis Presentation

As Required by La. R.S. 24:515.2

		Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
1. Ending Balance of Amounts Assessed but Not Received:		-	-
2. Details of Receipts from Collecting/Disbursing Agency			
Agency Remitting Money	Remittance Type	Amount for 01/01/2025 - 06/30/2025	Amount for 07/01/2025 - 12/31/2025
Ouachita Parish Sheriff	h. Criminal Fines – Other/Non-Contempt	105,284	101,734
Morehouse Parish Sheriff	h. Criminal Fines – Other/Non-Contempt	10,318	9,016
Ouachita Parish Sheriff	f. Criminal Court Costs/Fees	94,127	95,287
Morehouse Parish Sheriff	f. Criminal Court Costs/Fees	6,791	8,616
Ouachita Parish Sheriff	b. Bond Fees	113,343	122,042
Morehouse Parish Sheriff	b. Bond Fees	8,616	10,636
Ouachita Parish Sheriff	n. Other	32,538	29,850
Morehouse Parish Sheriff	n. Other	75	2,206
Out of State: State of Louisiana	n. Other	9,300	6,787

REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

**Independent Auditors' 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***

Honorable Steve Tew
District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Fourth Judicial District (District Attorney), a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District Attorney's basic financial statements, and have issued our report thereon dated May 6, 2026.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

David M. North, CPA (APAC)

West Monroe, Louisiana
May 6, 2026

**District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025**

PART I-SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

- i. The type of audit report was unmodified.
- ii. There were no material weaknesses or significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance, as defined by the Government Auditing Standards, to the financial statements.

Part II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America

No findings were reported under this section.

Part III – Management Letter

No management letter was issued.

District Attorney of the Fourth Judicial District
Parishes of Ouachita and Morehouse, Louisiana

Status of Prior Year Findings and Questioned Costs
For the Year Ended December 31, 2025

Section I - Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the Fourth Judicial District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fourth Judicial District (the Entity) and the Louisiana Legislative Auditor (LLA), on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Entity's management is responsible for those C/C areas identified in the SAUPs.

District Attorney of the Fourth Judicial District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

We were engaged by the District Attorney of the Fourth Judicial District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District Attorney of the Fourth Judicial District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
May 6, 2026

1) ***Written Policies and Procedures***

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software

patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- xii. Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were noted in the above procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were noted in the above procedures.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were noted in the above procedures.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and
 - i. Observe that receipts are sequentially pre-numbered.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions in the above procedures.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions in the above procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exceptions in the above procedures.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no expenses for travel reimbursement for the year.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions in the above procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials. obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the above procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions in the above procedures.

11) *Debt Service*

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedures related to debt service are not required.

Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted in the above procedures.

12) *Information Technology Disaster Recovery/Business Continuity*

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management"**:

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
 - Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

13) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions noted in the above procedures.