

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Financial Statements with Supplementary Information**

**June 30, 2026**

**(With Independent Auditor's Report Thereon)**

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

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American Institute of Certified Public Accountants  
Society of Louisiana CPAs

Stephen M. Griffin, CPA  
Robert J. Furman, CPA

Howard P. Vollenweider, CPA  
Jessica S. Benjamin  
Racheal D. Alvey  
Michael J. Caparotta, CPA

Angela M. Warden

Michael R. Choate, CPA  
Kent A. Berger, CPA

### **Independent Auditor's Report**

**To the Board of Commissioners  
Pontchartrain Levee District  
State of Louisiana  
Lutcher, Louisiana**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pontchartrain Levee District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Pontchartrain Levee District'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 Pontchartrain Levee District, as of June 30, 2026, 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 Pontchartrain Levee District 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.

**Covington**  
205 E. Lockwood St.  
Covington, LA 70433  
Phone (985) 727-9924  
Fax (985) 727-9975

**Baton Rouge**  
2915 S. Sherwood Forest Blvd.,  
Suite B  
Baton Rouge, LA 70816  
Phone (225) 292-7434  
Fax (225) 293-3651

**West Monroe**  
3711 Cypress St., Suite 2  
West Monroe, LA 71291  
Phone (318) 397-2472

**New Orleans**  
525 St Charles Ave,  
Suite 310  
New Orleans, LA 70130  
Phone (504) 299-3434

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Pontchartrain Levee District'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.

**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 the 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 on the effectiveness of the Pontchartrain Levee District'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, which raise substantial doubt about the Pontchartrain Levee District'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.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2026, on our consideration of the Pontchartrain Levee District'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 Pontchartrain Levee District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pontchartrain Levee District's internal control over financial reporting and compliance.

***Griffin & Furman, LLC***

Covington, Louisiana

September 24, 2026

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Management's Discussion and Analysis**

**June 30, 2026**

Management of the Pontchartrain Levee District (the District) presents the following discussion and analysis of the District's financial activities for the fiscal year ended June 30, 2026. This discussion should be read in conjunction with the District's basic financial statements and accompanying notes. The analysis is based on currently known facts, decisions, and conditions and compares fiscal year 2026 with fiscal year 2025.

**Overview of the Financial Statements**

The Pontchartrain Levee District is a component unit of the State of Louisiana and provides flood protection within portions of East Baton Rouge, Iberville, Ascension, St. James, St. John the Baptist, and St. Charles Parishes. The District reports only governmental activities.

The District's basic financial statements consist of government-wide financial statements, governmental fund financial statements, and the related notes to the financial statements.

The government-wide financial statements, consisting of the Statement of Net Position and Statement of Activities, provide a broad, long-term view of the District's financial position and operations. These statements use the economic resources measurement focus and accrual basis of accounting and include capital assets and long-term obligations that are not reported in the governmental fund financial statements.

The governmental fund financial statements provide a shorter-term view of the District's financial resources. These statements use the current financial resources measurement focus and modified accrual basis of accounting. The District's major governmental funds are the General Fund and the Special Construction Fund. The General Fund accounts for the District's primary operating activities, while the Special Construction Fund accounts for resources used for major levee and pumping-station construction. Reconciliations following the governmental fund statements explain the differences between the governmental fund and government-wide amounts.

The notes to the financial statements provide additional information necessary to understand the amounts reported in the government-wide and fund financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Management's Discussion and Analysis**

**June 30, 2026**

**Financial Summary**

The following presents condensed financial information on the operation of the District:

|                                                            | <u>2026</u>               | <u>2025</u>            | <u>Change</u>          |
|------------------------------------------------------------|---------------------------|------------------------|------------------------|
| Current assets                                             | \$ 96,622,117             | 82,753,933             | 13,868,184             |
| Capital assets, net of depreciation                        | 151,819,346               | 155,129,134            | (3,309,788)            |
| Deferred outflows of resources                             | <u>1,694,699</u>          | <u>2,093,859</u>       | <u>(399,160)</u>       |
| <br>Total assets and deferred outflows<br>of resources     | <br>\$ <u>250,136,162</u> | <br><u>239,976,926</u> | <br><u>10,159,236</u>  |
| <br>Current liabilities                                    | <br>\$ 4,785,605          | <br>4,721,599          | <br>64,006             |
| Long-term liabilities                                      | 11,543,012                | 14,294,187             | (2,751,175)            |
| Deferred inflows of resources                              | <u>2,204,726</u>          | <u>1,927,084</u>       | <u>277,642</u>         |
| <br>Total liabilities and deferred inflows<br>of resources | <br><u>18,533,343</u>     | <br><u>20,942,870</u>  | <br><u>(2,409,527)</u> |
| <br>Net position:                                          |                           |                        |                        |
| Net investment in capital assets                           | 151,819,346               | 155,129,134            | (3,309,788)            |
| Unrestricted                                               | <u>79,783,473</u>         | <u>63,904,922</u>      | <u>15,878,551</u>      |
| <br>Total net position                                     | <br><u>231,602,819</u>    | <br><u>219,034,056</u> | <br><u>12,568,763</u>  |
| <br>Total liabilities and net position                     | <br>\$ <u>250,136,162</u> | <br><u>239,976,926</u> | <br><u>10,159,236</u>  |

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Management's Discussion and Analysis**

**June 30, 2026**

|                                                             |    |                    |                    |                    |
|-------------------------------------------------------------|----|--------------------|--------------------|--------------------|
| <b>Program revenues:</b>                                    |    |                    |                    |                    |
| <b>Capital grants</b>                                       | \$ | <u>2,013,709</u>   | <u>460,932</u>     | <u>1,552,777</u>   |
| <b>General revenues:</b>                                    |    |                    |                    |                    |
| <b>Property taxes</b>                                       |    | 20,190,963         | 19,070,928         | 1,120,035          |
| <b>State revenue sharing</b>                                |    | 411,185            | 408,133            | 3,052              |
| <b>Other</b>                                                |    | <u>3,292,042</u>   | <u>3,769,280</u>   | <u>(477,238)</u>   |
| <b>Total general revenues</b>                               |    | <u>23,894,190</u>  | <u>23,248,341</u>  | <u>645,849</u>     |
| <b>Total revenues</b>                                       |    | 25,907,899         | 23,709,273         | 2,198,626          |
| <b>Levee maintenance and governmental activity expenses</b> |    | <u>13,339,136</u>  | <u>21,722,458</u>  | <u>(8,383,322)</u> |
| <b>Change in net position</b>                               |    | 12,568,763         | 1,986,815          | 10,581,948         |
| <b>Net position, beginning of the year</b>                  |    | <u>219,034,056</u> | <u>217,047,241</u> | <u>1,986,815</u>   |
| <b>Net position, end of the year</b>                        | \$ | <u>231,602,819</u> | <u>219,034,056</u> | <u>12,568,763</u>  |

**Detailed analysis**

***Government-Wide Financial Position and Results of Operations***

The District's financial position improved during fiscal year 2026. Total net position increased by \$12,568,763, or approximately 5.7%, from \$219,034,056 at June 30, 2025, to \$231,602,819 at June 30, 2026. The increase resulted from revenues exceeding current-year expenses, including increased property tax and grant revenues together with substantially lower levee maintenance and other project-related spending compared with fiscal year 2025.

Current assets increased by \$13,868,184, or approximately 16.8%, from \$82,753,933 at June 30, 2025, to \$96,622,117 at June 30, 2026. The increase was primarily attributable to increases in cash, investments, and governmental receivables. Cash increased by approximately \$2.2 million, investments increased by approximately \$9.1 million, and receivables increased by approximately \$2.5 million. The increase in cash and investments reflects the District's positive operating results and lower level of current-year expenditure, while the increase in receivables reflects amounts outstanding under governmental reimbursement arrangements at year-end.

Net capital assets decreased by \$3,309,788, or approximately 2.1%, from \$155,129,134 to \$151,819,346. Current-year capital additions were not sufficient to offset depreciation and disposals during the year. Additional information regarding capital asset activity is presented under Significant Capital Asset and Long-Term Financing Activity below and in Note 7 to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Management's Discussion and Analysis**

**June 30, 2026**

Total liabilities decreased by \$2,687,169, or approximately 14.1%, from \$19,015,786 at June 30, 2025, to \$16,328,617 at June 30, 2026. Current liabilities remained relatively consistent, increasing by \$64,006. Long-term liabilities decreased by \$2,751,175, or approximately 19.2%, primarily as a result of reductions in employee-benefit-related liabilities. The District's net pension liability decreased from approximately \$5.2 million to \$3.9 million, while its total OPEB liability decreased from approximately \$7.9 million to \$7.3 million. The compensated absences liability also decreased from approximately \$1.5 million to \$1.3 million. Pension and OPEB amounts may fluctuate from year to year based on actuarial measurements, changes in the District's proportionate share, investment experience, assumptions, contributions, and employee demographics.

Deferred outflows of resources decreased by \$399,160, or approximately 19.1%, from \$2,093,859 at June 30, 2025, to \$1,694,699 at June 30, 2026. Deferred inflows of resources increased by \$277,642, or approximately 14.4%, from \$1,927,084 to \$2,204,726. These changes primarily resulted from the annual measurement of the District's pension and OPEB obligations and the related deferred amounts.

Total revenues increased by \$2,198,626, or approximately 9.3%, from \$23,709,273 in fiscal year 2025 to \$25,907,899 in fiscal year 2026. Property tax revenue increased by approximately \$1.1 million, or 5.9%. Capital grants and contributions increased by approximately \$1.6 million, primarily as a result of increased reimbursement activity associated with governmental flood-control projects, including the Highway 22 Gapping and West Shore-related activities. These increases were partially offset by lower investment earnings and unrealized investment gains compared with the prior year.

Total governmental activity expenses decreased by \$8,383,322, or approximately 38.6%, from \$21,722,458 in fiscal year 2025 to \$13,339,136 in fiscal year 2026. The decrease was primarily attributable to the timing and level of levee maintenance and construction-related activity. Fiscal year 2025 included substantially higher expenditures associated with major levee projects, while fiscal year 2026 project activity was lower. Changes in pension, OPEB, compensated absences, depreciation, and other government-wide adjustments also affected the year-to-year change in expenses.

As a result, the District reported an increase in net position of \$12,568,763 for fiscal year 2026 compared with an increase of \$1,986,815 in fiscal year 2025, an improvement of \$10,581,948.

*Analysis of Major Funds*

*General Fund*

The General Fund ended fiscal year 2026 with fund balance of \$80,988,886, an increase of \$12,737,475, or approximately 18.7%, from \$68,251,411 at June 30, 2025.

General Fund revenues increased by \$1,241,061, or approximately 5.4%, from \$22,923,838 in fiscal year 2025 to \$24,164,899 in fiscal year 2026. The increase was primarily attributable to a \$1,120,035 increase in property tax revenue and increased governmental reimbursement revenue. These increases were partially offset by lower investment-related income and gains compared with fiscal year 2025.

General Fund expenditures decreased by \$8,020,673, or approximately 45.9%, from \$17,463,260 in fiscal year 2025 to \$9,442,587 in fiscal year 2026. The decrease was primarily attributable to levee maintenance

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Management's Discussion and Analysis**

**June 30, 2026**

expenditures, which decreased from approximately \$12.8 million to \$4.5 million due to the timing and level of major levee maintenance and improvement activity. Capital outlay increased from approximately \$1.1 million to \$1.6 million as the District acquired equipment and incurred other capital improvement costs.

Transfers out of the General Fund increased from approximately \$611,000 in fiscal year 2025 to \$2.0 million in fiscal year 2026. Current-year transfers provided resources to the Special Construction Fund and project-specific funds, including the West Shore Feasibility Study and Highway 22 Gapping funds.

At June 30, 2026, the General Fund reported approximately \$36.0 million of committed fund balance for levee construction and maintenance and \$75,000 assigned fund balance for building maintenance. These amounts are designated for specific future purposes and therefore reduce the resources available for general operating purposes. The remaining, approximately \$44.6 million was reported as unassigned fund balance and remains available for general governmental purposes.

***Special Construction Fund***

The Special Construction Fund ended fiscal year 2026 with fund balance of \$9,464,863, an increase of \$296,850, or approximately 3.2%, from \$9,168,013 at June 30, 2025.

Revenue decreased from \$510,298 in fiscal year 2025 to \$314,128 in fiscal year 2026, primarily due to lower unrealized investment gains and lower interest income. Expenditures decreased from \$179,308 to \$117,278. The General Fund transferred \$100,000 to the Special Construction Fund during fiscal year 2026 compared with \$200,000 during fiscal year 2025.

At June 30, 2026, approximately \$4.8 million of the Special Construction Fund's fund balance was committed for future construction and flood-protection activities. These committed resources are not available for general operating purposes and are expected to be used for future capital and flood-protection needs. The remaining approximately \$4.6 million was reported as assigned fund balance.

**Significant Capital Asset and Long-Term Financing Activity**

**Capital Assets**

At June 30, 2026, the District had \$151,819,346 invested in capital assets, net of accumulated depreciation, compared with \$155,129,134 at June 30, 2025, a decrease of \$3,309,788.

During fiscal year 2026, the District acquired approximately \$1.6 million of new capital assets, primarily consisting of equipment purchases and construction-related improvements. Construction in progress increased by approximately \$342,000 during the year, and approximately \$242,000 of previously accumulated construction in progress was completed and transferred to buildings. Equipment additions totaled approximately \$1.2 million. The District recorded \$4,817,280 of depreciation expense during fiscal year 2026. Additional information regarding capital assets is presented in Note 7.

The District had no significant long-term financing activity during fiscal year 2026 and had no outstanding bonded debt. No significant new debt, lease, public-private or public-public partnership, or subscription-based information technology financing arrangements were entered into during the year.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Management's Discussion and Analysis**

**June 30, 2026**

**Currently Known Facts, Decisions, or Conditions**

At June 30, 2026, the District had approximately \$42.5 million of governmental fund balance committed to levee construction and maintenance. These committed resources are intended to support future flood-protection, levee maintenance, and construction activities and are expected to affect the timing and level of expenditures in future fiscal years.

The District continues to participate in the West Shore Lake Pontchartrain project, a regional hurricane and storm-damage risk-reduction project located in St. Charles, St. John the Baptist, and St. James Parishes. The project includes approximately 17.5 miles of levee, one mile of T-wall, two pumping stations, drainage structures, and utility relocations. The overall project construction estimate was approximately \$3.7 billion as of June 2024, with estimated completion in 2027. The timing of the project and related governmental funding and reimbursement activity may affect the District's future financial activity.

The District will continue to evaluate the timing and funding of planned levee maintenance, equipment purchases, flood-control improvements, and reimbursement-based governmental projects. Actual fiscal year 2027 activity will depend upon project schedules, funding availability, and amounts approved by the Board.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Statement of Net Position**

**June 30, 2026**

**Assets and Deferred Outflows of Resources**

**Assets:**

|                     |                    |
|---------------------|--------------------|
| Cash                | \$ 3,336,970       |
| Investments         | 86,607,963         |
| Accounts receivable | 6,386,282          |
| Prepaid insurance   | 226,461            |
| Inventories         | 64,441             |
| Capital assets, net | <u>151,819,346</u> |

**Total assets** 248,441,463

**Deferred outflows of resources** 1,694,699

**Total assets and deferred outflows of resources** \$ 250,136,162

**Liabilities, Deferred Inflows of Resources, and Net Position**

**Current liabilities:**

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable                      | \$ 3,725,318   |
| Salaries and wages payable            | 117,446        |
| Compensated absences payable          | 723,225        |
| Other postemployment benefits payable | <u>219,616</u> |

**Total current liabilities** 4,785,605

**Non-current liabilities:**

|                                       |                  |
|---------------------------------------|------------------|
| Compensated absences payable          | 568,248          |
| Net pension liability                 | 3,933,378        |
| Other postemployment benefits payable | <u>7,041,386</u> |

**Total non-current liabilities** 11,543,012

**Total liabilities** 16,328,617

**Deferred inflows of resources** 2,204,726

**Net position:**

|                                  |                   |
|----------------------------------|-------------------|
| Net investment in capital assets | 151,819,346       |
| Unrestricted                     | <u>79,783,473</u> |

**Total net position** 231,602,819

**Total liabilities, deferred inflows of resources, and net position** \$ 250,136,162

See accompanying notes to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Statement of Activities**

**For the Year Ended June 30, 2026**

|                                        |                   | <u>Program Revenues</u>                           |                                                 | <u>Net (Expense)</u>                               |
|----------------------------------------|-------------------|---------------------------------------------------|-------------------------------------------------|----------------------------------------------------|
|                                        | <u>Expenses</u>   | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> | <u>Revenue and<br/>Changes in<br/>Net Position</u> |
| <b>Functions/programs</b>              |                   |                                                   |                                                 |                                                    |
| <b>Governmental activities:</b>        |                   |                                                   |                                                 |                                                    |
| Levee maintenance                      | \$ 13,339,136     | -                                                 | 2,013,709                                       | (11,325,427)                                       |
| <b>Total governmental activities</b>   | <u>13,339,136</u> | <u>-</u>                                          | <u>2,013,709</u>                                | <u>(11,325,427)</u>                                |
| <b>General revenues:</b>               |                   |                                                   |                                                 |                                                    |
| Taxes                                  |                   |                                                   |                                                 | 20,190,963                                         |
| State revenue sharing                  |                   |                                                   |                                                 | 411,185                                            |
| Interest income                        |                   |                                                   |                                                 | 3,170,945                                          |
| Unrealized gain on investments         |                   |                                                   |                                                 | 11,521                                             |
| Miscellaneous                          |                   |                                                   |                                                 | <u>109,576</u>                                     |
| <b>Total general revenues</b>          |                   |                                                   |                                                 | <u>23,894,190</u>                                  |
| <b>Change in net position</b>          |                   |                                                   |                                                 | <u>12,568,763</u>                                  |
| <b>Net position, beginning of year</b> |                   |                                                   |                                                 | 219,034,056                                        |
| <b>Net position, end of year</b>       |                   |                                                   |                                                 | \$ <u>231,602,819</u>                              |

See accompanying notes to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Governmental Funds**

**Balance Sheet**

**June 30, 2026**

|                                            | <u>Major Funds</u>   |                     | <u>Non-Major Funds</u> |                     |
|--------------------------------------------|----------------------|---------------------|------------------------|---------------------|
|                                            | <u>General</u>       | <u>Special</u>      | <u>Other</u>           | <u>Total</u>        |
|                                            | <u>Fund</u>          | <u>Construction</u> | <u>Funds</u>           | <u>Governmental</u> |
|                                            |                      | <u>Fund</u>         |                        | <u>Funds</u>        |
| <b>Assets:</b>                             |                      |                     |                        |                     |
| Cash                                       | \$ 642,097           | 1,969,348           | 725,525                | 3,336,970           |
| Investments                                | 79,181,649           | 7,426,314           | -                      | 86,607,963          |
| Accounts receivable                        | 4,624,646            | 73,126              | 1,688,510              | 6,386,282           |
| Prepaid insurance                          | 226,461              | -                   | -                      | 226,461             |
| Inventories                                | 64,441               | -                   | -                      | 64,441              |
|                                            |                      |                     |                        |                     |
| <b>Total assets</b>                        | <b>\$ 84,739,294</b> | <b>9,468,788</b>    | <b>2,414,035</b>       | <b>96,622,117</b>   |
|                                            |                      |                     |                        |                     |
| <b>Liabilities and fund balances:</b>      |                      |                     |                        |                     |
| <b>Liabilities:</b>                        |                      |                     |                        |                     |
| Accounts payable                           | \$ 3,632,962         | 3,925               | 88,431                 | 3,725,318           |
| Salaries and wages payable                 | 117,446              | -                   | -                      | 117,446             |
|                                            |                      |                     |                        |                     |
| <b>Total liabilities</b>                   | <b>3,750,408</b>     | <b>3,925</b>        | <b>88,431</b>          | <b>3,842,764</b>    |
|                                            |                      |                     |                        |                     |
| <b>Fund balances:</b>                      |                      |                     |                        |                     |
| Nonspendable                               | 290,902              | -                   | -                      | 290,902             |
| Committed                                  | 36,020,643           | 4,846,565           | 1,599,870              | 42,467,078          |
| Assigned                                   | 75,000               | 4,618,298           | 725,734                | 5,419,032           |
| Unassigned                                 | 44,602,341           | -                   | -                      | 44,602,341          |
|                                            |                      |                     |                        |                     |
| <b>Total fund balances</b>                 | <b>80,988,886</b>    | <b>9,464,863</b>    | <b>2,325,604</b>       | <b>92,779,353</b>   |
|                                            |                      |                     |                        |                     |
| <b>Total liabilities and fund balances</b> | <b>\$ 84,739,294</b> | <b>9,468,788</b>    | <b>2,414,035</b>       | <b>96,622,117</b>   |

See accompanying notes to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

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

**June 30, 2026**

|                                         |                      |
|-----------------------------------------|----------------------|
| <b>Total Governmental Fund Balances</b> | <b>\$ 92,779,353</b> |
|-----------------------------------------|----------------------|

**Amounts reported for governmental activities in the statement  
of net position are different because:**

|                                                                                                                                                                                                                                                                                                                                                          |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Purchases of capital assets are reported as expenditures as they are incurred in the governmental funds. The statement of net position reports capital outlays as an asset of the District. These capital assets are depreciated over their estimated useful lives in the statement of activities and are not reported in the governmental funds.</b> | <b>151,819,346</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|

**Long-term liabilities that are not due and payable in the current period are not reported as a liability in the governmental funds. All liabilities - both current and long term - are reported in the statement of net position.**

|                                                                                                            |                           |
|------------------------------------------------------------------------------------------------------------|---------------------------|
| <b>Compensated absences payable</b>                                                                        | <b>(1,291,473)</b>        |
| <b>Net pension liability including deferred outflows and deferred inflows of resources</b>                 | <b>(4,082,239)</b>        |
| <b>Other postemployment benefits payable including deferred outflows and deferred inflows of resources</b> | <b><u>(7,622,168)</u></b> |

|                                                      |                                     |
|------------------------------------------------------|-------------------------------------|
| <b>Total Net Position of Governmental Activities</b> | <b>\$ <u><u>231,602,819</u></u></b> |
|------------------------------------------------------|-------------------------------------|

See accompanying notes to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Governmental Funds**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

**For the Year Ended June 30, 2026**

|                                                   | <u>Major Funds</u>          |                                          | <u>Non-Major Funds</u>  |                                         |
|---------------------------------------------------|-----------------------------|------------------------------------------|-------------------------|-----------------------------------------|
|                                                   | <u>General<br/>Fund</u>     | <u>Special<br/>Construction<br/>Fund</u> | <u>Other<br/>Funds</u>  | <u>Total<br/>Governmental<br/>Funds</u> |
| <b>Revenues:</b>                                  |                             |                                          |                         |                                         |
| Taxes                                             | \$ 20,190,963               | -                                        | -                       | 20,190,963                              |
| State revenue sharing                             | 411,185                     | -                                        | -                       | 411,185                                 |
| Interest income                                   | 2,868,338                   | 293,294                                  | -                       | 3,161,632                               |
| Unrealized gain on investments                    | -                           | 20,834                                   | -                       | 20,834                                  |
| Government income                                 | 584,837                     | -                                        | 1,428,872               | 2,013,709                               |
| Miscellaneous                                     | 109,576                     | -                                        | -                       | 109,576                                 |
| Total revenues                                    | <u>24,164,899</u>           | <u>314,128</u>                           | <u>1,428,872</u>        | <u>25,907,899</u>                       |
| <b>Expenditures:</b>                              |                             |                                          |                         |                                         |
| Executive                                         | 210,784                     | -                                        | -                       | 210,784                                 |
| General and administrative                        | 2,007,145                   | 19,218                                   | 32,577                  | 2,058,940                               |
| Levee maintenance                                 | 4,499,018                   | 98,060                                   | 671,327                 | 5,268,405                               |
| Police department                                 | 941,355                     | -                                        | -                       | 941,355                                 |
| Levee construction                                | 219,074                     | -                                        | -                       | 219,074                                 |
| Capital outlay                                    | 1,565,211                   | -                                        | -                       | 1,565,211                               |
| Grant expenditures                                | -                           | -                                        | 1,096,803               | 1,096,803                               |
| Total expenditures                                | <u>9,442,587</u>            | <u>117,278</u>                           | <u>1,800,707</u>        | <u>11,360,572</u>                       |
| Excess (deficiency) of revenues over expenditures | <u>14,722,312</u>           | <u>196,850</u>                           | <u>(371,835)</u>        | <u>14,547,327</u>                       |
| <b>Other financing sources (uses):</b>            |                             |                                          |                         |                                         |
| Operating transfers in                            | -                           | 100,000                                  | 1,884,837               | 1,984,837                               |
| Operating transfers out                           | (1,984,837)                 | -                                        | -                       | (1,984,837)                             |
| Total other financing sources (uses)              | <u>(1,984,837)</u>          | <u>100,000</u>                           | <u>1,884,837</u>        | <u>-</u>                                |
| Net change in fund balances                       | 12,737,475                  | 296,850                                  | 1,513,002               | 14,547,327                              |
| Fund balances, beginning of year                  | <u>68,251,411</u>           | <u>9,168,013</u>                         | <u>812,602</u>          | <u>78,232,026</u>                       |
| Fund balances, end of year                        | \$ <u><u>80,988,886</u></u> | <u><u>9,464,863</u></u>                  | <u><u>2,325,604</u></u> | <u><u>92,779,353</u></u>                |

See accompanying notes to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**For the Year Ended June 30, 2026**

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

|                                                               |                      |
|---------------------------------------------------------------|----------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b> | <b>\$ 14,547,327</b> |
|---------------------------------------------------------------|----------------------|

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

**Governmental funds report capital outlays as expenditures.  
However, in the statement of activities the cost of those assets is  
allocated over their estimated useful lives and reported as  
depreciation expense:**

|                                |                    |
|--------------------------------|--------------------|
| <b>Capital asset additions</b> | <b>1,565,211</b>   |
| <b>Depreciation expense</b>    | <b>(4,817,280)</b> |
| <b>Loss on sale of asset</b>   | <b>(57,719)</b>    |

**Certain expenses reported in the statement of activities  
do not require the use of current financial resources and,  
therefore, are not reported as expenditures in the governmental funds.  
Changes in these long-term liabilities and related deferred  
amounts affect governmental activities as follows:**

|                                                            |                       |
|------------------------------------------------------------|-----------------------|
| <b>Personnel cost decrease due to compensated absences</b> | <b>171,020</b>        |
| <b>Pension expense net of retirement contributions</b>     | <b>928,036</b>        |
| <b>Adjustment for other postemployment benefits</b>        | <b><u>232,168</u></b> |

|                                                          |                                    |
|----------------------------------------------------------|------------------------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$ <u><u>12,568,763</u></u></b> |
|----------------------------------------------------------|------------------------------------|

See accompanying notes to the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(1) Introduction**

The Board of Levee Commissioners of the Pontchartrain Levee District (the District) was created by Louisiana Revised Statute 38:291. The District includes all or portions of the following parishes: East Baton Rouge, Iberville, Ascension, St. James, St. John the Baptist, and St. Charles. The District primarily provides flood protection for those areas in the District and is authorized to construct and maintain levees, levee drainage, pumps, pumping stations, drainage canals, sea wall, jetties, and breakwaters in the district to protect the lands from overflow, particularly from hurricane floodwaters and inundation from tidewaters from the Gulf of Mexico. Members of the Board are appointed by the Governor in accordance with the provisions of Louisiana Revised Statute 38:304.

**(2) Summary of Significant Accounting Policies**

**(a) Reporting Entity**

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the reporting entity 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. The criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the State 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 State.
2. Organizations for which the State does not appoint a voting majority but are fiscally dependent on the State.
3. Organizations for which the reporting entity financial statement would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the State of Louisiana, via the Governor, appoints all the members of the District's governing Board and has the ability to impose its will on the District, the District was determined to be a component unit of the State of Louisiana. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the State of Louisiana, the general government services provided by that government unit, or other governmental units that comprise the financial reporting entity.

**(b) Basic Financial Statements - Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. There were no activities of the District categorized as business-type activities.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**(c) Basic Financial Statements - Fund Financial Statements**

The District uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain government functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds are ordered into three major categories: governmental, proprietary, and fiduciary, which are grouped by fund type in the financial statements. Governmental fund types are those through which general governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds.

**(d) Eliminating Internal Activity**

Interfund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental activities. These are presented as internal balances.

**(e) Capital Assets**

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Building, equipment, furniture and fixtures, and infrastructure are depreciated over their estimated useful lives using the straight-line method. Depreciation is not calculated on land or construction in progress. Accumulated depreciation is recorded net of depreciable assets in the statement of net position.

**(f) Program Revenues**

Program revenues include (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Operating grants and contributions include resources restricted for the operating purposes of a particular program. Capital grants and contributions include resources restricted for the acquisition, construction, or improvement of capital assets or other capital purposes of a particular program. Taxes and other revenues that are not directly attributable to a particular program are reported as general revenues.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(g) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing and related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 31 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

**(h) Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

***General Fund***

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

***Special Construction Fund***

The Special Construction Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The fund is presently being used to account for the construction of the levee system and pumping stations in the District and is referred to as the Special Construction Fund in the governmental fund financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(i) Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay the liabilities of the current fiscal year. For the District, available means expected to be received within 31 days of the fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**(j) Revenues – Taxes**

Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. Ad valorem taxes are recognized when measurable and available. If taxes were recorded when assessed the amount recorded would not be materially different from the amount actually recorded in the financial statements.

**(k) Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

**(l) Other Financing Sources (Uses)**

In governmental fund accounting, transfers between funds, which are not expected to be repaid, are accounted for as other financing sources (uses). In those cases where repayment is expected, the advances are accounted for through the various “due from” and “due to” accounts. These amounts are eliminated in the government-wide financial statements.

Proceeds from the issuance of bonds are accounted for as other financing sources in the governmental funds. These amounts are recorded as liabilities in the government-wide financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(m) Capital Assets**

Capital assets are recorded at cost, if purchased or constructed. Donated capital assets are measured at acquisition value on the acquisition date. Equipment includes all items valued at over \$5,000 and infrastructure includes the cost to construct and improve the pumps, pump stations and lock systems. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

| <u>Asset</u>   | <u>Years</u> |
|----------------|--------------|
| Buildings      | 40           |
| Equipment      | 5-10         |
| Infrastructure | 40-50        |

**(n) Long-Term Liabilities**

In the government-wide financial statements, long-term liabilities, including compensated absences, net pension liabilities, and other postemployment benefit obligations, are reported in the statement of net position in accordance with applicable accounting standards. In the governmental fund financial statements, long-term obligations are recognized as fund liabilities only when amounts are due and payable from current financial resources.

**(o) Budget Policies**

The budget practices of the District are prescribed by Louisiana Revised Statute 38:318. This statute requires the District to submit its annual budget to the Joint Legislative Committee on the Budget, no later than 90 days prior to the end of each fiscal year for the succeeding fiscal year for review.

The District prepares budgets for all its funds. The budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

Amendments to the budget must be approved by the Board of Commissioners.

Appropriations which are not expended lapse at year end.

**(p) Encumbrances**

Encumbrance accounting is not utilized by the District.

**(q) Cash, Cash Equivalents, and Investments**

Cash includes demand deposits in banks. The caption "cash and cash equivalents" on the statement of net position includes all cash on deposit at banks, including certificates of deposit with an original maturity of less than 90 days. If the original maturity exceeds 90 days, they are classified as investments. The District did not have any cash equivalents at June 30, 2026.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana or any other federally insured investments, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Louisiana state law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. The market value of the demand deposits and certificates of deposit are equal to their cost.

**(r) Annual and Sick Leave**

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated is generally unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours and unused sick leave may be used in the computation of retirement benefits.

The District recognizes a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*, for leave attributable to services already rendered that accumulates and is more likely than not to be used for time off or otherwise paid or settled.

**(s) Inventories**

Inventories consist primarily of fuel and mower parts and are valued at the lower of cost or market. The District uses a periodic inventory system and values inventory using the first-in, first-out (FIFO) method. Inventory expenditures are recognized when individual inventory items are purchased. In the governmental fund financial statements, amounts reported as inventory are classified as nonspendable fund balance because these resources are not in spendable form.

**(t) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, 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.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(u) Fund Balance**

In the governmental fund financial statements, fund balance is reported in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts may be spent. Fund balance is classified as follows:

1. **Nonspendable** - Amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact.
2. **Restricted** - Amounts subject to constraints imposed by external parties, constitutional provisions, or enabling legislation.
3. **Committed** - Amounts that may be used only for specific purposes pursuant to formal action of the District's Board of Commissioners. Commitments may be established, modified, or rescinded only through the same formal action.
4. **Assigned** - Amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. The Board of Commissioners has authorized management to assign amounts for specific purposes.
5. **Unassigned** - The residual classification for the General Fund and includes amounts that have not been restricted, committed, or assigned to specific purposes.

At June 30, 2026, the District has no restricted fund balances. Fund balances committed to levee construction and maintenance amounted to \$42,467,078, assigned fund balances amounted to \$5,419,032, and nonspendable fund balance amounted to \$290,902.

When multiple categories of fund balance are available for expenditure, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned resources, as applicable.

**(v) Net Position**

In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

1. **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. **Restricted net position** – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

3. **Unrestricted net position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2026, and for the year then ended, the District did not have or receive any restricted net position.

**(w) New Accounting Pronouncements Adopted**

In the fiscal year 2026, the District implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new and revised requirements related to management’s discussion and analysis, unusual or infrequent items, the classification and presentation of operating and nonoperating revenues and expenses of proprietary funds, major component unit information, and budgetary comparison information. Implementation of the Statement resulted in changes to the presentation of management’s discussion and analysis and the District’s budgetary comparison information but had no effect on beginning net position.

In fiscal year 2026, the District implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement establishes additional disclosure requirements for certain types of capital assets, including certain intangible assets and capital assets held for sale. The implementation of this Statement had no effect on the District’s financial statements because the District had no capital assets subject to the requirements of the Statement at June 30, 2026.

**(3) Cash**

At June 30, 2026, the District had cash with a carrying amount of \$3,336,970. Cash consisted of demand deposits at financial institutions and amounts held through LPL Financial’s Insured Cash Account program. Deposits are stated at cost, which approximates fair value.

At June 30, 2026, \$2,085,527 of the District’s cash was held through LPL Financial’s Insured Cash Account program. Under this program, available cash is deposited among participating financial institutions. Deposits at participating institutions are eligible for Federal Deposit Insurance Corporation (FDIC) insurance subject to applicable insurance limits and aggregation with any other deposits maintained by the District at the same financial institution. The LPL investment statements identify the individual participating banks and amounts held at each institution. At June 30, 2026, all amounts held through the Insured Cash Account program were covered by FDIC insurance.

The District’s remaining operating bank deposits had a carrying amount of \$1,251,443 and bank balances of \$1,269,533 at June 30, 2026. Under Louisiana law, deposits of political subdivisions must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Of the District’s operating bank balances, \$250,000 was covered by FDIC insurance and approximately \$1,019,533 was secured by pledged securities held by the District’s agent in the District’s name.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(4) Investments**

Investments at June 30, 2026 are comprised of:

| <u>Investment</u>    | <u>Percentage</u>  | <u>Credit Rating</u> | <u>Fair Value</u>           |
|----------------------|--------------------|----------------------|-----------------------------|
| LAMP                 | 79.04%             | AAAm                 | \$ 68,451,093               |
| U.S. Treasury Notes  | 19.93%             | N/A                  | 16,470,779                  |
| Federal Agency Bonds | <u>1.03%</u>       | AA+                  | <u>1,686,091</u>            |
| <b>Total</b>         | <b><u>100%</u></b> |                      | <b>\$ <u>86,607,963</u></b> |

At June 30, 2026, future maturities of investments are as follows:

| <u>Investment</u>    | <u>Fair Value</u>           | <u>Less than<br/>1 Year</u> | <u>1 to 5<br/>Years</u> | <u>6 to 10<br/>Years</u> | <u>10+<br/>Years</u> |
|----------------------|-----------------------------|-----------------------------|-------------------------|--------------------------|----------------------|
| LAMP                 | \$ 68,451,093               | 68,451,093                  | -                       | -                        | -                    |
| U.S. Treasury Notes  | 16,470,779                  | 6,597,375                   | 8,114,452               | 1,758,952                | -                    |
| Federal Agency Bonds | <u>1,686,091</u>            | <u>1,686,091</u>            | <u>-</u>                | <u>-</u>                 | <u>-</u>             |
|                      | <b>\$ <u>86,607,963</u></b> | <b><u>76,734,559</u></b>    | <b><u>8,114,452</u></b> | <b><u>1,758,952</u></b>  | <b><u>-</u></b>      |

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. State law limits the District's investments per Louisiana Revised Statute 33:2955. The District does not have policies to further limit credit risk.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy states that the assets of the District shall be held in trust by the fiduciary designated by the District. U.S. Treasury obligations are backed by the full faith and credit of the United States. The District's federal agency bonds consist of Federal Home Loan Bank consolidated obligations. The Federal Home Loan Banks are government-sponsored enterprises, and the consolidated obligations are joint and several obligations of the Federal Home Loan Banks; however, they are not obligations of, or guaranteed by, the United States.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The District investment policy states that the bond portfolio may not hold more than 30% at cost of any single bond issue.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to political subdivisions does not address interest rate risk. In addition, the District manages its exposure to declines in fair values by permitting shifts along the yield curve and between sectors of the fixed income market.

The District's investment policy does not allow for funds contracted with an investment advisor, for management purposes, to exceed 10 percent of the advisor's assets under management.

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***Louisiana Asset Management Pool (LAMP)***

**LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA R.S. 33:2955.**

**LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, Certain External Investment Pools and Pool Participants. The following facts are relevant for investment pools:**

- **Credit risk: LAMP is rated AAAm by Standard & Poor's.**
- **Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.**
- **Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.**
- **Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM (to reset) and the WAM (to final) for LAMP's total investments were 45 days and 71 days, respectively, at June 30, 2026.**
- **Foreign currency risk: Not applicable.**

**The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.**

**LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.**

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**(5) Fair Value Measurements**

**GASB Statement No. 72, Fair Value Measurement and Application, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.**

- (a) Level 1 inputs - the valuation is based on quoted market prices for identical assets or liabilities traded in active markets.**
- (b) Level 2 inputs - the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability.**
- (c) Level 3 inputs - the valuation is determined by using the best information available under the circumstances, might include the government's own data, but it should adjust the data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.**

**Fair values of assets measured on a recurring basis at June 30, 2026 are as follows:**

|                      | <u>Fair<br/>Value</u> | <u>Quoted Prices<br/>in Active Markets<br/>for Identical Assets<br/>(Level 1)</u> | <u>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> | <u>Not<br/>Categorized<br/>within the Fair<br/>Value Hierarchy</u> |
|----------------------|-----------------------|-----------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------|
| LAMP                 | \$ 68,451,093         | -                                                                                 | -                                                    | -                                                            | 68,451,093                                                         |
| U.S. Treasury Notes  | 16,470,779            | 16,470,779                                                                        | -                                                    | -                                                            | -                                                                  |
| Federal Agency Bonds | <u>1,686,091</u>      | -                                                                                 | <u>1,686,091</u>                                     | -                                                            | -                                                                  |
| Total                | \$ <u>86,607,963</u>  | <u>16,470,779</u>                                                                 | <u>1,686,091</u>                                     | -                                                            | <u>68,451,093</u>                                                  |

**LAMP is an external investment pool and is not categorized within the fair value hierarchy.**

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**(6) Accounts Receivable**

Accounts receivable at June 30, 2026 consisted of the following:

| <u>Description</u>                                    | <u>Amount</u>              |
|-------------------------------------------------------|----------------------------|
| Due from Office of Facility Planning and Control      | \$ 3,085,295               |
| Due from Office of Community Development - Highway 22 | 1,631,569                  |
| Due from Ascension Parish                             | 1,265,135                  |
| Due from Coastal Protection and Restoration Authority | 145,441                    |
| Taxes, accrued interest, and other receivables        | <u>258,842</u>             |
| <b>Total</b>                                          | <b>\$ <u>6,386,282</u></b> |

Receivables from governmental entities primarily relate to reimbursement-based flood protection and infrastructure activities.

**(7) Capital Assets**

A summary of changes in capital assets is as follows:

|                                             | <u>Balance<br/>June 30, 2025</u> | <u>Increases</u>          | <u>Decreases</u>        | <u>Balance<br/>June 30, 2026</u> |
|---------------------------------------------|----------------------------------|---------------------------|-------------------------|----------------------------------|
| Capital assets not being depreciated:       |                                  |                           |                         |                                  |
| Land                                        | \$ 2,291,132                     | -                         | -                       | 2,291,132                        |
| Construction in progress                    | <u>246,470</u>                   | <u>341,653</u>            | <u>(242,415)</u>        | <u>345,708</u>                   |
| Total capital assets not being depreciated  | <u>2,537,602</u>                 | <u>341,653</u>            | <u>(242,415)</u>        | <u>2,636,840</u>                 |
| Capital assets being depreciated:           |                                  |                           |                         |                                  |
| Buildings                                   | 3,185,801                        | 242,415                   | -                       | 3,428,216                        |
| Equipment                                   | 6,237,659                        | 1,223,558                 | (63,694)                | 7,397,523                        |
| Infrastructure                              | <u>172,289,961</u>               | <u>-</u>                  | <u>-</u>                | <u>172,289,961</u>               |
| Total capital assets being depreciated      | <u>181,713,421</u>               | <u>1,465,973</u>          | <u>(63,694)</u>         | <u>183,115,700</u>               |
| Less accumulated depreciation               | <u>(29,121,889)</u>              | <u>(4,817,280)</u>        | <u>5,975</u>            | <u>(33,933,194)</u>              |
| Total capital assets being depreciated, net | <u>152,591,532</u>               | <u>(3,351,307)</u>        | <u>(57,719)</u>         | <u>149,182,506</u>               |
| Total capital assets, net                   | <b>\$ <u>155,129,134</u></b>     | <b><u>(3,009,654)</u></b> | <b><u>(300,134)</u></b> | <b><u>151,819,346</u></b>        |

The District recorded \$4,817,280 of depreciation expense on its capital assets for the year ended June 30, 2026.

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**(8) Long-Term Liabilities**

A summary of changes in long-term liabilities follows:

|                             | <u>Type of Liabilities</u>      |                                                        |                                      |
|-----------------------------|---------------------------------|--------------------------------------------------------|--------------------------------------|
|                             | <u>Compensated<br/>Absences</u> | <u>Other post-<br/>employment<br/>benefits payable</u> | <u>Net<br/>pension<br/>liability</u> |
| Balance at June 30, 2025    | \$ 1,462,493                    | 7,864,316                                              | 5,167,070                            |
| Increases                   | 94,749                          | 592,019                                                | -                                    |
| Decreases                   | (265,769)                       | (1,195,333)                                            | -                                    |
| Additions (Reductions)      | <u>-</u>                        | <u>-</u>                                               | <u>(1,233,692)</u>                   |
| Balance at June 30, 2026    | \$ <u>1,291,473</u>             | <u>7,261,002</u>                                       | <u>3,933,378</u>                     |
| Amounts Due Within One Year | \$ <u>723,225</u>               | <u>219,616</u>                                         | <u>-</u>                             |

**(9) Other Postemployment Benefits (OPEB)**

*Plan Description:* The District's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Annual Comprehensive Financial Report. You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at [www.doa.la.gov/osrap](http://www.doa.la.gov/osrap).

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust, and no plan assets have been accumulated as of July 1, 2025. The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

*Medical Benefits:* Retirees under the age of 65 can elect coverage under the following plans:

- LA Blue Pelican HRA
- LA Blue Magnolia Local/Local Plus
- LA Blue Magnolia Open Access

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**Retirees age 65 and over can elect coverage under the following plans:**

- **LA Blue Pelican HRA**
- **LA Blue Magnolia Local/Local Plus**
- **LA Blue Magnolia Open Access**
- **People's Medicare Advantage HMO**
- **LA Blue Medicare Advantage HMO (varies by region)**
- **Humana Medicare Advantage HMO (varies by region)**
- **Via Benefits HRA**

***Monthly Contributions:*** Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement. Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

| <b><u>OGB Participation</u></b> | <b><u>Employer<br/>Contribution<br/>Percentage</u></b> | <b><u>Employee<br/>Contribution<br/>Percentage</u></b> |
|---------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| <b>Under 10 years</b>           | <b>19%</b>                                             | <b>81%</b>                                             |
| <b>10-14 years</b>              | <b>38%</b>                                             | <b>62%</b>                                             |
| <b>15-19 years</b>              | <b>56%</b>                                             | <b>44%</b>                                             |
| <b>20+ years</b>                | <b>75%</b>                                             | <b>25%</b>                                             |

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Monthly rates effective January 1, 2026 are as follows:

| <u>Medical Plan</u>     |    | <u>Pre-Medicare Member</u> |                    |                      |                               | <u>Medicare Member</u> |                      |                        |
|-------------------------|----|----------------------------|--------------------|----------------------|-------------------------------|------------------------|----------------------|------------------------|
|                         |    | <u>Active Single</u>       | <u>Member Only</u> | <u>Pre-65 Spouse</u> | <u>Medicare Member Spouse</u> | <u>Pre-65 Only</u>     | <u>Pre-65 Spouse</u> | <u>Medicare Spouse</u> |
| People's MA HMO         | \$ | N/A                        | N/A                | N/A                  | N/A                           | 378                    | N/A                  | 378                    |
| LA Blue Pelican HRA     | \$ | N/A                        | 1,165              | 892                  | 234                           | 379                    | 1,020                | 302                    |
| LA Blue Mag. Local Plus | \$ | N/A                        | 1,870              | 1,432                | 391                           | 618                    | 1,642                | 490                    |
| LA Blue Magnolia OA     | \$ | N/A                        | 1,938              | 1,484                | 390                           | 630                    | 1,698                | 502                    |
| LA Blue MA HMO Reg. 1   | \$ | N/A                        | N/A                | N/A                  | N/A                           | 259                    | N/A                  | 259                    |
| LA Blue MA HMO Reg. 2   | \$ | N/A                        | N/A                | N/A                  | N/A                           | 246                    | N/A                  | 246                    |
| LA Blue MA HMO Reg. 3   | \$ | N/A                        | N/A                | N/A                  | N/A                           | 268                    | N/A                  | 268                    |
| LA Blue MA HMO Reg. 4   | \$ | N/A                        | N/A                | N/A                  | N/A                           | 218                    | N/A                  | 218                    |
| LA Blue MA HMO Reg. 5   | \$ | N/A                        | N/A                | N/A                  | N/A                           | 334                    | N/A                  | 334                    |
| LA Blue MA HMO Reg. 6-8 | \$ | N/A                        | N/A                | N/A                  | N/A                           | 295                    | N/A                  | 295                    |
| LA Blue MA HMO Reg. 9   | \$ | N/A                        | N/A                | N/A                  | N/A                           | 322                    | N/A                  | 322                    |
| Humana MA HMO Reg. 1    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 95                     | N/A                  | 95                     |
| Humana MA HMO Reg. 2    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 241                    | N/A                  | 241                    |
| Humana MA HMO Reg. 3    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 205                    | N/A                  | 205                    |
| Humana MA HMO Reg. 4    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 206                    | N/A                  | 206                    |
| Humana MA HMO Reg. 5    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 202                    | N/A                  | 202                    |
| Humana MA HMO Reg. 6    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 253                    | N/A                  | 253                    |
| Humana MA HMO Reg. 7    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 263                    | N/A                  | 263                    |
| Humana MA HMO Reg. 8    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 263                    | N/A                  | 263                    |
| Humana MA HMO Reg. 9    | \$ | N/A                        | N/A                | N/A                  | N/A                           | 239                    | N/A                  | 239                    |

For purposes of the OPEB valuation, the above amounts were trended back six months to the valuation date.

*Life Insurance Benefits:* OGB provides eligible retirees the following life insurance plans:

|               | <u>Basic</u> | <u>Supplemental Maximum</u> |
|---------------|--------------|-----------------------------|
| Under age 65  | \$ 5,000     | 50,000                      |
| Ages 65 to 70 | 4,000        | 38,000                      |
| After age 70  | 3,000        | 25,000                      |

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000, or \$4,000 are available. Retiree pays 50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

*Total Collective OPEB Liability and Changes in Total Collective OPEB Liability:*

At June 30, 2026, the District reported a liability of \$7,261,002 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2025 and was determined by an actuarial valuation as of that date.

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The District's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2025, the District's proportion was 0.0961%.

***Actuarial Assumptions:***

***Valuation Date:*** July 1, 2025.

***Measurement Date:*** July 1, 2025.

***Actuarial Cost Method:*** Entry Age Normal, level percent of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

***Discount Rate:*** The discount rate used as of July 1, 2025 is 5.20% based on the Bond Buyer 20 Index rate as of June 30, 2025.

***Inflation Rate:*** 2.40%

***Salary Increases:*** The rates of salary increases are consistent with the assumption used in the June 30, 2025 Louisiana State Employees' Retirement System Actuarial Valuation.

***Healthcare Cost Trend Rates:*** The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using the actuary's National Health Care Trend Survey. The survey gathers information on trend expectations for the coming year from various insurers and PBMs. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). The actuary selected plans that most closely match the State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates applicable to medical and prescription drug benefits are as follows:

| <u>Year</u> | <u>Medical and<br/>Drug Pre-65</u> | <u>Medical and<br/>Drug Post-65</u> |
|-------------|------------------------------------|-------------------------------------|
| 2025-2026   | 8.25%                              | 7.00%                               |
| 2026-2027   | 8.00%                              | 6.50%                               |
| 2027-2028   | 7.75%                              | 6.30%                               |
| 2028-2029   | 7.50%                              | 6.10%                               |
| 2029-2030   | 7.00%                              | 6.00%                               |
| 2030-2031   | 6.50%                              | 5.75%                               |
| 2031-2032   | 6.00%                              | 5.50%                               |
| 2032-2033   | 5.50%                              | 5.25%                               |
| 2033-2034   | 5.00%                              | 5.00%                               |
| Thereafter  | 4.50%                              | 4.50%                               |

The retiree contribution trend is the same as the medical and drug trend.

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***Healthcare Claim Cost:*** Per capita costs for the self-insured plans administered by LA Blue were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2024 through December 31, 2025. The claims experience was trended to the valuation date. Prescription drug per capita costs have been reduced for expected rebate payments. Prescription drug per capita costs for Medicare retirees under the self-insured plans have been further reduced for expected EGWP subsidies based on projections provided by CVS.

Effective January 1, 2025 Liviniti became the new commercial Pharmacy Benefit Manager (PBM). The actuary considered the impact of this change when developing their per capita cost assumptions based on information regarding the expected impact provided.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2026 premiums adjusted to the valuation date using the Medicare trend assumption on the prior page.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age Related Morbidity assumptions below.

The table below indicates the assumed 2025 per capita costs normalized to male retiree age 65:

| <u>Plan</u>                       | <u>Without<br/>Medicare<br/>Retirement Date Before 3/1/15</u> | <u>With<br/>Medicare<br/>Retirement Date Before 3/1/15</u> | <u>Without<br/>Medicare<br/>Retirement Date After 3/1/15</u> | <u>With<br/>Medicare<br/>Retirement Date After 3/1/15</u> |
|-----------------------------------|---------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|
| People's MA HMO                   | N/A                                                           | 3,646                                                      | N/A                                                          | 3,646                                                     |
| LA Blue MA HMO                    | N/A                                                           | 2,681                                                      | N/A                                                          | 2,681                                                     |
| Humana MA HMO                     | N/A                                                           | 1,842                                                      | N/A                                                          | 1,842                                                     |
| Via Benefits HRA                  | N/A                                                           | 2,400                                                      | N/A                                                          | 2,400                                                     |
| LA Blue Pelican HRA               | 18,197                                                        | 4,096                                                      | 18,197                                                       | 4,096                                                     |
| LA Blue Magnolia Local/Local Plus | 23,633                                                        | 4,829                                                      | 23,771                                                       | 4,743                                                     |
| LA Blue Magnolia Open Access      | 25,586                                                        | 4,476                                                      | 25,296                                                       | 3,409                                                     |

***Administrative Expenses:*** Included in medical claim is a 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes, as well as insurer margin and profit (where applicable).

***Age Related Morbidity:*** Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs – From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

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| <u>Age</u> | <u>Male Factor</u> | <u>Female Factor</u> |
|------------|--------------------|----------------------|
| 50         | 0.4612             | 0.5736               |
| 55         | 0.6085             | 0.6667               |
| 60         | 0.7829             | 0.7791               |
| 65         | 1.0000             | 0.9438               |
| 70         | 1.1873             | 1.1094               |
| 75         | 1.2752             | 1.2009               |
| 80         | 1.3381             | 1.2697               |
| 85         | 1.3479             | 1.3171               |
| 90         | 1.3235             | 1.3303               |
| 95         | 1.3047             | 1.2765               |
| 100        | 1.2878             | 1.1701               |

***Basis for Demographic Assumptions:*** The actuary relied upon the assumptions used in the June 30, 2025 Louisiana State Employees' Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions.

***Mortality:*** For General active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.

For Public Safety active lives: the PubS-2010 Below Median Employee Table, adjusted by 1.050 for males and 0.974 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety healthy retiree lives: the PubS-2010 Below Median Retiree Table, adjusted by 1.049 for males and 1.020 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.978 for males and 1.002 for females, not projected with mortality improvement.

For survivors: the PubG-2010 Contingent Survivor Table, adjusted by 1.264 for males and 1.326 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

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***Rates of Retirement:*** The rates of retirement are consistent with the assumptions used in the June 30, 2025 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.

| <u>Age</u> | <u>Regular Members</u><br><u>Years of Service</u> |              |              |              |            |
|------------|---------------------------------------------------|--------------|--------------|--------------|------------|
|            | <u>&lt;10</u>                                     | <u>10-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30+</u> |
| 55         | 0%                                                | 12%          | 12%          | 60%          | 48%        |
| 60         | 17%                                               | 35%          | 35%          | 28%          | 28%        |
| 62         | 14%                                               | 17%          | 17%          | 17%          | 17%        |
| 65         | 18%                                               | 18%          | 18%          | 18%          | 18%        |
| 70         | 16%                                               | 19%          | 19%          | 19%          | 19%        |
| 72         | 16%                                               | 19%          | 19%          | 19%          | 19%        |
| 75+        | 100%                                              | 100%         | 100%         | 100%         | 100%       |

***Disability Rates:*** Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 40         | 0.070%      |
| 45         | 0.110%      |
| 50         | 0.150%      |
| 55         | 0.250%      |
| 60         | 0.000%      |

***Termination Rates:*** Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

| <u>Age</u> | <u>&lt;1</u> | <u>1</u> | <u>2-3</u> | <u>4-6</u> | <u>7-9</u> | <u>10+</u> |
|------------|--------------|----------|------------|------------|------------|------------|
| 20         | 50.0%        | 33.3%    | 22.5%      | 20.0%      | 13.0%      | 5.3%       |
| 30         | 30.0%        | 22.0%    | 18.0%      | 13.0%      | 7.3%       | 5.3%       |
| 40         | 25.0%        | 18.5%    | 14.0%      | 10.5%      | 7.3%       | 4.3%       |
| 45         | 25.0%        | 18.5%    | 12.0%      | 10.5%      | 7.3%       | 4.3%       |
| 50         | 25.0%        | 18.5%    | 12.0%      | 10.5%      | 6.5%       | 4.3%       |
| 55         | 25.0%        | 15.5%    | 12.0%      | 8.5%       | 6.5%       | 4.3%       |
| 60         | 25.0%        | 15.5%    | 12.0%      | 8.5%       | 6.5%       | 4.3%       |

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***Participation Rate - Medical:*** Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024.

| <u>Years of Service</u> | <u>Participation %</u> |
|-------------------------|------------------------|
| <10                     | 33%                    |
| 10 - 14                 | 60%                    |
| 15 - 19                 | 80%                    |
| 20+                     | 88%                    |

***Participation Rate - Life Insurance:*** 36% of future retirees are assumed to participate in the life insurance. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

***Plan Election Percentage:*** Current retirees are assumed to remain in their current plan. Future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

| <u>Medical Plan</u>   | <u>Pre-Medicare %</u> | <u>Medicare %</u> |
|-----------------------|-----------------------|-------------------|
| LA Blue Pelican HRA   | 13%                   | 8%                |
| LA Blue Magnolia L/LP | 80%                   | 71%               |
| LA Blue Magnolia OA   | 7%                    | 13%               |
| People's MA HMO       | N/A                   | 1%                |
| LA Blue MA HMO        | N/A                   | 4%                |
| Humana MA HMO         | N/A                   | 2%                |
| Via Benefits HRA      | N/A                   | 1%                |

This assumption has been updated since the prior valuation based on a review of the past three years of experience.

***Dependents:*** Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. 35% of future retirees are also assumed to elect life insurance benefit for their spouses.

For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2021 through June 30, 2024.

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***Medicare Eligibility:*** 99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at July 1, 2017 are assumed to become eligible for Medicare at age 65 at varying rates based on how soon they turn age 65, as follows:

| <u><b>Turns Age 65 by</b></u> | <u><b>Medicare Eligibility %</b></u> |
|-------------------------------|--------------------------------------|
| 7/1/2025                      | 94%                                  |
| 7/1/2026                      | 95%                                  |
| 7/1/2027                      | 96%                                  |
| 7/1/2028                      | 97%                                  |
| 7/1/2029                      | 98%                                  |
| After 7/1/2030                | 99%                                  |

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2021 through June 30, 2024.

***DROPS:*** Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years from the DROP start dates. This assumption is consistent with the plan provisions of the DROP program in LASERS.

60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS. 50% of DROPS are assumed to return to active employment at the end of the DROP period.

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate has increased from 3.93% to 5.20%.
- Baseline per capita costs (PCCs) were updated to reflect 2025 claims and enrollment.
- The Medicare trend was updated to be the same as the Pre-Medicare trend, which more accurately reflects recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Medicare trend has been revised to 8.25%, trending down to an ultimate rate of 4.5% by FYE 2035.
- Agency 4030 was an excluded agency as of July 1, 2024 but is an included agency as of July 1, 2025. In addition, several excluded agencies were removed from the valuation as of July 1, 2025 because of no activity and no OPEB liability balance.

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***Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate:*** The following presents the proportionate share of the total collective OPEB liability of the District, as well as what the District's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate one percentage lower and one percentage higher than the current discount rate.

|                                                                       | <b>1% Decrease<br/>(4.20%)</b> | <b>Current<br/>Discount<br/>Rate (5.20%)</b> | <b>1% Increase<br/>(6.20%)</b> |
|-----------------------------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| <b>Proportionate Share of the Total<br/>Collective OPEB liability</b> | <b>\$ <u>8,306,069</u></b>     | <b><u>7,261,002</u></b>                      | <b><u>6,411,031</u></b>        |

***Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates:*** The following presents the proportionate share of the total collective OPEB Liability of the District, as well as what the District's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates one percentage lower and one percentage higher than the current healthcare cost trend rates.

|                                                                       | <b>1% Decrease<br/>(7.25%)</b> | <b>Current<br/>Healthcare<br/>Cost Trend<br/>Rate (8.25%)</b> | <b>1% Increase<br/>(9.25%)</b> |
|-----------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------|--------------------------------|
| <b>Proportionate Share of the Total<br/>Collective OPEB liability</b> | <b>\$ <u>6,392,451</u></b>     | <b><u>7,261,002</u></b>                                       | <b><u>8,342,321</u></b>        |

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***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:***

For the year ended June 30, 2026, the District recognized an OPEB benefit of \$12,552. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                            | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|----------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Changes in assumptions                                                     | \$ 332,531                                           | (702,481)                                           |
| Changes in experience                                                      | 167,824                                              | -                                                   |
| Changes in proportionate share of collective OPEB expense                  | 219,514                                              | (423,505)                                           |
| Difference in proportionate share of employer payments and actual payments | -                                                    | (174,665)                                           |
| Contributions made subsequent to measurement date                          | <u>219,616</u>                                       | <u>-</u>                                            |
|                                                                            | <b><u>\$ 939,485</u></b>                             | <b><u>(1,300,651)</u></b>                           |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended:**

|               |              |
|---------------|--------------|
| June 30, 2027 | \$ (331,513) |
| June 30, 2028 | \$ (24,022)  |
| June 30, 2029 | \$ (94,532)  |
| June 30, 2030 | \$ (130,715) |

**(10) Retirement System**

**Plan Description**

Employees of the District are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

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**Benefits Provided**

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

***Retirement Benefits***

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary employed after January 1, 2011 was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011 who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annually earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual while judges receive a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014 may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided that the member lives to the minimum service retirement age and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

*Deferred Retirement Benefits*

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004 are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

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For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a “contingency” adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

***Disability Benefits***

Generally, active members with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making an application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or is an amputee incapable of serving as a law enforcement officer, or is permanently or legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

***Survivor's Benefits***

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years earned immediately prior to death and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

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A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

*Cost-of-Living Adjustments*

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

*Employer Contributions*

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

The District's contractually required composite contribution rate for the year ended June 30, 2026 was 33.15% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District were \$700,577 for the year ended June 30, 2026.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2026, the District reported a liability of \$3,933,378 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2025 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District's proportion was 0.0873%, which was a decrease of 0.0078% from its proportion measured as of June 30, 2024.

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For the year ended June 30, 2026, the District recognized pension benefit of \$928,036 including the effect of amortizing changes in proportion and differences between the District's contributions and its proportionate share of contributions.

At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                               | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                            | \$ 54,637                                     | (673,610)                                    |
| Net difference between projected and actual earnings on pension plan investments                              | -                                             | -                                            |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | -                                             | (230,465)                                    |
| Employer contributions subsequent to measurement date                                                         | <u>700,577</u>                                | <u>-</u>                                     |
|                                                                                                               | <u>\$ 755,214</u>                             | <u>(904,075)</u>                             |

\$700,577 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2027. 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:**

|               |              |
|---------------|--------------|
| June 30, 2027 | \$ (144,724) |
| June 30, 2028 | \$ (333,106) |
| June 30, 2029 | \$ (256,542) |
| June 30, 2030 | \$ (115,066) |

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

|                       |                  |
|-----------------------|------------------|
| Valuation Date        | June 30, 2025    |
| Actuarial Cost Method | Entry Age Normal |

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**Actuarial Assumptions:**

**Expected Remaining  
Service Lives**

**2 years**

**Investment Rate of Return**

**7.25% per annum, net of investment expenses**

**Inflation Rate**

**2.40% per annum**

**Mortality**

**Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021.**

**Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.**

**Termination, Disability, and  
Retirement**

**Termination, disability, and retirement assumptions were projected based on a five year (2019-2023) experience study of the System's members.**

**Salary Increases**

**Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are:**

| <u>Member Type</u> | <u>Lower<br/>Range</u> | <u>Upper<br/>Range</u> |
|--------------------|------------------------|------------------------|
| Regular            | 3.3%                   | 14.0%                  |
| Judges             | 2.4%                   | 4.8%                   |
| Corrections        | 4.4%                   | 15.3%                  |
| Hazardous Duty     | 4.4%                   | 15.3%                  |
| Wildlife           | 4.4%                   | 15.3%                  |

**Cost of Living Adjustments**

**The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.**

**The long-term expected rate of return on pension plan investments was determined using a buildingblock 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate**

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of return is 8.30% for 2025. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 are summarized in the following table:

| <u>Asset Class</u>         | <u>Long-term<br/>Expected<br/>Real Rate<br/>of Return</u> |
|----------------------------|-----------------------------------------------------------|
| Cash                       | 0.85%                                                     |
| Domestic equity            | 4.42%                                                     |
| International equity       | 5.22%                                                     |
| Domestic Fixed Income      | 2.53%                                                     |
| International Fixed Income | 5.37%                                                     |
| Alternative Investments    | 7.43%                                                     |
| Total Fund                 | 5.75%                                                     |

***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

|                                                                | <u>1% Decrease<br/>(6.25%)</u> | <u>Current<br/>Discount<br/>Rate (7.25%)</u> | <u>1% Increase<br/>(8.25%)</u> |
|----------------------------------------------------------------|--------------------------------|----------------------------------------------|--------------------------------|
| Employer's proportionate share<br>of the net pension liability | <u>\$ 5,987,488</u>            | <u>3,933,378</u>                             | <u>2,565,665</u>               |

The information above can be found in the current GASB 68 Schedules of Employer located at <https://lasersonline.org/employers/gasb-68-resources/>.

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***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Annual Comprehensive Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

***Payables to the Pension Plan***

As of June 30, 2026, the District owed \$56,702 that is due to the pension plan.

**(11) Infrastructure**

The U.S. Army Corps of Engineers acquired the rights-of-way underlying the mainline Mississippi River levees. Major maintenance and improvements to these levees are performed through the Mississippi River & Tributaries project, which is federally funded. The District performs routine maintenance activities, including grass cutting, along approximately 115 miles of levee on the east bank of the Mississippi River from East Baton Rouge Parish to St. Charles Parish. The Corps of Engineers has estimated the cost of these levees at approximately \$484,064 per mile, or \$55,667,360 in total. The \$55,667,360 represents an estimated cost of the federally constructed levee system and is not included in the District's reported capital assets.

The Lake Pontchartrain, Louisiana and Vicinity Hurricane Protection Project was authorized by Public Law 298, 89th Congress, 1st Session, and approved on October 27, 1965. The St. Charles Parish portion of the project includes approximately 9.5 miles of earthen levees, four drainage structures, five floodwalls, a railroad gate, and two access bridges. Following Hurricane Katrina, the system was improved as part of the Hurricane and Storm Damage Risk Reduction System. The project was completed in 2021, and the related infrastructure is included in the District's capital asset records.

At June 30, 2026, the District reported \$172,289,961 of gross infrastructure in Note 7. This balance consists primarily of approximately \$151.7 million related to the Lake Pontchartrain and Vicinity/St. Charles hurricane protection infrastructure and approximately \$20.6 million related to the Cross Bayou Pump Station. The \$55,667,360 estimated cost of the mainline Mississippi River levees discussed above is not included in the \$172,289,961 recorded infrastructure balance.

**(12) Grantors**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the state of Louisiana. Any disallowed claims, including amounts collected, may constitute a liability of the applicable funds.

**(13) Property Taxes**

Article 6, Section 39 of the 1974 Louisiana Constitution provides that for the purpose of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes' incidental thereto, the District may levy annually a tax not to exceed five mills. If the District needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors. The District has levied a tax of 3.53 mills.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to the Financial Statements**

**June 30, 2026**

**(14) Transfers**

Transfers for the year ending June 30, 2026 are comprised of:

| <u>Transfer from</u> | <u>Transfer to</u>                | <u>Amount</u>       |
|----------------------|-----------------------------------|---------------------|
| General Fund         | Special Construction Fund         | \$ 100,000          |
| General Fund         | West Shore Feasibility Study Fund | 984,837             |
| General Fund         | Highway 22 Gapping Fund           | <u>900,000</u>      |
| Total                |                                   | <u>\$ 1,984,837</u> |

Transfers are used to provide resources from the General Fund to funds accounting for designated construction, flood-protection, and grant-related activities, including providing cash resources for costs incurred prior to reimbursement from other governmental entities.

**(15) Commitments and Contingencies**

The District is a defendant in several lawsuits involving disputed land ownership and rights-of-way. Legal counsel has estimated the range of potential loss to be approximately \$5.2 million to \$76.4 million and has indicated that a loss is reasonably possible but not probable. Accordingly, no liability has been recognized in the financial statements related to these matters.

The District participates in the West Shore Lake Pontchartrain project, a regional hurricane and storm damage risk-reduction project located on the east bank of the Mississippi River in St. Charles, St. John the Baptist, and St. James Parishes. The project includes approximately 17.5 miles of levee, one mile of T-wall, two pumping stations, drainage structures, and approximately 35 utility relocations, as well as localized risk-reduction measures and environmental mitigation.

The original estimated construction cost of the overall project was approximately \$760 million. As of June 2024, the estimated cost of the overall regional project had increased to approximately \$3.7 billion due to changes in project features, wetland mitigation requirements, and increases in construction costs. The \$3.7 billion estimate represents the estimated cost of the overall regional project and is not presented as a liability of the District in these financial statements. The estimated completion date of the project is 2027.

**(16) Subsequent Events**

The District has evaluated subsequent events through September 24, 2026, the date on which the financial statements were available to be issued and has determined that there are no subsequent events that require disclosure in the financial statements.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - General Fund**

**For the Year Ended June 30, 2026**

|                                             | Original<br>Budget       | Final<br>Budget        | Variance With<br>Original Budget<br>to<br>Final Budget | Actual                 | Variance With<br>Final Budget<br>to<br>Actual Amounts |
|---------------------------------------------|--------------------------|------------------------|--------------------------------------------------------|------------------------|-------------------------------------------------------|
| <b>Revenues:</b>                            |                          |                        |                                                        |                        |                                                       |
| Taxes                                       | \$ 19,386,965            | 19,386,965             | -                                                      | 20,190,963             | 803,998                                               |
| State revenue sharing                       | 281,926                  | 281,926                | -                                                      | 411,185                | 129,259                                               |
| Interest income                             | 2,330,000                | 2,330,000              | -                                                      | 2,868,338              | 538,338                                               |
| Unrealized gain on investments              | -                        | -                      | -                                                      | -                      | -                                                     |
| Government income                           | -                        | -                      | -                                                      | 584,837                | 584,837                                               |
| Miscellaneous                               | -                        | -                      | -                                                      | 109,576                | 109,576                                               |
| Total revenues                              | <u>21,998,891</u>        | <u>21,998,891</u>      | <u>-</u>                                               | <u>24,164,899</u>      | <u>2,166,008</u>                                      |
| <b>Expenditures:</b>                        |                          |                        |                                                        |                        |                                                       |
| Executive                                   | 243,395                  | 243,395                | -                                                      | 210,784                | 32,611                                                |
| General and administrative                  | 2,503,150                | 2,503,150              | -                                                      | 2,007,145              | 496,005                                               |
| Levee maintenance                           | 9,616,978                | 9,616,978              | -                                                      | 4,499,018              | 5,117,960                                             |
| Police department                           | 1,306,770                | 1,306,770              | -                                                      | 941,355                | 365,415                                               |
| Levee construction                          | 3,461,000                | 3,461,000              | -                                                      | 219,074                | 3,241,926                                             |
| Capital outlay                              | 971,700                  | 971,700                | -                                                      | 1,565,211              | (593,511)                                             |
| Total expenditures                          | <u>18,102,993</u>        | <u>18,102,993</u>      | <u>-</u>                                               | <u>9,442,587</u>       | <u>8,660,406</u>                                      |
| <br>Excess of revenues over<br>expenditures | <br>3,895,898            | <br>3,895,898          | <br>-                                                  | <br>14,722,312         | <br>10,826,414                                        |
| <br>Other financing sources (uses)          | <br><u>(2,021,800)</u>   | <br><u>(2,021,800)</u> | <br><u>-</u>                                           | <br><u>(1,984,837)</u> | <br><u>36,963</u>                                     |
| <br>Net change in fund balance              | <br>1,874,098            | <br>1,874,098          | <br><u>-</u>                                           | <br>12,737,475         | <br><u>10,863,377</u>                                 |
| <br>Fund balance, beginning                 | <br><u>68,251,411</u>    | <br><u>68,251,411</u>  |                                                        | <br><u>68,251,411</u>  |                                                       |
| <br>Fund balance, ending                    | <br>\$ <u>70,125,509</u> | <br><u>70,125,509</u>  |                                                        | <br><u>80,988,886</u>  |                                                       |

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Budgetary Comparison Schedule**

**June 30, 2026**

**Budgetary Basis and Budget Process**

The budget practices of the Pontchartrain Levee District (the District) are prescribed by Louisiana Revised Statute 38:318. The District prepares annual budgets for its funds and submits its annual budget to the Joint Legislative Committee on the Budget no later than 90 days prior to the end of each fiscal year for the succeeding fiscal year. The budgets are adopted on a basis consistent with generally accepted accounting principles. Amendments to the budget must be approved by the Board of Commissioners, and unexpended appropriations lapse at year-end.

In accordance with GASB Statement No. 103, *Financial Reporting Model Improvements*, the budgetary comparison schedule presents the original budget, final budget, actual amounts, the variance between the original and final budgets, and the variance between the final budget and actual amounts. Significant variances are discussed below.

**General Fund**

**Significant Variances:**

- There were no amendments to the General Fund budget during fiscal year 2026; therefore, the original and final budget amounts were the same.
- Actual revenues exceeded the final budget by \$2,166,008, primarily because property tax revenue exceeded budget by \$803,998, government income of \$584,837 was recognized although no amount was budgeted, interest income exceeded budget by \$538,338, and state revenue sharing exceeded budget by \$129,259. Miscellaneous revenue of \$109,576 was also recognized although no amount was included in the final budget.
- Actual expenditures were \$8,660,406 less than the final budget, primarily due to levee maintenance expenditures being \$5,117,960 below budget and levee construction expenditures being \$3,241,926 below budget. General and administrative and police expenditures were also below budget. These favorable variances were partially offset by capital outlay expenditures exceeding the final budget by \$593,511. The unfavorable capital outlay variance resulted from approximately \$1.2 million of equipment additions, which exceeded the capital outlay budget by approximately \$252,000, together with approximately \$342,000 of construction-in-progress expenditures, primarily related to the board room and canopy projects.
- Actual operating transfers out were \$36,963 less than budgeted. The combined effect of these variances resulted in an actual increase in fund balance of \$12,737,475, compared with a budgeted increase of \$1,874,098, resulting in a favorable variance of \$10,863,377.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Schedule of Employer's Proportionate Share of Net Pension Liability**

**Last 10 Fiscal Years**

|                                                                                                         | 2017         | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | 2026      |
|---------------------------------------------------------------------------------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Employer's proportion of net pension liability                                                          | 0.10448%     | 0.09774%  | 0.09786%  | 0.10300%  | 0.09547%  | 0.09490%  | 0.09942%  | 0.09224%  | 0.09501%  | 0.08725%  |
| Employer's proportionate share of net pension liability                                                 | \$ 7,853,101 | 6,879,541 | 6,673,912 | 7,462,188 | 7,895,676 | 5,223,053 | 7,515,745 | 6,174,224 | 5,167,070 | 3,933,378 |
| Employer's covered-employee payroll                                                                     | \$ 1,891,992 | 1,853,653 | 1,780,250 | 1,944,594 | 2,003,498 | 1,850,295 | 2,001,586 | 2,119,243 | 2,071,599 | 2,140,697 |
| Employer's proportionate share of net pension liability as a percentage of its covered-employee payroll | 415%         | 371%      | 375%      | 384%      | 394%      | 282%      | 375%      | 291%      | 249%      | 184%      |
| Plan fiduciary net position as a percentage of the total pension liability                              | 58%          | 63%       | 64%       | 63%       | 58%       | 73%       | 64%       | 68%       | 75%       | 79%       |
| Measurement date                                                                                        | 6/30/2016    | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 | 6/30/2023 | 6/30/2024 | 6/30/2025 |

*This schedule reflects the participation of the District's employees in LASERS and its proportionate share of the net pension liability as a percentage of its covered employee payroll, and the plan fiduciary net position as a percentage of the total pension liability.*

See accompanying notes to required supplementary information.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Schedule of Employer's Pension Contributions**

**Last 10 Fiscal Years**

| <u>Date</u> | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions in<br/>Relation to<br/>Contractually<br/>Required<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Employer's<br/>Covered<br/>Employee<br/>Payroll</u> | <u>Contributions<br/>as a % of<br/>Covered<br/>Employee<br/>Payroll</u> |
|-------------|----------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------|
| 2017        | 664,950                                            | 664,950                                                                                 | -                                               | 1,853,653                                              | 35.9%                                                                   |
| 2018        | 675,219                                            | 675,219                                                                                 | -                                               | 1,780,250                                              | 37.9%                                                                   |
| 2019        | 738,096                                            | 738,096                                                                                 | -                                               | 1,944,594                                              | 38.0%                                                                   |
| 2020        | 817,400                                            | 817,400                                                                                 | -                                               | 2,003,498                                              | 40.8%                                                                   |
| 2021        | 751,954                                            | 751,954                                                                                 | -                                               | 1,850,295                                              | 40.6%                                                                   |
| 2022        | 809,666                                            | 809,666                                                                                 | -                                               | 2,001,586                                              | 40.5%                                                                   |
| 2023        | 868,996                                            | 868,996                                                                                 | -                                               | 2,119,243                                              | 41.0%                                                                   |
| 2024        | 869,991                                            | 869,991                                                                                 | -                                               | 2,071,599                                              | 42.0%                                                                   |
| 2025        | 759,593                                            | 759,593                                                                                 | -                                               | 2,140,697                                              | 35.5%                                                                   |
| 2026        | 700,577                                            | 700,577                                                                                 | -                                               | 2,046,531                                              | 34.2%                                                                   |

*This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.*

See accompanying notes to required supplementary information.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of Net  
Pension Liability and Schedule of Employer’s Pension Contributions**

**Last 10 Fiscal Years**

**Changes in Benefit Terms:**

**Measurement Date: June 30, 2016**

1. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
2. Added benefits for members of the Harbor Police Retirement System, which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

**Measurement Date: June 30, 2019**

1. Act 595 of 2018 provides for a disability benefit equal to 100 percent of final average compensation for members of the Hazardous Duty, Corrections Primary and Secondary, and Wildlife and Harbor Police plans who are totally and permanently disabled in the line of duty by an intentional act of violence.

**Measurement Date: June 30, 2021**

1. Act 37 of 2021 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.

**Changes in Assumptions:**

**Measurement Date: June 30, 2017**

1. LASERS adopted a plan to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017 valuation. A 7.65% discount rate was used to determine the projected contribution requirements for fiscal year 2018/2019.
2. LASERS reduced the inflation assumption from 3.0% to 2.75%, effective July 1, 2017. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.
3. The projected contribution requirement for fiscal year 2018/2019 includes direct funding of administrative expenses, rather than a reduction in the assumed rate of return, per Act 94 of 2016.

**Measurement Date: June 30, 2018**

1. In accordance with the LASERS adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.70% to 7.65%.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s Proportionate Share of Net  
Pension Liability and Schedule of Employer’s Pension Contributions**

**Last 10 Fiscal Years**

**Measurement Date: June 30, 2019**

- 1. In accordance with the LASERS adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.70% to 7.60%.**
- 2. LASERS reduced the inflation assumption from 2.75% to 2.50%, effective July 1, 2019. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .25%.**

**Measurement Date: June 30, 2020**

- 1. In accordance with the LASERS adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.60% to 7.55%.**
- 2. LASERS reduced the inflation assumption from 2.50% to 2.30%, effective July 1, 2020. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions decreased by .20%.**

**Measurement Date: June 30, 2021**

- 1. In accordance with the LASERS adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.55% to 7.4%.**

**Measurement Date: June 30, 2022:**

- 1. In accordance with the LASERS adopted plan to gradually reduce the discount rate beginning July 1, 2017, the discount rate was reduced from 7.4% to 7.25%.**
- 2. The expected long-term real rates of return were increased from 5.81% to 5.91%.**

**Measurement Date: June 30, 2023:**

- 1. The expected long-term real rates of return were decreased from 5.91% to 5.75%.**

**Measurement Date: June 30, 2024:**

- 1. LASERS increased the inflation assumption from 2.30% to 2.40%, effective July 1, 2024. Since the inflation assumption is a component of the salary increase assumption, all salary increase assumptions increased by .10%.**

**Measurement Date: June 30, 2025:**

- 1. There were no changes in the actuarial cost method.**

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Schedule of Employer's Proportionate Share of the Total Collective OPEB Liability**

**Last Ten Fiscal Years**

|                                                                                                                              | <u>2017</u>         | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      | <u>2023</u>      | <u>2024</u>      | <u>2025</u>      | <u>2026</u>      |
|------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Employer's proportion of total collective OPEB liability</b>                                                              | <b>0.0864%</b>      | <b>0.0864%</b>   | <b>0.0857%</b>   | <b>0.0921%</b>   | <b>0.0933%</b>   | <b>0.1007%</b>   | <b>0.1006%</b>   | <b>0.0958%</b>   | <b>0.1007%</b>   | <b>0.0961%</b>   |
| <b>Employer's proportionate share of total collective OPEB liability</b>                                                     | <b>\$ 7,835,298</b> | <b>7,505,241</b> | <b>7,316,074</b> | <b>7,112,023</b> | <b>7,733,150</b> | <b>9,224,265</b> | <b>6,790,025</b> | <b>6,845,549</b> | <b>7,864,316</b> | <b>7,261,002</b> |
| <b>Employer's covered-employee payroll</b>                                                                                   | <b>\$ 2,019,014</b> | <b>1,793,476</b> | <b>1,944,528</b> | <b>2,005,194</b> | <b>1,851,390</b> | <b>1,883,067</b> | <b>1,992,577</b> | <b>2,008,934</b> | <b>2,044,767</b> | <b>2,174,691</b> |
| <b>Employer's proportionate share of the total collective OPEB liability as a percentage of its covered-employee payroll</b> | <b>388%</b>         | <b>418%</b>      | <b>376%</b>      | <b>355%</b>      | <b>418%</b>      | <b>490%</b>      | <b>341%</b>      | <b>341%</b>      | <b>385%</b>      | <b>334%</b>      |
| <b>Measurement date</b>                                                                                                      | <b>7/1/2016</b>     | <b>7/1/2017</b>  | <b>7/1/2018</b>  | <b>7/1/2019</b>  | <b>7/1/2020</b>  | <b>7/1/2021</b>  | <b>7/1/2022</b>  | <b>7/1/2023</b>  | <b>7/1/2024</b>  | <b>7/1/2025</b>  |

See accompanying notes to required supplementary information.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s  
Proportionate Share of Total Collective OPEB Liability**

**Last 10 Fiscal Years**

*There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement No. 75 to pay related benefits.*

**Changes in Assumptions:**

**Measurement Date: July 1, 2019**

- 1. The discount rate was decreased from 3.5% to 2.21%.**

**Measurement Date: July 1, 2020**

- 1. The discount rate was increased from 2.21% to 2.66%.**
- 2. Mortality assumptions were changed from the RP-2014 table without projection to the following:**
  - a. For active lives: the RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.**
  - b. For healthy retiree lives: the RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table, adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018.**
  - c. For disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, not projected with mortality improvement.**
- 3. Healthcare cost trend rate assumptions that were changed from an expected rate of increase in medical cost is based on an annual rate of 5.5% for the first 10 years and 4.5% thereafter to the assumptions described above.**
- 4. Termination rate assumptions were changed from an age-related turnover scale based on actual experience as described by administrative staff (approximately 13%) to rates consistent with pension valuation assumptions based on age and years of service (rates ranging from 50% to 5%).**
- 5. Life insurance participation rates for future retirees was decreased from 52% to 36%.**
- 6. Rates of salary increases were changed from an annual salary increase of 4% to the following:**

| <b>Years of Service</b> | <b>Increase</b> |
|-------------------------|-----------------|
| <b>0</b>                | <b>12.80%</b>   |
| <b>5</b>                | <b>4.90%</b>    |
| <b>10</b>               | <b>3.60%</b>    |
| <b>15</b>               | <b>3.20%</b>    |
| <b>20</b>               | <b>3.00%</b>    |
| <b>25</b>               | <b>3.00%</b>    |
| <b>30</b>               | <b>3.00%</b>    |

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s  
Proportionate Share of Total Collective OPEB Liability**

**Last 10 Fiscal Years**

**Measurement Date: July 1, 2021**

- 1. The discount rate was decreased from 2.66% to 2.18%.**
- 2. Baseline per capita costs were updated to reflect 2021 claims and enrollment.**
- 3. Medical plan election percentages were updated based on the coverage elections of recent retirees.**
- 4. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.**

**Measurement Date: July 1, 2022**

- 1. The discount rate has increased from 2.18% to 4.09%.**
- 2. Baseline per capita costs were updated to reflect 2022 claims and enrollment.**
- 3. Medical plan election percentages were updated based on the coverage elections of recent retirees.**

**Measurement Date: July 1, 2023**

- 1. The discount rate has increased from 4.09% to 4.13%.**
- 2. Baseline per capita costs (PCCs) were updated to reflect 2023 claims and enrollment.**
- 3. Medical plan election percentages were updated based on the coverage elections of recent retirees.**
- 4. The mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).**
- 5. The healthcare cost trend was updated.**

**Measurement Date: July 1, 2024:**

- 1. The discount rate decreased from 4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023 to 3.93% based on the Bond Buyer 20 Index as of June 30, 2024.**
- 2. Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2024 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan’s liability.**
- 3. The mortality, retirement, termination, disability, and salary increase rates for the LASERS groups were updated to be consistent with the pension valuation assumptions.**
- 4. The healthcare cost trend was updated.**

**Measurement Date: July 1, 2025**

- 1. The discount rate increased from 3.93% based on the Bond Buyer 20 Index as of June 30, 2024 to 5.20% as of June 30, 2025.**
- 2. Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2025 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the Plan’s liability.**

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Notes to Required Supplementary Information – Schedule of Employer’s  
Proportionate Share of Total Collective OPEB Liability**

**Last 10 Fiscal Years**

3. The Medicare trend was updated to be the same as the Pre-Medicare trend, which more accurately reflects recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Medicare trend has been revised to 8.25%, trending down to an ultimate rate of 4.5% by FYE 2035.
4. Agency 4030 was an excluded agency as of July 1, 2024 but is an included agency as of July 1, 2025. In addition, several excluded agencies were removed from the valuation as of July 1, 2025 because of no activity and no OPEB liability balance.

**Changes in Benefit Terms:**

There have been no changes in benefit terms.

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Governmental Funds**

**Combining Balance Sheet - Non-Major Funds**

**June 30, 2026**

|                                            | <u>St. Charles<br/>Urban Flood<br/>Control<br/>Fund</u> | <u>Amite River<br/>and Tributaries<br/>Fund</u> | <u>West Shore<br/>Feasibility<br/>Study Fund</u> | <u>Highway 22<br/>Gapping<br/>Fund</u> | <u>Total<br/>Non-Major<br/>Funds</u> |
|--------------------------------------------|---------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|----------------------------------------|--------------------------------------|
| <b>Assets:</b>                             |                                                         |                                                 |                                                  |                                        |                                      |
| Cash                                       | \$ 5,403                                                | 5,695                                           | 713,333                                          | 1,094                                  | 725,525                              |
| Accounts receivable                        | <u>-</u>                                                | <u>-</u>                                        | <u>56,941</u>                                    | <u>1,631,569</u>                       | <u>1,688,510</u>                     |
| <b>Total assets</b>                        | <b><u>\$ 5,403</u></b>                                  | <b><u>5,695</u></b>                             | <b><u>770,274</u></b>                            | <b><u>1,632,663</u></b>                | <b><u>2,414,035</u></b>              |
| <b>Liabilities and fund balances:</b>      |                                                         |                                                 |                                                  |                                        |                                      |
| <b>Liabilities:</b>                        |                                                         |                                                 |                                                  |                                        |                                      |
| Accounts payable                           | \$ <u>-</u>                                             | <u>-</u>                                        | <u>55,638</u>                                    | <u>32,793</u>                          | <u>88,431</u>                        |
| <b>Total liabilities</b>                   | <u>-</u>                                                | <u>-</u>                                        | <u>55,638</u>                                    | <u>32,793</u>                          | <u>88,431</u>                        |
| <b>Fund balances:</b>                      |                                                         |                                                 |                                                  |                                        |                                      |
| Committed                                  | -                                                       | -                                               | -                                                | 1,599,870                              | 1,599,870                            |
| Assigned                                   | 5,403                                                   | 5,695                                           | 714,636                                          | -                                      | 725,734                              |
| Unassigned                                 | <u>-</u>                                                | <u>-</u>                                        | <u>-</u>                                         | <u>-</u>                               | <u>-</u>                             |
| <b>Total fund balances</b>                 | <u>5,403</u>                                            | <u>5,695</u>                                    | <u>714,636</u>                                   | <u>1,599,870</u>                       | <u>2,325,604</u>                     |
| <b>Total liabilities and fund balances</b> | <b><u>\$ 5,403</u></b>                                  | <b><u>5,695</u></b>                             | <b><u>770,274</u></b>                            | <b><u>1,632,663</u></b>                | <b><u>2,414,035</u></b>              |

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Governmental Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Funds**

**For the Year Ended June 30, 2026**

|                                                         | <b>St. Charles<br/>Urban Flood<br/>Control<br/>Fund</b> | <b>Amite River<br/>and Tributaries<br/>Fund</b> | <b>West Shore<br/>Feasibility<br/>Study Fund</b> | <b>Highway 22<br/>Gapping<br/>Fund</b> | <b>Total<br/>Non-Major<br/>Funds</b> |
|---------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|----------------------------------------|--------------------------------------|
| <b>Revenues:</b>                                        |                                                         |                                                 |                                                  |                                        |                                      |
| Government income                                       | \$ -                                                    | -                                               | 332,069                                          | 1,096,803                              | 1,428,872                            |
| Total revenues                                          | <u>-</u>                                                | <u>-</u>                                        | <u>332,069</u>                                   | <u>1,096,803</u>                       | <u>1,428,872</u>                     |
| <b>Expenditures:</b>                                    |                                                         |                                                 |                                                  |                                        |                                      |
| General and administrative                              | -                                                       | -                                               | 32,447                                           | 130                                    | 32,577                               |
| Levee maintenance                                       | -                                                       | -                                               | 671,327                                          | -                                      | 671,327                              |
| Grant expenditures                                      | -                                                       | -                                               | -                                                | 1,096,803                              | 1,096,803                            |
| Total expenditures                                      | <u>-</u>                                                | <u>-</u>                                        | <u>703,774</u>                                   | <u>1,096,933</u>                       | <u>1,800,707</u>                     |
| <b>Deficiency of revenues over<br/>    expenditures</b> | <u>-</u>                                                | <u>-</u>                                        | <u>(371,705)</u>                                 | <u>(130)</u>                           | <u>(371,835)</u>                     |
| <b>Other financing sources (uses):</b>                  |                                                         |                                                 |                                                  |                                        |                                      |
| Operating transfers in                                  | -                                                       | -                                               | 984,837                                          | 900,000                                | 1,884,837                            |
| Total other financing<br>sources (uses)                 | <u>-</u>                                                | <u>-</u>                                        | <u>984,837</u>                                   | <u>900,000</u>                         | <u>1,884,837</u>                     |
| <b>Net change in fund balances</b>                      | -                                                       | -                                               | 613,132                                          | 899,870                                | 1,513,002                            |
| <b>Fund balances, beginning of year</b>                 | <u>5,403</u>                                            | <u>5,695</u>                                    | <u>101,504</u>                                   | <u>700,000</u>                         | <u>812,602</u>                       |
| <b>Fund balances, end of year</b>                       | <u>\$ 5,403</u>                                         | <u>5,695</u>                                    | <u>714,636</u>                                   | <u>1,599,870</u>                       | <u>2,325,604</u>                     |

**ANNUAL FISCAL REPORT (AFR)  
FOR 2026**

**AGENCY:** 20-14-14 - Pontchartrain Levee District  
**PREPARED BY:** Robert Furman  
**PHONE NUMBER:** 985-727-9924  
**EMAIL ADDRESS:** rfurman@griffinandco.com  
**SUBMITTAL DATE:** 09/17/2026 10:24 AM

**STATEMENT OF NET POSITION**

**ASSETS**

**CURRENT ASSETS:**

|                                                  |                        |
|--------------------------------------------------|------------------------|
| CASH AND CASH EQUIVALENTS                        | 3,336,970.00           |
| RESTRICTED CASH AND CASH EQUIVALENTS             | 0.00                   |
| INVESTMENTS                                      | 86,607,963.00          |
| RESTRICTED INVESTMENTS                           | 0.00                   |
| DERIVATIVE INSTRUMENTS                           | 0.00                   |
| OTHER DERIVATIVE INSTRUMENTS                     | 0.00                   |
| RECEIVABLES (NET)                                | 6,386,282.00           |
| PLEDGES RECEIVABLE (NET)                         | 0.00                   |
| LEASES RECEIVABLE (NET)                          | 0.00                   |
| P3 RECEIVABLE (NET) (Only relates to Transferor) | 0.00                   |
| AMOUNTS DUE FROM PRIMARY GOVERNMENT              | 0.00                   |
| DUE FROM FEDERAL GOVERNMENT                      | 0.00                   |
| INVENTORIES                                      | 64,441.00              |
| PREPAYMENTS                                      | 226,461.00             |
| NOTES RECEIVABLE                                 | 0.00                   |
| OTHER CURRENT ASSETS                             | 0.00                   |
| <b>TOTAL CURRENT ASSETS</b>                      | <b>\$96,622,117.00</b> |

**NONCURRENT ASSETS:**

**RESTRICTED ASSETS:**

|                                                                                           |                         |
|-------------------------------------------------------------------------------------------|-------------------------|
| CASH                                                                                      | 0.00                    |
| INVESTMENTS                                                                               | 0.00                    |
| RECEIVABLES (NET)                                                                         | 0.00                    |
| NOTES RECEIVABLE                                                                          | 0.00                    |
| OTHER                                                                                     | 0.00                    |
| INVESTMENTS                                                                               | 0.00                    |
| RECEIVABLES (NET)                                                                         | 0.00                    |
| NOTES RECEIVABLE                                                                          | 0.00                    |
| PLEDGES RECEIVABLE (NET)                                                                  | 0.00                    |
| LEASES RECEIVABLE (NET)                                                                   | 0.00                    |
| P3 RECEIVABLE (NET) (Only relates to Transferor)                                          | 0.00                    |
| <b>CAPITAL ASSETS (NET OF DEPRECIATION &amp; AMORTIZATION)</b>                            |                         |
| LAND                                                                                      | 2,291,132.00            |
| BUILDINGS AND IMPROVEMENTS                                                                | 2,080,484.00            |
| MACHINERY AND EQUIPMENT                                                                   | 2,817,752.00            |
| INFRASTRUCTURE                                                                            | 144,284,270.00          |
| OTHER INTANGIBLE ASSETS                                                                   | 0.00                    |
| CONSTRUCTION IN PROGRESS                                                                  | 345,708.00              |
| <b>INTANGIBLE RIGHT-TO-USE ASSETS:</b>                                                    |                         |
| LEASED LAND                                                                               | 0.00                    |
| LEASED BUILDING & OFFICE SPACE                                                            | 0.00                    |
| LEASED MACHINERY & EQUIPMENT                                                              | 0.00                    |
| SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)                            | 0.00                    |
| PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator) | 0.00                    |
| OTHER NONCURRENT ASSETS                                                                   | 0.00                    |
| <b>TOTAL NONCURRENT ASSETS</b>                                                            | <b>\$151,819,346.00</b> |
| <b>TOTAL ASSETS</b>                                                                       | <b>\$248,441,463.00</b> |

**DEFERRED OUTFLOWS OF RESOURCES**

# ANNUAL FISCAL REPORT (AFR) FOR 2026

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PREPARED BY: Robert Furman

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EMAIL ADDRESS: rfurman@griffinandco.com

SUBMITTAL DATE: 09/17/2026 10:24 AM

|                                                                      |                       |
|----------------------------------------------------------------------|-----------------------|
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS | 0.00                  |
| DEFERRED AMOUNTS ON DEBT REFUNDING                                   | 0.00                  |
| LEASE RELATED                                                        | 0.00                  |
| P3-RELATED (Only relates to Operator)                                | 0.00                  |
| GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS                       | 0.00                  |
| INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFeree)                | 0.00                  |
| LOSSES FROM SALE-LEASEBACK TRANSACTIONS                              | 0.00                  |
| DIRECT LOAN ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE         | 0.00                  |
| ASSET RETIREMENT OBLIGATIONS                                         | 0.00                  |
| OPEB-RELATED                                                         | 939,485.00            |
| PENSION-RELATED                                                      | 755,214.00            |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                          | <b>\$1,694,699.00</b> |

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** **\$250,136,162.00**

## LIABILITIES

### CURRENT LIABILITIES:

|                                    |              |
|------------------------------------|--------------|
| ACCOUNTS PAYABLE AND ACCRUALS      | 3,842,764.00 |
| ACCRUED INTEREST                   | 0.00         |
| DERIVATIVE INSTRUMENTS             | 0.00         |
| OTHER DERIVATIVE INSTRUMENTS       | 0.00         |
| AMOUNTS DUE TO PRIMARY GOVERNMENT  | 0.00         |
| DUE TO FEDERAL GOVERNMENT          | 0.00         |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 0.00         |
| UNEARNED REVENUES                  | 0.00         |
| OTHER CURRENT LIABILITIES          | 0.00         |

### CURRENT PORTION OF LONG-TERM LIABILITIES:

|                                         |                       |
|-----------------------------------------|-----------------------|
| CONTRACTS PAYABLE                       | 0.00                  |
| COMPENSATED ABSENCES PAYABLE            | 723,225.00            |
| LEASE LIABILITY                         | 0.00                  |
| SBITA LIABILITY                         | 0.00                  |
| P3 LIABILITY (Only relates to Operator) | 0.00                  |
| ESTIMATED LIABILITY FOR CLAIMS          | 0.00                  |
| NOTES PAYABLE                           | 0.00                  |
| BONDS PAYABLE                           | 0.00                  |
| OPEB LIABILITY                          | 219,616.00            |
| POLLUTION REMEDIATION OBLIGATIONS       | 0.00                  |
| OTHER LONG-TERM LIABILITIES             | 0.00                  |
| <b>TOTAL CURRENT LIABILITIES</b>        | <b>\$4,785,605.00</b> |

### NONCURRENT PORTION OF LONG-TERM LIABILITIES:

|                                         |              |
|-----------------------------------------|--------------|
| CONTRACTS PAYABLE                       | 0.00         |
| COMPENSATED ABSENCES PAYABLE            | 568,248.00   |
| LEASE LIABILITY                         | 0.00         |
| SBITA LIABILITY                         | 0.00         |
| P3 LIABILITY (Only relates to Operator) | 0.00         |
| ESTIMATED LIABILITY FOR CLAIMS          | 0.00         |
| NOTES PAYABLE                           | 0.00         |
| BONDS PAYABLE                           | 0.00         |
| OPEB LIABILITY                          | 7,041,386.00 |
| NET PENSION LIABILITY                   | 3,933,378.00 |
| POLLUTION REMEDIATION OBLIGATIONS       | 0.00         |
| OTHER LONG-TERM LIABILITIES             | 0.00         |
| UNEARNED REVENUE                        | 0.00         |

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|                                     |                        |
|-------------------------------------|------------------------|
| <b>TOTAL NONCURRENT LIABILITIES</b> | <b>\$11,543,012.00</b> |
| <b>TOTAL LIABILITIES</b>            | <b>\$16,328,617.00</b> |

|                                                                      |                       |
|----------------------------------------------------------------------|-----------------------|
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                       |
| ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS | 0.00                  |
| DEFERRED AMOUNTS ON DEBT REFUNDING                                   | 0.00                  |
| LEASE RELATED                                                        | 0.00                  |
| P3-RELATED (Only relates to Transferor)                              | 0.00                  |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS                   | 0.00                  |
| SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)          | 0.00                  |
| GAINS FROM SALE-LEASEBACK TRANSACTIONS                               | 0.00                  |
| SPLIT INTEREST AGREEMENTS                                            | 0.00                  |
| POINTS RECEIVED ON LOAN ORIGATION                                    | 0.00                  |
| LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE        | 0.00                  |
| OPEB-RELATED                                                         | 1,300,651.00          |
| PENSION-RELATED                                                      | 904,075.00            |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                           | <b>\$2,204,726.00</b> |

|                                  |                         |
|----------------------------------|-------------------------|
| <b>NET POSITION:</b>             |                         |
| NET INVESTMENT IN CAPITAL ASSETS | 151,819,346.00          |
| RESTRICTED FOR:                  |                         |
| CAPITAL PROJECTS                 | 0.00                    |
| DEBT SERVICE                     | 0.00                    |
| NONEXPENDABLE                    | 0.00                    |
| EXPENDABLE                       | 0.00                    |
| OTHER PURPOSES                   | 0.00                    |
| UNRESTRICTED                     | \$79,783,473.00         |
| <b>TOTAL NET POSITION</b>        | <b>\$231,602,819.00</b> |

ANNUAL FISCAL REPORT (AFR)  
FOR 2026

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PHONE NUMBER: 985-727-9924  
EMAIL ADDRESS: rfurman@griffinandco.com  
SUBMITTAL DATE: 09/17/2026 10:24 AM

STATEMENT OF ACTIVITIES

| PROGRAM REVENUES                                                             |                      |                                       |                                     |                       |
|------------------------------------------------------------------------------|----------------------|---------------------------------------|-------------------------------------|-----------------------|
| EXPENSES                                                                     | CHARGES FOR SERVICES | OPERATING GRANTS<br>AND CONTRIBUTIONS | CAPITAL GRANTS<br>AND CONTRIBUTIONS | NET (EXPENSE) REVENUE |
| 13,339,136.00                                                                | 0.00                 | 0.00                                  | 2,013,709.00                        | \$(11,325,427.00)     |
| GENERAL REVENUES - PAYMENTS FROM THE STATE OF LOUISIANA (PRIMARY GOVERNMENT) |                      |                                       |                                     | 0.00                  |
| GENERAL REVENUES - OCCUPANCY TAXES                                           |                      |                                       |                                     | 0.00                  |
| GENERAL REVENUES - SALES TAXES                                               |                      |                                       |                                     | 0.00                  |
| GENERAL REVENUES - PROPERTY TAX AND OTHER TAXES                              |                      |                                       |                                     | 20,190,963.00         |
| GENERAL REVENUES - INVESTMENT EARNINGS                                       |                      |                                       |                                     | 3,182,466.00          |
| GENERAL REVENUES - OTHER GENERAL REVENUES                                    |                      |                                       |                                     | 520,761.00            |
| ADDITIONS TO PERMANENT FUNDS AND ENDOWMENTS                                  |                      |                                       |                                     | 0.00                  |
| UNUSUAL OR INFREQUENT ITEMS - INFLOWS                                        |                      |                                       |                                     | 0.00                  |
| UNUSUAL OR INFREQUENT ITEMS - OUTFLOWS                                       |                      |                                       |                                     | 0.00                  |
| CHANGE IN NET POSITION                                                       |                      |                                       |                                     | \$12,568,763.00       |
| NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED                             |                      |                                       |                                     | \$219,034,056.00      |
| NET POSITION - RESTATEMENT - ERROR CORRECTION                                |                      |                                       |                                     | 0.00                  |
| NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE                  |                      |                                       |                                     | 0.00                  |
| NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY                      |                      |                                       |                                     | 0.00                  |
| NET POSITION - BEGINNING, AS RESTATED                                        |                      |                                       |                                     | \$219,034,056.00      |
| NET POSITION - ENDING                                                        |                      |                                       |                                     | \$231,602,819.00      |

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SUBMITTAL DATE: 09/17/2026 10:24 AM

DUES AND TRANSFERS

| Account Type             |                     |        |
|--------------------------|---------------------|--------|
| Amounts due from Primary |                     |        |
| Government               | Intercompany (Fund) | Amount |
|                          | Total               | \$0.00 |

| Account Type           |                     |        |
|------------------------|---------------------|--------|
| Amounts due to Primary |                     |        |
| Government             | Intercompany (Fund) | Amount |
|                        | Total               | \$0.00 |

ANNUAL FISCAL REPORT (AFR)  
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SUBMITTAL DATE: 09/17/2026 10:24 AM

SCHEDULE OF BONDS PAYABLE

| Series Issue | Date of Issue | Original<br>Issue Amount | Principal<br>Outstanding PFY | Issue (Redeemed) | Principal<br>Outstanding CFY | Interest<br>Outstanding CFY |
|--------------|---------------|--------------------------|------------------------------|------------------|------------------------------|-----------------------------|
|              |               | 0.00                     | 0.00                         | 0.00             | \$ 0.00                      | 0.00                        |
|              |               | Totals                   | \$0.00                       | \$0.00           | \$0.00                       | \$0.00                      |

Series - Unamortized Premiums:

| Series Issue | Date of Issue |        | Principal<br>Outstanding PFY | Issue (Redeemed) | Principal<br>Outstanding CFY |
|--------------|---------------|--------|------------------------------|------------------|------------------------------|
|              |               |        | 0.00                         | 0.00             | \$ 0.00                      |
|              |               | Totals | \$0.00                       | \$0.00           | \$0.00                       |

Series - Unamortized Discounts:

| Series Issue | Date of Issue |        | Principal<br>Outstanding PFY | Issue (Redeemed) | Principal<br>Outstanding CFY |
|--------------|---------------|--------|------------------------------|------------------|------------------------------|
|              |               |        | 0.00                         | 0.00             | \$ 0.00                      |
|              |               | Totals | \$0.00                       | \$0.00           | \$0.00                       |

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

| Fiscal Year Ending:    | Principal | Interest |
|------------------------|-----------|----------|
| 2027                   | 0.00      | 0.00     |
| 2028                   | 0.00      | 0.00     |
| 2029                   | 0.00      | 0.00     |
| 2030                   | 0.00      | 0.00     |
| 2031                   | 0.00      | 0.00     |
| 2032                   | 0.00      | 0.00     |
| 2033                   | 0.00      | 0.00     |
| 2034                   | 0.00      | 0.00     |
| 2035                   | 0.00      | 0.00     |
| 2036                   | 0.00      | 0.00     |
| 2037                   | 0.00      | 0.00     |
| 2038                   | 0.00      | 0.00     |
| 2039                   | 0.00      | 0.00     |
| 2040                   | 0.00      | 0.00     |
| 2041                   | 0.00      | 0.00     |
| 2042                   | 0.00      | 0.00     |
| 2043                   | 0.00      | 0.00     |
| 2044                   | 0.00      | 0.00     |
| 2045                   | 0.00      | 0.00     |
| 2046                   | 0.00      | 0.00     |
| 2047                   | 0.00      | 0.00     |
| 2048                   | 0.00      | 0.00     |
| 2049                   | 0.00      | 0.00     |
| 2050                   | 0.00      | 0.00     |
| 2051                   | 0.00      | 0.00     |
| 2052                   | 0.00      | 0.00     |
| 2053                   | 0.00      | 0.00     |
| 2054                   | 0.00      | 0.00     |
| 2055                   | 0.00      | 0.00     |
| 2056                   | 0.00      | 0.00     |
| 2057                   | 0.00      | 0.00     |
| 2058                   | 0.00      | 0.00     |
| 2059                   | 0.00      | 0.00     |
| 2060                   | 0.00      | 0.00     |
| 2061                   | 0.00      | 0.00     |
| Premiums and Discounts | \$0.00    |          |
| Total                  | \$0.00    | \$0.00   |

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2025 measurement date for their OPEB valuation)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                    |            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Benefit payments made subsequent to the measurement date of the <b>OGB</b> Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported. | 219,616.00 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|

|                                                                                            |              |
|--------------------------------------------------------------------------------------------|--------------|
| Covered Employee Payroll for the <b>PRIOR</b> fiscal year (not including related benefits) | 2,174,691.00 |
|--------------------------------------------------------------------------------------------|--------------|

|                                                                                                                                                                                                                                                                                                           |      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| <b>For calendar year-end agencies only:</b> Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2025 - 6/30/2026). This information will be provided to the actuary for the valuation report early next year. | 0.00 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2026 for their OPEB valuation report.)

|                                                                                              |      |
|----------------------------------------------------------------------------------------------|------|
| Covered Employee Payroll for the <b>CURRENT</b> fiscal year (not including related benefits) | 0.00 |
|----------------------------------------------------------------------------------------------|------|

ANNUAL FISCAL REPORT (AFR)  
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CERTAIN RISK DISCLOSURES (GASB 102)

A concentration or constraint must meet the following criteria before disclosure is required:

- a. The concentration or constraint is known prior to the issuance of the financial statements.
  - b. The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact.
  - c. An event associated with the concentration or constraint that could cause a substantial impact has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are issued.
- Note: The State's financial statements are issued December 31 for the fiscal year ended June 30.

If the concentration or constraint meets all the criteria above, disclose the following for each concentration or constraint.  
Note: If the agency has taken mitigation action that causes any of the disclosure criteria not to be met, no disclosure is required.

Do you have any concentrations or constraints to disclose that meet the criteria described above? No

List each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred, has begun to occur, or is more likely than not to begin to occur prior to December 31, 2027.

Disclose the actions taken by the entity to mitigate the risk.

List the concentration or constraint:

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SUBMITTAL DATE: 09/17/2026 10:24 AM

UNUSUAL OR INFREQUENT ITEMS

This disclosure is for any inflows or outflows occurring during the fiscal year that are either unusual in nature or infrequent in occurrence. Unusual in nature means the underlying event or transaction possesses a high degree of abnormality and is clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the agency, taking into account the environment in which the agency operates. Infrequent in occurrence means the underlying event or transaction that occurred is not reasonably expected to recur in the foreseeable future, taking into account the environment in which the agency operates.

Does your agency have any material unusual or infrequent items? No

**Describe each unusual or infrequent item separately and indicate whether the item was within the control of management. Also, describe inflows and outflows separately.**

*Example: The agency experienced a flood during March of 20X5 that was a catastrophic event outside the control of management. The agency incurred expenses to clean up flood damage in the amount of \$10 million. The agency also received \$2.5 million in grants from the federal government to assist with the cleanup effort.*

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ANNUAL FISCAL REPORT (AFR)  
FOR 2026

AGENCY: 20-14-14 - Pontchartrain Levee District  
PREPARED BY: Robert Furman  
PHONE NUMBER: 985-727-9924  
EMAIL ADDRESS: rfurman@griffinandco.com  
SUBMITTAL DATE: 09/17/2026 10:24 AM

FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

For each beginning net position restatement resulting from a correction of an error, select the SNP account and the SOA account affected by the error. Only material errors should be restated. Immaterial errors should be corrected through current period revenue or expenses, as applicable. In the description field, explain the nature of the error, and its correction, including periods affected by the error.

| Account Name/Description              | Beginning Net<br>Position<br>Restatement<br>Amount |
|---------------------------------------|----------------------------------------------------|
| Total Restatement - Error Corrections | \$0.00                                             |

CHANGES IN ACCOUNTING PRINCIPLE

For each beginning net position restatement resulting from the application of a new accounting principle, select the SNP account and the SOA account that are affected by the change in accounting principle. In the description field explain the nature of the change in accounting principle and the reason for the change. If the change is due to the implementation of a new GASB pronouncement, identify the pronouncement that was implemented.

| Account Name/Description                            | Beginning Net<br>Position<br>Restatement<br>Amount |
|-----------------------------------------------------|----------------------------------------------------|
| Total Restatement - Changes in Accounting Principle | \$0.00                                             |

CHANGES IN REPORTING ENTITY

Describe the nature and reason for the change to or within the financial reporting entity and list the effect (amount) on beginning net position.

| Description                                     | Effect on<br>Beginning Net<br>Position |
|-------------------------------------------------|----------------------------------------|
|                                                 | 0.00                                   |
| Total Restatement - Changes in Reporting Entity | \$0.00                                 |

## **ANNUAL FISCAL REPORT (AFR) FOR 2026**

**AGENCY:** 20-14-14 - Pontchartrain Levee District

**PREPARED BY:** Robert Furman

**PHONE NUMBER:** 985-727-9924

**EMAIL ADDRESS:** rfurman@griffinandco.com

**SUBMITTAL DATE:** 09/17/2026 10:24 AM

### **SUBMISSION**

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:  
[LLAFileroom@lla.la.gov](mailto:LLAFileroom@lla.la.gov).



American Institute of Certified Public Accountants  
Society of Louisiana CPAs

Stephen M. Griffin, CPA  
Robert J. Furman, CPA

Howard P. Vollenweider, CPA  
Jessica S. Benjamin  
Racheal D. Alvey  
Michael J. Caparotta, CPA

Angela M. Warden

Michael R. Choate, CPA  
Kent A. Berger, CPA

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

To the Board of Commissioners  
Pontchartrain Levee District  
State of Louisiana  
Lutcher, 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 Pontchartrain Levee District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Pontchartrain Levee District's basic financial statements, and have issued our report thereon dated September 24, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pontchartrain Levee District's internal control over financial reporting (internal control) as a basis for designing 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 Pontchartrain Levee District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pontchartrain Levee District's internal control.

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

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

**Covington**  
205 E. Lockwood St.  
Covington, LA 70433  
Phone (985) 727-9924  
Fax (985) 727-9975

**Baton Rouge**  
2915 S. Sherwood Forest Blvd.,  
Suite B  
Baton Rouge, LA 70816  
Phone (225) 292-7434  
Fax (225) 293-3651

**West Monroe**  
3711 Cypress St., Suite 2  
West Monroe, LA 71291  
Phone (318) 397-2472

**New Orleans**  
525 St Charles Ave,  
Suite 310  
New Orleans, LA 70130  
Phone (504) 299-3434

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pontchartrain Levee District'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 financial statements. 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.

***Griffin & Furman, LLC***

Covington, Louisiana

September 24, 2026

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Schedule of Findings**

**June 30, 2026**

**Summary of Audit Results:**

***Financial Statements:***

- 1. Type of Report Issued - Unmodified**
- 2. Internal Control Over Financial Reporting**
  - a. Significant Deficiencies - No**
  - b. Material Weaknesses - No**
- 3. Compliance and Other Matters - No**
- 4. Management Letter - No**

**PONTCHARTRAIN LEVEE DISTRICT  
STATE OF LOUISIANA**

**Status of Prior Year Findings**

**June 30, 2026**

**Not applicable.**