



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS

**FINANCIAL STATEMENTS AND REPORT
OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
City Council of the City of New Orleans

Opinion

We have audited the accompanying financial statements of the Police Pension Fund of the City of New Orleans (the Fund), a component unit of the City of New Orleans as of and for the year ended December 31, 2024 and the related notes to the financial statements, which comprises the Fund'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, information regarding the Fund's net position as of December 31, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

New Orleans Office: 1100 Poydras Street, Suite 1225 / New Orleans, LA 70163 / (504)561-8600

Memphis Office: 1661 International Drive, Suite 441 / Memphis, TN 38120 / (901)202-4688

Atlanta Office: 1201 Peachtree St. NE, Suite 200 / Atlanta, GA 30328 / (678)971-3700

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the Fund's transactions that are presented and disclosed in the financial statements are in conformity with the Fund's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 opinion. 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund'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.

Emphasis of a Matter

The Fund reflected a net OPEB liability of \$1,425,897 at December 31, 2024. The actuarial valuations were based on various assumptions made by the Fund's actuary and presented in the actuary's valuation and review report as of January 1, 2024. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the net OPEB liability at December 31, 2024 could be materially different from the estimate. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The supporting schedules, as listed in the table of contents as Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are 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 June 19, 2025 on our consideration of the Police Pension Fund of the City of New Orleans' 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co.", is written over the printed name.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 19, 2025

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The following is Management's Discussion and Analysis of the financial performance of Police Pension Fund of the City of New Orleans (the "Fund"). It is presented as a narrative overview and analysis for purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

FINANCIAL HIGHLIGHTS

- Assets of the Fund exceeded its liabilities at year end by \$1,628,000 (net position).
- For the Fund's year ended December 31, 2024, drivers' and chauffeurs' licenses increased by 7.52% or \$16,926
- The Fund recorded an overall increase in net position of \$91,971.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements, which are comprised of three components:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position, and
- Notes to the Financial Statements

This report also contains required supplemental information in addition to the basic financial statements themselves.

The Statement of Fiduciary Net Position reports the pension fund's assets, liabilities and net position held in trust for pension and other postemployment benefits. It discloses the financial position of the Fund as of December 31, 2024. The Statement of Changes in Fiduciary Net Position reports the results of the pension Fund's operations during the year disclosing the additions to and deductions from the Fund's net position. It supports the change that has occurred to the prior year's net position value on the statement of fiduciary net position. In 2004, the Fund moved all pension operations and activities to the Municipal Police Employee's Retirement System ("MPERS"). The Fund currently exists for two reasons: to provide a fixed \$2,000 death and survivor benefit, and to hold deposits due to inactive members who left service without vesting in the prior plan and have not requested a refund.

Supplemental schedules include information on changes in reserve balances, administrative expenses, and compensation for the agency head.

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FUND FINANCIAL ANALYSIS

The Police Pension Fund of the City of New Orleans provided retirement benefits to all eligible police officers, members, and employees of the police department in the City of New Orleans. On March 6, 1983, the City of New Orleans entered into a merger contract with MPERS to transfer all active policemen who were participating in the City's Police Pension Fund. In addition to the active policemen, all retirees, widows, and survivors were also merged. Due to a difference in benefits, retirees with less than twenty years of service did not transfer on the date of the merger. The final retiree in this category merged during October 2002. Employer contributions funded these benefits.

**Statement of Fiduciary Net Position
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 190,873	\$ 162,580
Accounts Receivable	32,711	33,933
Investments	1,460,655	1,392,664
Other Assets	909	-
Total Assets	<u>1,685,148</u>	<u>1,589,177</u>
Liabilities		
Benefits Payable	56,000	52,000
Payroll Liabilities	1,148	1,148
Total Liabilities	<u>57,148</u>	<u>53,148</u>
Net Position restricted for the pension benefits and other postemployment benefits	<u>\$ 1,628,000</u>	<u>\$ 1,536,029</u>

**Statement of Changes in Fiduciary Net Position
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Additions:		
Drivers' and chauffeurs' licences	\$ 224,931	\$ 208,005
Net investment income	72,880	66,777
Other Income	2,900	-
Total Additions	<u>300,711</u>	<u>274,782</u>
Total Deductions	<u>208,740</u>	<u>178,861</u>
Increase (Decrease) in plan net position	<u>\$ 91,971</u>	<u>\$ 95,921</u>

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Additions to Fund Net Position

Additions to Fund net position were derived primarily from drivers' license revenue and investment income. The change in drivers' and chauffeur's license revenues are primarily due to changes in driver's license renewal periods. Senate Bill 582 provided for drivers' licenses to be renewed for six years instead of four years beginning July 1, 2015. Net income increased by 9% as a result of the increase in 'drivers' and chauffeurs' licenses and net investment income during 2024 compared to the prior year.

	2024	2023	Increase (Decrease) Percentage
Drivers' and chauffeurs' licences	224,931	208,005	8%
Net Investment Income	72,880	66,777	9%
Other Income	2,900	-	100%
	\$ 300,711	\$ 274,782	9%

Deductions from Fund Net Position

Deductions from Fund net position include death and survivor benefits, transfers to other retirement systems and administrative expenses. Death benefits are paid to the beneficiaries of a deceased member from the Fund. Drivers' and chauffeurs' license revenues in excess of administrative expenses are remitted to MPERS each month or when paid and reported as transfers to other retirement systems. Deductions from Fund net position increased by 17%, or \$29,880 in 2024. No transfer to other retirement systems occurred in 2024.

	2024	2023	Increase (Decrease) Percentage
Death Benefits	\$ 48,000	\$ 30,000	60%
Salaries	128,976	128,976	0%
Payroll Tax Expense	9,867	10,804	-9%
Office Expense	17,548	9,080	93%
Administrative expenses	4,349	-	100%
	\$ 208,740	\$ 178,860	17%

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Investments

The Police Pension Fund of the City of New Orleans is responsible for the prudent management of funds held in trust for the exclusive benefits of our members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks.

As such, funds are invested in U.S. Treasury Money Market Funds. Total investments at December 31, 2024 amounted to \$1,460,655 as compared to \$1,392,664 at December 31, 2023, an increase of \$67,991. Investments were used to fund the current year benefits and administrative costs.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to William Roth, Board of Trustees of the Police Pension Fund of the City of New Orleans, New Police Complex, Room 408, 715 South Broad Avenue, New Orleans, Louisiana 70119.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2024

Assets

Cash	\$	190,873
Drivers' and Chauffers' License Fees Receivable		32,711
Investments - Money Market Fund		1,460,655
Other Assets		909
Total Assets		<u>1,685,148</u>

Liabilities

Benefits Payable	\$	56,000
Payroll Liabilities		1,148
Total Liabilities		<u>57,148</u>

**Net Position Restricted for the Pension Benefits and
Other Postemployment Benefits**

\$ 1,628,000

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

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Additions:

Drivers' and Chauffeurs' Licences	\$ 224,931
Investment Income	72,880
Other Income	2,900
Total Additions	<u>300,711</u>

Deductions:

Benefits Paid	48,000
Salaries	128,976
Payroll Tax Expense	9,867
Office Expense	17,548
Administrative Expenses	4,349
Total Deductions	<u>208,740</u>

Net Increase in Fund Net Position	91,971
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**Net Position-Restricted for Pension Benefits and
Other Postemployment Benefits:**

Beginning of Year	<u>1,536,029</u>
End of Year	<u><u>\$ 1,628,000</u></u>

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

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DESCRIPTION OF PLAN

General

The Police Pension Fund of the City of New Orleans (the “Fund”), a fiduciary fund of the City of New Orleans (the “City”), is the administrator of a single employer pension plan. The Fund was originally established as a defined benefit pension plan under the laws of the State of Louisiana. The Fund was originally created for the purpose of providing retirement allowances and other benefits as stated under the provisions of Louisiana Revised Statute 11 for police officers, members, and employees of the police department in the City of New Orleans. As described below, as the Fund now provides only death and survivor benefits, the Fund is considered to be an other postemployment benefit plan (“OPEB” plan) as defined by the Governmental Accounting Standards Board (“GASB”) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

On March 6, 1983, the City of New Orleans entered into a merger contract with the Municipal Police Employees' Retirement System (“MPERS”) to transfer all active policemen who were participating in the Fund (which was comprised of an "old" pre-1968 and a "new" post-1968 retirement system) to MPERS. In addition to the active policemen, all retirees, widows, and survivors were also merged. (All full-time policemen hired after July 12, 1977 are directly enrolled in the MPERS through legislative mandate.)

As a result of the merger, all active policemen are subject to the benefit formula and retirement eligibility requirements prescribed by MPERS. In addition, all retirees, widows, and survivors were guaranteed to continue receiving their current benefit regardless of MPERS' benefit provisions.

In conjunction with the merger of active policemen with the MPERS, the City entered into a private agreement "No Loss in Benefit Guarantee" with the local policemen. The purpose of the agreement was to guarantee those policemen who were merged, retirement benefits which would become payable by the Fund. Specifically, the Police Pension Fund provided retirement eligibility requirements of 16 and 20 years at any age, if employed prior to December 31, 1967. These eligibility requirements were more liberal than those of MPERS in that benefits are not payable until age 50 with 20 years of service or age 55 with a minimum of 12 years of service. Therefore, if a policeman retires prior to age 50, the agreement guarantees that the Fund will pay the benefit until age 50, at which time MPERS will commence retirement benefit payments. Similarly, for those policemen who were members of the old system, who retired with 16 years but less than 20 years, the agreement guarantees that the Fund will pay the benefit until age 55, at which time MPERS will commence retirement benefit payments. Effective October 31, 2002, all members had reached the eligibility requirements of MPERS, and the Fund has no additional liability associated under this agreement.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Act No. 793 of the 2004 Regular Session was enacted into law on July 8, 2004. This law provided for the disposition of the assets of the Fund by requiring that the total and final actuarial liabilities of the Fund be determined and maintained as well as funds sufficient to administer the Fund for a period of not less than the retirement age of the youngest member. Any amounts above these amounts were transferred to MPERS for the satisfaction of any debt or obligation owed by the City of New Orleans to that system.

After July 8, 2004, the Fund moved all pension operations and activities to MPERS. The Fund now exists solely to provide a \$2,000 death and survivor benefit, and to hold deposits due to inactive members who left service without vesting in the prior plan and have not requested a refund. An unfunded actuarial liability is no longer applicable to the Fund due to the transfer of pension operations to MPERS.

Plan Membership

At December 31, 2024, the Plan's membership consisted of 118 total members. Effective March 6, 1983, the Fund was closed to new entrants.

Death and Survivor Benefits

When a retired policeman dies, a death benefit of \$2,000 shall be paid to the beneficiary of the deceased member from the Fund.

Operating Expenses

Operating expenses of \$160,740 were paid out of the Fund's assets for the year ended December 31, 2024. Expenses included salaries and other expenses to administer the Fund.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES THE TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Contributions

The Fund receives fifty percent of the license fee on the sale of drivers' and chauffeurs' licenses in the City of New Orleans (the City). The Fund received \$224,931 in 2024. Revenue is recognized in the period fees are collected by the City.

Act No. 793 of the 2004 regular session went into effect July 8, 2004 requiring that all excess revenue over operating expenses related to driver's license fees in New Orleans be remitted to Municipal Police Employees' Retirement System (MPERS). The Fund experienced increases in additions to net position in the current year and prior year of \$91,971 and \$95,291, respectively. Management had not determined if an amount was due to MPERS as of December 31, 2024.

Plan Administration and Trusteeship

The Fund is administered by a Board of Trustees. Based on State statute, the board shall be composed of the Superintendent of Police, Director of Finance, Deputy Chief of the Police Department, all former Chiefs of Police, and six members from the active or retired rank of the police department. Election of the members from the active or retired rank shall be conducted under the direction and authority of the board.

Pass-Through Transactions

The Fund serves as an agent for previous plan participants who have transferred over to Municipal Police Employees Retirement System (MPERS) (as discussed above) and for which bills are received monthly by the Fund from 6 agencies (CNO Hospitalization, Fraternal Order of Police, NOPD Employees' Credit Union, Police & Fireman's Insurance Assoc., Police Mutual Benevolent Assoc., Police Assoc. of New Orleans) for insurances, dues and other withholdings to be paid from these participant's pension distributions. Since the Fund is no longer responsible for these payments, a copy of these bills is sent to MPERS and MPERS sends the withheld amounts back to the Fund. The Fund then distributes the payments to the 6 agencies. Details of the pass-through transactions are as follows:

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Pass-Through Transactions		
Beginning Balance	\$	(353)
Deposits from MPERS		4,486,709
Disbursements to Other Agencies		(4,487,105)
Other Adjustments		818
Ending Balance	\$	69

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 and liabilities and disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Investment Transactions

The Fund holds only short-term investments with a remaining maturity at the time of purchase of one year or less, which are reported at amortized cost, which approximates fair value. Purchases and sales of investments are recorded on a trade-date basis. Costs of investments disposed of are determined on an average cost basis. Interest income is recognized on an accrual basis.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payments of Death Benefits

Benefits and refunds are recognized when due and payable in accordance with the terms of the fund.

Recently Adopted Accounting Standards

The Fund adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. Under this Statement, SBITA, as defined, are financings of the right to use an underlying asset. SBITA liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised. The right to use asset may also include certain implementation phase costs. The adoption of this standard did not have a material effect on the financial statements for the year ended December 31, 2024.

The Fund adopted GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. The adoption of this standard did not have a material effect on the financial statements for the year ended December 31, 2024.

NOTE 3 – RESERVES

Use of the term "reserve" by the Fund indicates that a portion of the fund balance is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Annuity Savings:

The Annuity Savings is credited with contributions made by members for the purchase of prior service. The Annuity Savings are debited when the prior service purchased is transferred to another retirement system. When a member terminates his service or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. The Annuity Savings balance is \$366,494 at December 31, 2024 and it is fully funded. Refunds and transfers to other systems are permitted for contributions made after December 31, 1967. Contributions made prior to December 31, 1967 may only be transferred to other systems.

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 – RESERVES (CONTINUED)

B) Pension Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Pension Reserve balance is \$363,234 at December 31, 2024 and it is fully funded.

C) Pension Accumulation:

The Pension Accumulation consists of contributions from the driver's license fees, interest earned on investments, and any other income not covered by other accounts. This fund is relieved when expenditures are not covered by other accounts. The Pension Accumulation balance is \$898,272 at December 31, 2024.

A table presenting the changes in reserve activity is presented in the Supplementary Information section of this report.

NOTE 4 – CASH

Demand deposits account at December 31, 2024 for the Fund is summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$190,873	\$195,438

The Fund's bank balance of deposits at December 31, 2024 is not exposed to any custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned. The bank deposits were completely secured by federal depository insurance, or the pledge of securities held by the pledging banks agent in the Fund's name at December 31, 2024.

NOTE 5 – PLAN DISCLOSURES UNDER GASB STATEMENT 74

Plan Administration – The City of New Orleans Police Pension Fund provides life insurance benefits are provided through a comprehensive plan that are made available to employees upon actual retirement. All participants are retired so each are immediately eligible for coverage by a life insurance policy. Complete plan provisions are included in the official plan documents.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 – PLAN DISCLOSURES UNDER GASB STATEMENT 74 (CONTINUED)

Plan Membership – At December 31, 2024, the Plan’s membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	118
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	-
	<hr/>
	118
	<hr/>

Benefits Provided – Life insurance benefits are provided through a comprehensive plan and are made available to employees upon actual retirement. All participants are retired so each are immediately eligible for coverage by a life insurance policy.

Contributions – Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Investments

Investment policy – The Board of Trustees shall have full power to invest and reinvest such funds, subject to the prudent-man rule limitations regarding investments set forth in Subtitle I, Chapter 4, Part II, Subpart I of this Title and shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any of the funds created herein shall have been invested, as well as the proceeds of said investments and any monies belonging to said funds. The following was the asset allocation policy as of December 31, 2024:

Asset Class	Target Allocation
Money Market	100%

Rate of Return – For the year ended December 31, 2024, the annual money-weighted rate of return on investments, net of investment expenses was 0.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 - PLAN DISCLOSURES UNDER GASB STATEMENT 74 (CONTINUED)

Net OPEB Liability of the City of New Orleans Police Pension Fund

The components of the net OPEB liability of the City of New Orleans Police Pension Fund at December 31, 2024, were as follows:

Total OPEB liability	\$202,103
Plan fiduciary net position	<u>1,628,000</u>
Funds' net OPEB liability	<u><u>\$(1,425,897)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	805.53%

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% annually
Salary increases	None
Discount rate	2.5% annually
Healthcare cost trend rates	None

Net OPEB Liability of the City of New Orleans Police Pension Fund (continued)

Mortality rates were based on 120% of the Pub-2010 for General Employees and Healthy Retirees with MP-2021 scale. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of ongoing evaluations of the assumptions from December 31, 2014 to December 31, 2024.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.50%. The projection of cash flows used to determine the discount rate assumed that Parish contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan'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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 5 - PLAN DISCLOSURES UNDER GASB STATEMENT 74 (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate – The following represents the net OPEB liability of Police Pension Fund, as well as what the Police Pension Fund’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.5%) or 1-percentage-point higher (3.5%) than the current discount rate:

	1.0% Decrease (1.5%)	Current Discount Rate (2.5%)	1.0% Increase (3.5%)
Net OPEB liability	\$ 214,519	\$ 202,103	\$ 190,961

NOTE 6 – MEASUREMENT OF PENSION LIABILITY

GASB Statement No. 67 defines the financial reporting standards for pension plans. Statement No. 67 enhances note disclosures and requires supplementary information for defined benefit pension plans. The Fund is a fiduciary fund to provide for the payment of remaining assets to the beneficiaries of deceased members and refunding of deposits that are being held for inactive members who left without vesting and have not yet requested a refund. The Fund no longer functions as a pension trust fund. The Fund Administrator has evaluated the requirements of Statement No. 67 and determined that the reporting requirements are not applicable to the Fund.

NOTE 7 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of June 19, 2025, which is the date the financial statements were available to be issued. There were no subsequent events that required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023	2022	2021	2020	2019
OPEB Expenses						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,739	6,669	6,457	6,788	12,531	12,394
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(41,982)	19,341	(390)	(246)	(224,445)	(6,896)
Changes of assumptions	-	-	24,417	-	(17,822)	-
Benefit payments	(32,218)	(23,204)	(21,994)	(19,793)	-	-
Net change in total OPEB liability	(67,461)	2,806	8,490	(13,251)	(229,736)	5,498
Total OPEB liability - beginning	269,564	266,758	258,268	271,519	501,255	495,757
Total OPEB liability - ending (a)	\$ 202,103	\$ 269,564	\$ 266,758	\$ 258,268	\$ 271,519	501,255
Plan Fiduciary Net Position						
Contributions - employer	\$ 224,931	\$ 191,694	\$ 212,486	\$ 153,180	\$ 69,294	156,058
Contributions - member	-	-	-	-	-	-
Net investment income	72,880	66,777	18,295	1,232	3,751	27,435
Benefit payments	(48,000)	(72,000)	(50,400)	(50,000)	(38,000)	(37,001)
Transfer to other retirement system	-	-	-	-	-	(73,492)
Administrative expense	(4,349)	(148,861)	(129,580)	(119,160)	(112,945)	(114,332)
Net change in plan fiduciary net position	245,462	37,610	50,801	(14,748)	(77,900)	(41,332)
Plan fiduciary net position - beginning	1,519,718	1,482,108	1,431,307	1,446,055	1,523,955	1,565,287
Plan fiduciary net position - ending (b)	\$ 1,765,180	\$ 1,519,718	\$ 1,482,108	\$ 1,431,307	\$ 1,446,055	\$ 1,523,955
Net OPEB liability (asset) - ending (a) - (b)	\$ (1,563,077)	\$ (1,250,154)	\$ (1,215,350)	\$ (1,173,039)	\$ (1,174,536)	\$ (1,022,700)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	873.41%	563.77%	555.60%	554.19%	532.58%	304.03%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution:						
Employer contributions to trust	-	-	-	-	-	-
Employer-paid retiree premiums	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Notes to Schedule:

Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.

Valuation Date:	December 31st of applicable year
Actuarial Cost Method:	Individual entry Age Normal
Amortization Method:	Level dollar, Open
Amortization period:	30 Years
Assets Valuation Method:	Market Value
Inflation:	3% annually
Healthcare Trend:	None
Salary Increase:	None
Investment Return:	2.5%
Retirement Age:	100% of participants are retired
Mortality:	SOA RP-2000 Combined Mortality Table
Turnover:	0%

SUPPLEMENTARY INFORMATION

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Annuity Saving</u>	<u>Pension Reserve</u>	<u>Pension Accumulation</u>	<u>Total</u>
Balance - Beginning of year	\$ 366,494	\$ 411,234	\$ 758,301	\$ 1,536,029
Revenue and transfers				
Drivers' and chauffeurs' licenses	-	-	224,931	224,931
Other - Miscellaneous	-	-	2,900	-
Net investment income	-	-	72,880	72,880
	<u>-</u>	<u>-</u>	<u>300,711</u>	<u>297,811</u>
Expenditure and Transfers				
Benefits paid	-	48,000	-	48,000
Transfers to other state retirement systems	-	-	-	-
Administrative services	-	-	4,349	4,349
	<u>-</u>	<u>48,000</u>	<u>4,349</u>	<u>52,349</u>
Net (Decrease) increase	<u>-</u>	<u>(48,000)</u>	<u>296,362</u>	<u>245,462</u>
Balance - End of year	<u>\$ 366,494</u>	<u>\$ 363,234</u>	<u>\$ 1,054,663</u>	<u>\$ 1,781,491</u>

See Independent auditor's report

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Office Salaries	\$ 128,976
Office Expense	17,548
Payroll Taxes	9,867
Administrative Expenses	4,349
Total administrative expenses	<u>\$ 160,740</u>

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024**

Agency Head Name: David G. Lentz

<u>Purpose</u>	<u>Amount</u>
Salary & Benefits	\$ 67,032
Reimbursements	-
	<u>\$ 67,032</u>



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

**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**

Honorable Mayor and Council of
the City of New Orleans, Louisiana

Board of Trustees and Management of
the Police Pension Fund of
the City of New Orleans, 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 Pension Fund of the City of New Orleans (the Fund) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated June 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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.

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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings #2024-01 and #2024-02 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding #2024-03.

The Fund's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Fund's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Fund's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in blue ink, appearing to read "Luther Speight", is positioned above the printed name.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 19, 2025

**POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT REPOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Police Pension Fund of the City of New Orleans for the year ended December 31, 2024 was unmodified.

2. Internal Controls:

Significant deficiencies: None noted

Material weaknesses: Finding Numbers 2024-01 and 2024-02

3. Compliance and Other Matters:

Noncompliance material to financial statements: Finding Number 2024-03

**POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
DECEMBER 31, 2024**

FINDING No. 2024-01: GENERAL PROCEDURES AND CONTROLS OVER DEATH
BENEFITS PAYABLE NOT ADEQUATE
(MATERIAL WEAKNESS)

CRITERIA

The Police Pension Fund is required to disburse death benefits on a timely basis to the proper beneficiary.

CONDITION

The administrative and internal control procedures in effect at the Fund were not adequate related to accounting for death benefits payable to member survivors. During our prior year audit, the Fund identified death benefits were disbursed to member survivors in various prior years that were not recorded to the Fund's accounting records. Further review indicated 24 survivor benefit payments totaling \$48,000 remained outstanding and had not cleared the bank accounts of the Fund.

During the current year, these benefit payments continued to be outstanding. Management had not adequately researched or determined the proper disposition of the outstanding payments.

CAUSE

In prior years, the Police Pension Fund maintained manual accounting records that did not include the required basic financial statements, general ledger or supporting subsidiary ledgers. The Fund implemented automated accounting software in 2023.

EFFECT

The benefit payable balance per the financial statement continues to age past twelve (12) months without resolution.

RECOMMENDATION

We recommend that the Fund management thoroughly research each of the outstanding death benefit payments and determine the proper disposition of the amounts.

**POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
DECEMBER 31, 2024**

FINDING No. 2024-01: GENERAL PROCEDURES AND CONTROLS OVER DEATH
 BENEFITS PAYABLE NOT ADEQUATE
 (MATERIAL WEAKNESS) (CONTINUED)

MANAGEMENT'S RESPONSE

The office staff reviews all outstanding retired officer deaths and claims bi-monthly. This review is done by office staff who are retired police officers who have over 75 years of investigative experience and/or insurance claims adjustment. The Board makes every effort to identify and disburse the death benefit to the proper beneficiary. The funds are kept in-house for possible future disbursement. Management will make a semi-annual report of all outstanding death claims. We will consider a separate fund to hold unpaid death benefits that are over 24 months old pending the approval of the Board.

**POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
DECEMBER 31, 2024**

FINDING No. 2024-02 INTERNAL CONTROLS OVER PAYROLL NOT ADEQUATE
(MATERIAL WEAKNESS) - REPEAT

CRITERIA

Best practices regarding payroll processing and disbursements require maintaining detailed payroll registers and human resource documentation that support payroll disbursement made and the related payroll taxes.

CONDITION

The Police Pension Fund did not maintain time sheets or detailed payroll registers to support the payroll disbursements made during the year. In addition, the Fund's human resource documentation was not updated or available that reflected approved pay rates and other payroll actions.

CAUSE

We were unable to determine the cause for this condition.

EFFECT

The Fund did not have adequate internal controls over payroll and human resource functions.

RECOMMENDATION

We recommend that the Fund implement payroll and human resource procedures that include maintaining timesheets, detailed payroll registers and updated human resource documentation.

MANAGEMENT'S RESPONSE

The present compensation procedure for office employees was established in 2004. It is reviewed and approved annually by the Board. Since there are only two positions in the office (manned by one full time employee and 2 part time employees), it is impractical to establish a human resource department or payroll department. Payroll and attendance are adequately overseen and approved by the Board members.

**POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
DECEMBER 31, 2024**

FINDING No. 2024-03 POTENTIAL EXCESS RECEIPTS OVER OPERATING
EXPENSES POTENTIALLY DUE TO MPERS NOT
DETERMINED (COMPLIANCE) - REPEAT

CRITERIA

Act No. 793 of the 2004 Regular Session requires that all excess revenue over operating expenses related to driver's license fees in New Orleans be remitted to MPERS.

CONDITION

The Police Pension Fund experienced revenues in excess of operating expenses in recent years. The Fund had not determined whether any surplus amounts are due to MPERS in accordance with Act 793.

CAUSE

The Fund's management did not adequately monitor compliance with Act 793.

EFFECT

The Fund may have an unpaid balance due to MPERS related to excess revenues collected.

RECOMMENDATION

We recommend that the Fund determine the proper amount due to MPERS, if any, in consultation with the City of New Orleans. The Fund should monitor future results to ensure compliance with Act 793.

MANAGEMENT'S RESPONSE

Management will attempt to meet with the City of New Orleans and determine the best avenue to disburse these funds.

**POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
STATUS OF PRIOR YEAR FINDINGS
DECEMBER 31, 2024**

FINDING 2023-01	UNRESOLVED - REPEAT GENERAL PROCEDURES AND CONTROLS OVER NOT ADEQUATE (MATERIAL WEAKNESS)
FINDING 2023-02	UNRESOLVED - REPEAT INTERNAL CONTROL OVER PAYROLL NOT ADEQUATE (MATERIAL WEAKNESS)
FINDING 2023-03	UNRESOLVED - REPEAT POTENTIAL EXCESS RECEIPT OVER OPERATING EXPENSES POTENTIALLY DUE TO MPERS NOT DETERMINED (COMPLIANCE)
FINDING 2023-04	RESOLVED REPORTING OF FRAUDULENT ACTIVITY IN BANK ACCOUNTS (NONCOMPLIANCE)



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POLICE PENSION FUND OF THE CITY OF NEW ORLEANS

AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor and Council of the
City of New Orleans, Louisiana

Board of Trustees and Management of the
Police Pension Fund of the City of New Orleans, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Management for the Police Pension Fund of the City of New Orleans is responsible for those C/C areas identified in the SAUPs.

The Police Pension Fund of the City of New Orleans has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

Results: *The entity does not maintain written policies and procedures. Thus, we were not able to observe that they address each of the following categories and sub-categories below.*

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Management's Response: The fund operates according to Louisiana State statutes.

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated

from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Board or Finance Committee

2. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Results: *We obtained a listing of client bank accounts for the fiscal period from management which consists of a checking account (main operating account) and an investment account. We randomly selected the month of December and determined the following pertaining to the operating account:*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

Results: *Per review of the bank reconciliations provided, we noted that it had evidence of being reconciled. However, we did not observe any evidence that the account was reconciled within 2 months of year-end.*

Management's Response: *We will make a note of this for 2025.*

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Results: *We noted that the bank reconciliation did not have a signature or date that documented evidence of review and approval.*

Management's Response: *This is not possible due to limited availability of board members performed at the annual meeting.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: *We noted that the account had no reconciling items that had been outstanding for more than 12 months from the statement's closing date.*

Collections

- 4. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

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

- 5. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: *The entity processes payments at the following location: 715 South Broad Street Room 408, New Orleans, Louisiana 70119.*

- 6. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Results: *LSC noted that all three employees of the Fund are involved in non-payroll purchases and payment functions. We also noted that all three of the employees can review and reimburse by way of check, and reimbursement checks are required to be signed by two people. Duties are properly segregated.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

7. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Results: *We obtained the entity's non-payroll disbursement transaction population, specifically a detailed account of death benefits that were paid during the fiscal period. We selected five disbursements and obtained supporting documentation including the Death Benefits Bifurcation maintained by the entity.*

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Results: *We observed that the amount paid to beneficiaries matched the Death Benefits maintained by the entity, as well as the employee and beneficiary names.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *LSC observed proper documentation for Death Benefits paid. Disbursement to beneficiaries is a one-time payout after participant expires. We noted proper approval of beneficiary benefit disbursements for each transaction. No exceptions noted.*

8. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3(a), randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: *Not applicable. All electronic disbursements are payroll related.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

9. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

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

10. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

Contracts

11. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

Payroll and Personnel

12. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: *We requested and obtained paid salaries and personnel files for each of the entity's three employees. The paid salaries agreed to the authorized salaries, as set by the entity's official board. We noted no exceptions.*

13. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: *We agreed the selected employees to their authorized pay rate with no exception. However, we were unable to complete the remaining required procedures as management does not maintain timesheets and leave records for their 3 employees.*

Management's Response: *We have no comment on this response.*

14. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: *Not applicable to the Entity.*

15. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: *We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by the required deadlines.*

Ethics

16. **Results:** *There were no findings in this section in the 2023 AUP report. As a result, this section is not applicable for 2024. However, these procedures will be required to be performed for 2025.*

Debt Service

17. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results: *Not applicable to the Entity.*

18. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable to the Entity.

Fraud Notice

19. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We confirmed with the Entity that there were no misappropriations of funds during the fiscal year.

20. Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The entity does not have a website and does not have R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds posted on its premises.

Management's Response: This and other notices are required to be posted in the police headquarters, not the board office.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: *We performed the procedure and discussed the results with management.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: *We performed the procedure and discussed the results with management.*

- 22. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: *Not applicable. There were no employees terminated during FYE 2024.*

- 23. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: *We were unable to perform the procedures outlined above, as we did not receive supporting documentation from the Police Pension Fund of the City of New Orleans.*

Management's Response: *This has been deemed not necessary due to having commercial security.*

Sexual Harassment

- 24. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: *LSC was advised that Sexual Harassment training did not apply to the Fund. All employees work less than 40 hours per week (one employee works 4 days per week and the two remaining employees work only two days per week).*

25. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: *Not applicable to the Entity.*

26. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Results: *Not applicable to the Entity.*

- a) Number and percentage of public servants in the agency who have completed the training requirements.
- b) Number of sexual harassment complaints received by the agency.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) The amount of time it took to resolve each complaint.

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

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

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

A handwritten signature in blue ink, appearing to read "Luther Speight", is positioned above the printed name.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 19, 2025