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

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

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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, 2025 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, 2025, 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.

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 asset of $1,474,629 at December 31, 2025, which represents the Fund's net position in excess of the Fund's OPEB liability determined by the actuary. 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, 2025. 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, 2025 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 21, 2026 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.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 21, 2026

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025

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 $1,655,358 (net position).
- For the Fund's year ended December 31, 2025, drivers' and chauffeurs' licenses decreased by 32.2% or $72,435.
- The Fund recorded an overall increase in net position of $27,358.

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, 2025. 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, 2025

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, 2025 and 2024

	2025	2024
Assets		
Cash	$ 199,739	$ 190,873
License Fees Receivable	7,010	32,711
Investments	1,518,013	1,460,655
Other Assets	1,221	909
Total Assets	**1,725,983**	**1,685,148**
Liabilities		
Benefits Payable	51,333	56,000
Due to Other Agencies	19,292	1,148
Total Liabilities	**70,625**	**57,148**
Net Pension Restricted for the Pension Benefits and Other Postemployment Benefits	**$ 1,655,358**	**$ 1,628,000**

Statement of Changes in Fiduciary Net Position
December 31, 2025 and 2024

	2025	2024
Additions:		
Drivers' and Chauffeurs' Licenses	$ 152,496	$ 224,931
Net Investment Income	61,151	72,880
Other Income	-	2,900
Total Additions	213,647	300,711
Total Deductions	186,289	208,740
Increase (Decrease) in Plan Net Position	**$ 27,358**	**$ 91,971**

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 decreased by 70% as a result of the decrease in 'drivers' and chauffeurs' licenses and net investment income during 2025 compared to the prior year.

	2025	2024	Increase (Decrease) Percentage
Drivers'and Chauffeurs' Licenses	$ 152,496	$ 224,931	(32%)
Net Investment Income	61,151	72,880	(16%)
Other Income	-	2,900	(100%)
	$ 213,647	**$ 300,711**	**(29%)**

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 required to be remitted to MPERS each month or when paid and reported as transfers to other retirement systems. Deductions from Fund net position decreased by 11%, or $22,451 in 2025. No transfer to other retirement systems occurred in 2025.

	2025	2024	Increase (Decrease) Percentage
Death Benefits	$ 32,000	$ 48,000	(33%)
Salaries	124,150	128,976	(4%)
Payroll Tax Expense	9,882	9,867	0.15%
Office Expense	11,324	17,548	(35%)
Administrative Expenses	8,933	4,349	105%
	$ 186,289	**$ 208,740**	**(11%)**

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, 2025 amounted to $1,518,013 as compared to $1,460,655 at December 31, 2024, an increase of $57,358. 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, 2025

Assets		
Cash	$	199,739
Drivers' and Chauffers' License Fees Receivable		7,010
Investments - Money Market Fund		1,518,013
Other Assets		1,221
Total Assets		1,725,983
Liabilities		
Benefits Payable	$	51,333
Due to Other Agencies		19,292
Total Liabilities		70,625
Net Position Restricted for the Pension Benefits and Other Postemployement Benefits	$	1,655,358

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, 2025

Additions:		
Drivers' and Chauffeurs' Licenses	$	152,496
Investment Income		61,151
Total Additions		213,647
Deductions:		
Benefits Paid		32,000
Salaries		124,150
Payroll Tax Expense		9,882
Office Expense		11,324
Administrative Expenses		8,933
Total Deductions		186,289
Net Increase in Fund Net Position		27,358
Net Position-Restricted for Pension Benefits and Other Postemployement Benefits:		
Beginning of Year		1,628,000
End of Year	$	1,655,358

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

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.

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, 2025, 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 $154,289 were paid out of the Fund's assets for the year ended December 31, 2025. Expenses included salaries and other expenses to administer the Fund.

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 fees are charged and collected by the State of Louisiana and remitted directly to the Fund on a monthly basis. The Fund received $152,496 in 2025. Revenue is recognized in the period fees are collected by the Fund.

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 $27,358 and $91,971, respectively. Management had not determined if an amount was due to MPERS as of December 31, 2025.

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:

NOTE 1 – DESCRIPTION OF PLAN (CONTINUED)

Pass-Through Transactions		
Beginning Balance	$	69
Deposits from MPERS		4,402,863
Disbursements to Other Agencies		(4,384,328)
Other Adjustments		688
Ending Balance	$	19,292

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.

Payments of Death Benefits

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Standards

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, 2025.

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires governments to disclose certain risks related to vulnerabilities arising from concentrations or constraints that may affect their ability to acquire resources or control spending. The Statement requires governments to evaluate whether such concentrations or constraints make them vulnerable to a substantial impact and whether associated events have occurred or are more likely than not to occur within 12 months of the financial statement issuance date. If these criteria are met, the government is required to provide disclosures in the notes to the financial statements. This Statement is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Fund evaluated the requirements of this Statement and determined that no concentrations or constraints met the criteria for disclosure in the accompanying financial statements.

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, 2025 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.

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 $331,234 at December 31, 2025 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 $957,630 at December 31, 2025.

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, 2025 for the Fund is summarized as follows:

Carrying Amount	**Bank Balance**
$199,739	$206,780

The Fund’s bank balance of deposits at December 31, 2025 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, 2025.

NOTE 5 – INVESTMENTS

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Fund has the following fair value measurements as of December 31, 2025:

	Fair Value Measurement Using			
Asset Category	Level 1	Level 2	Level 3	Total
Investment at Fair Value Level:				
Short-Term Investment	$1,513,558	-	-	$1,513,558
Total Investment at Fair Value	$1,513,558	-	-	$1,513,558

NOTE 5 – PLAN DISCLOSURES UNDER GASB STATEMENT 74

Plan Administration – The City of New Orleans Police Pension Fund provides life insurance benefits 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.

Plan Membership – At December 31, 2025, 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	-
	118

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, 2025:

Asset Class	Target Allocation
Money Market	100%

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

Rate of Return – For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expenses was 3.76%. The money-weighed rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2025, were as follows:

Total OPEB liability	$180,729
Plan fiduciary net position	1,655,358
Funds' net OPEB liability	$(1,474,629)
Plan fiduciary net position as a percentage of the total OPEB liability	915.93%

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

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

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, 2025 valuation were based on the results of ongoing evaluations of the assumptions from December 31, 2014 to December 31, 2025.

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.

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

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.

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	$ 191,439	$ 180,729	$ 171,089

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 21, 2026, 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, 2025

	2025	2024	2023	2022	2021	2020
OPEB Expenses						
Service cost	$ -	$ -	$ -	$ -	$ -	$ -
Interest	5,053	6,739	6,669	6,457	6,788	12,531
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	5,573	(41,982)	19,341	(390)	(246)	(224,445)
Changes of assumptions	-	-	-	24,417	-	(17,822)
Benefit payments	(32,000)	(32,218)	(23,204)	(21,994)	(19,793)	-
Net change in total OPEB liability	(21,374)	(67,461)	2,806	8,490	(13,251)	(229,736)
Total OPEB liability - beginning	202,103	269,564	266,758	258,268	271,519	501,255
Total OPEB liability - ending (a)	$ 180,729	$ 202,103	$ 269,564	$ 266,758	$ 258,268	$ 271,519
Plan Fiduciary Net Position						
Contributions - employer	$ 152,496	$ 241,241	$ 191,694	$ 212,486	$ 153,180	$ 69,294
Contributions - member	-	-	-	-	-	-
Net investment income	61,151	72,881	66,777	18,295	1,232	3,751
Benefit payments	(32,000)	(48,000)	(72,000)	(50,400)	(50,000)	(38,000)
Transfer to other retirement system	-	-	-	-	-	-
Administrative expense	(154,289)	(157,840)	(148,861)	(129,580)	(119,160)	(112,945)
Net change in plan fiduciary net position	27,358	108,282	37,610	50,801	(14,748)	(77,900)
Plan fiduciary net position - beginning	1,628,000	1,519,718	1,482,108	1,431,307	1,446,055	1,523,955
Plan fiduciary net position - ending (b)	$ 1,655,358	$ 1,628,000	$ 1,519,718	$ 1,482,108	$ 1,431,307	$ 1,446,055
Net OPEB liability (asset) - ending (a) - (b)	$ (1,474,629)	$ (1,425,897)	$ (1,250,154)	$ (1,215,350)	$ (1,173,039)	$ (1,174,536)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	915.93%	805.53%	563.77%	555.60%	554.19%	532.58%
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, 2025

	2025	2024	2023	2022	2021	2020
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution:						
Employer contributions to trust	-	-	-	-	-	-
Employer-paid retiree premiums	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
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, 2025

	Annuity Saving	Pension Reserve	Pension Accumulation	Total
Balance - Beginning of year (Restated)	$ 366,494	$ 363,234	$ 898,272	$ 1,628,000
Revenue and transfers				
Drivers' and Chauffeurs' Licenses	-	-	152,496	152,496
Net Investment Income	-	-	61,151	61,151
	-	-	213,647	213,647
Expenditure and Transfers				
Benefits Paid	-	32,000	-	32,000
Transfers to Other State Retirement Systems	-	-	-	-
Administrative Services	-	-	154,289	154,289
	-	32,000	154,289	186,289
Net (Decrease) Increase	-	(32,000)	59,358	27,358
Balance - End of year	$ 366,494	$ 331,234	$ 957,630	$ 1,655,358

See Independent auditor's report

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

Office Salaries	$	124,150
Office Expense		9,882
Payroll Taxes		11,324
Administrative Expenses		8,933
Total Administrative Expenses	$	154,289

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF COMPENSATION, BENFITS, AND
OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: David G. Lentz

Purpose		Amount
Salary & Benefits	$	59,108
Reimbursements		-
	$	59,108

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

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 Police Pension Fund of the City of New Orleans (the Fund) as of and for the year ended December 31, 2025, 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 21, 2026.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and management responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and management responses as items 2025-02 to be a material weakness.

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Memphis Office: 1661 International Drive, Suite 441 I Memphis, TN 38120 I (901)202-4688
Atlanta Office: 1201 Peachtree St. NE, Suite 200 I Atlanta, GA 30328 I (678)971-3700

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. We consider the deficiency described in the accompanying schedule of findings and management responses as items 2025-01 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and management responses as 2025-03.

The Fund's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Fund's response to the findings identified in our audit and described in the accompanying schedule of findings and management's 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.

Luther Speight & Company CPAs
New Orleans, Louisiana
June 21, 2026

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025 was unmodified.

2. Internal Controls:

   Significant deficiencies: Finding Number 2025-01
   Material weaknesses: Finding Number 2025-02

3. Compliance and Other Matters:

   Noncompliance material to financial statements: Finding Number 2025-03

POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDING No. 2025-01: GENERAL PROCEDURES AND CONTROLS OVER DEATH BENEFITS PAYABLE NOT ADEQUATE – REPEAT FINDING (SIGNIFICANT DEFICIENCY)

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 year ended December 31, 2025, the Fund identified and disbursed death benefits to member survivors related to 2014 and 2019 totaling $4,000.

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 was understated by these death benefits.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE

Management continues to closely research and monitor claims for death benefits. In rare instances claims arise that were not a part of the Funds death benefit liability due to the manual records maintained in prior years.

POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND MANAGEMENT RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDING No. 2025-02 INTERNAL CONTROLS OVER PAYROLL NOT ADEQUATE (MATERIAL WEAKNESS) – REPEAT FINDING

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
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDING No. 2025-03 POTENTIAL EXCESS RECEIPTS OVER OPERATING EXPENSES POTENTIALLY DUE TO MPERS NOT DETERMINED (COMPLIANCE) – REPEAT FINDING

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 No. 793.

CAUSE
The Fund's management did not adequately monitor compliance with Act No. 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 No. 793.

MANAGEMENT'S RESPONSE

The board and management will review the total fees received compared to costs incurred by the Fund over the past six years. The net amount due, if any, will be remitted to the State in accordance with Act No. 793.

POLICE PENSION FUND FOR THE CITY OF NEW ORLEANS
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

FINDING 2024-01 UNRESOLVED - REPEAT

GENERAL PROCEDURES AND CONTROLS OVER NOT ADEQUATE (MATERIAL WEAKNESS)

FINDING 2024-02 UNRESOLVED - REPEAT

INTERNAL CONTROL OVER PAYROLL NOT ADEQUATE (MATERIAL WEAKNESS)

FINDING 2024-03 UNRESOLVED - REPEAT

POTENTIAL EXCESS RECEIPT OVER OPERATING EXPENSES POTENTIALLY DUE TO MPERS NOT DETERMINED (COMPLIANCE)

Luther Speight & Company, LLC
Certified Public Accountants and Consultants

POLICE PENSION FUND OF THE CITY OF NEW ORLEANS

STATEWIDE AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

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

To the 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, 2025, through December 31, 2025. 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, 2025, through December 31, 2025. Additionally, the 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.*

Management's Response: *Exception noted.*

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) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Board or Finance Committee

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   Results: *We performed the above procedures and noted no exceptions.*

   b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

   Results: *We performed the above procedures and noted no exceptions.*

   c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

   Results: *Per Review of the prior year financial statements, we came to the conclusion that it was not applicable. The General fund balance and the unassigned fund balance did not have a negative ending balance.*

d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *Not applicable, there were no audit findings for prior year, and the Entity's 2024 audit was accepted by the LLA.*

Bank Reconciliations

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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 selected each account, and observe that:

Results*: We performed the step above without exception.*

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: *Exception noted*

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

Results: *We did not observe any evidence that a member of management or a board member who does not handle cash, posts ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared.*

Management's Response: *Exception noted*

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 no reconciling items were outstanding for more than 12 months from year-end*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: *LSC noted that the Entity does not have any deposit sites and does not collect cash or checks at its office location. Any money received is via JP Morgan Chase's online platform.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Results*: We performed the above procedures and noted no exceptions.*

a) Employees responsible for cash collections do not share cash drawers/registers.

Results*: No exceptions noted.*

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Results*: No exceptions noted.*

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Results*: No exceptions noted.*

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results*: No exceptions noted.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

   ***Results**: LSC noted there is no bond or insurance policy for theft covering all employees who have access to cash because the Entity does not collect cash or checks at its office location. Any money received is via JP Morgan Chase's online platform.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

   ***Results**: LSC noted that the Entity does not have any deposit sites and does not collect cash or checks at its office location. Any money received is via JP Morgan Chase's online platform.*

   a) Observe that receipts are sequentially pre-numbered.

   ***Results**: We performed the above procedures and noted no exceptions.*

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   ***Results**: We performed the above procedures and noted no exceptions.*

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   ***Results**: We performed the above procedures and noted no exceptions.*

   d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   ***Results**: We performed the above procedures and noted no exceptions.*

   e) Trace the actual deposit per the bank statement to the general ledger.

   ***Results**: We performed the above procedures and noted no exceptions.*

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

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

Results: *We performed the above procedures and noted no exceptions.*

9. 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: *We performed the above procedures and noted no exceptions.*

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Results: *No exceptions noted.*

b) At least two employees are involved in processing and approving payments to vendors.

Results: *No exceptions noted.*

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.

Results: *No exceptions noted.*

c) 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.

Results: *No exceptions noted.*

d) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: *No exceptions noted.*

10. 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.*

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

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

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

***Results**: The entity does not have any active credit cards for the fiscal year, this area is not applicable.*

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

***Results**: Not Applicable.*

a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

***Results**: Not Applicable.*

b) Observe that finance charges and late fees were not assessed on the selected statements.

***Results:** Not Applicable.*

14. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards,</u> randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

***Results:** Not Applicable.*

c) Using the list of terminated employees obtained in Payroll and Personnel procedure identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

***Results**: Not Applicable.*

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 2 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 2 reimbursements selected:

a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established by the U.S. General Services Administration (www.gsa.gov).

b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results*: The entity did not have any travel expenses for the fiscal year, this area is not applicable.*

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results*: The entity did not have any contracts for the fiscal year; this area is not applicable.*

b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results*: Not Applicable.*

c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: *Not Applicable.*

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: *Not Applicable.*

Payroll and Personnel

17. 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 performed the above procedures and noted no exceptions.*

18. 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: *Exception noted.*

19. 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.*

20. 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 performed the above procedures and noted no exceptions.*

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure, obtain ethics documentation from management, and:

a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: *LSC was advised that the Ethics training did not apply to 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)*

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results*: Not Applicable.*

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

***Results**: Not applicable, as the entity does not have any outstanding debt.*

24. 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, as the entity does not have any outstanding debt.*

Fraud Notice

25. 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 performed the above procedures and noted no exceptions.*

26. 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:** Exception noted.*

27. 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 above procedures 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 above procedures 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 above procedures and discussed the results with management.*

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. 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 2025.*

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

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: *Exception noted.*

Sexual Harassment

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: *LSC was advised that the Sexual Harassment training did not apply to 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)*

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

Results*: We noted the sexual harassment policy is not posted on the entity's website, but it is posted on the City of New Orleans' Civil Service Website.*

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

Results*: Not Applicable.*

a) Number and percentage of public servants in the agency who have completed the training requirements;

Results*: Not Applicable.*

b) Number of sexual harassment complaints received by the agency;

Results*: Not Applicable.*

c) Number of complaints which resulted in a finding that sexual harassment occurred;

Results*: Not Applicable.*

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

***Results**: Not Applicable.*

e) Amount of time it took to resolve each complaint.

***Results**: Not Applicable.*

We were engaged by The Police Pension Fund of the City of New Orleans 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 Police Pension Fund of the City of New Orleans 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.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
June 21, 2026