ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

RICHARD CPAS

ORLEANS PARISH COMMUNICATION DISTRCT
NEW ORLEANS, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ORLEANS PARISH COMMUNICATION DISTRICT

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FINANCIAL SECTION

RICHARD CPAS

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Orleans Parish Communication District
(A Proprietary Component Unit of the City of New Orleans)
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Orleans Parish Communication District (the District), a component unit of the City of New Orleans, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the District changed its selection of the measurement period used to determine amounts reported under GASB No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to that matter.

Correction of Error

As discussed in Note 14 to the financial statements, certain errors resulting in understatement of pension expense and the related deferred outflows, payables, and deferred inflows as of and for the year ended December 31, 2024, were discovered by the District during the current year. Accordingly, prior year's pension expense and the related deferred outflows, payables, and deferred inflows have been restated in the 2024 financial statements now presented, and an adjustment has been made to net position as of December 31, 2024 and 2023, to correct the error. Our opinion is not modified with respect to that matter.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standard,* 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and Schedule I, Schedule II, Schedule III, Schedule IV and notes to required supplementary information on pages 39 through 43, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head (Schedule V) on page 44 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Schedule III is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement 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, Schedule III is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Districts 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 District's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 15, 2026

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

As the managers of the District, we offer readers of the accompanying financial statements this narrative overview and analysis of the financial activities of the District for the years ended December 31, 2025 and 2024. This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities.

We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Using This Annual Report

Our auditors have provided assurance in their independent auditor's report located immediately preceding this Management's Discussion and Analysis. That opinion is unmodified with respect to the basic financial statements. Varying degrees of assurances are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Financial Highlights - 2025

- The District's assets and deferred outflows were exceeded by its liabilities and deferred inflows by $1,318,224.
- The District's net position increased by $6,926,462 for the year ended December 31, 2025.
- The District recognized $1,003,148 of American Rescue Plan Act funds that were recorded in revenue collected in advance at December 31, 2024. These funds were recognized due to the addition to projects in progress of $1,094,232 for the implementation of the Fire Station Alerting System.
- The District recognized $444,979 of FEMA funds that were recorded in revenue collected in advance at December 31, 2024. These funds were recognized due to completing the facility renovation project.

Financial Highlights - 2024

- The District's assets and deferred outflows were exceeded by its liabilities and deferred inflows by $8,244,686.
- The District's net position increased by $3,081,953 for the year ended December 31, 2024.
- The District disposed of property and equipment of $4,489,275 and $409,499 of projects in progress during the year ended December 31, 2024.
- The District recognized $1,496,854 of American Rescue Plan Act funds that were recorded in revenue collected in advance at December 31, 2023. These funds were recognized due to the addition to projects in progress of $1,247,378 for the implementation of the Fire Station Alerting System.
- The District received $449,025 of FEMA funds to renovate a building, of which $444,979 is recorded in revenue collected in advance at December 31, 2024.

ORLEANS PARISH COMMUNICATION DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2025

Overview of the Financial Statements

The District's basic financial statements comprise of a Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows and the related notes to the financial statements. Since the District consists of a single enterprise fund, no fund level financial statements are shown.

Basic financial statements. The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities result in an increased net position, which indicates an improved financial position.

The statement of revenues, expenses and changes in net position presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis -2025

The Statement of Net Position includes information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

For the year ended December 31, 2025, net position increased by $6,926,462 to $(1,318,224), primarily as a result of revenues exceeding expenses during the year. Current assets increased by $2,510,566, largely due to a $1,586,869 increase in amounts due from the City of New Orleans. Noncurrent assets increased by $448,232, reflecting a $1,109,145 increase in projects in progress, partially offset by a $660,913 decrease in capital assets, net, primarily attributable to depreciation expense of $561,390 and amortization expense of $610,706. Current liabilities decreased primarily due to a $1,448,127 reduction in revenue collected in advance and a $221,886 decrease in the current portion of notes payable. Non-current liabilities declined by $908,306, primarily as a result of a reduction in the long-term subscription liability, long-term note payable, and other post employment benefit (OPEB) liability.

Financial Analysis -2025 (continued)

CONDENSED STATEMENTS OF NET POSITION

	2025	2024 (As restated)	Increase (Decrease)
Current assets	$ 4,936,848	$ 2,426,282	$ 2,510,566
Non-current assets	21,812,144	21,363,912	448,232
Total assets	26,748,992	23,790,194	2,958,798
Deferred outflow of pension resources	5,847,971	4,229,548	1,618,423
Total assets and deferred outflow of resources	$ 32,596,963	$ 28,019,742	$ 4,577,221
Current liabilities	$ 1,849,778	$ 3,240,135	$ (1,390,357)
Non-current Liabilities	26,893,763	27,802,069	(908,306)
Total Liabilities	28,743,541	31,042,204	(2,298,663)
Deferred inflow of pension resources	5,171,646	5,222,224	(50,578)
Total liabilities and deferred inflow of resources	33,915,187	36,264,428	(2,349,241)
Net position			
Net investment in capital assets	21,812,144	21,363,912	448,232
Unrestricted	(23,130,368)	(29,608,598)	6,478,230
Total net position	$ (1,318,224)	$ (8,244,686)	$ 6,926,462
Total liabilities, deferred inflows and fund net position	$ 32,596,963	$ 28,019,742	$ 4,577,221

Financial Analysis -2025 (continued)

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health. For the year ended December 31, 2025, net position increased by $6,926,462. Operating expenses increased by $299,602 compared to the prior year. Intergovernmental revenues increased by $3,331,628, primarily due to higher appropriations received from the City of New Orleans. Federal grant revenues increased by $304,029, largely as a result of recognizing $1,003,148 of American Rescue Plan Act (ARPA) funds and $444,979 of FEMA funds that had been recorded as revenue collected in advance at December 31, 2024.

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024 (As restated)	Increase (Decrease)
Operating revenues	$ 5,534,744	$ 5,519,155	$ 15,589
Operating expenses	18,753,856	18,454,254	299,602
Operating loss	(13,219,112)	(12,935,099)	(284,013)
Nonoperating revenues (expenses)			
Intergovernmental revenue	18,214,294	14,882,666	3,331,628
Federal grants	1,727,607	1,423,578	304,029
Interest income	138,424	122,266	16,158
Interest expense	(222,816)	(250,174)	27,358
Loss on disposal	-	(421,341)	421,341
Miscellaneous income	236,381	160,565	75,816
Rental income	51,684	99,492	(47,808)
Total nonoperating revenue (expenses)	20,145,574	16,017,052	4,128,522
Change in net position	6,926,462	3,081,953	3,844,509
Net position, beginning of year	(8,244,686)	(11,326,639)	3,081,953
Net position, end of year	$ (1,318,224)	$ (8,244,686)	$ 6,926,462

Financial Analysis -2025 (continued)

CONDENSED STATEMENTS OF CASH FLOWS

	2025	2024 (As restated)	Increase (Decrease)
Cash flows from:			
Operating activities	$ (13,710,610)	$ (14,330,499)	$ 619,889
Capital and related financing activities	14,280,340	13,304,193	976,147
Investing activities	138,424	122,266	16,158
Net change in cash	708,154	(904,040)	1,612,194
Beginning of year cash	1,282,362	2,186,402	(904,040)
End of year cash	$ 1,990,516	$ 1,282,362	$ 708,154

The Statements of Cash Flows report on the cash provided and used by the District's operations. During 2025, cash and cash equivalents increased by $708,154. Net cash provided by operating activities increased by $619,889, primarily due to decreases in amounts paid to employees for services and amounts paid to suppliers for goods and services. Cash used in capital and related financing activities included $1,620,328 for the acquisition and construction of capital assets during the year.

Financial Analysis -2024

For the year ended December 31, 2024, net position increased by $3,081,953 to $(8,244,686), primarily due to revenues exceeding expenses during the year. Current assets decreased by $927,595, including a $904,040 reduction in cash and cash equivalents. Projects in progress increased by $842,375, reflecting $1,247,378 incurred for the construction of the Fire Station Alerting System, partially offset by the disposal of architect fees totaling $409,499. Capital assets, net, decreased by $1,188,926, primarily due to depreciation expense of $566,378 and amortization expense of $610,706. Current liabilities decreased as a result of a $1,605,233 reduction in accounts payable and an $802,398 decrease in revenue collected in advance. Noncurrent liabilities declined primarily due to a $1,320,649 decrease in the other postemployment benefits (OPEB) liability. Changes in deferred inflows and deferred outflows of resources are attributable to adjustments resulting from the actuarial valuation of the pension plan, net of amounts recognized as pension expense during the year.

Financial Analysis -2024 (continued)

CONDENSED STATEMENTS OF NET POSITION

	2024 (As restated)	2023 (As restated)	Increase (Decrease)
Current assets	$ 2,426,282	$ 3,353,877	$ (927,595)
Non-current assets	21,363,912	21,710,463	(346,551)
Total assets	23,790,194	25,064,340	(1,274,146)
Deferred outflow of pension resources	4,229,548	3,384,481	845,067
Total assets and deferred outflow of resources	$ 28,019,742	$ 28,448,821	$ (429,079)
Current liabilities	$ 3,240,135	$ 5,516,021	$ (2,275,886)
Non-current Liabilities	27,802,069	29,250,670	(1,448,601)
Total Liabilities	31,042,204	34,766,691	(3,724,487)
Deferred inflow of pension resources	5,222,224	5,008,769	213,455
Total liabilities and deferred inflow of resources	36,264,428	39,775,460	(3,511,032)
Net position			
Net investment in capital assets	21,363,912	21,710,463	(346,551)
Unrestricted	(29,608,598)	(33,037,102)	3,428,504
Total net position	$ (8,244,686)	$ (11,326,639)	$ 3,081,953
Total liabilities, deferred inflows and fund net position	$ 28,019,742	$ 28,448,821	$ (429,079)

Financial Analysis -2024 (continued)

The Statements of Revenues, Expenses, and Changes in Net Position provide an indication of the District's financial health. For the year ended December 31, 2024, net position increased by $3,081,953. Operating expenses decreased by $596,997 compared to the prior year. Intergovernmental revenues increased by $3,500,098, primarily due to increased appropriations from the City of New Orleans. Federal grant revenues increased by $1,154,211, largely as a result of recognizing $1,496,854 of American Rescue Plan Act (ARPA) funds that had been recorded as revenue collected in advance at December 31, 2023.

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2024 (As restated)	2023 (As restated)	Increase (Decrease)
Operating revenues	$ 5,519,155	$ 5,699,706	$ (180,551)
Operating expenses	18,454,254	19,051,251	(596,997)
Operating loss	(12,935,099)	(13,351,545)	416,446
Nonoperating revenues (expenses)			
Intergovernmental revenue	14,882,666	11,382,568	3,500,098
Federal grants	1,423,578	269,367	1,154,211
Interest income	122,266	109,590	12,676
Interest expense	(250,174)	(203,499)	(46,675)
Loss on disposal	(421,341)	-	(421,341)
OnCall Records System loss	-	(3,508,022)	3,508,022
Miscellaneous income	160,565	156,603	3,962
Rental income	99,492	99,290	202
Total nonoperating revenue (expenses)	16,017,052	8,305,897	7,711,155
Change in net position	3,081,953	(5,045,648)	8,127,601
Net position, beginning of year	(11,326,639)	(6,280,991)	(5,045,648)
Net position, end of year	$ (8,244,686)	$ (11,326,639)	$ 3,081,953

Financial Analysis -2024 (continued)

CONDENSED STATEMENTS OF CASH FLOWS

	2024 (As restated)	2023 (As restated)	Increase (Decrease)
Cash flows from:			
Operating activities	$ (14,330,499)	$ (10,500,256)	$ (3,830,243)
Capital and related financing activities	13,304,193	11,708,435	1,595,758
Investing activities	122,266	109,590	12,676
Net change in cash	(904,040)	1,317,769	(2,221,809)
Beginning of year cash	2,186,402	868,633	1,317,769
End of year cash	$ 1,282,362	$ 2,186,402	$ (904,040)

The Statements of Cash Flows report the cash provided and used by the District's operations. During 2024, cash and cash equivalents decreased by $904,040. Net cash provided by operating activities decreased by $3,830,243, primarily due to a reduction in charges for services and increases in amounts paid to employees for services and suppliers for goods and services. Cash used in capital and related financing activities included $1,251,874 for the acquisition and construction of capital assets during the year.

Capital Assets (2025 and 2024)

The District's investment in capital assets that is composed of projects in progress, buildings, leasehold improvements, equipment, vehicles and right-to-use assets amounts to $21,812,144, net of accumulated depreciation / amortization of $12,639,999, at December 31, 2025 and $21,363,912, net of accumulated depreciation / amortization of $11,467,903 at December 31, 2024.

At December 31, 2025, projects in progress consisted of $2,610,495 related to the implementation of the Fire Station Alerting System. During the year ended December 31, 2025, the District completed its facility renovation project and transferred the related costs of $485,131 from projects in progress to leasehold improvements.

Capital Assets (2024 and 2023)

The District's investment in capital assets that is composed of projects in progress, buildings, leasehold improvements, equipment, vehicles and right-to-use assets amounts to $21,363,912, net of accumulated depreciation / amortization of $11,467,903, at December 31, 2024 and $21,710,463, net of accumulated depreciation / amortization of $16,982,292 at December 31, 2023.

Capital Assets (2024 and 2023) (continued)

At December 31, 2024, the projects in progress consists of $1,247,378 for the implementation of the Fire Station Alerting System and $4,496 for the renovation of facilities. During the year ended December 31, 2024, the District disposed of projects in progress, leasehold improvements, equipment, and vehicles totaling $4,898,744, resulting in a loss of $421,341.

Debt Administration (2025, 2024, and 2023)

In April 2021, the District entered into a note payable in order to acquire and implement a city-wide OnCall records system.

The transaction amount totaled $2,188,256 which was deposited in trust by the lessee. The entire amount was expended as of December 31, 2022. The note payable bears interest at a rate of 1.933% and matures in 2026. The present value of the remaining obligation is $228,442, representing the fiscal year 2026 principal payment amount of $230,099, net of related interest costs of $1,657.

Economic Outlook

The District's service area, Orleans Parish, has a diverse economy with the main sectors being energy, advanced manufacturing, international trade, healthcare, and tourism. Home to internationally known universities, hospitals and a Bioinnovation Center, the city is also one of the country's top meeting and convention destinations. The region's job recovery has been modest compared to the U.S. overall, with Louisiana's total seasonally adjusted jobs up 0.4% from February 2020, versus 4.8% nationally. The unemployment rate increased from 3.9% on December 31, 2023, to 4.4% on December 31, 2024. Unemployment remained unchanged at 4.4% for the year ended December 31, 2025.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the District's Executive Director at 118 City Park Avenue New Orleans, Louisiana 70119.

ORLEANS PARISH COMMUNICATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2025 AND 2024

A S S E T S

	2025	2024 (As restated)
CURRENT ASSETS		
Cash and cash equivalents	$ 1,990,516	$ 1,282,362
Accounts receivable	817,634	805,161
Due from the City of New Orleans	1,586,869	-
Due from other governments	149,675	-
Prepaid expenses	392,154	338,759
Total current assets	4,936,848	2,426,282
NON-CURRENT ASSETS		
Projects in progress	2,610,495	1,501,350
Capital assets, net	19,201,649	19,862,562
Total non-current assets	21,812,144	21,363,912
TOTAL ASSETS	26,748,992	23,790,194
DEFERRED OUTFLOW OF PENSION RESOURCES		
Deferred outflow of net pension liability	4,949,407	3,169,771
Deferred outflow of other postemployment benefit (OPEB) liability	898,564	1,059,777
Total deferred outflows of resources	5,847,971	4,229,548
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 32,596,963	$ 28,019,742

L I A B I L I T I E S A N D N E T A S S E T S

	2025	2024 (As restated)
CURRENT LIABILITIES		
Accounts payable	$ 490,527	$ 310,372
Accrued interest	192,834	146,498
Long-term lease - current portion	133,244	129,363
Long-term subscription - current portion	403,373	388,456
Note payable - current portion	228,442	450,328
Accrued payroll expense	401,358	366,991
Revenue collected in advance	-	1,448,127
Total current liabilities	1,849,778	3,240,135
NON-CURRENT LIABILITIES		
Compensated absences	1,198,176	1,130,536
Long-term lease	5,291,082	5,424,326
Long-term subscription	853,809	1,257,182
Long-term note payable	-	228,442
Net pension liability	15,250,658	15,250,658
Other postemployment benefit (OPEB) liability	4,300,038	4,510,925
Total non-current liabilities	26,893,763	27,802,069
TOTAL LIABILITIES	28,743,541	31,042,204
DEFERRED INFLOW OF PENSION RESOURCES		
Deferred inflow of net pension liability	3,682,088	3,682,088
Deferred inflow of other postemployment benefit (OPEB) liability	1,489,558	1,540,136
	5,171,646	5,222,224
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	$ 33,915,187	$ 36,264,428
NET POSITION		
Net investment in capital assets	$ 21,812,144	$ 21,363,912
Unrestricted	(23,130,368)	(29,608,598)
Total net position	$ (1,318,224)	$ (8,244,686)

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

ORLEANS PARISH COMMUNICATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024 (As restated)
OPERATING REVENUES		
Charges for services	$ 5,534,744	$ 5,519,155
Total operating revenues	5,534,744	5,519,155
OPERATING EXPENSES		
Contractual services, supplies, materials and other	4,024,026	3,737,244
Personnel services	13,557,734	13,539,926
Depreciation and amortization	1,172,096	1,177,084
Total operating expenses	18,753,856	18,454,254
OPERATING LOSS	(13,219,112)	(12,935,099)
NONOPERATING INCOME (LOSS)		
Intergovernmental revenue	18,214,294	14,882,666
Federal grants	1,727,607	1,423,578
Interest income	138,424	122,266
Interest expense	(222,816)	(250,174)
Loss on disposal	-	(421,341)
Miscellaneous income	236,381	160,565
Rental income	51,684	99,492
Total nonoperating income (loss)	20,145,574	16,017,052
CHANGE IN NET POSITION	6,926,462	3,081,953
NET POSITION, BEGINNING OF THE YEAR (RESTATED)	(8,244,686)	(11,326,639)
NET POSITION, END OF THE YEAR	$ (1,318,224)	$ (8,244,686)

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

ORLEANS PARISH COMMUNICATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Charges for services	$ 5,522,271	$ 5,576,081
Paid to employees for services	(16,483,059)	(15,678,186)
Paid to suppliers for goods and services	(2,749,822)	(4,228,394)
Net cash provided by (used in) operating activities	(13,710,610)	(14,330,499)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Intergovernmental revenue	16,627,425	14,882,666
Federal grants	129,805	621,180
Interest paid	(176,480)	(188,865)
Construction and acquisition of capital assets	(1,620,328)	(1,251,874)
Principal payment on note payable	(450,328)	(441,727)
Principal payment on lease	(129,363)	(125,595)
Principal payment on subscription	(388,456)	(451,649)
Miscellaneous receipts	236,381	160,565
Rental income	51,684	99,492
Net cash provided by (used in) capital and related financing activities	14,280,340	13,304,193
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	138,424	122,266
Net cash provided by investing activities	138,424	122,266
Net change in cash and cash equivalents	708,154	(904,040)
Cash and cash equivalents, beginning of year	1,282,362	2,186,402
Cash and cash equivalents, end of year	$ 1,990,516	$ 1,282,362

Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities areas follows:

	2025	2024 (As restated)
Operating income (loss)	$ (13,219,112)	$ (12,935,099)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,172,096	1,177,084
(Increase) decrease in accounts receivable	(12,473)	56,926
(Increase) decrease in prepaid expenses	(53,395)	(33,371)
Increase (decrease) in accounts payable	180,155	(1,605,223)
Increase (decrease) in accrued payroll expenses	34,367	121,250
Increase in compensated absences	67,640	166,546
Increase in pension liability	-	673,649
Increase in deferred pension inflows / outflows	(1,779,636)	(1,406,871)
Increase (decrease) in OPEB liability	(210,887)	(1,320,649)
Increase in deferred OPEB inflows / outflows	110,635	775,259
Net cash provided by (used in) operating activities	$ (13,710,610)	$ (14,330,499)

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

1. Summary of Significant Accounting Policies

History and Organization

The Orleans Parish Communication District, which services all of Orleans Parish, was created effective July 13, 1982, pursuant to Act No. 155 of the 1982 Regular Session of the Louisiana Legislature.

The District was created for the purpose of establishing a local emergency telephone service, establishing a primary emergency telephone number, providing for the governing body of the District, and authorizing the governing authority of such district to levy an emergency telephone tax. This act was amended by Act No. 1029 in 1999 to provide for the creation of multi-parish communications districts, to provide relative to the rate of the emergency telephone service charge on landline phones and to authorize the levy of an emergency telephone service charge on landline phones and to authorize the levy of an emergency telephone service charge on certain wireless communications systems.

The District and the City of New Orleans (City) entered into a Cooperative Endeavor Agreement on January 1, 2003 that allowed the City to provide pension and health benefits to District employees, while the District provided funding support for call takers, administrative, and maintenance support for the 9-1-1 system, building, and personnel. Effective April 13, 2016, the District and the City of New Orleans entered into another Cooperative Endeavor Agreement that terminated all previous Cooperative Endeavor Agreements and consolidated operations of the 9-1-1 system. The consolidation resulted in the physical and organizational placement of all emergency communication functions into one facility as one organization supporting the New Orleans Police Department, New Orleans Fire Department, New Orleans Emergency Management Services, and New Orleans Homeland Security and Preparedness using common systems. All City personnel assigned to the 9-1-1 call center by various City departments are now assigned to the District.

Reporting Entity

For financial reporting purposes the District is a component unit of the City of New Orleans, Louisiana (the City). The accompanying financial statements present information only as to the transactions of the District and are not intended to present fairly the financial position and results of operations of the City of New Orleans, Louisiana.

The District is presented as a component unit of the City of New Orleans. Component units are legally separate organizations for which elected officials of the primary government (City of New Orleans) are financially accountable. Component unit status is determined using the following criteria:

> The District is fiscally dependent on the primary government if it relies on the primary government to approve its budget, set tax rates, or issue bonded debt.

The District's budget is approved by the City of New Orleans. The District receives substantially all of its revenues from the City of New Orleans through a cooperative endeavor agreement.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The District reports all of its activity in one enterprise fund. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues.

Basis of accounting refers to the point at which revenue or expenses are recognized in the accounts, reported in the accounts, and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Proprietary fund financial statements are presented on the accrual basis of accounting. Taxes are reported in the period for which it is levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Accounting 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences may be material.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include amounts in non-interest-bearing demand deposits and funds on deposit at The Louisiana Asset Management Pool (LAMP). Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States of America.

Accounts Receivable

Accounts receivable are reported net of estimated uncollectible amounts. The District considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate the collectability of the particular receivable.

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Right to use assets are recorded at the present value of effectively fixed minimum lease payments, of the determined non-cancellable lease term. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	40 years
Furniture, fixtures, and equipment	3-7 years
Vehicles	5 years

Right to use assets are amortized over the shorter period of the lease term or the useful life of the asset.

Deferred Outflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 7 and 8 for more information regarding deferred outflows of resources related to the net pension liability and the net postemployment benefits liability.

Compensated Absences

All full-time classified employees of the District hired prior to April 12, 2016, are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after April 13, 2016, can accrue a maximum of 45 days of annual leave and an unlimited number of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon current hourly rate of pay and for accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting accrued sick leave to additional years of service.

1. Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. See Note 7 and 8 for more information regarding deferred inflows of resources related to the net pension liability and net postemployment benefit liability.

Net Position

Net position classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including any restricted capital assets, net of accumulated depreciation / amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt” as described above.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Revenues and Expenses

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the District’s ongoing operations. The principal operating revenues of the District are charges for services. Operating expenses include the contractual services, supplies, materials, personnel services, depreciation / amortization and other expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1. Summary of Significant Accounting Policies (continued)

Pension

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the City of New Orleans (NOMERS) and changes in NOMERS's fiduciary net position have been determined on the same basis as they are reported by NOMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Effective January 1, 2025, the District changed its selection of the measurement period used to determine amounts reported under GASB No. 68, Accounting and Financial Reporting for Pensions. Previously, the District selected the measurement period that corresponded with its fiscal year; however, due to the timing of the availability of the actuarial valuation of the pension plan, it now elects to use the measurement date that is one year prior to its reporting date.

This measurement election is a change in accounting estimate; as a result, the effect of the measurement period change was applied prospectively.

New Accounting Pronouncements –Adopted

The GASB issued Statement No. 100, Accounting Changes and Error Correction — an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for fiscal years beginning after June 15, 2023. The adoption of this standard did not have any material impact on the financial statements of the District.

The GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal year beginning after December 15, 2023. The adoption of this standard did not have any material impact on the financial statements of the District.

The GASB issued Statement No. 102 Certain Risk Disclosures, in December 2023, and is effective for fiscal years beginning after June 15, 2024. This Statement’s primary objective is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. Statement No. 102 was implemented by the District for the year ended December 31, 2025. The adoption of this standard did not have any material impact on the financial statements of the District.

2. Cash and Cash Equivalents

Cash and Cash equivalents include the following at December 31:

	2025	2024
Cash on deposit with financial institutions	$ 281,904	$ 405,034
Louisiana Asset Management Pool	1,708,612	877,328
Total	$ 1,990,516	$ 1,282,362

Under state law, the District's deposits (or the resulting bank balances) must be insured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it under state law. At December 31, 2025 and 2024, the District's deposits had a carrying amount of $281,904 and $405,034, respectively, and a bank balance of $377,200 and $555,706, respectively. The bank balance was fully collateralized at December 31, 2025 and 2024.

LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

LAMP is a 2a7- like investment pool. The following facts are relevant for 2a7- like investment pools:

- Credit Risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable to 2a7- like pools.

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

2. Cash and Cash Equivalents (continued)

LAMP, Inc. is subject to regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras Street, Suite 2220, New Orleans, LA 70130.

3. Accounts Receivables

The District has receivables due from the landline and wireless 9-1-1 tax collectors in the amount of $817,634 and $805,161 at December 31, 2025 and 2024, respectively. Receivable balances are unsecured.

4. Capital Assets

The capital assets of the District as of December 31, 2025 and 2024 consist of the following:

	January 1, 2025	Additions	Transfer in/(out)	December 31, 2025
Non-depreciable capital assets:				
Projects in progress	$ 1,501,350	$ 1,594,276	$ (485,131)	$ 2,610,495
Total non-depreciable capital assets	1,501,350	1,594,276	(485,131)	2,610,495
Depreciable capital assets:				
Buildings	19,160,085	-	-	19,160,085
Leasehold improvements	1,026,714	-	485,131	1,511,845
Equipment	2,585,030	26,052	-	2,611,082
Vehicles	245,768	-	-	245,768
Total depreciable capital assets	23,017,597	26,052	485,131	23,528,780
Accumulated deprecation	(10,283,450)	(561,390)	-	(10,844,840)
Total depreciable capital assets, net	12,734,147	(535,338)	485,131	12,683,940
Right-to-use assets:				
Capital lease	6,215,581	-	-	6,215,581
Subscription asset	2,097,287	-	-	2,097,287
Accumulated amortization	(1,184,453)	(610,706)	-	(1,795,159)
Total right-to-use assets, net	7,128,415	(610,706)	-	6,517,709
Capital assets, net	$ 21,363,912	$ 448,232	$ -	$ 21,812,144

4. Capital Assets (continued)

At December 31, 2025, projects in progress consisted of $2,610,495 related to the implementation of the Fire Station Alerting System. During the year ended December 31, 2025, the District completed its facility renovation project and transferred the related costs of $485,131 from projects in progress to leasehold improvements. At December 31, 2024, the projects in progress consists of $1,247,378 for the implementation of the Fire Station Alerting System and $4,496 for the renovation of facilities. During the year ended December 31, 2024, the District disposed of projects in progress, leasehold improvements, equipment, and vehicles totaling $4,898,744, resulting in a loss of $421,341

	January 1, 2024	Additions	Transfer in/(out)	December 31, 2024
Non-depreciable capital assets:				
Projects in progress	$ 658,975	$ 1,251,874	$ (409,499)	$ 1,501,350
Total non-depreciable capital assets	658,975	1,251,874	(409,499)	1,501,350
Depreciable capital assets:				
Buildings	19,160,085	-	-	19,160,085
Leasehold improvements	1,158,697	-	(131,983)	1,026,714
Equipment	6,874,327	-	(4,289,297)	2,585,030
Vehicles	313,763	-	(67,995)	245,768
Total depreciable capital assets	27,506,872	-	(4,489,275)	23,017,597
Accumulated depreciation	(14,194,505)	(566,378)	4,477,433	(10,283,450)
Total depreciable capital assets, net	13,312,367	(566,378)	(11,842)	12,734,147
Right-to-use assets:				
Capital lease	6,215,581	-	-	6,215,581
Subscription asset	4,311,327	-	(2,214,040)	2,097,287
Accumulated amortization	(2,787,787)	(610,706)	2,214,040	(1,184,453)
Total right-to-use assets, net	7,739,121	(610,706)	-	7,128,415
Capital assets, net	$ 21,710,463	$ 74,790	$ (421,341)	$ 21,363,912

5. Note Payable

In April 2021, the District entered into a note payable agreement with a financial institution in order to acquire and implement the city-wide OnCall Records System.

The total transaction amount of $2,188,256 was deposited into trust by the bank. The note bears interest at a rate of 1.933% and matures in 2026. The present value of the remaining obligation is $228,442, representing the fiscal year 2026 principal payment amount of $230,099, net of related interest costs of $1,657.

6. Compensated Absences

A summary of changes in compensated absences for the years ended December 31 are as follows:

	2025	2024
Balance at beginning of year	$ 1,130,536	$ 963,990
Additions	1,419,029	1,278,570
Reductions	(1,351,389)	(1,112,024)
Balance at end of year	$ 1,198,176	$ 1,130,536

7. Pension Plan

General Information about the Pension Plan

Plan Description

Employees of the District are provided with pensions through a cost- sharing multiple-employer defined benefit plan administered by the Employees Retirement System of the City of New Orleans (the Plan) established under the laws of the State of Louisiana. The Plan issues a publicly available financial report that can be obtained at www.nola.gov/nomers.

Benefits Provided

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

Benefits Provided – Regular Benefits

Employees with thirty (30) years of service, or who attain age 65 with five (5) years of service, or any age with 30 years of service or age plus service equal 80, or age 62 with 20 years of service, are entitled to an unreduced normal retirement allowance. Early retirement is allowed with 10 years of service and attainment of age 62. Benefits vest after five years of service. The retirement allowance consists of an annuity, which is the actuarial equivalent of the employee's accumulation contribution, plus an annual pension, which together with the annuity, provides a total retirement allowance equal to 1.9% to 4% of average compensation times the number of years of service. The maximum pension may not exceed 100% of average compensation. Pension amounts are reduced for service retirement prior to age 62. Average compensation is defined as average annual earned compensation for the highest 60 -month period. Members eligible for normal retirement or unreduced retirement may elect to defer receipt of the retirements while continuing employment for 3 to 5 years. Benefits accumulated are paid at termination or in level payments of up to 119 months.

7. Pension Plan (continued)

Benefits Provided - Disability Benefits

Disability benefits are awarded to active members with 10 or more years of creditable service if a physician nominated by the board certifies that the member is totally incapacitated and that such incapacitation is likely to be permanent. The member receives an annuity, which is the actuarial equivalent to the employee's accumulated contribution, plus an annual pension, which, together with the annuity shall be 75% of the service allowance that would have been payable upon service retirement at age 65, had the member continued in service to the age of 65. Such allowance is to be computed on the average compensation, plus the sum of $1,200 provided, however, the minimum annual retirement allowance will be $3,000 per year.

Benefits Provided – Survivor Benefits

Upon the death of a member during active service, the member’s accumulated plan contributions are paid to the member’s beneficiary. In addition, if a member has three years of creditable service, an additional lump sum benefit equals to 25% of the member's preceding year's base earnings plus 5% of earnings for each additional year of creditable service (benefit not to exceed compensation made before death) is paid. Also, if at the date of death, the member was eligible for retirement and leaves a surviving spouse, the surviving spouse shall be eligible to elect either Option 2 or lump sum refund of employee’s contributions. If, at date of death, the member was ineligible for retirement, but was at least fifty-five years of age and had ten or more years of creditable service or was under age fifty-five and had at least twenty years of creditable service, then the surviving spouse may elect to receive a lump-sum benefit equal to an actuarially reduced amount based upon the members’ age and years of creditable service. The benefit will cease when the surviving spouse reaches the age of eligibility for Social Security. Any death benefit will be offset by worker’s compensation benefits.

Withdrawal from Service

Upon withdrawal from service, members are entitled to:

1. Effective January 1, 2002, a member who separates with five years of creditable service may allow his accumulated contributions to remain on deposit and service retirement allowance to begin as early as age sixty-five.
2. Prior to January 1, 2002, a member who separated with ten years of creditable service may allow accumulated contributions to remain on deposit and service retirement allowance to begin as early as age sixty (subject to reduction if retirement is elected before age sixty-two). If death occurs before retirement, accumulated contributions are returned with interest.
3. Upon withdrawal without five years of creditable service, the member is entitled to return of accumulated contributions with interest or may allow contributions to remain on deposit for maximum of five years. In the case of employee’s death, then accumulated contribution plus interest are paid to the member's beneficiary.
4. If a member re-enters after receipt of refund and continues service thereafter for at least six months, the member may repay the amount of refund plus the amount of employer contributions, with compound interest, to receive prior creditable service again

7. Pension Plan (continued)

Deferred Retirement Option Plan (DROP)

In lieu of receiving a service retirement allowance, any member of the Retirement System who has more than sufficient service for a regular service retirement may elect to participate in the DROP program. However, members who commenced employment after January 1, 2018, and members with less than ten years of service as of January 1, 2018, cannot exceed three years. Other members may participate for up to five years. Effective the date of participation in DROP, the member stops contributing to and earning benefits in the system; employer contributions also end, and the retirement benefit begins being paid into the member's DROP account.

Interest is earned on the DROP account at an annual rate set by the board of trustees. Members of the DROP receive cost of living increases, as they would have received as a retiree. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After the DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation. If at the end of DROP participation, the member does not terminate employment, payments in DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated.

Cost of Living Adjustments

Cost of living provisions for the Retirement System allows the board of trustees to provide an annual cost of living increase. The board of trustees retains trust earnings or gains in excess of an average 3.5% to provide cost of living increases in benefits to retirees (past or future) not to exceed 3% of the initial benefit per each year of retirement, provided that the Retirement System's funded ratio is at least 95%. Such benefit shall be awarded and paid only when funds are available from this source as determined by the board of trustees.

Contributions

Contribution requirements of active employees are governed by the Retirement Ordinance of the City Charter of New Orleans. Employee and employer contributions are deducted from a member's salary and remitted to the Plan by participating employers. For 2025 and 2024, employees participating in the Retirement System are required to contribute 6% of their covered compensation and the employer is required to contribute 17.45% and 18.15% of covered compensation. Employer contributions to the Retirement System are based upon the amount necessary to fund normal cost and amortization of past service costs over a period of thirty years. The contribution requirements of Retirement System members of the District are established and may be amended by the Retirement System's Board of Trustees. The District's contributions to the Retirement System, which were equal to the required contribution, for the years ended December 31, 2025, and 2024 were $1,779,636 and $1,728,305, respectively. The Retirement System does not receive non-employer contributions.

7. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

In 2025, the District changed its selection of the measurement period used to determine its net pension liability. Previously, the District selected the measurement period that corresponded with its fiscal year; however, due to the timing of the availability of the actuarial valuation of the pension plan, it now elects to use the measurement period that is one year prior to its reporting date. This election is a change in accounting estimate; as a result, the effect of the measurement period change was applied prospectively. As a result, for both years ended December 31, 2025 and 2024, the Net Pension Liability was measured as of December 31, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of December 31, 2024.

At December 31, 2025 and 2024, the Employer reported a liability of $15,250,658 for its proportionate share of the Net Pension Liability. The District's proportion of the Net Pension Liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2025 and 2024, the District's proportion was 5.0404%.

For the years ended December 31, 2025 and 2024, the District recognized pension expense of $0 and $995,083, respectively.

At December 31, 2025 and 2024, the District reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	2025		2024	
	Deferred outflow of resources	Deferred inflow of resources	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	$ 498,127	$ (401,121)	$ 498,127	$ (401,121)
Net difference between projected and actual earnings on pension plan investments	130,189	-	130,189	-
Changes in assumptions	-	(959,677)	-	(959,677)
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,541,455	(2,321,290)	2,541,455	(2,321,290)
Contributions subsequent to the measurement period	1,779,636	-	-	-
	$ 4,949,407	$ (3,682,088)	$ 3,169,771	$ (3,682,088)

7. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions (continued)

The District recognized in pension expense the District's proportionate share of the plan's change in net pension liability as follows:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Changes in the District's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in District's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between contributions remitted to the Plan during the measurement period and the employer's proportionate share of contributions are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2026 in the amount of $1,779,636. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year	Amount
2026	$ (599,558)
2027	374,043
2028	(57,060)
2029	(229,742)
Total	$ (512,317)

7. Pension Plan (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2024 are as follows:

Valuation Date	January 1, 2025 (Measurement Period for Fiscal Years 2025 and 2024)
Actuarial Cost Method	Entry Age Normal
Projected Salary Increases	Service-based annual rates ranging from 4% to 15%
Investment Rate of Return	7.00% per annum
Mortality	Non-disabled Pre-Retirement members - Mortality rates based on the PubG-2010 Employee Mortality Tables, amount-weighted, projected generationally with Scale MP-2021 Non-disabled Post-Retirement members - Mortality rates based on the PubG-2010 General Healthy Retiree Tables, amount-weighted, projected generationally with Scale MP-2021 Disabled members - Mortality rates based on the PubNS - 2010 Non-Safety Disabled Retiree Tables, amount-weighted, projected generationally with Scale MP-2021 Contingent survivors - Mortality rates based on the PubG - 2010 General Contingent Survivor Tables, projected generationally with Scale MP-2021
Retirement Age Assumptions	Based on results of January 1, 2019 through December 31, 2023 Actuarial Experience Study
Expected Remaining Service Lives	4 years
Cost of Living Adjustment	The present value of future retirement benefits is based on benefits currently being paid and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the board of trustees as they are not deemed not to be substantively automatic.

7. Pension Plan (continued)

Actuarial Assumptions (continued)

The long-term expected rate of return on the Retirement System's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

The best estimates of arithmetic real rates of return for each major asset class included in the Retirement System's target asset allocation as of December 31, 2024 are summarized in the following table:

Measurement Period 2024 - Fiscal Years 2025 and 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Rate of Return
Cash and cash equivalents	2.00%	1.10%	0.02%
Domestic equity	42.50%	6.10%	2.59%
International equity	14.00%	6.63%	0.93%
Fixed income	22.00%	2.05%	0.45%
Real estate	5.00%	3.50%	0.18%
Hedge funds and GTAA	9.50%	2.90%	0.28%
Private investments	5.00%	9.65%	0.48%
Total	100.00%		4.93%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% at December 31, 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Pension Plan (continued)

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.00%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Employer's proportionate share of the net pension liability - 2025 and 2024	$ 20,066,380	$ 15,250,658	$ 11,237,455

Included in accounts payable were contributions payable to the pension plan in the amount of $0 and $89,115 at December 31, 2025 and 2024, respectively.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees Retirement System of the City of New Orleans 2024 Comprehensive Annual Financial Report at www.nola.gov/nomers.

8. Other Postemployment Benefits

General Information about the OPEB Plan

Plan description – Employees of the District participate in the City of New Orleans (the City) continuing health care and life insurance benefits for its retired employees. The City of New Orleans's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

8. Other Postemployment Benefits (continued)

General Information about the OPEB Plan (continued)

Benefits Provided – Medical benefits are provided through a self-insured comprehensive health benefit program. Full details are contained in the official plan documents. Medical benefits are provided to employees upon actual retirement (that is, at the end of the DROP period, if applicable) according to the retirement eligibility provisions of the System by which the employee is covered. Most City employees are covered by one of three primary systems: The Employees' Retirement System of the City of New Orleans (NOMERS), the Louisiana State Municipal Police Retirement System (MPRS), and the New Orleans Firefighters' Pension and Relief Fund (NOFF). The maximum DROP period is five years in NOMERS and NOFF and three years in MPRS. Retirement (DROP entry) eligibility is as follows: in NOMERS, the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 20 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80); in MPRS, the earlier of 25 years of service and age 50 and 20 years of service (in MPERS, DROP entry requires age 55 and 12 years of service or 20 years of service and eligibility to retire); in NOFF, age 50 and 12 years of service. However, because of the "back-loaded" benefit formula in the NOFF plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service to reflect the actual patterns of retirement and DROP entry in that system. For firefighters hired after August 15, 2016, the minimum age for DROP entry/retirement eligibility is the Social Security maximum retirement age less 10 years.

Employees covered by benefit terms – As of the measurement date December 31, 2025, there are 209 active employees who were covered by the benefit terms.

Total OPEB Liability

The District's total OPEB liability is $4,300,038 and $4,510,925 as of the measurement date December 31, 2025 and 2024, respectively.

Actuarial Assumptions and other inputs – The total OPEB liability as of December 31, 2025 and 2024, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% in 2025 and 2024
Salary increases	4.0%, including inflation in 2025 and 2024
Discount rate	4.08% annually (Beginning of Year to Determine ADC) in 2025
	4.83% annually (As of End of Year Measurement Date) in 2025
	3.26% annually (Beginning of Year to Determine ADC) in 2024
	4.08%, annually (As of End of Year Measurement Date) in 2024
Healthcare cost trend rates	5.5% annually for 10 years, 4.5% in 2025 and 2024
Mortality	SOA RP 2000 Table in 2025 and 2024 combined \ healthy without projection

8. Other Postemployment Benefits (continued)

Total OPEB Liability (continued)

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2025 and 2024, the end of the applicable measurement period.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2024.

Changes in Total OPEB Liability

	2025	2024
Balances at the beginning of year	$ 4,510,925	$ 5,831,574
Service Cost	54,726	69,455
Interest Cost	178,790	169,732
Difference in actual and expected	187,707	(843,175)
Changes of assumptions	(374,453)	(446,891)
Benefit payments	(257,657)	(269,770)
Net changes:	(210,887)	(1,320,649)
Balances at the end of year	$ 4,300,038	$ 4,510,925

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

2025	1.0% Decrease (3.08%)	Current Discount Rate (4.08%)	1.0% Increase (5.08%)
	$ 5,196,825	$ 4,300,038	$ 3,607,834

2024	1.0% Decrease (2.26%)	Current Discount Rate (3.26%)	1.0% Increase (4.26%)
	$ 5,472,369	$ 4,510,925	$ 3,767,211

8. Other Postemployment Benefits (continued)

Changes in Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

2025	1.0% Decrease (4.50%)	Current Discount Rate (5.50%)	1.0% Increase (6.50%)
	$ 3,694,906	$ 4,300,038	$ 5,091,139

2024	1.0% Decrease (4.50%)	Current Discount Rate (5.50%)	1.0% Increase (6.50%)
	$ 3,851,805	$ 4,510,925	$ 5,369,110

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

For the year ended December 31, 2025, the City recognized OPEB expense of $5,584,021. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at December 31:

	Deferred Outflow of Resources	Deferred Inflow of Resources
2025		
Differences between expected and actual experience	$ 333,003	$ (339,049)
Changes in assumptions	565,561	(1,150,509)
	$ 898,564	$ (1,489,558)
2024		
Differences between expected and actual experience	$ 305,542	$ (433,442)
Changes in assumptions	754,235	(1,106,694)
	$ 1,059,777	$ (1,540,136)

8. Other Postemployment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year ending December 31,	2025	2024
2025	$ -	$ (49,433)
2026	(242,378)	(215,700)
2027	(225,578)	(198,900)
2028	(51,923)	(25,245)
2029	(124,434)	(97,756)
2030	8,880	35,558
2031 and thereafter	44,439	71,117
	$ (590,994)	$ (480,359)

9. Revenue Collected in Advance

At December 31, 2024, revenue collected in advance totaled $1,448,126, consisting of $1,003,147 in American Rescue Plan Act (ARPA) funds received through the City of New Orleans for the acquisition and implementation of the Fire Station Alerting System and $444,979 in FEMA funds received for the building renovation project. During the year ended December 31, 2025, the District recognized the entire balance as revenue, resulting in no revenue collected in advance as of December 31, 2025.

10. Lease Payable

During May 2002, the District entered into an operating lease agreement for the lease of land. The lease term is for 50 years with an option to renew for four 10-year periods beginning June 2052. The annual rent for the first 10 years was fixed at a specific amount. The remaining term of the lease shall be divided into consecutive five-year rent periods. The annual rent for each rental period will be adjusted by a formula based on the consumer price index. The District implemented Government Accounting Standards #87 effective January 1, 2022 for the remaining term of the lease, excluding renewal options. A right-to-use asset and corresponding lease payable are recorded in the amount of $6,215,581.

The District also leases various pieces of equipment under month-to-month leases.

10. Lease Payable (continued)

Future minimum lease payments for the lease is as follows:

December 31,	Principal	Interest	Total
2026	$ 133,244	$ 160,731	$ 293,975
2027	137,242	156,674	293,916
2028	141,359	152,495	293,854
2029	145,600	148,190	293,790
2030	149,968	143,757	293,725
Thereafter	4,716,913	1,723,761	6,440,674
	$ 5,424,326	$ 2,485,608	$ 7,909,934

Total rental expense for all leases for the years ended December 31, 2025 and 2024 was $340,370 and $340,370, respectively.

11. Subscription-Based Information Technology Arrangements (SBITA) Payable

During November 2018, the District entered into a subscription-based information technology arrangement (SBITAs) involving the Premiere One CAD system for the 9-1-1 call system. The term of the arrangement is for 5 years beginning in 2019 with variable annual payments. During the year ended December 31, 2023, the District extended the arrangement for 5 years beginning in 2024. The District implemented Government Accounting Standards #96 effective January 1, 2023. At December 31, 2025 and 2024, the total costs of the Districts right-to-use subscription assets is recorded as $2,097,287 and $2,097,287, less accumulated depreciation of $838,914 and $419,457, respectively.

Future minimum subscription payments are as followed:

December 31,	Principal	Interest	Total
2026	$ 403,373	$ 32,786	$ 436,159
2027	418,862	16,702	435,564
2028	434,947	-	434,947
	$ 1,257,182	$ 49,488	$ 1,306,670

12. Cooperative Endeavor Agreement

Effective April 13, 2016, the District and the City of New Orleans (City) entered into a Cooperative Endeavor Agreement (CEA) to consolidate operations of the 9-1-1 call center. This resulted in the physical and organizational placement of all emergency communications functions into one facility as one organization supporting New Orleans Police Department, New Orleans Fire Department, New Orleans Emergency Management Services and New Orleans Homeland Security and Emergency Preparedness using common systems.

12. Cooperative Endeavor Agreement (continued)

Beginning January 1, 2019, the District and the City of New Orleans (City) entered into a new Cooperative Endeavor Agreement (CEA) to define the obligations of each party. The CEA requires the City to provide an annual appropriation to the District for the Districts Operations (OPS) personnel, costs including health and accident insurance, employer retirement contributions, workers compensation, unemployment insurance, life insurance, uniform allowance, sick leave, annual leave, and terminal leave. The annual appropriation may also include an allocation for other operating costs required to support the District OPS. Funding shall be subject to approval by the City Council of New Orleans through the regular budgeting process. In addition, the City is to provide the District with access to fueling stations and computer programs and software applications which the City has purchased enterprise-wide licenses, provided the license agreements allow the City.

The District is required to develop an administrative and organizational structure that ensures consolidated operations and maintain and improve upon the current operational performance of 9-1-1 services with the City. Also, the District is to purchase, implement, and maintain hardware, software, and systems required for the provisions of 9-1-1 service throughout Orleans Parish; adopt, maintain, and implement appropriate protocols for operators to become cross-trained to take and dispatch all types of emergency calls; provide personnel with professional training and support; and maintain the physical facility known as the Warren E McDaniel 9-1-1 center for 9-1-1 services. The CEA requires the District to provide self-generated funding for the purpose of supporting consolidated 9-1-1 operations.

The CEA has been renewed with the City through December 31, 2030, without any substantial modifications to its original terms.

13. Related Party Transactions

During the years ended December 31, 2025 and 2024, the District received intergovernmental revenue in the amount of $18,214,294 and $14,882,666, respectively, from the City to fund the OPS personnel cost.

The City of New Orleans provides health and accident insurance to the District's employees exclusively through preferred provider organizations (PPOs). Under this type of program, the District pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims. The total amount of contributions by the District for health insurance was $1,574,003 and $1,322,475 for 2025 and 2024, respectively. As of December 31, 2025 and 2024, the District had outstanding health and accident insurance premiums payable to the City of New Orleans of $0 and $36,884, respectively.

The District also pays the Municipal Employees' Retirement System of the City of New Orleans for its employees' pension costs. See Note 7 for the disclosures.

14. Prior Period Adjustment

During the year ended December 31, 2025, the District determined that the prior year's pension expense and the related deferred outflows, payables, and deferred inflows were incorrectly reported and are restated as follows:

Account	2024 As Previously Presented	Adjustments	2024 As Restated
Net Position, Beginning of Year	$ (10,975,069)	$ (351,570)	$ (11,326,639)
Pension Expense / Changes in Net Position	2,434,502	647,451	3,081,953
Net Position, End of Year	$ (8,540,567)	$ 295,881	$ (8,244,686)
Deferred Outflows Pension	$ 227,195	$ 2,942,576	$ 3,169,771
Accounts Payable	$ (387,092)	$ 76,720	$ (310,372)
Deferred Inflows Pension	$ (985,673)	$ (2,723,415)	$ (3,709,088)
		$ 295,881	

The District has restated the 2024 financial statements, along with the associated impact on the statement of cash flows and other pension disclosures in Note 7 within the accompanying financial statements.

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 15, 2026, and determined that no matters require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule I

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Fiscal Year	Statutorily Required Contribution	Contributions in Relation to Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll During the Calendar Year	Contributions as a Percentage of Covered Employee Payroll
2025	$ 1,779,636	$ 1,779,636	$ -	$ 10,198,487	17.45%
2024	$ 1,728,305	$ 1,728,305	$ -	$ 9,522,342	18.15%
2023	$ 1,389,305	$ 1,389,305	$ -	$ 8,086,758	17.18%
2022	$ 1,278,095	$ 1,278,095	$ -	$ 7,237,231	17.66%
2021	$ 1,249,970	$ 1,249,970	$ -	$ 8,164,402	15.31%
2020	$ 1,997,230	$ 1,997,230	$ -	$ 8,948,163	22.32%
2019	$ 2,005,854	$ 2,004,643	$ 1,211	$ 8,649,651	23.18%
2018	$ 1,578,674	$ 1,578,674	$ -	$ 6,789,412	23.25%
2017	$ 1,483,758	$ 1,483,758	$ -	$ 6,904,411	21.49%
2016	$ 973,410	$ 973,410	$ -	$ 4,323,961	22.51%

Notes:

Employer's covered employee payroll amount represents the amount from the 2021 year.

According to state statute, contribution requirements for all employees are actuarially determined each year.

See accompanying independent auditors' report.

Schedule II

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF PENSION LIABILITY
DECEMBER 31, 2025

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Period	12/31/2024	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
District's Proportion of the Net Pension Liability	5.0404%	5.0404%	3.9922%	5.1018%	6.0454%	5.9884%	4.6689%	3.8312%	2.7612%	0.0702%
District's Proportionate Share of the Net Pension Liability	$ 15,250,658	$ 15,250,658	$ 14,577,009	$ 15,947,361	$ 15,250,658	$ 16,995,731	$ 14,261,322	$ 11,210,644	$ 6,438,928	$ 6,913,336
District's Covered Payroll	$ 9,522,342	$ 9,522,342	$ 8,086,758	$ 7,237,231	$ 8,164,402	$ 8,948,163	$ 8,649,651	$ 6,789,412	$ 6,904,411	$ 4,323,961
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	160.16%	160.16%	180.26%	220.35%	186.79%	189.94%	164.88%	165.12%	93.26%	159.88%
Plan Fiduciary Net Position as a Percentage of total Pension Liability	62.57%	62.57%	55.85%	53.25%	65.91%	61.72%	57.94%	55.55%	62.22%	58.06%

Notes:

Change in Measurement Period:
In 2025, the District changed its selection of the measurement period used to determine its net pension liability. Previously, the District selected the measurement period that corresponded with its fiscal year; however, due to the timing of the availability of the actuarial valuation of the pension plan, it now elects to use the measurement period that is one year prior to its reporting date.

Changes in Assummptions:
Effective measurement period ended December 31, 2018, the actuarial valuation of the Employees' Retirement System of the City of New Orleans assumed four years as the expected remaining service lives. Previously, eight years was assumed.

The reports for The Employees' Retirement System of the City of New Orleans are available on the Louisiana Legislative Auditor's website at www. lla.la.gov.

See accompanying independent auditors' report.

ORLEANS PARISH COMMUNICATION DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2025

Pension Plan Information

Benefit changes:
Beginning in 2024, the compensation for purposes of calculating a pension is no longer capped at $150,000 and is now capped at the Internal Revenue Code Section 401(a)(17) limit.

The following plan provisions were effective January 1, 2021 for participants hired or on after January 1, 2018 and were reflected in the December 31, 2021 disclosure:

- Benefit multiplier changed to 2.50% for all years of service
- 80-point provision added to retirement eligibility
- Age 60 with 10 years of service early retirement eligibility added
- Pensionable earnings capped at $150,000, periodically adjusted for inflation by the Trustees
- A Retirement Incentive Plan was adopted for participating members with a retirement date in 2020.

Assumption changes:
The following assumptions were changed with the January 1, 2020 valuation, based on an experience study for the period of January 1, 2011 through December 31, 2016 conducted by another actuary employed by the City:

- Update the mortality rates to use the PubG-2010 mortality tables for healthy lives, and PubNS-2010 Disabled Retiree table for Disabled lives, and project the mortality improvement for all participants with Scale MP-2018
- Change the retirement rates to use age-based rates, rather than 100% at selected eligibilities.
- Lower the assumed rate of investment return from 7.50% to 7.25%
- Change the salary scale to use age-based rates that reflect decreasing pay growth as a participant age, rather than use 5% increases for all ages.
- Update the turnover rates to reflect recent experience.
- Update the disability rates to only begin after ten years of service and stop at age 60.

The following assumptions were changed with the January 1, 2021 valuation:

- The mortality projection scale was updated from MP-2018 to MP-2020 for all participants.
- Administrative expenses were lowered from 0.3% of the payroll to 0.2% of payroll.

Schedule III

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF NET OPEB LIABILITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, 2023 AND 2022

Fiscal Year	Total OPEB Liability	OPEB Plan's Fiduciary Position	Net OPEB Liability	OPEB Plan's Net Position as a percentage of the Total Liability	Covered Payroll	Liability as a Percentage of Covered Employee Payroll
2025	$ 5,466,180	-	$ 5,466,180	100.00%	$ 11,764,234	46.46%
2024	$ 4,510,925	-	$ 4,510,925	100.00%	$ 11,311,945	39.88%
2023	$ 5,831,574	-	$ 5,831,574	100.00%	$ 10,177,211	57.30%
2022	$ 5,466,180	-	$ 5,466,180	100.00%	$ 10,177,211	53.71%

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

Schedule IV

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF CHANGES IN OPEB LIABILITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024, 2023, AND 2022

	2025	2024	2023	2022
Service cost	$ 54,726	$ 69,455	$ 76,175	$ 99,777
Interest	178,790	169,732	196,236	135,446
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	187,707	(843,175)	178,688	2,422,757
Changes of assumptions	(374,453)	(446,891)	296,306	(1,162,090)
Benefit payments	(257,657)	(269,770)	(382,011)	(413,296)
Net change in total OPEB liability	(210,887)	(1,320,649)	365,394	1,082,594
Total OPEB liability - beginning	4,510,925	5,831,574	5,466,180	4,383,584
Total OPEB liability - ending (a)	$ 4,300,038	$ 4,510,925	$ 5,831,574	$ 5,466,180
Covered-employee payroll	$ 11,764,423	$ 11,311,945	$ 10,177,211	$ 10,177,211
Net OPEB liability as a percentage of covered-employee payroll	36.55%	39.88%	57.30%	53.71%
Notes to Schedule:				
Benefit Changes:	None	None	None	None
Changes of Assumptions:				
Discount Rate:	4.83%	4.08%	3.72%	3.72%
Mortality:	RP-2000	RP-2000	RP-2000	RP-2000
Trend:	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%	4.5% to 5.5%

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

OTHER SUPPLEMENTARY INFORMATION

Schedule V

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE AGENCY HEAD
FOR THE YEAR ENDED DECEMBER, 31, 2025

Agency Head Name: **Karl Fasold, Executive Director**

Purpose:	Amount	
Salary	$	162,146
Benefits - Health Insurance		14,323
Benefits - Retirement		28,131
Vehicle provided by government		-
Per diem		1,533
Reimbursements		905
Travel		-
Registration fees		695
Conference Travel		2,653
Continuing professional education fees		-
Housing		-
Unvouched Expenses		-
Special Meals		-
District provided Cell Phone		-
Total	$	210,386

See accompanying independent auditors' report.

RICHARD CPAS

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*

The Board of Commissioners
Orleans Parish Communications District
(A Proprietary Component Unit of the City of New Orleans)
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 business-type activities of the Orleans Parish Communications District (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 15, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 15, 2026

ORLEANS PARISH COMMUNICATION DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2025

1. **Summary of Independent Auditor's Results**

   Financial Statements

   (a) The type of report issued on the basic financial statements: **Unmodified**

   (b) Internal control over financial reporting:

   Material weakness(es) identified: **None reported**

   Significant deficiency(ies) identified: **None reported**

   (c) Noncompliance which is material to the basic financial statements: **None reported**

2. **Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards***

   None reported.

3. **Status of Prior Year's Findings and Responses**

   None reported.

SLFRF AWARD EXAMINATION

RICHARD CPAS

INDEPENDENT ACCOUNTANT'S REPORT

The Board of Commissioners
Orleans Parish Communications District
(A Proprietary Component Unit of the City of New Orleans)
New Orleans, Louisiana

We have examined the Orleans Parish Communications District's (the District) compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/ cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving SLFRF Awards" of the CSLFRF section of the 2025 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2025. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the specified requirement referenced above during the year ended December 31, 2025.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the District's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the District's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards.*

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the District complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2025. Accordingly, this report is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 15, 2026

ORLEANS PARISH COMMUNICATION DISTRICT
SCHEDULE OF EXPENDITURES OF
STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF)
THE YEAR ENDED DECEMBER 31, 2025

Federal Department/Program Title/Grant Name	Assistance Listing Number	Amounts recognized in accordance with GAAP for the year ended December 31, 2025
U.S. Department of the Treasury:		
Coronavirus State and Local Fiscal Recovery Fund (SLFRF)		
American Rescue Plan Act Federal Recovery Funding	21.027	$ 1,003,148
Total U.S. Department of the Treasury		$ 1,003,148

ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2025

RICHARD CPAS

ORLEANS PARISH COMMUNICATION DISTRICT
NEW ORLEANS, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2025

ORLEANS PARISH COMMUNICATION DISTRICT

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RICHARD CPAS

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Orleans Parish Communication District 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. Orleans Parish Communication District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

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

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

Richard CPAS

Metairie, Louisiana
June 15, 2026

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ORLEANS PARISH COMMUNICATION DISTRICT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *"no exceptions were found as a result of this procedure"* or for step 13 *"we performed the procedure and discussed the results with management"*. If not, then a description of the exception ensues.

1) Written Policies and Procedures

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

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions were found as a result of this procedure.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were found as a result of this procedure.

iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exceptions were found as a result of this procedure.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found as a result of this procedure.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were found as a result of this procedure.

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions were found as a result of this procedure.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

2) Board or Finance Committee

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

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

No exceptions noted were found as a result of this procedure.

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Exception noted. The board/finance committee do not review budget-to-actual comparisons.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

3) Bank Reconciliations

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

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

No exceptions were found as a result of this procedure.

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

Exception noted. Management did not date their review of the reconciliation.

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

Exception noted. One of the five bank reconciliations tested contained no documentation reflecting that reconciling items greater than 12 months old had been researched.

4) Collections (excluding electronic funds transfers)

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

No exceptions were found as a result of this procedure.

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

i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

C. 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 in force during the fiscal period.

No exceptions were found as a result of this procedure.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *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:

i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

No exceptions were found as a result of this procedure.

ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions were found as a result of this procedure.

iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions were found as a result of this procedure.

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

Exception noted. Two employees who are not authorized to sign checks can approve electronic disbursements.

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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

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

Exception noted. Two of the five non-payroll electronic disbursements were released by employees that are not authorized to disburse funds.

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

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

No exceptions were found as a result of this procedure.

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

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

Exception noted. There is no evidence that someone other than the cardholder reviewed and approved three of the five monthly statements selected.

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

No exceptions were found as a result of this procedure.

C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

No exceptions were found as a result of this procedure.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

8) Contracts

A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

No exceptions were found as a result of this procedure.

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions were found as a result of this procedure.

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Exception noted. One of the five selected employees' pay rate did not agree to authorized pay rate.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Exception noted. The ethics designee was appointed after the required date.

11) Debt Service

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

12) Fraud Notice

1. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

   No exceptions were found as a result of this procedure.

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

   No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

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

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

   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 there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

   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.

   We performed the procedure and discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

   We performed the procedure and discussed the results with management.

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

- Hired before June 9, 2020- completed the training.

  We performed the procedure and discussed the results with management.

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

  We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.

MANAGEMENT RESPONSES:

2. Board or Finance Committee:

   A. ii. The Finance Team will comply with the AUP requirements by preparing and submitting timely actual-to-budget comparisons for Board and Finance Committee meetings.

3. Bank Reconciliations:

   A. ii. The Finance Team has implemented new Standard Operating Procedures (SOPs) requiring all bank reconciliations to be reviewed by the Finance Manager and then signed and dated by the Executive Director upon completion.

   A. iii. The Finance Team has implemented a procedure requiring the Senior Financial Analyst to promptly review and verify that all reconciling items have been researched and that any required adjustments are posted timely. This exception is resolved in May 2026.

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

   B. v. Effective immediately, all non-payroll disbursements, including ACH transactions, will be reviewed and approved by the Finance Manager and released by the Executive Director or another authorized agency signer. The agency will also consult with its banking official to determine whether approval permissions can be removed from the identified employees' profiles.

   D. Effective immediately, all non-payroll disbursements, including ACH transactions, will be reviewed and approved by the Finance Manager and released by the Executive Director or another authorized agency signer. The agency will also consult with its banking official to determine whether approval permissions can be removed from the identified employees' profiles.

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

   B. i. The Finance Team has implemented new Standard Operating Procedures (SOPs) requiring all Credit Cards/Debit Cards purchases are reviewed by the Finance Manager and then signed and dated by the Executive Director upon completion.

9. Payroll and Personnel:

   B. iv. The Personnel Manager indicated that this was an oversight, and procedures have been implemented to ensure all personnel information is accurately maintained.

10. Ethics:

    B. As a result of the procedures, the Finance Team became aware that the appointment of the new Ethics Designee was not timely submitted, the team immediately completed and submitted required application to the State. This matter has been resolved.