Terrebonne Parish
Communications District

Financial Statements

December 31, 2025

Terrebonne Parish Communications District
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Independent Auditor's Report

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, Louisiana

Opinions

We have audited the accompanying financial statements of the business-type activities of the Terrebonne Parish Communications District (the "District"), a component unit of the Terrebonne Parish Consolidated Government, 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 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 the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 opinions on the financial statements of the District. The accompanying schedule of compensation, benefits, and other payments to district head, as required by the State of Louisiana, is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule 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 16, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Pinell & Martinez, llc

Covington, Louisiana
June 16, 2026

Management's Discussion and Analysis

Introduction

Management's Discussion and Analysis of the Terrebonne Parish Communications District’s (the “District”) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the District's financial statements, which begin on page 10.

Financial Highlights

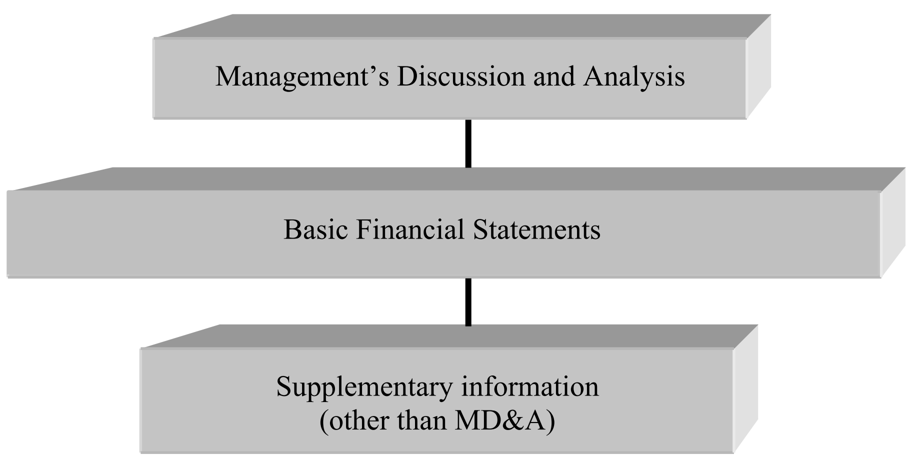
The District’s assets exceeded its liabilities at December 31, 2025 by $3,507,053 which represents a 2% increase from the prior year.

Current assets increased by $111,491, approximately 5%, compared to the prior year.

Current liabilities decreased by $374,533, approximately 80%, compared to the prior fiscal year.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for government entities engaged in business-type activities established by Governmental Accounting Standards Board.



These financial statements consist of two sections - Management's Discussion and Analysis (this section), and the basic financial statements (including the notes to the financial statements). This report also contains supplementary information in addition to the basic financial statements.

The District's activities are reported in a single proprietary fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred.

Basic Financial Statements

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position
This statement presents the current and noncurrent assets, deferred outflows of resources, current and noncurrent portions of liabilities, and deferred inflows of resources, with the difference reported as net position. Net position may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position
This statement presents information showing how the District's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statement of Cash Flows
This statement presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

Notes to the Financial Statements
The notes to the financial statements in this report provide additional information that is essential for a full understanding of the data provided in the basic financial statement. The notes to the financial statements, which describe particular accounts in more detail, immediately follow the financial statements.

Financial Analysis of the Entity

The condensed statements of net position consist of the following at December 31:

	2025	2024	Variance	% Variance
Assets				
Current assets	$ 2,273,625	$ 2,162,133	$ 111,492	5.16%
Capital assets, net	1,464,428	791,833	672,595	84.94%
Right to use assets, net	-	1,103,440	(1,103,440)	-100.00%
	$ 3,738,053	$ 4,057,406	$ (319,353)	-7.87%
Liabilities				
Current liabilities	$ 96,944	$ 471,477	$ (374,533)	-79.44%
Noncurrent liabilities	134,055	133,235	820	0.62%
	230,999	604,712	(373,713)	-61.80%
Net Position				
Net investment in capital assets	1,464,428	1,466,212	(1,784)	-0.12%
Unrestricted	2,042,626	1,986,482	56,144	2.83%
	3,507,054	3,452,694	54,360	1.57%
	$ 3,738,053	$ 4,057,406	$ (319,353)	-7.87%

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Current assets increased by $111,492, approximately 5%, from December 31, 2024 to December 31, 2025, due primarily to an increase in cash and investments. Capital assets increased by 85% and right-to-use assets decreased by 85% due to the District reclassifying right-to-use assets to capital assets since all financial obligations were met during the current year.

Current liabilities decreased by $383,090 from December 31, 2024 to December 31, 2025 primarily from the final annual payments for the lease obligations being made during the current fiscal year.

The condensed statements of revenues, expenses, and changes in net position consist of the following for the years ended December 31:

	2025	2024	Variance	% Variance
Operating Revenues				
Service charges	$ 2,821,447	$ 2,493,880	$ 327,567	13.13%
Other revenues	319,868	301,554	18,314	6.07%
	3,141,315	2,795,434	345,881	12.37%
Operating Expenses				
Salaries and benefits	1,895,331	1,620,199	275,132	16.98%
Telephone expense	183,345	178,347	4,998	2.80%
Depreciation and amortization	442,541	432,198	10,343	2.39%
Other operating expenses	497,774	346,605	151,169	43.61%
	3,018,991	2,577,349	441,642	17.14%
Operating income	122,324	218,085	(95,761)	-43.91%
Non-operating income	58,839	172,269	(113,430)	-65.84%
Non-operating expenses	(126,803)	(19,176)	(107,627)	561.26%
	(67,964)	153,093	(221,057)	144.39%
Change in net position	54,360	371,178	(316,818)	-85.35%
Net position, beginning of year	3,452,694	3,081,516	371,178	12.05%
Net position, end of year	$ 3,507,054	$ 3,452,694	$ 54,360	1.57%

The District's operating revenues increased by $345,881, approximately, 12%, from December 31, 2024 to December 31, 2025, primarily from an increase in service charges. Operating expenses increased by $441,644, approximately 17%, from December 31, 2024 to December 31, 2025, primarily from an increase in salaries and related benefits. The District's total net position increased by $54,359, approximately 2%, from December 31, 2024 to December 31, 2025.

Capital Assets

	2025	2024	Variance	% Variance
Land	$ 37,600	$ 37,600	$ -	0.00%
Construction in progress	-	104,460	(104,460)	-100.00%
Buildings	833,957	825,170	8,787	1.06%
Equipment	1,907,072	1,044,717	862,355	82.54%
Automobiles	24,158	24,158	-	0.00%
	2,802,787	2,036,105	766,682	37.65%
Accumulated depreciation	(1,338,359)	(1,244,272)	(94,087)	7.56%
	$ 1,464,428	$ 791,833	$ 672,595	84.94%

Capital assets increased by $672,595, approximately 85%, from December 31, 2024 to December 31, 2025 primarily from right-to-use assets being reclassified from leased assets to capital assets.

Additions during the current fiscal year consisted of the following:

Construction in progress	$ 16,517
Buildings	8,787
Equipment	107,369
	$ 132,673

Right to Use Assets

The District's computer aided dispatch system and records management software system totaling $754,986 was reclassified from right-to-use assets to capital assets since the District met all financial obligations and obtained ownership during the year ended December 31, 2025. The following is a summary of right to use assets at December 31, 2025 with the comparative amount for the year ended December 31, 2024:

	2025	2024	Variance	% Variance
Communications equipment	$ -	$ 1,103,440	$ (1,103,440)	-100.00%

Noncurrent Liability

The District has lease obligations for a computer aided dispatch and records software management system. The District met all financial obligation during the year ended December 31, 2025. The following is a summary of the obligation at December 31, 2025 with the comparative amount for the year ended December 31, 2024:

	2025	2024	Variance	% Variance
Lease obligations	$ -	$ 429,061	$ (429,061)	-100.00%

Budget

The annual budget is approved by the Board of Commissioners and made available for public inspection. For the year ended December 31, 2025, actual revenues on the budgetary basis were $413,338 less than final budgeted revenues and actual expenses on the budgetary basis were $179,444 less than final budgeted expenses. The District does not budget for depreciation of capital assets or gains / losses on disposition of assets.

Economic Factors and Next Year's Budgets and Rates

The District and management considered the following factors and indicator's when setting next year's budget, rates, and fees:

- During fiscal year 2024, the District successfully passed a local bill (ACT 410 of the 2024 Louisiana Legislature) allowing for Terrebonne Parish Communications District to collect an additional $0.60 per wireless CMRS device providing for parity of collections across all connections. This Act amended RS 33:9109(C)(2). Certified letters from the District were sent to all known wireless providers doing business in Terrebonne Parish on June 26, 2024 with an effective date of collection increase to be August 1, 2024. This additional revenue was used to offset the higher cost to provide NG911 (Next Generation 911) ESInet with 911 Call Handling utilizing 100% fiber connectivity and removing all legacy connections. The District transitioned to the new NGA911 system in March 2025. After numerous complications and software issues 14 days in, the District decided to revert back to the legacy based call processing software system. This decision to abort this project was made primarily due to public safety concerns.

- During fiscal year 2025, the District decided to proceed with a NextGen911 computer aided dispatch (CAD) movement from on-site to cloud migration. An existing CAD vendor provided the service of CAD SaaS (software as a service) incorporating a monthly subscription service for CAD software. The District utilizes this software to connect to all law enforcement/fire/EMS responders within Terrebonne Parish. This new cloud-based system was implemented in December 2025.

- In consideration of 2025 unfortunate experiences and formidable "on-path" positive technological advances, the District took into consideration 2026's projected expenses and projected continuation of Louisiana Department of Revenue decreases. As such, the Louisiana Chapters of APCO and NENA, with the support of the District, assisted with House Bill 463 of the 2026 Louisiana Legislature allowing all 64 Parishes the ability to increase wireless CMRS surcharge not to exceed $2.00/per month per subscriber. This would provide the District the ability to increase an additional $0.15 per subscriber supplementing for Louisiana Department of Revenue shortfalls. As of today, the submission of House Bill 463 is pending final passage. However, the 2025 revenue will continue to support the 2026 CAD SaaS, cybersecurity hardware advancements, and is assessed to provide migration from Legacy AT&T circuits to ESInet/911 Core service migration. With the successful passage of House Bill 463, the District will pursue a cloud-based CHS/CHE SaaS product and vendor. If the House Bill 463 is unsuccessful, the District will pursue alternate possible funding through local legislation during the 2027 year to achieve the ultimate goal for the completion of all NextGen911 software service and technology migration and for providing a continued stable source of revenue for a period of not less than five (5) years.

Contacting the District's Management

This financial report is designed to provide a general overview of the District's finances for all those with such an interest. Call the District's office (985-580-0911) attention Mark Boudreaux, Director, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

Financial Statements

Terrebonne Parish Communications District
Statement of Net Position
December 31, 2025

ASSETS		
Current Assets		
Cash and cash equivalents	$	518,569
Accounts receivable		332,102
Prepaid expenses		52,456
Investments		1,370,498
		2,273,625
Noncurrent Assets		
Capital assets, net		1,464,428
	$	3,738,053

LIABILITIES AND NET POSITION		
Current Liabilities		
Accrued payroll expenses	$	88,387
Accrued compensated absences		8,557
		96,944
Noncurrent Liabilities		
Accrued compensated absences		134,055
		230,999
Net Position		
Net investment in capital assets		1,464,428
Unrestricted		2,042,626
		3,507,054
	$	3,738,053

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

Terrebonne Parish Communications District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2025

Operating Revenues	
Service charges	$ 2,821,447
Fire dispatch reimbursements	164,336
Computer aided dispatch fees	139,560
Other revenues	15,972
	3,141,315
Operating Expenses	
Salaries and related taxes	1,406,442
Employee benefits	488,889
Rent	51,357
Telephone expense	183,345
Administrative services	8,287
Office supplies	7,449
Repairs and maintenance	231,734
Utilities	22,216
Depreciation and amortization	442,541
Legal and professional services	74,281
Insurance	90,101
Travel	12,349
	3,018,991
Operating Income	122,324
Non-Operating Revenues (Expenses)	
Investment income	58,839
Interest expense	(5,826)
Loss on disposal of fixed assets	(120,977)
	(67,964)
Change in Net Position	54,360
Net Position, Beginning of Year	3,452,694
Net Position, End of Year	$ 3,507,054

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

Terrebonne Parish Communications District
Statement of Cash Flows
For the Year Ended December 31, 2025

Cash Flows From Operating Activities	
Receipts:	
Cash receipts from customers	$ 3,243,268
Disbursements:	
Payments to employees for services	(1,873,355)
Payments to suppliers for goods and services	(690,489)
Net cash provided by operating activities	679,424
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(132,673)
Payments on lease obligations	(429,061)
Interest paid on lease obligations	(13,315)
Net cash used in capital and related financing activities	(575,049)
Cash Flows From Investing Activities	
Purchase of investments	(57,834)
Investment income received	58,839
Net cash provided by investing activities	1,005
Net change in cash and cash equivalents	105,380
Cash and cash equivalents, beginning balance	413,189
Cash and cash equivalents, ending balance	$ 518,569
Reconciliation of Change in Net Position to Cash Flows from Operating Activities	
Operating income	$ 122,324
Adjustments to reconcile the change in net position to net cash provided by operating activities:	
Depreciation	94,087
Amortization	348,454
(Increase) decrease in:	
Accounts receivable	101,953
Prepaid expenses	(50,231)
Increase (decrease) in:	
Accounts payable	40,861
Accrued payroll expenses	12,599
Accrued compensated absences	9,377
Net cash provided by operating activities	$ 679,424

1. History and Summary of Significant Accounting Policies

Nature of Operations
The District assesses a fixed monthly service charge to customers of local telephone and wireless communication companies providing service in Terrebonne Parish. The companies collect the charge then remit those collections to the District. The District uses this service charge to run an emergency 911 system. The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2025. The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

Financial Reporting Entity
Organizations are required to have a financial benefit/burden relationship with the primary government for it to be included in the reporting entity as a component unit. The financial benefit/burden relationship is defined as existing if any one of the following conditions is present:

- The primary government is legally entitled to or can otherwise access the organization's resources
- The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization
- The primary government is obligated in some manner for the debt of the organization

Based on the foregoing criteria, the District is included as a component unit of Terrebonne Parish Consolidated Government (the "Parish") and as such, these financial statements will be included in the Comprehensive Annual Financial Report of the Parish for the year ended December 31, 2025.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are user charges and fees, while operating expenses consist of salaries, ordinary maintenance, assessments, indirect costs and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position
The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation
- Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets"

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

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

Cash and Cash Equivalents
For the purpose of the statement of net position and statement of cash flows, cash and cash equivalents include all demand accounts of the District with an original maturity of 90 days or less.

Accounts Receivable
Receivables consist of all revenues earned at year-end but have not been collected at year end. Management monitors the receivable balances and assesses the collectability at year end based upon the historical collections, knowledge of the individual or entity, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged to the allowance for doubtful accounts. Management has deemed all accounts collectible at year-end and no allowance has been recorded.

Prepaid Expenses
Payments to vendors for insurance, maintenance contracts, and membership dues include costs applicable to the next accounting period and are recorded as prepaid items.

Investments
Investments consist of deposits in the Louisiana Asset Management Pool, which allows local governments in Louisiana to pool and collectively invest funds. Investments are carried at fair value. Investment return includes interest, dividends, fees, and realized and unrealized gains and losses, and is included in the statement of revenues, expenses, and changes in net position as investment income.

Capital Assets
Capital assets with a cost of $1,000 or more are reported at cost in the statement of net position. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings	5 - 40 years
Equipment	5 - 20 years
Automobile	5 years

Right to Use Assets
Right to use assets are reported at actual costs or estimated historical cost and amortized using the straight-line method over the estimated useful life of the asset. The right to use assets are a computer aided dispatch and a records software management system which are amortized over a 10-year period.

Compensated Absences
Employees of the District can earn twelve to seventeen days per year vacation leave, depending on their length of employment. An employee may not accumulate more than two times their annual vacation allowance upon their anniversary date. Any unused vacation time in excess of the doubled amount remaining past the employee's anniversary date will be paid to the employee at their regular hourly rate. In the event the employee is terminated or resigns, all unused vacation leave not used will be paid to the employee. Employees of the District earn seven days sick leave per year. Sick leave may be accumulated to a maximum of six hundred (600) hours. Any employee retiring with a minimum of twenty (20) years of service at any age, or ten (10) years of service and of the age of retirement (65 years old), is eligible to receive payment for unused sick leave not to exceed three hundred (300) hours. In the event the employee is terminated or resigns, no sick leave will be paid to the employee. The liability for vacation and sick leave is recorded as a long-term liability in the financial statements.

Deferred Compensation Plan
The District offers its employees a deferred compensation plan (the “Plan”) created in accordance with Internal Revenue Code 457. The Plan is administered by the District. The Plan, available to all full-time employees of the District, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Security Benefit for the exclusive benefit of the participants and their beneficiaries.

The District makes contributions on the employee's behalf based on the following formula; 3% for all full-time employees that have completed their probationary period and five years of consecutive full-time employment with an additional 1% added (4% total) for all full-time employees with seven years of consecutive full-time employment and an additional 1% added (5% total) for all full-time employees with ten years of consecutive full-time employment. The District's contributions to the Plan for the year ending December 31, 2025 totaled $30,903.

Adoption of Accounting Pronouncement
GASB Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to government's vulnerabilities due to certain concentrations or constraints. The adoption of the Statement did not have an effect on the financial statements.

Upcoming Accounting Pronouncements
The Governmental Accounting Standards Board ("GASB") has issued statements not yet implemented by the District. The statements, which may have an impact on the District, are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, provides users of government financial statements with essential information about certain types of capital assets. The Statement is effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the effects of the new GASB pronouncements scheduled for implementation for the fiscal year ending December 31, 2026.

2. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include demand deposits. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency District. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state-chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The District's cash deposits at December 31, 2025 consisted of the following:

		Cash
Deposits per Statement of Net Position (reconciled bank balance)	$	518,569
Deposits in bank accounts per bank	$	533,279
Category 3 bank balances:		
a. Uninsured and uncollateralized	$	-
b. Uninsured and collateralized with securities held by the pledging institution		-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name		283,279
Total category 3 bank balances	$	283,279

Custodial Deposit Risk
In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned to the District. As of December 31, 2025, $283,279 of the District's bank balance was uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the District's name.

3. Investments

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

The investments in LAMP are stated at fair value and was $1,370,498 at December 31, 2025. 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. In accordance with GASB Codification Section, the investment in LAMP - a local government investment pool - is not categorized in the three risk categories provided by GASB Codification because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

Credit risk
LAMP is rated AAAm by Standard & Poor's.

Custodial credit risk
LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk
Pooled investments are excluded from the five percent disclosure requirement.

Interest rate risk
LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity ("WAM") method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER – days) (from LAMP's monthly Portfolio Holdings) as of (DATE – month-end).

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. More information can be obtained from LAMP's administrative office at 800-249-5267.

4. Capital Assets

The following is a summary of the District's capital assets for the year ended December 31, 2025:

	Balance 12/31/24	Additions	Disposals and Reclassifications	Balance 12/31/25
Capital Assets Not Being Depreciated				
Land	$ 37,600	$ -	$ -	$ 37,600
Construction in progress	104,460	16,517	(120,977)	-
	142,060	16,517	(120,977)	37,600
Capital Assets Being Depreciated				
Buildings	825,170	8,787	-	833,957
Equipment	1,044,717	107,369	754,986	1,907,072
Automobile	24,158	-	-	24,158
	1,894,045	116,156	754,986	2,765,187
Accumulated depreciation	(1,244,272)	(94,087)	-	(1,338,359)
	649,773	22,069	754,986	1,426,828
	$ 791,833	$ 38,586	$ 634,009	$ 1,464,428

Depreciation expense for the year ended December 31, 2025 was $94,087.

The District's computer aided dispatch system and records management software system totaling $754,986 was reclassified from right-to-use assets to capital assets since the District met all financial obligations during the year ended December 31, 2025. See Note 5 below.

5. Leases

The District entered into a lease agreement with Government Capital Corporation for a computer aided dispatch system on November 30, 2017 and amended May 30, 2020. The amended lease is payable in annual installments of $360,944, including interest at 3.09%, beginning May 30, 2020 and ending May 30, 2025. The outstanding balance was paid in full May 30, 2025.

At December 31, 2025, the related asset is reported as equipment within the capital assets balance, net of accumulated amortization/depreciation. Amortization of the use to asset was $121,245 for the year ended December 31, 2025 and reported as depreciation and amortization expense within the statement of revenues, expenses, and changes in net position.

The District entered into a lease agreement with Government Capital Corporation for a records management software system on December 20, 2017. The lease is payable in annual installments of $81,676, including interest at 3.255%, beginning July 20, 2018 and ending July 20, 2025. The outstanding balance was paid in full July 20, 2025.

At December 31, 2025, the related asset is reported as equipment within the capital assets balance, net of accumulated amortization/depreciation. Amortization of the use to asset was $33,522 for the year ended December 31, 2025 and reported as depreciation and amortization expense within the statement of revenues, expenses, and changes in net position.

Non-Physically Distinct Leases
Under Statement No. 87, a capacity portion of an asset is an identified asset if it is physically distinct. A capacity or other portion of an asset that is not physically distinct is not an identified asset, unless it represents substantially all of the capacity of the asset and, therefore, provides the customer with the right to obtain substantially all of the economic benefits from use of the asset. Based upon these conditions, management has determined the leasing of the excess tower space and antenna space, as listed below, are not physically distinct, and, therefore, are not reported as right to use assets.

The District leases a non-physically distinct portion of tower space from one unrelated third party. This one-year, written agreement is renewed annually with the consent of both parties. The total operating lease expense under this agreement for the year ended December 31, 2025 was $20,726.

The District entered into a five year, non-cancelable, lease agreement with SBA Infrastructure, LLC for a non-physically distinct portion of tower antenna space for the District's base station equipment with an easement for access to the equipment. The original lease began on April 1, 2020 and ended March 31, 2025. The lease is to be paid annually in the amount of $24,000 and the rate will increase annually by 5%. The District has exercised the option to renew the agreement which is available for up to four additional terms of five years each. The total operating lease expense under this extended agreement for the year ended December 31, 2025 was $30,631.

Short Term Lease

The District entered into a lease agreement with Intrado on July 1, 2016 for the VIPER 911 Call Handling System (CHS) which handles all 911 calls and pushes the information to the 911 call computers in the communications center. The original lease began on July 1, 2016 and ended June 30, 2022. Upon the agreement of both the District and Intrado, the lease was renewed. Due to the lease being short term without a guaranteed renewal, it is not reported as an asset or liability. The lease was renewed through September 2, 2026 at the rate of $4,500 per month and is reported as telephone expense on the statement of revenues, expenditures, and changes in net position.

6. Noncurrent Liabilities

The following is a summary of the District's long-term liabilities for the year ended December 31, 2025:

	Balance at 12/31/24	Additions	Payments	Balance at 12/31/25	Due Within One Year
Lease obligation	$ 429,061	$ -	$ (429,061)	$ -	$ -
Compensated absences	133,235	115,491	(106,114)	142,612	8,557
	$ 562,296	$ 115,491	$ (535,175)	$ 142,612	$ 8,557

7. Commitment

The Federal Communications Commission (FCC) and the Louisiana State Legislature have issued rulings and statutes requiring wireless telecommunication providers to provide the number and location of the caller to the communications district when a caller accesses 911. State statutes require the caller location service to be operating within one year of collecting a consumer fee for the service.

The District implemented the rulings and has begun collecting the service charge effective January 1, 2001. Proceeds from the consumer service charge, $1,967,951 for the year ended December 31, 2025, shall be used for the payment of service provider and costs associated with system implementation.

8. Service Agreements

The District entered into a service agreement with the Terrebonne Parish Sheriff's Office ("TPSO") on May 4, 2018 for TPSO to reimburse the District $81,676 annually, beginning July 20, 2018 and ending July 20, 2025, for TPSO's benefit from the computer aided dispatch records management software system. The District entered into a new service agreement with TPSO on July 20, 2025 for TPSO to reimburse the District $110,000 annually, beginning July 20, 2025 and ending June 30, 2028, for TPSO's benefit from the improved CAD software, ancillary software and interfaces. The fees are reported within the computer aided dispatch revenues balance reported on the statement of revenues, expenses, and changes in net position.

The District entered into a service agreement with the Terrebonne Parish Coroner's Office ("TPCO") on April 1, 2025 for TPCO to reimburse the District annually, beginning May 1, 2025 and ending May 1, 2028, for after-hours telephone answering services made to TPCO. The District is to be paid annually in the amount of $4,500 and the rate will increase annually by 5%. The fees are reported within the other revenues balance reported on the statement of revenues, expenses, and changes in net position.

9. Risk Management

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters for which the District carries commercial insurance or other insurance for the losses to which it is exposed. The District's premiums for general liability are based on various factors such as its operations and maintenance budget, exposure and claims experience. The premium for auto liability is based on claims experience, vehicle type, and mileage.

10. Compensation of Board Members

Board Member	Amount
Perry "Joe" Szush	$ -
Toby Henry	-
Peter Guidry	-
Bryan Chaisson	-
Wayne Ingram	-
Chris LeCompte, Jr.	-
Neil Abbott	-
Raymond McGuire	-

11. Subsequent Events

Subsequent events were evaluated by management through June 16, 2026, which is the date the financial statements were available to be issued.

Supplementary Information

Terrebonne Parish Communications District
Schedule of Compensation, Benefits, and Other Payments to District Head
For the Year Ended December 31, 2025

Name: Mark Boudreaux
Position: Director

Purpose	Amount
Salary	$ 107,563
Benefits - insurance	25,090
Benefits - retirement	5,378
	$ 138,031

Louisiana Revised Statute (R.S.) 24:513 A. (3) requires virtually every local auditee report that is submitted to the Louisiana Legislative Auditor to include a schedule of compensation, benefits, and other payments to the agency head. The compensation, benefits, and other payments that are to be reported on this schedule include travel, unvouchered expenses, per diem, registration fees, reimbursements, etc. and is presented on an accrual basis.

Reports Required by Government Auditing Standards

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

To the Board of Commissioners
Terrebonne Parish Communications District
Houma, 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 Terrebonne 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 16, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purnell & Martinez, llc

Covington, Louisiana
June 16, 2026

A. Summary of Auditor's Results

a. Financial Statements

Type of auditors' report issued:	Unmodified			
b. Internal control over financial reporting:				
Material weaknesses identified	______	yes	✓	no
Significant deficiencies identified not considered to be material weaknesses	______	yes	✓	none noted
c. Noncompliance material to financial statements noted	______	yes	✓	no

B. Findings in Accordance with *Government Auditing Standards*

None noted.

A. Findings Relating to the Financial Statement Reported in Accordance with *Government Auditing Standards*

None noted.