Financial Report

Terrebonne ARC
Houma, Louisiana

June 30, 2025

"Creating Opportunities"

Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Report

Terrebonne ARC
Houma, Louisiana

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne ARC,
Houma, Louisiana.

Opinions

We have audited the accompanying financial statements of the governmental activities and General Fund of Terrebonne ARC (the "Association"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Association as of June 30, 2025 and the respective changes in net position and budgetary comparison for the General Fund 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 Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Association'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 Management's Discussion and Analysis on pages 5 through 15 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 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 inquires 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 Association's basic financial statements. The accompanying Combining Governmental Fund Balance Sheet - General Fund Departments as of June 30, 2025, the Combining Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance - General Fund Departments and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer for the year then ended, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025 on our consideration of Terrebonne ARC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 5, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne ARC
Houma, Louisiana

June 30, 2025

This section of the Association's financial report presents our discussion and analysis of the Association's financial performance during the year ended June 30, 2025. This document focuses on the current year's activities, resulting changes and currently known facts. Please read it in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The Association's assets exceeded its liabilities as of June 30, 2025 by $30,273,251 (net position), which represents a 0.9% increase from last year. Of this amount, $18,423,932 (unrestricted net position) may be used to meet the Association's ongoing obligations.

- Intergovernmental revenues decreased by $12,465, or 0.2%, due to an increase in the amount of administrative expenses withheld from funding received from Terrebonne Parish Consolidated Government. Charges for service revenues increased by $197,581, or 3.5%, due to increases in services provided. The Association received $263,400 from the Louisiana Department of Health for Covid-19 bonus payments to Direct Service Workers/Professionals (DSW/DSP) based on a plan approved by the Centers for Medicare and Medicaid Services (CMS) in the prior year. The Association recognized $2,336,729 in insurance settlement proceeds as a result of Hurricane Ida in the prior year. Miscellaneous revenues decreased by $34,560, or 3.6%, primarily due to a decrease in dividends received from Louisiana Workers' Compensation Corporation. Total revenues decreased by $2,357,788, or 16.5%.

- The Association's total expenses decreased by $291,137, or 2.4%. Personal services increased by $385,375, or 4.8% due to increases in wages due to merit increases, additional positions and an increase in the cost of benefits. Supplies and materials decreased by $44,592, or 6.4%, primarily due to a decrease in fuel costs and food costs directly related to the decrease in sales at the Bayou Country Café. Other services and charges decreased by $652,338, or 29.4%, due to attorney fees associated with recovering insurance proceeds for damages caused by Hurricane Ida in the prior year. Repairs and maintenance decreased by $20,821, or 8.7%, due to a decrease in needed vehicle repairs, air conditioning repairs and landscaping. Depreciation increased $32,929, or 4.5%, due to major renovations being completed on a building, installation of security cameras at various locations and the purchase of 5 vans and various equipment during the current year.

FINANCIAL HIGHLIGHTS (Continued)

- The Association's governmental fund reported that assets increased by $342,386 or 1.8%, while total liabilities increased by $291,377, or 79.9%. Assets exceeded liabilities as of June 30, 2025 by $18,741,595 (fund balance) with an increase of $51,009, or 0.3%. Of this over $18 million in fund balance, $168,317 is non-spendable, $9,652,843 is committed for dedicated emergencies and contingencies, $5,482,890 is assigned for next year's budget deficit and $411,414 received from donations is assigned for designated expenditures. Unassigned fund balance amounted to $3,026,131 as of June 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements focus on the Association as a whole (government-wide) and the major individual fund. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government) and should enhance the Association's accountability. The Statement of Net Position and the Statement of Activities provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. For governmental activities, fund financial statements tell how these services were financed in the short term as well as what remains for future spending.

Reporting the Association as a Whole

One of the most important questions asked about the Association's finances is, "Is the Association as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Association as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most not-for-profit organizations and private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Association's net position and changes in it. You can think of the Association's net position - the difference between assets and liabilities - as one way to measure the Association's financial health, or financial position. Over time, increases or decreases in the Association's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Association's local, state and federal programs, to assess the overall health of the Association.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Reporting the Association as a Governmental Fund

The Association's services are reported in a governmental fund, which focuses on how money flows into and out of the fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Association's general operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Association's programs. We describe the relationship (or differences) between activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund in reconciliations, which are reflected on the page following each governmental fund statement (see Exhibits D and F).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the condensed Statement of Net Position as of June 30, 2025, with comparative figures as of June 30, 2024:

Condensed Statement of Net Position

	June 30,		Dollar	Total Percent
	2025	2024	Change	Change
Current and other assets	$ 19,397,732	$ 19,055,346	$ 342,386	1.8%
Capital assets	11,849,319	11,625,031	224,288	1.9%
Total assets	31,247,051	30,680,377	566,674	1.8%
Other liabilities	656,137	364,760	291,377	79.9%
Long-term liabilities	317,663	298,142	19,521	6.5%
Total liabilities	973,800	662,902	310,898	46.9%
Net position:				
Net investment in capital assets	11,849,319	11,625,031	224,288	1.9%
Unrestricted	18,423,932	18,392,444	31,488	0.2%
Total net position	$ 30,273,251	$ 30,017,475	$ 255,776	0.9%

For more detailed information see Exhibit A, Statement of Net Position.

Approximately 39.1% of the Association's net position as of June 30, 2025, reflects the Association's net investment in capital assets (land, buildings, office furniture and machinery and equipment less accumulated depreciation and amortization). The Association uses these capital assets to provide services to individuals with intellectual and other developmental disabilities; consequently, these assets are not available for future spending. The remaining 60.9% of net position, referred to as unrestricted, may be used to meet the ongoing obligations of the Association.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the changes in net position for the year ended June 30, 2025, with comparative figures for the year ended June 30, 2024:

Condensed Statement of Activities

	For the years ended June 30, 2025	2024	Dollar Change	Total Percent Change
Revenues:				
Intergovernmental	$ 5,046,160	$ 5,058,625	$ (12,465)	-0.2%
Charges for services	5,844,373	5,646,792	197,581	3.5%
Grants	7,500	283,393	(275,893)	-97.4%
Proceeds from sale of	-	2,336,729	(2,336,729)	-100.0%
capital assets	104,278	-	104,278	100.0%
Miscellaneous	931,687	966,247	(34,560)	-3.6%
Total revenues	11,933,998	14,291,786	(2,357,788)	-16.5%
Expenses:				
Health and welfare	11,678,222	11,969,359	(291,137)	-2.4%
Change in net position	255,776	2,322,427	(2,066,651)	-89.0%
Beginning net position	30,017,475	27,695,048	2,322,427	8.4%
Ending net position	$ 30,273,251	$ 30,017,475	$ 255,776	0.9%

The Association's net position increased by $255,776 during the current year, due to decreases in fuel and repair costs.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND

Revenues for the Association's General Fund for the year ended June 30, 2025 were approximately $12 million. There are four funding categories: intergovernmental (42.66%), charges for services (49.40%), grants (0.06%) and miscellaneous (7.88%). The largest single funding source is local funding from the Terrebonne Parish Consolidated Government, as described above, (intergovernmental category) at 42.62% of total revenues. Medicaid Waiver funds at 16.07%, Title XIX funds at 10.15%, and community work contracts at 20.53% are included in the charges for services category. Decreases in intergovernmental revenues were a result of an increase in the amount administrative expenses withheld from funding received from Terrebonne Parish Consolidated Government.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

Increases in charges for services revenue were a result of increases in services provided. Grant revenue includes $7,500 received from private grants. The Association's miscellaneous revenues primarily decreased due to a decrease in dividends received from Louisiana Workers' Compensation Corporation.

General Fund expenditures were approximately $12.0 million for the year ended June 30, 2025. The General Fund expenditures are comprised of capital outlay and four categories of expenditures classified as current expenditures. Since the Association is a provider of human services, the personal services category is the largest expense category at 70.0%. The other categories are supplies and materials at 5.4%, other services and charges at 13.0%, and repairs and maintenance at 1.80%. Capital outlay, which exhibits the most variance from year to year, represented 9.8% of total expenditures for the year ended June 30, 2025.

There was an increase in personal services costs this year due to increases in wages based on merit increases, additional positions and an increase in the cost of benefits. A decrease in supplies and materials is due to decreases in fuel costs and food costs directly related to the decrease in sales at the Bayou Country Café. Other services and charges decreased due to attorney fees associated with recovering insurance proceeds for damages caused by Hurricane Ida in the prior year. Repairs and maintenance decreased due to a decrease in needed vehicle repairs, air conditioning repairs and landscaping. Capital outlay increased due to the installation of security cameras at various locations, the purchase of five vans and major building renovations to convert salsa and pepper jelly production to a more automated system.

The Association received $285,705 during the year ended June 30, 2025 in proceeds from the sale of capital assets.

The Association's financial position has improved over the past several years with an increase this year due to an excess of revenue over expenditures of $51,009. Factors, which will affect the Association's results of future operations are the possibility of funding cuts from state and federal funding sources. As in past years, the Medicaid funding challenge at the state and federal levels will continue to threaten the reimbursement rate for programs providing Medicaid Waiver services. Since the Association will now have to evacuate when tropical storms threaten the area which will increase evacuation costs significantly.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

Departmental Analysis

General Operating Department

General Operating Department revenue decreased due to an increase in the amount of administrative expenses from funding received from Terrebonne Parish Consolidated Government and a decrease in dividends received from Louisiana Workers' Compensation Corporation. Personal services costs increased due to the hiring of additional staff, increases in wages based on merit increases and increases in benefit costs. Supplies and materials costs decreased primarily due to a decrease in fuel costs. Other services and charges decreased due to attorney fees associated with recovering insurance settlement proceeds for damages caused by Hurricane Ida in the prior year. Repairs and maintenance decreased due to a decrease in vehicle repairs needed during the current year. Capital outlay costs increased due to the purchase of three vans for the transportation department.

Besides the administration of all programs, the General Operating Department includes transportation to and from work for adult individuals served throughout Terrebonne Parish. The Association's specialized services include family support, advocacy, and nursing. Family support services assist families and individuals in coping with simple to highly complex problems. Services are provided by a licensed professional counselor and include individual and family counseling, behavior training, psychological counseling, vocational counseling, vocation assessments, anger management, social counseling, and resource referral. The advocacy services offer family assistance in obtaining services and networking with needed support services. The Association's nursing staff consists of a Registered Nurse (RN) and a Licensed Practical Nurse (LPN) who administer daily medications and handle emergency medical situations.

Adult Workshop Department

The Association's Adult Workshop Department revenues increased this year due to an increase in services provided. Expenditures for personal services increased as a result of additional staffing needed to provide services for programs expanding, increases in wages bases on merit increases and increases in benefit costs. Supplies and materials decreased due to decreases in food costs directly related to the decrease in sales at the Bayou Country Café. Other services and charges increased due to increases in bank services charges increasing due to an increase in sales, increases in insurance premiums, air quality and asbestos testing for the buildings on campus and increases in direct expenses associated with operating various businesses. Repairs and maintenance increased due to repairs related to damages caused by Hurricane Francine. Capital outlay expenses increased due to costs associated with major building renovations to convert salsa and pepper jelly productions to a more automated system.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

Departmental Analysis (Continued)

Adult Workshop Department (Continued)

Day habilitation services are provided through this department where individuals served receive community life engagement services and training and hands-on work experience in manufacturing and providing services for the community. The Options Plus program offers services to adults with intellectual and development disabilities that choose not to work. Employment services consists of training individuals served to provide services and to work in a variety of different settings such as: salsa and pepper jelly production, Mardi Gras bead recycling, candy, screen printing, bakery, thrift store and restaurant. The Association's mobile crews are trained to provide janitorial and lawn maintenance services to businesses in the community. In the Supported Employment Program, individuals served are trained and placed in a job in the community. With the Association's continued training and support, these individuals are able to work in normal work settings.

Residential Departments

Residential services provide for habilitation and care through Community Homes, Center-Based Respite (including personal care attendant, PCA) and Supervised Independent Living (SIL) departments. The three community homes provide skills training in the areas of household chores, grooming, exercise, meal preparation, laundry skills and daily routines. SIL offers an array of services to assist individuals in living as independently as possible in the community and include training, consultation, day and night companions and behavior companions. Respite and PCA services assist with activities of daily living and offers parents and/or guardians a time of rest.

Respite/Personal Care Attendant (PCA) Department

The Association's Respite/PCA department provides care of individuals to aid the primary care giver. Revenue decreased this year due to funds received from the Louisiana Department of Health (LDH) for Covid-19 bonus payments to Direct Service Workers/Professionals (DSW/DSP) based on a plan approved by the Centers for Medicare and Medicaid Services (CMS) in the prior year and a reduction in services provided. Expenditures for personal services decreased due to bonus payments to DSW/DSP's for LDH Covid-19 bonus payments in the prior year. Supplies and materials costs decreased due to a decrease in foods costs as a result of decreasing the number of weekends the respite program was operating. Other services and charges increased due to the purchase of new iPads. Repairs and maintenance increased due to air conditioning repairs needed during the current year. Capital outlay expenses increased due to the installation of security cameras.

FINANCIAL ANALYSIS OF THE ASSOCIATION'S FUND (Continued)

Departmental Analysis (Continued)

Supervised Independent Living (SIL) Department

Supervised Independent Living provides assistance to individuals served with daily living. Revenue in the program was consistent with the prior year. Expenses in the program increased primarily due to the increased costs of benefits.

Dixie Community Home Department

Dixie Community Home revenue was consistent with the prior year. Expenditures for personal services increased due to an increase in benefit costs. Other expenses increased due to an increase in insurance premiums, a 5-year sprinkler inspection, dental work needed by participants, fence repairs and the purchase of new appliances and a van.

Wellington Community Home Department

Wellington Community Home revenues decreased due to a decrease in occupancy at the home. Expenditures for personal services increased due to an increase in wages based on merit increases and the cost of benefits. Repair costs decreased due to a major vehicle repair needed in the prior year. Other services and charges increased due an increase in insurance premiums. Capital outlay expenses increased due to costs to refurbish the kitchen cabinets and countertops and to purchase of a dishwasher and van.

Lillian Marie Community Home Department

Lillian Marie Community Home revenues decreased due to a decrease in occupancy at the home and a lower reimbursement rate for a current occupant. Expenditures for personal services increased based on merit increases and increased hours for home maintenance. Supply costs increased as a result of increases in the costs of food. Other services and charges increased due to an increase in insurance premiums, a 5-year sprinkler inspection, dental work needed by participants and an increase in utility costs. Repair costs decreased due to major repairs needed to a vehicle, generator, and air conditioner in the prior year.

BUDGETARY HIGHLIGHTS

Budget adjustments are made mid-year to account for any significant deviation from beginning year projections. Only if there is a substantial budget deviation will the annual budget be adjusted in the second half of the year. During the current year, the budget was amended to reflect an increase in services provided to individuals served in the community; unanticipated grants and donations; and proceeds from the sale of surplus assets. The budget amendment reflects an increase in personal services due to an increase in wages paid to individuals served and a decrease in unemployment insurance due to a decrease in rates based on claims experience. The budget amendment reflects a decrease in supplies and materials due to decreases in food and kitchen supplies needed for Bayou Country Café due to a decrease in sales and a decrease in fuel for the transportation of individuals served due to price fluctuations and fuel tax refunds. The budget was also amended to reflect a decrease in other services and charges due to utilities, air quality/asbestos testing on various buildings on campus and insurance premiums being less than anticipated. The budget amendment reflects a decrease in repairs and maintenance as a result of allocating more costs to maintenance supplies. Capital outlay costs were increased for the costs associated with major vehicle repairs; various repairs to the Daralyn Home due to water leaks; and additional repairs and external stairs at 200 Moffet Road. Capital outlay costs were also increased for the purchase of property on Coteau Road for an additional thrift store and a culvert for entrance onto the property. Additional capital outlay costs added to the budget included an increase of $750,000 for building renovations to convert salsa and pepper jelly production to a more automated system. All other adjustments were made to prevent significant unfavorable variances in budgeted revenues and expenditures. The total difference of the change in fund balance between the original budget and the amended budget was a change of $158,722 from a deficit of $5,300,397 to a deficit of $5,459,119. This change was the result of an increase in revenues of $354,699, a net increase in expenditures of $799,126 and the addition of proceeds from the sale of capital assets of $285,705. There was a 4.4% favorable budget variance in revenues principally due to various participants changing to funding sources that offer more services and pay higher rates; services provided being higher than anticipated; dividends received from the Louisiana Workers' Compensation Corporation; and the sale of capital assets. Expenditures were less than budget by 29.4% since salaries are budgeted as being fully staffed when several positions were vacant for part of the year. Also, supplies, food and repair costs were less than anticipated. Several planned projects were not completed during the fiscal year, one vehicle being purchased through state contract was not received during the year and vehicles requested through a grant from the Louisiana Department of Transportation were not received. Various items budgeted as possible needs were not needed during the fiscal year. Consequently, the result of operations, which was projected as a deficit of approximately $5.5 million, resulted in a surplus of $51,009.

CAPITAL ASSET ADMINISTRATION

The Association's net investment in capital assets as of June 30, 2025 totaled $11,849,319 (net of accumulated depreciation and amortization). This net investment in capital assets includes land, buildings, office furniture, machinery and equipment as shown in the following table. This amount represents a net increase of $224,288, or approximately 1.9%, due to capital additions exceeding depreciation, amortization and deletions.

CAPITAL ASSET ADMINISTRATION (Continued)

Capital Assets
(Net of depreciation)

	June 30, 2025	June 30, 2024	Dollar Change	Total Percent Change
Land	$ 580,815	$ 478,615	$ 102,200	21.4%
Construction in progress	525,371	168,672	356,699	211.5%
Buildings	9,204,852	9,607,498	(402,646)	-4.2%
Office furniture, equipment, and fixtures	825,651	783,346	42,305	5.4%
Machinery and equipment	621,283	488,394	132,889	27.2%
Right-of-use asset; building	91,347	98,506	(7,159)	-7.3%
Totals	$ 11,849,319	$ 11,625,031	$ 224,288	1.9%

This year's capital improvements included the following:

Building and improvements	$242,652
Computers/office equipment	$187,903
Vehicles	$296,729
Land	$102,200
Construction in progress	$506,287

The reduction in the costs of capital assets during the current year included the following:

Disposal of building and improvements	$307,499
Disposal of computers/office equipment	$154,790
Disposal of furniture	$1,466
Disposal of machinery and equipment	$72,886
Completed construction projects	$149,588

The Association's fiscal year 2026 capital budget includes $2,124,555 for capital expenditures, principally for the building renovations to relocate production of salsa and pepper jelly and equipment needed to automate the process; a grant for two shuttles form the Department of Transportation; expansion of the processing area of one of the thrift stores; and cement parking at another thrift store. Capital expenditures also include the purchase of equipment for expansion in programs or replacement of old equipment; air conditioning replacements; three generators; cement repairs at various locations; sewer system repairs/upgrades; replacement of various maintenance equipment; and two new vehicles. The Association has no plans to issue debt to finance these projects; rather, the Association will use available resources. More detailed information about the Association's capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Association's Board of Directors and management considered many factors when setting the fiscal year 2026 budget. These factors include any unusual conditions, one-time expenditures and changes in rates or fees that occurred during the 2025 fiscal year or whose effects are determinable at the time of budget preparations for the 2026 fiscal year. Accordingly, any possible Medicaid funding reductions or increased evacuation expenditures discussed on page 9 have not been incorporated into the budget for 2026.

Revenues and other sources for fiscal year 2026 are projected to be $11,347,350, $768,075 less than 2025. Budgeted expenditures are expected to rise approximately 39.50% from the year ended June 30, 2025 to $16,830,240. The most significant increases are in personal services as a result of all positions being budgeted at full time status with pay increases and anticipated increases in benefit costs; anticipated increases in insurance premiums; various repairs including cement, air duct cleaning and tree removal; major capital expenditures as mentioned in the previous section; and an overall increase in costs due to inflation. The Association's fund balance is expected to decrease by $5,482,890.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the Association's finances. If you have any questions about this report or need additional financial information, contact Terrebonne ARC, Director of Finance, 1 McCord Road, Houma, Louisiana 70363.

STATEMENT OF NET POSITION

Terrebonne ARC
Houma, Louisiana

June 30, 2025

Assets	
Cash and cash equivalents	$ 16,841,122
Investments	1,900,000
Receivables:	
Accounts	27,564
Other	44,315
Due from other governmental units	403,887
Inventories	151,200
Prepaid expense	17,117
Deposits	12,527
Capital assets:	
Non-depreciable	1,106,186
Depreciable, net of accumulated depreciation	10,651,786
Right-of-use asset, net of accumulated amortization	91,347
Total assets	31,247,051
Liabilities	
Accounts payable and accrued expenditures	656,137
Non-current liabilities:	
Due within one year	7,622
Due after one year	310,041
Total liabilities	973,800
Net Position	
Net investment in capital assets	11,849,319
Unrestricted	18,423,932
Total net position	$ 30,273,251

See notes to financial statements.

STATEMENT OF ACTIVITIES

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities				
Health, welfare, and social services:				
Adult Workshop	$ 6,207,281	$ 2,547,784	$ 4,027,484	$ (4,727,581)
Residential	1,602,829	984,383	1,816,889	(770,323)
Administrative	3,868,112	(3,532,167)	-	(335,945)
Total governmental activities	$ 11,678,222	$ -	$ 5,844,373	(5,833,849)
General Revenues				
Grants and contributions not restricted to specific programs				5,053,660
Proceeds from sale of capital assets				104,278
Miscellaneous				931,687
Total general revenues				6,089,625
Change in net position				255,776
Net Position				
Beginning of year				30,017,475
Ending of year				$ 30,273,251

See notes to financial statements.

GOVERNMENTAL FUND BALANCE SHEET

Terrebonne ARC
Houma, Louisiana

June 30, 2025

Assets	
Cash and cash equivalents	$ 16,841,122
Investments	1,900,000
Receivables:	
Accounts	27,564
Other	44,315
Due from other governmental units	403,887
Inventories	151,200
Prepaid expense	17,117
Deposits	12,527
Total assets	$ 19,397,732
Liabilities	
Accounts payable and accrued expenditures	$ 656,137
Fund Balance	
Nonspendable:	
Inventories	151,200
Prepaid expense	17,117
Committed:	
Dedicated emergencies and contingency fund	9,652,843
Assigned:	
Subsequent years' expenditures:	
Next year's budget deficit	5,482,890
Donations - designated expenditures	411,414
Unassigned	3,026,131
Total fund balance	18,741,595
Total liabilities and fund balance	$ 19,397,732

See notes to financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

Terrebonne ARC
Houma, Louisiana

June 30, 2025

Fund Balances - Governmental Fund		$ 18,741,595
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	$ 20,468,469	
Less accumulated depreciation	(8,710,497)	11,757,972
Long-term assets are not financial resources and, therefore, are not reported in the governmental fund.		
Lease right-of-use asset	109,764	
Less accumulated amortization	(18,417)	91,347
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Lease liability		(95,523)
Compensated absences payable		(222,140)
Net Position of Governmental Activities		$ 30,273,251

See notes to financial statements.

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Revenues	
Intergovernmental:	
Terrebonne Parish Consolidated Government	$ 5,041,377
State of Louisiana:	
Other	4,783
Charges for services	5,844,373
Grants	7,500
Miscellaneous	931,687
Total revenues	11,829,720
Expenditures	
Health and welfare:	
Current:	
Personal services	8,440,822
Supplies and materials	651,914
Other services and charges	1,565,995
Repairs and maintenance	219,502
Capital outlay	1,186,183
Total expenditures	12,064,416
Deficiency of revenues over expenditures	(234,696)
Other Financing Sources	
Proceeds from sale of capital assets	285,705
Net Change in Fund Balance	51,009
Fund Balance	
Beginning of year	18,690,586
End of year	$ 18,741,595

See notes to financial statements.

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Net Change in Fund Balance - Governmental Fund		$ 51,009
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 1,186,183	
Depreciation expense	(773,309)	
Excess of capital outlay over depreciation expense		412,874
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and donations, and lease is to decrease net position.		
Disposal of capital assets		(181,427)
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins, donations, is to decrease net position.		
Capital outlay - lease	1,842	
Lease proceeds	(1,842)	
Amortization right-of-use asset	(9,001)	
Lease interest expense	(3,754)	
Lease expense	10,791	(1,964)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund.		
Compensated absences		(24,716)
Change in Net Position of Governmental Activities		$ 255,776

See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues				
Intergovernmental:				
Terrebonne Parish Consolidated Government	$ 5,048,000	$ 5,048,000	$ 5,041,377	$ (6,623)
State of Louisiana:				
Other	4,000	4,000	4,783	783
Charges for services	5,139,680	5,475,250	5,844,373	369,123
Grants	-	5,000	7,500	2,500
Miscellaneous	786,300	800,429	931,687	131,258
Total revenues	10,977,980	11,332,679	11,829,720	497,041
Expenditures				
Health and welfare:				
Current:				
Personal services	11,140,213	11,142,163	8,440,822	2,701,341
Supplies and materials	856,181	835,690	651,914	183,776
Other services and charges	1,818,825	1,715,928	1,565,995	149,933
Repairs and maintenance	410,864	402,929	219,502	183,427
Capital outlay	2,052,294	2,980,793	1,186,183	1,794,610
Total expenditures	16,278,377	17,077,503	12,064,416	5,013,087
Excess (deficiency) of revenues over expenditures	(5,300,397)	(5,744,824)	(234,696)	5,510,128
Other Financing Sources				
Proceeds from sale of capital assets	-	285,705	285,705	-
Net Change in Fund Balance	(5,300,397)	(5,459,119)	51,009	5,510,128
Fund Balance				
Beginning of year	13,185,708	18,690,586	18,690,586	-
End of year	$ 7,885,311	$ 13,231,467	$ 18,741,595	$ 5,510,128

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Terrebonne ARC
Houma, Louisiana

June 30, 2025

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne ARC (the "Association") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

Terrebonne ARC was organized as a nonprofit corporation on March 21, 1962. The Association administers programs to provide for the needs of individuals with intellectual and other developmental disabilities. Tax exempt status has been granted under Internal Revenue Code Section 501(c)3.

The Association is fiscally dependent upon the Terrebonne Parish Consolidated Government (the "Parish") for a significant amount of its intergovernmental revenue, accordingly the Association is a component unit of the Parish and as such, these component unit financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 2025.

GASB No. 14, "*The Financial Reporting Entity*", GASB No. 39, "*Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*", and GASB No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Association for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Association and the potential component unit.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

4. Imposition of will by the Association on the potential component unit.
5. Financial benefit/burden relationship between the Association and the potential component unit.

The Association has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Association. The government-wide presentation focuses primarily on the sustainability of the Association as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

Fund Financial Statements

The fund financial statements are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following is the governmental fund of the Association:

General Fund - The General Fund is the general operating fund of the Association. It is used to account for and report all financial resources except those that are required to be accounted for in another fund.

c) Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Association's definition of available means expected to be received within sixty days of the end of the fiscal year. The Association's intergovernmental fundings are described in Note 3. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Association because they are generally not measurable until received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation and sick pay which is recognized when paid. Allocations of cost such as depreciation and amortization are not recognized in the governmental funds.

d) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

The Association is a quasi-governmental entity which is contractually required by the Parish to adopt an operating budget and follow certain state laws generally limited to local governments. The budget for the General Fund is adopted by the Board of Directors of the Association and submitted to the Parish Council for approval. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end. The budget was amended once during the year. Budget amendments are approved by the Board of Directors. Budgets are adopted on a basis materially consistent with generally accepted accounting principles.

f) Cash, Cash Equivalents, and Investments

Cash includes amounts in regular and money market accounts.

Cash and cash equivalents include certificates of deposit and securities with maturities of three months or less when purchased and deposits in the Louisiana Asset Management Pool (LAMP).

Investments are reported at fair value except for: (1) certificates of deposit, which are reported at cost, approximates fair value, and (2) LAMP investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana Law, which is permitted to be carried at amortized cost.

Investment policies are governed by a contract with the Parish (state statutes).

g) Accounts Receivable

The financial statements of the Association contain no allowance for uncollectible accounts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the Association.

h) Inventories

Inventories consist of expendable materials, supplies and products held for sale. Inventories are valued at the lower of cost (first-in, first-out) or net realizable value. The cost is recorded as an expenditure at the time the individual inventory items are sold or used utilizing the consumption method.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of $500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Capital assets with an estimated historical cost totaled $536,645, or 2.62% of the total cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 - 40 years
Office furniture, equipment, and fixtures	3 - 20 years
Machinery and equipment	5 - 25 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accrued compensated absences: vacation and sick leave.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Long-Term Obligations (Continued)

Fund Financial Statements

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

k) Vacation and Sick Leave

The Association's policies regarding vacation and sick leave, accrued prior to November 9, 1993, permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Vacation benefits accrue each year on the employee's full-time anniversary date. The Association grants paid vacation time to regular, full-time employees who work at least 240 days per year according to their continuous length of service with the Association. The length of paid vacation time is as follows:

Years of Service	Paid Vacation Allowance
Less than 1 year	None
1 year to 3 years	5 days
4 years to 9 years	10 days
10 years and above	15 days

The Association's policy regarding vacation time for employees hired prior to November 12, 2019, grants 20 days of paid vacation time to regular, full-time employees who work at least 240 days per year and have 20 or more years of service.

Employees are not allowed to carry forward more than 30 days per year.

All part-time employees are eligible for personal hours equivalent to the number of hours normally worked within a work week, not to exceed a maximum of 40 paid hours to be given on the employee's anniversary date after one year of consecutive employment. Hours that are not used during the year will be accruable up to a maximum of 60 hours.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Vacation and Sick Leave (Continued)

All regular full-time employees who work 240 days or more per year are eligible for eight days of paid sick time each year. Employees may accumulate a maximum of up to 60 days of paid sick time.

Upon resignation or termination, employees are paid for all accumulated vacation leave and one-half of unused sick time accrued by employees prior to November 9, 1993. Payment for accrued sick time will be based on the employee's rate of pay on November 9, 1993. Employees are not paid for sick time earned after November 9, 1993. Personal hours are not paid to employees upon termination.

l) Allocation of Expenditures

The Association allocates all general and administrative costs to the various programs based upon total expenditures before the allocation in each department at the end of its fiscal year.

m) Income Taxes

The Association is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

The Association's policies provide for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in the Association's financial statements. It requires the Association to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Tax years ended June 30, 2022 and later remain subject to examination by the taxing authorities. As of June 30, 2025, management of the Association believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

n) Fund Equity

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization, 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, if any. As of June 30, 2025, the Association had no outstanding borrowings.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Government-Wide Statements (Continued)

b. Restricted net position - Consists of assets less liabilities (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net assets 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 Association's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as follows:

a. Non-spendable - Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

b. Restricted - Amounts for which constraints have been placed on the use by externally imposed donors, grantors, creditors or government laws and regulations, or imposed by law through constitutional provisions or enabling legislation.

c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Association's Board of Directors.

d. Assigned - Amounts that are constrained by the Association's intent to be used for a specific purpose but do not meet the criteria for restricted or committed. Assigned amounts may be established, modified, or removed by majority vote of the Board of Directors or by the Chief Financial Officer under the authorization of the Executive Director.

e. Unassigned - All other spendable amounts.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Fund Financial Statements (Continued)

For the classification of governmental fund balances, the Association considers an expenditure to be made from the most restrictive first when more than one classification is available. Committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred from purposes for which amount in any of those unrestricted fund balance classifications could be used.

The Association's fund balance was classified as non-spendable, committed, assigned and unassigned as of June 30, 2025.

Assigned for subsequent year's expenditures are amounts in next year's budget that represents deficiencies of revenues over expenditures. Other assignments are made for specific indicated purposes included in the title and require a Board of Directors' appropriation in subsequent years.

o) New GASB Statements

During the year ending June 30, 2025, the Association implemented the following GASB Statements:

Statement No. 101, "*Compensated Absences*" provides guidance 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. This Statement did not affect the financial statements.

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement did not affect the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

The GASB has issued the following statements which will become effective in future years as shown below:

Statement No. 103, "*Financial Reporting Model Improvements*" provides guidance to improve 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 establishes new or modifies existing requirements related to Management's Discussion and Analysis (MD&A), unusual or infrequent items, presentation of proprietary fund statement of revenues, expenses, and changes in fund net position, information about major component units in basic financial statements, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 104, "*Disclosure of Certain Capital Assets*" provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS AND INVESTMENTS

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

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

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

Bank Deposits

The balances of deposits as of June 30, 2025 are as follows:

	Bank Balance	Reported Amount
Cash	$ 1,837,954	$ 1,801,870
Certificates of deposit	1,900,000	1,900,000
Totals	$ 3,737,954	$ 3,701,870

Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association has a written policy for custodial credit risk. As of June 30, 2025, $2,987,954 of the Association's bank balances of $3,737,954 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the Association's name by state statues.

As of June 30, 2025, cash and certificates of deposits were adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Association. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments

State statutes authorize the Association to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and LAMP.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As a means of limiting its exposure to fair value losses arising from interest rates, the Association's investment policy limits investments to securities with less than six months from the date of purchase unless the investment is matched to a specific cash flow.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association's investment policy requires the application of the prudent-person rule. The policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of such funds in an effort to minimize risk while earning maximum returns. The Association's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAA.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. 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. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of June 30, 2025 amounted to $15,031,051 and are included on the Statement of Net Position as "cash equivalents".

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	$ 8,201
Reported amount of deposits	3,701,870
Reported amount of investments	15,031,051
Total	$ 18,741,122
Cash and cash equivalents	$ 16,841,122
Investments	1,900,000
Total	$ 18,741,122

Note 3 - FUNDING POLICIES

The Association receives federal and state funding on a per diem per individual served/unit basis and on a reimbursement for services performed. Funding from the Office of Citizens with Developmental Disabilities (adult care) is received on a per diem/unit basis. In addition, the Association performs prescribed habilitation services and residential care and housing services (charges for services) for assigned rates by Title XIX passed through the Office of Family Security.

The Association receives contributions from the Parish. Monies from the Parish are from a 5.21 mill parish-wide ad valorem tax for the purpose of operating, maintaining and constructing facilities for the people with intellectual and other developmental disabilities. Funding from the Parish is included in intergovernmental revenue and amounted to $5,041,377 net of $58,623 withheld by the Parish for administrative expenses, during the year ended June 30, 2025. The Association receives its funding from the Parish subject to the terms of a contract which requires the Association to follow certain state laws generally limited to local governments. The contract term is for as long as the Parish collects the ad valorem tax, which is currently through 2027.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2025 consisted of the following:

State of Louisiana -	
Department of Health:	
Office of Family Security:	
Title XIX - Per Diem	$ 141,397
Office for Citizens with	
Developmental Disabilities:	
Adult Workshop	223,168
Supervised Independent Living	3,000
Respite / PCA	36,322
Total	$ 403,887

Note 5 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 478,615	$ 102,200	$ -	$ 580,815
Construction in progress	168,672	506,287	(149,588)	525,371
Total capital assets not being depreciated	647,287	608,487	(149,588)	1,106,186
Capital assets being depreciated:				
Buildings	15,243,112	242,652	(307,499)	15,178,265
Office furniture, equipment, and fixtures	1,821,447	187,903	(156,256)	1,853,094
Machinery and equipment	2,107,081	296,729	(72,886)	2,330,924
Total capital assets being depreciated	19,171,640	727,284	(536,641)	19,362,283
Less accumulated depreciation for:				
Buildings	(5,635,614)	(467,683)	129,884	(5,973,413)
Office furniture, equipment, and fixtures	(1,038,101)	(141,786)	152,444	(1,027,443)
Machinery and equipment	(1,618,687)	(163,840)	72,886	(1,709,641)
Total accumulated depreciation	(8,292,402)	(773,309)	355,214	(8,710,497)
Total capital assets being depreciated, net	10,879,238	(46,025)	(181,427)	10,651,786
Right-of-use assets:				
Buildings	107,922	1,842	-	109,764
Less accumulated amortization for:				
Buildings	(9,416)	(9,001)	-	(18,417)
Right-of-use assets being amortized, net	98,506	(7,159)	-	91,347
Total capital assets, net	$11,625,031	$ 555,303	$(331,015)	$11,849,319

Note 5 - CHANGES IN CAPITAL ASSETS (Continued)

Depreciation expense for the year ended June 30, 2025 was charged to the following governmental activities:

Governmental Activity	
Administrative	$ 229,833
Adult Workshop	466,884
Residential	76,592
Total	$ 773,309

Note 6 - LEASE COMMITMENTS

The Association leases land. The lease term commenced on May 25, 2023 and extends through October 31, 2035. Payments are established annually to account for an increase or decrease in the Consumer Price Index. The lease interest rate is approximated at the incremental borrowing rate of 3.7%. Lease expense for the property was $12,681.

Reported under Statement 87 for the year ended June 30, 2025 are as follows:

Lease expenses	$ 12,755
Cash paid for lease	$ 10,791
Lease right-of-use asset	$ 109,764
Accumulated amortization	(18,417)
Lease right-of-use asset, net	$ 91,347
Current portion of long-term debt	$ 7,622
Long-term debt	87,901
Total lease liability	$ 95,523

The weighted-average remaining lease term in years as of June 30, 2025 is 10.3 years.

The weighted-average of the interest rates as of June 30, 2025 is 3.7%.

Note 6 - LEASE COMMITMENTS (Continued)

As of June 30, 2025, minimum future obligations of the leases are as follows:

2026	$ 11,029
2027	11,152
2028	11,152
2029	11,152
2030 - 2035	70,629
Total minimum lease payments	115,114
Less amount representing interest	(19,591)
Present value of capital lease obligation	95,523
Less current maturities	(7,622)
	$ 87,901

Note 7 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2025 consisted of the following:

Vendors	$ 357,744
Salaries and benefits	298,393
Total	$ 656,137

Note 8 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations of the Association for the year ended June 30, 2025:

	Payable July 1, 2024	Obligations Retired	New Issues	Payable June 30, 2025	Due Within One Year
Accumulated unpaid annual leave	$ 197,424	$ -	$ 24,716	$ 222,140	$ -
Lease liability	100,718	(5,195)	-	95,523	7,622
Totals	$ 298,142	$ (5,195)	$ 24,716	$ 317,663	$ 7,622

Note 9 - RISK MANAGEMENT

The Association is exposed to various risks of loss related to group health benefits; workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Association carries commercial insurance. No settlements were made during the year that exceeded the Association's insurance coverage.

Note 10 - RETIREMENT PLAN

The Association established a Cash or Deferred Profit-Sharing Plan (the "Plan"), under Internal Revenue Code Section 403 (b), for its eligible employees as of January 1, 1994. The Plan is administered by the Association.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Association's Board of Directors. Under this plan participating employees are permitted to make elective deferrals of their compensation that is within the limits of Code Sections 403 (b) and 402 (g) from 1% to 20% of compensation. The Association will match a discretionary amount equal to 50% of the amount contributed, not to exceed 8% of employee compensation. For the year ended June 30, 2025, employee contributions totaled $204,033 and the Association recognized a pension expense of $92,544.

Employees are fully vested immediately upon participating in the Plan.

Note 11 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2025.

Note 12 - ECONOMIC DEPENDENCY

The Association receives federal and state funding on a per diem per client/unit basis. Federal and state matching funds from the Department of Health and Human Services, passed through the Louisiana State Department of Health Office for Citizens with Developmental Disabilities and Office of Family Security, Medical Assistance Program - Medicaid/Title XIX are on a per diem basis. These payments, reported as residential and habilitation services, are considered a payment for a service as opposed to a grant award. If significant budget cuts are made at the federal or state level the amount of services, the Association performs could be reduced and declines in revenues would have an adverse impact on operations.

Note 13 - CONSTRUCTION COMMITMENTS

As of June 30, 2025, the Association entered into contracts for renovations to the Houma Grown Cafeteria for approximately $1,073,000 for the construction and approximately $107,000 for the architect fees. The Association incurred expenses of approximately $386,000 on the construction contract and approximately $90,000 on the architect's contract on the Houma Grown Cafeteria renovations and has remaining commitments of approximately $687,000 and $17,000, respectively.

Note 14 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through November 5, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

DEPARTMENTS

Terrebonne ARC
Houma, Louisiana

June 30, 2025

Operating - To account for and report all financial resources used to provide for the needs of individuals with intellectual and other developmental disabilities except those accounted for in another department.

Adult Workshop - To account for and report various day programs for individuals with intellectual and other developmental disabilities.

Respite/Personal Care Attendant - To account for and report the care of persons served on a temporary basis.

Supervised Independent Living - To account for and report on persons served with daily living needs.

Dixie Community Home - To account for and report the needs of the residents of the Dixie Community Home.

Wellington Community Home - To account for and report the needs of the residents of the Wellington Community Home.

Lillian Marie Community Home - To account for and report the needs of the residents of the Lillian Marie Community Home.

COMBINING GOVERNMENTAL FUND
BALANCE SHEET - GENERAL FUND DEPARTMENTS

Terrebonne ARC
Houma, Louisiana

June 30, 2025

	Operating	Adult Workshop	Respite/ Personal Care Attendant
Assets			
Cash and cash equivalents	$ 16,837,471	$ 2,751	$ -
Investments	1,900,000	-	-
Receivables:			
Accounts	9,385	18,179	-
Other	34,561	7,357	229
Due from other governmental units	-	223,168	36,322
Due from/(to) other departments	(41,087)	166,477	(19,317)
Inventories	8,344	142,856	-
Prepaid expense	11,524	5,459	-
Deposits	990	11,002	-
Total assets	$ 18,761,188	$ 577,249	$ 17,234
Liabilities			
Accounts payable and accrued expenditures	$ 162,449	$ 434,393	$ 17,234
Fund Balance			
Nonspendable:			
Inventories	8,344	142,856	-
Prepaid expense	17,117	-	-
Committed:			
Dedicated emergencies and contingency fund	9,652,843	-	-
Assigned:			
Subsequent years' expenditures next year's budgeted deficit	5,482,890	-	-
Donations	411,414	-	-
Unassigned	3,026,131	-	-
Total fund balance	18,598,739	142,856	-
Total liabilities and fund balance	$ 18,761,188	$ 577,249	$ 17,234

Supervised Independent Living	Dixie Community Home	Wellington Community Home	Lillian Marie Community Home	Totals
$ -	$ 300	$ 300	$ 300	$ 16,841,122
-	-	-	-	1,900,000
-	-	-	-	27,564
1,433	461	91	183	44,315
3,000	26,708	55,852	58,837	403,887
(1,740)	(13,810)	(44,278)	(46,245)	-
-	-	-	-	151,200
26	36	36	36	17,117
-	80	140	315	12,527
$ 2,719	$ 13,775	$ 12,141	$ 13,426	$ 19,397,732
$ 2,719	$ 13,775	$ 12,141	$ 13,426	$ 656,137
-	-	-	-	151,200
-	-	-	-	17,117
-	-	-	-	9,652,843
-	-	-	-	5,482,890
-	-	-	-	411,414
-	-	-	-	3,026,131
-	-	-	-	18,741,595
$ 2,719	$ 13,775	$ 12,141	$ 13,426	$ 19,397,732

COMBINING STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND DEPARTMENTS

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

	Operating	Adult Workshop	Respite/ Personal Care Attendant
Revenues			
Intergovernmental:			
Terrebonne Parish			
Consolidated Government	$ 5,041,377	$ -	$ -
State of Louisiana:			
Other	4,783	-	-
Charges for services	-	4,027,484	368,789
Grants	2,500	5,000	-
Miscellaneous:			
Interest	784,938	-	-
Donations and dues	30,339	10,635	-
Other	53,617	42,451	3,083
Total revenues	5,917,554	4,085,570	371,872
Expenditures			
Health and welfare:			
Current:			
Personal services	3,029,042	4,215,309	413,407
Supplies and materials	89,806	484,981	1,628
Other services and charges	397,388	936,743	20,351
Repairs and maintenance	106,133	99,862	3,022
Central administration and services	(3,532,167)	2,547,784	284,115
Capital outlay	298,340	765,606	4,957
Total expenditures	388,542	9,050,285	727,480
Excess (deficiency) of revenues over expenditures (carry forward)	5,529,012	(4,964,715)	(355,608)

Supervised Independent Living	Dixie Community Home	Wellington Community Home	Lillian Marie Community Home	Totals
$ -	$ -	$ -	$ -	$ 5,041,377
-	-	-	-	4,783
36,340	493,410	462,398	455,952	5,844,373
-	-	-	-	7,500
-	-	-	-	784,938
-	-	-	-	40,974
725	2,332	1,737	1,830	105,775
37,065	495,742	464,135	457,782	11,829,720
99,300	275,121	203,001	205,642	8,440,822
400	19,684	26,887	28,528	651,914
5,644	71,876	63,174	70,819	1,565,995
-	1,821	4,079	4,585	219,502
68,268	238,811	192,566	200,623	-
-	58,846	56,236	2,198	1,186,183
173,612	666,159	545,943	512,395	12,064,416
(136,547)	(170,417)	(81,808)	(54,613)	(234,696)

	Operating	Adult Workshop	Respite/ Personal Care Attendant
Excess (deficiency) of revenues over expenditures (brought forward)	5,529,012	(4,964,715)	(355,608)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	285,705	-
Operating transfers in:			
Operating	-	3,806,024	355,608
Dixie Community Home	-	301,734	-
Wellington Community Home	-	295,685	-
Lillian Marie Community Home	-	275,911	-
Operating transfers out:			
Adult Workshop	(3,806,024)	-	-
Respite/Personal Care Attendant	(355,608)	-	-
Supervised Independent Living	(136,547)	-	-
Dixie Community Home	(472,151)	-	-
Wellington Community Home	(377,493)	-	-
Lillian Marie Community Home	(330,524)	-	-
Total other financing sources (uses)	(5,478,347)	4,965,059	355,608
Net Change in Fund Balances	50,665	344	-
Fund Balance			
Beginning of year	18,548,074	142,512	-
End of year	$ 18,598,739	$ 142,856	$ -

Supervised Independent Living	Dixie Community Home	Wellington Community Home	Lillian Marie Community Home	Totals
(136,547)	(170,417)	(81,808)	(54,613)	(234,696)
-	-	-	-	285,705
136,547	472,151	377,493	330,524	5,478,347
-	-	-	-	301,734
-	-	-	-	295,685
-	-	-	-	275,911
-	(301,734)	(295,685)	(275,911)	(4,679,354)
-	-	-	-	(355,608)
-	-	-	-	(136,547)
-	-	-	-	(472,151)
-	-	-	-	(377,493)
-	-	-	-	(330,524)
136,547	170,417	81,808	54,613	285,705
-	-	-	-	51,009
-	-	-	-	18,690,586
$ -	$ -	$ -	$ -	$ 18,741,595

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Agency Head Name: Mary Lynn Bisland, Executive Director

Purpose	
Salary	$ 195,796
Benefits - insurance	29,922
Benefits - retirement	7,788
Benefits - other	700
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	235
Membership fees	150
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	$ 234,591

Note:
Mary Lynn Bisland is the Executive Director and functions as the Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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 Directors,
Terrebonne ARC,
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 Terrebonne ARC (the "Association"), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2025, which collectively compromise the Association's financial statements and have issued our report thereon dated November 5, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association'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 are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of 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 determination of financial statement amounts. 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 Association'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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
November 5, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ____ Yes _X_ None reported

Noncompliance material to financial statements noted? ____ Yes _X_ No

b) Federal Awards

The Association did not expend more than $750,000 in federal awards during the year ended June 30, 2025, and therefore, is exempt from the audit requirements under *Uniform Guidance*.

Section II Financial Statement Findings

No financial statement findings were reported during the audit for the year ended June 30, 2025.

Section III Federal Award Findings and Questioned Costs

Not applicable.

<u>REPORTS BY MANAGEMENT</u>

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2024.

No significant deficiencies were reported during the audit for the year ended June 30, 2024.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

The Association did not expend more than $750,000 in federal awards during the year ended June 30, 2024, and therefore, is exempt from the audit requirements under *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2024.

MANAGEMENT'S CORRECTIVE ACTION PLAN
ON CURRENT YEAR FINDINGS

Terrebonne ARC
Houma, Louisiana

For the year ended June 30, 2025

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2025.

No significant deficiencies were reported during the audit for the year ended June 30, 2025.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2025.

Section II - Internal Control and Compliance Material to Federal Awards

The Association did not expend more than $750,000 in federal awards during the year ended June 30, 2025, and therefore, is exempt from the audit requirements under *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2025.