

Financial Report

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

December 31, 2024



Financial Report

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Houma, Louisiana

December 31, 2024

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Houma, Louisiana

December 31, 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Sales and Use Tax Advisory Board,
Terrebonne Parish Sales and Use Tax Department,
Houma, Louisiana.

Opinions

We have audited the accompanying financial statements of the governmental activities, the General Fund and the Fiduciary Fund of the Terrebonne Parish Sales and Use Tax Department (the "Department"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Department'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, General Fund and Fiduciary Fund of Terrebonne Parish Sales and Use Tax Department as of December 31, 2024, and the respective changes in financial position for the governmental activities, General Fund, the Fiduciary Fund and the 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 Department 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 11, the Schedule of Changes in the Department's Total OPEB Liability and Related Ratios on page 45, the Schedule of the Department's Proportionate Share of the Net Pension Liability (Asset) on page 46 and the Schedule of Department Contributions on page 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Department's basic financial statements. The information contained in Schedules 1 through 7 (the Schedule of Other Services and Charges - Budget and Actual, Schedule of Collections on Behalf of Other Taxing Authorities - Parish Sales Tax Fund, Schedule of Collections, Distributions, and Costs of Collection, Schedule of Cash Receipts and Disbursements - Parish Sales Tax Fund, Schedule of Governmental Fund Expenditures, Graph of Governmental Fund Expenditures, and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer) for the year ended December 31, 2024 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

We also have previously audited, 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, the Governmental Balance Sheet and Statement of Fiduciary Fund of Terrebonne Parish Sales and Use Tax Department as of December 31, 2023, 2022, 2021, and 2020, and the related statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance for each of the four years in the year ended December 31, 2023 which are not presented with the accompany financial statements, and we expressed unmodified opinions on those respective financial statements. Those

audits were conducted for the purpose of forming opinions on the financial statements. The information contained in Schedules 4 through 7 was derived from and related directly to the accounting and other records used to prepare the financial statements as of and for the years ended December 31, 2023, 2022, 2021, and 2020. The information is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023, 2022, 2021, and 2020 basic financial statements. The information for the years ended December 31, 2023, 2022, 2021, and 2020, in Schedules 4 through 7 was subjected to auditing procedures applied in the audits of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other procedures in accordance with general auditing procedures generally accepted in the United States of America. In our opinion, the information presented in Schedules 4 through 7 for the years ended December 31, 2023, 2022, 2021, and 2020, is fairly stated in all material respects in relation to the financial statements as a whole from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025 on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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 Department's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bougeois Bennett, L.L.C." in a cursive, flowing script.

Certified Public Accountants.

Houma, Louisiana,
May 20, 2025.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Terrebonne Parish Sales and Use Tax Department Houma, Louisiana

December 31, 2024

The Management’s Discussion and Analysis of the Terrebonne Parish Sales and Use Tax Department’s (the “Department”) financial performance presents a narrative overview and analysis of the Department’s financial activities for the year ended December 31, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

FINANCIAL HIGHLIGHTS

The Department’s liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2024 by \$1,006,948, net deficit, which represents a 9.87% decrease in the net deficit from the last fiscal year.

The Department is operated on a reimbursement basis with proceeds of sales and use taxes collected in Terrebonne Parish. Differences between revenues and expenses result from the reimbursement of purchases of capital assets, depreciation of capital assets and changes in long-term obligations. For the year ended December 31, 2024, revenues increased \$27,844 (or 3.00%) and expenses decreased \$36,300 (or 4.12%).

The Department collected a total of \$157,962,252 in sales taxes for outside agencies for the year ended December 31, 2024, which represents a \$3,947,076 (or 2.44%) decrease from the last fiscal year. This decrease is primarily due to an overall decrease in economic activity throughout Terrebonne Parish as a result of inflation slowing down consumer spending.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Department’s financial statements. The Department’s annual report consists of four parts: (1) management’s discussion and analysis (this section) (2) financial statements (3) supplementary information and (4) various governmental compliance reports and schedules by certified public accountants and management.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The financial statements include two kinds of statements that present different views of the Department:

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Department's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Department's assets and liabilities, with the difference between the two reported as net position (deficit). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating. The Statement of Activities presents information showing how the Department's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activities of the Department are collecting local sales and use taxes, hotel/motel taxes, issuing occupational licenses and local bingo permits.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department maintains two types of funds, governmental and fiduciary fund types.

Governmental Fund

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Department maintains one individual governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The Department adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found in pages 12 through 17 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Fund Financial Statements (Continued)*****Fiduciary Funds***

Fiduciary Funds are used to account for resources held for the benefit of parties outside the Department. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent assets of the Department. Therefore, these assets are not presented as part of the government-wide financial statements. The Statement of Fiduciary Fund and Statement of Changes in Fiduciary Net Position can be found on pages 18 and 19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit H of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position reported on pages 12 and 13, presents information on all the Department's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position (deficit). As noted earlier, a deficit exists because the Department is not reimbursed for long-term obligations until those obligations are paid. As of December 31, 2024, the net deficit amounted to \$1,006,948. A portion of the Department's net position (deficit), \$15,900, reflects its investment in capital assets (e.g., office furniture, fixtures, and equipment) less accumulated depreciation. Consequently, this portion of the net position (deficit) is not available for future spending.

Long-term liabilities consist of pension liability, other postemployment benefits, lease liability and compensated absences.

Other liabilities are accounts payable and accrued expenditures. Accounts payable and accrued expenditures include fees for contract auditors, payroll liabilities and other various expenses.

Deferred outflows and inflows of resources are related to pensions and other postemployment benefits.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Condensed Statements of Net Position**

| | December 31, | | Dollar |
|---|----------------------|----------------------|------------------|
| | 2024 | 2023 | Change |
| Current and other assets | \$ 37,770 | \$ 48,304 | \$ (10,534) |
| Capital assets | 15,900 | 10,845 | 5,055 |
| Right-of-use asset | 43,174 | 86,346 | (43,172) |
| Deferred outflows of resources | 427,284 | 389,669 | 37,615 |
| Total assets and deferred outflows of resources | 524,128 | 535,164 | (11,036) |
| Long-term liabilities | 1,091,841 | 1,058,157 | 33,684 |
| Other liabilities | 37,770 | 48,304 | (10,534) |
| Deferred inflows of resources | 401,465 | 545,882 | (144,417) |
| Total liabilities and deferred inflows of resources | 1,531,076 | 1,652,343 | (121,267) |
| Net position: | | | |
| Net investment in capital assets | 15,900 | 10,845 | 5,055 |
| Unrestricted (deficit) | (1,022,848) | (1,128,024) | 105,176 |
| Total net position (deficit) | <u>\$(1,006,948)</u> | <u>\$(1,117,179)</u> | <u>\$110,231</u> |

Governmental Activities

Governmental activities decreased the Department's net deficit by \$110,231. Key elements of the net increase are as follows (see table on the following page):

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities (Continued)****Condensed Statements of Activities**

| | <u>December 31,</u> | | <u>Dollar</u> | <u>Percent</u> |
|--------------------------|-----------------------------|-----------------------------|-------------------------|----------------------|
| | <u>2024</u> | <u>2023</u> | <u>Change</u> | <u>Change</u> |
| Revenues: | | | | |
| Charges for services | \$ 947,601 | \$ 924,546 | \$ 23,055 | 2.49% |
| Licenses | 2,600 | 2,400 | 200 | 8.33% |
| Miscellaneous - other | 4,884 | 295 | 4,589 | 1555.59% |
| Total revenues | <u>955,085</u> | <u>927,241</u> | <u>27,844</u> | <u>3.00%</u> |
| Expenses: | | | | |
| General government | <u>844,854</u> | <u>881,154</u> | <u>(36,300)</u> | <u>-4.12%</u> |
| Increase in net position | <u>110,231</u> | <u>46,087</u> | <u>64,144</u> | <u>139.18%</u> |
| Net Deficit | | | | |
| Beginning of year | <u>(1,117,179)</u> | <u>(1,163,266)</u> | <u>46,087</u> | <u>-3.96%</u> |
| End of year | <u><u>\$(1,006,948)</u></u> | <u><u>\$(1,117,179)</u></u> | <u><u>\$110,231</u></u> | <u><u>-9.87%</u></u> |

The Department is an expenditure driven entity where changes in revenue derive from changes in reimbursed expenses incurred during the period. The Department's revenues represent transfers of sales and use tax proceeds from its Custodial Fund to pay operating expenses of the Department.

On Exhibit C, the Department's general government expenses fall into six categories: personal services, supplies and materials, other services and charges, repairs and maintenance, lease expense, and depreciation. Of the six categories the largest is personal services and totals \$413,715, which is 48.97% of total expenses for the year ended December 31, 2024. Personal services decreased \$1,942 in comparison with 2023. The decrease is primarily due to changes in pension and other postemployment benefits liabilities, deferred inflows and deferred outflows. Other services and charges, which includes such expenses as contract auditing fees, legal fees, insurance, office machine rentals, software technology services, telephone, and miscellaneous expenses, decreased by \$41,325 in comparison with 2023.

Other expenses include supplies and materials, repairs and maintenance, and depreciation. These expenses amount to \$51,501 which is an increase of \$8,515 from 2023. This increase is the result of increased costs in various supplies, additional repairs on equipment, and increased depreciation.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Department's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Department's financing requirements. The General Fund is the chief operating fund of the Department. It is used to account for all financial resources except those that are required to be accounted for in another fund.

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Fund (Exhibit E) displays the original budget, final budget and actual amounts in columns with a variance column showing the favorable or (unfavorable) difference of the actual and the final budget. The budget was amended once during the year. Since the Department is an expenditure driven entity with expenditures fully reimbursed, revenues report an unfavorable variance equal to the favorable variance of expenditures.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of the parties outside the Department. Exhibit G on page 19 details the disbursements to other governmental units. Total cash disbursements for the year ended December 31, 2024 amounted to \$157,962,252, which represents a decrease of \$3,947,076. The decrease is primarily due to a decrease in economic activity throughout Terrebonne Parish. The two major governmental units that receive distributions are Terrebonne Parish School Board and Terrebonne Parish Consolidated Government.

CAPITAL ASSETS

Capital Assets

The Department's investment in capital assets for its governmental activities as of December 31, 2024 amounts to \$15,900 (net of accumulated depreciation). This investment in capital assets includes office furniture, fixtures and equipment.

| | <u>2024</u> | <u>2023</u> |
|--|-----------------|------------------|
| Office furniture, fixtures, and equipment | \$84,784 | \$113,936 |
| Less accumulated depreciation | <u>(68,884)</u> | <u>(103,091)</u> |
| Total capital assets, net | <u>\$15,900</u> | <u>\$ 10,845</u> |

CAPITAL ASSETS (Continued)

During the year ended December 31, 2024, the Department purchased a folding machine. Depreciation expense was \$5,414 for year ended December 31, 2024. Additional information on the Department's capital assets can be found in Note 3, Exhibit H of this report.

Long-Term Obligations

The Department reported a net pension liability of \$2,506 as of December 31, 2024 related to GASB 68 which was a decrease of \$55,474. Other postemployment benefit obligations increased \$125,743 to \$984,489 as of December 31, 2024 due to changes in other postemployment benefits. Obligations for unpaid annual leave increased \$8,082. Unpaid annual leave obligations amounted to \$58,577 as of 2023. The Department recognizes a right-of-use asset of \$43,174 and a lease liability of \$46,269. See Note 4, Exhibit H of this report for additional information related to lease commitments.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Department considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Personal services increased to reflect a 3% cost of living adjustment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Brandi Fontenot, Director, Terrebonne Parish Sales Tax Department, P.O. Box 670, Houma, LA 70361.

**STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET**

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

December 31, 2024

| | <u>General Fund</u> | <u>Adjustments (Exhibit B)</u> | <u>Statement of Net Position</u> |
|--|-------------------------|------------------------------------|--------------------------------------|
| Assets and Deferred Outflows of Resources | | | |
| Cash | \$ 37,770 | \$ - | \$ 37,770 |
| Capital assets: | | | |
| Depreciable, net of accumulated depreciation | - | 15,900 | 15,900 |
| Right-of-use asset, net of accumulated depreciation | - | 43,174 | 43,174 |
| | <u>37,770</u> | <u>59,074</u> | <u>96,844</u> |
| Total assets | | | |
| Deferred outflows of resources: | | | |
| Other postemployment benefits | - | 355,524 | 355,524 |
| Pensions | - | 71,760 | 71,760 |
| | <u>-</u> | <u>427,284</u> | <u>427,284</u> |
| Total deferred outflows of resources | | | |
| | <u>37,770</u> | <u>486,358</u> | <u>524,128</u> |
| Total assets and deferred outflows of resources | | | |
| Liabilities and Deferred Inflows of Resources | | | |
| Accounts payables and accrued expenditures | 33,354 | - | 33,354 |
| Due to Terrebonne Parish Consolidated Government | 4,416 | - | 4,416 |
| Long-term liabilities: | | | |
| Due within one year | - | 46,269 | 46,269 |
| Due in more than one year | - | 1,045,572 | 1,045,572 |
| | <u>37,770</u> | <u>1,091,841</u> | <u>1,129,611</u> |
| Total current and non-current liabilities | | | |

**Exhibit A
(Continued)**

| | <u>General Fund</u> | <u>Adjustments (Exhibit B)</u> | <u>Statement of Net Position</u> |
|--|-------------------------|------------------------------------|--------------------------------------|
| Liabilities and Deferred Inflows of Resources | | | |
| Deferred inflows of resources: | | | |
| Other postemployment benefits | - | 394,662 | 394,662 |
| Pensions | - | 6,803 | 6,803 |
| | <u>-</u> | <u>401,465</u> | <u>401,465</u> |
| Total deferred inflows of resources | - | 401,465 | 401,465 |
| | <u>-</u> | <u>401,465</u> | <u>401,465</u> |
| Total liabilities and deferred inflows of resources | <u>37,770</u> | <u>1,493,306</u> | <u>1,531,076</u> |
| Fund Balances/Net Assets | | | |
| Fund balance - unassigned | - | | |
| | <u>-</u> | | |
| Total liabilities and fund balances | <u>\$ 37,770</u> | | |
| Net position: | | | |
| Net investment in capital assets | | 15,900 | 15,900 |
| Unrestricted (deficit) | | <u>(1,022,848)</u> | <u>(1,022,848)</u> |
| Total net position (deficit) | | <u>\$ (1,006,948)</u> | <u>\$ (1,006,948)</u> |

See notes to financial statements.

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

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

December 31, 2024

| | | |
|---|------------------|------------------------------|
| Fund Balances - Governmental Fund | \$ | - |
| 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 | \$ 84,784 | |
| Less accumulated depreciation | <u>(68,884)</u> | 15,900 |
| Long-term assets are not financial resources and, therefore, are not reported in the governmental fund. | | |
| Right-of-use asset net of accumulated depreciation | | 43,174 |
| Deferred outflows of resources used in governmental activities are not financial resources and are not reported in governmental fund. | | |
| Pensions | 71,760 | |
| Other postemployment benefit obligation | <u>355,524</u> | 427,284 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund. | | |
| Other postemployment benefit obligation | (984,489) | |
| Lease liability | (46,269) | |
| Net pension liability | (2,506) | |
| Compensated absences payable | <u>(58,577)</u> | (1,091,841) |
| Deferred inflows of resources will not be recognized in the current period and are not reported in governmental funds. | | |
| Pensions | (6,803) | |
| Other postemployment benefit obligation | <u>(394,662)</u> | (401,465) |
| Net Position (Deficit) of Governmental Activities | | <u><u>\$ (1,006,948)</u></u> |

See notes to financial statements.

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

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the year ended December 31, 2024

| | <u>General Fund</u> | <u>Adjustments (Exhibit D)</u> | <u>Statement of Activities</u> |
|---|-------------------------|------------------------------------|------------------------------------|
| Revenues | | | |
| Charges for services | \$ 947,601 | \$ - | \$ 947,601 |
| Licenses | 2,600 | - | 2,600 |
| Miscellaneous - other | 4,884 | - | 4,884 |
| | <u>955,085</u> | <u>-</u> | <u>955,085</u> |
| Expenditures/Expenses | | | |
| Current: | | | |
| Personal services | 517,396 | (103,681) | 413,715 |
| Supplies and materials | 38,396 | - | 38,396 |
| Other services and charges | 333,973 | - | 333,973 |
| Repairs and maintenance | 7,691 | - | 7,691 |
| Lease expense | 47,160 | (1,495) | 45,665 |
| Depreciation | - | 5,414 | 5,414 |
| Capital outlay | 10,469 | (10,469) | - |
| | <u>955,085</u> | <u>(110,231)</u> | <u>844,854</u> |
| Excess of Revenues Over Expenditures | - | - | - |
| Change in Net Position | - | 110,231 | 110,231 |
| Fund Balance/Net Position (Deficit) | | | |
| Beginning of year | <u>-</u> | <u>(1,117,179)</u> | <u>(1,117,179)</u> |
| End of year | <u><u>\$ -</u></u> | <u><u>\$ (1,006,948)</u></u> | <u><u>\$ (1,006,948)</u></u> |

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 Parish Sales and Use Tax Department

Houma, Louisiana

For the year ended December 31, 2024

Net Change in Fund Balance - Governmental Fund \$ -

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 costs of
those assets is allocated over their estimated useful
lives and reported as depreciation expense.

| | | |
|----------------------|-----------|-------|
| Capital outlay | \$ 10,469 | |
| Depreciation expense | (5,414) | 5,055 |

The net effect of transactions involving leases and
right-of-use assets.

| | | |
|------------------------------------|---------------|-------|
| Amortization of right-of-use asset | (43,172) | |
| Lease interest | (2,493) | |
| Lease expense | <u>47,160</u> | 1,495 |

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.

| | | |
|--|----------------|----------------|
| Other postemployment benefit expense | 98,640 | |
| Pension expense | 13,123 | |
| Increase in compensated absences payable | <u>(8,082)</u> | <u>103,681</u> |

Change in Net Position of Governmental Activities \$ 110,231

See notes to financial statements.

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

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the year ended December 31, 2024

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------|------------------|--------------|------------|---------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Favorable |
| | | | | (Unfavorable) |
| Revenues | | | | |
| Charges for services | \$ 1,350,750 | \$ 1,153,397 | \$ 947,601 | \$ (205,796) |
| Licenses | 2,200 | 2,600 | 2,600 | - |
| Miscellaneous - other | 2,600 | 3,325 | 4,884 | 1,559 |
| | | | | |
| Total revenues | 1,355,550 | 1,159,322 | 955,085 | (204,237) |
| Expenditures | | | | |
| Current: | | | | |
| Personal services | 704,250 | 530,764 | 517,396 | 13,368 |
| Supplies and materials | 48,000 | 41,488 | 38,396 | 3,092 |
| Other services and charges | 524,100 | 516,401 | 333,973 | 182,428 |
| Repairs and maintenance | 12,000 | 10,000 | 7,691 | 2,309 |
| Lease expense | 47,200 | 47,200 | 47,160 | 40 |
| Capital outlay | 20,000 | 13,469 | 10,469 | 3,000 |
| | | | | |
| Total expenditures | 1,355,550 | 1,159,322 | 955,085 | 204,237 |
| Excess of Revenues Over | | | | |
| Expenditures | \$ - | \$ - | \$ - | \$ - |

See notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION**Terrebonne Parish Sales and Use Tax Department**
Houma, Louisiana

December 31, 2024

| | <u>Custodial Fund</u> |
|---|---------------------------|
| Assets | |
| Cash | \$ 12,987,293 |
| Taxes receivable | <u>15,611,155</u> |
| Total assets | <u>28,598,448</u> |
| Liabilities | |
| Accounts payables and accrued expenditures | 13,234 |
| Liabilities to other governmental units: | |
| Terrebonne Parish School Board | 12,854,268 |
| Terrebonne Parish Consolidated Government | 7,452,748 |
| Terrebonne Parish Consolidated Government - Library | 1,243,980 |
| Terrebonne Parish Consolidated Government - Levees | 1,243,980 |
| Terrebonne Parish Sheriff | 2,487,961 |
| Terrebonne Levee and Conservation District | 2,487,938 |
| Houma Area Convention and Visitors Bureau | <u>226,328</u> |
| Total liabilities | <u>28,010,437</u> |
| Fiduciary net position | |
| Held for others | <u><u>\$ 588,011</u></u> |

See notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**Terrebonne Parish Sales and Use Tax Department**
Houma, Louisiana

For the year ended December 31, 2024

| | <u>Custodial Fund</u> |
|---|---------------------------|
| Additions: | |
| Sales tax collections | \$ 157,962,252 |
| Sales taxes paid under protest | 116,268 |
| Protest interest income | <u>2,252</u> |
| Total additions | <u>158,080,772</u> |
| Reductions: | |
| Distributions to other governmental units | 157,014,649 |
| Administrative costs | <u>947,603</u> |
| Total reductions | <u>157,962,252</u> |
| Change in net position | 118,520 |
| Net position | |
| Beginning of year | <u>469,491</u> |
| End of year | <u><u>\$ 588,011</u></u> |

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Sales and Use Tax Department**

Houma, Louisiana

December 31, 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Terrebonne Parish Sales and Use Tax Department (the “Department”) was created October 14, 1964, in compliance with Act 500 of 1964, of the State of Louisiana. The Sales and Use Tax Department administers the collection and distribution of the approved 5.50% sales tax, hotel/motel tax, occupational licenses, and bingo permits.

Tax collections, after deducting operating expenses, are distributed in the month following receipt. The first levy of 1% made in 1964 is divided between the Terrebonne Parish School Board, which receives 33%, and the Terrebonne Parish Consolidated Government, which receives 67% (split evenly between the former Terrebonne Parish Police Jury and City of Houma). There were two levies made for a total of 1% in 1976, which the Terrebonne Parish School Board receives 75%, and the Terrebonne Parish Consolidated Government receives 25%. The $\frac{1}{4}\%$ levy effective January 1, 1987 is remitted to the Terrebonne Parish Law Enforcement Department. The two $\frac{1}{4}\%$ levies effective January 1, 1993 are remitted to the Terrebonne Parish Consolidated Government with $\frac{1}{4}\%$ dedicated to Drainage and $\frac{1}{4}\%$ dedicated to Roads and Bridges. The 1% levy effective July 1, 1996 is remitted to the Terrebonne Parish School Board. The $\frac{1}{4}\%$ levy effective October 1, 1997 is remitted to the Terrebonne Parish Law Enforcement Department. The $\frac{1}{4}\%$ levy effective July 1, 1998 is remitted to the Terrebonne Parish Consolidated Government which is dedicated to the Library System. The $\frac{1}{4}\%$ levy effective July 1, 2002 is remitted to the Terrebonne Parish Consolidated Government, which is dedicated to being used as matching funds for the Terrebonne Levee and Conservation Department’s Morganza-to-the-Gulf Project. The $\frac{1}{2}\%$ levy effective April 1, 2013 is remitted to Terrebonne Levee and Conservation Department. The $\frac{1}{2}\%$ levy effective April 1, 2015 is remitted to the Terrebonne Parish School Board which is to be used for paying salaries and benefits for teachers and other personnel. The Hotel/Motel tax of 5% is remitted solely to the Houma Area Convention and Visitors Bureau.

The accounting policies of the Terrebonne Parish Sales and Use Tax Department conform to accounting principles generally accepted in the United States of America 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:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity

The Department is a component unit of the Terrebonne Parish Consolidated Government (the “Parish”) and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2024.

GASB Statement 14, *The Financial Reporting Entity*, GASB Statement 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement 14*, and GASB Statement 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements 14 and 34* established the criterion for determining which component units should be considered part of the Department 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 Department and the potential component unit.
4. Imposition of will by the Department on the potential component unit.
5. Financial benefit/burden relationship between the Department and the potential component unit.

The Department 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

The Department’s financial statements consist of the government-wide statements on all of the non-fiduciary activities of the Department and the governmental fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

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 Department. The government-wide presentation focuses primarily on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities of the Department generally are financed through intergovernmental revenues reported as charges for services.

Fund Financial Statements

The daily accounts and operations of the Department are organized on the basis of a fund and accounts 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. Governmental 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 various funds of the Department are grouped, into generic fund types and two broad categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

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

Fiduciary Fund:

Custodial Fund - This fund is used to account for and report assets that the Department holds for others in a custodial capacity. Since by definition these assets are being held for the benefit of others and cannot be used to address activities or obligations of the Department, this fund is not incorporated into the governmental-wide statements.

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 the 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. For this purpose, the Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Charges for collection and distribution services of sales taxes are considered "measurable" when the related sales taxes are in the hands of the merchants and are recognized as revenue at that time. Licenses and miscellaneous revenues are recorded as revenues when received in cash by the Department because they are generally not measurable until actually 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 are not recognized in the governmental funds.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The Custodial Fund accounts for sales tax collections as custodian for other governments within Terrebonne Parish.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

e) Operating Budgetary Data

The Department establishes the budgetary data reflected in the financial statements as follows:

The Director submits, to the members of the Sales and Use Tax Advisory Board, a proposed operating budget for the year commencing the following January 1. The public hearings and advertisements, which are required by state law, are conducted prior to approval by the Advisory Board. The budget is then submitted to the Parish Council. All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress. Any amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Advisory Board. The Department amended its budget once during the year. All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.

The budget for the General Fund is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the financial statements.

f) Accounts Receivable

The financial statements of the Department do not contain an allowance for uncollectible accounts. Uncollectible amounts due for 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 operation of the funds.

g) Capital Assets

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets (Continued)

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. 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 estimated useful life of assets (furniture, fixtures, and equipment) is 5-20 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.

h) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. Non-current liabilities consist of accrued compensated absences (vacation and sick leave), lease liability, pension liability, and other postemployment benefits (group health insurance).

Fund Financial Statements

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Vacation and Sick Leave

Employees of the Department can earn twelve or thirty days per year vacation leave, depending on their length of employment. All employees are required to take vacation within one year of being earned. Any unused vacation remaining on the employee's anniversary date will be transferred to sick leave. In the event the employee is terminated or resigns, all vacation leave not transferred to sick leave will be paid to them.

Employees of the Department earn seven days of sick leave per year. Upon official retirement from the Parochial Retirement System, the retiring employee will be allowed to receive half of whatever accumulated sick leave time has accrued, up to a maximum of 30 days, by leaving work early and remaining on the payroll until the 30 days are exhausted.

The liability for vacation and sick leave is recorded as a non-current liability in the government-wide statements. In the fund financial statements, governmental funds report only the vacation and sick leave liability payable from expendable available financial resources, accordingly no significant compensated absences liability is recorded as of December 31, 2024.

j) Leases

The Department is a lessee in a noncancelable lease. Since the contract provides the Department with the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. There were no adjustments for 2024.

Future lease payments are discounted using the interest rate implicit in the lease. If the discount rate is not readily determined, the estimated incremental borrowing rate should be used. The Department used an estimated incremental borrowing rate when discounting future lease payments.

Lease liabilities are reduced as payments are made and the Department recognizes an outflow of resources, and an expense for interest on the lease liability. ROU assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

The ROU assets and lease liability as of December 31, 2024 are presented as separate line items on the Department's statement of net position.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Parochial Employees' Retirement System of Louisiana (the "System") and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are accounted for at market value.

l) Deferred Outflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department has pension and other postemployment benefits related deferred outflows of resources.

m) Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental activities report pension and other postemployment benefits related deferred inflows of resources in the Department's government-wide statements. These amounts are deferred and recognized as an inflow of resources in the amortization period.

n) Fund Equity

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of December 31, 2024, the Department did not report any borrowings.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Fund Equity (Continued)

Government-Wide Statements (Continued)

- b. Restricted net position - Consists of 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 position 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 Department’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2024 and for the year then ended, the Department did not have or receive restricted net position.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further 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 Department’s Advisory Board.
- d. Assigned - Amounts that are constrained by the Department’s intent to be used for a specific purpose but do not meet the criteria for restricted or committed. Assignments may be assigned by the Department’s Director.
- e. Unassigned - All other spendable amounts.

For the classification of governmental fund balances, the Department considers an expenditure to be made from the most restrictive fund balance first when more than one classification is available.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements

During the year ending December 31, 2024, the Department implemented the following GASB Statements:

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement did not affect the financial statements for the year ended December 31, 2024.

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 have a material affect the financial statements for the year ended December 31, 2024.

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

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 or 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) New GASB Statements (Continued)

Statement No. 103, “*Financial Reporting Model Improvements*” provides objectives to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. 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. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS

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

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance, and the market value of 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 trust company for the account of the political subdivision.

Note 2 - DEPOSITS (Continued)

The balances of deposits are as follows:

| | <u>Bank Balance</u> | <u>Reported Amounts</u> |
|------|-------------------------|-----------------------------|
| Cash | <u>\$13,241,434</u> | <u>\$13,025,063</u> |

Custodial credit risk is the risk that in the event of a bank failure, the Department's deposits may not be returned to it. The Department has a written policy for custodial credit risk, which reflects state law. As of December 31, 2024, \$12,741,434 of the Department's bank balance of \$13,241,434 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 Department's name by state statutes.

As of December 31, 2024, cash in excess of the FDIC insurance was adequately collateralized in accordance with state law, by securities held by an unaffiliated bank for the account of the Department. The 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 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.

A reconciliation of deposits as shown on the Statement of Net Position and Governmental Fund Balance Sheet is as follows:

| | |
|---|---------------------|
| Book balance | \$13,025,063 |
| Less cash reported in the Statement of Fiduciary Net Position | <u>(12,987,293)</u> |
| Cash - Statement of Net Position and Governmental Fund Balance Sheet | <u>\$ 37,770</u> |

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

| | Balance January 1, 2024 | Additions | Deletions | Balance December 31, 2024 |
|--|-------------------------------|------------|-----------|---------------------------------|
| Capital assets being depreciated: | | | | |
| Office furniture, fixtures, and equipment | \$113,936 | \$ 10,469 | \$39,621 | \$ 84,784 |
| Less accumulated depreciation for: | | | | |
| Office furniture, fixtures, and equipment | (103,091) | (5,414) | (39,621) | (68,884) |
| Total capital assets being depreciation, net | 10,845 | 5,055 | - | 15,900 |
| Right-of-use assets: | | | | |
| Property | 172,690 | - | - | 172,690 |
| Less accumulated amortization for: | | | | |
| Property | (86,344) | (43,172) | - | (129,516) |
| Right-of-use assets being amortized, net | 86,346 | (43,172) | - | 43,174 |
| Total capital assets, net | \$ 97,191 | \$(38,117) | \$ - | \$ 59,074 |

Note 4 - LEASE COMMITMENTS

The Department entered into a lease with Terrebonne Parish Consolidated Government (the “Parish”) for office space. The lease term began on January 1, 2021 and covers 3 years with an option to renew for 2 additional years. The lease calls for monthly payments of \$3,930. The lease interest rate is approximated at the incremental borrowing rate of 3.53%.

The weighted-average discount rate is approximated at the incremental borrowing rate of 3.53%. The Department has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for the lease where the implicit rate is not readily determinable. The Department has applied the risk-free rate option to the lease.

Note 4 - LEASE COMMITMENTS (Continued)

Reported under Statement 87 for year ended December 31, 2024 are as follows:

| | |
|---|-----------------|
| Lease expense | <u>\$45,665</u> |
| Cash paid for lease | <u>\$47,160</u> |
| Right-of-use asset | <u>\$43,714</u> |
| Lease liability | <u>\$46,269</u> |
| Weighted-Average Information | |
| Weighted-average remaining lease in years | 1 |
| Weighted-average discount rate: | 3.53% |

Future Minimum Lease Payments

| <u>Year Ending December 31,</u> | <u>Amounts</u> |
|-------------------------------------|-----------------|
| 2025 | <u>\$47,160</u> |
| Total lease payments | 47,160 |
| Less amounts representing interest | <u>(891)</u> |
| Present value of lease liability | 46,269 |
| Less current maturities | <u>(46,269)</u> |
| Long-term lease obligation | <u>\$ -</u> |

Note 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of December 31, 2024 consisted of the following:

| | <u>General Fund</u> | <u>Custodial Fund</u> | <u>Totals</u> |
|-----------------------|-------------------------|---------------------------|-----------------|
| Vendors | \$ 9,880 | \$13,234 | \$23,114 |
| Salaries and benefits | <u>23,474</u> | <u>-</u> | <u>23,474</u> |
| Totals | <u>\$33,354</u> | <u>\$13,234</u> | <u>\$46,588</u> |

Note 6 - NON-CURRENT LIABILITIES

Non-current liabilities and assets consist of accumulated earned and unpaid vacation and sick leave and other postemployment benefits. The following is a summary of changes in the non-current liabilities of the Department for the year ended December 31, 2024:

| | Payable January 1, 2024 | Increase/ Earned | Decrease/ Used | Payable December 31, 2024 | Due Within One Year |
|------------------------------------|-------------------------------|---------------------|--------------------|---------------------------------|---------------------------|
| Accumulated unpaid annual leave | \$ 50,495 | \$ 31,016 | \$ (22,934) | \$ 58,577 | \$ - |
| Lease liability | 90,936 | - | (44,667) | 46,269 | 46,269 |
| Net pension liability | 57,980 | - | (55,474) | 2,506 | - |
| Other postemployment benefits | 858,746 | 125,743 | - | 984,489 | - |
| Totals | <u>\$1,058,157</u> | <u>\$156,759</u> | <u>\$(123,075)</u> | <u>\$1,091,841</u> | <u>\$46,269</u> |

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Department administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Terrebonne Parish Council. Louisiana Revised Statute 33:5161 grants authority to establish and amend the benefit terms and financing requirements to the Parish Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. For employees retiring before January 1, 2005, the Department funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

Department employees retiring on or after January 1, 2005 with at least ten years of permanent full-time creditable service with the Department shall be eligible to participate in the Plan approved by the Parish Council under the following vesting schedule: 11 to 15 years of service, 27.50 % plus 2.75% per year; 16 to 20 years of service 41.25% plus 3.75% per year of service; 21 years or more of service, 60% plus 4% per year of service, limited to 80% of the premium. Employees hired after December 31, 2013 with at least 30 years of permanent full-time creditable service, age 55 and 5 years of participation in the Department's group health insurance plan immediately prior to retirement shall be eligible to participate in the Plan with benefits limited to 80% of premiums. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Parochial Employees' Retirement System, see Note 8.

The Department does not issue a publicly available financial report on the Plan.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Employees Covered by Benefit Terms

| | |
|--|------------------|
| Inactive employees currently receiving benefit payments | 5 |
| Active employees | <u>7</u> |
| Total | <u><u>12</u></u> |

The Department's total OPEB liability of \$984.489 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

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

| | |
|--|--|
| Measurement Date | December 31, 2024 |
| Actuarial Valuation Date | January 1, 2024 |
| Inflation | 2.50% |
| Salary Increases, Including Inflation | 3.00% |
| Discount Rate | 4.28% |
| Healthcare Cost Trend Rates | Medical - 6.00% in year one decreasing in decrements of 0.25% per year until 4.50% through year seven. Dental - 3.50% in year one decreasing in decrements of 0.25% per year until 2.50% through year five. |

The discount rate was based on the December 31, 2024 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Retiree Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|--|-------------------------------------|
| Balance as of December 31, 2023 | \$858,746 |
| Changes for the year: | |
| Service cost | 13,947 |
| Interest | 32,704 |
| Difference between expected and actual experience | 67,437 |
| Changes in assumptions and other inputs | 40,170 |
| Change in proportion | 18,621 |
| Benefit payments | <u>(47,136)</u> |
| Net changes | <u>125,743</u> |
| Balance as of December 31, 2024 | <u><u>\$984,489</u></u> |

Sensitivity to Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

| | 1.00% Decrease (3.28%) | Current Discount Rate (4.28%) | 1.00% Increase (5.28%) |
|----------------------|------------------------------|--|------------------------------|
| Total OPEB Liability | <u>\$1,145,282</u> | <u>\$984,489</u> | <u>\$855,843</u> |

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate

The following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

| | <u>1.00% Decrease</u> | <u>Current Healthcare Cost Trend Rate</u> | <u>1.00% Increase</u> |
|----------------------|---------------------------|---|---------------------------|
| Total OPEB Liability | <u>\$843,977</u> | <u>\$984,489</u> | <u>\$1,164,797</u> |

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

For the year ended December 31, 2024, the Department recognized OPEB expense of \$67,480. As of December 31, 2024, the Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ 92,884 | \$ (762) |
| Change in assumptions | 34,778 | (173,984) |
| Change in proportion | <u>227,862</u> | <u>(219,916)</u> |
| Totals | <u>\$355,524</u> | <u>\$(394,662)</u> |

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

OPEB Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB benefit (credit) as follows:

| <u>Year Ending</u> <u>December 31,</u> | |
|---|--------------------------|
| 2025 | \$(40,819) |
| 2026 | (25,374) |
| 2027 | 9,085 |
| 2028 | <u>17,970</u> |
| Total | <u><u>\$(39,138)</u></u> |

Note 8 - DEFINED BENEFIT PENSION PLAN

Plan Description. The Department contributes to Plan B of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

Benefits Provided. The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, retire at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, retire at age 62 after completing 10 years of service or retire at age 67 after completing 7 years of service.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The election to participate in DROP is irrevocable once participation begins. Retirement benefits that would be paid, had the person ceased employment, are paid into the DROP account. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who becomes disabled may receive retirement benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the Plan year ending December 31, 2023, the actuarial employer contribution rate was 7.49% of member's compensation. However, the actual rate for the fiscal year ending December 31, 2023 was 7.50%.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Contributions to the System from the Department were \$24,691 for the year ended December 31, 2024.

Net Pension Liability. As of December 31, 2024, the Department reported a liability of \$2,506 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

As of December 31, 2024, the Department's proportion was 0.249837%, which was an increase of 0.00632% from its proportion measured as of December 31, 2023.

Pension Expense. For the year ended December 31, 2024, the Department recognized pension expense of \$11,568.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2024, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Difference between expected and actual experience | \$ 8,110 | \$(6,307) |
| Net difference between projected and actual earnings on pension plan investments | 33,995 | - |
| Change in proportionate share | 588 | (496) |
| Changes in assumptions | 4,376 | - |
| Contributions subsequent to the measurement date | <u>24,691</u> | <u>-</u> |
| Totals | <u><u>\$71,760</u></u> | <u><u>\$(6,803)</u></u> |

The Department reported \$24,691 as deferred outflows of resources related to pensions resulting from Department contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (credit) as follows:

| <u>Year Ending December 31,</u> | |
|-------------------------------------|------------------------|
| 2025 | \$ 3,190 |
| 2026 | 20,682 |
| 2027 | 30,843 |
| 2028 | <u>(14,449)</u> |
| Total | <u><u>\$40,266</u></u> |

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023 are as follows:

| | |
|---|---|
| Valuation Date | December 31, 2023 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Expected Remaining Service Lives | 4 years |
| Investment Rate of Return | 6.40%, net investment expense, including inflation |
| Projected Salary Increases | 4.25% (2.30% inflation, 1.95% merit) |
| Inflation rate | 2.30% |
| Mortality Rates | Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using |
| Cost of Living Adjustments | The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees. |

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing method (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023.

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are as follows:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Fixed income | 33.00% | 1.12% |
| Equity | 51.00% | 3.20% |
| Alternatives | 14.00% | 0.67% |
| Real assets | <u>2.00%</u> | <u>0.11%</u> |
| Totals | <u>100.00%</u> | 5.10% |
| Inflation | | <u>2.40%</u> |
| Expected Arithmetic Nominal Rate | | <u>7.50%</u> |

Discount Rate. The discount rate used to measure the total pension liability was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Department's Proportionate Share of the Collective Net Pension Asset (Liability) to Changes in the Discount Rate. The following presents the Department's proportionate share of the collective net pension liability using the discount rate of 6.40%, as well as what the Department's proportionate share of the net pension (liability) asset would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate as presented as the follows:

| | <u>1.00% Decrease 5.40%</u> | <u>Current Discount Rate 6.40%</u> | <u>1.00% Increase 7.40%</u> |
|--|-------------------------------------|--|-------------------------------------|
| Department's proportionate share of the net pension asset (liability) | <u>\$(143,410)</u> | <u>\$(2,506)</u> | <u>\$115,421</u> |

Note 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Plan Fiduciary Net Position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2023. Access to the audit report can be found on the System's website, www.persla.org/ or on the Louisiana Legislative Auditor's website, www.la.gov.

Note 9 - COMPENSATION OF ADVISORY BOARD

The Department did not pay per diem to any of its Board Members in 2024.

Note 10 - RELATED PARTY RENTS AND FEES

The building housing the Department's office space is owned by the Parish. The lease term is January 1, 2021 to December 31, 2023 with the option to extend the lease for two one-year terms with each term subject to the same terms and conditions as the original lease. See Note 4. The option was exercised.

The Department incurred data processing fees with the Parish in the amount of \$11,406 for the year ended December 31, 2024.

Note 11 - RISK MANAGEMENT

The Department is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Department carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation and group insurance. No settlements were made during the year that exceeded the Department's insurance coverage. The Department pays monthly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against the Department for which it has insurance coverage under the Parish.

Note 11 - RISK MANAGEMENT (Continued)

The Department could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

| <u>Policy</u> | <u>Coverage Limits</u> |
|-----------------------|------------------------|
| General Liability | \$12,000,000 |
| Workers' Compensation | Statutory |

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund then secondly by the Department. The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2023 was \$14,308,716. Insurance contracts cover the excess liability on individual claims. Covered employees are subject to a lifetime maximum claims limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund then secondly by the Department. Worker's compensation claims in excess of \$850,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund then secondly by the Department. As of December 31, 2024, the Department had no claims in excess of the above coverage limits. Total premiums paid to the Parish for insurance coverage during the year ended December 31, 2024 totaled \$154,091.

Note 12 - COMMITMENTS AND CONTINGENCIES

Presently, four taxpayers have paid taxes in protest with the aggregate of taxes and interest paid under protest amounting to \$588,011 which has been reported as fiduciary net position in the financial statements of the Custodial Fund as of December 31, 2024.

Note 13 - 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 May 20, 2025, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE DEPARTMENT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS**

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the seven years ended December 31, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 13,947 | \$ 12,935 | \$ 27,387 | \$ 21,011 | \$ 27,114 | \$ 20,907 | \$ 50,192 |
| Interest | 32,704 | 34,224 | 21,708 | 18,191 | 31,252 | 28,499 | 73,135 |
| Changes of benefit terms | - | - | - | - | - | - | (1,096,388) |
| Difference between expected and actual experience | 67,437 | 6,015 | 86,893 | (2,970) | (136,855) | 41,862 | (10,847) |
| Changes in assumptions or other inputs | 40,170 | (7,912) | (416,957) | 10,295 | (98,447) | 249,608 | (75,680) |
| Change in proportion | 18,621 | (6,376) | 261,300 | (21,671) | (189,899) | (54,711) | - |
| Benefit payments | <u>(47,136)</u> | <u>(38,623)</u> | <u>(46,790)</u> | <u>(22,305)</u> | <u>(50,377)</u> | <u>(31,078)</u> | <u>(30,424)</u> |
| Net change in total OPEB liability | 125,743 | 263 | (66,459) | 2,551 | (417,212) | 255,087 | (1,090,012) |
| Total OPEB liability, beginning of year | <u>858,746</u> | <u>858,483</u> | <u>924,942</u> | <u>922,391</u> | <u>1,339,603</u> | <u>1,084,516</u> | <u>2,174,528</u> |
| Total OPEB liability, end of year | <u>\$ 984,489</u> | <u>\$ 858,746</u> | <u>\$ 858,483</u> | <u>\$ 924,942</u> | <u>\$ 922,391</u> | <u>\$ 1,339,603</u> | <u>\$ 1,084,516</u> |
| Covered employee payroll | <u>\$ 683,912</u> | <u>\$ 624,017</u> | <u>\$ 526,424</u> | <u>\$ 508,769</u> | <u>\$ 510,397</u> | <u>\$ 617,329</u> | <u>\$ 629,064</u> |
| Total OPEB liability as a percentage of covered employee payroll | <u>143.95%</u> | <u>137.62%</u> | <u>163.08%</u> | <u>181.80%</u> | <u>180.72%</u> | <u>217.00%</u> | <u>172.40%</u> |

Notes to Schedule:

Changes of Benefit Terms:

Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.

| | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Changes of assumptions and other inputs reflected the | <u>4.28%</u> | <u>3.77%</u> | <u>4.05%</u> | <u>1.84%</u> | <u>2.00%</u> | <u>2.75%</u> | <u>3.71%</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

The schedule is provided beginning with the Department's year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)**

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the ten years ended December 31, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|---------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| Department's proportion of the net pension liability | <u>0.249840%</u> | <u>0.243522%</u> | <u>0.250177%</u> | <u>0.267524%</u> | <u>0.290269%</u> | <u>0.309680%</u> | <u>0.295811%</u> | <u>0.358629%</u> | <u>0.396838%</u> | <u>0.401743%</u> |
| Department's proportionate share of the net pension liability (asset) | <u>\$ 2,506</u> | <u>\$ 57,980</u> | <u>\$ (139,802)</u> | <u>\$ (68,680)</u> | <u>\$ (21,000)</u> | <u>\$ 83,665</u> | <u>\$ (37,219)</u> | <u>\$ 46,589</u> | <u>\$ 70,655</u> | <u>\$ 31,085</u> |
| Department's covered-employee payroll | <u>\$ 310,437</u> | <u>\$ 283,641</u> | <u>\$ 285,744</u> | <u>\$ 306,401</u> | <u>\$ 322,493</u> | <u>\$ 319,146</u> | <u>\$ 349,799</u> | <u>\$ 357,260</u> | <u>\$ 381,423</u> | <u>\$ 368,388</u> |
| Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll | <u>0.807%</u> | <u>20.441%</u> | <u>-48.926%</u> | <u>-22.415%</u> | <u>-6.512%</u> | <u>26.215%</u> | <u>-10.640%</u> | <u>13.041%</u> | <u>18.524%</u> | <u>8.438%</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>99.77%</u> | <u>94.26%</u> | <u>114.20%</u> | <u>106.76%</u> | <u>102.50%</u> | <u>91.93%</u> | <u>104.02%</u> | <u>94.15%</u> | <u>92.23%</u> | <u>99.15%</u> |

The schedule is provided beginning with the Department's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF DEPARTMENT CONTRIBUTIONS**Terrebonne Parish Sales and Use Tax Department**
Houma, Louisiana

For the ten years ended December 31, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contributions | \$ 24,691 | \$ 23,283 | \$ 21,273 | \$ 21,431 | \$ 22,980 | \$ 24,187 | \$ 23,936 | \$ 27,984 | \$ 28,581 | \$ 34,328 |
| Contributions in relation to the required contribution contractually | <u>(24,691)</u> | <u>(23,283)</u> | <u>(21,273)</u> | <u>(21,431)</u> | <u>(22,980)</u> | <u>(24,187)</u> | <u>(23,936)</u> | <u>(27,984)</u> | <u>(28,581)</u> | <u>(34,328)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Department's covered-employee payroll | <u>\$ 329,207</u> | <u>\$ 310,437</u> | <u>\$ 283,641</u> | <u>\$ 285,744</u> | <u>\$ 306,401</u> | <u>\$ 322,493</u> | <u>\$ 319,146</u> | <u>\$ 349,799</u> | <u>\$ 357,260</u> | <u>\$ 381,423</u> |
| Contributions as a percentage of covered-employee payroll | <u>7.50%</u> | <u>7.50%</u> | <u>7.50%</u> | <u>7.50%</u> | <u>7.50%</u> | <u>7.50%</u> | <u>7.50%</u> | <u>8.00%</u> | <u>8.00%</u> | <u>9.00%</u> |

The schedule is provided beginning with the Department's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION SECTION

SCHEDULE OF OTHER SERVICES AND CHARGES -
BUDGET AND ACTUAL

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the year ended December 31, 2024

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|------------------------|-------------------------|-------------------|-------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Favorable</u> |
| | | | | <u>(Unfavorable)</u> |
| Auditing services | \$ 400,000 | \$ 400,000 | \$ 252,282 | \$ 147,718 |
| Auto and travel | 5,500 | 4,788 | 3,639 | 1,149 |
| Insurance | 32,300 | 26,715 | 26,715 | - |
| Legal fees: | | | | |
| Attorneys | 44,500 | 43,000 | 31,050 | 11,950 |
| Office machine rentals | 27,000 | 27,000 | 12,427 | 14,573 |
| Other | 7,800 | 7,898 | 2,992 | 4,906 |
| Telephone | 7,000 | 7,000 | 4,868 | 2,132 |
| Totals | <u>\$ 524,100</u> | <u>\$ 516,401</u> | <u>\$ 333,973</u> | <u>\$ 182,428</u> |

SCHEDULE OF COLLECTIONS ON BEHALF OF
OTHER TAXING AUTHORITIES -
PARISH SALES TAX FUND

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the year ended December 31, 2024

| | <u>Total Collections</u> | <u>Collection Costs</u> | <u>Final Distribution</u> |
|--|------------------------------|-----------------------------|-------------------------------|
| Terrebonne Parish Consolidated | | | |
| Government (1.67%) | | | |
| Parish Tax (.59%) | \$ 16,425,768 | \$ 90,595 | \$ 16,335,173 |
| Parish Drainage (.25%) | 7,039,615 | 39,361 | 7,000,254 |
| Parish Roads and Bridges (.25%) | 7,039,615 | 39,361 | 7,000,254 |
| City of Houma (.33%) | 9,386,153 | 51,234 | 9,334,919 |
| Levee District (.25%) | 7,039,615 | 39,361 | 7,000,254 |
| | <u>46,930,766</u> | <u>259,912</u> | <u>46,670,854</u> |
| Terrebonne Parish Library (.25%) | <u>7,039,615</u> | <u>39,361</u> | <u>7,000,254</u> |
| Terrebonne Levee and Conservation District (.50%) | <u>14,079,088</u> | <u>78,721</u> | <u>14,000,367</u> |
| Terrebonne Parish School Board (2.58%) | <u>72,742,543</u> | <u>406,725</u> | <u>72,335,818</u> |
| Terrebonne Parish Sheriff's Office (.50%) | <u>14,079,229</u> | <u>78,721</u> | <u>14,000,508</u> |
| Terrebonne Parish - Occupational Licenses | <u>1,404,573</u> | <u>41,889</u> | <u>1,362,684</u> |
| Houma Area Convention and Visitors Bureau | <u>1,686,438</u> | <u>42,274</u> | <u>1,644,164</u> |
| Totals | <u><u>\$ 157,962,252</u></u> | <u><u>\$ 947,603</u></u> | <u><u>\$ 157,014,649</u></u> |

**SCHEDULE OF COLLECTIONS, DISTRIBUTIONS,
AND COSTS OF COLLECTION**

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the year ended December 31, 2024

1. Collections

| | |
|----------------------|----------------|
| a. Sales and use tax | \$ 154,871,240 |
| b. All other taxes | 3,207,279 |
| c. Interest | 2,252 |
| d. Fees | 13,161 |

| | |
|----------------------------|-------------|
| Total collections received | 158,093,932 |
|----------------------------|-------------|

| | |
|---|---------|
| e. Less collections received and held in escrow | 118,520 |
|---|---------|

| | |
|--|-------------|
| Total collections available for disbursement | 157,975,412 |
|--|-------------|

2. Amounts Disbursed To Each Local Taxing Authority (Net of Collection Costs)

Example:

| | |
|--|------------|
| Terrebonne Parish Government (1.67%) | 46,670,854 |
| Terrebonne Parish Library (0.25%) | 7,000,254 |
| Terrebonne Levee and Conservation District (0.50%) | 14,000,367 |
| Terrebonne Parish School Board (2.58%) | 72,335,818 |
| Terrebonne Parish Sheriff's Office (0.50%) | 14,000,508 |
| Occupational licenses and taxes | 1,362,684 |
| Hotel motel tax | 1,644,164 |
| District Court | 8,381 |

| | |
|---|-------------|
| Total amounts disbursed to local taxing authorities | 157,023,030 |
|---|-------------|

| | |
|---------------------------------------|---------|
| 3. Total amount retained by collector | 952,382 |
|---------------------------------------|---------|

4. Amounts Disbursed for Costs of Collection

| | |
|----------------------------------|---------|
| a. Collector employee salaries | 339,581 |
| b. Collector employee benefits | 177,815 |
| c. Contracted collector services | 283,332 |
| d. All other costs of collection | 151,654 |

| | |
|---|---------|
| Total amounts disbursed for costs of collection | 952,382 |
|---|---------|

| | |
|--|------|
| 5. Balance in Excess (Deficiency) of Costs of Collection | \$ - |
|--|------|

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS -
PARISH SALES TAX FUND

Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana

For the five years ended December 31, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash at beginning of year | \$ 13,221,656 | \$ 12,953,438 | \$ 14,928,105 | \$ 11,858,366 | \$ 10,331,832 |
| Cash receipts: | | | | | |
| Sales and use taxes (net of refunds) | 154,633,409 | 159,126,819 | 169,033,567 | 145,347,203 | 124,523,164 |
| Hotel/motel taxes | 1,690,940 | 1,634,710 | 2,236,337 | 2,098,569 | 1,687,007 |
| Occupational license (net of refunds) | 1,399,837 | 1,414,314 | 1,359,885 | 1,347,896 | 1,347,430 |
| Miscellaneous: | | | | | |
| Interest | 2,252 | 933 | 871 | 793 | 746 |
| Other | 13,161 | 2,498 | 5,391 | 3,244 | 12,883 |
| Total cash receipts | <u>157,739,599</u> | <u>162,179,274</u> | <u>172,636,051</u> | <u>148,797,705</u> | <u>127,571,230</u> |
| Total cash available | <u>170,961,255</u> | <u>175,132,712</u> | <u>187,564,156</u> | <u>160,656,071</u> | <u>137,903,062</u> |
| Cash disbursements: | | | | | |
| Distributions to other governmental units: | | | | | |
| Terrebonne Parish School Board | 72,335,818 | 74,213,839 | 79,873,322 | 66,433,194 | 57,416,262 |
| Terrebonne Parish Consolidated Government | 41,033,284 | 42,077,070 | 45,123,868 | 37,780,098 | 32,802,250 |
| Terrebonne Parish Sheriff | 14,000,508 | 14,366,763 | 15,460,202 | 12,873,228 | 11,117,742 |
| Terrebonne Parish Consolidated Government - Library | 7,000,254 | 7,183,382 | 7,730,101 | 6,436,614 | 5,558,871 |
| Terrebonne Parish Consolidated Government - Levees | 7,000,254 | 7,183,382 | 7,730,101 | 6,436,614 | 5,558,871 |
| Terrebonne Levee and Conservation District | 14,000,367 | 14,366,763 | 15,459,077 | 12,872,318 | 11,097,996 |
| Houma Area Convention and Visitors Bureau | 1,644,164 | 1,593,582 | 2,307,873 | 1,963,982 | 1,572,285 |
| Distributions to the General Fund | 952,380 | 924,744 | 922,168 | 929,432 | 912,734 |
| Miscellaneous | 6,933 | 1,531 | 4,006 | 2,486 | 7,685 |
| Total cash disbursements | <u>157,973,962</u> | <u>161,911,056</u> | <u>174,610,718</u> | <u>145,727,966</u> | <u>126,044,696</u> |
| Cash at end of year | <u>\$ 12,987,293</u> | <u>\$ 13,221,656</u> | <u>\$ 12,953,438</u> | <u>\$ 14,928,105</u> | <u>\$ 11,858,366</u> |

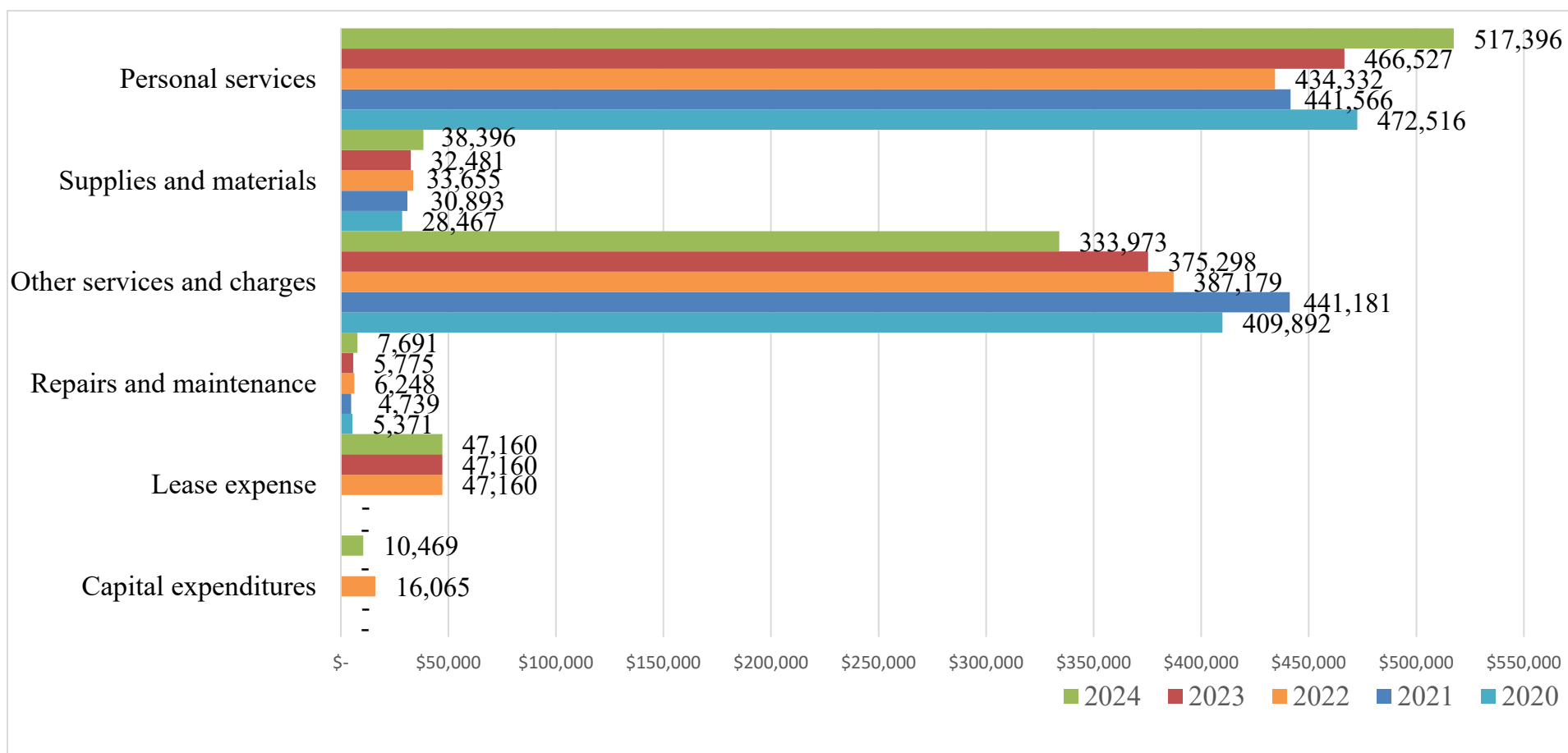
SCHEDULE OF GOVERNMENTAL FUND EXPENDITURES**Terrebonne Parish Sales and Use Tax Department**
Houma, Louisiana

For the five years ended December 31, 2024

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenditures - General Government | | | | | |
| Personal services: | | | | | |
| Salaries and wages | \$ 339,581 | \$ 316,680 | \$ 290,312 | \$ 292,789 | \$ 315,105 |
| Payroll taxes | 23,498 | 22,662 | 20,603 | 20,646 | 22,921 |
| Employee benefits | 154,317 | 127,185 | 123,417 | 128,131 | 134,490 |
| Total personal services | <u>517,396</u> | <u>466,527</u> | <u>434,332</u> | <u>441,566</u> | <u>472,516</u> |
| Supplies and materials | <u>38,396</u> | <u>32,481</u> | <u>33,655</u> | <u>30,893</u> | <u>28,467</u> |
| Other services and charges: | | | | | |
| Auditing services | 252,282 | 288,001 | 284,857 | 306,893 | 281,922 |
| Auto and travel | 3,639 | 3,748 | 3,442 | 1,148 | 678 |
| Insurance | 26,715 | 28,519 | 28,749 | 30,296 | 26,371 |
| Legal fees: | | | | | |
| Attorneys | 31,050 | 30,792 | 33,925 | 31,165 | 31,130 |
| Attorney fee revenue | - | - | - | - | - |
| Office machine rentals | 12,427 | 17,772 | 27,050 | 15,931 | 13,205 |
| Office rent | - | - | - | 47,167 | 47,168 |
| Other | 2,992 | 1,538 | 4,082 | 3,419 | 3,935 |
| Telephone | 4,868 | 4,928 | 5,074 | 5,162 | 5,483 |
| Total other services and charges | <u>333,973</u> | <u>375,298</u> | <u>387,179</u> | <u>441,181</u> | <u>409,892</u> |
| Repairs and maintenance | <u>7,691</u> | <u>5,775</u> | <u>6,248</u> | <u>4,739</u> | <u>5,371</u> |
| Lease expense | <u>47,160</u> | <u>47,160</u> | <u>47,160</u> | <u>-</u> | <u>-</u> |
| Capital expenditures | <u>10,469</u> | <u>-</u> | <u>16,065</u> | <u>-</u> | <u>-</u> |
| Total general government | <u>\$ 955,085</u> | <u>\$ 927,241</u> | <u>\$ 924,639</u> | <u>\$ 918,379</u> | <u>\$ 916,246</u> |

GOVERNMENTAL FUND EXPENDITURES**Terrebonne Parish Sales and Use Tax Department**
Houma, Louisiana

For the five years ended December 31, 2024



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

**Terrebonne Parish Sales and Use Tax Department
Houma, Louisiana**

For the year ended December 31, 2024

Agency Head: Brandi Fontenot, Director

Purpose

| | |
|--|--------------------------|
| Salary | \$ 93,442 |
| Benefits - insurance | 19,290 |
| Benefits - retirement | 7,190 |
| Benefits - other | - |
| Car allowance | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | 1,808 |
| Travel | - |
| Registration fees | 1,125 |
| Conference travel | 1,089 |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special Meals | - |
| | <hr/> |
| Total | <u><u>\$ 123,944</u></u> |

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 Sales and Use Tax Advisory Board,
Terrebonne Parish Sales and Use Tax Department,
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 governmental activities and each major fund of Terrebonne Parish Sales and Use Tax Department (the “Department”), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements and have issued our report thereon dated May 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Department internal control.

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

Our consideration of internal control over financial reporting 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 Department'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
May 20, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Sales and Use Tax Department Houma, Louisiana

For the year ended December 31, 2024

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

Terrebonne Parish Sales and Use Tax Department did not expend federal awards during the year ended December 31, 2024.

Section II - Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2024.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Sales and Use Tax Department Houma, Louisiana

For the year ended December 31, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2023.

No significant deficiencies were reported during the audit for the year ended December 31, 2023.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2023.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Sales and Use Tax Department did not expend federal awards during the year ended December 31, 2023.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Sales and Use Tax Department Houma, Louisiana

For the year ended December 31, 2024

Section I - Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2024.

No significant deficiencies were reported during the audit for the year ended December 31, 2024.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended December 31, 2024.

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Sales and Use Tax Department did not expend federal awards during the year ended December 31, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2024.