

**Terrebonne Levee and Conservation District
Houma, Louisiana**

Annual Financial Report

Year Ended June 30, 2025

Terrebonne Levee and Conservation District
Annual Financial Report
Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Terrebonne Levee and Conservation District
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and each major fund of the Terrebonne Levee and Conservation District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Terrebonne Levee and Conservation District as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

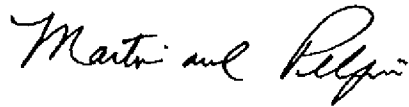
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 10, the Budgetary Comparison Schedules on pages 43 and 44, the Schedule of Employer's Share of Net Pension Liability on page 45, the Schedule of Employer Contributions on page 46, and the Schedule of Changes in Net OPEB Liability and Related Ratios 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Executive Director on page 48 and the Schedule of Expenditures of Federal Awards on pages 59 and 60, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the Executive Director and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Houma, Louisiana
March 2, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Discussion and Analysis
Year Ended June 30, 2025

This discussion and analysis of the Terrebonne Levee and Conservation District's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2025. Please read it in conjunction with the financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Position and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Fund Financial Statements (Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the Government-Wide statements by providing information about the most significant funds.

Our auditor has provided reasonable assurance in his Independent Auditor's report that the financial statements are fairly stated. With regards to the Required Supplementary Information and the Supplementary Information, the auditor is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the parts in the Annual Financial Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Terrebonne Levee and Conservation District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in them. You can think of net position—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base, sales and use taxes, and factors that affect grant funding.

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Discussion and Analysis
Year Ended June 30, 2025

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

Terrebonne Levee and Conservation District utilizes the governmental type of fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations on pages 17 and 18.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Net position of our governmental activities increased by \$131,811,104 or 29.00%.
- During the year, the District had governmental expenses of \$34,704,985 that were \$131,811,104 less than the \$166,516,089 generated in program and general revenues.
- The governmental funds reported total ending fund balance of \$28,917,028. This compared to the prior year ending fund balance of -\$5,765,346 results in an increase of \$34,682,374.

The Statement of Net Position and the Statement of Activities reports all transactions as governmental activities. All of the basic governmental services are reported as this type. Taxes, intergovernmental revenues, and grants finance most of these activities.

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Discussion and Analysis
Year Ended June 30, 2025

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Our analysis below focuses on the net position of the governmental-type activities.

Condensed Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 53,500,517	\$ 19,232,932	\$ 34,267,585	178.17%
Non-current assets, net	705,329,200	578,768,691	126,560,509	21.87%
Total assets	<u>758,829,717</u>	<u>598,001,623</u>	<u>160,828,094</u>	<u>26.89%</u>
Deferred outflows of resources	<u>7,849,991</u>	<u>8,832,760</u>	<u>(982,769)</u>	<u>-11.13%</u>
Current liabilities	30,516,429	27,690,165	2,826,264	10.21%
Non-current liabilities	143,206,494	118,087,605	25,118,889	21.27%
Total liabilities	<u>173,722,923</u>	<u>145,777,770</u>	<u>27,945,153</u>	<u>19.17%</u>
Deferred inflows of resources	<u>6,676,262</u>	<u>6,587,194</u>	<u>89,068</u>	<u>1.35%</u>
Net investment in capital assets	560,230,609	461,675,377	98,555,232	21.35%
Unrestricted	26,049,914	(7,205,958)	33,255,872	461.51%
Total net position	<u>\$ 586,280,523</u>	<u>\$ 454,469,419</u>	<u>\$ 131,811,104</u>	<u>29.00%</u>

The District's net position increased as a result of this year's operations. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—increased during the year. The balance in net position represents the accumulated results of all past years' operations.

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Discussion and Analysis
Year Ended June 30, 2025

FINANCIAL ANALYSIS AS A WHOLE (GWFS) (Cont.)

Our analysis below focuses on the changes in net position of the governmental-type activities.

Condensed Statement of Activities

	2025	2024	Dollar Change	Percent Change
Total program revenues	\$ 143,543,323	\$ 34,342,525	\$ 109,200,798	317.98%
Total program expenses	34,704,985	29,792,822	4,912,163	16.49%
Net program income	108,838,338	4,549,703	104,288,635	2292.21%
General revenues	22,972,766	24,845,543	(1,872,777)	-7.54%
Change in net position	131,811,104	29,395,246	102,415,858	348.41%
Net position:				
Beginning of the year	454,469,419	425,074,173	29,395,246	6.92%
End of the year	<u>\$ 586,280,523</u>	<u>\$ 454,469,419</u>	<u>\$ 131,811,104</u>	<u>29.00%</u>

The amount spent on programs related to operating the District's office increased by \$4,912,163. Total program revenues and general revenues increased by \$109,200,798 and decreased by \$1,872,777, respectively, from the prior year. The increase in expenses is mostly attributable to the increase in depreciation expense. The increase in revenues is due to the many capital outlay projects of the District, of which more funding was received during the year to pay for the related capital expenses.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Terrebonne Levee and Conservation District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund includes revenue and expenditures necessary to the operation of the District's office such as personnel, benefits, and operation and maintenance of facilities and vehicles. The General Fund reflected \$6,730,643 in total revenues, including \$5,318,982 in property taxes, \$945,228 in state grants, and \$466,433 in other revenues. The General Fund reflected \$712,829 in other financing uses. Total current expenditures were \$5,133,749. Total capital outlay was \$1,373,044. Total debt service was \$473,103. After a \$962,082 deficiency of expenditures and other financing uses over revenues for the year, the ending fund balance was \$725,916.

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Discussion and Analysis
Year Ended June 30, 2025

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS) (Cont.)

The Morganza to the Gulf Fund includes revenue and expenditures necessary to the operation of the District's Morganza to the Gulf Hurricane Protection Project. The fund reflected \$159,935,861 in total revenues, including \$19,155,685 in state grants, \$16,952,879 in sales taxes, \$122,652,410 in federal grant revenues, and \$1,174,887 in other revenues. The fund also reflected receipt of \$33,000,000 in bond proceeds for the issuance of Hurricane Recovery Revenue Bonds, Series 2024A and Series 2024B. The fund reflected \$8,063,212 in other financing uses (to pay for debt in the debt service fund). Total current expenditures were \$1,580,106. Total capital outlay was \$147,648,087. After a \$35,644,456 excess of revenues over expenditures and other financing uses for the year, the ending fund balance was \$28,191,110.

BUDGETARY HIGHLIGHTS

The District's annual budgets are adopted on a modified accrual basis of accounting excluding noncash items, such as depreciation. The District amended its General Fund budget once during the year. The District experienced a favorable revenue variance of \$296,643 (4.61%), and an unfavorable expenditure variance of \$165,468 (2.43%). The District amended its Morganza to the Gulf Fund budget once during the year. The District experienced a favorable revenue variance of \$741,530 (0.47%), and an unfavorable expenditure variance of \$6,681,935 (4.69%).

CAPITAL ASSETS

Capital assets include land, construction in progress, office building, equipment, furniture and fixtures, and hurricane and flood protection system infrastructure, recorded at historical cost of \$904,866,759. Accumulated depreciation as of June 30, 2025 is \$199,589,654 resulting in an ending book balance of \$705,277,105. Depreciation expense of \$22,229,292 was recorded for the year.

More detailed information about the capital assets is presented in the notes to financial statements. However, a summary of current and prior year capital assets follows:

	<u>2025</u>	<u>2024</u>
Land	\$ 537,961	\$ 537,961
Construction in progress	37,124	37,124
Office building	1,912,754	745,108
Equipment, furniture and fixtures	3,857,528	4,361,801
Hurricane and flood protection system infrastructure	<u>898,521,392</u>	<u>750,766,973</u>
Total capital assets	904,866,759	756,448,967
Less accumulated depreciation	<u>(199,589,654)</u>	<u>(177,813,287)</u>
Total capital assets, net	<u>\$ 705,277,105</u>	<u>\$ 578,635,680</u>

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Discussion and Analysis
Year Ended June 30, 2025

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Ms. Angela Hidalgo, NP, MBA, Executive Director
220 Clendenning Rd.
Houma, Louisiana 70363-5413
Phone number (985) 868-8523

FINANCIAL STATEMENTS

Terrebonne Levee and Conservation District
Houma, Louisiana
Statement of Net Position
June 30, 2025

Assets

Cash and cash equivalents	\$	30,117,529
Investments		2,378,254
Receivables		
Ad valorem taxes		206,756
Sales and use taxes		2,529,083
Other		10,582
Due from other government		18,139,069
Prepaid insurance		118,939
Security deposits		305
		53,500,517
Total current assets		
Lease right-of-use asset		52,095
Capital assets not being depreciated		575,085
Capital assets being depreciated, net		704,702,020
		705,329,200
Total non-current assets		
Total Assets		758,829,717
 Deferred Outflows of Resources		
Deferred refunding on bonds		7,042,951
Other post employment benefits		342,092
Pensions		464,948
		7,849,991
Total Deferred Outflows of Resources		7,849,991

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Statement of Net Position (Cont.)
June 30, 2025

Liabilities	
Accounts payable	\$ 13,892,769
Accrued expenses	1,769,577
Liability for work completed on contracts	1,990,191
Due to other governments	5,864,183
Bonds payable - current	6,935,000
Lease liability - current	64,709
Total current liabilities	30,516,429
Bonds payable - non-current	138,085,949
Compensated absences	213,818
Net pension liability	3,065,742
Other post employment benefit liability	1,828,052
Lease liability - non-current	12,933
Total non-current liabilities	143,206,494
Total Liabilities	173,722,923
Deferred Inflows of Resources	
Ad Valorem	2,686,516
Other post employment benefits	566,718
Pensions	379,085
Deferred refunding on bonds	3,043,943
Total Deferred Inflows of Resources	6,676,262
Net Position	
Net investment in capital assets	560,230,609
Unrestricted	26,049,914
Total Net Position	\$ 586,280,523

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Increase (Decrease) in Net Position
		Charges for Services	Federal Grants	Local / State Grants	
GOVERNMENTAL ACTIVITIES					
General government:					
Ad valorem deduction for pension	\$ 156,024	\$ -	\$ -	\$ -	\$ (156,024)
Ad valorem tax adjustment	54,049	-	-	-	(54,049)
Public safety:					
Salaries and related benefits	2,937,448	-	-	-	(2,937,448)
Repairs and maintenance	1,445,309	-	108,632,654	20,890,913	128,078,258
Professional services	1,096,115	-	-	-	(1,096,115)
Insurance	396,807	-	-	-	(396,807)
Miscellaneous	236,454	-	-	-	(236,454)
Fuel for heavy equipment	126,246	-	-	-	(126,246)
Disaster recovery	102,963	-	14,019,756	-	13,916,793
Travel and meals	95,088	-	-	-	(95,088)
Office and shop supplies	78,739	-	-	-	(78,739)
Interest and issuance costs	5,673,245	-	-	-	(5,673,245)
Depreciation	22,229,292	-	-	-	(22,229,292)
Amortization	77,206	-	-	-	(77,206)
TOTAL GOVERNMENTAL ACTIVITIES	\$34,704,985	\$ -	\$122,652,410	\$20,890,913	\$ 108,838,338
General Revenues:					
Ad valorem taxes				\$ 5,318,982	
Sales tax				16,952,879	
State revenue sharing				70,800	
Other				103,955	
Interest income				526,150	
Total General Revenues					22,972,766
Increase in Net Position					131,811,104
NET POSITION - BEGINNING OF YEAR					454,469,419
NET POSITION - END OF YEAR					\$ 586,280,523

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Total
Assets				
Cash and cash equivalents	\$ 1,539,786	\$ 28,577,741	\$ 2	\$ 30,117,529
Investments	2,364,414	13,840	-	2,378,254
Receivables				
Ad valorem taxes	206,756	-	-	206,756
Sales and use taxes	-	2,529,083	-	2,529,083
Due from other funds	-	218,518	-	218,518
Due from other government	-	18,139,069	-	18,139,069
Prepaid insurance	118,939	-	-	118,939
Security deposits	305	-	-	305
Total Assets	\$ 4,230,200	\$ 49,478,251	\$ 2	\$ 53,708,453
Liabilities				
Accounts payable	\$ -	\$ 13,892,769	\$ -	\$ 13,892,769
Accrued expenses	99,248	40,000	-	139,248
Retainage payable	2	1,990,189	-	1,990,191
Due to other funds	218,518	-	-	218,518
Due to other governments	500,000	5,364,183	-	5,864,183
Total Liabilities	817,768	21,287,141	-	22,104,909
Deferred Inflows of Resources				
Ad valorem	2,686,516	-	-	2,686,516
Fund Balance				
Restricted for debt service	718,550	-	2	718,552
Nonspendable	118,939	-	-	118,939
Unassigned	(111,573)	28,191,110	-	28,079,537
Total Fund Balance	725,916	28,191,110	2	28,917,028
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 4,230,200	\$ 49,478,251	\$ 2	\$ 53,708,453

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Governmental Funds
Year Ended June 30, 2025

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Total
Revenues				
Taxes:				
Ad valorem taxes	\$ 5,318,982	\$ -	\$ -	\$ 5,318,982
Sales and use taxes	-	14,296,522	-	14,296,522
Intergovernmental:				
RESTORE	-	108,632,654	-	108,632,654
FEMA	-	13,647,521	-	13,647,521
North Lafourche Levee District	-	290,000	-	290,000
South Lafourche Levee District	-	250,000	-	250,000
State of Louisiana:				
State reimbursement grants	945,228	19,155,685	-	20,100,913
State revenue sharing	70,800	-	-	70,800
LWCC dividend income	27,049	-	-	27,049
Terrebonne Parish Government:				
Sales tax	-	2,656,357	-	2,656,357
FEMA pass-through	-	372,235	-	372,235
Reach K	-	250,000	-	250,000
Miscellaneous:				
Investment earnings	192,721	333,429	-	526,150
Other	175,863	51,458	-	227,321
Total Revenues	6,730,643	159,935,861	-	166,666,504
Expenditures				
General government:				
Ad valorem deduction for pension	156,024	-	-	156,024
Ad valorem tax adjustment	54,049	-	-	54,049
Total general government	210,073	-	-	210,073
Public safety:				
Personnel services				
Salaries and related benefits	2,857,735	-	-	2,857,735
Supplies and materials:				
Office and shop supplies	78,739	-	-	78,739
Fuel for heavy equipment	126,246	-	-	126,246

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Governmental Funds (Cont.)
Year Ended June 30, 2025

	General Fund	Morganza to the Gulf Fund	Debt Service Fund	Total
Other services and charges:				
Professional services	217,712	878,403	-	1,096,115
Insurance	396,807	-	-	396,807
Disaster recovery	98,331	4,632	-	102,963
Travel and meals	95,088	-	-	95,088
Miscellaneous	115,063	121,391	-	236,454
Repairs and maintenance	937,955	575,680	-	1,513,635
Total public safety	<u>4,923,676</u>	<u>1,580,106</u>	<u>-</u>	<u>6,503,782</u>
Debt service:				
Bond issuance costs	-	-	301,675	301,675
Principal payments	-	-	4,650,000	4,650,000
Interest payments	473,103	-	3,824,366	4,297,469
Total debt service	<u>473,103</u>	<u>-</u>	<u>8,776,041</u>	<u>9,249,144</u>
Capital outlay				
General operations	1,266,712	-	-	1,266,712
Hurricane and flood protection	106,332	147,648,087	-	147,754,419
Total capital outlay	<u>1,373,044</u>	<u>147,648,087</u>	<u>-</u>	<u>149,021,131</u>
Total Expenses	<u>6,979,896</u>	<u>149,228,193</u>	<u>8,776,041</u>	<u>164,984,130</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(249,253)</u>	<u>10,707,668</u>	<u>(8,776,041)</u>	<u>1,682,374</u>
Other Financing Sources (Uses)				
Bond proceeds	-	33,000,000	-	33,000,000
Transfers in	-	-	8,776,041	8,776,041
Transfers out	(712,829)	(8,063,212)	-	(8,776,041)
Total Other Financing Sources (Uses)	<u>(712,829)</u>	<u>24,936,788</u>	<u>8,776,041</u>	<u>33,000,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) over Expenditures	<u>(962,082)</u>	<u>35,644,456</u>	<u>-</u>	<u>34,682,374</u>
FUND BALANCES				
Beginning of year	1,687,998	(7,453,346)	2	(5,765,346)
End of year	<u>\$ 725,916</u>	<u>\$28,191,110</u>	<u>\$ 2</u>	<u>\$28,917,028</u>

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Fund balances - governmental funds	\$	28,917,028
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets of \$904,866,759, net of accumulated depreciation of \$199,589,654 are not financial resources and, therefore, are not reported in the governmental funds.</p>		705,277,105
<p>Lease assets of \$410,209, net of accumulated amortization of \$358,114 are not financial resources and, therefore, are not reported in the governmental funds.</p>		52,095
<p>Deferred outflows of resources related to net pension liability, bonds, and OPEB liabilities are not available resources, and therefore, are not reported in the funds.</p>		7,849,991
<p>Other assets used in governmental activities are not financial and, therefore, are not reported in the governmental funds.</p> <p style="padding-left: 20px;">Accrued interest receivable</p>		10,582
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Accrued interest expense		(1,630,329)
Lease liability		(77,642)
Bonds payable		(145,020,949)
Other postemployment benefit obligation		(1,828,052)
Net pension liability		(3,065,742)
Compensated absences payable		(213,818)
<p>Deferred inflows of resources related to pension benefits, other post-employment benefits and bonds are not payable from current expendable resources, and therefore, are not reported in the funds.</p>		(3,989,746)
Net position of governmental activities	\$	<u>586,280,523</u>

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Reconciliation of the Statement of Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances to the
Statement of Activities
Year Ended June 30, 2025

Net change in fund balances - governmental funds	\$ 34,682,374
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, where in the statement of activities, these costs are depreciated over their estimated useful lives.	
Depreciation expense	(22,229,292)
Capital outlays	149,021,131
The net effect of various miscellaneous transactions involving leases decrease net position.	
Amortization expense	77,206
Principal payments	68,326
Governmental funds report note payable proceeds as financing sources, where in the Statement of Activities, such proceeds are not reflected.	
	(33,000,000)
Governmental funds report payments of note payable as expenses, where in the Statement of Activities, such payments are presented as a reduction in liabilities.	
	4,650,000
Governmental funds recognize proceeds from the sale of capital assets as income, where in the Statement of Activities, these proceeds are reduced by remaining book value to present a gain or loss on disposition.	
	(150,414)
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability and OPEB liability.	
	(199,647)
Certain expenses reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Amortization of bond premiums	289,354
Amortization of deferred outflows of resources - bonds	(503,068)
Amortization of deferred inflows of resources - bonds	217,424
Accrued interest expense	(1,074,102)
Compensated absences	(38,188)
Change in net position of government activities	\$ 131,811,104

See accompanying notes.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Introduction

The Terrebonne Levee and Conservation District (the District) was created on July 1, 1997 by enactment of House Bill No. 1396 Regular Session as a political subdivision of the State of Louisiana. The District consists of all lands in Terrebonne Parish. The District is governed by a board of directors appointed by the Governor from a list of nominees submitted by local state legislators, local government officials and civic groups. The primary duty of the board is to establish, construct, operate and maintain flood control works as they relate to hurricane protection, tidewater flooding, saltwater intrusion and conservation. Because of fiscal interdependency, the District is a component unit of the Terrebonne Parish Consolidated Government and, as such, these financial statements will be included in the annual comprehensive financial report of the Parish for the year ended December 31, 2025.

The financial statements of the Terrebonne Levee and Conservation District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board 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

A. Financial Reporting Entity

The accompanying financial statements present information only on the funds maintained by the Terrebonne Levee and Conservation District.

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

B. Basis of Presentation

GASB Statements establish standards for external financial reporting for all state and local governmental entities which includes a statement of net position and a statement of activities. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

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

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Cont.)

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

Unrestricted – This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

Nonspendable – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

Restricted – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Directors must vote on commitments.

Assigned – This component of fund balance is intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Directors can vote on applicable assigned amounts.

Unassigned – This component of fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Stabilization Funds – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Cont.)

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in commitment or assignment actions.

The District's basic financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

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

Fund Financial Statements:

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

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted and reported in the Debt Service Fund or the Morganza to the Gulf Fund.

Morganza to the Gulf Fund – The Morganza to the Gulf Fund is used to account for and report the proceeds from bonds, drawdowns of a dedicated ¼% sales tax from the Parish, a dedicated ½% sales tax levied by the District, and expenditures for the Morganza to the Gulf Hurricane Protection Project. The purpose of the fund is for the construction and maintenance of a hurricane protection system. Sales tax and drawdowns from the Parish are legally restricted to expenditures for the Morganza to the Gulf Hurricane Protection Project. The fund is a capital projects fund and is reported as a major fund.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for debt principal, interest and related costs. The Debt Service Fund is reported as a major fund.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Cont.)

C. Measurement Focus/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.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

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 year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue-sharing (intergovernmental revenue) are recognized as revenue in the year levied.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Cont.)

Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District 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. Allocations of cost such as depreciation are not recognized in the governmental funds.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. Annual budgets are also adopted for the Morganza to the Gulf fund and the debt service fund. All annual appropriations lapse at fiscal year-end. Formal budgetary integration is employed as part of the accounting system, and the budget is amended by supplemental appropriations as needed to comply with State law.

E. Cash and Cash Equivalents

The District considers all highly liquid investments purchased with an initial maturity of ninety days or less to be cash equivalents.

F. Bad Debts

The financial statements of the District contain no allowance for bad debts. Uncollectible amounts 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 District.

G. Capital Assets

The accounting treatment over capital assets depends on whether the assets are reported in the government-wide or fund 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 acquisition 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.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Cont.)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

<u>Category</u>	<u>Life</u>
Hurricane protection infrastructure	40 years
Office building	40 years
Equipment, furniture and fixtures	5 - 20 years

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. Interfund Transactions

Interfund transactions are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

I. Compensated Absences

Employees of the District accumulate an unlimited amount of annual and sick leave at varying rates based upon years of service. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's rate of pay at the time of termination.

Upon retirement, annual leave in excess of 300 hours and unused sick leave is credited as earned service in computing retirement benefits. The cost of leave privileges is computed in accordance with GASB Codification Section C60. The District records accrued leave on the government-wide financial statements. The liability is measured using the employees' current pay rates at June 30, 2025 and estimates of future leave usage based on historical data and current employment practices. As of June 30, 2025, the District accrued \$213,818 of compensated absences payable, an increase of \$38,188 from the prior year.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Cont.)

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 Louisiana State Employees' Retirement System (LASERS), 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 reported at fair value.

L. Recent Pronouncements

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the District's financial report:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This standard is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This standard is effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The effect of implementation on the District's financial statements has not yet been determined.

Note 2 – Deposits and Investments

Deposits:

Under state law, the Commission may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another State of the Union, or the laws of the United States Treasury.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Deposits and Investments (Cont.)

State law requires that deposits (cash and certificates of 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 subdivisions. The year end balances of the District's deposits are as follows:

	Bank Balance	Reported Amount
Cash and cash equivalents	\$ 30,528,293	\$ 30,117,529

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial credit risk. As of June 30, 2025, \$28,867,243 of the District's bank balances were exposed to credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Cash was adequately collateralized in accordance with State law by securities held by unaffiliated banks for the accounts of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities 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.

Investments:

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

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

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent person rule. The District's investment policy limits investments to those discussed earlier in this note.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Deposits and Investments (Cont.)

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

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

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

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

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but are not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for US Government floating/variable rate investments. The WAM for LAMP's total investments is 55 days as of June 30, 2025.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. Investments in LAMP as of June 30, 2025 amounted to \$2,378,254 and are classified on the Statement of Net Position as "Investments".

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 2 – Deposits and Investments (Cont.)

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Note 3 – Capital Assets

For the year ended June 30, 2025, depreciation expense on the District's capital assets amounted to \$22,229,292.

A summary of changes in capital assets follows:

Governmental Activities	Balance as of 06/30/24	Additions	Deletions	Balance as of 06/30/25
Capital assets not being depreciated				
Land	\$ 537,961	\$ -	\$ -	\$ 537,961
Construction in progress	37,124	-	-	37,124
	<u>575,085</u>	<u>-</u>	<u>-</u>	<u>575,085</u>
Capital assets being depreciated				
Hurricane and flood protection system infrastructure	750,766,973	147,754,419	-	898,521,392
Office building	745,108	1,167,646	-	1,912,754
Equipment, furniture and fixtures	4,361,801	99,066	(603,339)	3,857,528
	<u>755,873,882</u>	<u>149,021,131</u>	<u>(603,339)</u>	<u>904,291,674</u>
Less: Accumulated depreciation				
Hurricane and flood protection system infrastructure	(174,487,364)	(21,857,712)	-	(196,345,076)
Office building	(201,589)	(31,379)	-	(232,968)
Equipment, furniture and fixtures	(3,124,334)	(340,201)	452,925	(3,011,610)
	<u>(177,813,287)</u>	<u>(22,229,292)</u>	<u>452,925</u>	<u>(199,589,654)</u>
Total capital assets, net of accumulated depreciation	<u>\$578,635,680</u>	<u>\$126,791,839</u>	<u>\$(150,414)</u>	<u>\$705,277,105</u>

Note 4 – Property Taxes

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise, and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of 2024. Taxes are due and payable December 31, with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended June 30, 2025 was \$4.89 per \$1,000 of assessed valuation on property within Terrebonne Levee and Conservation District for the purpose of acquiring, constructing, maintaining and operating hurricane protection facilities within the District.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 4 – Property Taxes (Cont.)

As indicated in Note 1, taxes levied November 1, 2024 are used to fund expenditures in calendar year 2025, therefore, one half of the 2024 tax levy is recognized as revenues in the fiscal year ended June 30, 2025 and one half in the year ending June 30, 2026. The one half of the 2024 tax levy and related state revenue sharing to be recognized as revenues in the fiscal year ending June 30, 2025 amounted to \$2,686,516 and is reported as deferred inflows of resources in the General Fund as of June 30, 2025.

Note 5 – Due To and From Other Governmental Units

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

	Morganza to the Gulf Fund
State of Louisiana:	
Coastal Protection and Restoration Authority	\$ 12,762,821
Federal Emergency Management Agency	5,376,248
Totals	\$ 18,139,069

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

	General Fund	Morganza to the Gulf Fund
State of Louisiana:		
Coastal Protection and Restoration Authority	\$ 500,000	\$ 5,364,183

The amount due to the State of Louisiana from the General Fund is for a short-term loan from the Louisiana State Coastal Protection and Restoration Authority for assistance in meeting expenditures incurred during the 2011 High River Flood Threat. The loan was for \$500,000, non-interest bearing and is due upon demand.

The District received \$10,551,000 in reimbursements from the Louisiana State Coastal Protection and Restoration Authority for assistance in meeting expenditures incurred in response to Hurricane Ida. The District has agreed to pay the Louisiana State Coastal Protection and Restoration Authority back any funds collected from the Federal Emergency Management Agency (FEMA) for those same expenditures. As of June 30, 2025, the District has received \$5,197,540 from FEMA for these expenditures and has repaid \$5,186,817 to CPRA, leaving a liability of \$5,364,183 still owed to CPRA.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 6 – Lease Commitments

The District entered into a lease with a financing company for equipment. The lease term began on May 13, 2021 and covers 60 months with payments of \$3,507 due monthly. The lease interest rate is approximated at the incremental borrowing rate of 4%. Lease expense for the excavator was \$43,630 for the year ended June 30, 2025.

The District entered into a second lease with a financing company for equipment. The lease term began on November 1, 2021 and covers 60 months with payments of \$2,695 due monthly. The lease interest rate is approximated at the incremental borrowing rate of 4%. Lease expense for the tractor was \$33,937 for the year ended June 30, 2025.

The District entered into a lease with a financing company for equipment. The lease term began on August 24, 2022 and covers 24 months with payments of \$38,954 due annually. The lease interest rate is approximated at the incremental borrowing rate of 4%. Lease expense for the tractor was \$3,349 for the year ended June 30, 2025.

The following tables set forth supplemental statement of net position information related to leases as of June 30, 2025:

Lease right-of-use asset	\$	410,209
Accumulated amortization		<u>(358,114)</u>
Lease right-of-use asset, net		<u>52,095</u>
Current portion	\$	64,709
Long-term		<u>12,933</u>
Total finance lease obligation	\$	<u>77,642</u>

The weighted-average remaining lease term in year as of June 30, 2025 is 1.01 years.

The weighted average of the interest rate as of June 30, 2025 is 4.0%.

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

Fiscal year ending June 30, 2026	\$	74,419
Fiscal year ending June 30, 2027		<u>13,472</u>
Total minimum lease payments		87,891
Less amount representing interest		<u>(8,849)</u>
Present value of capital lease obligation		79,042
Less: current maturities		<u>(64,709)</u>
	\$	<u>14,333</u>

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 7 – Long-term Obligations

In response to Hurricane Ida, the District issued \$26,495,000 of Hurricane Recovery Revenue Bonds, Series 2022 on March 28, 2022. The bonds were issued with a maturity date of March 1, 2035, with principal due March 1st beginning on March 1, 2026 and interest due March 1st and September 1st beginning September 1, 2022. The bonds carry an interest rate of 3.75% and are secured by and payable from a pledge of reimbursements from private insurance and grant funding from the Federal Emergency Management Agency (FEMA), and all other funds or revenues received or to be received by the District to the extent legally available for the payment of the principal and interest on the bonds, provided that no such funds or revenues shall be so included which have been or are in the future legally dedicated and required for purposes inconsistent therewith by the electorate, by the terms of specific grants, by the terms of existing obligations previously issued or to be issued, or by operation of law. The bonds call for an initial funding construction draw of \$19,495,000 and a secondary supplemental draw of \$7,000,000 on January 1, 2023. The bond discount totaled \$1,242,509 and the bond costs totaled \$252,491.

On May 1, 2021, the District, in connection with the sole bank bondholder, issued \$3,500,000 of Revenue Bonds Series-2019 (replacement bonds), with an average yield of 2.65% to currently replace and call \$3,500,000 Revenue Bonds Series-2019 held by the sole bank bondholder with an average rate of 3.50%. The non-cash replacement transaction is accounted for and reported as a call and current refunding. The refunding was undertaken to obtain lower interest rates. The bonds have a balance of \$700,000 as of June 30, 2025.

On September 9, 2020, the District issued \$103,595,000 of Revenue Bonds Series- 2020A, \$85,845,000 with a June 2035 maturity date and interest rate of 3.1%, and 2020B, \$17,750,000 with a June 2041 maturity date and interest rate of 4.0%, with an average yield of 2.58%, and 2.86%, respectively, to advance refund \$74,810,000 of outstanding public improvement bonds and to currently refund and call \$9,990,000 Series 2017 Revenue Bonds with an average rate of 4.78% and 2.55%, respectively and issue \$10,035,827 of additional bonds. The net proceeds of \$104,822,267 (includes bond premium of \$2,551,035 and deductions for underwriters' discount of \$776,963 and \$546,806 of other issuance costs) were used as follows: \$84,748,322 of the net proceeds were used to purchase U.S. government securities to provide for the future debt service payments of \$84,748,322 of the Series 2013 Bonds as of the July 1, 2023 call date or \$113,355,312 as of maturity in 2038 and debt service payments of \$10,038,118 of the Series 2017 Bonds as of the 2020 call date or \$13,643,767 as of maturity in 2040. The U.S. government securities purchased with the proceeds of the Series 2020A Bonds were deposited into an irrevocable trust with an escrow agent. As a result, the Series 2020A bonds are considered to be defeased and the liability for those bonds were removed from the Statement of Net Position. The Series 2020B Bonds were called September 9, 2020 and the liability for those bonds were removed from the Statement of Net Position.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 7 – Long-term Obligations (Cont.)

The advance refunding of the public improvement bonds and the current refunding of Series 2017 Revenue Bonds resulted in a difference, \$9,986,441, between the reacquisition price, \$94,786,441, and the net carrying amount of the old debt, \$84,800,000. This difference was reported in the financial statements as a deferred outflows of resources from refunding of bonds payable, will be charged to operations through the year 2041 using the effective-interest method. After considering amortization, the deferred outflow balance is \$7,042,951 as of June 30, 2025.

On August 22, 2023, the District issued \$14,550,000 of Series 2023 Sales Tax Revenue Refunding Bonds with an average coupon of 4.6%, average life of 10.7 years, and maturing date of June 1, 2039 to advance refund \$17,435,000 of outstanding Series 2020A Sales Tax Revenue Refunding Bonds with an average coupon of 2.8% and average life of 9.9 years. The refunding resulted in a net present value savings of \$511,337. The net proceeds from the refunding of \$15,616,674 (bond proceeds of \$14,550,000 and net bond premium/discount of \$1,066,674) were used to provide for future debt service payments of \$17,435,000 on the Series 2020A Sales Tax Revenue Refunding Bonds as of the call date June 1, 2024 or as of maturity date of June 1, 2039 less the redemption premium of \$2,412,118, to pay accrued interest on the bonds of \$102,674, and to pay for underwriter and other costs. The U.S. Government securities purchased with the proceeds from the 2023 Sales Tax Revenue Refunding Bonds are now considered defeased and the liability for those bonds was removed from the Statement of Net Position as of June 30, 2024. The refunding resulted in a difference of \$3,478,792 between the acquisition price and the net carrying amount of the old debt. The difference has been reported as a deferred inflow and will be charged to operations through 2039 using the effective interest method. After considering amortization, the deferred inflow has a balance of \$3,043,943 as of June 30, 2025.

On December 23, 2024, the District issued \$28,000,000 of Hurricane Recovery Revenue Bonds, Series 2024A, with an average coupon of 6%, average life of 25 years, maturing March 1, 2050. As no principal payments are due until 2027, the full \$28,000,000 has been reported as a long term liability on the Statement of Net Position.

On December 23, 2024, the District issued \$5,000,000 of Hurricane Recovery Revenue Bonds, Series 2024B, with an average coupon of 6%, average life of 25 years, maturing March 1, 2050. As no principal payments are due until 2027, the full \$5,000,000 has been reported as a long term liability on the Statement of Net Position.

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

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 7 – Long-term Obligations (Cont.)

	<u>Payable at July 1, 2024</u>	<u>Obligations Retired</u>	<u>New Issues</u>	<u>Payable at June 30, 2025</u>
Series 2019 revenue bonds replacement bonds	\$ 1,400,000	\$ 700,000	\$ -	\$ 700,000
Public improvement sales tax refunding bonds, series 2020A	52,425,000	3,950,000	-	48,475,000
Public improvement sales tax refunding bonds, series 2020B	17,750,000	-	-	17,750,000
Hurricane recovery revenue bonds, series 2022	26,495,000	-	-	26,495,000
Sales tax revenue refunding bonds, series 2023	14,550,000	-	-	14,550,000
Hurricane recovery revenue bonds, series 2024A	-	-	28,000,000	28,000,000
Hurricane recovery revenue bonds, series 2024B	-	-	5,000,000	5,000,000
	<u>112,620,000</u>	<u>4,650,000</u>	<u>33,000,000</u>	<u>140,970,000</u>
Unamortized bond premium	4,340,303	289,354	-	4,050,949
	<u>\$ 116,960,303</u>	<u>\$ 4,939,354</u>	<u>\$ 33,000,000</u>	<u>\$ 145,020,949</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2025 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 6,935,000	\$ 5,316,106	\$ 12,251,106
2027	7,420,000	5,142,138	12,562,138
2028	7,585,000	4,937,602	12,522,602
2029	7,790,000	4,715,829	12,505,829
2030	7,780,000	4,482,576	12,262,576
2031-2035	43,605,000	17,824,852	61,429,852
2036-2040	34,835,000	10,401,320	45,236,320
2041-2045	14,555,000	4,251,600	18,806,600
2046-2050	10,465,000	1,671,150	12,136,150
	<u>\$ 140,970,000</u>	<u>\$ 58,743,173</u>	<u>\$ 199,713,173</u>

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Pension and Retirement Plans

Plan Description. Employees of the District are provided with pensions through a cost sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to the LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided. LASERS provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.5% to 3.5% of the average compensation multiplied by the years of creditable service. Members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of service or at age 55 after completing 10 years of service. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing 5 years of service and those hired on or after July 1, 2015 may retire at age 62 upon completing 5 years of service. Additionally, members may choose to retire with 20 years of service at any age with an actuarially reduced benefit. The State legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). 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 DROP participation, accumulated benefits that would have been paid are separately tracked in the participant's DROP account. When participation in DROP ends, the participant must choose among available alternatives for distribution of benefits accumulated in the DROP account. The election to participate in DROP is irrevocable once participation begins. Members with 10 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 compensation and the dependent's relationship to the deceased member. LASERS provides permanent benefit increases, and cost of living adjustments (COLA) as approved by the State legislature.

Contributions. The employer contribution rate for all employees is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Contribution requirements of active employees, 7.5% if hired before July 1, 2006 and 8% if hired after June 30, 2006, are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401). The District's contractually required composite contribution rate for the year ended June 30, 2024 was 34.75% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the District were \$443,518 for the year ended June 30, 2025.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Pension and Retirement Plans (Cont.)

Pension Liabilities. As of June 30, 2025, the District reported a liability of \$3,065,742 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2024, the District's proportion was 0.056370% which was a decrease of 0.004790% from its proportion measured as of June 30, 2023.

Pension Expense. For the year ended June 30, 2025, the District recognized a pension expense of \$314,950.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,559
Changes in assumptions	21,430	-
Changes in proportion	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	365,526
Employer contributions subsequent to the measurement date	443,518	-
Total Deferred Outflows and Inflows	\$ 464,948	\$ 379,085

The District reported \$443,518 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	
2026	\$ (219,809)
2027	94,442
2028	(140,878)
2029	(91,410)
Total	\$ (357,655)

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Pension and Retirement Plans (Cont.)

Actuarial Assumptions. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Returns	7.25% per annum, net of investment expenses
Inflation Rate	2.4% per annum
Mortality	Non-disabled members - The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected on a five year (2019 - 2023) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2019 - 2023 experience study of the System's members. The salary increase ranges from 3.3% to 14.0% for regular members.
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 projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees and they were deemed not to be substantively automatic.

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Pension and Retirement Plans (Cont.)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% and an adjustment for the effect of rebalancing/diversification. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Cash	0.76%
Domestic Equity	4.29%
International Equity	5.22%
Domestic Fixed Income	2.04%
International Fixed Income	5.24%
Alternative Investments	8.19%
Total Fund	5.61%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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 District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The table on the next page presents the District's proportionate share of the collective net pension liability using the discount rate of 7.25%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 8 – Pension and Retirement Plans (Cont.)

	Changes in Discount Rate:		
		Current	
	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 4,233,708	\$ 3,065,742	\$ 2,073,238

Payables to the pension plan. The District accrued liabilities to LASERS for the year ended June 30, 2025, primarily due to the accrual for payroll at the end of the fiscal year. The amounts due are included the amounts reported as accrued expenses. The balance due to the Louisiana State Employees' Retirement System as of June 30, 2025 is \$41,256.

Note 9 – Other Post-Employment Benefits

Plan Description. The Terrebonne Levee & Conservation District (the District) provides certain continuing health care and life insurance benefits for its retired employees. The Terrebonne Levee & Conservation District's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided. Benefits are provided through comprehensive plans and are made available to employees upon actual retirement. Employees are covered by the Louisiana State Employees' Retirement System (LASERS), whose retirement eligibility (DROP entry) provisions are as follows: Attainment of age 60 and 10 years of service; or, age 55 and 25 years of service; or, any age and 30 years of service; employees hired after July 1, 2006 and on or Before June 30, 2015 are not able to retire or enter DROP until age 60 with 5 years of service; or hired thereafter, age 62 with 5 years of service.

Life insurance coverage is provided to retirees and 50% of the unblended rate is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

Employees Covered by Benefit Terms. As of June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	20
Total	24

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 9 – Other Post-Employment Benefits (Cont.)

The District's total OPEB liability of \$1,828,052 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024.

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2025
Actuarial valuation date	July 1, 2024
Inflation	2.50%
Salary increases, including inflation	13.9% first year after hire, decreasing to an ultimate rate of 3.26% at 19 years of
Discount rate	5.20%
Healthcare cost trend rates	6.0% until 2026, then 5.6% in 2027 decreasing to 4.04% by 2075.

The discount rate was based on the average of the Bond Buyers' 20 Year General Bond Obligation Index as of June 30, 2025.

Mortality rates were based on the PubG-2010 with adjustments.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of ongoing evaluations of the assumptions through July 1, 2024.

Changes in the Total OPEB Liability

Service cost	\$ 117,628
Interest cost	85,673
Changes in assumptions/inputs	(422,200)
Difference between expected and actual experience	-
Benefit payments and net transfers	<u>(30,516)</u>
Net change in total OPEB liability	(249,415)
Total OPEB liability - beginning of year	<u>2,077,467</u>
Total OPEB liability - end of year	<u>\$ 1,828,052</u>

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 9 – Other Post-Employment Benefits (Cont.)

Sensitivity to the Total OPEB Liability to Changes in the Health Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or higher (6.20%) than the current discount rate.

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	\$ 2,149,645	\$ 1,828,052	\$ 1,571,516

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or higher (7.00%) than healthcare cost trend rates.

	1% Decrease 5.00%	Current Health Cost Trend 6.00%	1% Increase 7.00%
Total OPEB Liability	\$ 1,533,126	\$ 1,828,052	\$ 2,206,645

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

For the year ended June 30, 2025, the District recognized OPEB benefit of \$30,516. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and experience	\$ 296,703	\$ 39,139
Changes in assumptions	45,389	527,579
Total Deferred Outflows and Inflows	\$ 342,092	\$ 566,718

Total OPEB Liability

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

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 9 – Other Post-Employment Benefits (Cont.)

Year	
2026	\$ (44,898)
2027	(44,898)
2028	(44,899)
2029	(33,782)
2030	(63,259)
Thereafter	7,110
Total	\$ (224,626)

Note 10 – Risk and Insurance

The District is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

Note 11 – Contingencies

The District is named as a defendant in legal claims arising in the ordinary course of operations. In the opinion of management, the ultimate resolution of these matters should not materially affect the financial statements of the District.

The District receives funding under grants from various federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

Note 12 – Compensation of Board Members

Per Diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal service expenditures of the General Fund. Board members are paid \$117.75 per day, to a maximum of 36 days per year, for board meetings and official business.

The following amounts were paid to board members for the year ended June 30, 2025:

Terrebonne Levee and Conservation District
Houma, Louisiana
Notes to Financial Statements
Year Ended June 30, 2025

Note 12 – Compensation of Board Members (Cont.)

Board Member	Number of Days	Per Diem
Anthony Alford, President*	20	\$ -
Tenner Cenac	19	2,237
Carl Chauvin	28	3,310
Dan Davis	22	2,591
Leward Henry	25	2,944
Jack Moore	25	2,944
Daniel Walker	19	2,237
Arlanda Williams	19	2,237
Jefferson Daisy	26	3,062
		\$ 21,562

* Anthony Alford waived his right to receive per diem.

Note 13 – Subsequent Events

Subsequent events were evaluated through March 2, 2026, which is the date the financial statements were available to be issued, and it was determined that no events occurred that require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Terrebonne Levee and Conservation District
Houma, Louisiana
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$4,750,000	\$5,250,000	\$5,318,982	\$ 68,982
State of Louisiana:				
State reimbursement grants	1,000,000	847,000	945,228	98,228
State revenue sharing	110,000	110,000	70,800	(39,200)
LWCC dividend income	30,000	27,000	27,049	49
Investment earnings	200,000	200,000	192,721	(7,279)
Other	1,000	-	175,863	175,863
Total Revenues	<u>6,091,000</u>	<u>6,434,000</u>	<u>6,730,643</u>	<u>296,643</u>
EXPENDITURES				
General government:				
Ad valorem deduction for pension	-	-	156,024	(156,024)
Ad valorem tax adjustment	-	-	54,049	(54,049)
Public safety:				
Personnel services				
Salaries and related benefits	2,833,325	2,743,425	2,857,735	(114,310)
Supplies and materials:				
Office and shop supplies	75,000	80,000	78,739	1,261
Fuel for heavy equipment	160,500	125,500	126,246	(746)
Other services and charges:				
Professional services	204,000	228,250	217,712	10,538
Insurance	550,000	500,000	396,807	103,193
Disaster recovery	-	98,500	98,331	169
Travel and meals	87,500	100,200	95,088	5,112
Miscellaneous	91,500	90,950	115,063	(24,113)
Repairs and maintenance	630,500	921,500	937,955	(16,455)
Debt service	-	473,103	473,103	-
Capital outlay	<u>1,940,000</u>	<u>1,453,000</u>	<u>1,373,044</u>	<u>79,956</u>
Total Expenditures	<u>6,572,325</u>	<u>6,814,428</u>	<u>6,979,896</u>	<u>(165,468)</u>
Excess (deficiency) of revenues over expenditures	(481,325)	(380,428)	(249,253)	131,175
OTHER FINANCING USES				
Transfers out	<u>(712,829)</u>	<u>(712,829)</u>	<u>(712,829)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Uses over Expenditures	(1,194,154)	(1,093,257)	(962,082)	131,175
FUND BALANCES				
Beginning of year	<u>1,687,998</u>	<u>1,687,998</u>	<u>1,687,998</u>	<u>-</u>
End of year	<u>\$ 493,844</u>	<u>\$ 594,741</u>	<u>\$ 725,916</u>	<u>\$ 131,175</u>

See Independent Auditor's Report.

Terrebonne Levee and Conservation District
Houma, Louisiana
Budgetary Comparison Schedule – Morganza to the Gulf Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Sales and use taxes	\$ 11,500,000	\$ 14,400,000	\$ 14,296,522	\$ (103,478)
Intergovernmental				
Federal				
RESTORE	155,475,000	107,570,324	108,632,654	1,062,330
FEMA	16,929,590	13,929,590	13,647,521	(282,069)
State of Louisiana:				
State reimbursement grants	19,965,576	19,521,604	19,155,685	(365,919)
Terrebonne Parish Government				
Sales tax	4,500,000	2,656,357	2,656,357	-
FEMA pass-through	-	-	372,235	372,235
Reach K	500,000	250,000	250,000	-
North Lafourche Levee District	290,000	290,000	290,000	-
South Lafourche Levee District	250,000	250,000	250,000	-
Investment earnings	75,000	275,000	333,429	58,429
Other	-	51,456	51,458	2
Total Revenues	<u>209,485,166</u>	<u>159,194,331</u>	<u>159,935,861</u>	<u>741,530</u>
EXPENDITURES				
Other services and charges:				
Professional services	680,000	1,053,300	878,403	174,897
Disaster recovery	-	4,500	4,632	(132)
Miscellaneous	209,500	119,000	121,391	(2,391)
Repairs and maintenance	505,000	670,000	575,680	94,320
Capital outlay	<u>196,295,451</u>	<u>140,699,458</u>	<u>147,648,087</u>	<u>(6,948,629)</u>
Total Expenditures	<u>197,689,951</u>	<u>142,546,258</u>	<u>149,228,193</u>	<u>(6,681,935)</u>
Excess (deficiency) of revenues over expenditures	11,795,215	16,648,073	10,707,668	(5,940,405)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	33,000,000	33,000,000	-
Transfers out (debt)	<u>(7,584,197)</u>	<u>(7,796,309)</u>	<u>(8,063,212)</u>	<u>(266,903)</u>
Total Other Financing Sources (Uses)	<u>(7,584,197)</u>	<u>25,203,691</u>	<u>24,936,788</u>	<u>(266,903)</u>
Excess of Revenues and Other Financing Sources (Uses) over Expenditures	4,211,018	41,851,764	35,644,456	(6,207,308)
FUND BALANCES				
Beginning of year	<u>(7,453,346)</u>	<u>(7,453,346)</u>	<u>(7,453,346)</u>	-
End of year	<u>\$ (3,242,328)</u>	<u>\$ 34,398,418</u>	<u>\$ 28,191,110</u>	<u>\$ (6,207,308)</u>

See Independent Auditor's Report.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Employer's Share of Net Pension Liability
Year Ended June 30, 2025

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2024	0.056370%	\$ 3,065,742	\$ 1,310,070	234.01%	74.60%
2023	0.051580%	3,452,656	1,245,795	277.14%	68.40%
2022	0.055020%	4,159,597	1,220,998	340.67%	63.70%
2021	0.052590%	2,894,486	1,057,410	273.73%	72.80%
2020	0.052610%	4,350,950	1,143,192	380.60%	58.00%
2019	0.050570%	3,663,463	985,675	371.67%	62.90%
2018	0.045520%	3,104,158	1,029,887	301.41%	64.30%
2017	0.047530%	3,345,556	1,077,258	310.56%	62.50%
2016	0.047130%	3,701,065	1,010,673	366.20%	57.70%
2015	0.043040%	2,927,574	943,939	310.14%	62.70%

See Independent Auditor's Report and Notes to Financial Statements.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Employer Contributions
Year Ended June 30, 2025

<u>Year</u>	<u>Statutorily Required Contributions</u>	<u>Contributions in Relation to Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2025	\$ 471,604	\$ 471,604	\$ -	\$ 1,276,678	36.94%
2024	483,487	483,487	-	1,310,070	36.91%
2023	503,301	503,301	-	1,245,795	40.40%
2022	493,684	493,684	-	1,220,998	40.43%
2021	506,169	506,169	-	1,073,232	47.16%
2020	465,279	465,279	-	1,143,192	40.70%
2019	373,571	373,571	-	985,675	37.90%
2018	390,327	390,327	-	1,029,887	37.90%
2017	385,658	385,658	-	1,077,258	35.80%
2016	375,970	375,970	-	1,010,673	37.20%

See Independent Auditor's Report and Notes to Financial Statements.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Changes in Net OPEB Liability and Related Ratios
Year Ended June 30, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Service cost	\$ 159,564	\$ 146,972	\$ 106,554	\$ 203,794	\$ 106,617	\$ 96,460	\$ 112,067	\$ 117,628
Interest cost	62,000	67,934	74,928	54,428	54,063	61,143	67,440	85,673
Changes in assumptions/inputs	(68,929)	98,343	297,237	1,093,922	(390,711)	(22,867)	(202,158)	(422,200)
Difference between expected and actual experience	(40,177)	95,354	(202,405)	(1,260,307)	(521,682)	(43,842)	379,042	-
Benefit payments and net transfers	(2,831)	(2,987)	(2,941)	(3,103)	(18,951)	(19,993)	(28,789)	(30,516)
Net change in total OPEB liability	109,627	405,616	273,373	88,734	(770,664)	70,901	327,602	(249,415)
Total OPEB liability - beginning of year	<u>1,572,278</u>	<u>1,681,905</u>	<u>2,087,521</u>	<u>2,360,894</u>	<u>2,449,628</u>	<u>1,678,964</u>	<u>1,749,865</u>	<u>2,077,467</u>
Total OPEB liability - end of year	<u>\$1,681,905</u>	<u>\$2,087,521</u>	<u>\$2,360,894</u>	<u>\$2,449,628</u>	<u>\$1,678,964</u>	<u>\$1,749,865</u>	<u>\$2,077,467</u>	<u>\$1,828,052</u>
Covered-employee payroll	<u>\$1,058,595</u>	<u>\$1,090,353</u>	<u>\$1,175,188</u>	<u>\$1,210,444</u>	<u>\$1,291,870</u>	<u>\$2,207,775</u>	<u>\$1,277,991</u>	<u>\$1,319,654</u>
Net OPEB liability as a percentage of covered-employee payroll	158.88%	191.45%	200.90%	202.37%	129.96%	79.26%	162.56%	138.53%
Notes to schedule:								
Changes of benefit terms:	None	None	None	None	None	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discount rate each period	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%	3.93%	5.20%

Notes to Schedule:

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

See Independent Auditor's Report and Notes to Financial Statements.

SUPPLEMENTARY INFORMATION

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to Executive Director
Year Ended June 30, 2025

Agency Head Name: Ms. Angela Hidalgo, Executive Director

Purpose	Ms. Angela Hidalgo
Salary	\$ 160,000
Longevity pay	2,400
Benefits - insurance	29,101
Benefits - vehicle allowance	13,800
Benefits - retirement	61,663
Reimbursements	2,116
Cell phone	1,300
Meals	-
Conference travel	-
Dues	-
Continuing professional education	-
Housing	-
Membership fees	-
Per diem	-
Registration fees	-
Unvouchered expenses	-
	\$ 270,380

This schedule is used to satisfy the reporting requirements of R.S. 24:513(A)(3).

**REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND UNIFORM GUIDANCE**

**Martin
and
Pellegrin**

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Houma, Louisiana 70360

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(A Professional Corporation)*

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Terrebonne Levee and Conservation District
Houma, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Terrebonne Levee and Conservation District (the District), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 2, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

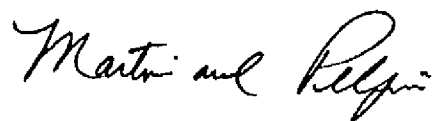
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Houma, Louisiana
March 2, 2026

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Terrebonne Levee and Conservation District.
2. One material weakness in internal control was noted during the audit of the financial statements.
3. No instances of noncompliance required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. One material weakness in internal control was noted during the audit of internal control over the major federal award programs.
5. The auditor’s report on compliance for the major federal award programs for the District expresses an unmodified opinion on the major federal programs.
6. One audit finding relative to the major federal award programs was required to be reported in accordance with 2 CFR 200.516(a).
7. The programs tested as major programs were the Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program, Assistance Listing Number 87.052, and Disaster Grants – Public Assistance, Assistance Listing Number 97.036.
8. The threshold used for distinguishing between Type A and B programs was \$3,000,000.
9. The District qualified as a low-risk auditee.
10. A management letter was not issued.
11. The District received and expended \$122,652,410 of federal funds during the year.

Section II – Financial Statement Findings

No findings related to the basic financial statements of the Terrebonne Levee and Conservation District were noted during the audit.

Section III – Internal Control and Compliance Findings

2025-001 – Material Weakness in Internal Control over Financial Reporting

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting. Internal controls should allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, material misstatements in the financial reporting of the District.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Findings and Questioned Costs (Cont.)
Year Ended June 30, 2025

Condition: There was a material audit adjustment for the year ended June 30, 2025 related to unrecorded activity, which was proposed to and accepted by management. The components of the financial statements impacted included cash, interest expense, bond issuance costs, and grant revenues.

Cause: During the year, the District opened various new bank accounts. Reconciling items related to such accounts were not posted to the books of record resulting in the misstatement of grant revenues, bond interest payments, bond issuance costs, and interest income.

Effect: The non-recording of such reconciling items resulted in material adjustments being necessary to present the financial statements as fairly stated.

Recommendation: The District should adopt procedures whereby all bank accounts are reconciled monthly and reconciling items, if any, are posted to the books of record prior to the closing of that period's books.

Management response: Management concurs with this finding and will implement controls to ensure that all bank activity is timely recorded.

Section IV – Findings and Questioned Costs – Major Federal Award Program Audit

2025-001 – Material Weakness in Internal Control over Financial Reporting

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting. Internal controls should allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, material misstatements in the financial reporting of the District.

Condition: There was a material audit adjustment for the year ended June 30, 2025 related to unrecorded activity, which was proposed to and accepted by management. The components of the financial statements impacted included cash, interest expense, bond issuance costs, and grant revenues.

Cause: During the year, the District opened various new bank accounts. Reconciling items related to such accounts were not posted to the books of record resulting in the misstatement of grant revenues, bond interest payments, bond issuance costs, and interest income.

Effect: The non-recording of such reconciling items resulted in material adjustments being necessary to present the financial statements as fairly stated.

Recommendation: The District should adopt procedures whereby all bank accounts are reconciled monthly and reconciling items, if any, are posted to the books of record prior to the closing of that period's books.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Findings and Questioned Costs (Cont.)
Year Ended June 30, 2025

Management response: Management concurs with this finding and will implement controls to ensure that all bank activity is timely recorded.

Federal award identification: This finding affects both major programs: Assistance Listing Number 97.036 – U.S. Department of Homeland Security – Pass-Through Program from Louisiana Office of Homeland Security and Emergency Preparedness: Disaster Grants – Public Assistance (Presidentially Declared Disasters), and Assistance Listing Number 87.052 – Gulf Coast Ecosystem Restoration Council – Pass-Through Program from Coastal Protection and Restoration Authority: Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program.

Questioned Costs: None.

Terrebonne Levee and Conservation District
Houma, Louisiana
Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2025

The contact person for all corrective actions noted below is Ms. Angela Hidalgo, NP, MBA, Executive Director.

Section I – Internal Control and Compliance

Condition: There was a material audit adjustment for the year ended June 30, 2025 related to unrecorded activity, which was proposed to and accepted by management. The components of the financial statements impacted included cash, interest expense, bond issuance costs, and grant revenues.

Recommendation: The District should adopt procedures whereby all bank accounts are reconciled monthly and reconciling items, if any, are posted to the books of record prior to the closing of that period's books.

Planned Action: Management concurs with this finding and will implement controls to ensure that all bank activity is timely recorded.

Section II – Internal Control and Compliance Material to Federal Awards

Condition: There was a material audit adjustment for the year ended June 30, 2025 related to unrecorded activity, which was proposed to and accepted by management. The components of the financial statements impacted included cash, interest expense, bond issuance costs, and grant revenues.

Recommendation: The District should adopt procedures whereby all bank accounts are reconciled monthly and reconciling items, if any, are posted to the books of record prior to the closing of that period's books.

Planned Action: Management concurs with this finding and will implement controls to ensure that all bank activity is timely recorded.

Section III – Management Letter

This section is not applicable.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Prior Findings and Resolution Matters
Year Ended June 30, 2025

Note: The prior findings all relate to the June 30, 2024 audit engagement.

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

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of Commissioners
Terrebonne Levee and Conservation District
Houma, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Terrebonne Levee and Conservation District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Terrebonne Levee and Conservation District's major federal programs for the year ended June 30, 2025. Terrebonne Levee and Conservation District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Terrebonne Levee and Conservation District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 (U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*) (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Terrebonne Levee and Conservation District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Terrebonne Levee and Conservation District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Terrebonne Levee and Conservation District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Terrebonne Levee and Conservation District's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Terrebonne Levee and Conservation District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Terrebonne Levee and Conservation District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Terrebonne Levee and Conservation District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Terrebonne Levee and Conservation District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 to be a material weakness.

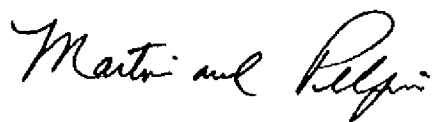
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Houma, Louisiana
March 2, 2026

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Project Number	Federal Expenditures
<u>U.S. Department of Homeland Security</u>			
<u>Pass-Through Program From</u>			
<u>Louisiana Office of Homeland</u>			
<u>Security and Emergency</u>			
<u>Preparedness:</u>			
Disaster Grants			
Public Assistance			
(Presidentially Declared			
Disasters)			
Hurricane Ida	97.036	FEMA-DR-4611-LA	\$ 11,298,660
Hurricane Francine	97.036	FEMA-DR-4817-LA	1,507,669
Hurricane Laura	97.036	FEMA-DR-4559-LA	781,243
Hurricane Zeta	97.036	FEMA-DR-4577-LA	58,241
Hurricane Delta	97.036	FEMA-DR-4570-LA	<u>1,708</u>
Subtotal Louisiana Office of Homeland Security and Emergency Preparedness			<u>13,647,521</u>
<u>Pass-Through Program From South</u>			
<u>Lafourche Levee District</u>			
Disaster Grants			
Public Assistance			
(Presidentially Declared			
Disasters)			
Hurricane Ida	97.036	FEMA-DR-4611-LA	<u>372,235</u>
Total U.S. Department of Homeland Security			<u>14,019,756</u>
<u>Gulf Coast Ecosystem Restoration Council</u>			
Pass-Through Program From			
Coastal Protection and			
Restoration Authority of Louisiana			
Gulf Coast Ecosystem			
Restoration Council Oil			
Spill Impact Program	87.052	O CPR-TE-113	<u>108,632,654</u>
Total Expenditures of Federal Awards			<u>\$122,652,410</u>

See Notes to the Schedule of Expenditures of Federal Awards.

Terrebonne Levee and Conservation District
Houma, Louisiana
Schedule of Expenditures of Federal Awards (Cont.)
Year Ended June 30, 2025

Notes to the Schedule of Expenditures of Federal Awards

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Terrebonne Levee and Conservation District and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Terrebonne Levee and Conservation District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Terrebonne Levee and Conservation District.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Terrebonne Levee and Conservation District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note D – Assistance Listing Numbers (ALN)

The Assistance Listing Numbers included in this report were determined based on the program name, review of grant contract information, and resources on the sam.gov website.

Note E – Passed through to Subrecipients

There were no awards passed through to subrecipients.

STATEWIDE AGREED-UPON PROCEDURES

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Terrebonne Levee and Conservation District
Houma, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Terrebonne Levee and Conservation District is responsible for those C/C areas identified in the SAUPs.

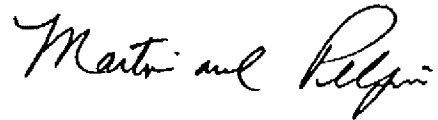
The Terrebonne Levee and Conservation District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described on pages 63-75.

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

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

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

A handwritten signature in black ink, appearing to read "Martini and Pelipin". The signature is written in a cursive, flowing style.

Houma, Louisiana
March 2, 2026

Terrebonne Levee and Conservation District
Schedule of Procedures and Associated Findings of the
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The required procedures and our findings are as follows:

Procedures performed on the Terrebonne Levee and Conservation District's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the Terrebonne Levee and Conservation District's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above with one exception.

Exceptions: We noted that the policy lacks a provision on how vendors are added to the vendor list.

Management's response: Management will consider adding such a provision to its purchasing policies.

c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue.

Performance: Obtained and read the written policy for receipts and found it to contain the requirements listed above with one exception.

Exceptions: We noted that the policy lacks a provision on management's actions in determining completeness of collections.

Management's response: Management will consider adding such a provision to its collection policies.

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

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- g) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to ethics and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the District has a written debt service policy including the above requirements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Requested the policy for information technology disaster recovery/business continuity.

Exceptions: The District does not have a written policy addressing the requirements listed above.

Management's response: Management indicated that they will adopt such policies.

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

Performance: Obtained and read written policy for prevention of sexual harassment and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Board or Finance Committee

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

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

Performance: Obtained the minutes of the meetings, taking note of the frequency of meetings.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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- b) Observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund.

Performance: Determined whether the minutes referenced or included monthly budget-to-actual comparisons.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the District did have a negative unassigned fund balance in its general fund per the prior year audit report. Reviewed minutes for a formal plan to eliminate the negative unassigned fund balance.

Exceptions: The minutes did not detail such a plan.

Management's response: Management has no formal plan to eliminate its negative unassigned fund balance.

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

Performance: Determined that there were no unresolved audit findings.

Bank Reconciliations

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

- a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date;
- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed, dated, or electronically logged);

Terrebonne Levee and Conservation District
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- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Performance: Determined that procedures under number 3 could be excluded as the District did not have any exceptions in the Bank Reconciliations category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:
 - a) Observe that receipts are sequentially pre-numbered.

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- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location.
- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Determined that procedures under numbers 4-7 could be excluded as the District did not have any exceptions in the Collections category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties, and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating accounts and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy:

Performance: Determined that procedures under numbers 8-11 could be excluded as the District did not have any exceptions in the Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases) category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, or electronically approved, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

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14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals.

Performance: Determined that procedures under numbers 12-14 could be excluded as the District did not have any exceptions in the Credit Cards / Debit Cards / Fuel Cards / Purchase Cards category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Determined that procedures under number 15 could be excluded as the District did not have any exceptions in the Travel and Travel-Related Expense Reimbursements (excluding card transactions) category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

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Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law.
 - c) If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Determined that procedures under number 16 could be excluded as the District did not have any exceptions in the Contracts category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the five employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave.
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any associated forms have been filed, by required deadlines.

Performance: Determined that procedures under numbers 17-20 could be excluded as the District did not have any exceptions in the Payroll and Personnel category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Ethics

21. Using the five employees from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b) Observe that the entity maintains documentation which demonstrates that each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Performance: Determined that procedures under numbers 21-22 could be excluded as the District did not have any exceptions in the Ethics category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

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Performance: Determined that procedures under numbers 21-22 could be excluded as the District did not have any exceptions in the Debt Service category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Fraud Notice

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

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

Performance: Determined that procedures under numbers 25-26 could be excluded as the District did not have any exceptions in the Fraud Notice category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week, was not stored on the government's local server or network, and was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Terrebonne Levee and Conservation District
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29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Performance: Determined that procedures under numbers 21-22 could be excluded as the District did not have any exceptions in the Information Technology Disaster Recovery/Business Continuity category in Year 1 (June 30, 2024), and were thereby exempt in Year 2 (June 30, 2025).

Prevention of Sexual Harassment

30. Using the five randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Determined that the five employees selected in the payroll and personnel section completed at least one hour of sexual harassment training.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.

Performance: Reviewed the District's website to determine if its sexual harassment policy is posted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

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- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Performance: Obtained the District's annual sexual harassment report, noting that it met the applicable requirements of R.S. 42:344.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.