

Financial Report

Terrebonne Parish Recreation District No. 9
Houma, Louisiana

December 31, 2024

Financial Report

Terrebonne Parish Recreation District No. 9
Houma, Louisiana

December 31, 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Houma, Louisiana.

Opinion

We have audited the accompanying financial statements of the governmental activities and General Fund of Terrebonne Parish Recreation District No. 9 (the "District"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the District as of December 31, 2024 and the respective changes in net position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on page 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2025 on our consideration of Terrebonne Parish Recreation District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
May 13, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

December 31, 2024

Management's Discussion and Analysis of the Terrebonne Parish Recreation District No. 9's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2024. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's assets exceeded its liabilities at the close of fiscal year 2024 by \$3,858,287 (net position), which represents a 4.11% decrease from last fiscal year.

The District's revenue decreased \$107,050 (or 9.43%) primarily due to the decreases in charges for services, tax revenue, and investment earnings.

The District's expenses increased \$55,309 (or 4.86%) primarily due to the increases in other services and charges and repairs and maintenance.

The District did not have a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Activities presents information showing how the District's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District's fund is a governmental fund.

Governmental Funds

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

The District maintains an individual governmental fund. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 11 through 15 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Governmental Funds (Continued)****Notes to the Financial Statements**

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of December 31, 2024, assets exceeded liabilities and deferred inflows by \$3,858,287. A large portion of the District's net position (88.78%) reflects its net investment in capital assets (e.g., land; construction in progress; buildings and improvements; machinery and equipment; office furniture, fixtures and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	December 31,		Dollar
	2024	2023	Change
Current and other assets	\$ 1,124,043	\$ 1,679,435	\$(555,392)
Capital assets	3,425,346	3,036,129	389,217
Total assets	<u>4,549,389</u>	<u>4,715,564</u>	<u>(166,175)</u>
Current liabilities	9,237	7,358	1,879
Deferred inflows of resources	681,865	684,498	(2,633)
Total liabilities and deferred inflows of resources	<u>691,102</u>	<u>691,856</u>	<u>(754)</u>
Net position:			
Net investment in capital assets	3,425,346	3,036,129	389,217
Unrestricted	432,941	987,579	(554,638)
Total net position	<u>\$ 3,858,287</u>	<u>\$ 4,023,708</u>	<u>\$(165,421)</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities**

Governmental activities decreased the District's net position by \$165,421. Key elements of this decrease are as follows:

Condensed Statements of Activities

	For the Year Ended December 31,		Dollar	Total
	2024	2023	Change	Percent Change
Revenues:				
Program revenues:				
Charges for services	\$ 268,014	\$ 310,191	\$ (42,177)	-13.60%
General revenues:				
Taxes	682,143	718,918	(36,775)	-5.12%
Intergovernmental	25,479	26,556	(1,077)	-4.06%
Insurance proceeds	-	14,072	(14,072)	0.00%
Miscellaneous	52,705	65,654	(12,949)	-19.72%
Total revenues	<u>1,028,341</u>	<u>1,135,391</u>	<u>(107,050)</u>	-9.43%
Expenses:				
General government	33,633	46,658	(13,025)	-27.92%
Culture and recreation	1,160,129	1,091,795	68,334	6.26%
Total expenses	<u>1,193,762</u>	<u>1,138,453</u>	<u>55,309</u>	4.86%
Change in net position	(165,421)	(3,062)	(162,359)	5302.38%
Net position, beginning of year	4,023,708	4,026,770	(3,062)	-0.08%
Net position, end of year	<u>\$ 3,858,287</u>	<u>\$ 4,023,708</u>	<u>\$(165,421)</u>	-4.11%

In 2024, the District's total revenues decreased by \$107,050 primarily due to decreases in charges for services, tax revenues, and investment earnings, resulting primarily from decreases in day camp revenue and ad valorem taxes. Also, during the year ended December 31, 2024, expenses increased by \$55,309 primarily because of increases in culture and recreation expenses due to the net effect of miscellaneous transactions involving capital asset dispositions.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's General Fund's ending fund balance was \$379,941 which was a decrease of \$552,437 in comparison with the prior year. The fund balance is classified as unassigned. Unassigned fund balance is available for spending at the District's discretion.

General Fund Budgetary Highlights

In order to maintain compliance with state budget laws, the budget was amended once during the year. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Ad valorem taxes were decreased by approximately \$10,000 to reflect actual collections.
- Charges for services were decreased by approximately \$44,000 to reflect a decrease in actual revenues.
- Other miscellaneous revenues were decreased by approximately \$47,000 to reflect a decrease in insurance claims.

Expenditures

- Capital outlay was decreased by \$26,000 primarily to reflect actual expenditures.
- Other services and charges was decreased by approximately \$26,000 primarily to reflect actual expenditures.
- Repairs and maintenance was decreased by approximately \$44,000 primarily to reflect actual expenditures required during the year.

During the year, revenues were greater than budgetary revenues and expenditures were less than budgetary expenditures. See Exhibit E for a comparison of budgeted and actual revenue and expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

The District's net investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$3,425,346 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment and office furniture, fixtures and equipment, as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 618,711	\$ 618,711
Buildings and improvements	2,694,003	2,286,000
Machinery and equipment	105,130	112,708
Office furniture, fixtures, and equipment	7,502	9,045
Construction in progress	-	9,665
Totals	<u>\$ 3,425,346</u>	<u>\$ 3,036,129</u>

Major capital asset events during the current fiscal year included the following:

- Completion of the Mulberry Park Drainage Project.
- Improvements to the pool.
- Purchase of zero-turn lawn mower.

Additional information on the District's capital assets can be found in Note 5, Exhibit F of this report.

The District has not incurred long-term debt or obligations as of December 31, 2024.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Facility rental income, concession income, boat launch income, and recreation activities income are anticipated to remain the same as 2024. Day camp program revenues are anticipated to increase.
- Expenditures have been carefully budgeted only to include the bare necessities of operating expenditures i.e., utilities, repairs, employee wages, etc.
- Overall expenditures are expected to decrease due to the completion of the Mulberry Park Drainage Project and pool improvements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Recreation District No. 9, 107 Verret Street, Houma, Louisiana 70360.

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

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

December 31, 2024

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Position</u>
Assets			
Cash and cash equivalents	\$ 449,428	\$ -	\$ 449,428
Receivables - taxes	83,883	-	83,883
Due from other governmental units	537,732	-	537,732
Prepaid insurance	-	53,000	53,000
Capital assets:			
Non-depreciable	-	618,711	618,711
Depreciable, net of accumulated	-	2,806,635	2,806,635
Total assets	<u>\$ 1,071,043</u>	<u>3,478,346</u>	<u>4,549,389</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 9,237	-	9,237
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	<u>681,865</u>	<u>-</u>	<u>681,865</u>
Total liabilities and deferred inflows of resources	<u>691,102</u>	<u>-</u>	<u>691,102</u>
Fund Balances/Net Position			
Fund balance:			
Unassigned	<u>379,941</u>	<u>(379,941)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,071,043</u>		
Net position:			
Net investment in capital assets		3,425,346	3,425,346
Unrestricted		<u>432,941</u>	<u>432,941</u>
Total net position		<u>\$ 3,858,287</u>	<u>\$ 3,858,287</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

December 31, 2024

Fund Balance - Governmental Fund	\$ 379,941
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Amounts reported for governmental activities in
the Statement of Net Position are different because:

Capital assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental fund.

Governmental capital assets	\$ 6,094,694	
Less accumulated depreciation	<u>(2,669,348)</u>	3,425,346

Other assets used in governmental activities
are not financial resources and, therefore,
are not reported in the governmental funds.

Prepaid insurance		<u>53,000</u>
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Net Position of Governmental Activities	<u><u>\$ 3,858,287</u></u>
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See notes to financial statements.

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

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

For the year ended December 31, 2024

	General Fund	Adjustments (Exhibit D)	Statement of Activities
Revenues			
Taxes	\$ 682,143	\$ -	\$ 682,143
Intergovernmental:			
State of Louisiana:			
State revenue sharing	25,479	-	25,479
Charges for services	268,014	-	268,014
Miscellaneous:			
Investment earnings	43,563	-	43,563
Other	9,142	-	9,142
Total revenues	<u>1,028,341</u>	<u>-</u>	<u>1,028,341</u>
Expenditures/Expenses			
Current:			
General government:			
Ad valorem tax adjustment	10,508	-	10,508
Ad valorem tax deductions	23,125	-	23,125
Total general government	<u>33,633</u>	<u>-</u>	<u>33,633</u>
Culture and recreation:			
Personal services	511,936	-	511,936
Supplies and materials	40,238	-	40,238
Other services and charges	246,977	2,201	249,178
Repairs and maintenance	101,326	33,638	134,964
Capital outlay	646,668	(646,668)	-
Depreciation	-	223,813	223,813
Total culture and recreation	<u>1,547,145</u>	<u>(387,016)</u>	<u>1,160,129</u>
Total expenditures expenses	<u>1,580,778</u>	<u>(387,016)</u>	<u>1,193,762</u>
Excess of Revenues Over Expenditures	(552,437)	552,437	-
Change in Net Position	-	(165,421)	(165,421)
Fund Balance/Net Position			
Beginning of year	932,378	3,091,330	4,023,708
End of year	<u>\$ 379,941</u>	<u>\$ 3,478,346</u>	<u>\$ 3,858,287</u>

See notes to financial statements.

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

Terrebonne Parish Recreation District No. 9
Houma, Louisiana

For the year ended December 31, 2024

Net Change in Fund Balance - Governmental Fund **\$ (552,437)**

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay	\$ 646,668	
Depreciation expense	(223,813)	
Excess of capital outlay over depreciation expense		422,855

The net effect of miscellaneous transactions involving capital assets, such as dispositions, impairments and donations, is to decrease net position.	(33,638)
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Prepaid expenses reported in governmental activities are
not financial resources and therefore are not reported
to the governmental fund.

Decrease in prepaid insurance	(2,201)
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Change in Net Position of Governmental Activities	\$ (165,421)
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See notes to financial statements.

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

Terrebonne Parish Recreation District No. 9
Houma, Louisiana

For the year ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Taxes	\$ 682,143	\$ 671,954	\$ 682,143	\$ 10,189
Intergovernmental:				
State of Louisiana:				
State revenue sharing	25,400	25,479	25,479	-
Charges for services	312,000	267,594	268,014	420
Miscellaneous:				
Investment earnings	54,000	44,500	43,563	(937)
Other	56,000	9,142	9,142	-
Total revenues	<u>1,129,543</u>	<u>1,018,669</u>	<u>1,028,341</u>	<u>9,672</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	-	-	10,508	(10,508)
Ad valorem tax deductions	-	-	23,125	(23,125)
Total general government	<u>-</u>	<u>-</u>	<u>33,633</u>	<u>(33,633)</u>
Culture and recreation:				
Personal services	518,640	518,625	511,936	6,689
Supplies and materials	46,500	41,500	40,238	1,262
Other services and charges	301,300	274,848	246,977	27,871
Repairs and maintenance	158,500	114,200	101,326	12,874
Capital outlay	686,000	660,000	646,668	13,332
Total culture and recreation	<u>1,710,940</u>	<u>1,609,173</u>	<u>1,547,145</u>	<u>62,028</u>
Total expenditures	<u>1,710,940</u>	<u>1,609,173</u>	<u>1,580,778</u>	<u>28,395</u>
Deficit of Revenues Over Expenditures	<u>(581,397)</u>	<u>(590,504)</u>	<u>(552,437)</u>	<u>38,067</u>
Fund Balance				
Beginning of year	<u>861,009</u>	<u>932,378</u>	<u>932,378</u>	<u>-</u>
End of year	<u>\$ 279,612</u>	<u>\$ 341,874</u>	<u>\$ 379,941</u>	<u>\$ 38,067</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Parish Recreation District No. 9**

Houma, Louisiana

December 31, 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Terrebonne Parish Recreation District No. 9 (the "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

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

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

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the District and the potential component unit.
4. Imposition of will by the District on the potential component unit.
5. Financial benefit/burden relationship between the District and the potential component unit.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation

The District's 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, intergovernmental revenues and other non-exchange 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, deferred inflows of resources, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the District:

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

c. Measurement Focus and Basis of Accounting

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

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

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 period for which levied, thus the 2024 property taxes which are being levied to finance the 2025 budget will be recognized as revenue in 2025. The 2024 tax levy is reported as a deferred inflow of resources in the financial statements. 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. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Board of Commissioners (the "Board") adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. In order to remain in compliance with State budgeting laws, the District amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

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

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

f. Accounts Receivable

The financial statements for the District do not contain an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g. Prepaid Insurance

The District has recorded prepaid insurance in its government-wide financial statements. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

h. Capital Assets

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Government-Wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$400 or more and a useful life greater than one year are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings and improvements	15 - 40 years
Machinery and equipment	5 - 20 years
Office furniture, fixtures, and equipment	5 - 12 years

Fund Financial Statements:

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

i. Vacation and Sick Leave

The District has five full-time employees. Full-time employees are eligible to receive five days of vacation after one year of service and can earn up to a maximum of 15 vacation days depending on their length of employment. Every full-time employee is also eligible for five sick days beginning on their employment date. Vacation and sick days are not due to employees upon termination or death and earned, but unused days do not carry over from one year to the next. Vacation and sick leave days are based on a policy of use or lose by December 31st each year. Accordingly, management has determined accumulated unpaid vacation as of December 31, 2024 is not material to the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The governmental fund reports unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports unavailable revenue when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non-exchange revenues in which the enabling legislation includes time requirements.

k. Fund Equity

Government-Wide Statements:

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of December 31, 2024, the District had no outstanding borrowings.
- b. Restricted - Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2024 and for the year then ended, the District did not have or receive restricted resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Equity (Continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the District's Board of Commissioners. Commitment may be established, modified, or rescinded only through resolutions approved by the District's Board of Commissioners.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts may be assigned by a majority vote of the Board.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as unassigned as of December 31, 2024.

l. New GASB Statements

During the year ended December 31, 2024, the District implemented the following GASB Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New GASB Statements (Continued)

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

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement did not affect the financial statements for the year ended December 31, 2024.

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

Statement No. 102, “*Certain Risk Disclosures*” defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. New GASB Statements (Continued)

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

Note 2 - DEPOSITS AND INVESTMENTS

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

Bank Deposits:

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

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Reported Amounts</u>
Cash	<u>\$114,400</u>	<u>\$114,120</u>

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits: (Continued)

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 that is similar to state law. As of December 31, 2024, the District's bank balance of \$114,400 was covered by federal deposit insurance and not exposed to credit risk.

Investments:

State statutes authorizes the Board 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 emphasized maintaining liquidity to match specific cash flows.

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. This policy states, investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return. The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

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.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments: (Continued)

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable-rate investments. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2024, amounted to \$335,308 and are considered cash equivalents for reporting purposes.

A reconciliation of deposits and investments to the financial statements as of December 31, 2024 is as follows:

Deposits	\$114,120
Investment in LAMP	<u>335,308</u>
 Total cash and cash equivalents	 <u><u>\$449,428</u></u>

Note 3 - 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 statewide reevaluation of all property is required to be completed no less than every four years. The last statewide reevaluation was completed for the list on January 1, 2020. 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 December 31, 2024 was \$14.77 per \$1,000 of assessed valuation on property within Recreation District No. 9 for the purpose of maintaining and operating recreational facilities within the District. As indicated in Note 1c, taxes levied November 1, 2024 are for budgeted expenditures in 2025 and will be recognized as revenues in 2025.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2024 consisted of the following:

State of Louisiana	
State revenue sharing	\$ 16,398
Terrebonne Parish Tax Collector - December 2024	
collections remitted to the District in January 2025:	
Ad valorem taxes	513,135
State revenue sharing	<u>8,199</u>
Total	<u><u>\$ 537,732</u></u>

Note 5 - CHANGES IN CAPITAL ASSETS

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

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 618,711	\$ -	\$ -	\$ 618,711
Construction in progress	9,665	390,393	(400,058)	-
Total capital assets not being depreciated	628,376	390,393	(400,058)	618,711
Capital assets being depreciated:				
Buildings and improvements	4,355,716	641,408	(55,775)	4,941,349
Machinery and equipment	494,780	14,925	(1,169)	508,536
Office furniture, fixtures, and equipment	26,978	-	(880)	26,098
Total capital assets being depreciated	4,877,474	656,333	(57,824)	5,475,983
Less accumulated depreciation for:				
Buildings and improvements	(2,069,716)	(199,767)	22,137	(2,247,346)
Machinery and equipment	(382,072)	(22,503)	1,169	(403,406)
Office furniture, fixtures and equipment	(17,933)	(1,543)	880	(18,596)
Total accumulated depreciation	(2,469,721)	(223,813)	24,186	(2,669,348)
Total capital assets being depreciated, net	2,407,753	432,520	(33,638)	2,806,635
Total capital assets, net	\$3,036,129	\$822,913	\$(433,696)	\$3,425,346

In 2024, the District made improvements to the pool and completed the Mulberry Park Drainage Project. The District also purchased a zero-turn lawn mower.

Depreciation amounting to \$223,813 was recorded as cultural and recreation expenses for the year ended December 31, 2024.

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

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

Accrued salaries	\$8,022
Payroll related retirement	<u>1,215</u>
Total	<u>\$9,237</u>

Note 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance and also participates in the Parish's risk management program for general liability and workers' compensation. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for general liability are based on various factors such as operations and maintenance budget, exposure, and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The Parish handles all claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
General liability	\$12,000,000
Workers' compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund then secondly by the District. Workers' compensation claims in excess of \$850,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2024, the District had no claims in excess of the above coverage limits.

Expenditures for premiums paid to the Parish for insurance coverages during the year ended December 31, 2024 totaled \$36,560.

Note 8 - EMPLOYEE RETIREMENT PLAN

In March 2018, the District began contributing to a Savings Incentive Match Plan for Employees Individual Retirement Account, SIMPLE IRA ("Plan"), a defined contribution pension plan, for its full time employees. The Plan is administrated by the District.

Note 8 - EMPLOYEE RETIREMENT PLAN (Continued)

Benefit terms, including contribution requirements are established and may be amended by the District Board. For each employee, the District contributes 3% of annual salary to the employee's individual retirement account (IRA). The IRAs are the property of the participating employee. The employees are permitted to make contributions up to applicable Internal Revenue Code limits. For the year ended December 31, 2024, employee contributions totaled \$5,865 and the District recognized \$5,781 pension expense.

Note 9 - COMPENSATION OF BOARD MEMBERS

The following amounts were paid to board members for the year ended December 31, 2024:

<u>Board Members</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>
Janelle Bonvillain	11	\$ 275
Robert Lajaunie	11	275
Baylis "Buster" Bergeron	8	200
Trey Lottinger	9	225
Willie St. Pierre	8	<u>200</u>
Total		<u>\$1,175</u>

Note 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 13, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

Terrebonne Parish Recreation District No. 9

Houma, Louisiana

December 31, 2024

Agency Head Name: Melissa Hebert

Purpose

Salary	\$ 59,725
Benefits - insurance	23,689
Benefits - retirement	1,792
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
	<hr/>
	<u>\$ 85,206</u>

Note:

Melissa Hebert is the Director for the District and functions as Chief Executive Officer.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
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 the General Fund of Terrebonne Parish Recreation District No. 9 (the “District”) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District’s financial statements and have issued our report thereon dated May 13, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

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

Certified Public Accountants.

Houma, Louisiana,
May 13, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 9 Houma, Louisiana

For the year ended December 31, 2024

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

Terrebonne Parish Recreation District No. 9 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Terrebonne Parish Recreation District No. 9 Houma, Louisiana

For the year ended December 31, 2024

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

Internal Control

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

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

Compliance

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

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 9 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

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

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Parish Recreation District No. 9 Houma, Louisiana

For the year ended December 31, 2024

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

Internal Control

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

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

Compliance

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

Section II - Internal Control and Compliance Material to Federal Awards

Terrebonne Parish Recreation District No. 9 did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

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

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Terrebonne Parish Recreation District No. 9,
Houma, , Louisiana.

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2024 through December 31, 2024. Terrebonne Parish Recreation District No. 9 (the "District") management is responsible for those C/C areas identified in the SAUPs.

The 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 the LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 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 Statue 24:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 13, 2025.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Parish Recreation District No. 9
Houma, Louisiana

For the year ended December 31, 2024

The required procedures and our findings are as follows:

1. Procedures Performed on the District's Written Policies and Procedures:

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for purchasing.

Exceptions: There were exceptions noted due to the policy lacking provisions on how vendors are added to the vendor list and documentation required to be maintained for all bids and price quotes.

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

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for receipts.

Exceptions: There were exceptions noted due to the policy lacking provisions for receiving and recording deposits.

1. Procedures Performed on the District's Written Policies and Procedures: (Continued)

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the written policy for contracting.
Exceptions: There was an exception noted due to the policy lacking a provision on the approval process.
- vii. **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 written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

1. Procedures Performed on the District's Written Policies and Procedures: (Continued)

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

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

2. Procedures Performed on the District's Board or Finance Committee:

Prior year testing resulted in no exceptions related to the board or finance committee. Therefore, testing is not required in the current year.

3. Procedures Performed on the District's Bank Reconciliations:

Prior year testing resulted in no exceptions related to bank reconciliations. Therefore, testing is not required in the current year.

4. Procedures Performed on the District's Collections (excluding electronic funds transfers):

Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

5. Procedures Performed on the District's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases):

Prior year testing resulted in no exceptions related to the non-payroll disbursements. Therefore, testing is not required in the current year.

6. Procedures Performed on the District's Credit Cards/Debit, Cards/Fuel, Cards/Purchase Cards (cards):

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

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

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

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

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There was an exception noted due to the card holder approving their own statements.

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

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There was an exception noted due to finance charges being assessed.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by:

1. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

6. Procedures Performed on the District's Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (cards): (Continued)

ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

iii. Documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

7. Procedures Performed on the District's Travel and Travel-Related Expense Reimbursements (excluding card transactions):

Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

8. Procedures Performed on the District's Contracts:

Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

9. Procedures Performed on the District's Payroll and Personnel:

Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

10. Procedures Performed on the District's Ethics:

Prior year testing resulted in no exceptions related to ethics. Therefore, testing is not required in the current year.

11. Procedures Performed on the District's Debt Service:

Prior year testing resulted in no exceptions related to debt service. Therefore, testing is not required in the current year.

12. Procedures Performed on the District's Fraud Notice:

Prior year testing resulted in no exceptions related to fraud notice. Therefore, testing is not required in the current year.

13. Procedures Performed on the District's Information Technology Disaster Recovery/Business Continuity:

Prior year testing resulted in no exceptions related to information technology disaster recovery/business continuity. Therefore, testing is not required in the current year.

14. Procedures Performed on the District's Prevention of Sexual Harassment:

Prior year testing resulted in no exceptions related to sexual harassment. Therefore, testing is not required in the current year.

Management's Overall Response to Exceptions:

- 1)A.ii. The District will consult with the Parish to amend the policy manual to include the required provisions in the purchasing policy.
- 1)A.iv. The District will consult with the Parish to amend the policy manual to include the required provisions in the receipts/collections policy.
- 1)A.vi. The District will consult with the Parish to amend the policy manual to include the required provision in the contracting policy.
- 6)B.i. Management will consider improving the segregation of duties by having a board member sign to approve credit card statements.
- 6)B.ii. Management will consider paying their credit card statements on time.