



FINANCIAL REPORT

DECEMBER 31, 2020



TABLE OF CONTENTS

	<u>Statement/ Schedule</u>	<u>Page</u>
Independent Auditors' Report		1 - 3
REQUIRED SUPPLEMENTARY INFORMATION – PART I		
Management's Discussion and Analysis		4 - 12
BASIC FINANCIAL STATEMENTS		
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):		
Statement of Net Position	A	13
Statement of Activities	B	14
FUND FINANCIAL STATEMENTS (FFS):		
Balance Sheet – Governmental Funds	C	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	E	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	18
Statement of Net Position – Proprietary Funds	G	19
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	H	20
Statement of Cash Flows – Proprietary Funds	I	21 - 22
Notes to Financial Statements		23 - 64
REQUIRED SUPPLEMENTARY INFORMATION – PART II		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund	1.1	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Section 8 Housing Fund	1.2	66
Schedule of Changes in Total Other Postemployment Benefit Liability and Related Ratios	1.3	67
Schedule of Proportionate Share of the Net Pension Liability	1.4	68
Schedule of Contributions	1.5	69
Notes to the Required Supplementary Information	1.6	70 - 71

	<u>Statement/ Schedule</u>	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION		
Combining Balance Sheet – Non-Major Special Revenue Funds	2.1	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	2.2	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual		
Police Forfeiture Fund	2.3	74
Fire Department Fund	2.4	75
Street Improvements and Maintenance Fund	2.5	76
Parish Transportation Fund	2.6	77
CDBG Fund	2.7	78
Capital Projects Fund	3.1	79
Statement of Revenues, Expenses, and Change in Net Position – Municipal Gas and Sewerage System Fund	4.1	80
Combining Statement of Net Position – Discretely Presented Component Units	4.2	81
Combining Statement of Activities – Discretely Presented Component Units	4.3	82
Schedule of Utility Customers (Unaudited)	4.4	83
Schedule of Insurance in Force (Unaudited)	4.5	84
Schedule of Principal Officials and Salaries	4.6	85
Schedule of Compensation, Benefits, and Other Payments to Agency Head	4.7	86
Justice System Funding Schedule – Collecting/Disbursing Entity	4.8	87
Justice System Funding Schedule – Receiving Entity	4.9	88

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	89 - 90
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	91 - 92
Schedule of Expenditures of Federal Awards	93 - 94
Schedule of Findings and Questioned Costs	95 - 96
Summary Schedule of Prior Audit Findings and Responses	97

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Council
City of Thibodaux, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Thibodaux, Louisiana, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Thibodaux Volunteer Fire Department, Inc. and City Court of Thibodaux, Louisiana, which represents one hundred percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, Thibodaux Volunteer Fire Department, Inc. and City Court of Thibodaux, Louisiana, is based solely on the reports of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedules of revenues, expenditures, and changes in fund balance – budget to actual on pages 65 through 66, schedule of changes in total other postemployment benefit liability and related ratios on page 67, the schedule of proportionate share of the net pension liability on page 68, the schedule of contributions on page 69, and the notes to the required supplementary information on pages 70 through 71 be presented to supplement the basic financial statements. Such information, 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 and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules on pages 72 through 79, statement of revenues, expenses, and change in net position – municipal gas and sewerage system fund on page 80, the combining statements – discretely presented component units on pages 81 through 82, the schedule of utility customers (unaudited) on page 83, the schedule of insurance in force (unaudited) on page 84, the schedule of principal officials and salaries on page 85, the schedule of compensation, benefits, and other payments to agency head on page 86, the justice funding schedule – collecting/disbursing entity on page 87, and the justice system funding schedule – receiving entity on page 88 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on pages 93 through 94 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



The combining and individual fund financial statements and schedules, statement of revenues, expenses, and change in net position – municipal gas and sewerage system fund, the combining statements – discretely presented component units, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, the justice funding schedules, and the schedule of expenditures of federal awards are 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. Such 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements and schedules, statement of revenues, expenses, and change in net position – municipal gas and sewer system fund, the combining statements – discretely presented component units, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, 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.

The other supplementary information in the schedule of utility customers (unaudited) and the schedule of insurance in force (unaudited) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’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 City’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Baton Rouge, Louisiana
June 18, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The Finance Department, Accounting Division, is responsible for the overview and analysis of the financial activities of the City of Thibodaux, Louisiana (the City) for the year ended December 31, 2020. The narrative provided is designed to introduce the financial highlights and offer an overview of our financial statements.

Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and facts known to date. This narrative includes a government-wide financial analysis of revenues, expenses and changes in the net position. Further detail offers our readers a financial analysis of the funds consisting of the governmental fund types and proprietary funds.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the primary government at the close of the most recent fiscal year by **\$51.9 million** (net position). Of this amount, **\$54.7 million** is the net invested in capital assets and **\$4.2 million** is restricted for debt service payments, utility system maintenance, health and welfare, public safety, and public works. Because of the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the amount of net position used to meet the ongoing long-term obligations to citizens and creditors (unrestricted) is a **negative \$7.0 million**.

Governmental activities current assets increased by **\$4.1 million** due to an increase in cash and cash equivalents in the General Fund. This increase is mainly due to the increase in net position of **\$4 million** resulting from revenues exceeding expenses for the year. Current assets of the business-type activities decreased by **\$0.7 million** in 2020.

Capital assets of the Governmental activities increased by **\$1.2 million** due to road improvements. The continuation of the North Wastewater Treatment Plant project resulted in an increase in the capital assets of the Business-type activities of **\$4.3 million** in 2020.

Total long-term liabilities of the primary government increased by **\$5.9 million** during 2020. Governmental activities long-term liabilities increased by **\$1.8 million** primarily due to an increase in the OPEB liability. Business-type long-term liabilities increased by **\$4.1 million** due to an increase in the OPEB liability, as well as, the net advances on bonds of approximately **\$3.8 million** in 2020.

Total net position increased by **\$4.2 million** during 2020 mainly due to the Governmental activities net position increase of approximately **\$4.0 million**. This is due to an increase in sales tax revenue of **\$2.0 million** due to an increase in purchases by residents from local companies during the pandemic. Additionally, total other revenue increased by **\$2.1 million** in 2020 for the governmental activities due to capital contributions received for infrastructure and land improvements.

At the end of our current fiscal year, the governmental funds reported combined ending fund balances of over **\$18.0 million**, with an increase of approximately **\$3.7 million** in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The government-wide financial statements include not only the City itself (the primary government), but also separate legal governmental entities (component units) to which the city may be obligated to provide financial assistance. Component units are presented as separate columns in the government-wide and fund financial statements. The component unit agencies issue separate, independently audited financial statements. Financial statements for each of the individual component units may be obtained at the component units' administrative offices or on the Louisiana Legislative Auditor's website at lla.la.gov.

Government-Wide Financial Statements

The government-wide financial statements (GWFS) reported in Statements A and B are designed to be similar to private-sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements combine governmental fund's current financial resources with capital assets and long-term obligations. Also presented in the GWFS is a column for the business-type activities of the primary government.

The Statement of Net Position reported in Statement A presents information on all the assets and deferred outflows of resources, and 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 is improving or deteriorating.

The Statement of Activities reported in Statement B presents information showing how the net position changed during the recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods. For example, earned but unused vacation leave results in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by the general taxes and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

The GWFS distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the basic services and include the financial activities of Administration (Executive and Legislative Branches), Public Works (Government Buildings, Drainage, Roads and Streets), Public Safety (City Police and Fire), Human Resources, Finance, Parks, Recreation, Municipal Auditorium, and Legal. The business-type activities include water production and distribution operations, natural gas distribution, sewerage collection and treatment system, and solid waste collection and disposal.

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. Traditional users of governmental financial statements will find the fund financial statements (FFS) presentation more familiar.

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The focus is now on major funds, rather than generic fund types. All the funds are reported in two categories: governmental funds and proprietary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the GWFS. The governmental major fund presentation in Statements C through F is presented on a sources and uses of resources basis. This is the manner in which the financial budget is typically developed. Unlike the GWFS, governmental FFS focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the current financing requirements. The following are major governmental funds: General Fund, Section 8 Housing Fund, and Capital Projects Fund.

All non-major governmental funds are presented in one column, titled Non-Major Funds. Combining financial statements of the non-major funds can be found in the Combining and Individual Fund Statements and Schedules that follow the basic financial statements.

Proprietary Funds report both Enterprise and Internal Service funds on the FFS illustrated in Statements G through I. *Enterprise funds* are used to account for operations financed and operated in a manner similar to private business enterprises. These Enterprise Funds are presented as major funds and consist of the Municipal Waterworks Fund, Municipal Gas and Sewerage System Fund, and Garbage Collection Fund. The intent is that costs of goods or services to the general public on a continuing basis be financed primarily through user charges. The *Internal Service Fund* is used to account for the financing of goods or services provided by Risk Management (self-insurance) to other funds. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide financial statements.

Capital Assets

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure and all other tangible assets that are used in operations and that exceed the capitalization threshold explained in Note 1i accompanying the financial statements. All projects completed and acquisitions occurring in calendar year ended December 31, 2020 have been capitalized.

Other Information

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS. The notes to the financial statements are a required part of the basic financial statements and can be found following Statement I in this report.

Supplementary Information

The combining statements referred to earlier in connection with the non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules include Statements 2.1 through 2.2 and Schedules 2.3 through 3.1 of the report. Other supplementary financial information can be found in Statement 4.1 through 4.3 and Schedules 4.4 through 4.9 of this report.

Also included in the report are the auditors' reports in accordance with *Government Auditing Standards* and the Uniform Guidance, findings, and schedules.

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2020, with comparative figures from 2019:

<u>Condensed Statements of Net Position</u>						
(in millions)						
	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and Other	\$ 19.9	\$ 15.8	\$ 6.4	\$ 7.1	\$ 26.3	\$ 22.9
Restricted	-	-	3.7	3.1	3.7	3.1
Capital	35.7	34.5	32.0	27.7	67.7	62.2
Total Assets	<u>55.6</u>	<u>50.3</u>	<u>42.1</u>	<u>37.9</u>	<u>97.7</u>	<u>88.2</u>
Deferred Outflows	<u>4.3</u>	<u>4.2</u>	<u>0.7</u>	<u>0.7</u>	<u>5.0</u>	<u>4.9</u>
Liabilities						
Current	1.7	1.7	1.5	1.8	3.2	3.5
Long-term	28.5	26.7	17.4	13.3	45.9	40.0
Total Liabilities	<u>30.2</u>	<u>28.4</u>	<u>18.9</u>	<u>15.1</u>	<u>49.1</u>	<u>43.5</u>
Deferred Inflows	<u>1.2</u>	<u>1.6</u>	<u>0.5</u>	<u>0.3</u>	<u>1.7</u>	<u>1.9</u>
Net Position						
Net Invested in Capital	35.7	34.5	19.0	18.0	54.7	52.5
Restricted	1.6	1.2	2.6	2.3	4.2	3.5
Unrestricted	(8.8)	(11.2)	1.8	2.9	(7.0)	(8.3)
Total Net Position	<u>\$ 28.5</u>	<u>\$ 24.5</u>	<u>\$ 23.4</u>	<u>\$ 23.2</u>	<u>\$ 51.9</u>	<u>\$ 47.7</u>

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

Approximately **105.4%** of total net position as of December 31, 2020 reflects the net invested in capital assets (land, construction in progress, buildings, infrastructure, machinery and equipment less accumulated depreciation) less any related outstanding debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Another **7.9%** of the total net position is subject to external restrictions as to their use. The remaining unrestricted net assets is a **negative 13.3%** of total net position.

While net investment in capital assets increased approximately **\$2.2** million due to infrastructure project costs related to governmental activities and wastewater treatment facility project costs related to business-type activities during the year, unrestricted net position improved by approximately **\$1.3** million primarily due to increased sales tax revenues. Sales tax revenues increased due to increased local sales due to the COVID-19 pandemic and related stay-at-home orders.

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The City experienced slight improvement in total net position for business-type activities due to an overall decrease in operating income offset with an increase in earnings in non-operating revenues.

The table below provides a summary of the changes in net assets for the year ended December 31, 2020, with comparative figures:

Condensed Statements of Activities

(in millions)

	Governmental Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue						
Program Revenue:						
Charges for Services	\$ 1.3	\$ 1.8	\$ 8.1	\$ 8.6	\$ 9.4	\$ 10.4
Operating Grants and Contributions	2.2	1.8	-	-	2.2	1.8
Capital Grants and Contributions	0.8	1.6	0.7	0.3	1.5	1.9
General Revenue:						
Property Taxes	1.7	1.6	-	-	1.7	1.6
Sales Taxes	15.6	13.6	-	-	15.6	13.6
Franchise and Other Taxes	1.0	1.1	-	-	1.0	1.1
Investment Earnings	-	0.3	-	0.1	-	0.4
Other	2.4	0.3	0.1	0.1	2.5	0.4
Total Revenue	<u>25.0</u>	<u>22.1</u>	<u>8.9</u>	<u>9.1</u>	<u>33.9</u>	<u>31.2</u>
Expenses						
General Government	4.5	4.4	-	-	4.5	4.4
Public Safety	7.9	7.7	-	-	7.9	7.7
Public Works	4.6	4.3	-	-	4.6	4.3
Culture & Recreation	2.7	3.3	-	-	2.7	3.3
Health & Welfare	1.3	1.2	-	-	1.3	1.2
Waterworks	-	-	3.3	3.2	3.3	3.2
Gas & Sewerage	-	-	3.9	4.0	3.9	4.0
Garbage Collection	-	-	1.5	1.5	1.5	1.5
Total Expenses	<u>21.0</u>	<u>20.9</u>	<u>8.7</u>	<u>8.7</u>	<u>29.7</u>	<u>29.6</u>
Increase in Net Position	4.0	1.2	0.2	0.4	4.2	1.6
Beginning Net Position	<u>24.5</u>	<u>23.3</u>	<u>23.2</u>	<u>22.8</u>	<u>47.7</u>	<u>46.1</u>
Ending Net Position	<u>\$ 28.5</u>	<u>\$ 24.5</u>	<u>\$ 23.4</u>	<u>\$ 23.2</u>	<u>\$ 51.9</u>	<u>\$ 47.7</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The government's total net position increased by **\$4.2** million during the current fiscal year. The majority of this increase is due to the increase in the net position for *Governmental Activities* of **\$4.0** million. This increase in net position is due to increases in sales tax revenue collections and donated assets.

Financial Analysis of the Governmental Funds

Governmental Funds: The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balance of the governmental funds was over **\$18.0** million, an increase of nearly **\$3.7** million from the prior year. Approximately **91.3%** (**\$16.5** million) of total fund balance was unassigned and available for spending in future periods. The restricted fund balance was **\$112,431** due to restrictions by external parties and over **\$1.4** million due to ad valorem taxes dedicated for Public Safety and Public Works. Fund balance of **\$22,285** was committed for Public Works. The assigned fund balance of **\$10,649** represents amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.

The General Fund is the chief operating fund and is always a major fund. At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately **\$16.5** million, an increase of approximately **\$3.5** million from the prior year. This represents over **100.0%** of total General Fund expenditures.

Other major funds include the Section 8 Housing Special Revenue Fund and Capital Projects Fund. At the end of the current fiscal year, the fund balance of the Section 8 Housing Fund, all of which is restricted specifically for the Section 8 federal program was **\$112,431**, an increase of **\$103,735** from the prior year.

The fund balance of the Capital Projects Fund decreased by **\$109,759** from the prior year. The ending fund balance of the Capital Projects fund of **\$22,285** was included in the committed for Public Works classification of Fund Balance. The Capital Projects Fund accounts mainly for roadway improvements.

Proprietary Funds: The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Municipal Waterworks Fund is used to account for water services to all areas of the City. This fund encompasses all assets associated with potable water production and distribution.

The Municipal Waterworks Fund had unrestricted net position of over **\$1.5** million. Net Invested in Capital Assets at the end of the current fiscal year was over **\$7.0** million, **\$95,357** was restricted for debt service, and **\$106,512** was restricted for system maintenance. This fund ended the year with **\$606,442** in operating loss as charges did not cover current operating expenses.

The Municipal Gas & Sewerage System Fund is used to account for gas and sewerage services to all areas of the City. This fund encompasses all assets associated with sewerage and natural gas operations, maintenance and capital improvements.

The Municipal Gas & Sewerage System Fund had unrestricted net position of **negative \$354,312**. The Gas System ended the year with a **\$199,381** operating income and the Sewerage System ended with **\$38,270** operating loss for a combined operating income at year-end of **\$161,111**. Investment in capital assets, net of related debt, at the end of the current fiscal year was nearly **\$12.0** million, over **\$0.5** million was restricted for debt service, and nearly **\$1.9** million was restricted for system maintenance.

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

The Garbage Collection Fund is used to account for garbage collection services to all areas of the City. This fund encompasses all assets associated with garbage collection.

The Garbage Collection Fund had over **\$0.6** million in unrestricted net assets. The fund ended the year with an operating income of **\$37,686**. There was no investment in capital assets at the end of the current fiscal year.

General Fund Budgetary Highlights

The budget was amended three times during the year. The primary reason for amending the budget was due to an increase in expected sales tax revenues. Some of the significant variances are listed below:

REVENUES

- **Taxes had a favorable variance of \$1,553,164 due to continued growth within the City.**
- **Total revenues and transfers in were amended by \$1,352,490 from \$17,688,606 to \$19,041,096. This was in response to an increase in sales tax expectations.**

EXPENDITURES

- **There were no significant unfavorable variances at the end of the year.**
- **Total expenditures and transfers out were amended by \$140,820 from \$18,745,718 to \$18,886,538.**

Capital Asset and Debt Administration

Capital Assets: The capital assets for governmental and business-type activities was **\$67.7** million (net of accumulated depreciation). Capital assets includes land, construction in progress, infrastructure, buildings and improvements, furnishings and equipment, gas and water utility systems, sewer system facilities, roads, highways and drainage systems. The total increase in capital assets (net of depreciation) for the current fiscal year was **\$5.5** million, with a **\$1.2** million increase for governmental activities and a **\$4.3** million increase for business-type activities.

Infrastructure and land improvements totaling approximately **\$2.3** million were received via donation. Of this amount, approximately **\$1.6** million is reported in governmental activities and approximately **\$0.7** million is reported in business-type activities.

Major capital asset additions, completions, or purchases during the current fiscal year included the following:

Governmental Activities

- | | |
|---------------------------------------|-------------------|
| • Pedestrian Walkway – Audubon | \$ 335,049 |
| • Andolsek Restroom | \$ 117,716 |
| • Bayou Lane Road Improvements | \$ 385,722 |

The amounts expended to date for current projects in progress at year-end:

Governmental Activities

- | | |
|--------------------------------------|---------------------|
| • Acadia Road Roundabout | \$ 590,463 |
| • 2019 Roadway Improvements | \$ 1,050,583 |
| • DOTD Airport Mitigation | \$ 268,539 |
| • LPSB Middle School Drainage | \$ 105,789 |
| • Levert Roadway | \$ 19,866 |

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Business-Type Activities

• North Wastewater Treatment Plant	\$ 8,969,231
• NWWTP Emergency Generator	\$ 239,175
• 2019 Roadway Improvements	\$ 182,281
• Trickling Media Filter	\$ 15,828

Contract commitments remaining in relation to the above projects at year-end total **\$1,247,168**.

Capital Assets (Net of Depreciation)

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 4.4	\$ 4.4	\$ 0.4	\$ 0.4	\$ 4.8	\$ 4.8
Buildings & improvements	3.2	3.2	-	-	3.2	3.2
Infrastructure	24.4	23.1	-	-	24.4	23.1
Furnishing & equipment	1.7	1.7	-	-	1.7	1.7
Water production and distribution system	-	-	11.5	12.2	11.5	12.2
Sewer system & equipment	-	-	7.8	8.9	7.8	8.9
Gas distribution system	-	-	2.9	2.2	2.9	2.2
Construction in progress	2.0	2.1	9.4	4.0	11.4	6.1
	<u>\$ 35.7</u>	<u>\$ 34.5</u>	<u>\$ 32.0</u>	<u>\$ 27.7</u>	<u>\$ 67.7</u>	<u>\$ 62.2</u>

Additional information on the City's capital assets can be found in **Note 10** of this report.

Long-term Debt: At the end of the current fiscal year, the City had total bonded debt outstanding of **\$10.66** million.

Summary of Outstanding Debt

(in millions)

	Business-type Activities	
	2020	2019
Water Revenue Bond, Series 2010B	\$ 2.81	\$ 3.05
Utilities Revenue Bonds, Series 2013	4.54	3.75
Utilities Revenue Bonds, Series 2019	3.31	0.09
	<u>\$ 10.66</u>	<u>\$ 6.89</u>

The bond issues are serviced by user fees assessed for sewer collection and treatment and are backed by the full faith and credit of the City.

CITY OF THIBODAUX
Thibodaux, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Economic Factors and Next Year's General Fund Budget and Rates

The proposed General Fund budget for the year ending December 31, 2021, results in an operating deficit of **\$2.7** million. Highlights of next year's General Fund budget include:

**Condensed Summary of General Fund
Budgeted Finances**

	<u>FY 2021</u>
Anticipated revenues	\$ 18,093,734
Expenditures:	
Current	18,572,057
Capital outlay	1,177,900
Transfers out	<u>1,015,883</u>
Excess of expenditures	(2,672,106)
Fund balance:	
Beginning of the year	<u>13,773,990</u>
End of the year	<u><u>\$ 11,101,884</u></u>

In addition, we call your attention to the following key assumptions made in completing next year's budget:

- The budget planning began with the assumption that some of our revenues would produce little or no growth. In the years past, these revenues have shown significant highs and lows. With this in mind, it has been the City's practice to budget no increase for these proceeds.
- Sales Tax collections support the operations of the General Fund and the Capital Projects Fund. The City experienced a 15.23% increase in growth in sales tax collections from 2019 to 2020. For prudent planning, the budget includes a slight increase in 2021 collections as compared to the 2020 estimated projections due to anticipated sales tax revenue received from Lafourche Parish Sales Tax office audits in 2020.
- Ad Valorem taxes are proposed at 13.20% growth for 2021 as compared to 2020 due to 2020 being a reassessment year.
- 3% increase in salaries was budgeted.
- Retirement contributions is expected to increase 1.75% (MERS), 1.25% (MPERS), 0.10% (LASERS).
- Approximately \$2.3 million in capital expenditures was budgeted in 2021 for the North Wastewater Treatment Plant.
- Insurance expenditures are budgeted to increase 5% - 10%.

Requests for Information

This financial report is designed to provide a general overview of the City of Thibodaux's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Council Administrator, P.O. Box 5418, Thibodaux, Louisiana, 70302. General information relating to the City can be found at the City website, www.ci.thibodaux.la.us.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Statement A
	Governmental	Business-Type	Total	Component
	Activities	Activities		Units
			Total	Total
ASSETS				
Cash and cash equivalents	\$ 7,446,350	\$ 4,212,834	\$ 11,659,184	\$ 4,808,757
Investments	8,423,764	1,040,361	9,464,125	629,379
Receivables, net	711,401	1,155,783	1,867,184	5,014
Due from other governments	3,351,814	-	3,351,814	1,958
Internal balances	-	-	-	108,397
Prepaid expenses and other assets	-	-	-	27,575
Restricted assets:				
Cash and cash equivalents	-	2,881,052	2,881,052	-
Investments	-	863,717	863,717	-
Capital assets				
Non-depreciable	6,431,367	9,809,849	16,241,216	2,467,187
Net depreciable	29,307,006	22,213,043	51,520,049	6,055,294
Total assets	<u>55,671,702</u>	<u>42,176,639</u>	<u>97,848,341</u>	<u>14,103,561</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits (OPEB) related	987,981	268,353	1,256,334	-
Pension related	3,328,802	455,536	3,784,338	33,804
Total deferred outflows of resources	<u>4,316,783</u>	<u>723,889</u>	<u>5,040,672</u>	<u>33,804</u>
LIABILITIES				
Accounts payables and accrued expenses	1,401,186	830,248	2,231,434	59,709
Retainage payable	44,535	261,766	306,301	-
Claims liability	184,830	-	184,830	-
Due to other governments	-	-	-	9,495
Liabilities payable from restricted assets	-	436,564	436,564	-
Long term liabilities:				
Bonds, leases and compensated absences:				
Due within one year	303,520	1,112,874	1,416,394	-
Due in more than one year	174,590	11,995,372	12,169,962	-
Total OPEB liability:				
Due within one year	260,106	43,050	303,156	-
Due in more than one year	11,621,951	1,924,121	13,546,072	-
Net pension liability	16,226,783	2,341,342	18,568,125	157,474
Total liabilities	<u>30,217,501</u>	<u>18,945,337</u>	<u>49,162,838</u>	<u>226,678</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB related	178,881	506,348	685,229	-
Pension related	1,054,007	48,896	1,102,903	1,512
Resources recovered prior to time requirements	37,770	-	37,770	-
Total deferred inflows of resources	<u>1,270,658</u>	<u>555,244</u>	<u>1,825,902</u>	<u>1,512</u>
NET POSITION				
Net investment in capital assets	35,738,373	18,977,785	54,716,158	8,522,481
Restricted for:				
Debt service	-	621,619	621,619	-
Utility system maintenance	-	1,983,853	1,983,853	-
Court services	-	-	-	96,372
Federal grants	112,431	-	112,431	-
Public safety and public works	1,451,876	-	1,451,876	2,327,644
Unrestricted (deficit)	(8,802,354)	1,816,690	(6,985,664)	2,962,678
Total net position	<u>\$ 28,500,326</u>	<u>\$ 23,399,947</u>	<u>\$ 51,900,273</u>	<u>\$ 13,909,175</u>

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

CITY OF THIBODAUX
Thibodaux, Louisiana
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

								Statement B
Functions / Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,431,201	\$ 1,114,755	\$ 69,799	\$ -	\$ (3,246,647)	\$ -	\$ (3,246,647)	\$ -
Public safety	7,977,331	12,958	533,600	39,416	(7,391,357)	-	(7,391,357)	-
Public works	4,604,200	125,603	34,737	691,019	(3,752,841)	-	(3,752,841)	-
Culture and recreation	2,710,943	58,833	187,717	24,100	(2,440,293)	-	(2,440,293)	-
Health and welfare	1,342,604	-	1,334,248	-	(8,356)	-	(8,356)	-
Total governmental activities	<u>21,066,279</u>	<u>1,312,149</u>	<u>2,160,101</u>	<u>754,535</u>	<u>(16,839,494)</u>	<u>-</u>	<u>(16,839,494)</u>	<u>-</u>
Business-type activities:								
Waterworks	3,335,590	2,566,373	20,554	206,108	-	(542,555)	(542,555)	-
Gas and sewerage	3,911,348	4,002,029	29,370	447,813	-	567,864	567,864	-
Garbage collection	1,506,421	1,544,107	-	-	-	37,686	37,686	-
Total business-type activities	<u>8,753,359</u>	<u>8,112,509</u>	<u>49,924</u>	<u>653,921</u>	<u>-</u>	<u>62,995</u>	<u>62,995</u>	<u>-</u>
Total	<u>\$ 29,819,638</u>	<u>\$ 9,424,658</u>	<u>\$ 2,210,025</u>	<u>\$ 1,408,456</u>	<u>(16,839,494)</u>	<u>62,995</u>	<u>(16,776,499)</u>	<u>-</u>
Component units:								
Court services	\$ 999,140	\$ 104,452	\$ 789,715	\$ -	-	-	-	(104,973)
Public safety	1,401,871	116,477	219,300	-	-	-	-	(1,066,094)
Total component units	<u>\$ 2,401,011</u>	<u>\$ 220,929</u>	<u>\$ 1,009,015</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,171,067)</u>
General revenues:								
Taxes:								
Ad valorem					1,690,676	-	1,690,676	783,125
Sales					15,633,500	-	15,633,500	-
Franchise taxes					569,172	-	569,172	-
Other taxes					441,874	-	441,874	-
Investment earnings					86,237	33,945	120,182	25,862
Donated assets					2,251,614	-	2,251,614	-
Miscellaneous					182,128	134,779	316,907	290,078
Total general revenues and transfers					<u>20,855,201</u>	<u>168,724</u>	<u>21,023,925</u>	<u>1,099,065</u>
Change in net position					4,015,707	231,719	4,247,426	(72,002)
Net position - December 31, 2019					24,484,619	23,168,228	47,652,847	13,981,177
Net position - December 31, 2020					<u>\$ 28,500,326</u>	<u>\$ 23,399,947</u>	<u>\$ 51,900,273</u>	<u>\$ 13,909,175</u>

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

FUND FINANCIAL STATEMENTS (FFS)

CITY OF THIBODAUX
Thibodaux, Louisiana
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

Statement C

	Major Funds				Total
	01	17	65	Non-Major	
	General Fund	Section 8 Housing	Capital Projects Fund	Funds	
ASSETS					
Cash and cash equivalents	\$ 5,634,370	\$ 116,365	\$ 173,212	\$ 1,183,964	\$ 7,107,911
Investments	8,423,764	-	-	-	8,423,764
Receivables, net	405,358	-	-	305,895	711,253
Due from other governments	3,300,374	1,634	-	49,806	3,351,814
Due from other funds	19,363	-	-	-	19,363
Total assets	<u>\$ 17,783,229</u>	<u>\$ 117,999</u>	<u>\$ 173,212</u>	<u>\$ 1,539,665</u>	<u>\$ 19,614,105</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,133,452	\$ 4,619	\$ 130,947	\$ 14,449	\$ 1,283,467
Accrued salaries and benefits	111,636	949	-	413	112,998
Retainage payable	-	-	19,980	24,555	44,535
Due to other funds	-	-	-	19,363	19,363
Total liabilities	<u>1,245,088</u>	<u>5,568</u>	<u>150,927</u>	<u>58,780</u>	<u>1,460,363</u>
DEFERRED INFLOWS OF RESOURCES					
Resources recovered prior to time requirements	78,398	-	-	51,294	129,692
Total deferred inflows of resources	<u>78,398</u>	<u>-</u>	<u>-</u>	<u>51,294</u>	<u>129,692</u>
FUND BALANCES					
Restricted for:					
Federal and State grant programs	-	112,431	-	-	112,431
Public safety	-	-	-	768,260	768,260
Public works	-	-	-	650,682	650,682
Committed for:					
Public works	-	-	22,285	-	22,285
Assigned for:					
Public safety	-	-	-	10,649	10,649
Unassigned	16,459,743	-	-	-	16,459,743
Total fund balances	<u>16,459,743</u>	<u>112,431</u>	<u>22,285</u>	<u>1,429,591</u>	<u>18,024,050</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,783,229</u>	<u>\$ 117,999</u>	<u>\$ 173,212</u>	<u>\$ 1,539,665</u>	<u>\$ 19,614,105</u>

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

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020**

Statement D

Total fund balance for governmental funds		\$ 18,024,050
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds:		
Cost of non-depreciable capital assets	6,431,367	
Cost of depreciable capital assets	71,837,788	
Less: Accumulated depreciation	<u>(42,530,782)</u>	35,738,373
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position		
		149,036
Ad valorem tax revenues were collected more than sixty days after year-end, and, therefore, are not available soon enough to pay current period expenditures		
		91,922
Elimination of interfund assets and liabilities:		
Due from other funds	19,363	
Due to other funds	<u>(19,363)</u>	-
Long-term liabilities are not due and payable in the current period and therefore are not reported as a fund liability:		
Compensated absences payable:		
Due within one year	(303,520)	
Due in more than one year	<u>(174,590)</u>	(478,110)
Total other postemployment benefits (OPEB) liability:		
Due within one year	(260,106)	
Due in more than one year	<u>(11,621,951)</u>	(11,882,057)
Net pension liability:		
Due in more than one year		(16,226,783)
Deferred outflows and inflows of resources related to OPEB and pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows - pension related	3,328,802	
Deferred outflows - OPEB related	987,981	
Deferred inflows - pension related	(1,054,007)	
Deferred inflows - OPEB related	<u>(178,881)</u>	<u>3,083,895</u>
Total net position of governmental activities		<u><u>\$ 28,500,326</u></u>

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

CITY OF THIBODAUX
Thibodaux, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Statement E

	Major Funds			Non-Major Funds	Total
	01 General Fund	17 Section 8 Housing	65 Capital Projects Fund		
REVENUES					
Taxes	\$ 17,232,536	\$ -	\$ -	\$ 1,121,001	\$ 18,353,537
Licenses and permits	1,001,932	-	-	-	1,001,932
Intergovernmental					
Federal government	69,099	1,332,241	4,786	222,115	1,628,241
State government	685,977	-	-	128,746	814,723
Local government	160,098	-	-	-	160,098
Charges for services	194,644	-	-	-	194,644
Fines and forfeitures	112,823	-	-	2,750	115,573
Investment income	83,967	56	278	1,494	85,795
Miscellaneous	201,549	54,073	-	6,604	262,226
Total revenues	<u>19,742,625</u>	<u>1,386,370</u>	<u>5,064</u>	<u>1,482,710</u>	<u>22,616,769</u>
EXPENDITURES					
Current:					
General government	4,112,878	-	-	-	4,112,878
Public safety	6,988,205	-	-	2,371	6,990,576
Public works	2,388,280	-	9,660	331,296	2,729,236
Culture and recreation	2,146,936	-	-	-	2,146,936
Health and welfare	-	1,289,003	-	45,420	1,334,423
Capital outlay	800,924	-	529,648	114,677	1,445,249
Total expenditures	<u>16,437,223</u>	<u>1,289,003</u>	<u>539,308</u>	<u>493,764</u>	<u>18,759,298</u>
Excess (deficiency) of revenues over expenditures	<u>3,305,402</u>	<u>97,367</u>	<u>(534,244)</u>	<u>988,946</u>	<u>3,857,471</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from disposal of capital assets	1	-	-	-	1
Operating transfers in	783,300	6,368	424,485	-	1,214,153
Operating transfers out	(616,090)	-	-	(783,300)	(1,399,390)
Total other financing sources (uses)	<u>167,211</u>	<u>6,368</u>	<u>424,485</u>	<u>(783,300)</u>	<u>(185,236)</u>
NET CHANGE IN FUND BALANCES	<u>3,472,613</u>	<u>103,735</u>	<u>(109,759)</u>	<u>205,646</u>	<u>3,672,235</u>
FUND BALANCES					
Fund balances, beginning of year	12,987,130	8,696	132,044	1,223,945	14,351,815
Fund balances, end of year	<u>\$ 16,459,743</u>	<u>\$ 112,431</u>	<u>\$ 22,285</u>	<u>\$ 1,429,591</u>	<u>\$ 18,024,050</u>

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

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Statement F			
Net change in fund balances - governmental funds	\$ 3,672,235			
The change in net position reported for governmental activities in the statement of activities is different because:				
Net change in the deferral of ad valorem taxes due to collections beyond 60 days	(18,315)			
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense:				
Capital outlay and other capitalized purchases, adjustments and reclassifications	3,696,863			
Depreciation expense, including adjustments and reclassifications	(2,386,032)			
Loss on disposal of capital assets	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; border-top: 1px solid black;">(80,099)</td> <td style="text-align: right; vertical-align: bottom;">1,230,732</td> </tr> </table>		(80,099)	1,230,732
	(80,099)	1,230,732		
The net change in net position of the internal service fund is reported with governmental activities	(165,284)			
Changes in long-term liabilities:				
Change in compensated absences payable	(24,285)			
Net change in other postemployment benefits and deferred inflows/outflows of resources	(712,121)			
Net change in pension liability and deferred inflows/outflows of resources	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; border-top: 1px solid black;">32,745</td> <td style="text-align: right; vertical-align: bottom; border-top: 1px solid black;">(703,661)</td> </tr> </table>		32,745	(703,661)
	32,745	(703,661)		
 Total change in net position of governmental activities	 <u>\$ 4,015,707</u>			

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

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2020

Statement G

	Business-type Activities - Enterprise Funds				Governmental
	41	43	15	Total	Activities
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund		46 Internal Service Fund
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,776,062	\$ 1,880,198	\$ 556,574	\$ 4,212,834	\$ 338,439
Investments	1,040,361	-	-	1,040,361	-
Accounts receivable, net:					
Customers	137,505	284,258	82,912	504,675	-
Unbilled service charges	157,486	363,876	108,950	630,312	-
Other	17,204	3,592	-	20,796	148
Total current assets	<u>3,128,618</u>	<u>2,531,924</u>	<u>748,436</u>	<u>6,408,978</u>	<u>338,587</u>
Restricted assets					
Cash and cash equivalents	492,802	2,388,250	-	2,881,052	-
Investments	223,721	639,996	-	863,717	-
Total restricted assets	<u>716,523</u>	<u>3,028,246</u>	<u>-</u>	<u>3,744,769</u>	<u>-</u>
Noncurrent assets					
Capital assets					
Non-depreciable	31,896	9,777,953	-	9,809,849	-
Depreciable	22,741,440	31,119,703	-	53,861,143	-
Accumulated depreciation	(11,209,365)	(20,438,735)	-	(31,648,100)	-
Total capital assets	<u>11,563,971</u>	<u>20,458,921</u>	<u>-</u>	<u>32,022,892</u>	<u>-</u>
Total assets	<u>15,409,112</u>	<u>26,019,091</u>	<u>748,436</u>	<u>42,176,639</u>	<u>338,587</u>
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefits related	138,639	129,714	-	268,353	-
Pension related	230,168	225,368	-	455,536	-
Total deferred outflows of resources	<u>368,807</u>	<u>355,082</u>	<u>-</u>	<u>723,889</u>	<u>-</u>
LIABILITIES					
Current liabilities					
Current liabilities payable from current assets:					
Accounts payable and accrued expenses	116,742	570,267	125,830	812,839	4,721
Accrued salaries and benefits	8,626	8,783	-	17,409	-
Claims liability	-	-	-	-	184,830
Retainage payable	-	261,766	-	261,766	-
Capital lease payable within one year	265,436	96,608	-	362,044	-
Compensated absences payable within one year	26,557	20,273	-	46,830	-
Total payable from current assets	<u>417,361</u>	<u>957,697</u>	<u>125,830</u>	<u>1,500,888</u>	<u>189,551</u>
Current liabilities payable from restricted assets:					
Revenue bonds payable within one year	251,000	453,000	-	704,000	-
Accrued interest on bonds	8,065	22,756	-	30,821	-
Customer meter deposits	256,307	149,436	-	405,743	-
Total payable from restricted assets	<u>515,372</u>	<u>625,192</u>	<u>-</u>	<u>1,140,564</u>	<u>-</u>
Noncurrent liabilities					
Revenue bonds payable after one year	2,554,276	7,397,852	-	9,952,128	-
Compensated absences payable after one year	29,475	17,655	-	47,130	-
Capital lease payable after one year	1,463,472	532,642	-	1,996,114	-
Net pension liability	1,212,315	1,129,027	-	2,341,342	-
Other postemployment benefits liability:					
OPEB due within one year	16,038	27,012	-	43,050	-
OPEB due after one year	717,111	1,207,010	-	1,924,121	-
Total noncurrent liabilities	<u>5,992,687</u>	<u>10,311,198</u>	<u>-</u>	<u>16,303,885</u>	<u>-</u>
Total liabilities	<u>6,925,420</u>	<u>11,894,087</u>	<u>125,830</u>	<u>18,945,337</u>	<u>189,551</u>
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefits related	62,681	443,667	-	506,348	-
Pension related	17,831	31,065	-	48,896	-
Total deferred inflows of resources	<u>80,512</u>	<u>474,732</u>	<u>-</u>	<u>555,244</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	7,021,722	11,956,063	-	18,977,785	-
Restricted for debt service	95,357	526,262	-	621,619	-
Restricted for system maintenance	106,512	1,877,341	-	1,983,853	-
Unrestricted	1,548,396	(354,312)	622,606	1,816,690	149,036
Total net position	<u>\$ 8,771,987</u>	<u>\$ 14,005,354</u>	<u>\$ 622,606</u>	<u>\$ 23,399,947</u>	<u>\$ 149,036</u>

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

CITY OF THIBODAUX
Thibodaux, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15	Total	46
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund		Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 2,566,373	\$ 4,002,029	\$ 1,544,107	\$ 8,112,509	\$ -
OPERATING EXPENSES					
Gas purchased	-	855,626	-	855,626	-
Contractual service	-	-	1,494,503	1,494,503	-
Personal services	1,059,688	874,757	-	1,934,445	-
Operating supplies	466,086	309,342	9,259	784,687	-
Equipment expenses	217,117	497,519	-	714,636	-
Building expenses	238,391	206,630	-	445,021	-
Outside services	30,547	148,770	-	179,317	-
General operating	251,432	114,522	2,659	368,613	350,963
General administrative	11,870	7,797	-	19,667	-
Depreciation	897,684	825,955	-	1,723,639	-
Total operating expenses	3,172,815	3,840,918	1,506,421	8,520,154	350,963
Operating income (loss)	(606,442)	161,111	37,686	(407,645)	(350,963)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	18,233	14,730	982	33,945	442
Other non-operating revenues	112,159	17,735	4,885	134,779	-
Intergovernmental	407	10,900	-	11,307	-
Revenues from non-employer contributing entities	20,147	18,470	-	38,617	-
Interest and fiscal charges	(162,775)	(70,430)	-	(233,205)	-
Total non-operating revenues (expenses)	(11,829)	(8,595)	5,867	(14,557)	442
Income (loss) before operating transfers	(618,271)	152,516	43,553	(422,202)	(350,521)
OPERATING TRANSFERS					
Operating transfers in	-	-	-	-	185,237
Net operating transfers	-	-	-	-	185,237
Income (loss) before capital contributions	(618,271)	152,516	43,553	(422,202)	(165,284)
CONTRIBUTIONS					
Capital grants	206,108	447,813	-	653,921	-
CHANGE IN NET POSITION	(412,163)	600,329	43,553	231,719	(165,284)
NET POSITION					
Beginning of year	9,184,150	13,405,025	579,053	23,168,228	314,320
End of year	\$ 8,771,987	\$ 14,005,354	\$ 622,606	\$ 23,399,947	\$ 149,036

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

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Statement I

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15	Total	46
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 2,554,908	\$ 3,916,135	\$ 1,538,912	\$ 8,009,955	\$ -
Cash payments to suppliers for goods and services	(1,190,435)	(1,525,678)	(1,500,993)	(4,217,106)	(314,352)
Cash payments to employees	(1,027,952)	(897,618)	-	(1,925,570)	-
Net cash provided by (used in) operating activities	<u>336,521</u>	<u>1,492,839</u>	<u>37,919</u>	<u>1,867,279</u>	<u>(314,352)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating grants received	407	10,900	-	11,307	-
Miscellaneous receipts	132,316	36,831	4,885	174,032	137,727
Operating transfers in, net	-	-	-	-	185,237
Net cash provided by non-capital financing activities	<u>132,723</u>	<u>47,731</u>	<u>4,885</u>	<u>185,339</u>	<u>322,964</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(41,498)	(5,395,443)	-	(5,436,941)	-
Interest and fiscal charges on capital debt	(101,009)	(37,066)	-	(138,075)	-
Interest and fiscal charges on capital lease	(62,471)	(22,737)	-	(85,208)	-
Proceeds received from capital debt	-	4,225,724	-	4,225,724	-
Principal paid on capital debt	(245,000)	(218,000)	-	(463,000)	-
Principal paid on capital lease	(257,015)	(93,543)	-	(350,558)	-
Net cash used for capital and related financing activities	<u>(706,993)</u>	<u>(1,541,065)</u>	<u>-</u>	<u>(2,248,058)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	8,789	8,303	982	18,074	442
Proceeds from sale or maturities of investments	1,395,882	-	-	1,395,882	-
Net cash provided by investing activities	<u>1,404,671</u>	<u>8,303</u>	<u>982</u>	<u>1,413,956</u>	<u>442</u>
Net increase in cash	1,166,922	7,808	43,786	1,218,516	9,054
Cash at beginning of year	1,101,942	4,260,640	512,788	5,875,370	329,385
Cash at end of year	<u>\$ 2,268,864</u>	<u>\$ 4,268,448</u>	<u>\$ 556,574</u>	<u>\$ 7,093,886</u>	<u>\$ 338,439</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:					
Current assets-					
Cash and cash equivalents	\$ 1,776,062	\$ 1,880,198	\$ 556,574	\$ 4,212,834	\$ 338,439
Restricted cash and cash equivalents	492,802	2,388,250	-	2,881,052	-
Total cash and cash equivalents	<u>\$ 2,268,864</u>	<u>\$ 4,268,448</u>	<u>\$ 556,574</u>	<u>\$ 7,093,886</u>	<u>\$ 338,439</u>

(continued)

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Statement I

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15	Total	46
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund		Internal Service Fund
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Income (loss) from operations	\$ (606,442)	\$ 161,111	\$ 37,686	\$ (407,645)	\$ (350,963)
ADJUSTMENTS TO RECONCILE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Depreciation	897,684	825,955	-	1,723,639	-
Bad debt expense	3,604	3,349	2,659	9,612	-
Change in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	(20,047)	(91,680)	(7,854)	(119,581)	-
Accounts payable and accrued expenses	25,008	614,528	5,428	644,964	(11,772)
Accrued salaries and benefits payables	(16,459)	(12,543)	-	(29,002)	-
Claims liability	-	-	-	-	48,383
Customer deposits	4,978	2,437	-	7,415	-
Compensated absences payable	3,160	5,407	-	8,567	-
Total other postemployment benefit (OPEB) liability	64,570	(382,682)	-	(318,112)	-
Deferred outflows - OPEB related	(39,843)	68,506	-	28,663	-
Deferred inflows - OPEB related	26,301	303,944	-	330,245	-
Net pension liability	25,529	28,873	-	54,402	-
Deferred outflows - pension related	(12,655)	(17,069)	-	(29,724)	-
Deferred inflows - pension related	(18,867)	(17,297)	-	(36,164)	-
Net cash provided by (used in) operating activities	\$ 336,521	\$ 1,492,839	\$ 37,919	\$ 1,867,279	\$ (314,352)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Gain (loss) in fair value of investments	\$ (34)	\$ 3,804	\$ -	\$ 3,770	\$ -
Contributions accrued as capital assets	(206,108)	(447,813)	-	(653,921)	-

(concluded)

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

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies

The City of Thibodaux, Louisiana (the City) was incorporated under Special Charter effective December 9, 1974. Currently, the City operates under a revised Home Rule Charter effective January 1, 2002. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: general government, public safety, public works, culture and recreation, health and welfare, and utilities.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

a. Financial Reporting Entity

Governmental Accounting Standards Board (GASB), Statement No. 61, codified into Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the City is a general-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the City may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

The financial reporting entity consists of (a) the primary government (City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, establishes criteria for determining which component units should be considered part of the Consolidated Government of the City for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit
2. Financial accountability
 - a. The primary government appoints a voting majority of the potential component unit's governing body (and) the primary government is able to impose its will on the potential component unit (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefit/burden relationship between the City and the potential component unit.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

a. Financial Reporting Entity (continued)

4. Misleading to exclude: Paragraph 111 of Section 2100 covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on these criteria, management has determined that the following component units are part of the reporting entity:

City Court of Thibodaux, Louisiana (City Court) – The City Court is fiscally dependent on the City for office space and courtrooms. The City Court Judge and City Marshal are independently elected officials; whose office operations are both accounted for in the City Court's financial statements. The substance of the relationship between City Court and the City is that the City has approval authority over its capital budget. The City Court's fiscal year end is December 31, 2020.

Thibodaux Volunteer Fire Department, Inc. (the Fire Department) – The Fire Department is a separate, independent non-profit corporation. Management of the Fire Department is by a Board of Directors made up of volunteer firemen who have been elected by the membership of various fire companies. After being elected by the fire companies' membership, the board members of the Fire Department are approved by the City Council. The Mayor of the City is an ex-officio member of the Board of Directors of the Fire Department. Fiscal dependency exists since the City provides insurance, utilities and various other expenses. The Fire Department also receives financial support from the City in the form of property taxes assessed at a rate of 6.12 mills. The Fire Department's fiscal year end is November 30, 2020.

Complete separate financial statements for all component units may be obtained online from the Louisiana Legislative Auditor's website: <http://www.la.state.la.us>.

This report includes all funds which are controlled by the City. The City is not included in any other governmental "reporting entity" as defined by the GASB pronouncement.

b. Basis of Presentation

The City's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities. Interfund activity consists of interfund receivables and payables. As a general rule, the effect of interfund activity has been eliminated from both the statement of net position and the statement of activities. The government-wide presentation focuses primarily on the long-term sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and special fund programs. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxed and other items not properly included among program revenues are reported instead as general revenues. This includes externally dedicated resources such as a restricted property tax.

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Fund Financial Statements

Emphasis of fund financial reporting is on the major fund level in either the governmental or business-type categories.

The daily accounts and operations of the City are organized on the basis of individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped into generic fund types and two broad fund categories as follows:

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

Fund Financial Statements (continued)

Governmental Activities Presented as Governmental Funds in the Fund Financial Statements:

General Fund – The General Fund is the government’s primary operating fund of the City and is considered to be a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures (other than major capital projects or debt service) for specified purposes. Special Revenue Funds reported the following fund as a major fund:

Section 8 Housing Fund – is a Special Revenue Fund that accounts for the Section 8 Housing Program – a federally funded program that supplements the rental payments of extremely low and very low income families. Rental assistance payments are made to the property owner by the City on behalf of the family. The program is funded by the Department of Housing and Urban Development.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources that are committed, restricted, or assigned to the payment of general long-term debt principal, interest, and related costs on long-term obligations of governmental funds. The City does not have any Debt Service Funds.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The Capital Projects Fund reported as a major fund is:

Capital Projects Fund – Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Proprietary Funds).

Proprietary Funds:

Enterprise Funds – Enterprise Funds are used to account for operations: (a) that are financed and operated similarly to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds are combined and presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. The Enterprise Funds reported as major funds in the fund financial statements consist of:

The Municipal Waterworks Fund accounts for providing water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

Fund Financial Statements (continued)

Proprietary Funds: (continued)

The Municipal Gas & Sewerage System Fund accounts for providing gas and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

The Garbage Collection Fund accounts for operations of the garbage system. Financing is provided by service charges assessed by the City and other fund transfers when necessary. Waste disposal service companies under contract with the City provide collection and disposal services.

Internal Service Fund – the Internal Service Fund accounts for activity that provides goods or services to other funds, departments or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The Internal Service Fund accounts for risk management services, including auto liability, general liability, police liability and public officials' statements. Since the Internal Service Fund is used for City governmental activities, financial statements of the Internal Services Fund are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

c. Basis of Accounting and Measurement Focus

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting and Measurement Focus (continued)

Fund Financial Statements (continued)

Governmental funds resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The City's definition of available means expected to be received within sixty days of the end of the fiscal year for all revenues except grants or entitlements on federal or state assistance programs. The availability period for these grant programs is twelve months.

Nonexchange transactions, in which the City receives value without directly giving value in return, includes sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are recognized as revenues in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales tax and gross receipts business tax revenues are recognized when the underlying transaction occurs and meets the availability criteria, as described in the preceding paragraph. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, subject to the availability criteria. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, arbitrage payable, total OPEB liability, net pension liability and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

d. Budgetary Data

Budget Policies and Budgetary Accounting

Annual budgets are adopted and recorded in the accounting records for all governmental type funds. Annual appropriated budgets are adopted by the City for the following governmental funds: general, special revenue and capital projects. All annual appropriations lapse at year-end.

The City does not employ encumbrance accounting; under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

d. Budgetary Data (continued)

Budget Policies and Budgetary Accounting (continued)

Formal budget integration is employed as a management control device during the year. The City follows these procedures in establishing the budgetary data reflected in these financial statements:

- A proposed budget is prepared and submitted to the Mayor and City Council at the first regular meeting of the Council each November prior to the beginning of each fiscal year.
- The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
- On or before December 7th of each year, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the City Council.
- The council, by ordinance, may make supplemental appropriations for the year up to the amount of such excess of estimated revenues in the budget in the same manner required for adoption of the budget.
- The Council may make emergency appropriations to meet a public emergency affecting life, health, property or the public peace.
- Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted or as amended by the City Council.

e. Cash, Cash Equivalents, and Investments

Cash for the primary government includes demand deposit and interest-bearing demand deposit accounts, money markets accounts, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

The investment policies of the City are governed by R.S. 33:2955 and requires all securities to be investment-grade obligations but does not address specific credit quality ratings. The City does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not address credit quality ratings, concentration of credit risk by issuer, or investment maturity limitations. Securities traded in a national or international exchange and are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at an estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment earnings. Interest earnings on the investment pool account are distributed to various funds based on their respective monthly balances. Additional details on authorized investments of City funds are disclosed in Note 5.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

f. Restricted Assets

Certain bond proceeds and debt service sinking funds are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Position since the use of these funds is limited by applicable bond covenants.

g. Accounts Receivable

Accounts receivable are reported net of an allowance for uncollectibles in business-type activities. Accounts receivable in excess of 33 days comprise the allowance for uncollectibles. Uncollectible accounts receivable are written off every 6 months.

Uncollectible receivables due for ad valorem taxes and other governmental activities 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.

An allowance based upon past experience has been established for business type activities for customers' utility billings and garbage fees. Uncollectible amounts due for ad valorem taxes, special assessments, and other receivables are recognized as bad debts every 6 months which would indicate the uncollectibility of the particular receivables.

h. Interfund Receivables and Payables

Short-term cash borrowing between funds are considered temporary in nature. These amounts are reported as "due to/from other funds" Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

i. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the GWFS, which include land, buildings and improvements, equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems). Capital assets are defined by the government as assets with an estimated useful life in excess of one year and initial, individual costs as follows:

Threshold for Capitalization	Dollar Amount
Land	\$1
Land improvements	\$25,000
Buildings & improvements	\$50,000
Furnishing & equipment	\$5,000
Vehicles	\$5,000
Infrastructure	\$250,000

Useful lives of assets are determined as follows:

Type of Asset	Years
Buildings & improvements	10-50
Plant & distribution systems	5-50
Land improvements	10-20
Furnishings & equipment	5-20
Vehicles	5
Infrastructure	20-30

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

i. Capital Assets (continued)

All infrastructure assets purchased are recorded at historical cost as capital assets and depreciated accordingly. All donated infrastructure accepted into the City's maintenance program are recorded at fair value at the date of donation and capitalized and depreciated in accordance with the above capitalization policy.

The cost of a capital asset includes ancillary charges necessary to place the asset into its intended locations and condition for use. Those costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Improvements are capitalized over the remaining useful life of the asset. Major outlays for capital assets and improvements are capitalized as projects at completion of construction.

At this point the project costs are moved out of construction-in-progress and capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed.

j. Compensated Absences

Under the terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Employees of the City may accumulate and vest up to a maximum of 21 days of vacation time. Employees are not limited in the accumulation of sick leave. However, as of August 1, 1995, only the sick leave of employees eligible for retirement shall vest. The calculation of accrued sick leave that is payable is based on the number of service years for that employee. The amount of sick leave that an employee is eligible for is their accumulated sick leave balance times a percentage based on the number of years of service up to a predetermined maximum balance that is also based on the number of years of service.

Accumulated unpaid vacation and sick pay is accrued and charged to operations in the GWFS when incurred. Sick pay is charged to the FFS when paid. In the GWFS and the proprietary fund type statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis.

k. Other Postemployment Benefits

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires governments to recognize total OPEB liabilities directly in the financial statements, as a means of more effectively disclosing exactly what these benefits are meant to provide.

In the GWFS and the proprietary fund type statements, the OPEB is recorded as an expense, allocated on a functional basis, and long-term obligation.

In the governmental fund type financial statements OPEB expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to OPEB payments due and payable of the end of the year.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

l. Long-Term Liabilities

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expenses in the year of debt issuance. Bonded debt premiums, discounts, and gains (losses) on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net or gross of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial reporting period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts are normally provided by transfers from the General Fund to a debt service fund. However, if a debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

m. Pension Plans

The City is a participating employer in three cost-sharing, multiple-employer defined benefit pension plans as described in Note 11. 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 each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

n. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The primary government's deferred outflows of resources and deferred inflows of resources on the statement of net position are a result of deferrals concerning pensions and OPEB.

Note 11 presents detailed information concerning the amounts related to pensions, reported in the deferred inflows and deferred outflows sections of the statement of net position.

Note 12 presents detailed information concerning the amounts related to OPEB, reported in the deferred inflows and deferred outflows sections of the statement of net position.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

o. Net Position / Fund Balance Classifications

Government-Wide Statements

In the 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 of which the proceeds have been spent on projects, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use for a particular project or purpose, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Non-spendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- b. Restricted – represents balances where constraints have been established by parties outside the City or imposed by law through constitutional provisions or enabling legislation.
- c. Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority.
- d. Assigned – represents balances that are constrained by the City’s intent to be used for specific purposes, but are not restricted nor committed.
- e. Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the City reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the City reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

p. Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases, where repayment is expected, the advances are accounted for through the various due from and due to accounts. Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

q. Estimates

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

r. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, business interruption, errors and omissions; employee injuries and illnesses, natural disasters; and employee health benefits. The City carries commercial insurance for all risks of loss.

The City maintains a limited risk management program in the Internal Service Fund for auto, general, police and public officials' liability claims. The City is self-insured for the first \$100,000 for each claim and purchases commercial coverage for excess losses. The City is named as a defendant in various legal claims arising the ordinary course of operations. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated up to \$100,000 per claim.

s. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for City issues at December 31, 2020.

t. Current Year Adoption of New Accounting Standards

The City adopted GASB Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement clarifies the definition of debt for disclosure purposes and expands the required debt disclosures to provide more detail about governmental obligations. GASB 88 defines debt for purposes of disclosures as a liability that arises from a contractual obligation to pay cash (or another financial asset) in one or more payments to settle an amount that is fixed at the date when the contractual obligation is established. GASB 88 requires that direct borrowings and placements be disclosed separately from other types of debt and also provides additional guidance for disclosures related to debt. The provisions of GASB 88 are effective for financial statements for periods beginning after June 15, 2019. Additional disclosures are included in Note 13.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

1. Summary of Significant Accounting Policies (continued)

t. Current Year Adoption of New Accounting Standards (continued)

The City adopted GASB Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for Asset Retirement Obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. The City does not have a liability related to an ARO.

2. Ad Valorem Taxes

Ad valorem taxes are levied each November on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the City. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by LA 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 January 1, 2020. Taxes are due and payable on the day they are levied with the interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is October 27, 2020 (the lien date). Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2020 levy was based, was \$129,851,750.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%, and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of Lafourche Parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47: 1957). The correctness of assessments by the assessor is subject to the review and certification by the Louisiana Tax Commission.

Under Article VI, Section 27 of the Louisiana Constitution, municipalities are granted the authority to levy an ad valorem tax for general purposes not to exceed 7 mills. Any additional millage must be approved by the voters. This general purpose millage is subject to adjustment after reassessment to assure that the same amount of revenue is produced. The combined tax rate to finance general governmental services for the year ended December 31, 2020, was 4.50 mills.

Additionally, millages were authorized and levied for 2.46 mills for special improvements of streets and 6.12 mills for fire department special improvements.

3. Sales Taxes

2.0% EFFECTIVE MARCH 1, 1981

A sales and use tax of one (1%) per cent created by Ordinance No. 667 by a special election held on May 2, 1967 went into effect on May 9, 1967, authorized the levying of a sales and use tax within the City of Thibodaux; and an additional tax of one (1%) per cent by Ordinance No. 1127 by virtue of a special election held on January 17, 1981 made effective on March 1, 1981. Such proceeds may be used for paying principal and interest on any bonded debt or funded indebtedness; constructing and acquiring extensions and improvements to the sewer and waterworks systems; constructing and improving streets, sidewalks, bridges, drains, drainage canals, subsurface drainage and parkway beautification; constructing and acquiring garbage incinerator facilities and purchasing garage disposal and health sanitation equipment and facilities; purchasing,

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

3. Sales Taxes (continued)

constructing, and improving public parks and recreational facilities and acquiring any necessary equipment and furnishings, therefore; constructing and purchasing police department equipment and facilities; constructing and improving public buildings; purchasing equipment for civil defense; constructing, acquiring or improving any work or permanent public improvement; purchasing and acquiring all sites, equipment and furnishings for the public works, building improvements facilities of the City, and for the purpose of paying salaries of employees and the general operation of the City. The tax shall remain in effect without limit as to term or duration.

0.5% EFFECTIVE JULY 1, 2016

The City was authorized by a special election on March 5, 2016 to levy and collect a tax of one half of one percent (.5%) in perpetuity, from and after July 1, 2016, so that such proceeds may be used for providing municipal services including, but not limited to, constructing, acquiring, improving, extending, maintaining or operating public roads, public safety, parks and recreational facilities and other public improvements and facilities of the City. The tax shall remain in effect without limit as to term or duration.

4. Equity in Pooled Cash and Deposits

Equity in Pooled Cash

The City maintains cash pools that are available for use by various funds. Positive book cash balances are displayed on the combined balance sheet as "Cash and cash equivalents." Negative book cash balances are included in "Due to other funds" on the combined balance sheet.

At December 31, 2020, the City had cash (book balances) totaling \$14,540,236. Included in cash and cash equivalents on the balance sheet at December 31, 2020, are the following:

Cash on hand	\$ 4,100
Demand deposits	11,655,084
Total unrestricted cash	<u>11,659,184</u>
Restricted cash	2,881,052
Total cash and cash equivalents	<u>\$ 14,540,236</u>

Restricted cash consists of \$49,143 restricted for customer meter deposits and \$2,831,909 restricted to meet requirements of bond covenants.

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2020, the City's bank balance totaled \$15,019,992. Of this balance, \$278,041 was insured by federal deposit insurance and \$14,741,951 was collateralized by securities held by the pledging financial institutions' trust department or agent but not in the City's name.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

5. Investments

As of December 31, 2020, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>INVESTMENT MATURITIES</u> <u>(IN YEARS)</u>	
		<u>< 1 year</u>	<u>1-5</u>
Investments at fair value			
Mortgage-backed Securities	\$ 730,215	\$ -	\$ 730,215
Investments measured at the net asset value (NAV)			
Louisiana Asset Management Pool (LAMP)	8,190,375	8,190,375	-
Federated Government Obligations Fund	1,407,252	1,407,252	-
Total investments measured at NAV	9,597,627	9,597,627	-
Total investments	<u>\$ 10,327,842</u>	<u>\$ 9,597,627</u>	<u>\$ 730,215</u>

Included in investments on the balance sheet at December 31, 2020, are the following:

Investments	\$ 9,464,125
Restricted investments	863,717
Total investments	<u>\$ 10,327,842</u>

Interest Rate Risk – The City’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Under Louisiana R.S. 33:2955, as amended, the City may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The City’s investment policy does not further limit its investment choices.

As of December 31, 2020, the City had the following percentages of investments in debt securities:

FNMA (Federal National Mortgage Association) AA+ by Standard & Poor’s 100.00%

Concentration of Credit Risk - The City’s investment policy does not limit the amount the City may invest in any one issuer.

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. At December 31, 2020, investments of \$8,190,375 are in LAMP.

Credit Risk: LAMP is rated AAAM by Standard & Poor’s.

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

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

5. Investments (continued)

Concentration of Credit Risk: Pooled investments are excluded from the five percent disclosure requirement.

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM of LAMP's total investments is 47 days as of December 31, 2020.

Foreign Currency Risk: Not applicable.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pools is the same as the value of the pool shares.

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.

The Federated Government Obligations Fund (the fund) is a 2a-7 like investment pool. The primary objective of the Fund is to provide a safe environment for the placement of public funds in short-term, high quality investments. At December 31, 2020, investments of \$1,407,252 are in the Fund.

Credit Risk: The Fund is rated AAAM by Standard & Poor's.

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

Concentration of Credit Risk: Pooled investments are excluded from the five percent disclosure requirement.

Interest Rate Risk: The Fund is designed to be highly liquid to give its participants immediate access to their account balances. The Fund prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of Fund's total investments is 36 days as of December 31, 2020.

Foreign Currency Risk: Not applicable.

The investments in the Fund are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by the Fund and the value of the position in the external investment pools is the same as the value of the pool shares.

The Fund is subject to the regulatory oversight of the Securities and Exchange Commission.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

6. Fair Value of Financial Instruments

Fair Value Hierarchy

In accordance with this guidance, the City groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2- Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value required significant management judgment or estimation.

The following methods and assumptions were used by the City in estimating fair value disclosures for financial instruments:

Securities: Where quoted prices are available in an active market, we classify the securities within level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds and exchange-traded equities.

If quoted market prices are not available, we estimate fair values using pricing models and discounted cash flows that consider input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, include GSE (Government sponsored enterprises) obligations, (such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Home Loan Bank), corporate bonds and other securities. Mortgage backed securities are included in level 2 if observable inputs are available. In certain cases, where there is limited activity or less transparency around inputs to the valuation, we classify those securities in level 3.

The City's mortgaged-backed securities, in the amount of \$730,215, are level 2 investments based on the fair value hierarchy described above.

Fair Value of Assets Measured on a Recurring Basis

The City's securities are measured on a recurring basis through a model used by its investment custodian. Prices are derived from a model which uses actively quoted rates, prepayment models and other underlying credit and collateral data.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

7. Receivables

The following is a summary of accounts receivable at December 31, 2020:

Class of Receivable	Governmental Activities	Business-Type Activities
Charges for services		
Water	\$ -	\$ 300,993
Sewerage & Gas	-	659,131
Garbage	-	194,862
Ad valorem taxes		
General	174,046	-
Non-major	305,645	-
Franchise fees		
General	172,859	-
Claims in excess of SIR		
Internal Service Fund	148	-
Other		
General	58,453	-
Non-major	250	-
Water	-	17,204
Sewerage & Gas	-	3,592
Total receivables	711,401	1,175,782
Less: allowance for doubtful accounts	-	(19,999)
Receivables, net	<u>\$ 711,401</u>	<u>\$ 1,155,783</u>

8. Due from Other Governments

Amounts due from other governments at December 31, 2020 consist of the following:

	General Fund	Section 8 Housing	Non-major Funds	Total
Lafourche Parish Sales and Use Tax Authority	\$ 2,864,685	\$ -	\$ -	\$ 2,864,685
Lafourche Parish Transportation	-	-	20,898	20,898
Houma Police Department	3,272	-	-	3,272
Beer Taxes from the State of Louisiana	8,404	-	-	8,404
Video Poker from the State of Louisiana	38,953	-	-	38,953
DOTD Litter Maintenance	5,400	-	-	5,400
City of Thibodaux City Court Fund	14,783	-	-	14,783
Federal Aviation Administration	29,980	-	-	29,980
Airport Mitigation	268,539	-	-	268,539
Housing Authority	62,767	-	-	62,767
Housing and Urban Development	-	1,634	-	1,634
Other	3,591	-	28,908	32,499
	<u>\$ 3,300,374</u>	<u>\$ 1,634</u>	<u>\$ 49,806</u>	<u>\$ 3,351,814</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

9. Franchise Fee Revenues

Electric

On October 21, 2003, the City entered into an agreement with Entergy, that granted, by ordinance, to Entergy a franchise, right, and privilege for a period of thirty-three (33) years from the date of adoption to distribute, deliver, sell and supply, in such a manner as it chooses, electric service throughout the City. The City is to receive a sum of two percent (2%) of the gross receipts from the sale of electric service at retail for residential and commercial purposes within the corporate limits of the City. The City earned and reported in the General Fund \$301,068 of franchise fee revenue for the year ended December 31, 2020.

Telephone

On August 21, 1998, the City granted to BellSouth Telecommunications, Inc. (currently AT&T) a franchise to use and occupy the streets, alleys, public ways and thoroughfares of the City for the purpose of constructing, maintaining and operating its poles, wires, conduits, cables, anchors, towers, transmission lines, manholes, piers, abutments and other structures and facilities used in or incidental to the provisions of telephone or telegraph services to the public. In consideration, AT&T agrees to pay five percent (5%) of the gross receipts from local exchange telephone service provided within the corporate limits. The agreement is on a year-to-year basis unless canceled by either party upon at least sixty days' notice prior to the expiration of the initial term or any extension thereof. The City earned and reported in the General Fund \$76,321 of telephone franchise fee revenue for the year ended December 31, 2020.

Cable TV

On June 18, 2004, the City granted to Renaissance Media, L.L.C. doing business as Charter Communications, a new franchise to supply cable service within the city limits for 15 years. On June 24, 2019, this agreement was renewed for an additional 15 years. The City receives five percent (5%) of revenues received from subscribers in the City as franchise fee for television service, not including installation revenues. The City earned and reported in the General Fund \$162,152 of Cable TV franchise fee revenue for the year ended December 31, 2020.

Wireless Phone

The City collects fees from various wireless phone carriers. On May 23, 2014, the City entered into a lease for a perpetual easement and a grant of servitude for two pieces of property in the City limits. The City will be compensated for granting the servitude for the use of a portion of the properties and a perpetual right-of-way for ingress and egress, with the right to install, replace and maintain utility wires, poles, cables, conduits, and pipes. The lease further grants and assigns a non-exclusive construction and maintenance servitude over any portion of the property for any construction, repair, maintenance, replacement, demolition and removal.

The perpetual servitudes can be terminated by written notice within a reasonable time to be able to remove its building(s), tower and above ground property and restore the surface to its original condition, reasonable, wear and tear excepted. Wireless Tower revenue recorded for RTC was \$14,820, Eatel was \$411, and AT&T was \$14,400, totaling \$29,631 for the year ending December 31, 2020.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

10. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2020, are as follows:

Governmental Activities:

	Balance 12/31/2019	Additions	Deletions	Transfers	Balance 12/31/2020
Land	\$ 4,396,127	\$ -	\$ -	\$ -	\$ 4,396,127
Construction in progress	2,070,928	497,176	(80,099)	(452,765)	2,035,240
Capital assets, non-depreciable	<u>6,467,055</u>	<u>497,176</u>	<u>(80,099)</u>	<u>(452,765)</u>	<u>6,431,367</u>
Infrastructure	47,494,780	2,708,927	-	335,049	50,538,756
Buildings & improvements	14,134,399	154,000	-	117,716	14,406,115
Equipment & furniture	6,787,784	336,760	(231,627)	-	6,892,917
Capital assets, depreciable	<u>68,416,963</u>	<u>3,199,687</u>	<u>(231,627)</u>	<u>452,765</u>	<u>71,837,788</u>
Total cost of capital assets	<u>74,884,018</u>	<u>3,696,863</u>	<u>(311,726)</u>	<u>-</u>	<u>78,269,155</u>
Less: Accumulated depreciation					
Infrastructure	(24,363,075)	(1,728,682)	-	-	(26,091,757)
Buildings & improvements	(10,908,441)	(301,246)	-	-	(11,209,687)
Equipment & furniture	(5,104,861)	(356,104)	231,627	-	(5,229,338)
Total accumulated depreciation	<u>(40,376,377)</u>	<u>(2,386,032)</u>	<u>231,627</u>	<u>-</u>	<u>(42,530,782)</u>
Net depreciable capital assets	<u>28,040,586</u>	<u>813,655</u>	<u>-</u>	<u>452,765</u>	<u>29,307,006</u>
Net capital assets	<u>\$ 34,507,641</u>	<u>\$ 1,310,831</u>	<u>\$ (80,099)</u>	<u>\$ -</u>	<u>\$ 35,738,373</u>

For the year ended December 31, 2020, governmental activities depreciation expense of \$2,386,032 was charged to the following functions:

General Government	\$ 210,766
Public Safety	161,724
Public Works	1,614,905
Culture & Recreation	398,637
	<u>\$ 2,386,032</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

10. Capital Assets (continued)

Business-Type Activities:

	Balance 12/31/2019	Additions	Deletions	Transfers	Balance 12/31/2020
Land	\$ 403,334	\$ -	\$ -	\$ -	\$ 403,334
Construction in progress	4,011,071	5,395,444	-	-	9,406,515
Capital assets non-depreciable	<u>4,414,405</u>	<u>5,395,444</u>	<u>-</u>	<u>-</u>	<u>9,809,849</u>
Water production & distribution	22,515,576	247,606	(21,742)	-	22,741,440
Sewerage system plant & equipment	20,662,768	383,165	-	-	21,045,933
Gas distribution system	10,019,053	64,647	(9,930)	-	10,073,770
Capital assets depreciable	<u>53,197,397</u>	<u>695,418</u>	<u>(31,672)</u>	<u>-</u>	<u>53,861,143</u>
Total cost of capital assets	<u>57,611,802</u>	<u>6,090,862</u>	<u>(31,672)</u>	<u>-</u>	<u>63,670,992</u>
Less: Accumulated depreciation					
Water production & distribution	(10,333,423)	(897,684)	21,742	-	(11,209,365)
Sewerage system plant & equipment	(12,666,210)	(570,364)	-	-	(13,236,574)
Gas distribution system	(6,956,500)	(255,591)	9,930	-	(7,202,161)
Total accumulated depreciation	<u>(29,956,133)</u>	<u>(1,723,639)</u>	<u>31,672</u>	<u>-</u>	<u>(31,648,100)</u>
Net depreciable capital assets	<u>23,241,264</u>	<u>(1,028,221)</u>	<u>-</u>	<u>-</u>	<u>22,213,043</u>
Net capital assets	<u>\$ 27,655,669</u>	<u>\$ 4,367,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,022,892</u>

For the year ended December 31, 2020, business-type activities depreciation expense of \$1,723,639 was charged to the following functions:

Waterworks	\$ 897,684
Sewerage System	570,364
Gas System	255,591
	<u>\$ 1,723,639</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plans

The City is a participating employer in three cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS), the Municipal Police Employees' Retirement System of Louisiana (MPERS), and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling, or downloading the reports as follows:

MERS: 7937 Office Park Boulevard Baton Rouge, Louisiana 70809 (225) 925-4810 www.mersla.com	MPERS: 7937 Office Park Boulevard, Suite 200 Baton Rouge, Louisiana 70809 (225) 929-7411 www.lmapers.org	LASERS 8401 United Plaza Blvd. P.O. Box 44213 Baton Rouge, Louisiana 70809-4213 (225) 925-0185 www.lasersonline.org
--	---	--

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

MERS is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to eligible state employees as defined in LRS 11:1732. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:1801.

Municipal Police Employees' Retirement System of Louisiana (MPERS)

MPERS is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

Louisiana State Employees' Retirement System (LASERS)

LASERS is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The age and years of credible service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plans (continued)

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2020, for the City and covered employees were as follows:

	City	Employees
Municipal Employees' Retirement System Plan A		
Members hired prior to 01/01/2013	29.50%	10.00%
Members hired after 01/01/2013	29.50%	10.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 01/01/2013	33.75%	10.00%
Non-hazardous Duty (hired after 01/01/2013)	33.75%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	36.25%	7.50%
Louisiana State Employees' Retirement System	42.50%	11.50%

The contributions made to the Systems for the past three fiscal years were as follows:

	2020	2019	2018
Municipal Employees' Retirement System Plan A	\$ 1,434,952	\$ 1,248,064	\$ 1,180,078
Municipal Police Employees' Retirement System	\$ 882,485	\$ 849,499	\$ 840,071
Louisiana State Employees' Retirement System	\$ 18,280	\$ 16,629	\$ 15,844

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2020 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2020 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at December 31, 2020	Rate at June 30, 2020	Increase (Decrease) on June 30, 2019 Rate
Governmental Activities:			
Municipal Employees' Retirement System Plan A	\$ 8,293,941	2.4599%	(0.0423%)
Municipal Police Employees' Retirement System	7,772,550	0.8410%	(0.0119%)
Louisiana State Employees' Retirement System	160,292	0.1938%	0.0000%
	<u>16,226,783</u>		
Business-type Activities:			
Municipal Employees' Retirement System Plan A	2,341,342	2.4599%	(0.0423%)
Total primary government	<u>\$ 18,568,125</u>		

The following schedule lists each pension plan's recognized pension expense of the City for the year ended December 31, 2020:

Governmental Activities:	
Municipal Employees' Retirement System Plan A	\$ 1,193,383
Municipal Police Employees' Retirement System	1,068,740
Louisiana State Employees Retirement System	13,663
	<u>\$ 2,275,786</u>
Business-Type Activities:	
Municipal Employees' Retirement System Plan A	<u>\$ 359,288</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities:		
Differences between expected and actual experience	\$ 3,790	\$ (354,032)
Changes of assumptions	322,726	(191,815)
Net difference between projected and actual earnings on pension plan investments	1,782,047	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	155,028	(508,160)
Employer contributions subsequent to the measurement date	1,065,211	-
Total	<u>\$ 3,328,802</u>	<u>\$ (1,054,007)</u>
Business-Type Activities:		
Differences between expected and actual experience	\$ 1,141	\$ (13,951)
Changes of assumptions	41,402	-
Net difference between projected and actual earnings on pension plan investments	235,149	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	(34,945)
Employer contributions subsequent to the measurement date	177,844	-
Total	<u>\$ 455,536</u>	<u>(48,896)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities:		
Municipal Employees' Retirement System Plan A	\$ 1,558,164	\$ (185,073)
Municipal Police Employees' Retirement System	1,737,116	(867,197)
Louisiana State Employees' Retirement System	33,522	(1,737)
	<u>\$ 3,328,802</u>	<u>\$ (1,054,007)</u>
Business-Type Activities:		
Municipal Employees' Retirement System Plan A	\$ 455,536	\$ (48,896)
Municipal Police Employees' Retirement System	-	-
Louisiana State Employees' Retirement System	-	-
	<u>\$ 455,536</u>	<u>\$ (48,896)</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The City reported a total of \$1,243,055 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2021. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement System Plan A	\$ 768,556
Municipal Police Employees' Retirement System	464,989
Louisiana State Employees' Retirement System	9,510
	\$ 1,243,055

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31,	MERS	MPERS	LASERS	Total
2021	\$ 327,202	\$ (47,979)	\$ 2,854	\$ 282,077
2022	287,258	76,801	6,757	370,816
2023	241,148	199,023	7,241	447,412
2024	155,566	177,085	5,424	338,075
	\$ 1,011,174	\$ 404,930	\$ 22,276	\$ 1,438,380

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of December 31, 2020 are as follows:

	MERS	MPERS	LASERS
Valuation Date	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining Service Lives	3 years	4 years	2 years
Investment Rate of Return	6.95%	6.95%	7.55% per annum
Inflation Rate	2.50%	2.50%	2.30% per annum

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2020**

11. Pension and Retirement Plan (continued)

Actuarial Assumptions (continued)

Mortality	<p>For annuitant and beneficiary mortality tables used were: PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. For employees, the PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. For disabled annuitants, PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.</p>	<p>For annuitant and beneficiary mortality tables used were: Pub-2010 Healthy Retirees tables multiplied by 115% for males and 125% for females, each adjusted using their respective male and female MP2019 scales. For employees, the Pub-2010 Employee Table multiplied by 115% for males and 125% for females, each adjusted using their respective male and female MP2019 scales. For disabled annuitants, Pub-2010 Disabled Retiree Table multiplied by 105% for males and 115% for females with the full generational MP2019 scale.</p>	<p>For non-disabled members - Mortality rates for 2020 were based on the RP-2014 Health Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. For disabled members - mortality rates were based on the RP - 2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Salary Increases	<p>1 – 4 years of service – 7.4% >4 years of service – 4.9%</p>	<p>Varies from 12.3% in the first two years of service to 4.7% after 2 years</p>	<p>Vary from 2.6% - 5.1% for judges</p>
Cost of Living Adjustments	<p>The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.</p>	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.</p>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plan (continued)

Actuarial Assumptions (continued)

The following schedule lists the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

MERS	MPERS	LASERS
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 2.70% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 7.00% for the year ended June 30, 2020.</p>	<p>The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 2.55% and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 7.19% for the year ended June 30, 2020.</p>	<p>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 2.3% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 8.25% for the year ended June 30, 2020.</p>

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2020:

	Target Allocation			Long-term Expected Real Rate of Return		
	MERS	MPERS	LASERS	MERS	MPERS	LASERS
Cash	-	-	-	-	-	-0.59%
Public equity	53.0%	-	-	2.33%	-	-
Equity	-	48.5%	-	-	3.08%	-
U.S. Equity	-	-	23.0%	-	-	4.79%
Non-U.S. Equity	-	-	32.0%	-	-	5.83%
Public fixed income	38.0%	-	-	1.67%	-	-
Fixed income	-	33.5%	16.0%	-	0.54%	5.74%
Alternatives	9.0%	18.0%	22.0%	0.40%	1.02%	6.69%
Risk Parity	-	-	7.0%	-	-	4.20%
Total	100.0%	100.0%	100.0%	4.40%	4.64%	5.81%
Inflation				2.60%	2.55%	2.30%
Expected Arithmetic Nominal Return				7.00%	7.19%	8.25%

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plans (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of 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. The discount rate used to measure the total pension liability for MERS, MPERS, and LASERS was 6.95%, 6.95% and 7.55%, respectively for the year ended June 30, 2020.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<u>MERS</u>			
Rates	5.95%	6.95%	7.95%
City of Thibodaux's Share of NPL	\$ 13,835,338	\$ 10,635,283	\$ 7,929,502
<u>MPERS</u>			
Rates	5.95%	6.95%	7.95%
City of Thibodaux's Share of NPL	\$ 10,919,605	\$ 7,772,550	\$ 5,141,743
<u>LASERS</u>			
Rates	6.55%	7.55%	8.55%
City of Thibodaux's Share of NPL	\$ 196,966	\$ 160,292	\$ 129,158

Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The City recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities.

The City recognized revenue as a result of support received from non-employer contributing entities of:

MERS	\$ 166,882
MPERS	183,309
	<u>\$ 350,191</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

11. Pension and Retirement Plans (continued)

Payables to the Pension Plan

The city recorded accrued liabilities to each of the retirement systems for the year ended December 31, 2020. The amounts are included in liabilities under the amounts reported as accounts payables. The balance due to each of the retirement systems at December 31, 2020 is as follows:

MERS	\$ 220,174
MPERS	122,441
LASERS	<u>2,589</u>
	<u>\$ 345,204</u>

12. Postemployment Health Care Benefits

General Information about the Total Other Postemployment Benefit (OPEB) Plan

Plan description – The City administers a single employer defined benefit health care plan (the Plan). The Plan provides medical, dental, and life insurance premiums for retired employees as approved by the City Council. The City will fund the entire premium for all employees retiring with at least twenty-five years of service provided to the City. A retired employee may provide dependent hospitalization coverage if they had dependent coverage at the time of retirement at the applicable dependent coverage rate. The City will continue payment of premium benefits for retired employees on a pro-rates basis beginning with 40% of premiums paid after completing 10 years or 120 months of service.

The percentage of premium paid benefit will increase by 4% for each additional year or 12-month period of service through 25 years or 300 months of service when 100% of premiums shall be paid. The City does not issue a publicly available financial report on the plan.

Benefits Provided – The City pays for a portion of the retiree’s medical, dental, and life coverage based on the years of service with the City. The retiree can elect to cover his or her spouse and dependents but must pay the entire premium for their coverage. Upon the death of the retiree, the spouse and dependent children can no longer continue coverage. To be eligible to continue coverage after retirement, an employee must meet the eligibility requirements under MERS or LASERS and have completed a minimum of ten years of service with the City.

Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	52
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>176</u>
	<u>228</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

12. Postemployment Health Care Benefits (continued)

Total OPEB Liability

The City's total OPEB liability of \$13,849,228 was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and other inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	December 31, 2020
Actuarial Valuation Date	January 1, 2020
Inflation	2.50%
Salary increases	2.00%, including inflation
Prior discount rate	2.75%
Current discount rate	2.00%

The discount rate was based on the Fidelity General Obligation AA 20-Year Yield as of December 31, 2020, the end of the applicable measurement period.

Mortality rates for active employees were based on PubG.H-2010 (general employees) and PubS.H-2010 (public safety) Employee Mortality Table, Generational with Projection Scale MP-2020. Mortality rates for retirees were based on PubG.H-2010 (general employees) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2020.

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$ 13,368,850
Changes for the year:	
Service cost	466,761
Interest	376,304
Differences between expected and actual experience	(258,829)
Changes in assumptions	184,874
Benefit payments and net transfers	(288,732)
Net changes	<u>480,378</u>
Balance at December 31, 2020	<u>\$ 13,849,228</u>

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current discount rate:

	1.0% Decrease	Current Discount	1.0% Increase
Total OPEB liability	<u>\$ 16,597,689</u>	<u>\$ 13,849,228</u>	<u>\$ 11,689,392</u>
	1.0% Decrease	Current Trend	1.0% Increase
Total OPEB liability	<u>\$ 11,328,091</u>	<u>\$ 13,849,228</u>	<u>\$ 17,232,104</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

12. Postemployment Health Care Benefits (continued)

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

For the year ended December 31, 2020, the City recognized OPEB expense of \$1,041,649. At December 31, 2020, the City 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 expected and actual experience	\$ 12,606	\$ (685,229)
Changes in assumptions	1,243,728	-
Total	\$ 1,256,334	\$ (685,229)

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

Year ending December 31,	
2021	\$ 198,586
2022	198,586
2023	198,586
2024	(12,326)
2025	(12,327)
	\$ 571,105

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

13. Long-Term Liabilities

The following is a summary of long-term debt transactions for the year ended December 31, 2020:

	Payable 12/31/2019	Additions	Deletions	Payable 12/31/2020	Amount due within one year
<u>Governmental activities:</u>					
Compensated absences	\$ 453,825	\$ 424,827	\$ (400,542)	\$ 478,110	\$ 303,520
Total	\$ 453,825	\$ 424,827	\$ (400,542)	\$ 478,110	\$ 303,520
<u>Business-type activities:</u>					
Direct borrowing and placement of debt:					
Water Revenue					
Bonds, Series 2010B	\$ 3,050,276	\$ -	\$ (245,000)	\$ 2,805,276	\$ 251,000
Utility Revenue					
Bonds, Series 2013	3,749,132	1,011,860	(218,000)	4,542,992	283,000
Bonds, Series 2019	93,996	3,213,864	-	3,307,860	170,000
Other long-term liabilities:					
Compensated absences	85,393	82,175	(73,608)	93,960	46,830
Lease obligations	2,708,716	-	(350,558)	2,358,158	362,044
Total	\$ 9,687,513	\$4,307,899	\$ (887,166)	\$ 13,108,246	\$ 1,112,874

CAPITAL LEASE OBLIGATIONS

The City has acquired equipment under the provisions of long-term leases. The equipment necessary to implement a new metering system for gas and water services in the City was financed at a cost of \$3,682,484. The balance owed on the leased equipment is \$2,358,158 at December 31, 2020. Payments are due semi-annually in April and October of each year bearing interest at 3.25 percent per annum with payment in full in April 2026. The annual lease requirements are as follows:

<u>Year Ending December 31</u>	<u>Principal payments</u>	<u>Interest payments</u>	<u>Total principal and interest payments</u>
2021	\$ 362,044	\$ 73,722	\$ 435,766
2022	373,906	61,860	435,766
2023	386,156	49,610	435,766
2024	398,808	36,958	435,766
2025	411,875	23,891	435,766
2026-2030	425,369	10,396	435,765
Total	\$ 2,358,158	\$ 256,437	\$ 2,614,595

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

13. Long-Term Liabilities (continued)

CAPITAL LEASE OBLIGATIONS (continued)

As of December 31, 2020, accumulated amortization is \$931,074 which includes current year amortization in the amount of \$372,429 for assets under lease obligations. Amortization of \$271,825 and \$100,604 was charged to the waterworks and gas and sewerage functions, respectively.

DEBT OBLIGATIONS

Direct borrowings and placements at December 31, 2020 are comprised of the following individual issues:

Revenue bonds:

Water Revenue Bonds, Series 2010B

\$5,400,000 water revenue bonds dated February 8, 2010 were issued for the purpose of constructing and acquiring improvements and extensions to the City's waterworks system. Principal is payable annually at June 1 with interest payable June 1 and December 1 at the rate of 2.95 percent per annum. The bonds mature on June 1, 2030. The outstanding note is secured by a pledge of the income and revenues to be derived from the operation of the Waterworks System. Events of default include default on the principal or on the interest of the Bond, breach of any covenant, or bankruptcy. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.

\$ 2,805,276

Utility Revenue Bonds, Series 2013

\$8,640,000 utility revenue bonds in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) in parity with the Series 1997 Bonds to construct sewerage improvements constituting the wastewater treatment project. The loan and pledge agreement is dated October 1, 2013. DEQ is holding the bonds as payment for the loan. The bonds shall mature in twenty installments of principal, payable annually on March 1, which commenced March 1, 2016. Interest is payable on March 1 and September 1 of each year at the rate of 0.45 percent per annum. The outstanding note is secured by a pledge of the income and revenues to be derived from the operation of the Sewerage and the Gas Systems. Events of default include default on the principal or on the interest of the Bond, failure to pay the administrative fee, breach of any covenant, or bankruptcy. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.

4,542,992

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

13. Long-Term Liabilities (continued)

DEBT OBLIGATIONS (continued)

Utility Revenue Bonds, Series 2019

\$6,510,000 utility revenue bonds in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) in parity with the Series 2013 Bonds to upgrade the water treatment plant. The loan and pledge agreement is dated September 1, 2019. DEQ is holding the bonds as payment for the loan. The bonds shall mature in twenty installments of principal, payable annually on March 1, commencing March 1, 2021. Interest is payable on March 1 and September 1 of each year at the rate of 0.45 percent per annum, commencing March 1, 2020. The outstanding note is secured by a pledge of the income and revenues of the combined wastewater treatment and disposal system and natural gas distribution system. Events of default include default on the principal or on the interest of the Bond, failure to pay the administrative fee, breach of any covenant, or bankruptcy. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.

3,307,860
\$10,656,128

The annual requirements to amortize all debt outstanding as of December 31, 2020 is as follows:

<i>Year Ending</i> <i>December 31</i>	Direct borrowing and placement:		
	Water Revenue Bonds, Series 2010B	Utility Revenue Bonds, Series 2013	Utility Revenue Bonds, Series 2019
	<i>Principal payments</i>		
2021	\$ 251,000	\$ 283,000	\$ 170,000
2022	257,000	432,000	284,000
2023	264,000	436,000	287,000
2024	270,000	440,000	290,000
2025	277,000	444,000	292,000
2026-2030	1,486,276	2,282,000	1,505,000
2031-2035	-	225,992	479,860
Total Principal	<u>2,805,276</u>	<u>4,542,992</u>	<u>3,307,860</u>
	<i>Interest payments</i>		
2021	79,053	19,807	15,876
2022	71,560	18,198	19,281
2023	63,876	16,245	17,997
2024	55,999	14,274	16,698
2025	47,931	12,285	15,389
2026-2030	111,753	30,951	53,863
2031-2035	-	508	22,192
Total Interest	<u>430,172</u>	<u>112,268</u>	<u>161,296</u>
Total Principal and Interest	<u>\$ 3,235,448</u>	<u>\$ 4,655,260</u>	<u>\$ 3,469,156</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

13. Long-Term Liabilities (continued)

DEBT OBLIGATIONS (continued)

For the year ended December 31, 2020, business-type activities interest expense of \$147,997 was charged to the following functions:

Waterworks	\$	100,304
Sewerage System		47,693
	\$	<u>147,997</u>

In accordance with the indenture governing the 2010B Water Revenue Bonds, all revenues must be deposited in the Revenue Fund and required transfers made to the following funds on a monthly basis after the payment of reasonable operating expenses and maintaining the system:

- The “Water Revenue Bond Debt Service Fund” requires the issuer to make monthly deposits into the Debt Service Fund in such a manner as to accumulate in such fund the amounts payable on the bonds payable therefrom on any interest payment date. All other amounts deposited in the Debt Service Fund will be depleted at least once each bond year, except for the reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the principal and interest payments on the bonds and any additional parity bonds for the immediately preceding bond year.
- The “Water Revenue Bond Debt Service Reserve Fund” requires that the issuer shall transfer from the Revenue Fund, 20% of the amount required to be paid into the Sinking Fund for such month as a result of the issuance of the bonds. The Reserve Fund is required to be funded in an amount equal to one-half the highest combined principal and interest requirements for any succeeding bond year on the Bonds.
- The “Water System Depreciation and Contingency Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 5% of the revenues for the preceding month, provided that such sum is available after the provision is made for any certain required payments as set forth in the bond ordinance. Such payments shall continue until such time as there has been accumulated in the Contingency Fund the sum of \$100,000.

In accordance with the indenture governing the 2013 Utility Revenue Bonds, all income and revenues must be deposited in the Utilities System Fund and required transfers made to the following funds on a monthly basis after the payment of all reasonable and necessary operating expenses and maintaining the system:

- The “Utilities Revenue Sinking Fund” requires that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, the Series 1997 Bonds and any Additional Parity Bonds, as they severally become due and payable, by transferring from funds in the Utility System Fund monthly on or before the 20th day of each month of each year, a sum equal one-sixth of the interest and administrative fee falling due on the next interest payment date and a sum equal to one-twelfth of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal, interest, and administrative fee as the same respectively become due.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

13. Long-Term Liabilities (continued)

DEBT OBLIGATIONS (continued)

- The “Utilities Revenue Bond Reserve Fund” requires that the issuer shall transfer from the Utility System Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 25% of the highest combined principal and interest requirements for any succeeding bond year on the Bonds. The Reserve Fund is required to be funded in an amount equal to one-half the highest combined principal and interest requirements for any succeeding bond year on the Bonds.
- The “Capital Additions and Contingencies Fund” requires that the issuer shall transfer from the Utility System Fund, monthly on or before the 20th day of each month of each year, a sum equal to 5% of the revenues for the preceding month.

In accordance with the indenture governing the 2019 Utility Revenue Bonds, all income and revenues must be deposited in the Utilities System Revenue Fund and required transfers made to the following funds on a monthly basis after the payment of all reasonable and necessary operating expenses and maintaining the system:

- The “Utilities Revenue Sinking Fund” requires that the issuer shall deposit in the Sinking Fund sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds, as they severally become due and payable, by transferring from the Revenue Fund monthly in advance on or before the 20th day of each month of each year, a sum equal to the pro-rata amount of interest falling due on the next interest payment date and the pro-rata amount of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.
- The “Utilities Revenue Bond Reserve Fund” requires that the issuer shall transfer monthly in advance on or before the 20th day of each month of each year, a sum equal to at least 25% of the highest combined principal and interest requirements for any succeeding bond year on the Bonds. The Reserve Fund is required to be funded in an amount equal to one-half the highest combined principal and interest requirements for any succeeding bond year on the Bonds.
- The “Capital Additions and Contingencies Fund” requires that the issuer shall transfer from the Revenue Fund, monthly on or before the 20th day of each month of each year, a sum equal to 5% of the revenues for the preceding month. Such payments into the Contingencies Fund shall continue until such time as there has been accumulated in the Contingencies Fund the sum of \$100,000.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

14. Operating Transfers

Operating transfers for the year ended December 31, 2020 are as follows:

	TRANSFERS	
	IN	OUT
General Fund		
Section 8	\$ -	\$ 6,368
Internal Service Fund	-	185,237
Capital Projects	-	424,485
Fire Department	783,300	-
Fire Department		
General	-	783,300
Section 8		
General	6,368	-
Capital Projects		
General	424,485	-
Internal Service Fund		
General	185,237	-
	\$ 1,399,390	\$ 1,399,390

15. Risk Management

The City is subject to various risks of loss related to theft of, damage to, and destruction of assets; error and omissions; injuries to employees; natural disasters; and worker's compensation claims. The City has purchased commercial liability insurance to cover risks of loss related to torts or negligence by employees and council members. Commercial insurance has also been obtained to cover risk of damages to or theft of computer equipment, boilers and other machinery, employee's health insurance, and general liability claims. Claims have not exceeded insurance coverage in any of the past three years.

The City maintains a limited risk management program in the Internal Service Fund for auto, general, police and public officials' liability claims. The City is named as a defendant in various legal claims arising in the ordinary course of operations. In accordance with *Financial Accounting Standards Board Accounting Standards Codification 450, Contingencies*, the City's Internal Service Fund has provided for, in its financial statements, estimated losses from the aforementioned pending suits and claims based on the estimated ultimate cost of settling the claims, considering the effects of inflation, recent claim settlement trends and other social and economic factors, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. The City believes the ultimate settlement costs will not materially exceed the amounts provided for the claims.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for claims and judgments is reported in the Internal Service Fund.

Transfers from the participating funds to the Internal Service Fund are made as necessary, Claims in excess of the self-insured retention amounts are recovered through commercial limited-coverage insurance policies. The City is self-insured for the first \$100,000 for each claim and is insured with excess coverage as follows:

- Auto liability, general liability and police liability with a \$1,000,000 per occurrence limit (\$3,000,000 police combined aggregate)
- Public officials' employment practices \$2,000,000 per occurrence (\$4,000,000 policy combined aggregate)

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

15. Risk Management (continued)

Settled claims have not exceeded the insurance coverage for the excess liability in any of the past three years. At December 31, 2020, the amount of liability for unpaid claims was \$184,830. These liabilities are the City's best estimate based on available information. Changes in the reported liabilities during the past three years are as follows:

Year	Beginning Balance	Claims and Changes in Estimate	Payments	Ending Balance
2020	\$ 136,447	\$ 210,384	\$ 237,352	\$ 184,830
2019	34,485	287,783	185,821	136,447
2018	73,982	194,808	234,305	34,485

16. Commitments and Contingencies

As of December 31, 2020, the City was committed to construction contract agreements totaling \$9,974,636. Of this amount, \$1,247,168 has not yet been expended. Majority of these contracts relate to Wastewater Treatment Plant improvements.

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred. Operating lease expense charged to operations for the year ending December 31, 2020 totaled \$342,948.

The following is a schedule by year of future minimum lease payments under these arrangement as of December 31, 2020, that have initial or remaining terms in excess of one year.

Year ending December 31,	Minimum Payments
2021	\$ 270,932
2022	190,613
2023	119,501
2024	83,150
2025	50,280
2026-2030	164,799
2031-2035	181,951
2036-2040	200,889
2041-2045	221,798
2046-2050	244,882
2051-2055	131,973
	\$ 1,860,768

Grant Disallowances. The City participates in a number of state and federally assisted grant programs. The programs are subject to audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

17. On-Behalf Payments for Supplemental Pay

The City recognizes as revenues and expenditures salary supplements that the State of Louisiana has paid directly to the City's police officers. The total on-behalf payments made for the year amounted to \$247,123.

18. Tax Abatement

The City enters into property tax abatement agreements with local businesses under the Restoration Tax Abatement Program was created by Act 445 of the 1983 Legislature, and revised by Act 783 of 1984, Article VII, Part II, Section 21 (H) of the Louisianan Constitution and Louisiana R.S. 47: 4311-4319, to authorize the Board of Commerce and Industry, with the approval of the Governor and the local governing authority and in accordance with procedures and conditions provided by law, to enter into a contract granting property owners who propose the expansion, restoration, improvement or development of an existing structure or structures in a downtown development district, historic district, or economic development district, established in accordance with law, the right to pay ad valorem taxes based upon the assessed valuation of property prior to the commencement of the expansion, restoration, improvement or development.

The City currently has five abatement agreements for renovation of properties in the historic district. The total amount of taxes paid on the abated properties is insignificant for the year ended December 31, 2020. There were no new agreements entered into in 2020.

19. Academy Cooperative Endeavor Agreement

The City entered into a cooperative endeavor agreement in 2015 with Academy, Ltd., a Texas limited partnership qualified to do business in the State (Academy). The City agreed to reimburse Academy not to exceed the sum of \$250,000 per year or in the aggregate \$1,250,000 from sales tax revenue over a 5-year reimbursement term for the purpose of enabling Academy to construct a facility and locate in Thibodaux, LA and to aid in the revitalization of the City.

The reimbursement obligation for the City is based on the facility not permanently ceasing operations for a term of at least 10 years following the date immediately following the opening of the facility for business to the public.

The City's reimbursement obligation is expressly limited to a 2% undedicated sales and use tax applied solely to the sales tax increment revenues generated by the Facility. The amount paid to Academy for the year was \$282,666.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

20. Component Units – Selected Notes to the Financial Statements

The balances of deposits are as follows:

	Reported Balance	Bank Balance
Demand Deposits**	\$ 5,787,878	\$ 5,821,289
Certificates of Deposit	629,379	629,379
Total deposits	\$ 6,417,257	\$ 6,450,668
Exposed to custodial credit risk		\$ 5,327,760
Covered by pledged securities		\$ 5,327,760

**Included in demand deposits for City Court of Thibodaux is \$979,121 for the Fiduciary Funds that are not included on the Statement of Net Position.

A summary of capital assets for component units follows:

	Beginning Balance	Additions	Removals	Ending Balance
Land	\$ 1,230,748	\$ -	\$ -	\$ 1,230,748
Construction in progress	-	1,236,439	-	1,236,439
Total non-depreciable	1,230,748	1,236,439	-	2,467,187
Buildings & improvements	6,087,171	223,663	-	6,310,834
Equipment & furniture	7,277,608	101,937	(66,902)	7,312,643
Total depreciable	13,364,779	325,600	(66,902)	13,623,477
Total cost	14,595,527	1,562,039	(66,902)	16,090,664
Total accumulated depreciation	(6,894,749)	(739,093)	65,659	(7,568,183)
Net depreciable capital assets	6,470,030	(413,493)	(1,243)	6,055,294
Net capital assets	\$ 7,700,778	\$ 822,946	\$ (1,243)	\$ 8,522,481

21. COVID-19 Pandemic

The world-wide pandemic associated with COVID-19 has spread across the State of Louisiana, including Lafourche Parish. COVID-19 has had minimal impact on the operations of the City, but has a bigger impact on certain businesses within the City. The stay-at-home mandate and social distancing orders of Federal, State, and Local government authorities had a negative impact on the economy. At this time, the City has not seen a reduction in sales tax collections. Potential revenue reductions will be offset by reductions on operating costs and strong fund balances.

22. Subsequent Events

Subsequent to year end, the City entered into contract commitments approximating \$200,000 for capital improvements.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 18, 2021, and determined that no other events occurred that required disclosure. No subsequent events that occurred after this date have been evaluated for inclusion in the financial statements.

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO FINANCIAL STATEMENTS
December 31, 2020

23. Current Accounting Standards Scheduled to be Implemented

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

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The City will include the requirements of this standard, as applicable, in its December 31, 2022 financial statements. All of the City's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the City are unknown at this time.

GASB Statement 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest costs incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The City will include the requirements of this standard, as applicable, in its December 31, 2021 financial statements. The effect of this standard or its applicability to the City are unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Taxes	\$ 14,217,080	\$ 15,679,372	\$ 17,232,536	\$ 1,553,164
Licenses and permits	997,900	1,008,340	1,001,932	(6,408)
Intergovernmental				
Federal government	2,416	70,019	69,099	(920)
State government	369,500	710,015	685,977	(24,038)
Local government	424,000	160,098	160,098	-
Charges for services	417,900	189,003	194,644	5,641
Fines and forfeitures	160,000	165,950	112,823	(53,127)
Investment income	166,000	64,199	83,967	19,768
Miscellaneous	168,810	210,800	201,549	(9,251)
Total revenues	<u>16,923,606</u>	<u>18,257,796</u>	<u>19,742,625</u>	<u>1,484,829</u>
EXPENDITURES				
Current:				
General government	4,238,559	4,447,223	4,112,878	334,345
Public safety	7,702,137	7,487,304	6,988,205	499,099
Public works	2,450,576	2,461,476	2,388,280	73,196
Culture and recreation	2,950,843	2,544,673	2,146,936	397,737
Capital outlay	729,000	978,887	800,924	177,963
Total expenditures	<u>18,071,115</u>	<u>17,919,563</u>	<u>16,437,223</u>	<u>1,482,340</u>
Excess of revenues over (under) expenditures	<u>(1,147,509)</u>	<u>338,233</u>	<u>3,305,402</u>	<u>2,967,169</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of capital assets	-	1	1	-
Operating transfers in	765,000	783,300	783,300	-
Operating transfers out	(674,603)	(966,975)	(616,090)	350,885
Total other financing sources (uses)	<u>90,397</u>	<u>(183,674)</u>	<u>167,211</u>	<u>350,885</u>
NET CHANGE IN FUND BALANCES	<u>(1,057,112)</u>	<u>154,559</u>	<u>3,472,613</u>	<u>3,318,054</u>
FUND BALANCES				
Fund balances, beginning of year	11,013,822	11,013,822	12,987,130	1,973,308
Fund balances, end of year	<u>\$ 9,956,710</u>	<u>\$ 11,168,381</u>	<u>\$ 16,459,743</u>	<u>\$ 5,291,362</u>

CITY OF THIBODAUX

Thibodaux, Louisiana

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - SECTION 8 HOUSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 1.2

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental				
Federal government	\$ 1,124,250	\$ 1,407,639	\$ 1,332,241	\$ (75,398)
Investment income	150	50	56	6
Miscellaneous	51,380	53,843	54,073	230
Total revenues	<u>1,175,780</u>	<u>1,461,532</u>	<u>1,386,370</u>	<u>(75,162)</u>
EXPENDITURES				
Current:				
Health and welfare	1,223,383	1,301,665	1,289,003	12,662
Total expenditures	<u>1,223,383</u>	<u>1,301,665</u>	<u>1,289,003</u>	<u>12,662</u>
Excess of revenues over (under) expenditures	<u>(47,603)</u>	<u>159,867</u>	<u>97,367</u>	<u>(62,500)</u>
OTHER FINANCING SOURCES				
Operating transfers in	47,603	6,369	6,368	(1)
Total other financing sources	<u>47,603</u>	<u>6,369</u>	<u>6,368</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCES	-	166,236	103,735	(62,501)
FUND BALANCES				
Fund balances, beginning of year	13,941	13,941	8,696	(5,245)
Fund balances, end of year	<u>\$ 13,941</u>	<u>\$ 180,177</u>	<u>\$ 112,431</u>	<u>\$ (67,746)</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
December 31, 2020

Schedule 1.3

Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered payroll	Total OPEB liability as a percentage of covered payroll
12/31/2020	\$ 466,761	\$ 376,304	\$ (258,829)	\$ 184,874	\$ (288,732)	\$ 480,378	\$ 13,368,850	\$ 13,849,228	\$ 6,734,883	205.63%
12/31/2019	\$ 372,758	\$ 448,855	\$ (782,564)	\$ 1,816,112	\$ (424,114)	\$ 1,431,047	\$ 11,937,803	\$ 13,368,850	\$ 7,201,296	185.65%
12/31/2018	\$ 365,449	\$ 433,663	\$ 25,210	\$ -	\$ (420,215)	\$ 404,107	\$ 11,533,696	\$ 11,937,803	\$ 7,060,094	169.09%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF THIBODAUX
Thibodaux, Louisiana

**SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020 (*)**

Schedule 1.4

Pension Plan	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System (Plan A)					
2020	2.4599%	\$ 10,635,283	\$ 4,701,716	226.2000%	64.52%
2019	2.5023%	10,456,083	4,632,152	225.7284%	64.68%
2018	2.5597%	10,598,889	4,673,281	226.7976%	63.94%
2017	2.5583%	10,702,627	4,646,127	230.3559%	62.49%
2016	2.5588%	10,487,822	4,570,921	229.4466%	62.11%
2015	2.6048%	9,304,729	4,445,751	209.2949%	66.18%
Municipal Police Employees' Retirement System					
2020	0.8410%	\$ 7,772,550	\$ 2,597,530	299.2285%	70.94%
2019	0.8290%	7,528,992	2,589,215	290.7828%	71.01%
2018	0.9226%	7,799,903	2,726,269	286.1017%	71.89%
2017	0.8807%	7,688,683	2,615,723	293.9410%	70.08%
2016	0.9330%	8,744,482	2,547,442	343.2652%	66.04%
2015	1.0203%	7,993,203	2,718,898	293.9869%	70.73%
State Employees' Retirement System					
2020	0.0019%	\$ 160,292	\$ 40,857	392.3244%	58.00%
2019	0.0020%	141,276	40,272	350.8045%	62.90%
2018	0.0021%	144,514	38,766	372.7854%	64.30%
2017	0.0022%	154,854	38,357	403.7177%	62.50%
2016	0.0022%	168,516	37,413	450.4210%	57.70%
2015	0.0020%	135,486	36,637	369.8065%	62.66%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(*) The amounts presented have a measurement date of June 30th.

CITY OF THIBODAUX
Thibodaux, Louisiana
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 1.5

Pension Plan	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System (Plan A)					
2020	\$ 1,304,727	\$ 1,304,727	\$ -	\$ 5,006,699	26.060%
2019	1,204,360	1,204,360	-	4,645,418	25.926%
2018	1,156,638	1,156,638	-	4,652,479	24.861%
2017	1,109,483	1,109,483	-	4,673,961	23.738%
2016	914,449	914,449	-	4,596,783	19.893%
2015	882,918	882,918	-	4,470,473	19.750%
Municipal Police Employees' Retirement System					
2020	\$ 843,023	\$ 843,023	\$ -	\$ 2,665,962	31.622%
2019	835,022	835,022	-	2,623,954	31.823%
2018	837,255	837,255	-	2,670,286	31.355%
2017	826,713	826,713	-	2,638,953	31.327%
2016	771,752	771,752	-	2,597,654	29.710%
2015	793,534	793,534	-	2,586,854	30.676%
State Employees' Retirement System					
2020	\$ 17,323	\$ 17,323	\$ -	\$ 43,060	40.230%
2019	16,149	16,149	-	40,312	40.060%
2018	15,545	15,545	-	39,516	39.338%
2017	13,963	13,963	-	38,737	36.046%
2016	15,421	15,421	-	37,963	40.621%
2015	14,681	14,681	-	36,887	39.800%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become

For reference only:

¹ Employer contribution rate multiplied by employer's covered payroll
² Actual employer contributions remitted to MERS MPERS and LASERS
³ Employer's covered payroll amount for the fiscal year ended December 31 of each year

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 1.6

Changes of Benefit Terms include:

Municipal Employees' Retirement System (Plan A)

There was no changes of benefit terms for the years presented.

Municipal Police Employees' Retirement System

There was no changes of benefit terms for the years presented.

State Employees' Retirement System

There was no changes of benefit terms for the years presented.

Changes of Assumptions:

Municipal Employees' Retirement System (Plan A)

The following changes in actuarial assumptions for each year are as follows:

<i>Inflation Rate:</i>				<i>Investment rate of return:</i>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2020	6/30/2020	2.500%	0.000%	12/31/2020	6/30/2020	6.950%	-0.050%
12/31/2019	6/30/2019	2.500%	-0.100%	12/31/2019	6/30/2019	7.000%	-0.275%
12/31/2018	6/30/2018	2.600%	-0.175%	12/31/2018	6/30/2018	7.275%	-0.125%
12/31/2017	6/30/2017	2.775%	-0.100%	12/31/2017	6/30/2017	7.400%	-0.100%
12/31/2016	6/30/2016	2.875%	0.000%	12/31/2016	6/30/2016	7.500%	0.000%
12/31/2015	6/30/2015	2.875%		12/31/2015	6/30/2015	7.500%	

Municipal Police Employees' Retirement System

The following changes in actuarial assumptions for each year are as follows:

<i>Inflation Rate:</i>				<i>Investment rate of return:</i>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2020	6/30/2020	2.500%	0.000%	12/31/2020	6/30/2020	6.950%	-0.175%
12/31/2019	6/30/2019	2.500%	-0.100%	12/31/2019	6/30/2019	7.125%	-0.075%
12/31/2018	6/30/2018	2.600%	-0.100%	12/31/2018	6/30/2018	7.200%	-0.125%
12/31/2017	6/30/2017	2.700%	-0.175%	12/31/2017	6/30/2017	7.325%	-0.175%
12/31/2016	6/30/2016	2.875%	0.000%	12/31/2016	6/30/2016	7.500%	0.000%
12/31/2015	6/30/2015	2.875%		12/31/2015	6/30/2015	7.500%	

State Employees' Retirement System

The following changes in actuarial assumptions for each year are as follows:

<i>Inflation Rate:</i>				<i>Investment rate of return:</i>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2020	6/30/2020	2.300%	-0.200%	12/31/2020	6/30/2020	7.550%	-0.050%
12/31/2019	6/30/2019	2.500%	-0.250%	12/31/2019	6/30/2019	7.600%	-0.050%
12/31/2018	6/30/2018	2.750%	0.050%	12/31/2018	6/30/2018	7.650%	-0.050%
12/31/2017	6/30/2017	2.700%	-0.175%	12/31/2017	6/30/2017	7.700%	-0.050%
12/31/2016	6/30/2016	2.875%	0.000%	12/31/2016	6/30/2016	7.750%	0.000%
12/31/2015	6/30/2015	2.875%		12/31/2015	6/30/2015	7.750%	

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 1.6

Changes in benefits terms and assumptions related to total other postemployment benefits liability

No assets are accumulated in a trust that meet the criteria of paragraph 4 of GASB 75 to pay related benefits.

Changes in benefit terms:

12/31/2020 There were no changes of benefit terms for the year ended December 31, 2020.

12/31/2019 There were no changes of benefit terms for the year ended December 31, 2019.

12/31/2018 There were no changes of benefit terms for the year ended December 31, 2018.

Changes in assumptions:

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used for in each measurement of total OPEB liability:

Measurement Date	Discount Rate
12/31/2020	2.00%
12/31/2019	2.75%
12/31/2018	3.71%
12/31/2017	3.50%

Budgetary Comparison Information

Budget Basis of Accounting: All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Council. Legally, the Council must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Council to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The City Council approves budgets at the function level and management can transfer amounts between line items within a function.

Actual Over Budgeted Expenditures: None.

OTHER SUPPLEMENTARY INFORMATION

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

Statement 2.1

	11	13	14	18	31	
	Police Forfeiture Fund	Fire Department Fund	Street Improvement and Maintenance	DOTD Parish Transportation	CDBG Fund	Total
ASSETS						
Cash and cash equivalents	\$ 10,649	\$ 586,842	\$ 453,969	\$ 132,504	\$ -	\$ 1,183,964
Accounts receivable, net	-	217,924	87,971	-	-	305,895
Due from other governments	-	-	-	20,898	28,908	49,806
Total assets	<u>\$ 10,649</u>	<u>\$ 804,766</u>	<u>\$ 541,940</u>	<u>\$ 153,402</u>	<u>\$ 28,908</u>	<u>\$ 1,539,665</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 5,317	\$ -	\$ 9,132	\$ 14,449
Accrued salaries and benefits	-	-	-	-	413	413
Retainage payable	-	-	-	24,555	-	24,555
Due to other funds	-	-	-	-	19,363	19,363
Total liabilities	<u>-</u>	<u>-</u>	<u>5,317</u>	<u>24,555</u>	<u>28,908</u>	<u>58,780</u>
DEFERRED INFLOWS OF RESOURCES						
Resources recovered prior to time requirements	-	36,506	14,788	-	-	51,294
Total deferred inflows of resources	<u>-</u>	<u>36,506</u>	<u>14,788</u>	<u>-</u>	<u>-</u>	<u>51,294</u>
FUND BALANCES						
Restricted for:						
Public safety	-	768,260	-	-	-	768,260
Public works	-	-	521,835	128,847	-	650,682
Assigned for:						
Public safety	10,649	-	-	-	-	10,649
Total fund balances	<u>10,649</u>	<u>768,260</u>	<u>521,835</u>	<u>128,847</u>	<u>-</u>	<u>1,429,591</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 10,649</u>	<u>\$ 804,766</u>	<u>\$ 541,940</u>	<u>\$ 153,402</u>	<u>\$ 28,908</u>	<u>\$ 1,539,665</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Statement 2.2

	11	13	14	18	31	
	Police Forfeiture Fund	Fire Department Fund	Street Improvement and Maintenance	DOTD Parish Transportation	CDBG Fund	Total
REVENUES						
Taxes	\$ -	\$ 799,865	\$ 321,136	\$ -	\$ -	\$ 1,121,001
Intergovernmental						
Federal government	-	-	6,741	-	215,374	222,115
State government	-	-	-	128,746	-	128,746
Fines and forfeitures	2,750	-	-	-	-	2,750
Investment income	17	665	711	101	-	1,494
Miscellaneous	-	1,859	4,745	-	-	6,604
Total revenues	<u>2,767</u>	<u>802,389</u>	<u>333,333</u>	<u>128,847</u>	<u>215,374</u>	<u>1,482,710</u>
EXPENDITURES						
Current:						
Public safety	2,371	-	-	-	-	2,371
Public works	-	-	276,019	-	55,277	331,296
Health and welfare	-	-	-	-	45,420	45,420
Capital outlay	-	-	-	-	114,677	114,677
Total expenditures	<u>2,371</u>	<u>-</u>	<u>276,019</u>	<u>-</u>	<u>215,374</u>	<u>493,764</u>
Excess of revenues over expenditures	396	802,389	57,314	128,847	-	988,946
OTHER FINANCING USES						
Operating transfers out	-	(783,300)	-	-	-	(783,300)
Total other financing uses	<u>-</u>	<u>(783,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(783,300)</u>
NET CHANGE IN FUND BALANCES	396	19,089	57,314	128,847	-	205,646
FUND BALANCES						
Fund balances, beginning of year	10,253	749,171	464,521	-	-	1,223,945
Fund balances, end of year	<u>\$ 10,649</u>	<u>\$ 768,260</u>	<u>\$ 521,835</u>	<u>\$ 128,847</u>	<u>\$ -</u>	<u>\$ 1,429,591</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - POLICE FORFEITURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2.3

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Fines and forfeitures	\$ -	\$ 2,751	\$ 2,750	\$ (1)
Investment income	50	50	17	(33)
Total revenues	<u>50</u>	<u>2,801</u>	<u>2,767</u>	<u>(34)</u>
EXPENDITURES				
Current:				
Public safety	2,378	2,888	2,371	517
Total expenditures	<u>2,378</u>	<u>2,888</u>	<u>2,371</u>	<u>517</u>
Excess of revenues over (under) expenditures	<u>(2,328)</u>	<u>(87)</u>	<u>396</u>	<u>483</u>
NET CHANGE IN FUND BALANCES	<u>(2,328)</u>	<u>(87)</u>	<u>396</u>	<u>483</u>
FUND BALANCES				
Fund balances, beginning of year	2,328	2,328	10,253	7,925
Fund balances, end of year	<u>\$ -</u>	<u>\$ 2,241</u>	<u>\$ 10,649</u>	<u>\$ 8,408</u>

CITY OF THIBODAUX

Thibodaux, Louisiana

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - FIRE DEPARTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 2.4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance + / (-)</u>
REVENUES				
Taxes	\$ 758,900	\$ 824,619	\$ 799,865	\$ (24,754)
Investment income	2,000	680	665	(15)
Miscellaneous	2,000	2,000	1,859	(141)
Total revenues	<u>762,900</u>	<u>827,299</u>	<u>802,389</u>	<u>(24,910)</u>
OTHER FINANCING USES				
Operating transfers out	<u>(765,000)</u>	<u>(783,300)</u>	<u>(783,300)</u>	-
Total other financing uses	<u>(765,000)</u>	<u>(783,300)</u>	<u>(783,300)</u>	-
NET CHANGE IN FUND BALANCES	(2,100)	43,999	19,089	(24,910)
FUND BALANCES				
Fund balances, beginning of year	771,247	771,247	749,171	(22,076)
Fund balances, end of year	<u>\$ 769,147</u>	<u>\$ 815,246</u>	<u>\$ 768,260</u>	<u>\$ (46,986)</u>

CITY OF THIBODAUX

Thibodaux, Louisiana

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - STREET IMPROVEMENTS AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 2.5

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Taxes	\$ 304,450	\$ 331,188	\$ 321,136	\$ (10,052)
Intergovernmental				
Federal government	-	6,742	6,741	(1)
Investment income	2,000	680	711	31
Miscellaneous	2,000	4,749	4,745	(4)
Total revenues	<u>308,450</u>	<u>343,359</u>	<u>333,333</u>	<u>(10,026)</u>
EXPENDITURES				
Current:				
Public works	372,000	372,000	276,019	95,981
Total expenditures	<u>372,000</u>	<u>372,000</u>	<u>276,019</u>	<u>95,981</u>
Excess of revenues over (under) expenditures	<u>(63,550)</u>	<u>(28,641)</u>	<u>57,314</u>	<u>85,955</u>
NET CHANGE IN FUND BALANCES	<u>(63,550)</u>	<u>(28,641)</u>	<u>57,314</u>	<u>85,955</u>
FUND BALANCES				
Fund balances, beginning of year	392,666	392,666	464,521	71,855
Fund balances, end of year	<u>\$ 329,116</u>	<u>\$ 364,025</u>	<u>\$ 521,835</u>	<u>\$ 157,810</u>

CITY OF THIBODAUX

Thibodaux, Louisiana

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - PARISH TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 2.6

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance + / (-)</u>
REVENUES				
Intergovernmental				
State government	\$ 137,000	\$ 137,000	\$ 128,746	\$ (8,254)
Investment income	1,500	100	101	1
Total revenues	<u>138,500</u>	<u>137,100</u>	<u>128,847</u>	<u>(8,253)</u>
NET CHANGE IN FUND BALANCES	138,500	137,100	128,847	(8,253)
FUND BALANCES				
Fund balances, beginning of year	1,016	1,016	-	(1,016)
Fund balances, end of year	<u>\$ 139,516</u>	<u>\$ 138,116</u>	<u>\$ 128,847</u>	<u>\$ (9,269)</u>

CITY OF THIBODAUX

Thibodaux, Louisiana

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - CDBG FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 2.7

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental				
Federal government	\$ 97,754	\$ 271,939	\$ 215,374	\$ (56,565)
Total revenues	<u>97,754</u>	<u>271,939</u>	<u>215,374</u>	<u>(56,565)</u>
EXPENDITURES				
Current:				
Public works	37,754	60,379	55,277	5,102
Health and welfare	10,000	81,234	45,420	35,814
Capital outlay	50,000	130,326	114,677	15,649
Total expenditures	<u>97,754</u>	<u>271,939</u>	<u>215,374</u>	<u>56,565</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF THIBODAUX

Thibodaux, Louisiana

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 3.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental				
Federal government	\$ 3,600,000	\$ -	\$ 4,786	\$ 4,786
Investment income	1,000	270	278	8
Total revenues	<u>3,601,000</u>	<u>270</u>	<u>5,064</u>	<u>4,794</u>
EXPENDITURES				
Current:				
Public works	3,404,500	17,030	9,660	7,370
Capital outlay	681,767	640,475	529,648	110,827
Total expenditures	<u>4,086,267</u>	<u>657,505</u>	<u>539,308</u>	<u>118,197</u>
Excess of revenues under expenditures	<u>(485,267)</u>	<u>(657,235)</u>	<u>(534,244)</u>	<u>122,991</u>
OTHER FINANCING SOURCES				
Operating transfers in	485,000	775,326	424,485	(350,841)
Total other financing sources	<u>485,000</u>	<u>775,326</u>	<u>424,485</u>	<u>(350,841)</u>
NET CHANGE IN FUND BALANCES	<u>(267)</u>	<u>118,091</u>	<u>(109,759)</u>	<u>(227,850)</u>
FUND BALANCES				
Fund balances, beginning of year	150,928	150,928	132,044	(18,884)
Fund balances, end of year	<u>\$ 150,661</u>	<u>\$ 269,019</u>	<u>\$ 22,285</u>	<u>\$ (246,734)</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION - MUNICIPAL GAS AND SEWERAGE SYSTEM FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

Statement 4.1

	Gas System	Sewerage System	Total
OPERATING REVENUES			
Charges for services	\$ 2,021,540	\$ 1,980,489	\$ 4,002,029
OPERATING EXPENSES			
Gas purchased	855,626	-	855,626
Personal services	407,199	467,558	874,757
Operating supplies	187,892	121,450	309,342
Equipment expenses	58,586	438,933	497,519
Building expenses	7,905	198,725	206,630
Outside services	23,391	125,379	148,770
General operating	19,417	95,105	114,522
General administrative	6,552	1,245	7,797
Depreciation	255,591	570,364	825,955
Total operating expenses	1,822,159	2,018,759	3,840,918
Operating income (loss)	199,381	(38,270)	161,111
NON-OPERATING REVENUES (EXPENSES)			
Investment income	4,162	10,568	14,730
Other non-operating revenues	9,658	8,077	17,735
Intergovernmental	109	10,791	10,900
Revenues from non-employer contributing entities	8,327	10,143	18,470
Interest and fiscal charges	(22,737)	(47,693)	(70,430)
Total non-operating revenues (expenses)	(481)	(8,114)	(8,595)
Income (loss) before capital contributions	198,900	(46,384)	152,516
CONTRIBUTIONS			
Capital contributions	64,648	383,165	447,813
CHANGE IN NET POSITION	\$ 263,548	\$ 336,781	\$ 600,329

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING STATEMENT OF NET POSITION
DESCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2020 AND NOVEMBER 30, 2020

Statement 4.2

	City Court of Thibodaux	Thibodaux Volunteer Fire Department, Inc.	Total
ASSETS			
Cash and cash equivalents	\$ 413,410	\$ 4,395,347	\$ 4,808,757
Investments - CDs	-	629,379	629,379
Receivables, net	767	4,247	5,014
Due from other government	1,958	-	1,958
Internal balances	108,397	-	108,397
Prepaid expenses and other assets	-	27,575	27,575
Capital assets			
Non-depreciable	-	2,467,187	2,467,187
Net depreciable	50,440	6,004,854	6,055,294
Total assets	<u>574,972</u>	<u>13,528,589</u>	<u>14,103,561</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	33,804	-	33,804
Total deferred outflows of resources	<u>33,804</u>	<u>-</u>	<u>33,804</u>
LIABILITIES			
Accounts payables and accrued expenses	22,674	37,035	59,709
Due to other governments	9,495	-	9,495
Net pension liability	157,474	-	157,474
Total liabilities	<u>189,643</u>	<u>37,035</u>	<u>226,678</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,512	-	1,512
Total deferred inflows of resources	<u>1,512</u>	<u>-</u>	<u>1,512</u>
NET POSITION			
Net investment in capital assets	50,440	8,472,041	8,522,481
Restricted for:			
Court services	96,372	-	96,372
Public safety	-	2,327,644	2,327,644
Unrestricted	270,809	2,691,869	2,962,678
Total net position	<u>\$ 417,621</u>	<u>\$ 13,491,554</u>	<u>\$ 13,909,175</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2020 AND NOVEMBER 30, 2020

Statement 4.3

	City Court of Thibodaux	Thibodaux Volunteer Fire Department, Inc.	Total
EXPENSES	\$ 999,140	\$ 1,401,871	\$ 2,401,011
PROGRAM REVENUES			
Charges for services	104,452	116,477	220,929
Operating grants and contributions	789,715	219,300	1,009,015
Total program revenues	894,167	335,777	1,229,944
Net expense	(104,973)	(1,066,094)	(1,171,067)
GENERAL REVENUES			
Ad valorem taxes	-	783,125	783,125
Investment earnings	4,301	21,561	25,862
Firemen's Fair	-	91,537	91,537
Miscellaneous	-	198,541	198,541
Total general revenues	4,301	1,094,764	1,099,065
CHANGE IN NET POSITION	(100,672)	28,670	(72,002)
NET POSITION			
Beginning of year	518,293	13,462,884	13,981,177
End of year	\$ 417,621	\$ 13,491,554	\$ 13,909,175

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**SCHEDULE OF UTILITY CUSTOMERS
(Unaudited)
December 31, 2020**

Schedule 4.4

The number of meters in service at December 31, 2019:

Department	Commercial	Residential	Total
Natural Gas	564	3,585	4,149
Water & Sewer	1,445	5,235	6,680
Totals	<u>2,009</u>	<u>8,820</u>	<u>10,829</u>

The number of meters in service at December 31, 2020:

Department	Commercial	Residential	Total
Natural Gas	563	3,612	4,175
Water & Sewer	1,299	5,368	6,667
Totals	<u>1,862</u>	<u>8,980</u>	<u>10,842</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF INSURANCE IN FORCE
(Unaudited)
DECEMBER 31, 2020

Schedule 4.5

Issuer	Kind of Insurance	Insurance	Expiration Date
Riviere Insurance (American Alternative Insurance Company)	Auto Liability & Physical Damage Deductible: SIR \$100,000	\$ 1,000,000	7/1/2021
	General Liability Deductible: SIR \$100,000	\$ 1,000,000	7/1/2021
	Law Enforcement Liability: SIR \$100,000	\$ 1,000,000	7/1/2021
	Public Entity Management Liability Deductible: SIR \$100,000	\$ 2,000,000	7/1/2021
	Public Entity Employment-Related Practices Liability Deductible: SIR \$100,000	\$ 2,000,000	7/1/2021
	Employee Benefit Plan Liability Deductible: SIR \$100,000	\$ 1,000,000	7/1/2021
	TVFD Auto Liability Deductible: \$1,000	\$ 1,000,000	10/11/2021
(Fidelity Deposit Company of Maryland)	Public Official Bond - Finance Director Deductible \$0	\$100,000	3/1/2021
	Public Official Bond - Administrative Asst Deductible \$0	\$100,000	3/1/2021
	Public Official Bond - Mayor's Secretary Deductible \$0	\$100,000	3/1/2021
A.J. Gallagher Risk Management Services (USI Insurance Services, LLC)	LA Workmens Comp Deductible: None	Statutory	12/31/2020
(USI Insurance Services, LLC)	Inland Marine Deductible: \$1,000	\$ 3,945,634	7/18/2021
(Hartford/USI Southwest)	Boiler & Machinery Deducible: \$5,000	\$ 50,000,000	6/1/2021
(Fidelity & Deposit Co. of Maryland)	Government Crime Policy - Commissioner Deductible \$1,000	\$ 100,000	5/27/2021
(Fidelity & Deposit Co. of Maryland)	Government Crime Policy Employee Deductible \$1,000	\$ 100,000	5/27/2021
(American Bankers Ins Co of Florida)	Building & Contents Flood Policy Deductible: \$4,000	\$ 236,200	7/25/2021
CNA Surety	Public Official Bond - Mayor Deductible \$0	\$ 100,000	12/31/2021
Jones Insurance Agency	Thibodaux Senior Citizen - Commercial General Liability Deductible \$2,000		9/1/2021
CNA Surety	Public Official Bond - Council President Deductible \$0	\$ 100,000	4/15/2021
Gallagher Benefit Services	Recreation - Excess Accident Policy Deductible \$100	\$ 10,000	6/29/2021
Underwriters at Lloyd's London Indian Harbor Insurance Co. QBE Specialty Insurance Co. Steadfast Insurance Co.	Physical Damage	\$ 41,598,495	6/1/2021

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 4.6

Tommy Eschete - Mayor	\$	84,015
Eric Tabor - District A		13,138
Eugene Richard - District B		13,138
Constance Williams - District C		13,138
Chad Mire - Councilman at Large		14,640
Mike Naquin - Councilman at Large		14,586
	\$	<u>152,655</u>

CITY OF THIBODAUX
Thibodaux, Louisiana
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 4.7

Mayor : Tommy Eschete

Purpose

Salary	\$	84,015
Benefits - Insurance		8,014
Benefits - Deferred compensation (agency contributions)		19,361
Benefits - Other		2,081
Cell Phone		1,175
Vehicle allowance		8,400
Other		375
Total	<u>\$</u>	<u>123,421</u>

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 4.8

	First Six Month Period Ended 6/30/20	Second Six Month Period Ended 12/31/20
Beginning Balance of Amounts Collected	\$ -	\$ -
Add Collections:		
<i>Asset Forfeiture/Sale</i>	-	4,674
<i>Pre-Trial Diversion Program Fees</i>	21,250	15,850
Subtotal Collections	21,250	20,524
Less Disbursements To Governments and Nonprofits:		
<i>Drug Asset Recovery Team, Asset Forfeiture/Sales</i>	-	47
<i>Criminal Court Fund, 17th Judicial District, Asset Forfeiture/Sales</i>	-	917
<i>Lafourche Parish District Attorney, Asset Forfeiture/Sales</i>	-	960
Less Amounts Retained by Collecting Agency		
Amounts Self-Disbursed to Collecting Agency: <i>Pre-Trial Diversion Program Fees</i>	21,250	15,850
Subtotal Disbursements/Retainage	21,250	17,774
Ending Balance of Amounts Collected but Not Disbursed	\$ -	\$ 2,750

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**JUSTICE SYSTEM FUNDING SCHEDULE-RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Schedule 4.9

	First Six Month Period Ended 6/30/20	Second Six Month Period Ended 12/31/20
<u>Receipts from:</u>		
<i>Thibodaux City Court, Criminal Court Costs/Fees - Witness Fees</i>	\$ 3,811	\$ 2,820
<i>Thibodaux City Court, Criminal Court Costs/Fees - Intoxilyzer</i>	500	150
<i>Thibodaux City Court, Criminal Court Costs/Fees - Court Fines</i>	42,366	28,532
Total	<u>\$ 46,677</u>	<u>\$ 31,502</u>

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITORS' 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 Honorable Mayor and
Members of the Council
City of Thibodaux, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Thibodaux, Louisiana (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 18, 2021. Our report includes a reference to other auditors who audited the financial statements of Thibodaux Volunteer Fire Department, Inc. and City Court of Thibodaux, Louisiana, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2020-002.

The City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'Postlethwaite & Netterville' in a cursive script.

Baton Rouge, Louisiana
June 18, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and
Members of the Council
City of Thibodaux, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Thibodaux, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.



Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 18, 2021

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number	Federal Expenditures
HOUSING VOUCHER CLUSTER			
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Office of Public Housing and Indian Housing			
Section 8 Housing Choice Vouchers	14.871	LA194VO	\$ 1,255,050
COVID-19 - Section 8 CARES Act AF (Admin)	14.871	N/A	52,043
COVID-19 - Section 8 CARES Act HAP	14.871	N/A	23,014
TOTAL HOUSING VOUCHER CLUSTER			<u>1,330,107</u>
CDBG - ENTITLEMENT GRANTS CLUSTER			
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through the Office of Community Planning and Development			
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-22-0012	125,012
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-22-0012	10,338
		B-19-MC-22-0012	
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	CARES Act	80,024
TOTAL CDBG - ENTITLEMENT GRANTS CLUSTER			<u>215,374</u>
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,545,481</u>
CLEAN WATER STATE REVOLVING FUND CLUSTER			
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			
Passed through Louisiana Department of Environmental Quality			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS-221905-02	3,103,244
TOTAL CLEAN WATER STATE REVOLVING FUND CLUSTER			<u>3,103,244</u>
OTHER PROGRAMS			
Passed through Louisiana Board of Regents			
Barataria-Terrebonne National Estuary Program	66.456	BTNEP20-04	2,802
TOTAL OTHER PROGRAMS			<u>2,802</u>
TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			<u>3,106,046</u>
HIGHWAY SAFETY CLUSTER			
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Highway Safety Commission			
State and Community Highway Safety - LHSC 2019-2020	20.616	2020-30-55	2,415
State and Community Highway Safety - LHSC 2020-2021	20.600	2021-30-55	2,059
Alcohol Impaired Driving Countermeasure Incentive - LHSC 2019-2020	20.607	2020-30-55	25,784
Alcohol Impaired Driving Countermeasure Incentive - LHSC 2020-2021	20.607	2021-30-55	3,540
TOTAL HIGHWAY SAFETY CLUSTER			<u>33,798</u>
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development			
Acadia Roundabout	20.205	H009320/H.009320.5	4,786
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			<u>4,786</u>
OTHER PROGRAMS			
Passed through Louisiana Department of Transportation and Development			
Airport Mapping and Delineation	20.106	3-22-0072-005- 2016/H.012763	1,350
FEDERAL AVIATION ADMINISTRATION			
COVID-19 - CARES Act Airport Grant	20.106	3-22-0072-006-2020	29,980
TOTAL OTHER PROGRAMS			<u>31,330</u>
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			<u>69,914</u>

CITY OF THIBODAUX
Thibodaux, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number	Federal Expenditures
UNITED STATES DEPARTMENT OF JUSTICE			
BUREAU OF JUSTICE ASSISTANCE			
Bullet Proof Vest Partnership Program	16.607	N/A	2,416
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			2,416
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through Louisiana Office of Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Hurricane Barry	97.036	4458-DR-LA	50,599
TOTAL UNITED STATES DEPARTMENT OF HOMELAND SECURITY			50,599
TOTAL FEDERAL ASSISTANCE EXPENDED			\$ 4,774,456

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant award of the City under programs of the federal government for the year ended December 31, 2020 and is presented on the modified 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 the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B - RECONCILIATION OF FEDERAL EXPENDITURES

Federal assistance expended as reported on Schedule of Expenditures of Federal Awards	\$ 4,774,456
Less: loan proceeds recorded on Schedule of Expenditures of Federal Awards	
Capitalization Grants for Clean Water State Revolving Funds	(3,103,244)
Add: revenues received in current year for prior year expenditures	2,134
Less: revenues recorded as salary reimbursements	
Louisiana Highway Safety Commission	(33,798)
Total intergovernmental revenues	\$ 1,639,548
Intergovernmental revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position	
Governmental Funds	\$ 1,628,241
Proprietary Funds	11,307
	\$ 1,639,548

NOTE C - INDIRECT COST RATE

The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CLEAN WATER STATE REVOLVING LOAN FUND

The City received loan assistance for the following program:

Program Title	Federal CFDA Number	Outstanding Balance as of December 31, 2020	New Loans Made During the Year Ended December 31, 2020
Capitalization Grants for Clean Water State Revolving Funds		\$ 7,850,852	\$ 4,225,724
Less: Source of Funds - State or Repayment Funds		(3,348,548)	(1,122,480)
Federal Portion of Loan	66.458	\$ 4,502,304	\$ 3,103,244

**CITY OF THIBODAUX
Thibodaux, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020**

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness identified

Yes No

- Significant deficiency identified not considered to be a material weakness?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over financial reporting:

- Material weakness identified

Yes No

- Significant deficiency identified not considered to be a material weakness?

Yes None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

Yes No

Identification of major program:

Name of Federal Program or Cluster

Federal CFDA Number

DEQ Capitalization Grants -
Clean Water State Revolving Funds

66.458

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes No

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

2020-001 INTERNAL CONTROL - LACK OF SEGREGATION OF DUTIES

Criteria: Internal controls should be designed to ensure proper segregation of duties.

Condition: Administrative access within the accounting system is granted to users that are also responsible for performing various accounting functions including the approval of disbursements and the signing of checks. These duties should be segregated. This is a repeat finding from December 31, 2019.

Cause: Internal controls related to administrative access, cash disbursements, and vendor account maintenance have not been designed to properly safeguard the assets of the City and to prevent or detect misstatements.

Effect: The assets of the City have not been properly safeguarded and misstatements could occur and not be detected by the internal controls of the City.

Recommendation: Access to administrative privileges should be evaluated and restricted to IT personnel. If this is not practical, mitigating controls should be in place to compensate for the lack of access controls. User access review should be performed routinely.

View of Responsible Official: Management concurs with the finding.

COMPLIANCE WITH LAWS AND REGULATIONS

2020-002 DISPOSAL OF SURPLUS MOVABLE PROPERTY

Criteria: Louisiana Revised Statute 49:125 provides that a municipality may sell movable property at a public auction open to private persons once a resolution is passed giving the reasons for the auction and setting the minimum price and terms of the sale. The municipality must advertise the sale, and no sale shall be at a price less than is required by law, with the municipality reserving the right to reject any and all bids and remove them from the sale. Notice of the sale should be published at least once, at least fifteen days prior to the sale, indicating the minimum bid and appraised value of the item and the municipality's right to reject any and all bids. Further, the sale may be advertised and sealed bids submitted to the municipality, with the property awarded to the highest bidder, provided the municipality receives the property's fair value.

Condition: The City has a contract with Enterprise Fleet Management that provides for Enterprise to sell, at wholesale auctions, any vehicles assigned to them by the City. The sales prices, net of a service fee for each vehicle, is to be remitted to the City. The City declared nine of its own vehicles surplus for Enterprise to auction. A minimum price was not set nor was the auction advertised or made public.

Cause: The City does not have policies and procedures in place to ensure compliance with Louisiana asset disposal laws.

Effect: The City failed to set a minimum sales price, receive an appraisal, and advertise the auction. The City is in violation of Louisiana Revised Statute 49:125. The City may not have received the maximum proceeds for the assets disposed.

Recommendation: The City should implement policies and procedures that ensure the proper procedures are followed regarding the disposal of surplus movable property.

View of Responsible Official: Management concurs with the finding.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CITY OF THIBODAUX
Thibodaux, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES
For the Year Ended December 31, 2020

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2019-001 INTERNAL CONTROL - LACK OF SEGREGATION OF DUTIES

Condition: Administrative access within the system is granted to users that are also responsible for performing various accounting functions including the approval of disbursements and the signing of checks. These duties should be segregated. During the assessment of internal control over financial reporting, we also noted a deficiency in the design of internal controls due to inadequate segregation of duties over vendor account maintenance.

Current Status: Similar finding was noted in the current year and is listed as finding 2020-001.

B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2019-002 INTERNAL CONTROL - REPORTING

Condition: During the assessment of internal control over reporting, we identified deficiencies in the design of the controls. There was no evidence of review and approval of financial reports prepared by a third party prior to submission.

Current Status: The finding has been resolved.

2019-003 INTERNAL CONTROL – SPECIAL TESTS

Condition: During the assessment of internal control over special test requirements, we identified deficiencies in the design of the controls. Various procedures and calculations are performed as well as the completion of reports as part of the special tests compliance requirements. There was no evidence of review of these procedures, calculations, and reports by someone independent of their preparation and performance.

Current Status: The finding has been resolved.

2019-004 ENHANCEMENT OF POLICIES AND PROCEDURES

Condition: The written policies and procedures of the City do not directly address all required compliance areas with the Uniform Guidance for federal programs.

Current Status: The finding has been resolved.

CITY OF THIBODAUX

OFFICE OF THE MAYOR

P. O. BOX 5418

310 WEST SECOND STREET

THIBODAUX, LOUISIANA 70302

www.ci.thibodaux.la.us

TELEPHONE: (985) 446-7218

FAX: (985) 446-7247

EMAIL: teschete@ci.thibodaux.la.us

TOMMY ESCHETE
MAYOR

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

The following contains the City of Thibodaux's corrective action plan for the findings in the 2020 City audit.

SECTION II – FINANCIAL STATEMENT FINDINGS

2020-001 INTERNAL CONTROL - LACK OF SEGREGATION OF DUTIES

Criteria: Internal controls should be designed to ensure proper segregation of duties.

Condition: Administrative access within the system is granted to users that are also responsible for performing various accounting functions including the approval of disbursements and the signing of checks. These duties should be segregated. This is a repeat finding from December 31, 2019.

Cause: Internal controls related to administrative access, cash disbursements, and vendor account maintenance have not been designed to properly safeguard the assets of the City and to prevent or detect misstatements.

Effect: The assets of the City have not been properly safeguarded and misstatements could occur and not be detected by the internal controls of the City.

Recommendation: Access to administrative privileges should be evaluated and restricted to IT personnel. If this is not practical, mitigating controls should be in place to compensate for the lack of access controls. User access review should be performed routinely. Additionally, proper segregation of duties should be established for cash disbursements and vendor account maintenance.

View of Responsible Official: Management concurs with the finding.

The IT Director will review administrative access and if needed will contact the software IT department in order to properly handle the responsibility of managing all administrative access to the INCODE Financial software. INCODE modules have system audit reports that will be run and reviewed periodically by management.

Accounts payable vendor access was removed from the employee handling disbursements on 7/10/2020. This practice will continue and be handled by someone other than the person handling disbursements.

COMPLIANCE WITH LAWS AND REGULATIONS

2020-002 DISPOSAL OF SURPLUS MOVABLE PROPERTY

Criteria: Louisiana Revised Statute 49:125 provides that a municipality may sell movable property at a public auction open to private persons once a resolution is passed giving the reasons for the auction and setting the minimum price and terms of the sale. The municipality must advertise the sale, and no sale shall be at a price

less than is required by law, with the municipality reserving the right to reject any and all bids and remove them from the sale. Notice of the sale should be published at least once, at least fifteen days prior to the sale, indicating the minimum bid and appraised value of the item and the municipality's right to reject any and all bids. Further, the sale may be advertised and sealed bids submitted to the municipality, with the property awarded to the highest bidder, provided the municipality receives the property's fair value.

Condition: The City has a contract with Enterprise Fleet Management that provides for Enterprise to sell, at wholesale auctions, any vehicles assigned to them by the City. The sales prices, net of a service fee for each vehicle, is to be remitted to the City. The City declared nine of its own vehicles surplus for Enterprise to auction. A minimum price was not set nor was the auction advertised or made public.

Cause: The City does not have policies and procedures in place to ensure compliance with Louisiana asset disposal laws.

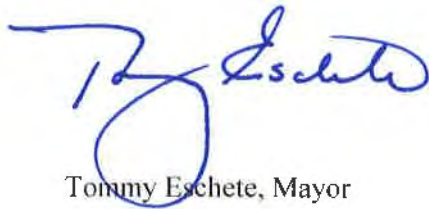
Effect: The City failed to set a minimum sales price, receive an appraisal, and advertise the auction. The City is in violation of Louisiana Revised Statute 49:125.

Recommendation: The City should implement policies and procedures that ensure the proper procedures are followed regarding the disposal of surplus movable property.

View of Responsible Official: Management concurs with the finding.

The City of Thibodaux will include a column on bid documents for setting a minimum price on these types of assets.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tommy Eschete". The signature is stylized with a large, looping initial "T" and a cursive "Eschete".

Tommy Eschete, Mayor



To the Honorable Mayor and
Members of the Council
Thibodaux, LA

We have audited the general-purpose financial statements of the City of Thibodaux (the City) for the year ended December 31, 2020, and have issued our report thereon dated June 18, 2021. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated June 15, 2021, on the financial statements of the City or the City's internal control over financial reporting.

ML 20-001

Related Party Transactions

Condition:

Louisiana Revised Statute 42:1113 provides that no public servant or member of such a servant's immediate family shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant. The City purchased uniforms for new police officers from a vendor which is owned by an immediate family member of one of the department directors of the City. These transactions violate Louisiana R.S. 42:1113.

Recommendation:

The City should ensure that policies and procedures are in place to ensure compliance with Louisiana R.S. 42:1113.

ML 20-002 **Best Practices**

Condition: The City's contracting policy does not specify the process for ensuring no contracts are issued to parties who are suspended or debarred.

Recommendation: The City should consider amending its policy to address the process for ensuring no contracts are issued to parties who are suspended or debarred.

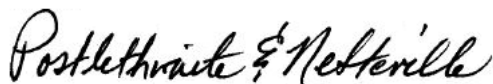
ML 20-003 **Information System Control Environment**

Condition: The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Recommendations: The City should consider implementing the following:

- The City should develop and implement a Disaster Recovery Plan and testing to ensure that, in the event of a disaster, operations and systems can be up and running in the necessary and expected timelines. Documentation of the testing should be retained.
- The City should consider restricting administrative access to those who are not end users of the systems.
- The City should implement password complexity requirements for Active Directory to include alphanumeric characters and a combination of upper case, lower case, numbers, and symbols be enabled.
- The City should consider documenting the performance of the user access reviews and maintain evidence of completion. As the review identifies any necessary user access changes, management should ensure that those necessary changes are properly documented.
- The City should consider developing formally documented IT policies and procedures to address the following areas: user access, passwords, remote authentication techniques, physical security, and change management. Additionally, this policy should be periodically reviewed and updated, as needed.
- The City should consider implementing IT and Information Security employee training to new hires and periodically thereafter.

This information is intended solely for the use of the Council Members and management of the City and should not be used for any other purpose.



Baton Rouge, Louisiana
June 18, 2021



Status of Prior Year Management Letter Comments

ML 19-001

Documentation and Review

Condition:

Management is responsible for establishing and maintaining effective internal controls that ensures that financial information is reliable and properly recorded. Monthly reconciliations were lacking evidence of review by someone independent of the preparer.

Recommendation:

Controls should be implemented to require management's review and approval.

Current Status:

Resolved.

ML 19-002

Best Practices

Condition:

The City's contracting policy does not address specific areas that are recommended as best practices. Additionally, the City does not have a formalized debt service policy.

Recommendation:

The City's contracting policy should address standard terms and conditions, legal review and a monitoring process. The City should formalize a debt service policy.

Current Status:

Similar conditions are repeated for the current year. See ML 20-002.

ML 19-003

FEMA Reimbursement Request

Condition:

Salary expenditures incurred and paid at straight time hourly rates were requested for reimbursement using over time rates in an amount of approximately \$10,000. Additionally, project worksheets are not reconciled to the general ledger prior to submission by someone independent of the preparer.

Recommendation:

Controls should be implemented to ensure compliance with the requirements specified by the Uniform Guidance. This would include reconciliation of requests for reimbursement to the accounting records as well as management's review and approval of project worksheets prior to submission for reimbursement.

Current Status:

Resolved.

ML 19-004 **Information System Control Environment**

Condition: The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Recommendations: The City should consider implementing the following:

- The City should develop and implement a Disaster Recovery Plan and testing to ensure that, in the event of a disaster, operations and systems can be up and running in the necessary and expected timelines. Documentation of the testing should be retained.
- The City should consider restricting administrative access to those who are not end users of the systems.
- The City should request that Incode password complexity requirements to include alphanumeric characters and a combination of upper case, lower case, numbers, and symbols be enabled.
- The City should consider documenting the performance of the user access reviews and maintain evidence of completion. As the review identifies any necessary user access changes, management should ensure that those necessary changes are properly documented.

Current Status: Similar conditions are repeated for the current year. See ML 20-003.

(concluded)

CITY OF THIBODAUX

OFFICE OF THE MAYOR

P. O. BOX 5418
310 WEST SECOND STREET
THIBODAUX, LOUISIANA 70302
www.ci.thibodaux.la.us

TOMMY ESCHETE
MAYOR

TELEPHONE: (985) 446-7218
FAX: (985) 446-7247
EMAIL: teschete@ci.thibodaux.la.us

The following contains the City of Thibodaux's comments to the management comments for the 2020 City audit.

ML 20-001

Related Party Transactions

Condition:

Louisiana Revised Statute 42:1113 provides that no public servant or member of such a servant's immediate family shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant. The City purchased uniforms for new police officers from a vendor which is owned by an immediate family member of one of the department directors of the City. These transactions violate Louisiana R.S. 42:1113.

Recommendation:

The City should ensure that policies and procedures are in place to ensure compliance with Louisiana R.S. 42:1113.

City Response:

The City will update its policy regarding related party transactions and the prohibition of using any such individuals or businesses.

ML 20-002

Best Practices

Condition:

The City's contracting policy does not specify the process for ensuring no contracts are issued to parties who are suspended or debarred.

Recommendation:

The City should consider amending its policy to address the process for ensuring no contracts are issued to parties who are suspended or debarred.

City Response:

The City of Thibodaux has updated the contracting policy as of 6/8/2021 to include the information as stated above.

ML 20-003

Information System Control Environment

Condition:

The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Recommendations:

The City should consider implementing the following:

- The City should develop and implement a Disaster Recovery Plan and testing to ensure that, in the event of a disaster, operations and systems can be up and running in the necessary and expected timelines. Documentation of the testing should be retained.
- The City should consider restricting administrative access to those who are not end users of the systems.

- The City should implement password complexity requirements for Active Directory to include alphanumeric characters and a combination of upper case, lower case, numbers, and symbols be enabled.
- The City should consider documenting the performance of the user access reviews and maintain evidence of completion. As the review identifies any necessary user access changes, management should ensure that those necessary changes are properly documented.
- The City should consider developing formally documented IT policies and procedures to address the following areas: user access, passwords, remote authentication techniques, physical security, and change management. Additionally, this policy should be periodically reviewed and updated, as needed.
- The City should consider implementing IT and Information Security employee training to new hires and periodically thereafter.

City Response:

The IT Director will work on formalizing the Disaster Recovery and IT policies by 12/31/2021.

Respectfully,

A handwritten signature in blue ink, appearing to read "Tommy Eschete". The signature is stylized with a large, looping initial "T" and "E".

Tommy Eschete, Mayor