



**FINANCIAL REPORT**  
**DECEMBER 31, 2022**



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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

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 as of November 30, 2022 and December 31, 2022, respectively, and the respective changes in financial position. 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.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

As discussed in Note 1u to the financial statements, the City adopted GASB Statement No. 87, *Leases*. This statement requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement requires 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. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the schedules of revenues, expenditures, and changes in fund balance – budget to actual on pages 69 through 70, schedule of changes in total other postemployment benefit liability and related ratios on page 71, schedule of proportionate share of the net pension liability on page 72, schedule of contributions on page 73, and notes to the required supplementary information on pages 74 through 75 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules on pages 76 through 83, the statement of revenues, expenses, and change in net position – municipal gas and sewerage system fund on page 84, the combining statements – discretely presented component units on pages 85 through 86, the schedule of principal officials and salaries on page 89, the schedule of compensation, benefits, and other payments to agency head on page 90, the justice funding schedule – collecting/dispersing entity on page 91, the justice system funding schedule – receiving entity on page 92, and the schedule of expenditures of federal awards on pages 98 through 99 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the combining and individual nonmajor fund financial statements, the 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 schedule – collecting/dispersing entity, the justice system funding schedule – receiving entity, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the schedule of utility customers and the schedule of insurance in force but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 black ink that reads 'Postlethwaite &amp; Netterville' in a cursive script.

Baton Rouge, Louisiana  
June 29, 2023



**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

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, 2022. 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 **\$61.8** million (net position). Of this amount, **\$53.9** million is the net invested in capital assets and **\$4.4** 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 **\$3.4** million.

Governmental activities current and other assets increased by **\$7.6** million due to an increase in cash and cash equivalents as a result of the receipt of increased sales tax revenues, ad valorem tax revenues, and FEMA reimbursements. Current assets of the business-type activities increased by **\$0.9** million in 2022 as a result of the accrual of disaster recovery funds due from FEMA as a result of Hurricane Ida.

Capital assets of the Governmental activities increased by **\$2.1** million due to continued projects including a pedestrian path, water reservoir improvements, and a bridge replacement. The continuation of water and sewer improvements, especially the trickling filter media and North 9<sup>th</sup> Street Sewer Main projects, resulted in an increase in the capital assets of the Business-type activities of **\$0.6** million in 2022.

Total long-term liabilities of the primary government increased by **\$5.8** million during 2022. Governmental activities long-term liabilities increased by **\$6.8** million primarily due to an increase in the net pension liability, offset by a decrease in OPEB liability. Business-type long-term liabilities decreased by **\$1.0** million due to an increase in bond repayments of approximately **\$1.3** million, offset by increases in the net pension liability in 2022.

Total net position increased by **\$10.3** million during 2022. This is due to continued growth in the City and FEMA reimbursements as a result of Hurricane Ida. The City experienced sales tax growth of **\$1.1** million. Due to Hurricane Ida, property taxes were not levied in 2021. These tax revenues were levied and collected in the current year in the amount of approximately **\$3.5** million. Additionally, the City has received over **\$4.0** million in FEMA reimbursements as a result of Hurricane Ida.

At the end of our current fiscal year, the governmental funds reported combined ending fund balances of nearly **\$27.3** million, with an increase of nearly **\$9.6** million in comparison with the prior year.

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**Thibodaux, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**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 the required supplementary information and other supplementary information in addition to the basic financial statements.

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 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](http://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 liabilities as governmental activities. 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.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**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.

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, 2022 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

**CITY OF THIBODAUX**  
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**December 31, 2022**

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.

**Government-Wide Financial Analysis**

The following table reflects the condensed Statement of Net Position for 2022, with comparative figures from 2021:

<b><u>Condensed Statements of Net Position</u></b>						
(in millions)						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>						
Current and Other	\$ 29.4	\$21.8	\$ 8.9	\$ 8.0	\$ 38.3	\$ 29.8
Restricted	-	-	4.4	4.2	4.4	4.2
Capital	36.8	34.7	32.9	32.3	69.7	67.0
<b>Total Assets</b>	<u>66.2</u>	<u>56.5</u>	<u>46.2</u>	<u>44.5</u>	<u>112.4</u>	<u>101.0</u>
<b>Deferred Outflows</b>	<u>6.2</u>	<u>2.5</u>	<u>1.1</u>	<u>0.5</u>	<u>7.3</u>	<u>3.0</u>
<b>Liabilities</b>						
Current	1.7	3.6	4.4	2.9	6.1	6.5
Long-term	28.7	21.9	17.2	18.2	45.9	40.1
<b>Total Liabilities</b>	<u>30.4</u>	<u>25.5</u>	<u>21.6</u>	<u>21.1</u>	<u>52.0</u>	<u>46.6</u>
<b>Deferred Inflows</b>	<u>4.7</u>	<u>5.0</u>	<u>1.2</u>	<u>1.0</u>	<u>5.9</u>	<u>6.0</u>
<b>Net Position</b>						
Net Invested in Capital	34.4	34.7	19.5	17.6	53.9	52.3
Restricted	1.3	0.3	3.2	2.8	4.5	3.1
Unrestricted	1.6	(6.5)	1.8	2.5	3.4	(4.0)
<b>Total Net Position</b>	<u>\$ 37.3</u>	<u>\$ 28.5</u>	<u>\$ 24.5</u>	<u>\$ 22.9</u>	<u>\$ 61.8</u>	<u>\$ 51.4</u>

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

Approximately **87.2%** of total net position as of December 31, 2022 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 **7.2%** of the total net position is subject to external restrictions as to their use. The remaining unrestricted net assets is **5.6%** of total net position.

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While net investment in capital assets increased approximately \$1.6 million, unrestricted net position improved by approximately \$7.5 million primarily due to increased sales tax revenues, ad valorem tax revenues, and FEMA reimbursements as a result of Hurricane Ida.

The table below provides a summary of the changes in net assets for the year ended December 31, 2022, with comparative figures:

	<b><u>Condensed Statements of Activities</u></b>					
	(in millions)					
	Governmental Activities		Business-type Activities		Total	
<b>Revenue</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Program Revenue:						
Charges for Services	\$ 1.8	\$ 1.6	\$ 10.7	\$ 9.1	\$ 12.5	\$ 10.7
Operating Grants and Contributions	6.5	2.4	2.1	0.2	8.6	2.6
Capital Grants and Contributions	0.6	0.7	0.2	-	0.8	0.7
General Revenue:						
Property Taxes	3.5	-	-	-	3.5	-
Sales Taxes	19.0	18.0	-	-	19.0	18.0
Franchise and Other Taxes	1.4	1.2	-	-	1.4	1.2
Investment Earnings	0.2	-	0.1	-	0.3	-
Other	0.7	0.5	0.5	0.2	1.2	0.7
<b>Total Revenue</b>	<b>33.7</b>	<b>24.4</b>	<b>13.6</b>	<b>9.5</b>	<b>47.3</b>	<b>33.9</b>
<b>Expenses</b>						
General Government	4.8	7.5	-	-	4.8	7.5
Public Safety	9.1	7.2	-	-	9.1	7.2
Public Works	5.2	5.0	-	-	5.2	5.0
Culture & Recreation	4.0	3.2	-	-	4.0	3.2
Health & Welfare	1.8	1.5	-	-	1.8	1.5
Waterworks	-	-	3.9	3.5	3.9	3.5
Gas & Sewerage	-	-	6.4	4.9	6.4	4.9
Garbage Collection	-	-	1.7	1.6	1.7	1.6
<b>Total Expenses</b>	<b>24.9</b>	<b>24.4</b>	<b>12.0</b>	<b>10.0</b>	<b>36.9</b>	<b>34.4</b>
<b>Increase in Net Position</b>	<b>8.8</b>	<b>0.0</b>	<b>1.6</b>	<b>(0.5)</b>	<b>10.4</b>	<b>(0.5)</b>
Beginning Net Position	28.5	28.5	22.9	23.4	51.4	51.9
<b>Ending Net Position</b>	<b>\$ 37.3</b>	<b>\$ 28.5</b>	<b>\$ 24.5</b>	<b>\$ 22.9</b>	<b>\$ 61.8</b>	<b>\$ 51.4</b>

The government's total net position increased by \$10.3 million during the current fiscal year. The majority of this increase is due to the increase in the net position for *Governmental Activities* of \$8.8 million. This increase in net position is due to increases in sales tax revenues, ad valorem tax revenues, and FEMA reimbursements.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**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 nearly **\$27.3** million, an increase of nearly **\$9.6** million from the prior year. Approximately **92.8%** (**\$25.3** million) of total fund balance was unassigned and available for spending in future periods. The restricted fund balance was **\$50,476** due to restrictions by external parties and approximately **\$1.2** million due to ad valorem taxes dedicated for Public Safety and Public Works. Fund balance of **\$0.6** million was committed for Public Works. The assigned fund balance of **\$22,977** 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 **\$25.3** million, an increase of nearly **\$8.6** million from the prior year. This represents over **122.7%** 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 **\$50,476**, a decrease of **\$8,072** from the prior year.

The fund balance of the Capital Projects Fund decreased by nearly **\$0.4** million from the prior year. The ending fund balance of the Capital Projects fund of **\$66,458** 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 **\$0.7** million. Net Invested in Capital Assets at the end of the current fiscal year was over **\$6.6** million, **\$0.1** million was restricted for debt service, and **\$0.1** million was restricted for system maintenance. This fund ended the year with **\$0.9** million 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 **\$0.5** million. The Gas System ended the year with an operating loss of **\$18,389** operating income and the Sewerage System ended with an operating loss of **\$134,202** for a combined operating loss at year-end of **\$152,591**. Investment in capital assets, net of related debt, at the end of the current fiscal year was **\$12.9** million, **\$0.5** million was restricted for debt service, and over **\$2.4** million was restricted for system maintenance.

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.

**CITY OF THIBODAUX**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

The Garbage Collection Fund had approximately **\$0.6** million in unrestricted net assets. The fund ended the year with an operating loss of **\$11,101**. There was no investment in capital assets at the end of the current fiscal year.

**General Fund Budgetary Highlights**

The budget was amended twice during the year. The primary reason for amending the budget was due to an increase in expected sales tax revenues, ad valorem tax revenues, FEMA reimbursements, and capital outlay. Some of the significant variances are listed below:

**REVENUES**

- Taxes had a favorable variance of **\$487,971** due to continued growth within the City as well as continued recovery from Hurricane Ida.
- Total revenues and transfers in were amended by **\$4,955,048** from **\$23,443,310** to **\$28,398,358**. This was in response to an increase in sales tax and ad valorem tax expectations.

**EXPENDITURES**

- There was a significant unfavorable variance in capital outlay at the end of the year due to the capitalization of right of use lease assets resulting from the implementation of GASB 87, *Leases*, as well as the financed purchase of radio tower equipment.
- Total expenditures and transfers out were amended by **\$794,764** from **\$21,592,152** to **\$22,386,916** due to additional capital outlay projects approved during the year by the City Council.

**Capital Asset and Debt Administration**

**Capital Assets:** The capital assets for governmental and business-type activities were nearly **\$70.2** million (net of accumulated depreciation and amortization). 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, and right of use lease assets. The total increase in capital assets (net of depreciation and amortization) for the current fiscal year was **\$2.7** million, with a **\$2.1** million increase for governmental activities and a **\$0.6** million increase for business-type activities.

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

**Governmental Activities**

- |   |            |
|---|------------|
| • Cab Tractor                               | \$ 155,855 |
| • Reservoir Park Walking Trail Improvements | \$ 235,147 |
| • Field Turf for Major's Field              | \$ 206,800 |
| • Rienzi Village Townhomes Donations        | \$ 319,991 |
| • Menard Pedestrian Path                    | \$ 978,365 |

**Business-Type Activities**

- |                                      |            |
|--------------------------------------|------------|
| • Boring Machine                     | \$ 106,180 |
| • Vacuum Jetter                      | \$ 179,987 |
| • Rienzi Village Townhomes Donations | \$ 171,981 |

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



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**December 31, 2022**

**Governmental Activities**

• DOTD Airport Mitigation	\$ 312,741
• Pool Renovations	\$ 135,800
• Acadia Roundabout and Pool Renovations	\$ 638,191
• Canal Bridge Replacement	\$ 240,167
• LPSB Middle School Drainage	\$ 173,147

**Business-Type Activities**

• Waterline Replacement N. Thibodaux	\$ 174,410
• Trickling Filter Media	\$ 1,018,497
• North 9 <sup>th</sup> Sewer Force Main	\$ 1,007,688

Contract commitments remaining in relation to the above projects at year-end total **\$5,401,924**.

**Capital Assets (Net of Depreciation and Amortization)**

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 4.4	\$ 4.4	\$ 0.4	\$ 0.4	\$ 4.8	\$ 4.8
Buildings & improvements	2.8	3.1	-	-	2.8	3.1
Infrastructure	24.0	24.0	-	-	24.0	24.0
Furnishing & equipment	2.4	1.8	-	-	2.4	1.8
Water production and distribution system	-	-	9.9	10.7	9.9	11.7
Sewer system & equipment	-	-	17.9	18.3	17.9	18.3
Gas distribution system	-	-	2.4	2.6	2.4	2.6
Construction in progress	1.7	1.4	2.2	0.3	3.9	0.3
Right of use assets	1.5	-	0.1	-	1.6	-
	<u>\$ 36.8</u>	<u>\$ 34.7</u>	<u>\$ 32.9</u>	<u>\$ 32.3</u>	<u>\$ 69.7</u>	<u>\$ 67.0</u>

Additional information on the City's capital assets can be found in **Note 9** of this report.

**Long-term Debt:** At the end of the current fiscal year, the City had total bonded debt outstanding of **\$11.62** million.

**Summary of Outstanding Debt**

(in millions)

	Business-type Activities	
	2022	2021
Water Revenue Bond, Series 2010B	\$ 2.30	\$ 2.55
Utilities Revenue Bonds, Series 2013	3.83	4.26
Utilities Revenue Bonds, Series 2019	5.49	5.77
Financed Asset Liability (Water)	1.19	1.46
Financed Asset Liability (Gas)	0.43	0.53
Financed Asset Liability (General)	0.8	-
	<u>\$ 14.04</u>	<u>\$ 14.57</u>

**CITY OF THIBODAUX**  
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**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

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.

**Economic Factors and Next Year’s General Fund Budget and Rates**

The proposed General Fund budget for the year ending December 31, 2023, results in an operating loss of **\$4.17** million. Highlights of next year’s General Fund budget include:

**Condensed Summary of General Fund**  
**Budgeted Finances**

	<u>FY 2023</u>
Anticipated revenues	\$ 25,793,622
Expenditures:	
Current	21,922,396
Capital outlay	3,480,037
Transfers out	<u>4,565,115</u>
Total expenditures	<u>29,967,548</u>
Excess of expenditures	(4,173,926)
Fund balance:	
Beginning of the year	<u>22,204,177</u>
End of the year	<u>\$ 18,030,251</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. In 2023, a slight increase of 5.25% was used in budgeting some revenues.
- Sales Tax collections support the operations of the General Fund and the Capital Projects Fund. The City experienced a 6% increase in growth in sales tax collections from 2021 to 2022. For prudent planning, the budget includes a slight increase in 2023 collections as compared to the 2022 estimated projections due to anticipated sales tax revenue received from Lafourche Parish Sales Tax office audits in 2022.
- Ad Valorem taxes are proposed at 49.85% decrease for 2023 as compared to 2022 due to Lafourche Parish Assessor sending out tax notices for both 2021 and 2022 in 2022.
- 4% increase in salaries was budgeted.
- Retirement contributions are expected to increase 0% (MERS), 9.92% (MPERS), 2.2% (LASERS).
- Approximately \$400,000 in capital expenditures was budgeted in 2023 for the Trickleing Filter Media System / UV Lights at SWWTP.
- Approximately \$5.6 million in capital expenditures was budgeted in 2023 for the North Thibodaux Waterline Project and the Water Tower Painting projects.
- Approximately \$1.5 million in capital expenditures was budgeted in 2023 for various Capital Street Improvement Projects.
- Insurance expenditures are budgeted to increase 15% - 25%.

**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](http://www.ci.thibodaux.la.us).

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	<b>Primary Government</b>			<b>Statement A</b>
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Component</b>
	<b>Activities</b>	<b>Activities</b>		<b>Units</b>
				<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,474,347	\$ 5,426,541	\$ 20,900,888	\$ 7,729,063
Investments	8,526,961	1,053,973	9,580,934	479,040
Receivables, net	765,107	1,622,402	2,387,509	3,648
Due from other governments	4,627,743	748,769	5,376,512	100
Internal balances	-	-	-	110,802
Prepaid expenses and other assets	10	-	10	20,000
Restricted assets:				
Cash and cash equivalents	-	3,527,614	3,527,614	-
Investments	-	866,186	866,186	-
Capital assets:				
Non-depreciable	6,113,904	2,603,929	8,717,833	1,248,900
Net depreciable	30,671,041	30,291,273	60,962,314	6,560,843
Total assets	<u>66,179,113</u>	<u>46,140,687</u>	<u>112,319,800</u>	<u>16,152,396</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other postemployment benefits (OPEB) related	60,256	399,606	459,862	-
Pension related	6,156,477	690,458	6,846,935	13,424
Total deferred outflows of resources	<u>6,216,733</u>	<u>1,090,064</u>	<u>7,306,797</u>	<u>13,424</u>
<b>LIABILITIES</b>				
Accounts payables and accrued expenses	1,639,116	1,205,379	2,844,495	39,936
Retainage payable	43,867	86,577	130,444	-
Claims liability	8,541	-	8,541	-
Due to other governments	-	-	-	11,742
Unearned revenue	-	2,641,247	2,641,247	1,000
Liabilities payable from restricted assets	-	449,563	449,563	-
Long term liabilities:				
Bonds, financed asset liabilities, leases, and compensated absences:				
Due within one year	686,849	1,294,412	1,981,261	129,632
Due in more than one year	2,191,282	12,110,967	14,302,249	-
Total OPEB liability:				
Due within one year	317,245	58,826	376,071	-
Due in more than one year	7,522,515	1,394,854	8,917,369	-
Net pension liability	18,028,797	2,367,171	20,395,968	121,334
Total liabilities	<u>30,438,212</u>	<u>21,608,996</u>	<u>52,047,208</u>	<u>303,644</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB related	3,876,609	1,130,191	5,006,800	-
Pension related	726,172	29,312	755,484	9,773
Resources recovered prior to time requirements	50,264	-	50,264	-
Total deferred inflows of resources	<u>4,653,045</u>	<u>1,159,503</u>	<u>5,812,548</u>	<u>9,773</u>
<b>NET POSITION</b>				
Net investment in capital assets	34,398,626	19,487,172	53,885,798	7,809,743
Restricted for:				
Federal grants	-	-	-	-
Debt service	-	604,021	604,021	-
Utility system maintenance	-	2,522,863	2,522,863	-
Court services	-	-	-	-
Federal grants	50,476	-	50,476	-
Public safety and public works	1,239,990	-	1,239,990	4,159,461
Unrestricted (deficit)	1,615,497	1,848,196	3,463,693	3,883,199
Total net position	<u>\$ 37,304,589</u>	<u>\$ 24,462,252</u>	<u>\$ 61,766,841</u>	<u>\$ 15,852,403</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, 2022**

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	Governmental Activities	Primary Government		Total
						Business-Type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 4,813,694	\$ 1,257,620	\$ 3,810,401	\$ -	\$ 254,327	\$ -	\$ 254,327	\$ -
Public safety	9,094,851	36,030	668,334	53,167	(8,337,320)	-	(8,337,320)	-
Public works	5,205,779	140,450	63,884	571,329	(4,430,116)	-	(4,430,116)	-
Culture and recreation	3,970,301	362,324	209,636	-	(3,398,341)	-	(3,398,341)	-
Health and welfare	1,783,539	-	1,734,033	18,258	(31,248)	-	(31,248)	-
Interest on lease obligations	45,846	-	-	-	(45,846)	-	(45,846)	-
Total governmental activities	<u>24,914,010</u>	<u>1,796,424</u>	<u>6,486,288</u>	<u>642,754</u>	<u>(15,988,544)</u>	<u>-</u>	<u>(15,988,544)</u>	<u>-</u>
Business-type activities:								
Waterworks	3,835,439	2,814,275	192,051	61,062	-	(768,051)	(768,051)	-
Gas and sewerage	6,422,669	6,162,476	1,902,329	110,918	-	1,753,054	1,753,054	-
Garbage collection	1,724,224	1,713,123	-	-	-	(11,101)	(11,101)	-
Total business-type activities	<u>11,982,332</u>	<u>10,689,874</u>	<u>2,094,380</u>	<u>171,980</u>	<u>-</u>	<u>973,902</u>	<u>973,902</u>	<u>-</u>
Total	<u>\$ 36,896,342</u>	<u>\$ 12,486,298</u>	<u>\$ 8,580,668</u>	<u>\$ 814,734</u>	<u>(15,988,544)</u>	<u>973,902</u>	<u>(15,014,642)</u>	<u>-</u>
<b>Component units:</b>								
Court services	\$ 1,033,867	\$ 124,750	\$ 829,595	\$ -	-	-	-	(79,522)
Public safety	1,727,221	100,354	217,375	-	-	-	-	(1,409,492)
Total component units	<u>\$ 2,761,088</u>	<u>\$ 225,104</u>	<u>\$ 1,046,970</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,489,014)</u>
General revenues:								
Taxes:								
Ad valorem					3,497,506	-	3,497,506	786,181
Sales					19,013,464	-	19,013,464	-
Franchise taxes					638,957	-	638,957	-
Other taxes					733,690	-	733,690	-
Investment earnings					185,243	73,737	258,980	30,372
Donated assets					319,991	-	319,991	-
Miscellaneous					737,088	113,695	850,783	1,822,194
Transfers					(368,000)	368,000	-	-
Total general revenues and transfers					<u>24,757,939</u>	<u>555,432</u>	<u>25,313,371</u>	<u>2,638,747</u>
Change in net position					8,769,395	1,529,334	10,298,729	1,149,733
Net position - December 31, 2021					28,535,194	22,932,918	51,468,112	14,702,670
Net position - December 31, 2022					<u>\$ 37,304,589</u>	<u>\$ 24,462,252</u>	<u>\$ 61,766,841</u>	<u>\$ 15,852,403</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, 2022**

**Statement C**

	Major Funds				Total
	01	17	65	Non-Major	
	General Fund	Section 8 Housing	Capital Projects Fund	Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,214,534	\$ 49,007	\$ 297,101	\$ 1,615,134	\$ 15,175,776
Investments	8,526,961	-	-	-	8,526,961
Receivables, net	480,231	-	-	257,766	737,997
Due from other governments	4,552,795	15,843	13,923	45,182	4,627,743
Due from other funds	16,324	-	-	-	16,324
Other assets	10	-	-	-	10
Total assets	<u>\$ 26,790,855</u>	<u>\$ 64,850</u>	<u>\$ 311,024</u>	<u>\$ 1,918,082</u>	<u>\$ 29,084,811</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 1,253,317	\$ 7,957	\$ 200,699	\$ 15,233	\$ 1,477,206
Accrued salaries and benefits	139,281	2,142	-	442	141,865
Retainage payable	-	-	43,867	-	43,867
Due to other funds	-	-	-	16,324	16,324
Total liabilities	<u>1,392,598</u>	<u>10,099</u>	<u>244,566</u>	<u>31,999</u>	<u>1,679,262</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Resources recovered prior to time requirements	83,319	4,275	-	45,082	132,676
Total deferred inflows of resources	<u>83,319</u>	<u>4,275</u>	<u>-</u>	<u>45,082</u>	<u>132,676</u>
<b>FUND BALANCES</b>					
Restricted for:					
Federal and State grant programs	-	50,476	-	-	50,476
Public safety	-	-	-	827,850	827,850
Public works	-	-	-	412,140	412,140
Committed for:					
Public works	-	-	66,458	578,034	644,492
Assigned for:					
Public safety	-	-	-	22,977	22,977
Unassigned	25,314,938	-	-	-	25,314,938
Total fund balances	<u>25,314,938</u>	<u>50,476</u>	<u>66,458</u>	<u>1,841,001</u>	<u>27,272,873</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 26,790,855</u>	<u>\$ 64,850</u>	<u>\$ 311,024</u>	<u>\$ 1,918,082</u>	<u>\$ 29,084,811</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, 2022**

**Statement D**

Total fund balance for governmental funds		\$ 27,272,873
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	6,113,904	
Cost of depreciable capital assets	76,614,126	
Less: Accumulated depreciation	(47,445,414)	
Right of use assets - operating leases	1,734,688	
Less: Accumulated amortization	<u>(232,359)</u>	36,784,945
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position		
		297,095
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		
		82,412
Elimination of interfund assets and liabilities:		
Due from other funds	16,324	
Due to other funds	<u>(16,324)</u>	-
Long-term liabilities are not due and payable in the current period and therefore are not reported as a fund liability:		
<b>Compensated absences payable:</b>		
Due within one year	(304,829)	
Due in more than one year	<u>(228,238)</u>	(533,067)
<b>Financed asset liability:</b>		
Due within one year	(149,398)	
Due in more than one year	<u>(658,821)</u>	(808,219)
<b>Total other postemployment benefits (OPEB) liability:</b>		
Due within one year	(317,245)	
Due in more than one year	<u>(7,522,515)</u>	(7,839,760)
<b>Net pension liability:</b>		
Due in more than one year		(18,028,797)
<b>Lease liability:</b>		
Due within one year	(232,622)	
Due in more than one year	<u>(1,304,223)</u>	(1,536,845)
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	6,156,477	
Deferred outflows - OPEB related	60,256	
Deferred inflows - pension related	(726,172)	
Deferred inflows - OPEB related	<u>(3,876,609)</u>	<u>1,613,952</u>
Total net position of governmental activities		<u>\$ 37,304,589</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, 2022**

**Statement E**

	Major Funds				Total
	01	17	65	Non-Major	
	General Fund	Section 8 Housing	Capital Projects Fund	Funds	
<b>REVENUES</b>					
Taxes	\$ 21,570,800	\$ -	\$ -	\$ 2,258,665	\$ 23,829,465
Licenses and permits	1,141,542	-	-	-	1,141,542
Intergovernmental:					
Federal government	3,679,062	1,662,983	297,104	156,086	5,795,235
State government	468,316	-	25,000	167,483	660,799
Local government	225,323	-	100,000	-	325,323
Charges for services	517,022	-	-	-	517,022
Fines and forfeitures	116,078	-	-	21,782	137,860
Investment income	176,758	286	739	5,633	183,416
Miscellaneous	694,460	38,813	-	3,669	736,942
Total revenues	<u>28,589,361</u>	<u>1,702,082</u>	<u>422,843</u>	<u>2,613,318</u>	<u>33,327,604</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,300,800	-	-	-	4,300,800
Public safety	8,204,605	-	-	4,566	8,209,171
Public works	2,828,758	-	207,522	324,146	3,360,426
Culture and recreation	3,423,702	-	-	-	3,423,702
Health and welfare	-	1,710,154	-	67,434	1,777,588
Capital outlay	1,875,919	-	1,243,280	17,219	3,136,418
Debt service:					
Principal repayments	195,230	-	-	-	195,230
Interest and bank charges	48,459	-	-	-	48,459
Total expenditures	<u>20,877,473</u>	<u>1,710,154</u>	<u>1,450,802</u>	<u>413,365</u>	<u>24,451,794</u>
Excess (deficiency) of revenues over expenditures	<u>7,711,888</u>	<u>(8,072)</u>	<u>(1,027,959)</u>	<u>2,199,953</u>	<u>8,875,810</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from disposal of capital assets	146	-	-	-	146
Other financing sources - financed asset purchase	808,219	-	-	-	808,219
Other financing sources - leases	309,351	-	-	-	309,351
Transfers in	786,181	-	646,938	14,469	1,447,588
Transfers out	(1,056,834)	-	-	(786,181)	(1,843,015)
Total other financing sources (uses)	<u>847,063</u>	<u>-</u>	<u>646,938</u>	<u>(771,712)</u>	<u>722,289</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>8,558,951</u>	<u>(8,072)</u>	<u>(381,021)</u>	<u>1,428,241</u>	<u>9,598,099</u>
<b>FUND BALANCES</b>					
Fund balances, beginning of year	16,755,987	58,548	447,479	412,760	17,674,774
Fund balances, end of year	<u>\$ 25,314,938</u>	<u>\$ 50,476</u>	<u>\$ 66,458</u>	<u>\$ 1,841,001</u>	<u>\$ 27,272,873</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, 2022**

		<b>Statement F</b>
Net change in fund balances - governmental funds		\$ 9,598,099
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		54,152
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 or shorter of the lease term and reported as depreciation or amortization expense:		
Capital outlay and other capitalized purchases, adjustments and reclassifications	3,147,058	
Depreciation expense, including adjustments and reclassifications	<u>(2,567,776)</u>	579,282
Right of use of leased assets	309,351	
Amortization expense	<u>(232,359)</u>	76,992
The net change in net position of the internal service fund is reported with governmental activities		(174,828)
Changes in long-term liabilities:		
Change in compensated absences payable	(34,506)	
Proceeds from lease obligations	(309,351)	
Principial paid on leases	197,843	
Proceeds from financed asset purchase	(808,219)	
Net change in other postemployment benefits and deferred inflows/outflows of resources	8,568	
Net change in pension liability and deferred inflows/outflows of resources	<u>(418,637)</u>	(1,364,302)
 Total change in net position of governmental activities		 <u><u>\$ 8,769,395</u></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, 2022**

	Business-type Activities - Enterprise Funds				Statement G Governmental Activities
	41	43	15	46	
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund	Total	Internal Service Fund
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 3,579,963	\$ 1,300,647	\$ 545,931	\$ 5,426,541	\$ 298,571
Investments	1,053,973	-	-	1,053,973	-
Accounts receivable, net	418,320	1,707,126	245,725	2,371,171	27,110
Total unrestricted assets	5,052,256	3,007,773	791,656	8,851,685	325,681
<b>Restricted assets</b>					
Cash and cash equivalents	398,019	957,956	-	1,355,975	-
Investments	225,411	289,551	-	514,962	-
Total restricted assets	623,430	1,247,507	-	1,870,937	-
Total current assets	5,675,686	4,255,280	791,656	10,722,622	325,681
<b>Noncurrent assets</b>					
<b>Restricted assets</b>					
Cash and cash equivalents	107,259	2,064,380	-	2,171,639	-
Investments	-	351,224	-	351,224	-
Total restricted assets	107,259	2,415,604	-	2,522,863	-
<b>Capital assets</b>					
Non-depreciable	206,306	2,397,623	-	2,603,929	-
Depreciable, net	9,929,697	20,361,576	-	30,291,273	-
Total capital assets	10,136,003	22,759,199	-	32,895,202	-
Total noncurrent assets	10,243,262	25,174,803	-	35,418,065	-
Total assets	15,918,948	29,430,083	791,656	46,140,687	325,681
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Other postemployment benefits related	117,631	281,975	-	399,606	-
Pension related	330,974	359,484	-	690,458	-
Total deferred outflows of resources	448,605	641,459	-	1,090,064	-
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Current liabilities payable from current assets:					
Accounts payable and accrued expenses	273,022	761,166	145,096	1,179,284	20,045
Accrued salaries and benefits	12,294	13,801	-	26,095	-
Claims liability	-	-	-	-	8,541
Retainage payable	-	86,577	-	86,577	-
Financed asset liability payable within one year	283,115	103,042	-	386,157	-
Lease payable within one year	17,726	22,509	-	40,235	-
Compensated absences payable within one year	19,476	25,544	-	45,020	-
Unearned revenue	2,641,247	-	-	2,641,247	-
Total payable from current assets	3,246,880	1,012,639	145,096	4,404,615	28,586
Current liabilities payable from restricted assets:					
Revenue bonds payable within one year	264,000	559,000	-	823,000	-
Accrued interest on bonds	6,605	29,506	-	36,111	-
Customer meter deposits	260,683	152,769	-	413,452	-
Total payable from restricted assets	531,288	741,275	-	1,272,563	-
<b>Noncurrent liabilities</b>					
Revenue bonds payable after one year	2,033,276	8,758,651	-	10,791,927	-
Compensated absences payable after one year	34,787	6,731	-	41,518	-
Financed asset liability payable after one year	906,225	329,828	-	1,236,053	-
Lease payable after one year	19,023	22,446	-	41,469	-
Net pension liability	1,214,147	1,153,024	-	2,367,171	-
Other postemployment benefits liability:					
OPEB due within one year	19,332	39,494	-	58,826	-
OPEB due after one year	458,383	936,471	-	1,394,854	-
Total noncurrent liabilities	4,685,173	11,246,645	-	15,931,818	-
Total liabilities	8,463,341	13,000,559	145,096	21,608,996	28,586
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Other postemployment benefits related	349,834	780,357	-	1,130,191	-
Pension related	9,157	20,155	-	29,312	-
Total deferred inflows of resources	358,991	800,512	-	1,159,503	-
<b>NET POSITION</b>					
Net investment in capital assets	6,612,638	12,874,534	-	19,487,172	-
Restricted for debt service	92,341	511,680	-	604,021	-
Restricted for system maintenance	107,259	2,415,604	-	2,522,863	-
Unrestricted	732,983	468,653	646,560	1,848,196	297,095
Total net position	\$ 7,545,221	\$ 16,270,471	\$ 646,560	\$ 24,462,252	\$ 297,095

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, 2022**

	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
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,814,275	\$ 6,162,476	\$ 1,713,123	\$ 10,689,874	\$ -
<b>OPERATING EXPENSES</b>					
Gas purchased	-	2,455,384	-	2,455,384	-
Contractual service	-	-	1,705,213	1,705,213	-
Personal services	950,053	1,070,260	-	2,020,313	-
Operating supplies	592,834	453,148	10,363	1,056,345	-
Equipment expenses	341,340	465,394	-	806,734	-
Building expenses	289,392	333,632	-	623,024	-
Outside services	344,807	281,551	-	626,358	-
General operating	254,982	149,071	8,648	412,701	204,082
General administrative	6,483	5,167	-	11,650	-
Depreciation	925,301	1,101,460	-	2,026,761	-
Total operating expenses	3,705,192	6,315,067	1,724,224	11,744,483	204,082
Operating income (loss)	(890,917)	(152,591)	(11,101)	(1,054,609)	(204,082)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	42,810	27,877	3,050	73,737	1,827
Other non-operating revenues	85,728	23,562	4,405	113,695	-
Intergovernmental	172,330	1,880,052	-	2,052,382	-
Revenues from non-employer contributing entities	19,721	22,277	-	41,998	-
Interest and fiscal charges	(130,247)	(107,602)	-	(237,849)	-
Total non-operating revenues (expenses)	190,342	1,846,166	7,455	2,043,963	1,827
Income (loss) before operating transfers	(700,575)	1,693,575	(3,646)	989,354	(202,255)
<b>TRANSFERS</b>					
Transfers in	-	368,000	-	368,000	27,427
Net transfers	-	368,000	-	368,000	27,427
Income (loss) before capital contributions	(700,575)	2,061,575	(3,646)	1,357,354	(174,828)
<b>CONTRIBUTIONS</b>					
Capital grants	61,062	110,918	-	171,980	-
<b>CHANGE IN NET POSITION</b>	(639,513)	2,172,493	(3,646)	1,529,334	(174,828)
<b>NET POSITION</b>					
Beginning of year	8,184,734	14,097,978	650,206	22,932,918	471,923
End of year	\$ 7,545,221	\$ 16,270,471	\$ 646,560	\$ 24,462,252	\$ 297,095

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, 2022**

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
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 2,796,881	\$ 5,960,556	\$ 1,671,353	\$ 10,428,790	\$ -
Cash payments to suppliers for goods and services	(1,681,191)	(3,603,174)	(1,865,181)	(7,149,546)	(232,458)
Cash payments to employees	(951,020)	(1,144,294)	-	(2,095,314)	-
Net cash provided by (used in) operating activities	<u>164,670</u>	<u>1,213,088</u>	<u>(193,828)</u>	<u>1,183,930</u>	<u>(232,458)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Miscellaneous receipts (payments)	105,411	30,456	4,405	140,272	(23,223)
Transfers, net	-	368,000	-	368,000	27,427
Net cash provided by non-capital financing activities	<u>105,411</u>	<u>398,456</u>	<u>4,405</u>	<u>508,272</u>	<u>4,204</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital grants received	1,912,398	326,417	-	2,238,815	-
Acquisition of capital assets	(182,145)	(2,192,954)	-	(2,375,099)	-
Interest and fiscal charges on capital debt	(85,828)	(92,695)	-	(178,523)	-
Interest and fiscal charges on leases	(45,158)	(16,702)	-	(61,860)	-
Principal paid on capital debt	(257,000)	(716,000)	-	(973,000)	-
Principal paid on financed purchases	(21,539)	(18,651)	-	(40,190)	-
Principal paid on leases	(274,133)	(99,773)	-	(373,906)	-
Net cash provided by (used in) capital and related financing activities	<u>1,046,595</u>	<u>(2,810,358)</u>	<u>-</u>	<u>(1,763,763)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest income	27,731	26,355	3,050	57,136	1,827
Net cash provided by investing activities	<u>27,731</u>	<u>26,355</u>	<u>3,050</u>	<u>57,136</u>	<u>1,827</u>
Net increase (decrease) in cash	1,344,407	(1,172,459)	(186,373)	(14,425)	(226,427)
Cash at beginning of year	2,740,834	5,495,442	732,304	8,968,580	524,998
Cash at end of year	<u>\$ 4,085,241</u>	<u>\$ 4,322,983</u>	<u>\$ 545,931</u>	<u>\$ 8,954,155</u>	<u>\$ 298,571</u>
<b>RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:</b>					
Current assets-					
Cash and cash equivalents	\$ 3,579,963	\$ 1,300,647	\$ 545,931	\$ 5,426,541	\$ 298,571
Restricted cash and cash equivalents	398,019	957,956	-	1,355,975	-
Noncurrent assets-					
Restricted cash and cash equivalents	107,259	2,064,380	-	2,171,639	-
Total cash and cash equivalents	<u>\$ 4,085,241</u>	<u>\$ 4,322,983</u>	<u>\$ 545,931</u>	<u>\$ 8,954,155</u>	<u>\$ 298,571</u>

(continued)

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>41</b>	<b>43</b>	<b>15</b>	<b>Total</b>	<b>46</b>
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund		Internal Service Fund
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Income (loss) from operations	\$ (890,917)	\$ (152,591)	\$ (11,101)	\$ (1,054,609)	\$ (204,082)
<b>ADJUSTMENTS TO RECONCILE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Depreciation	925,301	1,101,460	-	2,026,761	-
Bad debt expense	11,661	13,836	8,648	34,145	-
Change in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	(34,849)	(218,896)	(50,418)	(304,163)	-
Accounts payable and accrued expenses	148,647	540,173	(140,957)	547,863	(11,258)
Accrued salaries and benefits payables	1,959	2,831	-	4,790	-
Claims liability	-	-	-	-	(17,118)
Customer deposits	5,794	3,140	-	8,934	-
Compensated absences payable	(7,037)	(16,972)	-	(24,009)	-
Total other postemployment benefit (OPEB) liability	(278,044)	(253,201)	-	(531,245)	-
Deferred outflows - OPEB related	(5,375)	(175,397)	-	(180,772)	-
Deferred inflows - OPEB related	289,364	370,776	-	660,140	-
Net pension liability	410,938	464,682	-	875,620	-
Deferred outflows - pension related	(196,330)	(222,257)	-	(418,587)	-
Deferred inflows - pension related	(216,442)	(244,496)	-	(460,938)	-
Net cash provided by (used in) operating activities	\$ 164,670	\$ 1,213,088	\$ (193,828)	\$ 1,183,930	\$ (232,458)
<b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Contributions accrued as capital assets	\$ (61,062)	\$ (110,918)	\$ -	\$ (171,980)	\$ -
Leases accrued as capital assets	(6,922)	(5,209)	-	-	-

(concluded)

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

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**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, 2022**

**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, 2022.

**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, 2022.

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 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 (GWFS)**

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, 2022**

**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. Taxes 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 (FFS)

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, 2022**

**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, 2022**

**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, 2022**

**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. Revenues from grants, entitlements, and donations are 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, 2022**

**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 7<sup>th</sup> 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 4.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**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 30 days comprise the allowance for uncollectibles. Uncollectible accounts receivable are written off every six 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 six 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 and right of use lease 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 and right of use lease assets are defined by the government as assets with an estimated useful life in excess of one year and initial, individual costs as follows:

<b>Threshold for Capitalization</b>	<b>Dollar Amount</b>
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:

<b>Type of Asset</b>	<b>Years</b>
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, 2022**

**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 acquisition 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.

**j. Leases**

The city is a lessee for noncancellable leases of airport land, office equipment, and vehicles. In accordance with GASB Statement No. 87, *Leases*, the City recognizes a lease payable and an intangible right to use (ROU) asset in the financial statements for those lease contracts with an initial individual value that is material to the financial statements and whose terms call for a lease period greater than one year. The lease payable is measured at the commencement of the lease at the present value of payments expected to be paid during the lease term. Subsequently, the lease payable is reduced by the principal portion of the lease payments made. The ROU asset and is initially measured as the initial amount of the lease payable, adjusted for lease payments received or paid at or before the lease commencement date. Subsequently, the ROU asset is amortized over the shorter of the lease term or the useful life and amortization is recognized as an expense. Key estimates and judgments include (1) the discount rate used to present value the expected lease payments, (2) lease term, and (3) lease payments. When not explicitly provided, the city generally estimates incremental borrowing rate by considering the most recently added debt for similar assets to its books. If no recent debt is available, the City estimates this rate based on published rates of other governmental entities of similar characteristics. The lease term includes the noncancellable period of the lease plus any renewal periods that management has determined they are reasonably certain to renew. Management will remeasure the lease payable and ROU asset if certain changes occur that are expected to significantly affect the amount of the lease payable.

**k. 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.



**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. Summary of Significant Accounting Policies** (continued)

**l. Other Postemployment Benefits (OPEB)**

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.

**m. 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 refunding's 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.

**n. Pension Plans**

The City is a participating employer in three cost-sharing, multiple-employer defined benefit pension plans as described in Note 10. 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.

**o. 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 assets 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 assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. Summary of Significant Accounting Policies** (continued)

**o. Deferred Outflows/Inflows of Resources** (continued)

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, OPEB, and resources recovered prior to time requirements.

Note 10 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 11 presents detailed information concerning the amounts related to OPEB, reported in the deferred inflows and deferred outflows sections of the statement of net position.

**p. 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.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. Summary of Significant Accounting Policies** (continued)

**p. Net Position / Fund Balance Classifications** (continued)

Fund Financial Statements (continued)

- 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.

**q. 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.

**r. 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.

**s. 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.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. Summary of Significant Accounting Policies** (continued)

**t. 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 the 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 the Treasury for City issues at December 31, 2022.

**u. Current Year Adoption of New Accounting Standards**

The City adopted GASB Statement No. 87, *Leases*. This statement requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement requires 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 assets and by lessors as a receivable with both reporting a deferred inflow of resources. Amounts recognized on January 1, 2022, related to the right of use assets and liabilities are \$1,425,337 and \$1,425,337 and \$109,763 and \$109,763 for governmental activities and business-type activities, respectively.

**2. Ad Valorem Taxes**

Ad valorem taxes are normally 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. As a result of the impacts of Hurricane Ida on Lafourche Parish, the 2021 tax roll was not levied until March 2022.

Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2020. Taxes are due and payable on the day they are levied with the interest normally being charged on payments after January 1. However, due to the late levy of the 2021 tax roll, interest will be charged on payments after June 1, 2022. Taxes can be paid through the tax sale date. Properties for which the taxes have not been paid are sold for the amount of the taxes.

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 (LaRS 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, 2022, 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.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**3. Sales Taxes**

**2.0% EFFECTIVE MARCH 1, 1981**

A sales and use tax of one (1%) percent 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%) percent 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, 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.

**3. 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, 2022, the City had cash (book balances) totaling \$24,428,502. Included in cash and cash equivalents on the balance sheet at December 31, 2022, are the following:

Cash on hand	\$ 4,350
Demand deposits	20,896,538
Total unrestricted cash	<u>20,900,888</u>
Restricted cash	3,527,614
Total cash and cash equivalents	<u>\$ 24,428,502</u>

Restricted cash consists of \$54,874 restricted for customer meter deposits and \$3,472,740 restricted to meet requirements of bond covenants.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**3. Equity in Pooled Cash and Deposits** (continued)

**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, 2022, the City's bank balance totaled \$24,543,388. Of this balance, \$250,000 was insured by federal deposit insurance and \$24,293,388 was collateralized by securities held by the pledging financial institutions' trust department or agent in the City's name.

**4. Investments**

As of December 31, 2022, the City had the following investments which are scheduled to mature in less than one year:

<b>Investment Type</b>	<b>Fair Value</b>
<b>Investments at fair value</b>	
Mortgage-backed securities	\$ 1,373,529
U.S. Treasury notes	718,453
Total investments at fair value	2,091,982
<b>Investments measured at the net asset value (NAV)</b>	
Louisiana Asset Management Pool (LAMP)	8,332,571
Federated Government Obligations Fund	22,567
Total investments measured at NAV	8,355,138
Total investments	\$ 10,447,120

Included in investments on the balance sheet at December 31, 2022, are the following:

Investments	\$ 9,580,934
Restricted investments	866,186
Total investments	\$ 10,447,120

**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, 2022, the City had the following percentages of investments in debt securities:

FHLB (Federal Home Loan Bank)	Aaa by Moody's	34%
FHLMC (Federal Home Loan Mortgage Corp)	Aaa by Moody's	32%
U.S. Treasury Note	Aaa by Moody's	34%

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

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**4. Investments** (continued)

**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, 2022, investments of \$8,332,571 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.

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 52 days as of December 31, 2022.

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, 2022, investments of \$22,567 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 13 days as of December 31, 2022.

**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**4. Investments** (continued)

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.

**5. 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.



**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**5. Fair Value of Financial Instruments** (continued)

The City's mortgage-backed securities and U.S. Treasury note, in the amount of \$1,373,529 and \$718,453, respectively, 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.

**6. Receivables**

The following is a summary of accounts receivable at December 31, 2022:

Class of Receivable	Governmental Activities	Business-Type Activities
Charges for services		
Water	\$ -	\$ 360,795
Sewerage & Gas	-	993,143
Garbage	-	248,725
Ad valorem taxes		
General	148,751	-
Non-major	257,516	-
Franchise fees		
General	181,408	-
Claims in excess of self-insured retention		
Internal Service Fund	27,110	-
Other		
General	150,072	-
Non-major	250	-
Water	-	17,583
Sewerage & Gas	-	22,155
Total receivables	765,107	1,642,401
Less: allowance for doubtful accounts	-	(19,999)
Receivables, net	<u>\$ 765,107</u>	<u>\$ 1,622,402</u>

**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**7. Due from Other Governments**

Amounts due from other governments at December 31, 2022 consist of the following:

Governmental Activities	General Fund	Section 8 Housing	Capital Projects	Non-major Funds	Total
Lafourche Parish Sales Tax	\$3,185,656	\$ -	\$ -	\$ -	\$ 3,185,656
Lafourche Parish Transportation	-	-	-	23,761	23,761
Beer Taxes, State of Louisiana	10,819	-	-	-	10,819
Video Poker, State of Louisiana	53,343	-	-	-	53,343
DOTD, State of Louisiana	-	-	13,923	21,421	35,344
City of Thibodaux City Court Fund	9,743	-	-	-	9,743
Louisiana Hwy Safety Commission	9,673	-	-	-	9,673
Housing Authority	78,462	-	-	-	78,462
Federal grants	1,205,099	15,843	-	-	1,220,942
	<u>\$4,552,795</u>	<u>\$ 15,843</u>	<u>\$ 13,923</u>	<u>\$ 45,182</u>	<u>\$ 4,627,743</u>

  

Business-type Activities	Municipal Waterworks	Municipal Gas and Sewerage	Total
Federal grants	\$ 45,944	\$ 702,825	\$ 748,769
	<u>\$ 45,944</u>	<u>\$ 702,825</u>	<u>\$ 748,769</u>

**8. 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 \$414,588 of franchise fee revenue for the year ended December 31, 2022.

**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 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 \$47,511 of telephone franchise fee revenue for the year ended December 31, 2022.

**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**8. Franchise Fee Revenues** (continued)

**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 \$147,791 of Cable TV franchise fee revenue for the year ended December 31, 2022.

**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 \$13,764, Eatel was \$903, and AT&T was \$14,400, totaling \$29,067 for the year ending December 31, 2022.

**9. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2022, are as follows:

Governmental Activities:

	Balance 12/31/2021, as restated	Additions	Deletions	Transfers	Balance 12/31/2022
Land	\$ 4,396,127	\$ -	\$ -	\$ -	\$ 4,396,127
Construction in progress	1,367,827	1,563,462	-	(1,213,512)	1,717,777
Capital assets, non-depreciable	<u>5,763,954</u>	<u>1,563,462</u>	<u>-</u>	<u>(1,213,512)</u>	<u>6,113,904</u>
Infrastructure	51,913,193	566,641	-	1,213,512	53,693,346
Buildings & improvements	14,596,221	808,219	-	-	15,404,440
Equipment & furniture	7,412,136	208,736	(104,532)	-	7,516,340
Capital assets, depreciable	<u>73,921,550</u>	<u>1,583,596</u>	<u>(104,532)</u>	<u>1,213,512</u>	<u>76,614,126</u>
Less: Accumulated depreciation					
Infrastructure	(27,916,758)	(1,839,097)	-	-	(29,755,855)
Buildings & improvements	(11,494,193)	(300,452)	-	-	(11,794,645)
Equipment & furniture	(5,571,219)	(428,227)	104,532	-	(5,894,914)
Total accumulated depreciation	<u>(44,982,170)</u>	<u>(2,567,776)</u>	<u>104,532</u>	<u>-</u>	<u>(47,445,414)</u>
Net depreciable capital assets	<u>28,939,380</u>	<u>(984,180)</u>	<u>-</u>	<u>1,213,512</u>	<u>29,168,712</u>
Right of use assets	1,425,337	309,351	-	-	1,734,688
Less: accumulated amortization	-	(232,359)	-	-	(232,359)
Net right of use assets	<u>1,425,337</u>	<u>76,992</u>	<u>-</u>	<u>-</u>	<u>1,502,329</u>
Net capital assets	<u>\$ 36,128,671</u>	<u>\$ 656,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,784,945</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**9. Capital Assets** (continued)

Governmental Activities: (continued)

For the year ended December 31, 2022, governmental activities depreciation expense of \$2,567,776 was charged to the following functions:

General Government	\$	200,943
Public Safety		143,118
Public Works		1,778,078
Culture & Recreation		445,637
		\$ 2,567,776

In addition, for the year ended December 31, 2022, amortization expense of \$232,359 was charged to the general government function related to the right of use of assets.

Business-Type Activities:

	Balance 12/31/2021, as restated	Additions	Deletions	Transfers	Balance 12/31/2022
Land	\$ 403,334	\$ -	\$ -	\$ -	\$ 403,334
Construction in progress	283,527	1,996,793	-	(79,725)	2,200,595
Capital assets non-depreciable	686,861	1,996,793	-	(79,725)	2,603,929
Water production & distribution	22,726,780	167,241	(28,359)	-	22,865,662
Sewerage system plant & equipment	32,153,754	365,131	-	79,725	32,598,610
Gas distribution system	10,073,770	17,913	-	-	10,091,683
Capital assets depreciable	64,954,304	550,285	(28,359)	79,725	65,555,955
Total cost of capital assets	65,641,165	2,547,078	(28,359)	-	68,159,884
Less: Accumulated depreciation					
Water production & distribution	(12,097,311)	(902,740)	28,359	-	(12,971,692)
Sewerage system plant & equipment	(13,832,505)	(828,267)	-	-	(14,660,772)
Gas distribution system	(7,458,358)	(256,646)	-	-	(7,715,004)
Total accumulated depreciation	(33,388,174)	(1,987,653)	28,359	-	(35,347,468)
Net depreciable capital assets	31,566,130	(1,437,368)	-	79,725	30,208,487
Right of use assets	109,763	12,131	-	-	121,894
Less: accumulated amortization	-	(39,108)	-	-	(39,108)
Net right of use assets	109,763	(26,977)	-	-	82,786
Net capital assets	\$ 32,362,754	\$ 532,448	\$ -	\$ -	\$ 32,895,202

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**9. Capital Assets** (continued)

Business-Type Activities: (continued)

For the year ended December 31, 2022, business-type activities depreciation expense of \$1,987,653 was charged to the following functions:

Waterworks	\$ 902,740
Sewerage System	828,267
Gas System	256,646
	<u>\$ 1,987,653</u>

In addition, for the year ended December 31, 2022, amortization expense of \$22,561 and \$16,547 was charged to the waterworks and sewerage system functions, respectively, related to the right of use of assets.

**10. 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:  
7722 Office Park Boulevard, Suite 200  
Baton Rouge, Louisiana 70809  
(225) 929-7411  
www.lampers.org

LASERS  
8401 United Plaza Blvd.  
Baton Rouge, Louisiana  
70809-4213  
(225) 922-0600  
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.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Pension and Retirement Plans** (continued)

**Plan Descriptions:** (continued)

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.

**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, 2022, 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	31.25%	10.00%
Non-hazardous Duty (hired after 01/01/2013)	31.25%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	34.00%	7.50%
Louisiana State Employees' Retirement System	44.80%	11.50%

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Pension and Retirement Plans** (continued)

**Funding Policy** (continued)

The contributions made to the Systems for the past three years ended December 31 were as follows:

	2022	2021	2020
Municipal Employees' Retirement System Plan A	\$ 1,519,155	\$ 1,509,314	\$ 1,434,952
Municipal Police Employees' Retirement System	\$ 882,865	\$ 871,762	\$ 882,485
Louisiana State Employees' Retirement System	\$ 19,505	\$ 18,447	\$ 18,280

**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, 2022 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2022 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2022 along with the change compared to the June 30, 2021 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, 2022	Rate at June 30, 2022	Increase (Decrease) from June 30, 2021 Rate
<b>Governmental Activities:</b>			
Municipal Employees' Retirement System Plan A	\$ 8,572,986	2.6445%	0.1235%
Municipal Police Employees' Retirement System	9,294,736	0.9052%	0.1982%
Louisiana State Employees' Retirement System	161,075	0.0021%	0.0000%
	<u>18,028,797</u>		
<b>Business-type Activities:</b>			
Municipal Employees' Retirement System Plan A	2,367,171	2.6445%	0.1235%
Total primary government	<u>\$ 20,395,968</u>		

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Pension and Retirement Plans** (continued)

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

The following schedule lists each pension plan's recognized pension expense of the City for the year ended December 31, 2022:

**Governmental Activities:**

Municipal Employees' Retirement System Plan A	\$	1,345,419
Municipal Police Employees' Retirement System		1,547,586
Louisiana State Employees Retirement System		28,018
	<u>\$</u>	<u>2,921,023</u>

**Business-Type Activities:**

Municipal Employees' Retirement System Plan A	\$	<u>386,137</u>
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At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Governmental Activities:</b>		
Differences between expected and actual experience	\$ 56,148	\$ (108,087)
Changes of assumptions	404,747	(68,819)
Net difference between projected and actual earnings on pension plan investments	3,084,776	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,439,783	(549,266)
Employer contributions subsequent to the measurement date	1,171,023	-
Total	<u>\$ 6,156,477</u>	<u>\$ (726,172)</u>
<b>Business-Type Activities:</b>		
Differences between expected and actual experience	\$ 2,893	\$ (9,378)
Changes of assumptions	23,728	-
Net difference between projected and actual earnings on pension plan investments	407,546	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	71,389	(19,934)
Employer contributions subsequent to the measurement date	184,902	-
Total	<u>\$ 690,458</u>	<u>\$ (29,312)</u>



**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Pension and Retirement Plan** (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Governmental Activities:</b>		
Municipal Employees' Retirement System Plan A	\$ 2,377,026	\$ (6,746)
Municipal Police Employees' Retirement System	3,750,666	(715,667)
Louisiana State Employees' Retirement System	28,785	(3,759)
	\$ 6,156,477	\$ (726,172)
<b>Business-Type Activities:</b>		
Municipal Employees' Retirement System Plan A	\$ 690,458	\$ (29,312)

The City reported a total of \$1,355,925 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2022. 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	\$ 829,157
Municipal Police Employees' Retirement System	516,133
Louisiana State Employees' Retirement System	10,635
	\$ 1,355,925

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
2023	\$ 694,997	\$ 597,172	\$ 7,896	\$ 1,300,065
2024	466,458	576,221	907	1,043,586
2025	174,887	479,013	(3,266)	650,634
2026	865,927	866,460	8,854	1,741,241
	\$ 2,202,269	\$ 2,518,866	\$ 14,391	\$ 4,735,526

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Pension and Retirement Plan** (continued)

**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, 2022 are as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>LASERS</u>
<b>Valuation Date</b>	June 30, 2022	June 30, 2022	June 30, 2022
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Actuarial Assumptions:</b>			
<b>Expected Remaining Service Lives</b>	3 years	4 years	2 years
<b>Investment Rate of Return</b>	6.85%	6.75%	7.25% per annum
<b>Inflation Rate</b>	2.50%	2.50%	2.30% per annum

**Actuarial Assumptions** (continued)

<b>Mortality</b>	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.	For annuitant and beneficiary mortality tables used were: Pub-2010 Healthy Retirees table 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.	For non-disabled members - Mortality rates for 2022 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.
<b>Salary Increases</b>	1 – 4 years of service – 7.4% >4 years of service – 4.9%	Varies from 12.3% in the first two years of service to 4.7% after 2 years	Vary from 2.6% - 5.1% for judges

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Pension and Retirement Plan** (continued)

**Actuarial Assumptions** (continued)

**Cost of Living  
Adjustments**

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.

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The 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.

**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. 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 2.50% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2022.</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 and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 6.75% for the year ended June 30, 2022.</p>	<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 2.3% real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% nominal rate of return is 7.25% for 2022.</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, 2022:

	Target Allocation			Long-term Expected Real Rate of Return		
	MERS	MPERS	LASERS	MERS	MPERS	LASERS
Cash	-	-	1.0%	-	-	0.39%
Public equity	53.0%	-	-	2.31%	-	-
Equity	-	55.5%	-	-	3.60%	-
U.S. Equity	-	-	31.0%	-	-	4.57%
Non-U.S. Equity	-	-	23.0%	-	-	5.76%
Public fixed income	38.0%	-	-	1.65%	-	-
Fixed income	-	30.5%	21.0%	-	0.85%	1.48%
Alternatives	9.0%	14.0%	24.0%	0.39%	0.95%	5.04%
Risk Parity	-	-	-	-	-	8.30%
Total	100.0%	100.0%	100.0%	4.35%	5.40%	5.91%

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. 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 6.85%, 6.75% and 7.25%, respectively for the year ended June 30, 2022.

**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	5.85%	6.85%	7.85%
City of Thibodaux's Share of NPL	\$ 14,609,801	\$ 10,983,205	\$ 7,918,839
<u>MPERS</u>			
Rates	5.75%	6.75%	7.75%
City of Thibodaux's Share of NPL	\$ 12,951,607	\$ 9,252,414	\$ 6,162,362
<u>LASERS</u>			
Rates	6.25%	7.25%	8.25%
City of Thibodaux's Share of NPL	\$ 201,757	\$ 160,342	\$ 122,578

**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	\$ 188,326
MPERS	201,356
	<u>\$ 389,682</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. 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, 2022. 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, 2022 is as follows:

MERS	\$ 235,172
MPERS	153,749
LASERS	<u>2,279</u>
	<u>\$ 391,200</u>

**11. 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-rata 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	60
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>186</u>
	<u>246</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**11. Postemployment Health Care Benefits** (continued)

**Total OPEB Liability**

The City's total OPEB liability of \$9,293,440 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

*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, 2022
Actuarial Valuation Date	January 1, 2022
Inflation	2.00%
Salary increases	2.00%, including inflation
Prior discount rate	1.84%
Current discount rate	4.05%

The discount rate was based on the Fidelity General Obligation AA 20-Year Yield as of December 31, 2022, 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-2021. 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-2021.

**Changes in the Total OPEB Liability**

Balance at December 31, 2021	\$ 14,008,546
Changes for the year:	
Service cost	515,635
Interest	263,362
Differences between expected and actual experience	(342,667)
Changes in assumptions	(4,793,272)
Benefit payments and net transfers	(358,164)
Net changes	<u>(4,715,106)</u>
Balance at December 31, 2022	<u>\$ 9,293,440</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 (3.05%) or 1-percentage-point higher (5.05%) than the current discount rate:

	<b>1.0% Decrease</b>	<b>Current Discount</b>	<b>1.0% Increase</b>
Total OPEB liability	<u>\$ 10,860,713</u>	<u>\$ 9,293,440</u>	<u>\$ 8,036,939</u>
	<b>1.0% Decrease</b>	<b>Current Trend</b>	<b>1.0% Increase</b>
Total OPEB liability	<u>\$ 7,854,416</u>	<u>\$ 9,293,440</u>	<u>\$ 11,150,901</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**11. 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, 2022, the City recognized OPEB expense of \$297,768. At December 31, 2022, 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	\$ 4,200	\$ (763,592)
Changes in assumptions	455,662	(4,243,208)
Total	\$ 459,862	\$ (5,006,800)

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,	
2023	\$ (481,228)
2024	(692,140)
2025	(692,139)
2026	(679,814)
2027	(679,808)
Thereafter	(1,321,809)
	\$ (4,546,938)



**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities**

The following is a summary of long-term debt transactions for the year ended December 31, 2022:

	Payable 12/31/2021, as restated	Additions	Deletions	Payable 12/31/2022	Amount due within one year
<b><u>Governmental activities:</u></b>					
Compensated absences	\$ 498,561	\$ 548,637	\$ (514,131)	\$ 533,067	\$ 304,829
Direct borrowing and placement of debt:					
Lease obligations	1,425,337	309,351	(197,843)	1,536,845	232,622
Financed asset	-	808,219	-	808,219	149,398
<b>Total</b>	<b><u>\$ 1,923,898</u></b>	<b><u>\$1,666,207</u></b>	<b><u>\$ (711,974)</u></b>	<b><u>\$2,878,131</u></b>	<b><u>\$ 686,849</u></b>
<b><u>Business-type activities:</u></b>					
Direct borrowing and placement of debt:					
Water Revenue Bonds, Series 2010B	\$ 2,554,276	\$ -	\$ (257,000)	\$ 2,297,276	\$ 264,000
Utility Revenue Bonds, Series 2013	4,259,992	-	(432,000)	3,827,992	278,000
Utility Revenue Bonds, Series 2019	5,773,659	-	(284,000)	5,489,659	281,000
Lease obligations	109,763	12,131	(40,190)	81,704	40,236
Financed asset	1,996,116	-	(373,906)	1,622,210	386,156
Other long-term liabilities:					
Compensated absences	110,547	95,314	(119,323)	86,538	45,020
<b>Total</b>	<b><u>\$ 14,804,353</u></b>	<b><u>\$ 107,445</u></b>	<b><u>\$(1,506,419)</u></b>	<b><u>\$ 13,405,379</u></b>	<b><u>\$ 1,294,412</u></b>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities** (continued)

**DEBT OBLIGATIONS**

Direct borrowings and placements at December 31, 2022 are comprised of the following individual issues:

**Governmental Activities:**

Financed Asset Liability

\$808,219 financed purchase loan dated September 15, 2022, was issued for purposes of financing the purchase of Motorola telecommunication equipment. Principal is payable annually on September 15th. Interest is payable on the same date at the rate of 3.94 percent per annum. The annual loan payment is \$181,242. The loan is scheduled to mature on September 15, 2027. Events of default are outlined in the purchase agreement and include failure to make any payment as it becomes due; failure to perform any of the obligations of the agreement; failure to perform or observe any other covenant, condition, or agreement on its part to be observed or performed under that agreement; any statement or representation proven to be false, misleading, or erroneous in any material respect; proceedings under bankruptcy, insolvency, reorganization, or similar legislation shall be instituted against or by the City, or receiver or similar officer shall be appointed for City or any of its property and such proceedings or appointments shall not be vacated or fully stayed within 20 days after the institution or occurrence or an attachment of levy or execution is threatened or levied upon or against the equipment.

\$ 808,219

The annual requirements to amortize all governmental activities debt outstanding as of December 31, 2022 is as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 149,398	\$ 31,844	\$ 181,242
2024	155,284	25,958	181,242
2025	161,403	19,839	181,242
2026	167,762	13,480	181,242
2027	174,372	6,870	181,242
	<u>\$ 808,219</u>	<u>\$ 97,991</u>	<u>\$ 906,210</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities** (continued)

**DEBT OBLIGATIONS** (continued)

**Business-Type Activities:**

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.

\$2,297,276

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.

3,827,992

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities** (continued)

**DEBT OBLIGATIONS** (continued)

**Business-Type Activities:** (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.

\$ 5,489,689

Financed Asset Liability

\$3,682,484 financed purchase loan dated October 25, 2016 was issued for purposes of financing the purchase water and gas meters. Principal is payable on April 25 and October 25 annually. Interest is payable on the same dates at the rate of 3.25 percent per annum. The loan is scheduled to mature on October 25, 2026. Events of default are outlined in the purchase agreement and include failure to make any payment as it becomes due; failure to perform any of the obligations of the agreement; failure to perform or observe any other covenant, condition, or agreement on its part to be observed or performed under that agreement; any statement or representation proven to be false, misleading, or erroneous in any material respect; (1) application for or consent to the appointment of receiver, trustee, conservator, or liquidator of all or a substantial part of assets, (2) be unable fail, or admit in writing its inability generally to pay its debts as they become due, (3) make a general assignment for the benefit of creditors, (4) have an order for relief entered against it under applicable federal bankruptcy law, (5) or file a voluntary petition in bankruptcy or a petition for an answer seeking reorganization or an arrangement with creditors or taking advantage of insolvency law or any answer admitting the material allegations of a petition filed in any bankruptcy, reorganization, or insolvency proceeding; and have an order, judgment, or decree entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian, or liquidator of all or a substantial part of the assets in each case without its application, approval, or consent, and such order, judgment, or decree will continue unstayed and in effect for any period of 30 consecutive days.

1,622,210  
\$13,237,167

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities** (continued)

**DEBT OBLIGATIONS** (continued)

**Business-Type Activities:** (continued)

The annual requirements to amortize all debt outstanding as of December 31, 2022 is as follows:

<i>Year Ending</i> <i>December 31</i>	Direct borrowing and placement:			Financed Asset Liability
	Water Revenue Bonds, Series 2010B	Utility Revenue Bonds, Series 2013	Utility Revenue Bonds, Series 2019	
	<i>Principal payments</i>			
2023	\$ 264,000	\$ 278,000	\$ 281,000	\$ 386,156
2024	270,000	281,000	284,000	398,808
2025	277,000	283,000	286,000	411,875
2026	283,000	286,000	289,000	425,371
2027	290,000	289,000	292,000	-
2028-2032	913,276	1,485,000	1,502,000	-
2033-2037	-	925,992	1,575,000	-
2038-2042	-	-	980,659	-
Total Principal	<u>2,297,276</u>	<u>3,827,992</u>	<u>5,489,659</u>	<u>1,622,210</u>
	<i>Interest payments</i>			
2023	63,876	16,600	24,071	49,610
2024	55,999	15,343	22,800	36,958
2025	47,931	14,074	21,517	23,891
2026	39,671	12,793	20,224	23,891
2027	31,219	11,500	18,916	10,396
2028-2032	40,863	37,676	74,521	-
2033-2037	-	6,273	39,919	-
2038-2042	-	-	6,645	-
Total Interest	<u>279,559</u>	<u>114,259</u>	<u>228,613</u>	<u>144,746</u>
Total Principal and Interest	<u>\$ 2,576,835</u>	<u>\$ 3,942,251</u>	<u>\$ 5,718,272</u>	<u>\$ 1,766,956</u>

For the year ended December 31, 2022, business-type activities interest expense of \$172,365 was charged to the following functions:

Waterworks	\$ 82,950
Sewerage System	89,415
	<u>\$ 172,365</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities** (continued)

**DEBT OBLIGATIONS** (continued)

**Business-Type Activities:** (continued)

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 20<sup>th</sup> 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 20<sup>th</sup> 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.
- The “Utilities Revenue Bond Reserve Fund” requires that the issuer shall transfer from the Utility System Fund, monthly in advance on or before the 20<sup>th</sup> 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.

**CITY OF THIBODAUX**  
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**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**12. Long-Term Liabilities** (continued)

**DEBT OBLIGATIONS** (continued)

**Business-Type Activities:** (continued)

- The “Capital Additions and Contingencies Fund” requires that the issuer shall transfer from the Utility System Fund, monthly on or before the 20<sup>th</sup> 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 20<sup>th</sup> day of each month of each year, a sum equal to one-sixth of interest falling due on the next interest payment date and 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 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 20<sup>th</sup> 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 20<sup>th</sup> 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, 2022**

**13. Transfers**

Interfund transfers for the year ended December 31, 2022 are as follows:

	<b>TRANSFERS</b>	
	<b>IN</b>	<b>OUT</b>
General Fund		
Internal Service Fund	\$ -	\$ 27,427
Capital Projects	-	646,938
Fire Department	786,181	-
CDBG	-	14,469
Municipal Gas and Sewerage	-	368,000
Fire Department		
General	-	786,181
CDBG Fund		
General	14,469	-
Capital Projects		
General	646,938	-
Municipal Gas and Sewerage		
General	368,000	-
Risk Management Fund		
General	27,427	-
	\$ 1,843,015	\$ 1,843,015

**14. 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.



**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**14. Risk Management** (continued)

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 policy combined aggregate)
- Public officials’ employment practices \$2,000,000 per occurrence (\$4,000,000 policy combined aggregate)

Settled claims have not exceeded the insurance coverage for the excess liability in any of the past three years. At December 31, 2022, the amount of liability for unpaid claims was \$8,541. 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
2022	\$ 25,659	\$ 170,820	\$ 187,938	\$ 8,541
2021	184,830	159,171	318,342	25,659
2020	136,447	135,033	86,650	184,830

**15. Commitments and Contingencies**

As of December 31, 2022, the City was committed to construction contract agreements totaling \$7,308,605. Of this amount, \$5,401,924 has not yet been expended.

**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.

**16. 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 \$310,016.

**17. 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, 2022. There were no new agreements entered into in 2022.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**18. Rouse Land Company, LLC Cooperative Endeavor Agreement**

The City entered into a cooperative endeavor agreement in 2015 with Rouse Land Company, LLC, a Louisiana limited liability company to do business in the State (Rouse). The City agreed to reimburse Rouse not to exceed the sum of \$217,000 per year or in the aggregate \$800,000 from sales tax revenue over a reimbursement term that lasts until the aggregate amount is reached for the purpose of enabling Rouse to construct a facility 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 2.5% undedicated sales and use tax applied solely to the sales tax increment revenues generated by the Facility. The amount paid to Rouse for the year was \$189,358.

**19. Component Units – Selected Notes to the Financial Statements**

The balances of deposits are as follows:

	Reported Balance	Bank Balance
Demand Deposits**	\$ 7,729,063	\$ 7,730,732
Certificates of Deposit	479,041	479,041
Total deposits	\$ 8,208,104	\$ 8,209,773
Exposed to custodial credit risk		\$ 7,888,616
Covered by pledged securities		\$ 7,888,616

\*\*Included in demand deposits for City Court of Thibodaux is \$889,291 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	-	18,152	-	18,152
<b>Total non-depreciable</b>	<b>1,230,748</b>	<b>18,152</b>	<b>-</b>	<b>1,248,900</b>
Buildings & improvements	6,324,465	380,700	-	6,705,165
Equipment & furniture	8,453,765	334,020	(159,606)	8,628,179
<b>Total depreciable</b>	<b>14,778,230</b>	<b>714,720</b>	<b>(159,606)</b>	<b>15,333,344</b>
<b>Total cost</b>	<b>16,008,978</b>	<b>732,872</b>	<b>(159,606)</b>	<b>16,582,244</b>
Total accumulated depreciation	(8,117,887)	(814,220)	159,606	(8,772,501)
<b>Net depreciable capital assets</b>	<b>6,660,343</b>	<b>(99,500)</b>	<b>-</b>	<b>6,560,843</b>
<b>Net capital assets</b>	<b>\$ 7,891,091</b>	<b>\$ (81,348)</b>	<b>\$ -</b>	<b>\$ 7,809,743</b>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**20. Leases**

**City as Lessee**

The City is a lessee for noncancellable lease agreements for airport land, vehicles, and equipment. The lease terms include the noncancellable period of the lease and the option renewal period, if applicable. The lease payments are fixed payments. In accordance with GASB Statement No. 87, *Leases*, a liability has been recorded for the present value of lease payments over the lease term for each agreement. The lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the City does not make an appropriation for its continuation during any future fiscal period. However, such clauses were disregarded in determining the term of the lease for the purpose of measuring the lease assets and liabilities.

As of December 31, 2022, the value of the lease liabilities related to governmental activities was \$1,536,845. In determining the present values, the interest rate charged by the lessor was the discount rate, if applicable. When the interest rate charged by the lessor was not provided, the City used its estimated incremental borrowing rate as the discount rate for leases of 3.50%. The recorded value of the right-of-use assets as of the end of the current fiscal year was \$1,734,688 and the accumulated amortization of these assets was \$232,359.

As of December 31, 2022, the value of the lease liabilities related to business-type activities was \$81,704. In determining the present values, the interest rate charged by the lessor was the discount rate, if applicable. When the interest rate charged by the lessor was not provided, the City used its estimated incremental borrowing rate as the discount rate for leases of 3.50%. The recorded value of the right-of-use assets as of the end of the current fiscal year was \$121,894 and the accumulated amortization of these assets was \$39,108.

The future principal and interest lease payments as of December 31, 2022 are as follows:

Governmental Activities:

December 31,	Principal	Interest	Total
2023	232,622	56,656	289,278
2024	213,392	46,341	259,733
2025	149,110	36,931	186,041
2026	76,856	31,393	108,249
2027	61,461	27,125	88,586
2028-2032	138,404	117,736	256,140
2033-2037	118,891	94,591	213,482
2028-2042	125,809	76,762	202,571
2043-2047	170,140	53,434	223,574
2048-2052	250,160	22,328	272,488
Total	1,536,845	563,297	2,100,142

Business-Type Activities:

December 31,	Principal	Interest	Total
2023	40,236	2,243	42,479
2024	33,784	746	34,530
2025	7,684	31	7,715
Total	81,704	3,020	84,724

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**21. Subsequent Events**

Subsequent to year end, the City entered into contract commitments approximating \$2.6 million for capital improvements.

**22. Current Accounting Standard Scheduled to be Implemented**

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

GASB Statement 94, *Private-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement is intended to improve financial reporting in relation to these types of arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022. The City will include the requirements of this statements, as applicable, in its December 31, 2023 financial statements. The effect of this statement or its applicability to the City are unknown at this time.

GASB Statement 96, *Subscription-based Information Technology Arrangements*. This statement is intended to streamline the accounting for these types of arrangements with those arrangements listed under GASB 87. The requirements of this statement are effective for periods beginning after June 15, 2022. The City will include the requirements of this statement, as applicable, in its December 31, 2023 financial statements. The effect of this statement or its applicability to the City are unknown at this time.

GASB Statement 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements of this statement are effective for periods beginning after June 15, 2022. The City will include the requirements of this statement, as applicable, in its December 31, 2023 financial statements. The effect of this statement 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, 2022**

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Taxes	\$ 17,971,067	\$ 21,082,829	\$ 21,570,800	\$ 487,971
Licenses and permits	1,047,800	1,100,000	1,141,542	41,542
Intergovernmental:				
Federal government	24,974	3,247,620	3,679,062	431,442
State government	687,910	491,315	468,316	(22,999)
Local government	165,000	225,323	225,323	-
Charges for services	407,800	493,227	517,022	23,795
Fines and forfeitures	130,000	115,000	116,078	1,078
Investment income	18,765	181,624	176,758	(4,866)
Miscellaneous	195,350	675,094	694,460	19,366
Total revenues	<u>20,648,666</u>	<u>27,612,032</u>	<u>28,589,361</u>	<u>977,329</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,784,073	4,696,369	4,300,800	395,569
Public safety	8,809,528	8,735,522	8,204,605	530,917
Public works	2,830,979	2,969,490	2,828,758	140,732
Culture and recreation	3,386,319	3,729,133	3,423,702	305,431
Capital outlay	502,500	1,044,541	1,875,919	(831,378)
Debt service:				
Principal repayments	-	-	195,230	(195,230)
Interest and bank charges	-	-	48,459	(48,459)
Total expenditures	<u>20,313,399</u>	<u>21,175,055</u>	<u>20,877,473</u>	<u>297,582</u>
Excess of revenues over (under) expenditures	<u>335,267</u>	<u>6,436,977</u>	<u>7,711,888</u>	<u>1,274,911</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of capital assets	-	145	146	1
Other financing sources - financed asset purchase	-	-	808,219	808,219
Other financing sources - leases	-	-	309,351	309,351
Transfers in	2,794,644	786,181	786,181	-
Transfers out	(1,278,753)	(1,211,861)	(1,056,834)	155,027
Total other financing sources (uses)	<u>1,515,891</u>	<u>(425,535)</u>	<u>847,063</u>	<u>1,272,598</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,851,158	6,011,442	8,558,951	2,547,509
<b>FUND BALANCES</b>				
Fund balances, beginning of year	16,755,987	16,755,987	16,755,987	-
Fund balances, end of year	<u>\$ 18,607,145</u>	<u>\$ 22,767,429</u>	<u>\$ 25,314,938</u>	<u>\$ 2,547,509</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, 2022**

Schedule 1.2

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 1,680,939	\$ 1,631,581	\$ 1,662,983	\$ 31,402
Investment income	100	250	286	36
Miscellaneous	54,000	37,474	38,813	1,339
Total revenues	<u>1,735,039</u>	<u>1,669,305</u>	<u>1,702,082</u>	<u>32,777</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	1,776,467	1,716,433	1,710,154	6,279
Total expenditures	<u>1,776,467</u>	<u>1,716,433</u>	<u>1,710,154</u>	<u>6,279</u>
Excess of revenues over (under) expenditures	<u>(41,428)</u>	<u>(47,128)</u>	<u>(8,072)</u>	<u>39,056</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	57,194	-	-	-
Total other financing sources	<u>57,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,766	(47,128)	(8,072)	39,056
<b>FUND BALANCES</b>				
Fund balances, beginning of year	58,548	58,548	58,548	-
Fund balances, end of year	<u>\$ 74,314</u>	<u>\$ 11,420</u>	<u>\$ 50,476</u>	<u>\$ 39,056</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS**  
**December 31, 2022**

**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 Employee payroll	Total OPEB liability as a percentage of covered employee payroll
12/31/2022	\$ 515,635	\$ 263,362	\$ (342,667)	\$ (4,793,272)	\$ (358,164)	\$ (4,715,106)	\$ 14,008,546	\$ 9,293,440	\$ 7,321,501	126.93%
12/31/2021	\$ 477,493	\$ 282,967	\$ (237,109)	\$ (65,461)	\$ (298,572)	\$ 159,318	\$ 13,849,228	\$ 14,008,546	\$ 6,869,581	203.92%
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, 2022 (\*)**

**Schedule 1.4**

Pension Plan	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	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
<b>Municipal Employees' Retirement System (Plan A)</b>					
2022	2.6445%	\$ 10,940,157	\$ 5,068,576	215.8428%	67.87%
2021	2.5210%	7,012,180	4,991,993	140.4685%	77.82%
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%
<b>Municipal Police Employees' Retirement System</b>					
2022	0.9052%	\$ 9,294,736	\$ 2,794,370	332.6237%	70.80%
2021	0.7070%	3,768,702	2,581,430	145.9928%	84.09%
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%
<b>State Employees' Retirement System</b>					
2022	0.0021%	\$ 161,075	\$ 43,344	371.6201%	63.70%
2021	0.0021%	113,822	42,082	270.4767%	72.78%
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, 2022**

**Schedule 1.5**

Pension Plan	Contractually Required Contribution <sup>1</sup>	Contributions in Relation to Contractually Required Contribution <sup>2</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll <sup>3</sup>	Contributions as a % of Covered Payroll
<b>Municipal Employees' Retirement System (Plan A)</b>					
2022	\$ 1,519,155	\$ 1,519,155	\$ -	\$ 5,149,679	29.500%
2021	1,509,314	1,509,314	-	5,116,313	29.500%
2020	1,434,952	1,434,952	-	5,006,699	28.661%
2019	1,248,064	1,248,064	-	4,645,418	26.867%
2018	1,180,078	1,180,078	-	4,652,479	25.364%
2017	1,109,483	1,109,483	-	4,673,961	23.738%
2016	976,265	976,265	-	4,596,783	21.238%
2015	882,918	882,918	-	4,470,473	19.750%
<b>Municipal Police Employees' Retirement System</b>					
2022	\$ 882,865	\$ 882,865	\$ -	\$ 2,883,736	30.615%
2021	871,762	871,762	-	2,765,344	31.525%
2020	882,485	882,485	-	2,665,962	33.102%
2019	849,499	849,499	-	2,623,954	32.375%
2018	840,232	840,232	-	2,670,286	31.466%
2017	826,713	826,713	-	2,638,953	31.327%
2016	799,771	799,771	-	2,597,654	30.788%
2015	793,534	793,534	-	2,586,854	30.676%
<b>State Employees' Retirement System</b>					
2022	\$ 19,505	\$ 19,505	\$ -	\$ 44,036	44.293%
2021	18,447	18,447	-	42,753	43.148%
2020	18,280	18,280	-	43,060	42.452%
2019	16,629	16,629	-	40,312	41.251%
2018	15,846	15,846	-	39,516	40.100%
2017	15,127	15,127	-	38,737	39.051%
2016	14,445	14,445	-	37,963	38.050%
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 available.*

**For reference only:**

<sup>1</sup> Employer contribution rate multiplied by employer's covered payroll

<sup>2</sup> Actual employer contributions remitted to MERS MPERS and LASERS

<sup>3</sup> 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, 2022**

**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:

<b><i>Inflation Rate:</i></b>				<b><i>Investment rate of return:</i></b>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2022	6/30/2022	2.500%	0.000%	12/31/2022	6/30/2022	6.850%	0.000%
12/31/2021	6/30/2021	2.500%	0.000%	12/31/2021	6/30/2021	6.850%	-0.100%
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:

<b><i>Inflation Rate:</i></b>				<b><i>Investment rate of return:</i></b>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2022	6/30/2022	2.500%	0.000%	12/31/2022	6/30/2022	6.750%	0.000%
12/31/2021	6/30/2021	2.500%	0.000%	12/31/2021	6/30/2021	6.750%	-0.200%
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:

<b><i>Inflation Rate:</i></b>				<b><i>Investment rate of return:</i></b>			
Measurement				Measurement			
Year End	date	Rate	Change	Year End	date	Rate	Change
12/31/2022	6/30/2022	2.300%	0.000%	12/31/2022	6/30/2022	7.250%	-0.150%
12/31/2021	6/30/2021	2.300%	0.000%	12/31/2021	6/30/2021	7.400%	-0.150%
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, 2022**

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:**

- 12/31/2022 There were no changes of benefit terms for the year ended December 31, 2022.
- 12/31/2021 There were no changes of benefit terms for the year ended December 31, 2021.
- 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	Mortality Table
12/31/2022	4.05%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2021	1.84%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2020	2.00%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2020
12/31/2019	2.75%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2019
12/31/2018	3.71%	RPH-2014
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.

**SUPPLEMENTARY INFORMATION**

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2022**

**Statement 2.1**

	11	13	14	18	31	
	Police Forfeiture Fund	Fire Department Fund	Street Improvement and Maintenance	DOTD Parish Transportation	CDBG Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 23,097	\$ 676,325	\$ 527,333	\$ 388,379	\$ -	\$ 1,615,134
Accounts receivable, net	-	183,620	74,146	-	-	257,766
Due from other governments	-	-	-	23,761	21,421	45,182
Total assets	<u>\$ 23,097</u>	<u>\$ 859,945</u>	<u>\$ 601,479</u>	<u>\$ 412,140</u>	<u>\$ 21,421</u>	<u>\$ 1,918,082</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued expenses	\$ 120	\$ -	\$ 10,458	\$ -	\$ 4,655	\$ 15,233
Accrued salaries and benefits	-	-	-	-	442	442
Due to other funds	-	-	-	-	16,324	16,324
Total liabilities	<u>120</u>	<u>-</u>	<u>10,458</u>	<u>-</u>	<u>21,421</u>	<u>31,999</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Resources recovered prior to time requirements	-	32,095	12,987	-	-	45,082
Total deferred inflows of resources	<u>-</u>	<u>32,095</u>	<u>12,987</u>	<u>-</u>	<u>-</u>	<u>45,082</u>
<b>FUND BALANCES</b>						
Restricted for:						
Public safety	-	827,850	-	-	-	827,850
Public works	-	-	-	412,140	-	412,140
Committed for:						
Public works	-	-	578,034	-	-	578,034
Assigned for:						
Public safety	<u>22,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,977</u>
Total fund balances	<u>22,977</u>	<u>827,850</u>	<u>578,034</u>	<u>412,140</u>	<u>-</u>	<u>1,841,001</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 23,097</u>	<u>\$ 859,945</u>	<u>\$ 601,479</u>	<u>\$ 412,140</u>	<u>\$ 21,421</u>	<u>\$ 1,918,082</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, 2022**

**Statement 2.2**

	11	13	14	18	31	
	Police Forfeiture Fund	Fire Department Fund	Street Improvement and Maintenance	DOTD Parish Transportation	CDBG Fund	Total
<b>REVENUES</b>						
Taxes	\$ -	\$ 1,611,052	\$ 647,613	\$ -	\$ -	\$ 2,258,665
Intergovernmental:						
Federal government	-	-	67,102	-	88,984	156,086
State government	-	-	-	149,225	18,258	167,483
Fines and forfeitures	21,782	-	-	-	-	21,782
Investment income	134	1,247	2,147	2,105	-	5,633
Miscellaneous	-	834	2,835	-	-	3,669
Total revenues	<u>21,916</u>	<u>1,613,133</u>	<u>719,697</u>	<u>151,330</u>	<u>107,242</u>	<u>2,613,318</u>
<b>EXPENDITURES</b>						
Current:						
Public safety	4,566	-	-	-	-	4,566
Public works	-	-	287,088	-	37,058	324,146
Health and welfare	-	-	-	-	67,434	67,434
Capital Outlay	-	-	-	-	17,219	17,219
Total expenditures	<u>4,566</u>	<u>-</u>	<u>287,088</u>	<u>-</u>	<u>121,711</u>	<u>413,365</u>
Excess of revenues over (under) expenditures	<u>17,350</u>	<u>1,613,133</u>	<u>432,609</u>	<u>151,330</u>	<u>(14,469)</u>	<u>2,199,953</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	14,469	14,469
Transfers out	-	(786,181)	-	-	-	(786,181)
Total other financing sources (uses)	<u>-</u>	<u>(786,181)</u>	<u>-</u>	<u>-</u>	<u>14,469</u>	<u>(771,712)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>17,350</u>	<u>826,952</u>	<u>432,609</u>	<u>151,330</u>	<u>-</u>	<u>1,428,241</u>
<b>FUND BALANCES</b>						
Fund balances, beginning of year	5,627	898	145,425	260,810	-	412,760
Fund balances, end of year	<u>\$ 22,977</u>	<u>\$ 827,850</u>	<u>\$ 578,034</u>	<u>\$ 412,140</u>	<u>\$ -</u>	<u>\$ 1,841,001</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, 2022**

**Schedule 2.3**

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 21,782	\$ 21,782	\$ -
Investment income	10	100	134	\$ 34
Total revenues	<u>10</u>	<u>21,882</u>	<u>21,916</u>	<u>34</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,274	4,774	4,566	208
Total expenditures	<u>3,274</u>	<u>4,774</u>	<u>4,566</u>	<u>208</u>
Excess of revenues under expenditures	<u>(3,264)</u>	<u>17,108</u>	<u>17,350</u>	<u>242</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(3,264)</u>	<u>17,108</u>	<u>17,350</u>	<u>242</u>
<b>FUND BALANCES</b>				
Fund balances, beginning of year	5,627	5,627	5,627	-
Fund balances, end of year	<u>\$ 2,363</u>	<u>\$ 22,735</u>	<u>\$ 22,977</u>	<u>\$ 242</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, 2022**

Schedule 2.4

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Taxes	\$ 1,589,288	\$ 1,643,297	\$ 1,611,052	\$ (32,245)
Investment income	500	500	1,247	747
Miscellaneous	1,000	1,294	834	(460)
Total revenues	<u>1,590,788</u>	<u>1,645,091</u>	<u>1,613,133</u>	<u>(31,958)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(794,644)	(786,181)	(786,181)	-
Total other financing uses	<u>(794,644)</u>	<u>(786,181)</u>	<u>(786,181)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	796,144	858,910	826,952	(31,958)
<b>FUND BALANCES</b>				
Fund balances, beginning of year	898	898	898	-
Fund balances, end of year	<u>\$ 797,042</u>	<u>\$ 859,808</u>	<u>\$ 827,850</u>	<u>\$ (31,958)</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, 2022**

Schedule 2.5

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Taxes	\$ 638,870	\$ 660,661	\$ 647,613	\$ (13,048)
Intergovernmental:				
Federal government	-	67,102	67,102	-
Investment income	500	1,500	2,147	647
Miscellaneous	2,000	3,020	2,835	(185)
Total revenues	<u>641,370</u>	<u>732,283</u>	<u>719,697</u>	<u>(12,586)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	412,500	376,500	287,088	89,412
Total expenditures	<u>412,500</u>	<u>376,500</u>	<u>287,088</u>	<u>89,412</u>
Excess of revenues under expenditures	<u>228,870</u>	<u>355,783</u>	<u>432,609</u>	<u>76,826</u>
<b>NET CHANGE IN FUND BALANCES</b>	228,870	355,783	432,609	76,826
<b>FUND BALANCES</b>				
Fund balances, beginning of year	145,425	145,425	145,425	-
Fund balances, end of year	<u>\$ 374,295</u>	<u>\$ 501,208</u>	<u>\$ 578,034</u>	<u>\$ 76,826</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, 2022**

**Schedule 2.6**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance + / (-)</u>
<b>REVENUES</b>				
Intergovernmental:				
State government	\$ 130,000	\$ 140,000	\$ 149,225	\$ 9,225
Investment income	150	1,650	2,105	455
Total revenues	<u>130,150</u>	<u>141,650</u>	<u>151,330</u>	<u>9,680</u>
<b>NET CHANGE IN FUND BALANCES</b>	130,150	141,650	151,330	9,680
<b>FUND BALANCES</b>				
Fund balances, beginning of year	260,810	260,810	260,810	-
Fund balances, end of year	<u>\$ 390,960</u>	<u>\$ 402,460</u>	<u>\$ 412,140</u>	<u>\$ 9,680</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, 2022**

Schedule 2.7

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 351,066	\$ 220,038	\$ 88,984	\$ (131,054)
State government	-	135,833	18,258	(117,575)
Total revenues	<u>351,066</u>	<u>355,871</u>	<u>107,242</u>	<u>(248,629)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	46,066	162,223	37,058	125,165
Health and welfare	50,000	68,148	67,434	714
Capital outlay	255,000	172,276	17,219	155,057
Total expenditures	<u>351,066</u>	<u>402,647</u>	<u>121,711</u>	<u>280,936</u>
Excess of revenues under expenditures	<u>-</u>	<u>(46,776)</u>	<u>(14,469)</u>	<u>32,307</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	46,776	14,469	(32,307)
Total other financing sources	<u>-</u>	<u>46,776</u>	<u>14,469</u>	<u>(32,307)</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES</b>				
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, 2022**

**Schedule 3.1**

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>REVENUES</b>				
Intergovernmental:				
Federal government	\$ 180,000	\$ 333,859	\$ 297,104	\$ (36,755)
State government	25,000	25,000	25,000	-
Local government	100,000	100,000	100,000	-
Investment income	200	400	739	339
Total revenues	<u>305,200</u>	<u>459,259</u>	<u>422,843</u>	<u>(36,416)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	234,750	224,615	207,522	17,093
Capital outlay	1,342,347	1,326,781	1,243,280	83,501
Total expenditures	<u>1,577,097</u>	<u>1,551,396</u>	<u>1,450,802</u>	<u>100,594</u>
Excess of revenues over (under) expenditures	<u>(1,271,897)</u>	<u>(1,092,137)</u>	<u>(1,027,959)</u>	<u>64,178</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	994,069	769,658	646,938	(122,720)
Total other financing sources	<u>994,069</u>	<u>769,658</u>	<u>646,938</u>	<u>(122,720)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(277,828)</u>	<u>(322,479)</u>	<u>(381,021)</u>	<u>(58,542)</u>
<b>FUND BALANCES</b>				
Fund balances, beginning of year	447,479	447,479	447,479	-
Fund balances, end of year	<u>\$ 169,651</u>	<u>\$ 125,000</u>	<u>\$ 66,458</u>	<u>\$ (58,542)</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGE IN NET POSITION - MUNICIPAL GAS AND SEWERAGE SYSTEM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Statement 4.1**

	Gas System	Sewerage System	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 3,578,556	\$ 2,583,920	\$ 6,162,476
<b>OPERATING EXPENSES</b>			
Gas purchased	2,455,384	-	2,455,384
Personal services	411,187	659,073	1,070,260
Operating supplies	255,966	197,182	453,148
Equipment expenses	62,653	402,741	465,394
Building expenses	11,387	322,245	333,632
Outside services	114,801	166,750	281,551
General operating	19,594	129,477	149,071
General administrative	1,053	4,114	5,167
Depreciation	264,920	836,540	1,101,460
Total operating expenses	<u>3,596,945</u>	<u>2,718,122</u>	<u>6,315,067</u>
Operating income (loss)	<u>(18,389)</u>	<u>(134,202)</u>	<u>(152,591)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	5,412	22,465	27,877
Other non-operating revenues	9,101	14,461	23,562
Intergovernmental	1,933	1,878,119	1,880,052
Revenues from non-employer contributing entities	8,772	13,505	22,277
Interest and fiscal charges	(17,347)	(90,255)	(107,602)
Total non-operating revenues (expenses)	<u>7,871</u>	<u>1,838,295</u>	<u>1,846,166</u>
Income (loss) before operating transfers	<u>(10,518)</u>	<u>1,704,093</u>	<u>1,693,575</u>
<b>OPERATING TRANSFERS</b>			
Operating transfers in	368,000	-	368,000
Net operating transfers	<u>368,000</u>	<u>-</u>	<u>368,000</u>
Income (loss) before capital contributions	357,482	1,704,093	2,061,575
<b>CONTRIBUTIONS</b>			
Capital contributions	<u>17,913</u>	<u>93,005</u>	<u>110,918</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 375,395</u>	<u>\$ 1,797,098</u>	<u>\$ 2,172,493</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**COMBINING STATEMENT OF NET POSITION**  
**DESCRETELY PRESENTED COMPONENT UNITS**  
**DECEMBER 31, 2022 AND NOVEMBER 30, 2022**

**Statement 4.2**

	City Court of Thibodaux	Thibodaux Volunteer Fire Department, Inc.	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 448,242	\$ 7,280,821	\$ 7,729,063
Investments - CDs	-	479,040	479,040
Receivables, net	-	3,648	3,648
Due from other governments	100	-	100
Internal balances	110,802	-	110,802
Prepaid expenses and other assets	-	20,000	20,000
Capital assets			
Non-depreciable	-	1,248,900	1,248,900
Net depreciable	58,364	6,502,479	6,560,843
Total assets	<u>617,508</u>	<u>15,534,888</u>	<u>16,152,396</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	13,424	-	13,424
Total deferred outflows of resources	<u>13,424</u>	<u>-</u>	<u>13,424</u>
<b>LIABILITIES</b>			
Accounts payables and accrued expenses	248	39,688	39,936
Unearned revenue	-	1,000	1,000
Due to other governments	11,742	-	11,742
Long term liabilities			
Bonds, leases and compensated absences			
Due within one year	129,632	-	129,632
Net pension liability	121,334	-	121,334
Total liabilities	<u>262,956</u>	<u>40,688</u>	<u>303,644</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	9,773	-	9,773
Total deferred inflows of resources	<u>9,773</u>	<u>-</u>	<u>9,773</u>
<b>NET POSITION</b>			
Net investment in capital assets	58,364	7,751,379	7,809,743
Restricted for:			
Public safety	-	4,159,461	4,159,461
Unrestricted	299,839	3,583,360	3,883,199
Total net position	<u>\$ 358,203</u>	<u>\$ 15,494,200</u>	<u>\$ 15,852,403</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**COMBINING STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022 AND NOVEMBER 30, 2022**

**Statement 4.3**

	City Court of Thibodaux	Thibodaux Volunteer Fire Department, Inc.	Total
<b>EXPENSES</b>	\$ 1,033,867	\$ 1,727,221	\$ 2,761,088
<b>PROGRAM REVENUES</b>			
Charges for services	124,750	100,354	225,104
Operating grants and contributions	829,595	217,375	1,046,970
Total program revenues	954,345	317,729	1,272,074
Net expense	(79,522)	(1,409,492)	(1,489,014)
<b>GENERAL REVENUES</b>			
Ad valorem taxes	-	786,181	786,181
Investment earnings	2,937	27,435	30,372
Firemen's Fair	-	1,331,767	1,331,767
Miscellaneous	-	490,427	490,427
Total general revenues	2,937	2,635,810	2,638,747
<b>CHANGE IN NET POSITION</b>	(76,585)	1,226,318	1,149,733
<b>NET POSITION</b>			
Beginning of year	434,788	14,267,882	14,702,670
End of year	\$ 358,203	\$ 15,494,200	\$ 15,852,403



**CITY OF THIBODAUX  
Thibodaux, Louisiana**

**SCHEDULE OF UTILITY CUSTOMERS  
December 31, 2022**

**Schedule 4.4**

The number of meters in service at December 31, 2021:

<b>Department</b>	<b>Commercial</b>	<b>Residential</b>	<b>Total</b>
Natural Gas	565	3,688	4,253
Water & Sewer	1,293	5,339	6,632
Totals	<u>1,858</u>	<u>9,027</u>	<u>10,885</u>

The number of meters in service at December 31, 2022:

<b>Department</b>	<b>Commercial</b>	<b>Residential</b>	<b>Total</b>
Natural Gas	562	3,730	4,292
Water & Sewer	1,284	5,427	6,711
Totals	<u>1,846</u>	<u>9,157</u>	<u>11,003</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF INSURANCE IN FORCE**  
**DECEMBER 31, 2022**

**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	7/1/2023
	General Liability Deductible: SIR \$100,000	\$ 1,000,000	7/1/2023
	Law Enforcement Liability: SIR \$100,000	\$ 1,000,000	7/1/2023
	Wrongful Act Liability Deductible: SIR \$100,000	\$ 2,000,000	7/1/2023
	Employee Benefit Plan Liability Deductible: SIR \$100,000	\$ 1,000,000	7/1/2023
(National Union Fire Ins) (Fidelity Deposit Company of Maryland)	TVFD Auto Liability Deductible: \$1,000	\$ 1,000,000	10/11/2023
	Public Official Bond - Finance Director Deductible \$0	\$ 100,000	3/1/2023
	Public Official Bond - Administrative Asst Deductible \$0	\$ 100,000	3/1/2023
	Public Official Bond - Mayor's Secretary Deductible \$0	\$ 100,000	3/1/2023
A.J. Gallagher Risk Management Services (USI Insurance Services, LLC)	LA Workmens Comp Deductible: None	Statutory	12/31/2022
(USI Insurance Services, LLC)	Inland Marine Deductible: \$2,500	\$ 4,502,732	7/18/2023
(Hartford/USI Southwest)	Boiler & Machinery Deducible: \$5,000	\$ 50,000,000	6/1/2023
(Fidelity & Deposit Co. of Maryland)	Government Crime Policy - Commissioner Deductible \$1,000	\$ 100,000	5/27/2023
(Fidelity & Deposit Co. of Maryland)	Government Crime Policy Employee Deductible \$1,000	\$ 100,000	5/27/2023
(American Bankers Ins Co of Florida)	Building & Contents Flood Policy Deductible: \$4,000	\$ 236,200	7/25/2023
CNA Surety	Public Official Bond - Mayor Deductible \$0	\$ 100,000	12/13/2022
Jones Insurance Agency	Thibodaux Senior Citizen - Commercial General Liability Deductible \$2,000	\$ 2,000,000	9/1/2023
CNA Surety	Public Official Bond - Council President Deductible \$0	\$ 100,000	4/15/2023
Gallagher Benefit Services	Recreation - Excess Accident Policy Deductible \$100	\$ 10,000	6/29/2023
Underwriters at Lloyd's London Indian Harbor Insurance Co. QBE Specialty Insurance Co. Steadfast Insurance Co.	Physical Damage	\$ 46,704,997	6/1/2023

**CITY OF THIBODAUX  
Thibodaux, Louisiana**

**SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 4.6**

Tommy Eschete - Mayor	\$	82,400
Eric Tabor - District A (January 2022 - July 2022)		7,542
Mark Perque - District A (August 2022 - December 2022)		4,592
Eugene Richard - District B		12,700
Constance Williams - District C		12,700
Chad Mire - Councilman at Large		14,100
Mike Naquin - Councilman at Large		14,100
	\$	<u>148,134</u>

**CITY OF THIBODAUX  
Thibodaux, Louisiana**

**SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Schedule 4.7**

**Mayor : Tommy Eschete**

**Purpose**

Salary	\$	82,400
Benefits - Insurance		8,874
Benefits - Deferred compensation		20,028
Benefits - Other		2,397
Cell Phone		1,355
Vehicle Allowance		8,400
Employer's Portion of Payroll Taxes		1,215
Other		1,450
Total	<u>\$</u>	<u>126,119</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, 2022**

Schedule 4.8

	<u>First Six Month Period Ended 6/30/22</u>	<u>Second Six Month Period Ended 12/31/22</u>
<b>Beginning Balance of Amounts Collected</b>	\$ 21,100	\$ 55,221
<b>Add Collections:</b>		
<i>Asset Forfeiture/Sale</i>	31,586	5,260
<i>Pre-Trial Diversion Program Fees</i>	21,452	15,150
Subtotal Collections	53,038	20,410
<b>Less Disbursements To Governments and Nonprofits:</b>		
<i>Drug Asset Recovery Team, Asset Forfeiture/Sales</i>	316	53
<i>Criminal Court Fund, 17th Judicial District, Asset Forfeiture/Sales</i>	6,223	1,038
<i>Lafourche Parish District Attorney, Asset Forfeiture/Sales</i>	6,378	1,056
<b>Less Amounts Retained by Collecting Agency</b>		
Amounts Self-Disbursed to Collecting Agency: <i>Pre-Trial Diversion Program Fees</i>	-	-
<b>Less Disbursements to Collections or Processing Agencies</b>		
Other disbursements to individuals	6,000	12,000
Subtotal Disbursements/Retainage	18,917	14,147
<b>Ending Balance of Amounts Collected but Not Disbursed</b>	\$ 55,221	\$ 61,484

**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, 2022**

**Schedule 4.9**

	<b>First Six Month Period Ended 6/30/22</b>	<b>Second Six Month Period Ended 12/31/22</b>
<b><u>Receipts from:</u></b>		
<i>Thibodaux City Court, Criminal Court Costs/Fees - Witness Fees</i>	\$ 3,437	\$ 2,890
<i>Thibodaux City Court, Criminal Court Costs/Fees - Intoxilyzer</i>	50	-
<i>Thibodaux City Court, Criminal Court Costs/Fees - Court Fines</i>	37,537	32,942
Total	<u>\$ 41,024</u>	<u>\$ 35,832</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, 2022, 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 29, 2023. 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.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.





## **Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **City of Thibodaux, Louisiana's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 cursive script that reads 'Postlethwaite &amp; Netterville'.

Baton Rouge, Louisiana  
June 29, 2023

## **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**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Thibodaux, Louisiana's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to performed limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.



## **Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2022-002, 2022-003, and 2022-004 to be material weaknesses.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 29, 2023

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal Grantor Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's ID Number	Federal Expenditures
<b>HOUSING VOUCHER CLUSTER</b>			
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	\$ 1,376,270
Section 8 Mainstream Vouchers	14.871	N/A	232,972
Section 8 VASH Vouchers	14.871	N/A	31,522
<b>TOTAL HOUSING VOUCHER CLUSTER</b>			<u>1,640,764</u>
<b>CDBG - ENTITLEMENT GRANTS CLUSTER</b>			
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-21-MC-22-0012	8,987
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-22-0012	13,515
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-22-0012 CARES Act	66,482
<b>TOTAL CDBG - ENTITLEMENT GRANTS CLUSTER</b>			<u>88,984</u>
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>1,729,748</u>
<b>HIGHWAY SAFETY CLUSTER</b>			
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Highway Safety Commission			
State and Community Highway Safety - LHSC 2021-2022	20.600	2021-30-55	16,936
State and Community Highway Safety - LHSC 2022-2023	20.600	2022-30-55	3,083
Alcohol Impaired Driving Countermeasure Incentive - LHSC 2021-2022	20.601	2021-30-55	95,130
Alcohol Impaired Driving Countermeasure Incentive - LHSC 2022-2023	20.601	2022-30-55	15,840
<b>TOTAL HIGHWAY SAFETY CLUSTER</b>			<u>130,989</u>
<b>HIGHWAY PLANNING AND CONSTRUCTION CLUSTER</b>			
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Passed through Louisiana Department of Transportation and Development			
Acadia Roundabout	20.205	H009320/H.009320.5	33,507
Menard Pedestrian Bike Path	20.205	H.0014326	249,674
<b>TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER</b>			<u>283,181</u>
<b>OTHER PROGRAMS</b>			
UNITED STATES DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration			
COVID-19 - CARES Act Airport Grant	20.106	3-22-0072-006-2020	9,000
Airport Rescue Grant Program	20.106	3-22-0072-008-2021	9,850
<b>TOTAL OTHER PROGRAMS</b>			<u>18,850</u>
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			<u>433,020</u>
<b>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>			
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Hurricane Ida	97.036	4611-DR-LA	4,029,682
NWWTP Generator	97.039	1786-DR-LA / 1786-022-0002	181,830
<b>TOTAL UNITED STATES DEPARTMENT OF HOMELAND SECURITY</b>			<u>4,211,512</u>

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal Grantor Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number	Federal Expenditures
<b>UNITED STATES DEPARTMENT OF THE TREASURY</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			
North Thibodaux Waterline Replacement Project	21.027	N/A	75,967
North 9th Street Sewer Force Main	21.027	N/A	850,810
TOTAL UNITED STATES DEPARTMENT OF THE TREASURY			926,777
<b>UNITED STATES DEPARTMENT OF COMMERCE</b>			
ECONOMIC DEVELOPMENT ADMINISTRATION			
Economic Adjustment Program	11.300	08-79-05497	656,735
TOTAL UNITED STATES DEPARTMENT OF COMMERCE			656,735
<b>UNITED STATES DEPARTMENT OF JUSTICE</b>			
BUREAU OF JUSTICE ASSISTANCE			
Bullet Proof Vest Partnership Program	16.607	N/A	4,693
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			4,693
<b>TOTAL FEDERAL ASSISTANCE EXPENDED</b>			<b>\$ 7,962,485</b>

**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, 2022 and is presented on the modified accrual basis of accounting or in a manner specified in the award agreement. 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	\$ 7,962,485
Add: Section 8 revenues received in current year for prior year expenditures	16,121
Less: revenues recorded as salary reimbursements	
Louisiana Highway Safety Commission	(130,989)
Total intergovernmental revenues	\$ 7,847,617
Intergovernmental revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position	
Governmental Funds	\$ 5,795,235
Proprietary Funds	2,052,382
	\$ 7,847,617
FEMA revenue recognized in the current year but expended in prior year for Hurricane Ida	\$ 4,029,682

**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.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2022**

**SECTION I - SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified  
Internal control over financial reporting:  
• Material weakness identified      Yes   X   No  
• Significant deficiency identified not considered to be a material weakness?   X   Yes      None reported  
Noncompliance material to financial statements noted?      Yes   X   No

*Federal Awards*

Internal control over financial reporting:  
• Material weakness identified   X   Yes      No  
• Significant deficiency identified not considered to be a material weakness?      Yes   X   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)?   X   Yes      No

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Federal Assistance Listing Number</u>
Disaster Grants – Public Assistance (Pres. Dec. Disasters)	97.036
Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000  
Auditee qualified as low-risk auditee?   X   Yes      No

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2022**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2022-001    RECONCILIATIONS**

*Criteria:* Internal controls should be designed to ensure proper reconciliation of all grant reimbursement requests to the accounting records to prevent or detect misstatements. These reconciliations should be reviewed by an individual with appropriate knowledge of expenditures and program regulations.

*Condition:* During the assessment of internal control over financial reporting, we identified a deficiency in the design of the controls over the grant reimbursement reconciliation function. There is no documented review of several grant reimbursement requests. This is a repeat finding from December 31, 2021.

*Cause:* The City has not developed a formal grant reimbursement reconciliation policy.

*Effect:* Errors related to the reimbursement of grant expenses could result in material misstatements and not be detected by the internal controls of the City.

*Recommendation:* Proper internal controls should be established that ensure proper reconciliations of grant reimbursement requests are performed and properly accounted for in the financial records.

*View of Responsible Official:* Management concurs with the finding.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2022-002    RECONCILIATION, REVIEW, AND REPORTING**

**United States Department of Homeland Security**

Passed through the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness  
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Federal Assistance No. 97.036 –  
Grant No. 4611-DR-LA)

*Criteria:* In accordance with regulations set forth in the Louisiana Administrative Plan for Public Assistance, quarterly reports are required to be submitted subgrantees to the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) by the fifteenth day of the month following the end of a calendar quarter. Additionally, internal controls should be designed to ensure proper reconciliation and review of all reimbursement requests to the accounting records to prevent or detect misstatements or inappropriate request of reimbursement from federal funds.

*Condition:* The City did not submit two of its three required quarterly report submission in a timely manner. The submission for April 2022 through June 2022 was submitted approximately ten months late. The submission for October 2022 through December 2022 was submitted sixteen days late. Additionally, we identified a deficiency in the design of controls over the reimbursement request reconciliation function as well as the review of reimbursement request function.

*Cause:* The City does not have policies and procedures in place to ensure compliance with federal reporting requirements regarding the quarterly reports due to GOHSEP. Additionally, the City does not have policies and procedures in place to ensure that reimbursement requests are reconciled to the accounting records or reviewed by someone other than the preparer of the reimbursement request.

*Questioned Costs:* N/A

*Effect:* The City failed to submit timely quarterly reports electronically to GOHSEP. Errors related to the reimbursement of grant expenses could result in material misstatements and not be detected by the internal controls of the City.



**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2022**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** (continued)

**2022-002    RECONCILIATION, REVIEW, AND REPORTING** (continued)

**United States Department of Homeland Security** (continued)

Passed through the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness  
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Federal Assistance No. 97.036 –  
Grant No. 4611-DR-LA) (continued)

*Recommendation:* The City should implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal reporting requirements. Additionally, proper internal controls should be established that ensure proper reconciliations and reviews of grant reimbursement requests are performed and properly accounted for in the financial records.

*Identification of a repeat finding:* This is a new finding in the current year.

*View of Responsible Official:* Management concurs with the finding.

**2022-003    PROCUREMENT OF PROFESSIONAL SERVICES**

**United States Department of the Treasury**

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (Federal Assistance Listing No. 21.027)

*Criteria:* The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. 2 CFR 200, Subpart D – Post Federal Award Requirements Section 200.319(a) requires that all procurement transactions for the acquisition of property or services acquired under a federal award must be conducted in a manner providing full and open competition consistent with the standards of this section.

*Condition:* Two professional services contracts selected for testing. The population consisted of these two professional services contracts totaling \$426,333. The City did not seek competition when procuring these contracts. Additionally, it was noted through discussions with the Council Administrator that competition is not sought to procure professional services.

*Cause:* The City does not have policies and procedures in place to ensure open competition was sought when procuring professional services with federal awards.

*Questioned Costs:* \$146,326

*Effect:* The City is noncompliant with Uniform Guidance procurement standards and may not be receiving the most advantageous rates for these services.

*Recommendation:* The City should implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal procurement requirements.

*Identification of a repeat finding:* This is a new finding in the current year.

*View of Responsible Official:* Management concurs with the finding.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2022**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** (continued)

**2022-004    RECONCILIATION AND REVIEW**

**United States Department of the Treasury**

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (Federal Assistance Listing No. 21.027)

*Criteria:* Internal controls should be designed to ensure proper reconciliation and review of all required annual reports to the accounting records to prevent or detect misstatements.

*Condition:* We identified a deficiency in the design of controls over the annual report reconciliation function as well as the review of the annual report function.

*Cause:* The City does not have policies and procedures in place to ensure that the annual report is reconciled to the accounting records or reviewed by someone other than the preparer of the annual report.

*Questioned Costs:* N/A

*Effect:* Errors related to the annual report could result in material misstatements and not be detected by the internal controls of the City.

*Recommendation:* Proper internal controls should be established that ensure proper reconciliations and reviews of the annual report are performed and properly accounted for in the financial records.

*Identification of a repeat finding:* This is a new finding in the current year.

*View of Responsible Official:* Management concurs with the finding.

**CITY OF THIBODAUX**  
**Thibodaux, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES**  
**For the Year Ended December 31, 2022**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2021-001    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. Also, supporting documentation is not examined when checks are signed; however, the invoice is approved prior to signing the check. In addition, one of the dual signatures is stamped on the check without any review of supporting documentation.

*Current Status:* This item has been resolved.

**2021-002    RECONCILIATIONS**

*Condition:* During the assessment of internal control over financial reporting, we identified a deficiency in the design of the controls over the grant reimbursement reconciliation function. There is currently no review of COVID and FEMA reimbursement requests. Additionally, there is no documented review of other grant reimbursement requests.

*Current Status:* Similar finding was noted in the current year and is listed as finding 2022-001.

**B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS**

**2021-003    DISPOSAL OF SURPLUS MOVABLE PROPERTY**

*Condition:* The City traded in a vehicle as part of the purchase of a new vehicle. A minimum price was not set nor was an auction advertised or made public.

*Current Status:* There was no such occurrence of this item in the current year.

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

**2021-004    REPORTING**

**United States Department of Housing and Urban Development**

Passed through the office of Public and Indian Housing  
Housing Voucher Cluster (Federal Assistance No. 14.871 – Grant No. LA194VO)

*Condition:* The City did not submit its annual unaudited submission in a timely manner. The submission for fiscal year end 2021 was due on February 28, 2022 but was not submitted until March 31, 2022.

*Current Status:* There was no such occurrence of this item in the current year.

# CITY OF THIBODAUX

## OFFICE OF THE MAYOR

P. O. BOX 5418

310 WEST SECOND STREET  
THIBODAUX, LOUISIANA 70302

[www.ci.thibodaux.la.us](http://www.ci.thibodaux.la.us)

**KEVIN CLEMENT**  
MAYOR

TELEPHONE: (985) 446-7218

FAX: (985) 446-7247

EMAIL: [kclement@ci.thibodaux.la.us](mailto:kclement@ci.thibodaux.la.us)

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2022

The following contains the City of Thibodaux's corrective action plan for the findings in the 2022 City audit.

#### SECTION II – FINANCIAL STATEMENT FINDINGS

##### **2022-001 RECONCILIATIONS**

*Criteria:* Internal controls should be designed to ensure proper reconciliation of all grant reimbursement requests to the accounting records to prevent or detect misstatements. These reconciliations should be reviewed by an individual with appropriate knowledge of expenditures and program regulations.

*Condition:* During the assessment of internal control over financial reporting, we identified a deficiency in the design of the controls over the grant reimbursement reconciliation function. There is no documented review of several grant reimbursement requests. This is a repeat finding from December 31, 2021.

*Cause:* The City has not developed a formal grant reimbursement reconciliation policy.

*Effect:* Errors related to the reimbursement of grant expenses could result in material misstatements and not be detected by the internal controls of the City.

*Recommendation:* Proper internal controls should be established that ensure proper reconciliations of grant reimbursement requests are performed and properly accounted for in the financial records.

*View of Responsible Official:* Management concurs with the finding.

The City of Thibodaux Finance Director, Jessica Hebert, and Assistant Finance Director, Joycelyn Gros, has come up with a grant reconciliation review form in order to prove the reconciliation process for grants. This form has been implemented immediately and will show who prepared and who approved on the form.

#### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### **2022-002 RECONCILIATION, REVIEW, AND REPORTING**

###### **United States Department of Homeland Security**

Passed through the Louisiana Governor's Office of Homeland Security and Emergency Preparedness  
Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Federal Assistance No. 97.036 – Grant No. 4611-DR-LA)

*Criteria:* In accordance with regulations set forth in the Louisiana Administrative Plan for Public Assistance, quarterly reports are required to be submitted subgrantees to the Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) by the fifteenth day of the month following the end of a calendar quarter. Additionally, internal controls should be designed to ensure proper reconciliation and review of all reimbursement requests to the accounting records to prevent or detect misstatements or inappropriate request of reimbursement from federal funds.

*Condition:* The City did not submit two of its three required quarterly report submission in a timely manner. The submission for April 2022 through June 2022 was submitted approximately ten months late. The submission for October 2022 through December 2022 was submitted sixteen days late. Additionally, we identified a deficiency in the design of controls over the reimbursement request reconciliation function as well as the review of reimbursement request function.

*Cause:* The City does not have policies and procedures in place to ensure compliance with federal reporting requirements regarding the quarterly reports due to GOHSEP. Additionally, the City does not have policies and procedures in place to ensure that reimbursement requests are reconciled to the accounting records or reviewed by someone other than the preparer of the reimbursement request.

*Questioned Costs:* N/A

*Effect:* The City failed to submit timely quarterly reports electronically to GOHSEP. Errors related to the reimbursement of grant expenses could result in material misstatements and not be detected by the internal controls of the City.

*Recommendation:* The City should implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal reporting requirements. Additionally, proper internal controls should be established that ensure proper reconciliations and reviews of grant reimbursement requests are performed and properly accounted for in the financial records.

*Identification of a repeat finding:* This is a new finding in the current year.

*View of Responsible Official:* Management concurs with the finding.

The City of Thibodaux Finance Director, Jessica Hebert, and/or the Assistant Finance Director, Joycelyn Gros, will work with the Emergency Preparedness Director, Jacques Thibodeaux, on e-mail communications for reminders as well as to show documentation that the reports are filed timely. After the Emergency Preparedness Director, Jacques Thibodeaux, have documents ready to submit, the Finance Director, Jessica Hebert, and/or the Assistant Finance Director, Joycelyn Gros, will review to make sure it matches General Ledger and will show documentation of review by using the grant reconciliation review form. This will be implemented immediately.

## **2022-003    PROCUREMENT OF PROFESSIONAL SERVICES**

### **United States Department of the Treasury**

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (Federal Assistance Listing No. 21.027)

*Criteria:* The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. 2 CFR 200, Subpart D – Post Federal Award Requirements Section 200.319(a) requires that all procurement transactions for the acquisition of property or services acquired under a federal award must be conducted in a manner providing full and open competition consistent with the standards of this section.

*Condition:* Two professional services contracts selected for testing. The population consisted of these two professional services contracts totaling \$426,333. The City did not seek competition when procuring these contracts. Additionally, it was noted through discussions with the Council Administrator that competition is not sought to procure professional services.

*Cause:* The City does not have policies and procedures in place to ensure open competition was sought when procuring professional services with federal awards.

*Questioned Costs:* \$146,326

*Effect:* The City is noncompliant with Uniform Guidance procurement standards and may not be receiving the most advantageous rates for these services.

*Recommendation:* The City should implement policies and procedures that ensure the proper procedures are followed to ensure compliance with federal procurement requirements.

*Identification of a repeat finding:* This is a new finding in the current year.

*View of Responsible Official:* Management concurs with the finding.

The City of Thibodaux was unaware of the federal mandate for procuring engineering services. One project was a supplement to a project that had a portion left off of the initial project. Since the City of Thibodaux already had an engineer in place, a contract amendment with the engineer was executed. However, this construction project totals over \$1.1 million without engineering services; therefore, the City feels it can still substantiate the cost with the use of Coronavirus funding. The City had already decided and executed a contract with a local engineer for the second project before deciding to use Coronavirus funding for the project. However, this construction project totals over \$3.7 million without engineering services; therefore, the City feels it can still substantiate the cost with the use of Coronavirus funding. The Finance Director, Jessica Hebert, will work on updating the policy by December 31, 2023.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS** (continued)

#### **2022-004    RECONCILIATION AND REVIEW**

##### **United States Department of the Treasury**

COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (Federal Assistance Listing No. 21.027)

*Criteria:* Internal controls should be designed to ensure proper reconciliation and review of all required annual reports to the accounting records to prevent or detect misstatements.

*Condition:* We identified a deficiency in the design of controls over the annual report reconciliation function as well as the review of the annual report function.

*Cause:* The City does not have policies and procedures in place to ensure that the annual report is reconciled to the accounting records or reviewed by someone other than the preparer of the annual report.

*Questioned Costs:* N/A

*Effect:* Errors related to the annual report could result in material misstatements and not be detected by the internal controls of the City.

*Recommendation:* Proper internal controls should be established that ensure proper reconciliations and reviews of the annual report are performed and properly accounted for in the financial records.

*Identification of a repeat finding:* This is a new finding in the current year.

*View of Responsible Official:* Management concurs with the finding.

The City of Thibodaux Finance Director, Jessica Hebert, and the Assistant Finance Director will work on reconciliation and review process for the annual coronavirus funding reporting process by coming up with a procedure to document the reconciliation of the report to the general ledger and to document the review of the reconciliation as well as review of the report before submission. The Finance Director, Jessica Hebert, will print the report before submission so that the Assistant Finance Director, Joycelyn

Gros, can review and mark on the grant reimbursement review form. This process will become effective with the next submission that is due April 30, 2024.

**Respectfully,**

A handwritten signature in blue ink, appearing to read "Kevin R. Clement", with a long, sweeping horizontal stroke extending to the right.

**Kevin Clement**  
**Mayor**

---

**CITY OF THIBODAUX**

**REPORT ON STATEWIDE**  
**AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL**  
**AREAS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of **City of Thibodaux** and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period **January 1, 2022 through December 31, 2022**. **City of Thibodaux's** management is responsible for those C/C areas identified in the SAUPs.

**City of Thibodaux** has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period **January 1, 2022 through December 31, 2022**. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

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

We are required to be independent of **City of Thibodaux** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 29, 2023

**CITY OF THIBODAUX**  
**AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS**  
**DECEMBER 31, 2022**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

***1) Written Policies and Procedures***

---

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*The City has written policies for Contracting; however, the policies do not address (2) standard terms and conditions or (5) the monitoring process.*

**CITY OF THIBODAUX**  
**AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS**  
**DECEMBER 31, 2022**

Schedule A

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*No exceptions noted.*

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*The City has a written policy for Cards; however, the policy does not address (2) allowable business uses, (4) required approvers of statements, or (5) the monitoring of card usage.*

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

*The City has a written policy for Ethics; however, it does not address a requirement that documentation is maintained to demonstrate employees and officials are notified of changes to the policy.*

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

*No exceptions noted.*

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

*The City has a written policy for Information Technology disaster recovery/business continuity; however, it does not address (4) the use of antivirus software on all systems, nor does it address (5) timely application of available system and software patches/updates.*

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

*The City has a written policy for Sexual Harassment; however, the policy does not specifically address (3) annual reporting.*

**CITY OF THIBODAUX**  
**AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS**  
**DECEMBER 31, 2022**

Schedule A

**2) Board or Finance Committee**

---

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

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

*No exceptions noted.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

*No exceptions noted.*

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

*The general fund did not have a negative fund balance in the prior year audit report.*

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

*There was no evidence of written communication to the Council providing updates of the progress of resolving audit findings according to management's corrective action plan at any meeting during the year.*

**3) Bank Reconciliations**

---

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No exceptions noted.*

**CITY OF THIBODAUX**  
**AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS**  
**DECEMBER 31, 2022**

Schedule A

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No exceptions noted.*

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions noted.*

**4) Collections (excluding electronic funds transfers)**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*A listing of deposit sites was provided and included a total of 5 deposit sites. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected all deposit sites and performed the procedures below.*

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 5 collection locations. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the City's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. Employees responsible for cash collections do not share cash drawers/registers;

*No exceptions noted.*

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

*No exceptions noted.*

**CITY OF THIBODAUX**  
**AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS**  
**DECEMBER 31, 2022**

Schedule A

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

*No exceptions noted.*

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

*No exceptions noted.*

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

*No exceptions noted.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*Only two of the bank accounts had activity during the period selected for testing. One of the accounts only had 1 transaction for the period selected. We obtained supporting documentation for each of the 3 deposits and performed the procedures below.*

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions noted.*

**CITY OF THIBODAUX  
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS  
DECEMBER 31, 2022**

Schedule A

- v. Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

**5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

---

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*The listing of locations that process payments for the fiscal period was provided. The City only has one location for processing payments. No exceptions were noted as a result of performing this procedure.*

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the City's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

*No exceptions noted.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*No exceptions noted.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

*No exceptions noted.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*The individual who is responsible for preparing/processing payments is also responsible for mailing checks.*



**CITY OF THIBODAUX**  
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- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*No exceptions noted.*

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

*No exceptions noted.*

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

*No exceptions noted.*

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

*No exceptions noted.*

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

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

*A listing of cards was provided. No exceptions were noted as a result of performing this procedure.*

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

*From the listing provided, we randomly selected 5 cards (3 credit cards and 2 fuel cards) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*We randomly selected 14 transactions for 3 of the 5 cards selected in procedure #12 (2 fuel cards excluded) and performed the specified procedures. No exceptions noted.*

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.*

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- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);  
*Of the 5 reimbursements selected for our procedures, 1 used a per diem. No exceptions noted.*
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;  
*No exceptions noted.*
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by “Written Policies and Procedures,” procedure #1A(vii); and  
*No exceptions noted.*
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.  
*No exceptions noted.*

**8) Contracts**

---

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and*  
*An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*  
*From the listing provided, we randomly selected 5 contracts and performed the procedures below.*
  - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;  
*Of the 5 contracts selected for our procedures, 3 were subject to Louisiana Public Bid Law. No exceptions noted.*
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);  
*No exceptions noted.*

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- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

*No exceptions noted.*

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*We randomly selected 1 payment for the 5 contracts selected in procedure #15 and performed the specified procedures. No exceptions noted.*

**9) Payroll and Personnel**

---

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.*

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

*We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.*

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

*No exceptions noted.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

*No exceptions noted.*

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

*No exceptions noted.*

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- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions noted.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

*A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions noted.*

**10) Ethics**

---

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No exceptions noted.*

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*The City did not have any changes to the ethics policy; therefore, this procedure is not applicable.*

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*The City did not appoint an ethics designee; however, this authority falls under the job description of the Civil Service Director.*

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***11) Debt Service***

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- A. Obtain a listing of bonds/notes issued during the fiscal period and management’s representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

*There were no new bonds issued during the fiscal year. Therefore, this procedure is not applicable.*

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exceptions noted.*

***12) Fraud Notice***

---

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

*Management represented there were no misappropriations of public funds or assets during the fiscal period. No exceptions were noted as a result of performing this procedure.*

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

*No exceptions noted.*

***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

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- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

*We performed the procedure and discussed the results with management.*

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

*We performed the procedure and discussed the results with management.*

***14) Prevention of Sexual Harassment***

---

- A. Using the 5 randomly selected employees/officials from "Payroll and Personnel" procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*No exceptions noted.*

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*The notice was posted on the City's website and in a conspicuous location on the City's premises.*

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

*The entity's annual sexual harassment report for the current fiscal period was submitted on March 6, 2023, which is past the due date of February 1, 2023.*

**CITY OF THIBODAUX**  
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- i. Number and percentage of public servants in the agency who have completed the training requirements;  
*No exceptions noted.*
- ii. Number of sexual harassment complaints received by the agency;  
*No exceptions noted.*
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;  
*No exceptions noted.*
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and  
*No exceptions noted.*
- v. Amount of time it took to resolve each complaint.  
*No exceptions noted.*



# CITY OF THIBODAUX

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

KEVIN CLEMENT  
MAYOR

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

## AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS DECEMBER 31, 2022

The following contains the City of Thibodaux's corrective action plan for the Agreed-Upon Procedures in the 2022 City audit.

### 1) *Written Policies and Procedures*

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

*The City has written policies for Contracting; however, the policies do not address (2) standard terms and conditions or (5) the monitoring process.*

City Response: The City is currently updating its policy to include these recommendations.

- ii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

*The City has a written policy for Cards; however, the policy does not address (2) allowable business uses, (4) required approvers of statements, or (5) the monitoring of card usage.*

City Response: The City is currently updating its policy to include these recommendations.

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

*The City has a written policy for Ethics; however, it does not address a requirement that documentation is maintained to demonstrate employees and officials are notified of changes to the policy.*

City Response: The City is currently updating its policy to include these recommendations.

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

*The City has a written policy for Information Technology disaster recovery/business continuity; however, it does not address (4) the use of antivirus software on all systems, nor does it address (5) timely application of available system and software patches/updates.*

City Response: The City is currently updating its policy to include these recommendations.

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

*The City has a written policy for Sexual Harassment; however, the policy does not specifically address (3) annual reporting.*

City Response: The City is currently updating its policy to include these recommendations.

## **2) Board or Finance Committee**

---

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

*There was no evidence of written communication to the Council providing updates of the progress of resolving audit findings according to management's corrective action plan at any meeting during the year.*

City Response: The City is working on this recommendation to include any updates as a regularly scheduled item on the Council agenda that will be on the second Council meeting of the month.

## **3) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

---

- 1) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*The individual who is responsible for preparing/processing payments is also responsible for mailing checks.*

City Response: Due to having a limited amount of staff, the courier is responsible for mailing checks.

#### 4) *Ethics*

---

- A. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*The City did not appoint an ethics designee; however, this authority falls under the job description of the Civil Service Director.*

City Response: The City is currently updating its job description for the Civil Service Director to include these recommendations.

#### 5) *Information Technology Disaster Recovery/Business Continuity*

---

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

*We performed the procedure and discussed the results with management.*

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

*We performed the procedure and discussed the results with management.*

City Response: The City is currently updating its policy to include these recommendations.

**6) Prevention of Sexual Harassment**

---

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

*The entity's annual sexual harassment report for the current fiscal period was submitted on March 6, 2023, which is past the due date of February 1, 2023.*

City Response: The City is currently updating its policy to include these recommendations; however, with the new administration that started January 9, 2023, the new Human Resources Director did not have knowledge that the report was due.

**Respectfully,**



**Kevin Clement**  
**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, 2022, and have issued our report thereon dated June 29, 2023. 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 solely 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 29, 2023, on the financial statements of the City or the City's internal control over financial reporting.

**ML 22-001                      Documentation and Review**

**Condition:**                      The reconciliations of certain grant financial reports are prepared by the Finance Director due to limited staffing. These reconciliations are not reviewed by anyone.

Several reconciliations are prepared and reviewed by two separate individuals, and this review is documented by initialing the respective document. However, the date of this review may not always be evident on the reconciliation. There were also several invoices that included documentation of approval. However, the date of the approval was not noted on the invoice to support that the invoice was approved prior to the processing of the payment.

Additionally, some reconciliations did not include evidence of review by someone other than the preparer. However, it was asserted that these reconciliations are being reviewed.

**ML 22-001                      Documentation and Review (continued)**

**Recommendations:** All reconciliations should be reviewed by appropriate personnel. Documentation of the review should include the individual performing the review and the date it was performed. Additionally, the date of the approval of all invoices should be documented.

**ML 22-002                      Contracting Policy**

**Condition:** The City's contracting policy does not specifically refer to Uniform Guidance Sections, CFR 200.318-326; however, those requirements are implied through the policy. Additionally, the City's policy does not specifically state the number of days that requests for bids advertisements should be published. These components are required by the Uniform Guidance.

**Recommendation:** The City should amend its policy to address all requirements of Uniform Guidance Sections, CFR 200.318-326.

**ML 22-003                      Utility Rate Changes**

**Condition:** While the City has a process for calculating and updating monthly utility rate changes, there is no control in place to ensure that the rates entered into the system are accurate and have been approved.

**Recommendation:** The City should utilize the audit report that can be generated by the system to ensure that utility rates are accurate and agree to the rates that have been approved.

**ML 22-004                      Contract Requirements under the Uniform Guidance**

**Condition:** The City's contract for the N. 9<sup>th</sup> Street Sewer Force Main Project did not include all of the requirements under Appendix II to Part 200 of the Uniform Guidance. Specifically, the contract failed to include provisions for mandatory standards and policies relating to compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201) and the Byrd Anti-Lobbying Agreement (31 U.S.C. 1352) at the time of contract execution.

**Recommendation:** The City should implement controls to ensure all provisions are include in contract documents required under the Uniform Guidance at the time of contract execution.

**ML 22-005                      Local Government Budget Act**

**Condition:** Louisiana Revised Statute 39:1307 requires municipalities to give notice via publication in the official journal of a public hearing for the proposed budget at least ten days prior to the date of the public hearing. The City's notice of the public hearing was published on November 29, 2021, and the public hearing was held on December 7, 2021. As the publication was not made at least ten days prior to the public hearing, the City may not be in compliance with Louisiana Revised Statute 39:1307.



Postlethwaite & Netterville

**Recommendation:** The City should implement controls to ensure compliance with Louisiana Revised Statute 39:1307.

**ML 22-006 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 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 developing formally documented IT policies and procedures to address the following areas: passwords, remote authentication techniques, physical security, and change management. Additionally, this policy should be periodically reviewed and updated, as needed.

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.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 29, 2023



## Status of Prior Year Management Letter Comments

### **ML 21-001                    Review and Documentation of Reconciliation Procedures**

**Condition:**                    The reconciliations of capital outlay, certain grant financial reports, and debt schedules are prepared by the Finance Director due to limited staffing. Some reconciliations are prepared and reviewed by two separate individuals and this review is documented by initialing the respective document. However, the date of this review may not always be evident on the reconciliation. In other instances, evidence of review is denoted by a checkmark which does not provide sufficient documentation as to the individual who reviewed the reconciliation.

**Current Status:**            Similar conditions are repeated in the current year. See ML 22-001.

### **ML 21-002                    Suspension and Debarment**

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

**Current Status:**            Similar conditions are repeated for the current year. See ML 22-002.

### **ML 21-003                    Documentation**

**Condition:**                    The City purchased a vehicle through the "piggyback" provision under Louisiana law but did not retain the support to document compliance with Louisiana Bid Law.

**Current Status:**            There was no such occurrence of this item in the current year.

### **ML 21-004                    Federal Equipment Purchases**

**Condition:**                    The City charged the purchase of a vehicle to the Section 8 program without receiving prior written approval from HUD. Per Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart E Section 200.439 (b) (1), capital expenditures for general purpose equipment are unallowable as direct costs, except with prior written approval of the federal awarding agency, (2) capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency.

**Current Status:**            There was no such occurrence of this item in the current year.

### **ML 21-005                    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.

**Current Status:**            Similar conditions are repeated for the current year. See ML 22-006.