CITY OF THIBODAUX, LOUISIANA

Comprehensive Annual Report

For the Year Ended December 31, 2002

STAGNI & COMPANY, LLC

CITY OF THIBODAUX, LOUISIANA

Comprehensive Annual Report
December 31, 2002

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Charles Caillouet, Mayor,
and Members of the City Council
City of Thibodaux, Louisiana

We have audited the accompanying primary government financial statements and the combining, individual fund, and account group financial statements of the City of Thibodaux, Louisiana as of and for the year ended December 31, 2002, as listed in the table of contents. These financial statements are the responsibility of the City of Thibodaux, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the primary government of the City of Thibodaux, Louisiana, as of December 31, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the primary government financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Thibodaux, Louisiana, as of December 31, 2002, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

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However, the primary government financial statements, because they do not include financial data of component units of the City of Thibodaux, Louisiana, do not purport to, and do not, present fairly the financial position of the City of Thibodaux, Louisiana, as of December 31, 2002, and the results of its operations and cash flows of its propriety fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2003 on our consideration of the City of Thibodaux, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying schedule of expenditures of federal awards and the financial information listed in the other supplementary information section of the table of contents is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the City of Thibodaux, Louisiana. Except for the Schedule of Metered Customers and the Schedule of Insurance in Force, which were not audited by us and on which we express no opinion, such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and the combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Stagni & Company

Thibodaux, Louisiana
May 21, 2003

CITY OF THIBODAUX, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2002
(With comparative totals for December 31, 2001)

	Governmental Fund Types				Proprietary Fund Types		Account Groups		Totals (Memorandum Only)	
ASSETS AND OTHER DEBITS	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	2002	2001
Assets:										
Cash and cash equivalents	$ 657,231	$ 1,794,725	$ 41,714	$ 2,501	$ 709,713	$ 252,995			$ 3,458,879	$ 3,774,322
Investments	1,743,098	3,142,749			5,747,056	175,699			10,808,602	13,825,237
Receivables:										
Unbilled service charges					450,923				450,923	336,106
Accounts receivable - net of allowance for uncollectible accounts					216,067				216,067	243,909
Property Taxes	102,131	89,481							191,612	193,629
Accrued interest					14,737				14,737	6,179
Franchise fee	73,586				52,646				126,232	258,673
Assesments				10,227					10,227	30,892
Other	47,495	11			5,706				53,212	27,841
Due from other funds	246,128	135,947			815,729				1,197,804	1,237,286
Due from other governments	337,697	312,815		18,346					668,858	760,108
Prepaid items					9,024				9,024	22,882
Restricted assets:										
Cash and cash equivalents					1,609,075				1,609,075	1,018,231
Investments					603,696				603,696	588,588
General fixed assets							$ 14,278,261		14,278,261	13,636,430
Plant and equipment - net					10,957,273				10,957,273	10,360,270
Other Debits:										
Amount available in debt service funds								$ 41,714	41,714	618,391
Amount to be provided for retirement of general long-term debt								362,229	362,229	(142,117)
Total assets and other debits	$ 3,207,366	$ 5,475,728	$ 41,714	$ 31,074	$ 21,191,645	$ 428,694	$ 14,278,261	$ 403,943	$ 45,058,425	$ 46,796,857

See notes to financial statements

	Governmental Fund Types				Proprietary Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt	2002	2001
LIABILITIES, EQUITY, AND OTHER CREDITS										
Liabilities:										
Accounts payable and accrued expenses	$ 422,946	$ 42,604		$ 69,050	$ 346,715				$ 881,315	$ 894,646
Contracts and retainage payable		55,987		135,152	57,804				248,943	863,785
Due to other funds	1,694	9,970			1,186,140				1,197,804	1,237,286
Due to other governments									-	141,634
Obligation under capital lease					81,017			$ 33,419	114,436	178,280
Compensated absences payable	139,531	5,573			100,322			130,524	375,950	343,977
Payable from restricted assets:										
Customer's meter deposits					286,537				286,537	279,364
Bonds and loans due within one year					270,000				270,000	260,000
Accrued interest on revenue bonds					54,377				54,377	58,585
Deferred revenue				10,227					10,227	30,892
Loan payable					1,805,000				1,805,000	1,905,000
Utilities revenue bonds payable					1,985,000				1,985,000	2,155,000
Public improvement bonds payable									-	5,000
Certificates of Indebtedness								240,000	240,000	280,000
Total liabilities	564,171	114,134		214,429	6,172,912			403,943	7,469,589	8,633,449
Equity and Other Credits:										
Investment in general fixed assets							$ 14,278,261		14,278,261	13,636,430
Contributed capital					4,643,263				4,643,263	4,887,474
Retained earnings:										
Designated for construction					31,828				31,828	
Reserved for revenue bond retirement					427,655				427,655	428,336
Unreserved					9,915,987				9,915,987	10,458,323
Fund balances:										
Designated for uninsured losses						$ 428,694			428,694	197,950
Designated for construction		154,698		79,934					234,632	1,462,706
Reserved for debt service			$ 41,714						41,714	618,391
Reserved for construction				(263,289)					(263,289)	58,872
Unreserved/Undesignated	2,643,195	5,206,896							7,850,091	6,414,926
Total equity and other credits	2,643,195	5,361,594	41,714	(183,355)	15,018,733	428,694	14,278,261		37,588,836	38,163,408
Total liabilities, equity and other credits	$ 3,207,366	$ 5,475,728	$ 41,714	$ 31,074	$ 21,191,645	$ 428,694	$ 14,278,261	$ 403,943	$ 45,058,425	$ 46,796,857

See notes to financial statements

CITY OF THIBODAUX, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types
For the year ended December 31, 2002
(With comparative totals for the year ended December 31, 2001)

	General	Special Revenue	Debt Service	Capital Project	Totals (Memorandum Only) 2002	2001
REVENUES						
Taxes	$ 3,567,753	$ 3,322,014			$ 6,889,767	$ 6,343,273
Licenses and permits	1,001,569				1,001,569	918,118
Intergovernmental	387,180	1,392,521		$ 484,661	2,264,362	2,726,601
Charges for services	252,985				252,985	248,911
Fines and forfeitures	97,862				97,862	106,346
Interest income	107,928	153,525	$ 19,321	1,741	282,515	322,621
Other revenue	214,000	2,554		21,946	238,500	134,465
Total revenues	5,629,277	4,870,614	19,321	508,348	11,027,560	10,800,335
EXPENDITURES						
Current:						
General government	1,600,434	85,140			1,685,574	1,892,465
Public safety	3,282,432	17,160			3,299,592	2,856,603
Public works	1,132,600	174,664			1,307,264	1,119,146
Public welfare		765,874			765,874	639,772
Recreation and cultural	781,065	76,178			857,243	789,994
Capital outlay	52,409	1,524,021		2,514,699	4,091,129	3,764,935
Debt service:						
Principal retirement			45,000		45,000	45,000
Interest and fiscal charges			12,756		12,756	15,041
Total expenditures	6,848,940	2,643,037	57,756	2,514,699	12,064,432	11,122,956
Excess (Deficiency) of Revenues Over Expenditures	(1,219,663)	2,227,577	(38,435)	(2,006,351)	(1,036,872)	(322,621)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	3,189,262	590,082	51,840	1,764,125	5,595,309	3,224,597
Operating transfers out	(1,968,125)	(1,411,976)	(590,082)		(3,970,183)	(2,417,325)
Total other financing sources (uses)	1,221,137	(821,894)	(538,242)	1,764,125	1,625,126	807,272
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,474	1,405,683	(576,677)	(242,226)	588,254	484,651
FUND BALANCES						
Beginning of year	2,641,721	3,955,911	618,391	58,872	7,274,895	6,918,145
Prior period adjustment		-			-	(127,901)
Beginning of year, restated	2,641,721	3,955,911	618,391	58,872	7,274,895	6,790,244
End of year	$ 2,643,195	$ 5,361,594	$ 41,714	$ (183,354)	$ 7,863,149	$ 7,274,895

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General and Special Revenue Funds
For the year ended December 31, 2002

	General Fund			Special Revenue Funds		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	$ 3,221,680	$ 3,567,753	$ 346,073	$ 2,975,705	$ 3,322,014	$ 346,309
Licenses and permits	901,295	1,001,569	100,274			
Intergovernmental revenue	361,679	387,180	25,501	1,410,057	1,392,521	(17,536)
Charges for services	237,078	252,985	15,907			
Fines and forfeitures	88,060	97,862	9,802			
Interest income	95,000	107,928	12,928	101,965	153,525	51,560
Other revenue	176,790	214,000	37,210	2,535	2,554	19
Total revenues	5,081,582	5,629,277	547,695	4,490,262	4,870,614	380,352
EXPENDITURES						
Current:						
General government	1,914,517	1,600,434	314,083	113,017	85,140	27,877
Public safety	3,438,568	3,282,432	156,136	18,849	17,160	1,689
Public works	1,238,875	1,132,600	106,275	178,009	174,664	3,345
Public welfare				769,220	765,874	3,346
Recreation and cultural	890,680	781,065	109,615	323,505	76,178	247,327
Capital outlay	160,910	52,409	108,501	2,222,584	1,524,021	698,563
Total expenditures	7,643,550	6,848,940	794,610	3,625,184	2,643,037	982,147
Excess (Deficiency) of Revenues Over Expenditures	(2,561,968)	(1,219,663)	1,342,305	865,078	2,227,577	1,362,499
OTHER FINANCING SOURCES (USES)						
Operating transfers in	4,347,481	3,189,262	(1,158,219)	590,082	590,082	
Operating transfers out	(2,898,560)	(1,968,125)	930,435	(1,899,771)	(1,411,976)	(1,077,877)
Total other financing sources (uses)	1,448,921	1,221,137	(227,784)	(1,309,689)	(821,894)	(1,077,877)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,113,047)	1,474	1,114,521	(444,611)	1,405,683	1,850,294
FUND BALANCES						
Beginning of year	2,641,721	2,641,721	-	3,955,911	3,955,911	-
End of year	$ 1,528,674	$ 2,643,195	$ 1,114,521	$ 3,511,300	$ 5,361,594	$ 1,850,294

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combined Statement of Revenues, Expenditures, and
and Changes in Fund Balances - Budget and Actual
Debt Service Funds and Capital Project Fund
For the year ended December 31, 2002

	Debt Service Funds			Capital Project Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Intergovernmental				$ 897,899	$ 484,661	$ (413,238)
Other reimbursements				21,945	21,946	1
Interest income	$ 19,173	$ 19,321	$ 148	1,750	1,741	(9)
Total revenues	19,173	19,321	148	921,594	508,348	(413,246)
EXPENDITURES						
Capital projects				3,599,414	2,514,699	1,084,715
Debt service:						
Principal retirement	45,000	45,000	-			
Interest and fiscal charges	12,780	12,756	(24)			
Total expenditures	57,780	57,756	(24)	3,599,414	2,514,699	1,084,715
Excess (Deficiency) of Revenues Over Expenditures	(38,607)	(38,435)	172	(2,677,820)	(2,006,351)	671,469
OTHER FINANCING SOURCES (USES)						
Operating transfers in	35,507	51,840	16,333	3,298,560	1,764,125	(1,534,435)
Operating transfers (out)	(573,739)	(590,082)	(16,343)			
Total other financing sources (uses)	(538,232)	(538,242)	(10)	3,298,560	1,764,125	(1,534,435)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(576,839)	(576,677)	162	620,740	(242,226)	(862,966)
FUND BALANCES						
Beginning of year	618,391	618,391	-	58,872	58,872	-
End of year	$ 41,552	$ 41,714	$ 162	$ 679,612	$ (183,354)	$ (862,966)

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combined Statement of Revenues, Expenses
and Changes in Retained Earnings
Proprietary Funds
For the year ended December 31, 2002
(With comparative totals for the year ended December 31, 2001)

	Internal Service Fund		Enterprise Funds	
	2002	2001	2002	2001
OPERATING REVENUES				
Charges for services			$ 4,436,683	$ 4,892,678
OPERATING EXPENSES				
Gas purchased			1,043,660	2,037,833
Contractual service			858,542	854,817
Personnel services			1,147,461	956,692
Operating supplies			259,642	213,861
Equipment expenses			125,563	118,685
Building expenses			236,558	315,540
Outside services			68,451	70,380
General operating	$ 97,944	$ 84,332	84,232	116,794
General administrative			281,046	11,607
Capital projects			476,155	41,474
Depreciation			641,350	672,490
Total operating expenses	97,944	84,332	5,222,660	5,410,173
Operating income (loss)	(97,944)	(84,332)	(785,977)	(517,495)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	6,826	9,327	450,539	725,841
Interest and fiscal charge			(181,095)	(196,921)
Intergovermental			530,064	254,366
Electric franchise fee			226,068	376,681
Miscellaneous - net	1,862	2,861	66,495	156,947
Total non-operating revenues (expenses)	8,688	12,188	1,092,071	1,316,914
Income (loss) before operating transfers	(89,256)	(72,144)	306,094	799,419
OPERATING TRANSFERS IN (OUT)	320,000	100,000	(1,945,126)	(907,272)
NET INCOME (LOSS)	230,744	27,856	(1,639,032)	(107,853)
DEPRECIATION ON CONTRIBUTED ASSETS			244,211	281,494
INCREASE (DECREASE) IN RETAINED EARNINGS			(1,394,821)	173,641
RETAINED EARNINGS				
Beginning of year	197,950	170,094	12,166,657	11,993,016
Prior period adjustment			(396,366)	-
Beginning of year, adjusted	197,950	170,094	11,770,291	11,993,016
End of year	$ 428,694	$ 197,950	$ 10,375,470	$ 12,166,657

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combined Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2002
(With comparative totals for the year ended December 31, 2001)

	Internal Service Fund		Enterprise Funds	
	2002	2001	2002	2001
Cash flows from operating activities:				
Cash received from customers			$ 4,351,706	$ 5,239,252
Cash payments to suppliers for goods and services			(3,584,315)	(4,529,656)
Cash payments to employees for services			(1,113,526)	(883,521)
Net cash provided (used) by operating activities			(346,135)	(173,925)
Cash flows from noncapital financing activities:				
Claims expense	$ (97,944)	$ (84,332)		
Interfund transfers in (out)	320,000	100,000	(1,422,552)	(907,272)
Net cash provided (used) by noncapital financing activities	222,056	15,668	(1,422,552)	(907,272)
Cash flows from capital and related financing activities				
Principal paid on revenue bonds			(264,208)	(191,072)
Interest paid on revenue bonds			(181,095)	(189,307)
Loan proceeds				
Prior period adjustments			(396,366)	254,366
Proceeds from franchise agreement			333,000	376,681
Acquisition of equipment			(1,507,586)	(2,706,708)
Capital lease proceeds/payments			(31,408)	(34,458)
Net cash provided (used) for capital and related financing activities			(2,047,663)	(2,490,498)
Cash flows from investing activities:				
Net purchase/ proceeds of investments	(172,838)	(132,942)	3,801,974	1,484,807
Interest on investments	6,826	9,327	441,981	725,841
Other revenue	1,862	2,861	69,717	160,204
Net cash provided (used) in investing activities	(164,150)	(120,754)	4,313,672	2,370,852
Net increase (decrease) in cash and cash equivalents	57,906	(105,086)	497,322	(1,200,843)
Cash and cash equivalents at beginning of year	65,008	170,094	1,821,466	3,022,309
Cash and cash equivalents at end of year	$ 122,914	$ 65,008	$ 2,318,788	$ 1,821,466
Cash and cash equivalents at the end of the year consists of:				
Cash	$ 252,995	$ 65,008	$ 709,713	$ 803,235
Restricted cash			1,609,075	1,018,231
	$ 252,995	$ 65,008	$ 2,318,788	$ 1,821,466
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)			$ (785,977)	$ (517,495)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation			641,350	672,490
Depreciation on contributed assets			(244,211)	(281,496)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable			(86,975)	253,600
(Increase) decrease in other receivable			(149,396)	34,016
(Increase) decrease in due to/from other funds			(131,263)	419,829
(Increase) decrease in prepaid expenses			281,566	(782,084)
Increase (decrease) in deposits			8,336	17,059
Increase (decrease) in retainage payable			107,206	(16,055)
Increase (decrease) in accounts payable			3,009	1,275
Increase (decrease) in compensated absences			10,220	24,936
Total adjustments			439,842	343,570
Net cash provided (used) by operating activities			$ (346,135)	$ (173,925)

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

INTRODUCTION

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

The financial statements of the City of Thibodaux, Louisiana have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The more significant policies applied are summarized as follows:

Note 1 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

a. Reporting Entity

As the governing authority of the municipality, the City of Thibodaux is the financial reporting entity for the City of Thibodaux, Louisiana. The financial reporting entity consists of (a) the primary government (the City of Thibodaux), (b) organizations for which the City of Thibodaux is financially accountable, and (c) other organizations for which nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Thibodaux for financial reporting purposes.

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- Appointing a voting majority of an organization's governing body, and
  a. The ability of the City of Thibodaux to impose its will on that organization and/or
  b. The potential for the organization to provide specific financial benefits to, or imposes specific financial burdens on the City of Thibodaux.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

a. Reporting Entity (Continued)

- Organizations, for which the City of Thibodaux does not appoint a voting majority, but are fiscally dependent on the City of Thibodaux.
- Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The general-purpose financial statements do not include the City Court of Thibodaux, Louisiana, which is considered to be a component unit. City Court of Thibodaux, Louisiana is fiscally dependent on the City of Thibodaux, Louisiana 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 of Thibodaux, Louisiana's financial statements. The substance of the relationship between City Court of Thibodaux, Louisiana and the City of Thibodaux, Louisiana is that the City of Thibodaux, Louisiana has approval authority over its capital budget.

The GASB provides for the issuance of primary government financial statements, which are separate from those of the reporting entity. However, a primary government's financial statements are not a substitute for the reporting entity's financial statements. The Council has chosen to issue financial statements of the primary government only. As such, the accompanying financial statements are not intended to and do not report in accordance with generally accepted accounting principles. Audit reports for component units can be obtained from the administrative offices of each component unit and from the Clerk of the City Council.

b. Fund and Account Group Structure

Fund Accounting:

The City of Thibodaux, Louisiana uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

c. Fund and Account Group Structure (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Account Group Categories:

Account Group Categories are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt, other than those accounted for in the proprietary funds. The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

b. Fund and Account Group Structure (Continued)

General Fixed Asset Account Group - This group of accounts is established to account for all fixed assets of the City except for those related to specific proprietary funds.
General Long-Term Debt Account Group - This group of accounts is established to account for all unmatured general long-term liabilities of the City except those accounted for in the proprietary funds.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. 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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

All governmental fund types and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City of Thibodaux, Louisiana considers the property taxes, licenses, charges for services, and interest income as susceptible to accrual. Sales and use tax revenues are recorded when collected by the collecting agency.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

c. Basis of Accounting (Continued)

Intergovernmental revenues are recorded when measurable and available with those not earned being shown as deferred. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources generally are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The accrual basis of accounting is used by enterprise funds. Revenues are recognized when they are earned including unbilled water, sewer and garbage charges. Expenses are recognized at the time liabilities are incurred.

d. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the following governmental funds: general, special revenue, debt service, 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, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

e. Cash and Cash Equivalents

For the purposes of reporting cash flows, all highly liquid investments (including restricted assets) with an original maturity of three months or less, are considered to be cash equivalents.

f. Investments

State statutes authorize the government to invest in certain federally guaranteed securities, certain bank time certificates of deposits, and certain mutual or trust funds. Investments are stated at cost or amortized costs, except for investments in the deferred compensation agency fund that are reported at market value.

g. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

h. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items.

i. Fixed Assets

General Fixed Assets:
General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Asset Account Group. Generally all purchased fixed assets are valued at cost. The remainder is valued at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

i. Fixed Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Interest during construction is insignificant and subsequently is not capitalized. Also certain infrastructure assets (including streets, drainage, sidewalks, bridges, street lands, right-of-ways, parking meters, streetlights, signals and signs) are not capitalized. No depreciation is provided on general fixed assets.

Property, Plant, and Equipment - Enterprise Funds:

Property, plant, and equipment, which constitute assets of the Enterprise Funds, are recorded at cost, and depreciation is computed thereon under the straight-line method based on the estimated useful lives of the assets as follows:

Plant	5 - 30 years
Distribution	5 - 30 years
Equipment	3 - 10 years

The City of Thibodaux has elected the option of its enterprise funds to close out depreciation expense on its contributed assets to "contributed capital" rather than to "retained earnings". The full amount of depreciation is still reported in the enterprise funds operating statement, where it reduces the amount of net income reported. The amount of depreciation on contributed assets is then "added back" effectively decreasing contributed capital other than retained earnings.

j. Accounts Payable and Accrued Expenses

The City utilizes a mechanized system to process vendors' invoices for payment for all of the City funds. All invoices processed by this system are paid from a special cash account in the General Fund. Each fund reimburses the General Fund for its share of accounts payable invoices processed for payment by the General Fund. Accrued expenses consist primarily of salaries, payroll withholdings and accrued contributions to employees' pension plans.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

k. Compensated Absences

Employees of the City may accumulate and vest up to a maximum of 45 days of vacation time. Employees are not limited in the accumulation of sick leave. However, as of August 1, 1996, 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 cap that is also based on the number of years of service.

The current portion of accrued vacation and sick leave earned has been recorded in the governmental type funds as a current year expenditure and liability. This amount ($139,531 in the General Fund and $5,573 in the Special Revenue Funds) represents the dollar value of accrued time during the year that would normally be liquidated with expendable available financial resources of the City. The long-term portion of this obligation has been recorded in the General Long-Term Debt Account Group. This amount ($130,524) represents the City's commitment to fund such costs from future operations.

Accrued vacation and sick leave of the Enterprise Funds have been recorded as expenditures of the period in which the time was earned. The total current and long-term portion ($100,322) of accrued vacation and sick leave obligations of $40,591 and $59,731 respectively have been recorded as liabilities of the Enterprise Funds.

l Long-term Debt

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term debt, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

m. Fund Equity/Reserves and Designations

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designations are established to indicate tentative plans for financial resource utilization in a future period.

Reserved for revenue bond retirement - is the amount of principal and interest due within the current year in the enterprise funds on utility revenue bonds.
Reserved for debt service - represents the amount held in the Debt Service Funds for future payments of principal and interest.
Designated for uninsured losses - represents the amount available in the Internal Service fund for possible property insurance losses
Reserved for construction - represents the amount in the Capital Projects Fund for future expenditures on construction contracts.

n. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable.

o. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 1 ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

o. Interfund Transactions (continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

p. Memorandum Only - Total Columns

Total columns on the primary government financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

q. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Note 2 ***LEGAL COMPLIANCE - BUDGETS***

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

(1) The Mayor submits to the City Council a proposed operating budget for the next fiscal year at the first regular meeting of the Council each November. The operating budget includes proposed expenditures and the means of financing them.

(2) A public hearing is conducted to obtain taxpayer comments.

(3) On or before December 7th of each year, the budget is legally enacted through passage of an ordinance by the City Council.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 2 **LEGAL COMPLIANCE – BUDGETS (Continued)**

(4) The Mayor is authorized to transfer budgeted amounts among programs within a department, office or agency; however, any revisions that alter the total expenditures budgeted for any department, office, agency or fund must be approved by the City Council.
(5) 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.
(6) The City Council may make emergency appropriations to meet a public emergency affecting life, health, property or the public peace.

Budgeted amounts presented in these financial statements are as amended by the City Council as supplemental appropriations and are Final Budgets as approved.

Note 3 **DEPOSITS AND INVESTMENTS**

Deposits - The City may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana. The City may also invest in time deposits or certificate of deposits of state banks organized under Louisiana law and national banks having principle offices in Louisiana.

State law also requires that deposits be fully collateralized at all times. Acceptable collateralization includes the $100,000 FDIC/FSLIC insurance for all noninterest bearing and $100,000 for all interest bearing accounts and the market value of securities purchased and pledged. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits.

Under the provision of the GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.
At year-end, total deposits consisted of the following:

	Carrying Balances	Bank Balances
Cash	$ 3,458,879	$ 3,445,982
Cash - restricted assets	1,609,075	1,609,076
TOTALS	$ 5,067,954	$ 5,055,058

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 3 **DEPOSITS AND INVESTMENTS (Continued)**

Of the total bank balances, Federal Depository Insurance covered $402,672. The remainder was covered by collateral with a market value of $5,483,784. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

Investments - The City of Thibodaux, Louisiana may invest idle funds as authorized by Louisiana Statutes, as follows:

(a) United States bonds treasury notes, certificates, or any other federally insured investment.
(b) Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana.
(c) Mutual or trust funds, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

The City' of Thibodaux's investments are categorized below to give an indication of the level of risk assumed at year-end.

Category 1 includes investments that are insured or registered or for which the City of Thibodaux, Louisiana or its agent in the City's name holds the securities.
Category 2 includes uninsured and unregistered investments for which the counterparts trust department or agent in the City's name holds the securities.
Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 3 ***DEPOSITS AND INVESTMENTS (Continued)***

Balances at December 31, 2002 were as follows:

Securities Type	Credit Risk Category 1	Credit Risk Category 2	Recorded Amt Credit Risk Category 3	Market Value
Certificates of Deposits	$48,787			
Asset Backed Securities			$3,678,454	
U.S. Agency Securities			6,039,549	
Government Money Market			1,645,508	
TOTALS			$ 11,412,298	$11,412,298

The City has several funds that have pooled monies together to purchase short-term certificates of deposits and investments in T-notes. The interest earned on these investments is divided pro-rata between the funds participating.

Note 4 ***RECEIVABLES***

An allowance based upon past experience has been established for customers' utility billings and garbage fees. Uncollectible amounts due for ad valorem taxes, special assessments and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Accounts receivable and the applicable allowances for doubtful accounts at December 31, 2002 were as follows:

Fund	Amount	Allowance	Net
Garbage Collection	$45,420	$2,682	$42,738
Municipal Waterworks, Electric, & Power Plant	31,203	3,002	28,201
Municipal Gas & Sewerage System	159,121	13,993	145,128
Totals	$235,744	$19,677	$ 216,067

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 4 ***RECEIVABLES (Continued)***

FRANCHISE FEES

■ **ELECTRIC**

On August 16, 1976, the City of Thibodaux, Louisiana, granted to Louisiana Power & Light Company a franchise to supply all electric power and energy throughout the City of Thibodaux, Louisiana, to the year 2002. The citizens of the City of Thibodaux, Louisiana, in an election on August 14, 1976 approved the Operating Agreement and the franchise. The Council also authorized, by ordinance, on August 31, 1976 for the Mayor to continue the operating agreement for up to 60 years. The City is to receive an annual franchise fee of not less than $140,000 according to the agreement. The City of Thibodaux, Louisiana, earned $226,068 of franchise fee revenue of which $52,646 was receivable for the year ended December 31, 2002.

■ **CABLE TV**

On April 4, 1989, the City of Thibodaux, Louisiana granted to Lafourche Communications a franchise to supply cable service to the citizens of the City of Thibodaux within the city limits for 15 years with an option to the City to renew for an additional 15 years. On January 20, 1998 the Council adopted a resolution transferring the franchise agreement to Renaissance Media LLC, the company that bought out Lafourche Communications. The City is to receive a sum of five (5%) of revenues received from subscribers in the City as franchise fee for television service, not including installation revenues. The City earned $145,538 of Cable TV franchise fee revenue of which $73,586 was receivable for the year ended December 31, 2002.

■ **TELEPHONE**

On August 21, 1998, the City of Thibodaux, Louisiana granted to BellSouth Telecommunications, Inc. a franchise to use and occupy the streets, alleys, public ways and thoroughfares of the City of Thibodaux for the purpose of constructing, maintaining and operating its poles, wires, conduits, cables, anchors, towers, transmission lines, manholes, piers, abutments, and other structures and facilities used in or incidental to the provisions of telephone or telegraph services to the public In consideration the Company agrees to pay five percent (5%) of the gross receipts from local exchange telephone service provided within the corporate limits. The agreement shall be in effect for an initial term of five (5) years, beginning October 1, 1998 and ending on September 21, 2003. The City earned $119,463 of telephone franchise fee revenue for the year ended December 31, 2002.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 4 ***RECEIVABLES (Continued)***

PROPERTY TAXES

The City's property tax is levied on the assessed value listed as of the prior January 1, for property located in the City. Assessed values are established by the Lafourche Parish Assessor's Office at fifteen percent of actual value for commercial property and ten percent of actual value of all other assessable property. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed as of January 1, 2000. The assessed value as of January 1, 2001, upon which the 2002 levy was based, was $59,855,210.

The City is permitted by laws of the State of Louisiana to levy up to 7 mills of assessed valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended December 31, 2002, was 10.3 mills - 5.49 mills for general government services, 2.81 mills for special improvement streets, and 2.00 mills for special improvement fire department.

Taxes are due on the date they are levied. The ad valorem taxes for the current year were levied on December 6, 2002. The taxes become delinquent on January 1 of the following year. The lien date for taxes assessed is June 1 of the following year. Tax collections as of December 31, 2002 on the 2002 tax levy were 69 percent.

ASSESSMENTS

On October 6, 1998 the City Council adopted an ordinance providing for the levy of a special assessment on certain lots of real estate to cover a portion of the cost of the construction of street paving improvements. The total assessment was for $74,730. The assessment, if not paid in 30 days, could pay the respective amounts due in ten (10) equal annual installments annually at 6% per annum interest. At December 31, 2002 certain landowners owed the City $10,227 balance on the assessment levied.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 5 ***FIXED ASSETS***

A summary of changes in general fixed assets follows:

	LAND	BUILDINGS & IMPROVEMENTS	FURNISHING & EQUIPMENT	CONSTRU-CTION IN PROGRESS	TOTAL
BALANCE 12/31/01	$ 1,343,217	$7,827,361	$3,846,515	$619,337	$ 13,636,43
ADDITIONS	201,500	791,348	558,554	123,437	1,6774,83
RETIREMENTS			326,114	706,473	1,032,58
BALANCE 12/ 31/02	$ 1,544,717	$8,618,709	$4,078,955	$36,300	$ 14,278,68

A summary of the Enterprise Funds - Property, Plant, and Equipment at December 31, 2002 follows:

	Property, Plant, and Equipment
Land	$203,165
Water production and distribution system	9,539,726
Sewerage system plant and equipment	9,873,108
Gas distribution system	7,633,094
Garbage collection equipment	19,927
Construction in progress	1,987,362
Totals	29,256,382
Less accumulated depreciation	18,299,109
Net	$10,957,273

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 6 ***RESTRICTED ASSETS***

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets (cash and cash equivalents and investments) on the balance sheet because their use is limited by applicable bond covenants.

Below is a summary of the various restricted asset accounts used by the City of Thibodaux, Louisiana:

	Municipal Waterworks Electric & Power Plant System Fund	**Municipal Gas & Sewerage System Fund**
Cash and cash equivalents:		
Customer Deposit Fund	$8,955	$8,203
Utility Revenue Bond Sinking Fund		308,634
Utility Revenue Bond Reserve Fund		2,988
Depreciation and Contingencies Account		838,741
Sewer Revenue Bond Sinking Fund		391,364
Sewer Renewal and Replacement Fund		50,190
Total cash and cash equivalents	**8,955**	**1,600,120**
Investments:		
Customer Deposit Fund	78,123	10,489
Utility Revenue Bond Reserve Fund		491,000
Depreciation and Contingencies Account		24,084
Total investments	**78,123**	**525,573**
Total restricted assets	$87,078	$2,125,693

The "utility revenue bond sinking fund" account is used to segregate resources accumulated for debt service payments over the next twelve months.

The "utility revenue bond reserve fund" accounts are used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 6 **RESTRICTED ASSETS *(Continued)***

The "depreciation and contingencies" accounts are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

The "customer deposit fund" accounts are used to account for the utility customers deposits payable.

The "Sewer Revenue Bond Sinking Fund" is designated to account for monies from the revenue fund deposited in amounts sufficient to pay the principal and interest on the 1997 Bonds issued in connection with the DEQ loan as they become due and payable.

The "Sewer Renewal and Replacement Fund" is designated to account for the monthly transfer in advance on or before the 20th day of the month of each year, after payment of an amount equal to 5% of the net revenues collected in the prior month until the account equals or exceeds $50,000.

Note 7 **LONG-TERM DEBT**

Changes in long-term obligations of the City of Thibodaux, Louisiana, for the year ended December 31, 2002, are summarized below:

	BALANCE DECEMBER 31, 2001	ADDITIONS	REDUCTIONS	BALANCE DECEMBER 31, 2002
General Obligation Bonds	$5,000		$5,000	$0
Certificates of Indebtedness	280,000		40,000	240,000
Capitalized leases	65,855		32,436	33,419
Compensated absences	125,419	$5,105		130,524
Totals	$476,274	$5,105	$77,436	$403,943

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 7 ***LONG-TERM DEBT (Continued)***

The source of funds dedicated for payment of the outstanding general long-term debt is as follows:

Obligation	Source of Funds
Certificates of Indebtedness	Sales tax revenues collected
Capitalized Leases	General Fund and Enterprise Fund revenues
Compensated Absences	Various applicable governmental fund revenues

Revenue Bonds:
The City issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at December 31, 2002 are as follows:

	Issue Date	Range of Rate	Outstanding Principal
Utility Revenue Bonds	8-01-96	4.10 - 5.65	$2,155,000
Less current portion			(170,000)
Total long term portion			$1,985,000

The annual requirements (including interest) to amortize the utility revenue bond issue outstanding are as follows:

Year Ending December 31,	Principal	Interest	Total
2003	$170,000	$112,208	$282,208
2004	180,000	103,367	283,367
2005	185,000	93,967	278,967
2006	195,000	83,990	278,990
2007	210,000	73,205	283,205
2008-2012	1,215,000	176,601	1,391,601
Totals	$2,155,000	$643,338	$ 2,798,338

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 7 ***LONG-TERM DEBT (Continued)***

Certificates of Indebtedness, Series 1998:
In March 1998, the City of Thibodaux, Louisiana issued for sale $400,000 of Certificates of Indebtedness, Series 1998 for the purpose of capital improvements to the old city hall in downtown Thibodaux. Certificates of Indebtedness outstanding as of December 31, 2002 are $240,000. Interest payments are payable semiannually on March 1 and September 1 of each year, commencing September 1, 2008 at a rate of 4.8% per annum. The City paid $12,480 in interest for 2002. The annual requirements (including interest) to amortize the Certificates of Indebtedness outstanding are as follows:

Year Ending December 31	Principal	Interest	Total
2003	$40,000	$10,560	$50,560
2004	40,000	8,640	48,640
2005	40,000	6,720	46,720
2006	40,000	4,800	44,800
2007	40,000	2,880	42,880
2008	40,000	960	40,960
Totals	$ 240,000	$34,560	$274,560

Loan Payable:
In November 1996, the City of Thibodaux, Louisiana and the State of Louisiana, Department of Environmental Quality (DEQ) entered into a commitment agreement in which the DEQ agrees to lend to the City of Thibodaux, Louisiana from the Municipal Facilities Revolving Loan Fund the maximum sum of $2,505,000 for the period from the Loan Closing until the date that the Project is completed, a period not to exceed 2 years from the Loan Closing. All sums advanced by the DEQ were used to construct sewer improvements constituting the wastewater treatment project to the City's sewer system.

The City issued Bonds in Revenue 1997 in connection with this loan. DEQ is holding the bonds as collateral for the loan, payments for the service of the Bonds is made directly to DEQ.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 7 ***LONG-TERM DEBT, (Continued)***

The revenues to be pledged by the City of Thibodaux, Louisiana to pay principal and interest on the Bonds and all required fees and charges required will be a sum to be derived from the proceeds of the User Charges derived from the use of the System, and these will yield annual revenues sufficient in amount to both (1) fund and maintain a debt service reserve fund equal to one year's payment of principal and interest due on the Loan; and (2) provide not less than 125% of the total annual sums due and payable on the Loan.

The annual requirements (including interest) to amortize the DEQ Loan outstanding are as follows:

Year Ending December 31	Principal	Interest	Total
2003	$100,000	$45,447	$145,447
2004	100,000	42,997	142,997
2005	100,000	40,547	140,547
2006	105,000	38,036	143,036
2007	105,000	35,464	140,464
2008-2012	580,000	136,343	716,343
2013-2017	670,000	59,780	729,780
2018	145,000	1,776	146,776
Totals	$1,905,000	$400,391	$2,305,390

Capital Leases Payable:

The City of Thibodaux, Louisiana has entered into several lease agreements for financing the acquisition of office and computer equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms), and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 7 ***LONG-TERM DEBT, (Continued)***

An analysis of the cost of equipment leased under capital leases, as of December 31, 2002, is as follows:

Description	Enterprise Funds	General Fixed Assets
Machinery and equipment	$160,820	$ 161,519

A schedule of future minimum lease payments, under these capital leases and the present value of the net minimum lease payments are to be applied as follows:

Year ending December 31, 2002	Enterprise Funds	General Long Term Debt
Future minimum lease payments	$81,017	$33,419
Less: Amount representing interest	5,812	3,870
Present value of minimum lease payments	$75,205	$29,549

The amount of principal paid in 2002 on capital leases was $32,436 in the governmental funds and $31,408 in the enterprise funds.

Note 8 ***CONSTRUCTION COMMITMENTS***

The City of Thibodaux had the following construction commitments at year-end:

	CONTRACT PRICE	AMOUNT PAID ON CONTRACT	DESIGNATED FOR CONTRACTS
Water Reservoir Park	$168,768	$14,070	$154,698
Waterline Improvements along Back St	346,575	266,641	79,934
Thibodaux Reservoir Park	902,530	870,702	31,828
TOTALS	$1,417,873	$1,151,413	$266,460

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 9 **DUE TO/FROM BALANCES**

Such balances at December 31, 2002 were:

Individual Fund	Due From Balances	Due to Balances
General Fund	$246,128	$1,694
Special Revenue Funds:		
Sales Tax Fund	135,947	500
Housing Assistance Program Fund		2046
Community Development Block Grant Fund		7,424
Proprietary Funds:		
Municipal Waterworks, Electric & Power Plant System Fund	1,099	1,186,140
Municipal Gas & Sewerage System Fund	737,659	
Garbage Collection Fund	76,971	
Totals	$1,197,804	$1,197,804

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 10 ***OPERATING TRANSFERS IN/OUT BALANCES***

Such balances at December 31, 2002 were:

Individual Fund	Transfers In	Transfers Out
General Fund	$3,189,262	$1,968,125
Special Revenue Funds:		
Sales Tax Fund	590,082	1,295,633
Fire Department Fund		116,343
Debt Service Funds:		
Certificate of Indebtedness Sinking Fund	51,840	
Sales Tax Bond Reserve Fund		573,739
Sales Tax Bond Sinking Fund		16,343
Capital Project Fund:		
Street Improvement Fund	1,764,125	
Internal Service Fund:		
Loss Fund	320,000	
Proprietary Funds:		
Municipal Waterworks, Electric & Power Plant System Fund		1,945,126
Totals	$5,915,309	$5,915,309

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 11 **SEGMENT INFORMATION**

Segment information, for the year ended December 31, 2002 for the Gas & Sewerage fund, is as follows:

	Municipal Gas & Sewerage System Fund	
	Gas	**Sewerage**
Operating Revenues	$ 1,679,743	$970,837
Depreciation	185,805	237,509
Operating Income (Loss)	(222,036)	(173,565)
Net Income Before transfers	(74,416)	234,773
Depreciation on Contributed Assets	120,409	23,454
Property, Plant, and Equipment:		
Balance 12/31/01	$7,326,530	$10,467,433
Additions	306,563	351,813
Deletions	0	0
Balance 12/31/02	$7,633,093	$10,819,246
Net Working Capital	$ 1,594,399	$ 1,358,540
Total Assets	$5,657,522	$7,243,360
Long Term Debt - payable solely from operating revenues		$4,060,000
Total Equity	$3,362,084	$2,370,267

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 12 ***RISK MANAGEMENT AND INSURANCE***

The City of Thibodaux is exposed to various risks of losses related to theft of, damage to, and destruction of assets: errors and omissions; injuries to employees; providing health, dental, and other medical benefits to employees; and natural disasters. The City manages these risks in various ways as follows:

Commercial Insurance - 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 workers' compensation liability. Claims have not exceeded insurance coverage in any of the past three years.

Partially Self-Insured Program - During 1996, the City of Thibodaux, Louisiana initiated a self-insured retention program within the Loss Fund - Internal Service Fund in order to deal with potential liability of loss. A transfer from the general fund funded the internal service fund originally and subsequent transfers are made as necessary. Claims in excess of the self-insured retention amounts are recovered through third-party limited-coverage insurance policies. The City is self-insured with excess coverage in these areas:

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

Analyses of claims activities are as follows:

	Beginning Liability	Current Year Claims	Actual Claim Payments	Ending Liability
2000	$ 0	$ 83,710	$ 83,710	$ 0
2001	$ 0	$ 84,332	$84,332	$ 0
2002	$ 0	$ 97,944	$97,944	$ 0

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 13 *COMMITMENTS AND CONTINGENCIES*

The City of Thibodaux, Louisiana, participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1984. Based on prior experience, the City's management believes that further examination, which grantor agencies may provide, would not result in any material disallowed costs.

In the opinion of the City's attorney, the resolution of all other claims is immaterial to the City of Thibodaux, Louisiana's financial position.

The City of Thibodaux, Louisiana is a defendant in a lawsuit filed by five women and the family of a deceased woman seeking damages at the hands of a former Thibodaux police officer. The judgment was rendered against the City of Thibodaux, in favor of all plaintiffs, in the cumulative amount of $9.5 million. Thereafter, on post-trial motions filed by plaintiffs, the presiding judge added on attorneys' fees in the amount of one-third of the judgment, or approximately $3 million. Legal interest and costs bring the total value of the judgment against the City of Thibodaux to approximately $13.5 million. An appeal has been perfected to the Louisiana First Circuit Court of Appeals in Baton Rouge and is awaiting a judgment. The judgment is not considered final until such time as all appeals have been exhausted.

The City of Thibodaux carried insurance applicable to this casualty determined previously to provide $3 million in liability limits. The ultimate resolution of this matter cannot presently be determined. Accordingly, no provision for any loss that may result upon resolution of this matter has been made in the general-purpose financial statements.

Note 14 *DEFERRED COMPENSATION PLAN*

Employees of the City have the option of participating in a deferred compensation program created in accordance with Internal Revenue Code section 457. The maximum compensation that may be deferred under the plan for the participant's taxable year shall not exceed the lesser of (a) $7,500 or (b) 33 1/3% of includable compensation as provided in IRC Section 457. Additional deferrals are allowed in certain years prior to retirement.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 14 **DEFERRED COMPENSATION PLAN (continued)**

The City has the responsibility for withholding and remitting contributions from participants to the plan. The Public Employees Benefit Services Corporation, who serves as administrator, has the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specification and reporting annually to the participant and to the City the status of the plan.

All assets of the plan, including all deferred amounts and all income attributable to such deferred amounts, shall remain solely the property and rights of the City and are subject only to the claims of creditors of the City. The rights of the participants created by this plan shall be those of a general creditor of the City, and in an amount equal to the fair market value of the deferred account maintained with respect to the participant. Section 457 plans are required to include trust provisions specifying that the plan assets are being held in trust for the exclusive benefit of participating employees and are not accessible by the government. This generally precludes the reporting of the plans in the City's financial statements.

Note 15 **EMPLOYEE RETIREMENT SYSTEMS**

Plan Description. Substantially all of the City's full-time employees, approximately 113, except for police participate in the Municipal Employee's Retirement System of Louisiana (Plan A), a multiple-employer, and cost-sharing public employee retirement system. The City's police officers are eligible to participate in another multiple-employer, cost-sharing public employee retirement system. The retirement system for police officers is the Municipal and State Police Retirement System. Approximately 52 police officers have elected to participate in the plan. The total payroll for the City for the year ended December 31, 2002, is approximately $4,339,488. The payroll for City employees covered by the retirement systems is approximately as follows:

Municipal Employees' Retirement System of Louisiana	$ 2,704,711
Municipal and State Police Retirement System	$ 1,772,690

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 15 ***EMPLOYEE RETIREMENT SYSTEMS, (Continued)***

Funding Policy. Employees are entitled to retirement benefits when the combination of attained age and years of service meet certain specified requirements. The minimum years of service for receiving retirement benefits range from 10 to 12 years. Benefits vest based on a similar method of combination of minimum years of service and attained age. Each system also provides death and disability benefits. The Louisiana State Legislature established the plans and has determined the benefits and required contributions. As long as the City makes the required contributions it is not responsible for adequacy of the retirement system to provide the payment for employee benefits.

The City's and employees' required contribution rates and approximate contribution under each system for the year ended December 31, 2002 are as follows:

	Contribution		Required Contribution Rate	
Retirement System	**City**	**Employee**	**City**	**Employe**
Municipal Employees Retirement System of Louisiana	$216,727	$230,362	8.0%	9.25%
Municipal and State Police Retirement System	$148,736	$123,948	9.0%	7.5%

The employer's contributions to the retirement system under the Municipal Employees Retirement System of Louisiana for the years ending December 31, 2000 and 2001 were $135,401 and $216,727, respectively. The employer's contributions to the retirement system under the Municipal and State Police Retirement System for the years ending December 31, 2000 and 2001 were $123,508 and $148,739, respectively.

Employees of the City are also covered under the Federal Insurance Contributions Act (Social Security). The City makes the required contributions to the fund and is not responsible for the benefits. The City provides no other material post retirement benefits to its former employees.

CITY OF THIBODAUX, LOUISIANA

Notes to Financial Statements
December 31, 2002

Note 15 ***PRIOR PERIOD ADJUSTMENT***

An adjustment was made to the beginning retained earnings balance of the Municipal Waterworks, Electric & Power Plant System; an Enterprise Fund Type for the correction of an error in setting up Construction in Progress for the year 2001. The amount set up in the prior year was for infrastructure repairs that are not to be capitalized. The amount of the adjustment decreased total retained earnings by $396,366 – reflecting an adjustment to the beginning retained earnings by that amount.

Note 16 ***FUND DEFICIT***

At December 31, 2002, there was a fund deficit in the Capital Project Fund of $183,354. This deficit was caused by grant expenditures that were recorded in the current year for which reimbursement from the granting agencies were not requested as of December 31, 2002. Since the reimbursements were not prepared or requested as of the end of the fiscal year, the corresponding grant revenue was not accrued. The revenue has been subsequently received for some of the grants, which will negate the deficiency in the fund in 2003.

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF THIBODAUX, LOUISIANA

Analysis of Revenues, Expenditures, and Other Financing Sources
(Uses) and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Taxes:				
Sales	$ 2,700,000	$ 3,034,952	$ 334,952	$ 2,869,218
Ad valorem taxes	314,680	327,647	12,967	315,553
Beer tax	20,000	37,297	17,297	31,016
Video poker	175,000	158,961	(16,039)	160,778
Off track betting	12,000	8,896	(3,104)	12,816
	3,221,680	3,567,753	346,073	3,389,381
Licenses and Permits:				
Business & occupational licenses	615,545	670,211	54,666	597,196
Beer and liquor permits	10,000	11,140	1,140	10,173
Building permits	25,000	28,647	3,647	35,053
Cable TV franchise	120,000	145,538	25,538	128,445
Plumbing licenses	1,000	910	(90)	1,110
Chain store licenses	13,000	15,245	2,245	13,050
Telephone franchise	110,000	119,463	9,463	123,736
Electrical licenses	5,000	8,200	3,200	7,700
Zoning permits	250	-	(250)	-
Bartender permits	1,500	2,215	715	1,655
	901,295	1,001,569	100,274	918,118
Intergovernmental:				
COPS Universal Hiring Grant	101,063	112,616	11,553	122,399
2002 LLEBG LBVX 0030	38,396	38,396	-	
FEMA - T/S Isadore	-	27,350	27,350	
FEMA - Hurricane Lili	-	29,226	29,226	
2002 COPS CKWX0074	60,000	-	(60,000)	
FEMA-2001 T/S Allison	-	-	-	36,131
LLEBG 2001 LBBX 1733	-	-	-	35,091
State Fire Insurance	30,080	33,187	3,107	30,082
2002 Metlac B-01-7017	7,130	5,730	(1,400)	
TPD NARC - Street Sales Disrupt	21,028	20,823	(205)	14,039
TPD Electronic Equipment Metlac	1,865	1,865	-	
Airport Rotating Beacon	-	-	-	785
State Runway/Taxiway Lighting	-	-	-	6,977
Alcohol Awareness Program	9,600	12,300	2,700	13,800
FEMA TS Allison State Sharing	6,948	6,948	-	
SCPD TPD Equipment	2,691	2,691	-	
City Match 2002 Metlac B017017	2,375	1,910	(465)	
Litter Abatement Program	-	-	-	5,084
COPS Universal Hiring Grant-Match	53,435	59,669	6,234	50,668
METLAC-Narcotics-City Match	8,333	8,333	-	
2002 LLEBG LBVX 0030 City Match	4,266	4,266	-	
FEMA - T/S Isadore City Match	-	5,260	5,260	
FEMA - Hurricane Lili City Match	-	5,620	5,620	
City Match LLEBG 2001 LBB173	-	-	-	3,899
2002 COPS CKWX0074 City Match	3,476	-	(3,476)	
FEMA - TS Allison City Match	4,632	4,632	-	
TPD Electronic Equipment City Match	501	501	-	
Lorio Foundation	5,500	5,500	-	
LLEBG 2000 LBVX 0261	-	-	-	4,270
Litter Abatement In Kind Match	-	-	-	242
LADEQ Reimbursement Hydroenv.	360	357	(3)	43,520
	361,679	387,180	25,501	366,987

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Revenues, Expenditures, and Other Financing Sources
(Uses) and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

Charges for Services:				
Civic Center	110,000	128,826	18,826	127,987
Electrical permits	28,928	33,454	4,526	24,852
Police reports	10,000	11,185	1,185	10,425
Plumbing permits	4,000	4,094	94	3,556
Zoning Variance Application fee	1,000	983	(17)	1,080
Maps - Photostats	150	50	(100)	30
Subdivision Construction fees	1,000	2,400	1,400	1,845
Municipal pool fees	30,000	26,201	(3,799)	27,003
Recreation fees, general	30,000	25,580	(4,420)	33,670
Sponsor fees collected	15,000	14,400	(600)	14,700
Park concessions	7,000	5,812	(1,188)	3,763
	237,078	252,985	15,907	248,911
Fines and Forfeitures:				
General court fines	80,000	87,404	7,404	106,346
Reimbursements	8,060	10,458	2,398	
	88,060	97,862	9,802	106,346
Interest income	95,000	107,928	12,928	121,299
Other:				
Discounts Earned - S/C	200	23	(177)	
National Night Out	2,230	2,230	-	
X-mas Decorations	150	0	(150)	
Walmart Community Grant	200	200	-	
Housing Authority - in lieu of taxes	21,500	40,926	19,426	8,858
Gain on sale of investments	380	380	-	
Rentals:				
Airport	2,500	108	(2,392)	1,268
Recreation Parks Rentals	8,000	17,280	9,280	11,120
Other building rentals	18,000	18,000	-	18,000
Revenue from sale of fixed assets	2,102	2,102	-	14,080
Royalties	2,000	2,186	186	3,642
Other miscellaneous	41,716	43,707	1,991	12,757
Dominion Exploration Lease	24,042	24,042	-	
Franchise fees:				
Bell South Mobility	10,800	21,183	10,383	674
Crown Communicatons	11,800	11,811	11	11,839
Nextel Communications	14,970	13,460	(1,510)	14,410
Voice Steam, Inc.	16,200	16,362	162	6,750
	176,790	214,000	37,210	103,398
Total revenues	5,081,582	5,629,277	547,695	5,254,440
EXPENDITURES				
General government - current:				
General Administrative:				
Personnel services	57,170	51,618	5,552	39,898
Operating supplies	21,405	18,467	2,938	19,635
Equipment expenditures	51,624	38,070	13,554	10,221
Building expenditures	82,726	66,375	16,351	69,953
Outside services	37,201	32,283	4,918	24,400
General operating	114,840	115,904	(1,064)	93,713
General administrative	14,901	8,778	6,123	15,228
	379,867	331,495	48,372	273,048
Finance Administration:				
Personnel services	361,395	287,369	74,026	336,744
Operating supplies	10,020	6,590	3,430	7,675
Equipment expenditures	7,600	3,841	3,759	6,086
Building expenditures	7,000	6,758	242	7,082

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Revenues, Expenditures, and Other Financing Sources
(Uses) and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

Outside services	5,500	2,149	3,351	1,085
General operating	5,845	3,713	2,132	3,939
General administrative	4,450	1,800	2,650	1,502
	401,810	312,220	89,590	364,113
Grants:				
Personnel services	58,250	52,399	5,851	41,723
Operating supplies	1,650	1,155	495	1,424
Equipment expenditures	250	-	250	549
Building expenses	1,350	1,311	39	1,585
Outside services	80	53	27	65
General operating	1,300	669	631	748
General administrative	47,580	38,861	8,719	30,649
	110,460	94,448	16,012	76,743
Civil Service:				
Personnel services	65,832	66,791	(959)	60,327
Operating supplies	1,775	933	842	1,132
Equipment expenditures	1,450	1,440	10	1,553
Building expenditures	1,200	1,027	173	1,131
Outside services	3,000	120	2,880	232
General operating	2,078	1,066	1,012	1,370
General administrative	1,460	353	1,107	641
	76,795	71,730	5,065	66,386
City Council:				
Personnel services	78,594	77,966	628	73,142
Operating supplies	1,900	901	999	1,886
Equipment expenditures	500	194	306	
Outside services	40,620	37,620	3,000	43,670
General operating	13,876	10,690	3,186	5,650
General administrative	23,880	7,917	15,963	10,053
	159,370	135,288	24,082	134,401
Capital Outlay	6,500	6,500	-	
	165,870	141,788	24,082	134,401
City Clerk:				
Personnel services	102,391	104,671	(2,280)	94,111
Operating supplies	2,300	863	1,437	1,160
Equipment expenditures	2,750	2,137	613	2,088
Building expenditures	3,000	3,281	(281)	3,786
Outside services	75	75	-	2
General operating	9,794	5,457	4,337	10,220
General administrative	2,400	769	1,631	426
	122,710	117,253	5,457	111,793
Office of the Mayor:				
Personnel services	167,299	166,862	437	155,929
Operating supplies	3,640	2,925	715	3,010
Equipment expenditures	3,550	2,287	1,263	2,145
Building expenditures	4,000	3,748	252	4,215
Outside services	9,850	752	9,098	541
General operating	5,461	3,110	2,351	3,272
General administrative	28,410	7,497	20,913	9,159
	222,210	187,181	35,029	178,271
City Attorney's Office:				
Personnel services	69,782	64,008	5,774	65,566
Operating supplies	200	439	(239)	166
Building expenditures	450	512	(62)	91
Outside services	3,000	-	3,000	1,175
General operating	1,673	1,079	594	1,125
General administrative	440	38	402	5,640

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Revenues, Expenditures, and Other Financing Sources
(Uses) and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	75,545	66,076	9,469	73,763
Capital Outlay	21,805	1,861	19,944	
	97,350	67,937	29,413	73,763
City Court:				
Personnel services	201,730	184,444	17,286	168,266
Operating supplies	11,100	11,386	(286)	10,178
Equipment expenditures	2,900	1,819	1,081	2,061
Building expenditures	3,700	4,524	(824)	3,677
Outside services	6,000	6,000	-	6,000
General operating	6,250	4,011	2,239	4,439
General administrative	400	474	(74)	958
	232,080	212,658	19,422	195,579
Human Resources:				
Personnel services	73,900	33,368	40,532	
Operating supplies	2,200	577	1,623	62
Equipment expenditures	100	14	86	
Building expenditures	500	876	(376)	
Outside services	3,000	128	2,872	1,403
General operating	3,500	535	2,965	822
General administrative	2,300	1,079	1,221	57
	85,500	36,577	48,923	2,344
Airport Commission:				
Operating supplies	1,300	473	827	-
Equipment expenditures	1,400	833	567	541
Building expenditures	2,450	2,889	(439)	1,563
Outside services	40,520	30,688	9,832	36,617
General operating	2,450	625	1,825	2,340
General administrative	50	-	50	117
	48,170	35,508	12,662	41,178
Total general government:				
Current	1,914,517	1,600,434	314,083	1,517,619
Capital outlay	28,305	8,361	19,944	0
	1,942,822	1,608,795	334,027	1,517,619
Public Safety				
Police:				
Personnel services	2,393,357	2,324,625	68,732	1,950,633
Operating supplies	73,600	82,181	(8,581)	75,336
Equipment expenditures	116,605	112,329	4,276	126,878
Building expenditures	41,820	46,221	(4,401)	32,219
Outside services	15,782	14,249	1,533	4,212
General operating	299,774	245,275	54,499	231,235
General administrative	63,935	51,372	12,563	52,637
	3,004,873	2,876,252	128,621	2,473,150
Capital outlay	154,410	44,048	110,362	64,981
Total City Police	3,159,283	2,920,300	238,983	2,538,131
City Inspector's Office:				
Personnel services	160,210	138,912	21,298	117,143
Operating supplies	5,685	5,685	0	4,788
Equipment expenditures	1,950	1,552	398	2,773
Building expenditures	2,220	2,968	(748)	2,098
Outside services	500	310	190	
General operating	10,045	5,892	4,153	5,912
General administrative	1,695	1,491	204	734
	182,305	156,810	25,495	133,448

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Revenues, Expenditures, and Other Financing Sources
(Uses) and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

Fire Prevention:				
Personnel services	16,068	16,069	(1)	9,037
Equipment expenditures	5,800	2,952	2,848	2,560
Building expenditures	57,778	56,936	842	58,186
General operating	11,154	11,154	0	10,665
General administrative	160,590	162,259	(1,669)	152,069
	251,390	249,370	2,020	232,517
Total Public Safety:				
Current	3,438,568	3,282,432	156,136	2,839,115
Capital outlay	154,410	44,048	110,362	64,981
	3,592,978	3,326,480	266,498	2,904,096
Public Works				
Director of Public Works:				
Personnel services	102,471	100,553	1,918	93,304
Operating supplies	1,800	1,518	282	986
Equipment expenditures	2,417	1,468	949	4,184
Building expenditures	2,850	2,921	(71)	4,048
Outside services	450	248	202	642
General operating	2,697	2,397	300	2,366
General administrative	550	30	520	1,192
	113,235	109,135	4,100	106,722
Streets and Drainage:				
Personnel services	663,069	628,105	34,964	437,824
Operating supplies	26,000	22,891	3,109	48,837
Equipment expenditures	82,737	49,675	33,062	61,899
Building expenditures	2,559	3,923	(1,364)	8,922
Outside services	94,069	92,283	1,786	92,938
General operating	248,600	219,429	29,171	234,581
General administrative	8,606	7,159	1,447	10,797
	1,125,640	1,023,465	102,175	895,798
Total Public Works:				
Current	1,238,875	1,132,600	106,275	1,002,520
Capital outlay				
Total	1,238,875	1,132,600	106,275	1,002,520
Recreation and Cultural				
Recreation:				
Personnel services	372,110	360,493	11,617	281,634
Operating supplies	18,740	13,768	4,972	7,253
Equipment expenditures	12,680	11,985	695	9,416
Building expenditures	12,505	13,109	(604)	10,935
Outside services	40	38	2	103
General operating	48,763	46,776	1,987	28,132
General administrative	572	437	135	275
	465,410	446,606	18,804	337,748
Civic Auditorium:				
Personnel services	237,124	180,342	56,782	222,547
Operating supplies	6,150	5,105	1,045	8,291
Equipment expenditures	20,940	19,935	1,005	21,065
Building expenditures	131,860	107,653	24,207	133,865
Outside services	2,250	811	1,439	2,130
General operating	20,146	18,977	1,169	19,166
General administrative	6,800	1,636	5,164	5,115
	425,270	334,459	90,811	412,179

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Revenues, Expenditures, and Other Financing Sources
(Uses) and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

Total Recreation and Cultural:				
Current	890,680	781,065	109,615	749,927
Capital outlay				
Total	890,680	781,065	109,615	749,927
Total current expenditures	7,482,640	6,796,531	686,109	6,109,181
Total capital outlay	160,910	52,409	108,501	64,981
Total expenditures	7,643,550	6,848,940	794,610	6,174,162
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
Sales Tax Fund	1,009,281	1,127,793	118,512	1,050,595
Fire Department Fund	114,640	116,343	1,703	107,696
Waterworks & Electric Fund	1,945,000	1,945,126	126	907,272
Gas & Sewerage Fund	1,278,560	-	(1,278,560)	
Streets & Drainage	(2,578,560)	(1,648,125)	930,435	(936,185
Loss Fund	(320,000)	(320,000)	-	(100,000
Total other financing sources (uses)	1,448,921	1,221,137	(227,784)	1,029,378
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,113,047)	1,474	1,114,521	109,656
FUND BALANCES				
Beginning of year	2,641,721	2,641,721	0	2,532,065
End of year	$ 1,528,674	$ 2,643,195	$ 1,114,521	$ 2,641,721

See notes to financial statements.

SPECIAL REVENUE FUNDS

Sales Tax Fund - is to account for operations of the sales tax department. Financing is provided by a one percent sales and use tax. After cost of operations sixty-two percent of the tax proceeds are retained in this fund and are restricted to improvements, purchases, repairs, and maintenance of capital assets and debt retirement. The remainder is unrestricted and may be used for any legal purpose.

Fire Department Fund - is used to account for ad valorem taxes assessed on behalf of the Thibodaux Volunteer Fire Department that are billed, collected, and paid to the Fire Department by the City of Thibodaux, Louisiana.

Street Improvement and Maintenance Fund - is financed by a special property tax assessed for the purpose of providing funds for repairs, maintenance, and improvements of the City of Thibodaux, Louisiana's streets. These funds may be used only for this purpose.

(HUD) Section 8 Program Fund – is used to account for operations of the City of Thibodaux, Louisiana's rental certificate and voucher programs for lower income families. The U.S. Department of Housing and Urban Development under its Section 8 Housing Assistance Programs provides financing. Such grant funds provided may be used for those purposes and in the manner prescribed by applicable federal guidelines and regulations.

(HUD) Community Development Block Grant Fund - is to account for grant funds being provided by the United States Department of Housing and Urban Development under the Community Development Block Grant Program. Such grant funds provided may be used for those purposes defined in the grant contract in accordance with applicable federal guidelines and regulations.

Police Forfeiture Fund - accounts for amounts received from the Lafourche Parish Sheriff on the sale of assets seized from drug enforcement.

CITY OF THIBODAUX, LOUISIANA

Combining Balance Sheet
Special Revenue Funds
December 31, 2002
(With comparative totals for December 31, 2001)

	Sales Tax Fund	Fire Department Fund	Street Improvement and Maintenance Fund	(HUD) Section 8 Programs	(HUD) Community Development Block Grant Fund	Police Forfieture Fund	Totals 2002	Totals 2001
ASSETS								
Cash and cash equivalents	$ 1,167,427	$ 68,978	$ 290,869	$ 256,307		$ 11,144	$ 1,794,725	$ 1,788,665
Investments	3,142,749						3,142,749	2,189,045
Taxes receivable		52,275	37,206				89,481	90,423
Other receivable				11			11	3,302
Due from other funds	135,947						135,947	11,592
Due from other governments	284,050				$ 28,765		312,815	426,224
Total assets	$ 4,730,173	$ 121,253	$ 328,075	$ 256,318	$ 28,765	$ 11,144	$ 5,475,728	$ 4,509,251
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable and accrued expenses	$ 32,348		$ 3,584	$ 4,411	$ 2,261		$ 42,604	$ 155,078
Contracts and retainages payable	40,537				15,450		55,987	210,040
Due to other funds	500			2,046	7,424		9,970	43,085
Compensated absences payable				1,943	3,630		5,573	3,503
Due to HUD								141,634
Total liabilities	73,385		3,584	8,400	28,765	-	114,134	553,340
Fund balances (deficits):								
Designated for construction	154,698						154,698	80,600
Unreserved - undesignated	4,502,090	$ 121,253	324,491	247,918	-	11,144	5,206,896	3,875,311
Total fund balances	4,656,788	121,253	324,491	247,918	-	11,144	5,361,594	3,955,911
Total liabilities and fund balances	$ 4,730,173	$ 121,253	$ 328,075	$ 256,318	$ 28,765	$ 11,144	$ 5,475,728	$ 4,509,251

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the year ended December 31, 2002
(With comparative totals for the year ended December 31, 2001)

	Sales Tax Fund	Fire Department Fund	Street Improvement and Maintenance Fund	(HUD) Section 8 Programs	(HUD) Community Development Block Grant Fund	Police Forfeiture Fund	Totals 2002	# 2001
REVENUES								
Taxes	$ 3,034,952	$ 119,360	$ 167,702				$ 3,322,014	$ 3,145,686
Intergovernmental	169,267			$ 774,133	$ 445,642	$ 2,279	1,391,321	1,120,788
Donations and Local Grants	1,200						1,200	483,230
Other miscellaneous	2,554						2,554	7,320
Interest income	132,611	807	12,951	7,079		77	153,525	154,112
Total revenues	3,340,584	120,167	180,653	781,212	445,642	2,356	4,870,614	4,911,136
EXPENDITURES								
Current:								
General government	85,140						85,140	374,846
Public safety	17,160						17,160	17,488
Public works	57,062		86,283		31,319		174,664	116,626
Public welfare				765,874			765,874	639,772
Recreational and cultural	76,178						76,178	40,067
Capital outlay	1,000,792		104,734	4,172	414,323		1,524,021	1,983,743
Total expenditures	1,236,332		191,017	770,046	445,642	-	2,643,037	3,172,542
Excess (deficiency) of Revenues Over Expenditures	2,104,252	120,167	(10,364)	11,166	-	2,356	2,227,577	1,738,594
OTHER FINANCING SOURCES (USES)								
Operating transfers in	590,082						590,082	169,089
Operating transfers out	(1,295,633)	(116,343)					(1,411,976)	(1,212,051)
Total other financing sources (uses)	(705,551)	(116,343)					(821,894)	(1,042,962)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,398,701	3,824	(10,364)	11,166	-	2,356	1,405,683	695,632
FUND BALANCE								
Beginning of year	3,258,087	117,429	334,855	236,752	-	8,788	3,955,911	3,388,180
Prior period adjustment				-			-	(127,901)
Beginning of year, restated	3,258,087	117,429	334,855	236,752	-	8,788	3,955,911	3,260,279
Residual equity transfer in (out)							-	-
End of year	$ 4,656,788	$ 121,253	$ 324,491	$ 247,918	$ -	$ 11,144	$ 5,361,594	$ 3,955,911

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Sales Tax Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Taxes - sales	$ 2,700,000	$ 3,034,952	$ 334,952	$ 2,869,218
Intergovernmental	300,065	169,267	(130,798)	116,302
Donations and Local Grants	1,200	1,200	-	483,230
Miscellaneous - interest	83,350	132,611	49,261	135,094
Other revenue	2,535	2,554	19	7,320
Total revenues	3,087,150	3,340,584	253,434	3,611,164
EXPENDITURES				
Current:				
General government	113,017	85,140	27,877	374,846
Public safety	18,849	17,160	1,689	17,488
Public works	41,865	57,062	(15,197)	38,523
Recreation and cultural	323,505	76,178	247,327	40,067
Capital outlay	1,600,435	1,000,792	599,643	1,591,775
Total expenditures	2,097,671	1,236,332	861,339	2,062,699
Excess of Revenues Over Expenditures	989,479	2,104,252	1,114,773	1,548,465
OTHER FINANCING SOURCES (USES)				
Operating transfers in	590,082	590,082	-	169,089
Operating transfers out	(1,785,131)	(1,295,633)	489,498	(1,104,355)
Total	(1,195,049)	(705,551)	489,498	(935,266)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(205,570)	1,398,701	1,604,271	613,199
FUND BALANCE				
Beginning of year	3,258,087	3,258,087	-	2,644,888
End of year	$ 3,052,517	$ 4,656,788	$ 1,604,271	$ 3,258,087

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Expenditures and Other Financing Sources (Uses) -
Budget and Actual - Sales Tax Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
EXPENDITURES				
General government:				
General Administration - Current:				
Operating supplies	$ 17,917	$ 17,010	$ 907	$ 25,342
Building expenditures	5,000	539	4,461	1,701
Outside services	100	18	82	1,895
General operating	500	-	500	276,114
Total current	23,517	17,567	5,950	305,052
Capital outlay	166,825	114,101	52,724	731,597
Total general administration	190,342	131,668	58,674	1,036,649
Financial Administration - Current:				
Personnel services				
Operating supplies	3,500	1,639	1,861	4,880
Equipment expenditures	10,000	-	10,000	3,665
Outside services				40,167
General operating	46,000	46,260	(260)	
Total current	59,500	47,899	11,601	48,712
Capital outlay	15,000	1,061	13,939	16,931
Total financial administration	74,500	48,960	25,540	65,643
Grants - Current:				
Operating supplies	1,000	1,325	(325)	2,008
Total current	1,000	1,325	(325)	2,008
Capital outlay	4,000	1,534	2,466	1,524
Total grants	5,000	2,859	2,141	3,532
Civil Service - Current:				
Operating supplies	1,000	872	128	2,008
Total current	1,000	872	128	2,008
Capital outlay	3,100	-	3,100	-
Total civil service	4,100	872	3,228	2,008
Legislative - Current:				
Operating supplies	1,000	396	604	546
Total current	1,000	396	604	546
Capital outlay	4,000	-	4,000	-
Total legislative	5,000	396	4,604	546
City Clerk and Staff - Current:				
Operating supplies	1,000	452	548	298
Equipment expenditures	3,600	3,528	72	3,540
Total current	4,600	3,980	72	3,838
Capital outlay	4,000	1,603	2,397	2,291
Total city clerk and staff	8,600	5,583	2,469	6,129
Office of the Mayor - Current:				
Operating supplies	400	400	-	450
Equipment expenditures	7,500	-	7,500	420
Total current	7,900	400	7,500	870
Capital Outlay	6,100	2,374	3,726	2,773
Total office of the mayor	14,000	2,774	11,226	3,643

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Expenditures and Other Financing Sources (Uses) -
Budget and Actual - Sales Tax Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

City Judge and Staff - Current:				
Operating supplies	500	247	253	1,820
Total current	500	247	253	1,820
Capital outlay	19,500	-	19,500	30,682
Total city judge and staff	20,000	247	19,753	32,502
Human Resources:				
Operating supplies	2,000	454	1,546	1,820
Total current	2,000	454	1,546	1,820
Capital outlay	5,000	1,179	3,821	-
Total human resources	7,000	1,633	5,367	1,820
Municipal Airport - Current:				
General operating	12,000	12,000	-	12,000
Total current	12,000	12,000	-	12,000
Capital outlay	53,000	9,837	43,163	15,263
Total Municipal Airport	65,000	21,837	43,163	27,263
General government:				
Total current	113,017	85,140	27,329	374,846
Total capital outlay	280,525	131,689	148,836	801,061
Total	$ 393,542	$ 216,829	$ 176,165	$ 1,175,907
Public Safety				
City Police - Current:				
Operating supplies	$ 11,200	$ 11,403	$ (203)	$ 4,343
General operating	2,828	2,828		
Total current	14,028	14,231	(203)	4,343
Capital outlay	163,655	122,475	41,180	123,695
Total City Police	177,683	136,706	40,977	128,038
City Inspector - Current:				
Operating supplies	2,000	108	1,892	2,054
Total current	2,000	108	1,892	2,054
Capital outlay	22,200	20,887	1,313	-
Total City Inspector	24,200	20,995	1,313	2,054
Fire Department - Current:				
Operating supplies	2,821	2,821	-	11,091
Total current	2,821	2,821	-	11,091
Capital outlay	43,799	43,798	1	36,385
Total Fire Department	46,620	46,619	1	47,476
Public safety:				
Total current	18,849	17,160	1,689	17,488
Total capital outlay	229,654	187,160	42,494	160,080
Total	$ 248,503	$ 204,320	$ 44,183	$ 177,568
Public Works				
Director of Public Works - Current:				
Operating supplies	$ 2,820	$ 2,092	$ 728	$ 1,702
Total current	2,820	2,092	728	1,702
Capital outlay	25,180	3,267	21,913	105,190
Total public works	28,000	5,359	22,641	106,892

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Analysis of Expenditures and Other Financing Sources (Uses) -
Budget and Actual - Sales Tax Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

Streets and Drainage - Current:				
Equipment expenditures	35,045	35,035	10	35,035
Operating supplies	4,000	19,935	(15,935)	1,786
Total current	39,045	54,970	(15,925)	36,821
Capital outlay	330,650	285,928	44,722	72,105
Total Streets and Drainage	369,695	340,898	28,797	108,926
Public Works:				
Total current	41,865	57,062	(15,197)	38,523
Total capital outlay	355,830	289,195	66,635	177,295
Total	$ 397,695	$ 346,257	$ 51,438	$ 215,818
Recreation and Cultural				
Recreation - Current:				
Equipment expenditures	$ 1,270	$ 1,168	$ 102	$ 1,272
Building expenditures				20,627
General operating	31,500	9,491	22,009	66
Operating supplies	4,685	5,896	(1,211)	5,057
Total current	37,455	16,555	20,900	27,022
Capital outlay	362,433	164,179	198,254	199,735
Total recreation	399,888	180,734	219,154	226,757
Civic Center - Current:				
Building expenditures	284,100	57,254	226,846	-
Operating supplies	400	340	60	2,174
Outside services	1,550	2,029	(479)	10,871
Total current	286,050	59,623	226,427	13,045
Capital outlay	371,993	228,572	143,421	253,607
Total civic center	658,043	288,195	369,848	266,652
Recreational and Cultural:				
Total current	323,505	76,178	247,327	40,067
Total capital outlay	734,426	392,751	341,675	453,342
Total	$ 1,057,931	$ 468,929	$ 589,002	$ 493,409
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
General Fund	(1,009,281)	(1,127,793)	(118,512)	(1,050,595)
Streets & Drainage Improvements	(720,000)	(116,000)	604,000	
Debt Service Funds:				
Sales Tax Sinking Fund	(4,000)	-	4,000	169,089
Sales Tax Bond Fund	16,343	16,343	-	
Sales Tax Bond Reserve Fund	573,739	573,739	-	
1998 Sinking Fund	(51,850)	(51,840)	10	(53,760)
Total other financing sources (uses)	$ (1,195,049)	$ (705,551)	$ 489,498	$ (935,266)

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Fire Department Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Taxes - property	$ 114,640	$ 119,360	$ 4,720	$ 114,955
Miscellaneous - interest	400	807	407	862
Total revenues	115,040	120,167	5,127	115,817
EXPENDITURES				
Public welfare	-	-	-	-
Excess of Revenues Over Expenditures	115,040	120,167	5,127	115,817
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
General Fund	(114,640)	(116,343)	(1,703)	(107,696)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	400	3,824	3,424	8,121
FUND BALANCE				
Beginning of year	117,429	117,429	-	109,308
End of year	$ 117,829	$ 121,253	$ 3,424	$ 117,429

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Street Improvement and Maintenance Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Taxes - property	$ 161,065	$ 167,702	$ 6,637	$ 161,513
Miscellaneous - interest	11,215	12,951	1,736	4,532
Total revenues	172,280	180,653	8,373	166,045
EXPENDITURES				
Current - public works:				
Operating supplies	99,075	86,241	12,834	32,933
Outside services	100	42	58	
Total current expenditures	99,175	86,283	12,892	32,933
Capital outlay	175,825	104,734	71,091	69,489
Total expenditures	275,000	191,017	83,983	102,422
Excess of Revenues Over Expenditures	(102,720)	(10,364)	(75,610)	63,623
FUND BALANCE				
Beginning of year	334,855	334,855	-	271,232
End of year	$ 232,135	$ 324,491	$ 92,356	$ 334,855

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - (HUD) Section 8 Program Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Intergovernmental revenue	$ 632,499	$ 774,133	$ 141,634	$ 636,728
Miscellaneous - interest	6,900	7,079	179	13,411
Total revenues	639,399	781,212	141,813	650,139
EXPENDITURES				
Current - Public welfare:				
Housing assistance paymen	665,000	662,596	2,404	545,609
Personnel services	77,250	78,358	(1,108)	71,242
Outside services	6,250	5,657	593	5,792
Building expenditures	3,900	4,179	(279)	4,031
Operating supplies	4,930	4,149	781	3,626
Equipment expenditures	5,740	6,186	(446)	6,246
General operating	1,200	841	359	925
General administrative	4,950	3,908	1,042	2,301
Total current expenditures	769,220	765,874	3,346	639,772
Capital outlay	6,000	4,172	1,828	1,296
Total expenditures	775,220	770,046	5,174	641,068
Excess (Deficiency) of Revenues Over Expenditures	(135,821)	11,166	146,987	9,071
FUND BALANCE				
Beginning of year	236,752	236,752	-	355,582
Prior period adjustment	-	-	-	(127,901)
Beginning of year, restated	236,752	236,752	-	227,681
End of year	$ 100,931	$ 247,918	$ 146,987	$ 236,752

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - (HUD) Community Development Block Grant Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Intergovernmental revenue	$ 474,293	$ 445,642	$ (28,651)	$ 366,353
Total revenues	474,293	445,642	(28,651)	366,353
EXPENDITURES				
Current - Public works:				
Personnel services	29,780	26,006	3,774	22,421
Operating supplies	1,000	484	516	708
Outside services	92	92	-	17,514
Building expenditures	2,000	1,679	321	2,077
General operating	2,865	2,004	861	1,553
General miscellaneous	1,232	1,054	178	897
Total public works	36,969	31,319	5,650	45,170
Capital outlay	437,324	414,323	23,001	321,183
Total expenditures	474,293	445,642	28,651	366,353
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
FUND BALANCE				
Beginning of year	-	-	-	-
End of year	$ -	$ -	$ -	$ -

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Police Forfeiture Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Intergovernmental revenue	$ 2,000	$ 2,279	$ 279	$ 1,405
Miscellaneous	100	77	(23)	213
Total revenues	2,100	2,356	256	1,618
EXPENDITURES				
Current - Public welfare:				
Equipment expenditures				
Total current	-	-	-	-
Capital Outlay	3,000	-	3,000	-
Total expenditures	3,000	-	3,000	-
Excess (Deficiency) of Revenues Over Expenditures	(900)	2,356	3,256	1,618
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(900)	2,356	3,256	1,618
FUND BALANCE				
Beginning of year	8,788	8,788	-	7,170
End of year	$ 7,888	$ 11,144	$ 3,256	$ 8,788

See notes to financial statements.

DEBT SERVICE FUNDS

Sales Tax Bond Sinking and Reserve Funds - to accumulate monies for payment of the $500,000 5.6-6% Public Improvement Bonds, Series 1978, dated July 1, 1978, $2,490,000 2.50-4% Public Improvement Refunding Bonds, Series 1993 dated March 16, 1993. Financing is provided by the pledge of sales tax revenues and legally restricted to payment of this debt.

Certificates of Indebtedness, Series 1998 Sinking Fund – to accumulate monies for payment of the $400,000 4.8% Certificates of Indebtedness, Series 1998, dated March 30, 1998. Financing is provided by the pledge of sales tax revenues and legally restricted to payment of this debt.

CITY OF THIBODAUX, LOUISIANA

Combining Balance Sheet - Debt Service Funds
December 31, 2002
(With comparative totals for December 31, 2001)

	Sales Tax Bond Sinking Fund	Sales Tax Bond Reserve Fund	Certificates of Indebtedness, Series 1998 Sinking Fund	Totals 2002	Totals 2001
ASSETS					
Cash and cash equivalents	$ -	$ -	$ 41,714	$ 41,714	$ 66,756
Investments		-		-	478,590
Due from other funds		-		-	73,045
Total assets	$ -	$ -	$ 41,714	$ 41,714	$ 618,391
LIABILITIES AND FUND BALANCE					
Liabilities:					
Due to other funds					
Total liabilities					
Fund balances:					
Reserved for debt service	$ -	$ -	$ 41,714	$ 41,714	$ 618,391
Total fund balances	-	-	41,714	41,714	618,391
Total liabilities and fund balances	$ -	$ -	$ 41,714	$ 41,714	$ 618,391

Se notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Debt Service Funds
For the year ended December 31, 2002
(With comparative totals for the year ended December 31, 2001)

	Sales Tax Bond Sinking Fund	Sales Tax Bond Reserve Fund	Certificates of Indebtedness, Series 1998 Sinking Fund	Totals 2002	Totals 2001
REVENUES					
Taxes - property					
Miscellaneous - interest	$ 280	$ 18,573	$ 468	$ 19,321	$ 35,929
Total revenues	280	18,573	468	19,321	35,929
EXPENDITURES					
Debt service:					
Principal retirement	5,000		40,000	45,000	45,000
Interest and fiscal charges	300		12,456	12,756	15,041
Total expenditures	5,300		52,456	57,756	60,041
Excess (Deficiency) of Revenues Over Expenditures	(5,020)	18,573	(51,988)	(38,435)	(24,112)
OTHER FINANCING SOURCES (USES)					
Operating transfers in			51,840	51,840	53,760
Operating transfers out	(16,343)	(573,739)		(590,082)	(169,089)
Total other financiang sources (uses)	(16,343)	(573,739)	51,840	(538,242)	(169,089)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(21,363)	(555,166)	(148)	(576,677)	(193,201)
FUND BALANCE					
Beginning of year	21,363	555,166	41,862	618,391	757,832
Residual equity transfer in (out)				-	(139,441)
End of year	$ -	$ -	$ 41,714	$ 41,714	$ 618,391

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Sales Tax Bond Sinking Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Miscellaneous	$ 280	$ 280	$ -	$ 740
EXPENDITURES				
Debt service:				
Principal retirement	5,000	5,000	-	5,000
Interest and fiscal charges	300	300	-	700
Total expenditures	5,300	5,300	-	5,700
Excess (Deficiency) of Revenues Over Expenditures	(5,020)	(5,020)	-	(4,960)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
Sales Tax Fund	(16,343)	(16,343)	-	(169,089)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(21,363)	(21,363)	-	(174,049)
FUND BALANCE				
Beginning of year	21,363	21,363	-	195,412
End of year	$ -	$ -	$ -	$ 21,363

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sales Tax Bond Reserve Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Miscellaneous	$ 18,573	$ 18,573	$ -	$ 34,729
EXPENDITURES				
Debt service:				
Interest and fiscal charges				
Total expenditures				
Excess (Deficiency) of Revenues Over Expenditures	18,573	18,573	-	34,729
OTHER FINANCING SOURCES (USES)				
Operating transfers out:				
Sales Tax Fund	(573,739)	(573,739)	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(555,166)	(555,166)	-	(174,049)
FUND BALANCE				
Beginning of year	555,166	555,166	-	520,437
End of year	$ -	$ -	$ -	$ 555,166

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Certificate of Indebtedness, Series 1998 Sinking Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Miscellaneous	$ 320	$ 468	$ 148	$ 460
EXPENDITURES				
Debt service:				
Principal payments	40,000	40,000	-	40,000
Interest and fiscal charges	12,480	12,456	24	14,341
Total expenditures	52,480	52,456	24	54,341
Excess (Deficiency) of Revenues Over Expenditures	(52,160)	(51,988)	172	(53,881)
OTHER FINANCING SOURCES (USES)				
Operating transfers in:				
Sales Tax Fund	51,850	51,840	(10)	53,760
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(310)	(148)	162	(121)
FUND BALANCE				
Beginning of year	41,862	41,862	-	41,983
End of year	$ 41,552	$ 41,714	$ 324	$ 41,862

See notes to financial statements.

CAPITAL PROJECTS FUNDS

Street Improvement Fund - is being used to account for street improvement projects that are being financed by other funds of the City of Thibodaux, Louisiana.

CITY OF THIBODAUX, LOUISIANA

Balance Sheet
Street Improvement Fund
December 31, 2002
(With comparative totals for December 31, 2001)

	Totals	
	2002	2001
ASSETS		
Cash and cash equivalents	$ 2,501	$ 464,077
Due from other funds	-	8,841
Assessments receivable	10,227	30,892
Due from other governments	18,346	17,446
Total assets	$ 31,074	$ 521,256
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$ 69,050	$ 234,705
Contracts and retainage payable	135,152	196,787
Deferred revenue	10,227	30,892
Total liabilities	214,429	462,384
Fund balances:		
Reserved for construction	(183,355)	58,872
Total fund balances	(183,355)	58,872
Total liabilities and fund balances	$ 31,074	$ 521,256

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Street Improvement Fund
For the year ended December 31, 2002
(With comparative actual amounts for the year ended December 31, 2001)

	2002			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2001 Actual
REVENUES				
Intergovernmental revenues	$ 897,899	$ 484,661	$ (413,238)	$ 563,802
Other reimbursements	21,945	21,946	1	23,747
Miscellaneous - interest	1,750	1,741	(9)	11,281
Total revenues	921,594	508,348	(413,246)	598,830
EXPENDITURES				
Capital Projects:				
Outside services	1,200	2,400	(1,200)	
Professional fees	516,325	360,979	155,346	181,649
Construction contracts	2,745,310	1,855,570	889,740	1,343,771
General operating	336,579	295,750	40,829	190,791
Total capital projects	3,599,414	2,514,699	1,084,715	1,716,211
Excess (Deficiency) of Revenues Over Expenditures	(2,677,820)	(2,006,351)	671,469	(1,117,381)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out):				
General Fund	2,578,560	1,648,125	(930,435)	-
Sales Tax Fund	720,000	116,000	(604,000)	936,185
Total other financing sources	3,298,560	1,764,125	(1,534,435)	936,185
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	620,740	(242,226)	(862,966)	(181,196)
FUND BALANCE				
Beginning of year	58,872	58,872	-	58,872
End of year	$ 679,612	$ (183,354)	$ (862,966)	$ 58,872

See notes to financial statements.

ENTERPRISE FUNDS

Municipal Waterworks, Electric & Power Plant System Fund- to account for providing water services to residents of the City of Thibodaux, Louisiana and the City of Thibodaux, Louisiana's operating agreement with Louisiana Power and Light Company for electric service to residents. 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.

Municipal Gas & Sewerage System Fund - to account for providing gas and sewerage services to residents of the City of Thibodaux, Louisiana. 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.

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

CITY OF THIBODAUX, LOUISIANA

Combining Balance Sheet
Enterprise Funds
December 31, 2002 and 2001

ASSETS	Municipal Waterworks, Electric, & Power Plant System Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Totals 2002	Totals 2001
CURRENT ASSETS					
Cash and Cash equivalents	$ 285,165	$ 345,376	$ 79,172	$ 709,713	$ 803,235
Investments	3,802,554	1,944,502		5,747,056	9,157,439
Receivables:					
Unbilled service charges	58,794	332,099	60,030	450,923	336,106
Accounts receivable - net of allowance for uncollectible accounts	28,201	145,128	42,738	216,067	243,909
Electric franchise fee	52,646			52,646	159,578
Accrued interest	6,907	7,830		14,737	6,179
Due from other governments	531	5,175		5,706	
Due from other funds	1,099	737,659	76,971	815,729	1,097,826
Prepaid items	5,393	3,631		9,024	17,360
Total current assets	4,241,290	3,521,400	258,911	8,021,601	11,821,632
RESTRICTED ASSETS					
Cash and cash equivalents	8,955	1,600,120		1,609,075	1,018,231
Investments	78,123	525,573		603,696	588,588
Total restricted assets	87,078	2,125,693		2,212,771	1,606,819
PROPERTY, PLANT, AND EQUIPMENT					
Land	78,000	125,165		203,165	203,165
Plant and equipment	10,706,115	18,327,174	19,928	29,053,217	27,818,698
	10,784,115	18,452,339	19,928	29,256,382	28,021,863
Less accumulated depreciation	7,093,584	11,198,550	6,975	18,299,109	17,661,593
Net property, plant, and equipment	3,690,531	7,253,789	12,953	10,957,273	10,360,270
Total assets	$8,018,899	$12,900,882	$271,864	$21,191,645	$23,788,721

See notes to financial statements.

	Municipal Waterworks, Electric, & Power Plant System Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Totals 2002	Totals 2001
LIABILITIES					
CURRENT LIABILITIES					
Payable from current assets:					
Accounts payable and accrued expenses	$ 158,613	$ 115,412	$ 72,690	$ 346,715	$ 232,304
Due to other funds	1,186,140			1,186,140	1,191,949
Contracts and retainage payable	54,204	3,600		57,804	456,958
Compensated absences payable	17,114	23,477		40,591	33,581
Total payable from current assets	1,416,071	142,489	72,690	1,631,250	1,914,792
Payable from restricted assets:					
Bonds and loans payable current		270,000		270,000	260,000
Accrued interest on bonds		54,377		54,377	58,585
Customers' meter deposit	179,766	106,771		286,537	279,364
Total payable from restricted assets	179,766	431,148		610,914	597,949
Total current liabilities	1,595,837	573,637	72,690	2,242,164	2,512,741
LONG-TERM DEBT					
Obligation under capital leases	81,017			81,017	112,425
Revenue bonds payable		1,985,000		1,985,000	2,155,000
Loan payable		1,805,000		1,805,000	1,905,000
Compensated absences payable	18,915	40,816		59,731	49,422
Total long-term debt	99,932	3,830,816		3,930,748	4,221,847
Total liabilities	1,695,769	4,404,453	72,690	6,172,912	6,734,588
FUND EQUITY					
CONTRIBUTED CAPITAL	1,855,328	2,764,078	23,857	4,643,263	4,887,474
RETAINED EARNINGS:					
Designated for construction	31,828			31,828	1,280,000
Reserved for revenue bond retirement		427,655		427,655	428,336
Unreserved	4,435,974	5,304,696	175,317	9,915,987	10,458,323
Total retained earnings	4,467,802	5,732,351	175,317	10,375,470	12,166,659
Total fund equity	6,323,130	8,496,429	199,174	15,018,733	17,054,133
Total liabilities and fund equity	$8,018,899	$12,900,882	$271,864	$21,191,645	$23,788,721

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Enterprise Funds
For the years ended December 31, 2002 and 2001

	Municipal Waterworks, Electric, & Power Plant System	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Totals 2002	Totals 2001
OPERATING REVENUES					
Charges for services	$ 890,565	$ 2,655,755	$ 890,363	$ 4,436,683	$ 4,892,678
OPERATING EXPENSES					
Gas purchased		1,043,660		1,043,660	2,037,833
Contractual service			858,542	858,542	854,817
Personnel services	532,592	614,869		1,147,461	956,692
Operating supplies	166,781	88,266	4,595	259,642	213,861
Equipment expenses	44,352	81,211		125,563	118,685
Building expenses	94,105	142,259	194	236,558	315,540
Outside services	12,565	55,886		68,451	70,380
General operating	72,829	5,741	5,662	84,232	116,794
General administrative	3,906	277,140		281,046	11,607
Capital projects	153,545	319,010	3,600	476,155	41,474
Depreciation	216,043	423,314	1,993	641,350	672,490
Total operating expenses	1,296,718	3,051,356	874,586	5,222,660	5,410,173
Operating income (loss)	(406,153)	(395,601)	15,777	(785,977)	(517,495)
NON-OPERATING REVENUES (EXPENSES)					
Interest income	252,158	198,104	277	450,539	725,841
Interest and fiscal charge	(5,812)	(175,283)		(181,095)	(196,921)
Intergovernmental	3,222	522,574	4,268	530,064	254,366
Electric franchise fee	226,068			226,068	376,681
Miscellaneous - net	55,192	10,563	740	66,495	156,947
Total non-operating revenues (expenses)	530,828	555,958	5,285	1,092,071	1,316,914
Net income (loss) before operating transfers	124,675	160,357	21,062	306,094	799,419
OPERATING TRANSFERS IN (OUT)	(1,945,126)			(1,945,126)	(907,272)
NET INCOME (LOSS)	(1,820,451)	160,357	21,062	(1,639,032)	(107,853)
DEPRECIATION ON CONTRIBUTED ASSETS	100,348	143,863		244,211	281,496
INCREASE (DECREASE) IN RETAINED EARNINGS	(1,720,103)	304,220	21,062	(1,394,821)	173,643
RETAINED EARNINGS					
Beginning of year	6,584,271	5,428,131	154,255	12,166,657	11,993,016
Prior period adjustment	(396,366)			(396,366)	-
Beginning of year, as adjusted	6,187,905	5,428,131	154,255	11,770,291	11,993,016
End of year	$ 4,467,802	$ 5,732,351	$ 175,317	$ 10,375,470	$ 12,166,659

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Combining Statement of Cash Flows
Enterprise Funds
For the years ended December 31, 2002 and 2001

	Municipal Waterworks, Electric, & Power Plant System	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Totals 2002	Totals 2001
Cash flows from operating activities:					
Cash received from customers	$ 906,774	$ 2,541,111	$ 903,821	$ 4,351,706	$ 5,239,252
Cash payments to suppliers for goods and services	(585,604)	(2,122,491)	(876,220)	(3,584,315)	(4,529,656)
Cash payments to employees for services	(522,092)	(591,434)		(1,113,526)	(883,521)
Net cash provided (used) by operating activities	(200,922)	(172,814)	27,601	(346,135)	(173,925)
Cash flows from noncapital financing activities:					
Intergovernmental		522,574		522,574	
Operating transfers in (out)	(1,945,126)			(1,945,126)	(907,272)
Net cash provided (used) by noncapital financing activities	(1,945,126)	522,574		(1,422,552)	(907,272)
Cash flows from capital and related financing activities					
Principal paid on bonds and loan		(264,208)		(264,208)	(191,072)
Interest paid on revenue bonds	(5,812)	(175,283)		(181,095)	(189,307)
Prior period adjustments	(396,366)			(396,366)	
Proceeds from franchise agreement	333,000			333,000	376,681
Grant revenue received					254,366
Acquisition of equipment	(576,143)	(931,443)		(1,507,586)	(2,706,708)
Capital lease proceeds/payments (net)	(31,408)			(31,408)	(34,458)
Net cash provided (used) for capital and related financing activities	(676,729)	(1,370,934)		(2,047,663)	(2,490,498)
Cash flows from investing activities:					
Net purchase/proceeds of investments	2,580,936	1,221,038		3,801,974	1,484,807
Interest on investments	248,476	193,228	277	441,981	725,841
Other revenue expenses	58,414	10,563	740	69,717	160,204
Net cash provided (used) in investing activities	2,887,826	1,424,829	1,017	4,313,672	2,370,852
Net increase (decrease) in cash and cash equivalents	65,049	403,655	28,618	497,322	(1,200,843)
Cash and cash equivalents at beginning of year	229,071	1,541,841	50,554	1,821,466	3,022,309
Cash and cash equivalents at end of year	$ 294,120	$ 1,945,496	$ 79,172	$ 2,318,788	$ 1,821,466

See notes to financial statements.

	Municipal Waterworks, Electric, & Power Plant System	Municipal Gas & Sewerage System Fund	Garbage Collection Fund	Totals 2002	Totals 2001
Cash and cash equivalents at the end of the year consists of:					
Cash	$ 285,165	$ 345,376	$ 79,172	$ 709,713	$ 803,235
Restricted cash	8,955	1,600,120		1,609,075	1,018,231
	$ 294,120	$ 1,945,496	$ 79,172	$ 2,318,788	$ 1,821,466
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	$ (406,153)	$ (395,601)	$ 15,777	$ (785,977)	$ (517,495)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	216,043	423,314	1,993	641,350	672,490
Depreciation on contributed assets	(100,348)	(143,863)		(244,211)	(281,496)
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	12,045	(112,478)	13,458	(86,975)	253,600
(Increase) decrease in other receivable	107,777	(262,835)	5,662	(149,396)	34,016
(Increase) decrease in due to/from other funds	(567)	291,484	(9,351)	281,566	(782,084)
(Increase) decrease in prepaid expenses	3,192	5,144		8,336	17,059
Increase (decrease) in accounts payable	89,776	17,368	62	107,206	(16,055)
Increase (decrease) in retainage	(126,088)	(5,175)		(131,263)	419,829
Increase (decrease) in deposits		3,009		3,009	1,275
Increase (decrease) in compensated absences	3,401	6,819		10,220	24,936
Total adjustments	205,231	222,787	11,824	439,842	343,570
Net cash provided (used) by operating activities	$ (200,922)	$ (172,814)	$ 27,601	$ (346,135)	$ (173,925)

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Municipal Waterworks, Electric & Power Plant System Fund
For the year ended December 31, 2002 and 2001

	2002	2001
OPERATING REVENUES		
Charges for services	$ 890,565	$ 864,945
OPERATING EXPENSES, EXCLUDING DEPRECIATION		
Personnel services	532,592	407,556
Operating supplies	166,781	122,103
Equipment expenses	44,352	43,610
Building expenses	94,105	128,998
Outside services	12,565	3,272
General operating	72,829	52,992
General administrative	3,906	5,283
Capital projects	153,545	95,711
	1,080,675	859,525
Operating income (loss) before depreciation	(190,110)	5,420
DEPRECIATION	216,043	269,431
Operating income (loss)	(406,153)	(264,011)
NON-OPERATING REVENUES		
Interest income	252,158	369,669
Interest expense	(5,812)	(7,614)
Intergovernmental	3,222	6,026
Electric franchise fee	226,068	376,681
Miscellaneous - net	55,192	80,409
Total non-operating revenues	530,828	825,171
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	124,675	561,160
OPERATING TRANSFERS IN (OUT)		
General Fund	(1,945,126)	(907,272)
	(1,945,126)	(907,272)
NET INCOME (LOSS)	(1,820,451)	(346,112)
DEPRECIATION ON CONTRIBUTED ASSETS	100,348	138,847
INCREASE (DECREASE) IN RETAINED EARNINGS	(1,720,103)	(207,265)
RETAINED EARNINGS		
Beginning of year	6,584,271	6,791,536
Prior period adjustment	(396,366)	
Beginning of year, as adjusted	6,187,905	6,791,536
End of year	$ 4,467,802	$ 6,584,271

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Municipal Gas & Sewerage Fund
For the year ended December 31, 2002 and 2001

	2002	2001
OPERATING REVENUES		
Charges for services	$ 2,655,755	$ 3,170,563
OPERATING EXPENSES, EXCLUDING DEPRECIATION		
Gas purchased	1,043,660	2,037,833
Personnel services	614,869	549,136
Operating supplies	88,266	87,696
Equipment expenses	81,211	75,075
Building expenses	142,259	186,332
Outside services	55,886	67,108
General operating	5,741	60,675
General administrative	277,140	6,324
Capital projects	319,010	(54,237)
	2,628,042	3,015,942
Operating income (loss) before depreciation	27,713	154,621
DEPRECIATION	423,314	401,066
Operating income (loss)	(395,601)	(246,445)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	198,104	355,717
Interest and fiscal charge	(175,283)	(189,307)
Intergovernmental	522,574	235,024
Miscellaneous - net	10,563	67,898
Total non-operating revenues (expenses)	555,958	469,332
NET INCOME (LOSS)	160,357	222,887
DEPRECIATION ON CONTRIBUTED ASSETS	143,863	142,649
INCREASE (DECREASE) IN RETAINED EARNINGS	304,220	365,536
RETAINED EARNINGS		
Beginning of year	5,428,131	5,062,595
End of year	$5,732,351	$5,428,131

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Garbage Collection Fund
For the years ended December 31, 2002 and 2001

	2002	2001
OPERATING REVENUES		
Charges for services	$ 890,363	$ 857,170
OPERATING EXPENSES, EXCLUDING DEPRECIATION		
Contractual service	858,542	854,817
Operating supplies	4,595	4,062
Building expenses	194	210
General operating	5,662	3,127
Capital Outlay	3,600	-
	872,593	862,216
Operating income (loss) before depreciation	17,770	(5,046)
DEPRECIATION	1,993	1,993
Operating income (loss)	15,777	(7,039)
NON-OPERATING REVENUES		
Interest income	277	455
Intergovernmental	4,268	13,316
Miscellaneous - net	740	8,640
Total non-operating revenues	5,285	22,411
NET INCOME (LOSS)	21,062	15,372
RETAINED EARNINGS		
Beginning of year	154,255	138,883
End of year	$ 175,317	$ 154,255

See notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

This group of accounts is used to establish accounting control and accountability for the City of Thibodaux, Louisiana's general fixed assets except those used in proprietary fund operations.

CITY OF THIBODAUX, LOUISIANA

Schedule of Changes in General Fixed Assets -
By Categories and Sources
For the year ended December 31, 2002

	Balance 12/31/01	Additions	Retirements	Balance 12/31/02
COST				
Land	$ 1,343,217	$ 201,500		$ 1,544,717
Buildings and improvements	7,827,361	791,348		8,618,709
Furnishings, machinery and equipment	3,846,515	558,554	$ 326,114	4,078,955
	13,017,093	1,551,402	326,114	14,242,381
Construction in progress	619,337	123,437	706,473	36,300
Totals	$ 13,636,430	$ 1,674,839	$ 1,032,588	$ 14,278,681
INVESTMENTS IN GENERAL FIXED ASSETS				
General Fund:	$ 1,594,248		$ 16,555	$ 1,577,692
Individual Donors	1,290,866	$ 24,533		1,315,399
Lafourche Parish	4,977			4,977
State of Louisiana	605,310	45,909	3,389	647,831
Special Revenue Funds:				
Asset Forfeiture	(2,612)	2,612		-
Federal Revenue Sharing	25,536			25,536
Fire Department	6,613			6,613
Street improvement fund	142,162			142,162
Sales Tax revenues	5,996,866	796,603	195,586	6,597,883
HUD Section 8 Housing Assistance	34,637	4,023	19,173	19,487
HUD Block Grants	15,477		563	14,914
Debt Service Funds:				
Public Improvement bonds	2,472,164			2,472,164
Sales tax bonds	1,337,075			1,337,075
Capital Projects Funds:				
Municipal Complex Fund	(3,836.00)	3,836		-
Enterprise Funds:				
Garbage Collection	16,098			16,098
Municipal Waterworks, Electric and Power Plant System	100,849			100,849
Totals	$ 13,636,430	$ 877,516	$ 235,265	$ 14,278,681

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Schedule of General Fixed Assets -
By Function and Activity
For the year ended December 31, 2002

Function and Activity:	Land	Buildings and Improvements	Furnishings, Machinery and Equipment	Total
GENERAL GOVERNMENT:				
Control:				
Legislative			$ 25,209	$ 25,209
Executive		$ 700,789	82,710	783,499
Judicial			151,104	151,104
Total control		700,789	259,023	959,812
Staff Agencies:				
Finance			169,788	169,788
Civil service			19,828	19,828
City clerk			50,668	50,668
Mayor's office			27,147	27,147
City attorney			6,021	6,021
Grants Coordinator			3,133	3,133
Municipal airport		154,702	10,570	165,272
Federal government			48,972	48,972
General government property	$ 349,000	3,297,272	260,621	3,906,893
Surplus property	285,000		1,209	286,209
Total staff agencies	634,000	3,451,974	597,956	4,683,930
Total general government	634,000	4,152,763	856,979	5,643,742
PUBLIC SAFETY:				
Police protection		16,071	1,080,279	1,096,350
Fire protection			273,777	273,777
Protective inspection			78,103	78,103
Total public safety		16,071	1,432,159	1,448,230
PUBLIC WORKS:				
Administration	251,500	94,821	84,112	430,433
Streets and drainage			1,044,371	1,044,371
Sanitation and waste removal			46,125	46,125
Total public works	251,500	94,821	1,174,608	1,520,929
PUBLIC WELFARE:				
Senior citizens	5,000	593,748	10,543	609,291
Section 8			105	105
Total public welfare	5,000	593,748	10,648	609,396
RECREATIONAL AND CULTURAL:				
Parks and playgrounds	570,000	918,904	263,884	1,752,788
Civic Center	84,217	2,842,402	340,676	3,267,296
Total recreational and cultural	654,217	3,761,306	604,560	5,020,084
Total general fixed assets	$ 1,544,717	$ 8,618,709	$ 4,078,955	$ 14,242,381

See notes to financial statements.

CITY OF THIBODAUX, LOUISIANA

Schedule of Changes in General Fixed Assets -
By Function and Activity
For the year ended December 31, 2002

Function and Activity:	General Fixed Assets 12/31/01	Additions	Adjustments Retirements	General Fixed Assets 12/31/02
GENERAL GOVERNMENT:				
Control:				
Legislative	$ 29,488		$ 4,279	$ 25,209
Executive	1,459,990		676,491	783,499
Judicial	151,104			151,104
Total control	1,640,582		680,770	959,812
Staff Agencies:				
Finance	191,900		22,112	169,788
Civil service	20,888		1,060	19,828
City clerk	62,713		12,045	50,668
Mayor's office	28,666		1,519	27,147
City attorney	7,434		1,413	6,021
Grants Coordinator	720	$ 2,413		3,133
Municipal airport	165,272			165,272
Federal government	46,061	2,910		48,971
General government property	3,314,829	592,064		3,906,893
Surplus property	286,209			286,209
Total staff agencies	4,124,692	597,387	38,149	4,683,930
Total general government	5,765,274	597,387	718,919	5,643,742
PUBLIC SAFETY:				
Police protection	1,175,024		78,674	1,096,350
Fire protection	231,712	42,065		273,777
Protective inspection	59,074	19,029		78,103
Total public safety	1,465,810	61,094	78,674	1,448,230
PUBLIC WORKS:				
Administration	200,878	229,555		430,433
Streets and drainage	806,848	237,523		1,044,371
Sanitation and waste removal	46,125			46,125
Total public works	1,053,851	467,078	-	1,520,929
PUBLIC WELFARE:				
Senior citizens	67,467	541,824		609,291
Section 8	105			105
Total public welfare:	67,572	541,824	-	609,396
RECREATIONAL AND CULTURAL:				
Parks and playgrounds	1,706,523	46,265		1,752,788
Civic Center	3,206,409	60,887		3,267,296
Total recreational and cultural	4,912,932	107,152	-	5,020,084
Total general fixed assets	$ 13,265,439	$ 1,774,535	$ 797,593	$ 14,242,381

See notes to financial statements.

OTHER SUPPLEMENTARY INFORMATION SECTION

CITY OF THIBODAUX, LOUISIANA

Schedule of Compensation of Council Members
For the year ended December 31, 2002

Included in the expenditures of the general fund is the compensation of members of the City Council. A listing of the members and their respective compensation is as follows:

MEMBER	AMOUNT
Lloyd Badeaux	$10,321
Adley Landry	9,600
Chad Mire	482
Eugene Richard	9,600
Jerome Richard	11,400
Varrick Taylor	9,166
Jimmie Winston	428
Total	$50,997

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues and Expenses
Municipal Waterworks, Electric & Power Plant System Fund
For the year ended December 31, 2002

	Water System	Electric System	Totals
OPERATING REVENUES			
Charges for services	$ 890,565		$ 890,565
OPERATING EXPENSES			
Personnel services	532,592		532,592
Operating supplies	166,781		166,781
Equipment expenses	44,352		44,352
Building expenses	94,105		94,105
Outside services	12,565		12,565
General operating	72,829		72,829
General administrative	3,906		3,906
Capital projects	153,545		153,545
Depreciation	216,043		216,043
Total operating expenses	1,296,718		1,296,718
Operating income (loss)	(406,153)		(406,153)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	252,158		252,158
Interest expense	(5,812)		(5,812)
Intergovernmental	3,222		3,222
Electric franchise fee		$ 226,068	226,068
Miscellaneous - net	55,192		55,192
Total non-operating revenues	304,760	226,068	530,828
Net income (loss) before operating transfers	(101,393)	226,068	124,675
OPERATING TRANSFERS IN (OUT)	(1,612,125)	(333,001)	(1,945,126)
NET INCOME (LOSS)	(1,713,518)	(106,933)	(1,820,451)
DEPRECIATION ON CONTRIBUTED ASSETS	100,348		100,348
INCREASE (DECREASE) IN RETAINED EARNINGS	$ (1,613,170)	$ (106,933)	$ (1,720,103)

CITY OF THIBODAUX, LOUISIANA

Statement of Revenues and Expenses
Municipal Gas & Sewer System Fund
For the year ended December 31, 2002

	Gas System	Sewer System	Totals
OPERATING REVENUES			
Charges for services	$ 1,679,743	$ 976,012	$ 2,655,755
OPERATING EXPENSES			
Gas purchased	1,043,660		1,043,660
Personnel services	282,412	332,457	614,869
Operating supplies	31,957	56,309	88,266
Equipment expenses	19,247	61,964	81,211
Building expenses	5,379	136,880	142,259
Outside services	2,067	53,819	55,886
General administrative	3,902	1,839	5,741
General operating	20,451	256,689	277,140
Capital projects	12,111	306,899	319,010
Depreciation	185,805	237,509	423,314
Total operating expenses	1,606,991	1,444,365	3,051,356
Operating income (loss)	72,752	(468,353)	(395,601)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	99,052	99,052	198,104
Interest and fiscal charge		(175,283)	(175,283)
Intergovernmental	43,287	479,287	522,574
Miscellaneous-net	5,282	5,282	10,563
Total non-operating revenues	147,621	408,338	555,958
Net income (loss) before operating transfers	220,373	(60,016)	160,357
NET INCOME (LOSS)	220,373	(60,016)	160,357
DEPRECIATION ON CONTRIBUTED ASSETS	120,409	23,454	143,863
INCREASE (DECREASE) IN RETAINED EARNINGS	$ 340,782	$ (36,562)	$ 304,220

CITY OF THIBODAUX, LOUISIANA
DECEMBER 31, 2002
(Unaudited information)

The following information is presented as required by certain bond covenants in effect:

# of Metered Natural Gas Customers:	**475**	**commercial**
	3,525	**residential**
	4,000	**total**
# of Metered Water & Sewerage Customers:	**928**	**commercial**
water customers are metered, sewerage	**4,818**	**residential**
is a charge based on water consumption	**5,746**	**total**

CITY OF THIBODAUX, LOUISIANA

Schedule of Insurance in Force
December 31, 2002
(Unaudited)

Limit	Risks Covered	Company/Agent	
$ 1,000,000	Auto Liability	St. Paul Fire & Marine/Jones	6/1/02-03
$ 1,000,000	General Liability	St. Paul Fire & Marine/Jones	6/1/02-03
$ 2,000,000	Public Officials	St. Paul Fire & Marine/Jones	6/1/02-03
$ 1,000,000	Police Liability	St. Paul Fire & Marine/Jones	6/1/02-03
Statutory	Workmen's Compensation	LA Workmen's Comp/Sternfels	1/01/02-03
$ 337,833	Physical Damage on truck	Great American/Sternfels	07/18/02-03
$ 20,000,000	Boiler & Machinery	Hartford/Sternfels	12/31/00-03
$ 16,835	Physical Damage - Malibu	Progressive/Sternfels	07/18/02-03
$ 17,923	Physical Damage - Intrepid	Progressive/Sternfels	07/18/02-03
$ 100,000	Employee/Faith Performance	Fidelity & Deposit/Sternfels	5/27/02-03
$ 100,000	Police/Honesty Bond	Fidelity & Deposit/Sternfels	5/27/02-03
$ 20,000	Contents - Dixie Bldg	Lafayette Insurance/Riviere Ins.	9/25/02-03
$ 1,000,000	Auto Liability - Fire Dept	American Alternative Ins./Riviere	10/11/02-03
$ 100,000	Public Official Bond on President of Council	Fidelity & Deposit/Riviere	3/1/02-03
$ 100,000	Public Official Bond on Finance Director	Fidelity & Deposit/Riviere	3/1/02-03
$ 100,000	Public Official Bond on Finance Secretary	Fidelity & Deposit/Riviere	3/1/02-03
$ 100,000	Public Official Bond on Mayor	Fidelity & Deposit/Peltier	12/14/02-03
$ 53,000	Inland Marine Physical Damage	Lafayette Ins./Riviere	12/19/02-03

REPORTS REQUIRED BY GAO & OMB

CITY OF THIBODAUX, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2002

Federal Grantor/Program Title	Grant Number	CFDA Number	Revenue Recognized	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Section 8 Cluster:				
Section 8 Housing Choice Voucher Program	LA194VO	14.871	$ 774,133	$ 770,045
Total Section 8 Cluster			774,133	770,045
Community Development Block Grant	B-00-MC-22-0012	14.218 *	128,868	128,868
Entitlement	B-01-MC-22-0012	14.218 *	295,501	295,501
	B-02-MC-22-0012	14.218 *	21,147	21,147
	B-03-MC-22-0012	14.218 *	126	126
Total Community Development Block Grants			445,642	445,642
Pass thru the Louisiana State Department of Social Services				
Office of Community Services:				
2000 HUD Emergency Shelter Grant	CFMS # 559276	14.231	17	17
2001 HUD Emergency Shelter Grant	CFMS # 570981	14.231	17,282	16,861
Total HUD Emergency Shleter Grants			17,299	16,877
Total U.S. Department of Housing and Urban Develoment			**1,237,074**	**1,232,564**
U.S. DEPARTMENT OF JUSTICE				
Local Law Enforcement Block Grant	2000-LB-BX-0261	16.592		43,459
	2001-LB-BX-1733	16.592	-	10,025
	2002-LB-BX-0030	16.592	42,662	3,468
Total Local Law Enforcement Block Grants			42,662	56,953
COPS Universal Hiring Grant	2000-UM-WX-0147	16.712	172,285	172,285
Pass Thru the Louisiana Local Commission on Law Enforcement and Administration of Criminal Justice:				
Street Sales Disruption	B00-7-010	16.579	29,156	33,081
Street Sales Disruption	B02-7-015	16.579	7,640	10,576
			36,796	43,657
Total U.S. Department of Justice			**251,743**	**272,895**
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed thru the State of Louisiana Office of Emergency Preparedness				
Disaster Relief (Allison)	1380 DR-LA 057-75425-00	83.544 *	93,992	245,253
Disaster Relief (Isidore)	1435 DR-LA 057-75425-00	83.544 *	37,456	31,106
Disaster Relief (Lili)	1437 DR-LA 057-75425-00	83.544 *	41,651	48,041
Total Disaster Relief			173,099	324,400
Hazard Mitigation Grants:				
Bayou Lane	1049-057-0003	83.548	7,500	25,477
Rienzi Subdivision	1049-057-	83.548	13,250	64,389
Goode Street Drainage Improvement	1380-057-0016	83.548		22,287
Tiger Drive Drainage Outfall Canal Improvement	1380-057-0026	83.548		7,314
Rienzi Subdivision Drainage	1380-057-0033	83.548		35,838
Arms Street Drainage Improvements	1380-057-0034	83.548		18,150
Bayou Lafourche Outfall Control Gates	1380-057-0035	83.548		17,124
Canal Boulevard Ditch Widening Project	1380-057-0036	83.548		5,205
Total Hazard Mitigation Grants			20,750	195,784
Total Federal Emergency Management Agency			**193,849**	**520,183**
U.S. DEPARTMENT OF TRANSPORTATION				
Passed thru South Central Planning				
Thibodaux Police Department Equipment Grant		20.600	2,691	2,707
Total U.S. Department of Transportation			**2,691**	**2,707**
TOTAL FEDERAL FINANCIAL ASSISTANCE			**$ 1,685,357**	**$ 2,028,349**

*Denotes major program.

CITY OF THIBODAUX, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2002

Note 1 **SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133 AND SINGLE AUDIT ACT OF 1984**

All Federal grant awards activity of the City of Thibodaux, Louisiana are included in the scope of the OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.

The United States Department of Housing and Urban Development is the Government's oversight audit agency for the single audit.

Note 2 **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as current assets. Expenditures are generally recognized when the liability is incurred. Revenues recognized on the schedule include state and local matches. Expenditures recognized on the schedule include federal, state, and local expenditures.

Note 3 **DEFINITION OF MAJOR PROGRAMS**

The Single Audit Act defines a major program based on the total federal awards expended during the year. Based on the total expenditures as listed on the Schedule of Expenditures of Federal Awards major programs are those with expenditures in excess of $300,000.

Note 4 **FEDERAL CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The CFDA numbers included in this report were determined based on the program name, review of grant contract information and the OMB's Catalogue of Federal Domestic Assistance.

STAGNI & COMPANY, LLC

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF PRIMARY GOVERNMENT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Charles Caillouet, Mayor
and Members of the City Council
City of Thibodaux, Louisiana

We have audited the primary government financial statements and the combining, individual fund and account group financial statements of the City of Thibodaux, Louisiana, as of and for the year ended December 31, 2002, and have issued our report thereon dated May 21, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the City of Thibodaux, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as 2002-1 and 2002-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Thibodaux, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parities. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
May 21, 2003

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Charles Caillouet, Mayor
and Members of the City Council
City of Thibodaux, Louisiana

Compliance

We have audited the compliance of the City of Thibodaux, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs as of and for the year ended December 31, 2002. The City of Thibodaux's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Thibodaux's management. Our responsibility is to express an opinion on the City of Thibodaux's compliance based on our audit.

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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Thibodaux's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the City of Thibodaux's compliance with those requirements.

In our opinion, the City of Thibodaux complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2002-3.

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Internal Control over Compliance

The management of the City of Thibodaux, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Thibodaux's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parities. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
May 21, 2003

CITY OF THIBODAUX, LOUISIANA

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2002

We have audited the financial statements of the City of Thibodaux, Louisiana as of and for the year ended December 31, 2002, and have issued our report thereon dated May 21, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the provisions of OMB Circular A133. Our audit of the financial statements as of December 31, 2002 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Type of Opinion On Compliance For Major Programs Unqualified ☒ Qualified ☐ Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

☒ Yes ☐ No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)
14.218	Community Development Block Grant - Entitlement
83.544	Disaster Relief

Dollar threshold used to distinguish between Type A and Type B Programs: $300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☒ Yes ☐ No

2002-1 **BID LAW COMPLIANCE –PUBLIC WORKS CONTRACTS**

Criteria: According to Louisiana Revised Statue 38:2212 All public works over $100,000 including labor and materials by a public entity shall be: advertised and advertisement shall be published once a week for three different weeks in a newspaper in the locality; the first advertisement shall appear at least 25 days before the opening of bids.

Condition: The 2002 Street Improvement Project had a bid opening date of April 10, 2002 and was published on March 11, 2002. The publication does meet the 25-day requirement; however, the bid law requires it to be published once a week for three different weeks. It was published only once.

Effect: The City failed to comply completely with bid law procedures.

Cause: Many times the City allows the engineers to prepare the documents for the publication for public works contracts. The engineer is supposed to bring the documents to the Council Administrator for verification that the documents are in proper form and will be published correctly. The engineer must have brought the documents to the newspaper without going through this process.

Questioned Costs: None.

Recommendation: The City should continue to allow the engineers who are probably more qualified to prepare the documents for publication. However, compliance with the bid law is the City's responsibility and should be the one who has the documents published and monitors compliance with all aspects of the bid law.

2002-2 **BID LAW COMPLIANCE – PUBLICATION**

Criteria: According to Louisiana Revised Statue 38:2212 Section A (3) (b), Bid advertisements for materials and supplies should be published two times in the newspaper in the locality, the first advertisement to appear at least fifteen days before the opening of bids.

Condition: Bids were advertised for a sweeper with publication dates of January 27 and 29, 2002. The bid opening was performed on February 7, 2002, which is only 11 days after the first publication date.

Effect: The City failed to comply properly with bid law procedures.

Cause: Unknown.

Questioned Costs: None.

Recommendation: The City should monitor publication date requirements so as to comply with the bid law.

2002-4 **FEMA DISASTER RELIEF – LABOR CALCULATIONS**

Criteria: According to allowable costs for Direct Labor criteria for the FEMA Disaster Relief Program, "For debris removal and emergency protective measures, only overtime labor is eligible for permanent employees, regardless of normal duties or assignments. Regular time, which is defined by the entity's established compensation policy, is not eligible for permanent employees. For permanent work, both regular time and overtime are eligible for all employees. If an applicant has a policy for providing compensatory time in place of overtime, FEMA reimbursement will be based on that policy, and reimbursement at premium rates for overtime hours is not eligible. Costs for compensatory time are eligible at regular rates, but must be part of the official time-keeping system." Also " Labor for both foremen and supervisors may be eligible for work forces engaged in disaster-related field activities. However, the salaries of commissioners, mayors, department directors, police and fire chiefs, and other administrators usually are not eligible."

Condition: For Tropical Storm Isidore and Hurricane Lili, which were declared disasters, the City of Thibodaux paid emergency weather pay to employees at regular rates for a normal work hours as per the compensatory policy in place and also paid all City employees who worked during the disaster for hours worked at regular rates in addition to the weather pay. The City was reimbursed by FEMA calculations for hours worked at overtime rates instead of regular rates thereby causing 1/3 of the total labor claim to be a questioned cost which is $ 14,727.99. Also the City was reimbursed for the Public Works Director totaling $1,866.98 and one employee's rates were calculated incorrectly $58.28.

Effect: The City was incorrectly reimbursed by FEMA as per the allowable costs requirements.

Cause: The City relied on and accepted the FEMA field representative's calculations for the labor reimbursements.

Questioned Costs: $16,653.

Recommendation: The City should appoint someone knowledgeable of the guidelines to recalculate all reimbursement calculations and apply the allowable cost requirements to assure compliance.

CITY OF THIBODAUX, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended December 31, 2002

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
NONE	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NONE	
SECTION III - MANAGEMENT LETTER	
NONE	

CITY OF THIBODAUX, LOUISIANA

Corrective Action Plan

Year Ended December 31, 2002

REFERENCE	DESCRIPTION OF FINDING:	CORRECTIVE ACTION:	CONTACT:	COMPLETION DATE:
SECTION I -	INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS			
2002-1	BID LAW COMPLIANCE - PUBLIC WORKS CONTRACTS	Engineers shall submit all bid documents to the Council Administrator to monitior and publish all bid documents in compliance with all aspects of the state public bid law.	Tommy Eschete Council Administrator	5-Jun-03
2002-2	BID LAW COMPLIANCE - PUBLICATION	The Council Administrator shall monitor all publication date requirements so as to comply the state public bid law.	Tommy Eschete Council Administrator	5-Jun-03
SECTION II -	INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS			
2002-3	FEMA DISASTER RELIEF LABOR CALCULATIONS	The Senior Account Technician shall recalculate all reimbursement calculations and apply the allowable cost requirements to assure compliance.	Jessica Hebert Senior Accountant	5-Jun-03
SECTION III -	MANAGEMENT LETTER			
NOT ISSUED				

NOTES TO SCHEDULE:

This schedule includes all current audit findings and management letter comments.

In the reference number, the first 4 digits are the year that the audit finding related to.