



# **ANNUAL FINANCIAL REPORT**

**For the Year Ended**

**December 31, 2012**

**CITY OF THIBODAUX**  
**ANNUAL FINANCIAL REPORT**  
For the Year Ended December 31, 2012

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# ***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Thibodaux City Council,  
City of Thibodaux, Louisiana  
Thibodaux, LA

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Thibodaux, Louisiana (the City), as of and for the year ended December 31, 2012, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic 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 Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

The financial statements do not include the financial data for the City's legally separate component units, the City Court of Thibodaux, Louisiana and the Thibodaux Volunteer Fire Department, Inc. Accounting principles generally accepted in the United States of America require the financial data for those government units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the effect on the assets, liabilities, net assets, revenues and expenses of the aggregate discretely presented component units is not known.

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

***Opinions***

In our opinion because of the omission of the discretely presented component units, as discussed previously, the financial statements referred to previously, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the City of Thibodaux, Louisiana, as of December 31, 2012 or the changes in financial position for the year then ended.

In addition In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information as of December 31, 2012 and the respective changes in financial position and cash flows, and the respective budgetary comparison schedules for the major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Thibodaux, Louisiana's basic financial statements. The supplementary information section (combining and individual fund financial statements) and other supplementary information section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards 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 also not required part of the financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The other supplementary information in Schedule 3-Schedule of Utility Customers and Schedule 4-Schedule of Insurance in Force have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated May 16, 2013, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*  
Thibodaux, Louisiana  
May 16, 2013



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **City of Thibodaux, Louisiana**

For the Year Ended December 31, 2012

The Finance Department, Accounting Division is responsible for the overview and analysis of the financial activities of the City of Thibodaux, Louisiana (the City) for the year ended December 31, 2012. The narrative provided is designed to introduce the financial highlights and offer an overview of our financial statements.

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

### **FINANCIAL HIGHLIGHTS**

Assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$61.2 million (net assets). Of this amount, \$8.6 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net assets decreased by \$3 million during 2012. The business-type net assets decreased by approximately \$0.1 million in 2012.

At the end of our current fiscal year, the City's governmental funds reported combined ending fund balances of \$9.5 million, with a decrease of approximately \$1.0 million in comparison with the prior year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

#### **Government-Wide Financial Statements**

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

The Statement of Net Position reported in Statement A presents information on all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund presentation in Statements C through F is presented on a sources and uses of liquid resources basis. This is the manner in which the financial budget is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information

may be useful in evaluating a government's current financing requirements. The City has presented the following major funds: General Fund, Section 8 Grant Fund and Capital Projects Fund.

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

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

### **Capital Assets**

General capital assets include land, improvements to land, easements, buildings, vehicles, machinery and equipment, infrastructure and all other tangible assets that are used in operations and that exceed the City's capitalization threshold explained in Note 7 accompanying the financial statements. All projects completed and acquisitions occurring in calendar year ended December 31, 2012 have been capitalized.

### **Other Information**

#### ***Notes to the Financial Statements***

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

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

The combining statements referred to earlier in connection with the non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules include Schedule 2.1-3.1 of the report.

Other supplementary financial information can be found in Schedules 4.1 through 4.4 of this report. Also included in the report are the *Government Auditing Standards* and the Office of Management and Budget A-133 Single Audit auditor reports, findings and schedules.

### Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2012, with comparative figures from 2011:

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
<b>Assets</b>						
Current and Other	\$ 12.8	\$11.6	\$ 5.2	\$ 5.3	\$18.0	\$16.9
Restricted	-	-	1.2	1.3	1.2	1.3
Capital	34.5	33.3	20.2	22.7	54.7	56.0
<b>Total Assets</b>	<b>47.3</b>	<b>44.9</b>	<b>26.6</b>	<b>29.3</b>	<b>73.9</b>	<b>74.2</b>
<b>Liabilities</b>						
Current	1.5	1.3	1.6	2.4	3.1	3.7
Long-term	3.2	4.2	3.2	5.1	6.4	9.3
<b>Total Liabilities</b>	<b>4.7</b>	<b>5.5</b>	<b>4.8</b>	<b>7.5</b>	<b>9.5</b>	<b>13.0</b>
<b>Net Assets</b>						
Net Invested in Capital	34.5	33.3	17.4	17.9	51.9	51.2
Restricted	1.6	0.1	0.7	1.3	2.3	1.4
Unrestricted	6.5	6.0	3.7	2.6	10.2	8.6
	<u>\$ 42.6</u>	<u>\$39.4</u>	<u>\$21.8</u>	<u>\$21.8</u>	<u>\$64.4</u>	<u>\$61.2</u>

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

Approximately 84% of the City's net assets as of December 31, 2012 reflects the government's net investment in capital assets (land, construction in progress, buildings, infrastructure, machinery and equipment net accumulated depreciation) less any related outstanding debt used to acquire those assets that is still outstanding. The City government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 2% of the government's net assets are subject to external restrictions as to their use. The remaining unrestricted net assets of 14% are available for future use as directed by the Mayor and the City Council to meet ongoing obligations of the government to citizens and creditors. The table below provides a summary of the changes in net assets:

	(in millions)					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2011	2012
<b>Revenue</b>	2011	2012	2011	2012	2011	2012
<b>Program Revenue:</b>						
Charges for services	\$ 1.5	\$ 1.4	\$ 6.8	\$ 6.3	\$ 8.3	\$ 7.7
Operating Grants	1.5	1.7	-	-	1.5	1.7
Capital Grants	0.1	0.4	0.4	-	0.5	0.4
<b>General Revenue</b>						
Property Taxes	1.3	1.4	-	-	1.3	1.4
Sales Taxes	8.7	9.2	-	-	8.7	9.2
Other Taxes	0.7	0.7	-	-	0.7	0.7
Unrestricted Investment Earnings	-	.1	-	-	-	.1
Non-specific Grants	0.5	0.4	-	0.4	0.5	0.8
Other	0.2	0.1	-	(0.1)	0.2	0.0
<b>Total Revenue</b>	<u>14.5</u>	<u>15.4</u>	<u>7.2</u>	<u>6.6</u>	<u>21.7</u>	<u>22.0</u>
<b>Expenses</b>						
General Government	\$ 3.0	\$ 4.7	\$ -	\$ -	\$ 3.0	\$ 4.7
Public Safety	7.0	7.2	-	-	7.0	7.2
Public Works	3.6	2.8	-	-	3.6	2.8
Culture & Recreation	4.0	4.0	-	-	4.0	4.0
Waterworks	-	-	1.8	1.8	1.8	1.8
Gas & Sewerage	-	-	4.1	3.2	4.1	3.2
Garbage Collection	-	-	1.2	1.5	1.2	1.5
<b>Total Expenses</b>	<u>17.6</u>	<u>18.7</u>	<u>7.1</u>	<u>6.5</u>	<u>24.7</u>	<u>25.2</u>
<b>Excess (deficiency) in Revenues over Expenses</b>	(3.1)	(3.3)	0.1	0.1	(3.0)	(3.2)
Transfers in (out)	(0.1)	0.1	0.1	(0.1)	-	-
<b>Increase (Decrease) in Net Position</b>	(3.2)	(3.2)	0.2	-	(3.0)	(3.2)
<b>Net Assets</b>						
Beginning	45.8	42.6	21.6	21.8	67.4	64.4
Ending	<u>\$ 42.6</u>	<u>\$ 39.4</u>	<u>\$ 21.8</u>	<u>\$ 21.8</u>	<u>\$ 64.4</u>	<u>\$ 61.2</u>

The government's net assets decreased by \$3.2 million during the current fiscal year.

*Governmental Activities* net assets decreased by \$3.2 million in 2012, primarily due to an increase in general government, public safety, and culture and recreation expenses and a decrease in grants and other revenue.

*Business-Type Activities* net assets remained the same as at the end of 2011.

## **Financial Analysis of the Government's Funds**

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

The combined fund balance of the City's governmental funds at December 31, 2012 was \$9.5 million as compared to \$10.6 million at December 31, 2011, a decrease of \$1.1 million. Approximately 80% (\$7.6 million) of total fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The restricted fund balance totaled \$0.1 million due to restrictions by external parties. The committed fund balance totaled \$1.7 million for Public Safety and Public Works. The 2012 assigned fund balance amount of \$0.1 million represents amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. At year-end, the unassigned fund balance for the General Fund was \$7.6 million, or 50% of total 2012 General Fund expenditures.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately \$7.5 million, a decrease of approximately \$.9 million at the end of 2012.

Other major funds include the Section 8 Housing Special Revenue Fund and Capital Project Fund.

At the end of the current fiscal year, the fund balance of the Section 8 Housing Fund, all of which is restricted specifically for the Section 8 federal program was approximately \$91,000, a significant decrease of approximately half of the beginning fund balance at the end of 2012.

The Capital Project Fund in total remained approximately the same fund balance as 2012.

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

The Municipal Waterworks Fund of the City had unrestricted net assets of \$2.6 million at December 31, 2012. The Municipal Waterworks Fund is used to account for water services to all areas of the City. This fund encompasses all assets associated with potable water production and distribution. This fund ended the year with \$0.4 million dollar operating income. Investment in capital assets, net of related debt at the end of the current fiscal year totaled \$7.6 million.

The Municipal Gas & Sewerage System Fund of the City had unrestricted deficit of \$0.3 million at December 31, 2012. This fund encompasses all assets associated with sewerage and natural gas operations, maintenance and capital improvements held by the City. The Gas System ended the year with a \$0.2 million operating loss while the Sewerage System ended with a \$0.1 million operating loss for a combined operating loss at year-end of \$0.3 million. Investment in capital assets, net of related debt at the end of the current fiscal year totaled \$10.2 million.

The Garbage Collection Fund had \$0.3 million in unrestricted net assets at December 31, 2012. This fund encompasses all assets associated with garbage collection. The fund ended the year with an operating loss of \$0.3 million. There was no investment in capital assets at the end of the current fiscal year.

### **General Fund Budgetary Highlights**

The budget was amended twice during the year. The primary reason for amending the budget was to prevent compliance violations under state laws. Material differences between actual results and budgeted amounts in the General Fund are as follows:

- Sales and Use Taxes had a favorable variance of \$537,433.
- Investment income had a favorable variance of \$6,028.
- Video Poker Revenue had a favorable variance of \$33,498.
- Ad Valorem had a favorable variance of \$16,694.
- Court Fines had a favorable variance of \$16,007.
- Entergy Franchise Fee had an unfavorable variance of \$43,047.
- Telephone Franchise Fee had a favorable variance of \$20,139.
- FAA Entitlement Grant had a favorable variance of \$126,841.
- Culture & Recreation – Warren J. Harang, Jr. Auditoriums – service charges had a favorable variance of \$9,893.
- Finance Administration – personal services expenditures had a favorable variance of \$16,082.
- Airport – Capital Outlay expenditures had an unfavorable variance of \$81,491.
- Public Safety – City Police – personal services expenditures had an unfavorable variance of \$52,802.
- Fire Prevention – Building expenditures had a favorable variance of \$17,909.
- Public Works – Streets & Drainage – personal services expenditures had a favorable variance of \$36,340.
- Culture & Recreation – Recreation – personal services expenditures had a favorable variance of \$23,978.
- Culture & Recreation – Parks – personal services expenditures had a favorable variance of \$30,253.

## Capital Asset and Debt Administration

**Capital Assets:** The City of Thibodaux's investment in capital assets for its governmental and business-type activities as of December 31, 2012, amounts to \$56 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, buildings and improvements, furnishings and equipment, gas and water utility systems, sewer system facilities, roads, highways and drainage systems. The total increase in the City's investment in capital assets (net of depreciation) for the current fiscal year was \$1.3 million, a 3.5% decrease for governmental activities and a 12.4% increase for business-type activities.

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

- Renovations to Red Cross Building (City Admin Offices) \$ 181,214
- 2011 CDBG – Drainage – St. Charles Street \$ 162,206
- Sewer & Road Rehabilitation – Plantation Road \$ 107,104

The current projects were in progress at December 31, 2012:

- FAA Airport Entitlement Project \$ 126,841
- Sewer Upgrade Feasibility Study – N. 9<sup>th</sup>, Olive & Badt \$ 623,516
- Stark Complex Additions & Renovations \$ 126,057
- City Hall Waterproofing \$ 68,019
- East Sector Water Distribution Upgrade \$5,423,876
- LA 20 Widening \$ 22,868
- ROW and Waterline Relocation – Tiger Drive Bridge \$ 30,720

City of Thibodaux  
Capital Assets  
(Net of Depreciation)  
December 31, 2012 and 2011  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
Land	\$ 4.3	\$ 4.3	\$ 0.3	\$ 0.3	\$ 4.6	\$ 4.6
Buildings & Improvements	5.9	5.5	-	-	5.9	5.5
Infrastructure	21.9	20.6	-	-	21.9	20.6
Furnishings & Equipment	2.2	2.2	-	-	2.2	2.2
Water Production & Distribution System	-	-	6.3	6.0	6.3	6.0
Sewer System & Equipment	-	-	7.1	6.7	7.1	6.7
Gas Distribution System	-	-	3.5	3.3	3.5	3.3
Construction in progress	0.2	0.7	3.0	6.4	3.2	7.1
<b>Total</b>	<b>\$ 34.5</b>	<b>\$ 33.3</b>	<b>\$ 20.2</b>	<b>\$ 22.7</b>	<b>\$ 54.7</b>	<b>\$ 56.0</b>

Additional information on the City’s capital assets can be found in Note 7 of this report.

**Long-term Debt:** At the end of the current fiscal year, the City had total bonded debt outstanding of \$4.8 million.

City of Thibodaux  
 Summary of Outstanding Debt at Year-end  
 December 31, 2012 and 2011  
 (in millions)

	Business-type Activities	
	2011	2012
Utilities Revenue Bond Series 1997	0.9	0.8
Utilities Revenue Refunding Bond Series 2010	-	-
Water Revenue Bonds Series 2010B	1.8	4.0
Total Outstanding	\$ 2.7	\$ 4.8

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

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

The proposed budget for the year ending December 31, 2013, results in an operating deficit of \$4.2 million. The operating deficit is the result of anticipated General Fund expenditures exceeding revenues by approximately \$3.5 million. General fund revenues are expected to remain approximately the same as compared to 2012. Approximate General Fund expenditure (including capital outlay) increases are anticipated in the following functions: \$322,000 in general government, \$314,000 in public safety, \$339,000 in streets, \$490,000 in economic development assistance (airport) and \$468,000 in culture and recreation.

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

- The budget planning began with the assumption that some of our revenues would produce little or no growth. In the years past, these revenues have shown significant highs and lows. With this in mind, it has been the City’s practice to budget no increase for these proceeds.
- Sales Tax collections support the operations of the General Fund and the Capital Projects Fund. The City experienced a 6.5% increase in growth in sales tax collections from 2011 to 2012. For prudent planning, the City did not budget any change in 2013 collections as compared to the 2012 estimated projections.

- Ad Valorem taxes are proposed at no growth for 2013.
- An increase in the monthly garbage collection fee from \$18.29 to \$18.61 was enacted in February 2013, due to the annual CPI adjustment made in compliance with the SWDI contract. An increase in the monthly garbage collection fee from \$18.61 to \$19.65 was enacted in April 2013 as per the new contract.

### **Requests for Information**

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

# CITY OF THIBODAUX, LA

## Statement of Net Position

December 31, 2012

Statement A

	Primary Government		
	Governmental	Business Type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,196,490	\$ 3,318,544	\$ 7,515,034
Investments	4,441,709	-	4,441,709
Receivables (net)	887,793	848,316	1,736,109
Due from Other Governments	2,069,772	1,112,245	3,182,017
Restricted Assets			
Cash and cash equivalents	-	564,291	564,291
Investments	-	776,163	776,163
Capital Assets			
Non-depreciable	4,946,686	-	4,946,686
Net Depreciable	28,366,581	22,719,844	51,086,425
Total assets	44,909,031	29,339,403	74,248,434
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,136,176	693,082	1,829,258
Accrued interest payable	-	20,942	20,942
Other current liabilities	137,305	474,810	612,115
Due to Other Governmental Units	5,391	-	5,391
Liabilities payable from restricted assets	-	1,262,121	1,262,121
Non-current liabilities			
Due within one year	268,105	40,270	308,375
Due in more than one year	3,951,404	5,052,265	9,003,669
Total liabilities	5,498,381	7,543,490	13,041,871
<b>NET POSITION</b>			
Net Invested in capital assets	33,313,267	17,861,612	51,174,879
Restricted for:			
Federal Grants	91,125	-	91,125
Debt Service	-	1,340,454	1,340,454
Unrestricted	6,006,258	2,593,847	8,600,105
Total net assets	\$ 39,410,650	\$ 21,795,913	\$ 61,206,563

See notes to financial statements.

**CITY OF THIBODAUX**  
Statement of Activities  
For the Year Ended December 31, 2012

Statement B

<b>Primary Government</b>				
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants &amp; Contributions</b>	<b>Capital Grants &amp; Contributions</b>
<b>Governmental Activities:</b>				
General Government	\$ 4,762,475	\$ 928,582	\$ 1,536,890	\$ 61,248
Public Safety	7,238,791	9,088	29,974	-
Public Works	2,730,482	79,248	130,681	360,230
Culture and Recreation	3,952,176	411,250	12,300	-
Total governmental activities	18,683,924	1,428,168	1,709,845	421,478
<b>Business-Type Activities:</b>				
Waterworks	1,785,460	2,217,622	-	-
Gas & Sewer	3,196,900	2,867,319	-	-
Garbage Collection	1,536,908	1,232,269	-	-
Total business-type activities	6,519,268	6,317,210	-	-
<b>Totals</b>	<b>\$ 25,203,192</b>	<b>\$ 7,745,378</b>	<b>\$ 1,709,845</b>	<b>\$ 421,478</b>

See notes to financial statements.

**CITY OF THIBODAUX**  
Statement of Activities  
For the Year Ended December 31, 2012

Statement B

<b>Primary Government</b>			
	<b>Net (Expense) Revenue</b>		
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b>Governmental Activities:</b>			
General Government	\$ (2,235,755)	\$ -	\$ (2,235,755)
Public Safety	(7,199,729)	-	(7,199,729)
Public Works	(2,160,323)	-	(2,160,323)
Culture and Recreation	(3,528,626)	-	(3,528,626)
Total governmental activities	<u>(15,124,433)</u>	<u>-</u>	<u>(15,124,433)</u>
<b>Business-Type Activities:</b>			
Waterworks	-	432,162	432,162
Gas & Sewer	-	(329,581)	(329,581)
Garbage Collection	-	(304,639)	(304,639)
Total business-type activities	<u>-</u>	<u>(202,058)</u>	<u>(202,058)</u>
	(15,124,433)	(202,058)	(15,326,491)
<b>General revenues</b>			
Taxes:			
Ad Valorem	1,385,807	-	1,385,807
Sales	9,237,433	-	9,237,433
Franchise taxes	599,580	-	599,580
Lafourche Parish Recreation Tax	105,000	-	105,000
Unrestricted investment earnings	49,694	25,417	75,111
Grants not restricted to specific programs	354,699	372,175	726,874
Transfers (to) from other funds	96,450	(96,450)	-
Other	82,876	(151,149)	(68,273)
Total general revenues	<u>11,911,539</u>	<u>149,993</u>	<u>12,061,532</u>
Changes in net position	(3,212,894)	(52,065)	(3,264,959)
Net position, beginning of year	<u>42,623,544</u>	<u>21,847,978</u>	<u>64,471,522</u>
Net position, end of year	<u>\$ 39,410,650</u>	<u>\$ 21,795,913</u>	<u>\$ 61,206,563</u>

See notes to financial statements.

**CITY OF THIBODAUX**  
**Balance Sheet - Governmental Funds**  
**December 31, 2012**

Statement C

	Major Funds				Total
	01	17	65	Non-Major Funds	
	General Fund	Section 8 Housing	Capital Projects Fund		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,123,312	\$ 101,375	\$ 504,792	\$ 678,822	\$ 3,408,301
Investments	4,227,240	-	-	214,469	4,441,709
Receivables	499,077	-	-	388,716	887,793
Due from Other Governments	1,986,493	-	46,005	37,274	2,069,772
<b>TOTAL ASSETS</b>	<b>\$ 8,836,122</b>	<b>\$ 101,375</b>	<b>\$ 550,797</b>	<b>\$ 1,319,281</b>	<b>\$ 10,807,575</b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Expenses	\$ 715,894	\$ 4,553	\$ 20,028	\$ 10,777	\$ 751,252
Accrued Salaries and Benefits	148,624	1,822	-	-	150,446
Contracts and Retainages Payable	14,031	-	-	12,874	26,905
Due to Other Governments	-	-	5,391	-	5,391
Prepaid Revenues	110,400	-	-	-	110,400
Compensated Absences Payable	264,230	3,875	-	-	268,105
<b>TOTAL LIABILITIES</b>	<b>1,253,179</b>	<b>10,250</b>	<b>25,419</b>	<b>23,651</b>	<b>1,312,499</b>
<b>FUND BALANCES</b>					
Restricted:					
Federal and State Grant Programs	-	91,125	-	-	91,125
Committed:					
Public Safety	-	-	-	628,254	628,254
Public Works	-	-	525,378	611,515	1,136,893
Assigned	-	-	-	55,861	55,861
Unassigned	7,582,943	-	-	-	7,582,943
<b>TOTAL FUND BALANCES</b>	<b>7,582,943</b>	<b>91,125</b>	<b>525,378</b>	<b>1,295,630</b>	<b>9,495,076</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,836,122</b>	<b>\$ 101,375</b>	<b>\$ 550,797</b>	<b>\$ 1,319,281</b>	<b>\$ 10,807,575</b>

See notes to financial statements.

## CITY OF THIBODAUX

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position December 31, 2012

Statement D

Total fund balance - governmental funds	\$	9,495,076	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Cost of non-depreciable capital assets	\$	4,946,686	
Cost of depreciable capital assets		53,123,831	
Accumulated Depreciation		<u>(24,757,250)</u>	
			33,313,267
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.			553,711
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
<b>Other postemployment benefit obligations</b>			
Due within one year		-	
Due in more than one year		<u>(3,414,733)</u>	
			(3,414,733)
<b>Compensated absences:</b>			
Due within one year		-	
Due in more than one year		<u>(536,671)</u>	
			<u>(536,671)</u>
Net assets - governmental activities	\$		<u><u>39,410,650</u></u>

See notes to financial statements.

**CITY OF THIBODAUX**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2012**

Statement E

	Major Funds			Non-Major Funds	Total
	001 General Fund	17 Section 8 Housing	65 Capital Projects Fund		
<b>REVENUES</b>					
Taxes	\$ 10,854,430	\$ -	\$ -	\$ 894,813	\$ 11,749,243
Licenses and permits	876,299	-	-	-	876,299
Intergovernmental from:					
Federal Government	226,283	794,602	-	206,392	1,227,277
State Government	426,645	-	153,838	20,000	600,483
Local Government	236,839	-	-	-	236,839
Charges for Services	499,623	-	-	-	499,623
Fines and Forfeitures	186,007	-	-	-	186,007
Miscellaneous	121,900	2,302	1,294	7,074	132,570
<b>Total Revenues</b>	<b>13,428,026</b>	<b>796,904</b>	<b>155,132</b>	<b>1,128,279</b>	<b>15,508,341</b>
<b>EXPENDITURES</b>					
Current :					
General Government	2,966,318	-	-	-	2,966,318
Public Safety	6,899,914	-	-	3,878	6,903,792
Public Works	1,986,683	-	84,582	493,382	2,564,647
Culture and Recreation	2,328,182	979,595	-	-	3,307,777
Capital Outlay	887,792	-	35,192	25,828	948,812
<b>Total Expenditures</b>	<b>15,068,889</b>	<b>979,595</b>	<b>119,774</b>	<b>523,088</b>	<b>16,691,346</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,640,863)</b>	<b>(182,691)</b>	<b>35,358</b>	<b>605,191</b>	<b>(1,183,005)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	701,264	-	-	-	701,264
Transfers Out	-	-	-	(604,814)	(604,814)
Total other financing sources (uses)	<u>701,264</u>	<u>-</u>	<u>-</u>	<u>(604,814)</u>	<u>96,450</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(939,599)</b>	<b>(182,691)</b>	<b>35,358</b>	<b>377</b>	<b>(1,086,555)</b>
<b>FUND BALANCES -</b>					
Beginning of Year	8,522,542	273,816	490,020	1,295,253	10,581,631
End of Year	<u>\$ 7,582,943</u>	<u>\$ 91,125</u>	<u>\$ 525,378</u>	<u>\$ 1,295,630</u>	<u>\$ 9,495,076</u>

See notes to financial statements.

**CITY OF THIBODAUX**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in fund Balance to the Statement of Activities**  
**For the Year Ended December 31, 2012**

		Statement F
Net changes in fund balances - governmental funds		\$ (1,086,555)
<i>Amounts reported for governmental activities in the statement of activities different because:</i>		
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay as per financial statements		948,812
Current year depreciation included in:		
General Government	(85,371)	
Public Works	(1,342,656)	
Public Safety	(334,999)	
Culture & Recreation	<u>(644,399)</u>	
		(2,407,425)
Other asset adjustments/reclassifications		<u>(105,384)</u>
		(1,563,997)
Some revenues (expenses) reported in the statement of activities do not provide current financial resources and therefore are reported as revenues (expenses) in the governmental funds when received.		75,512
Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds:		
Increase in long-term compensated absences		(3,729)
Increase in other postemployment benefits		<u>(767,886)</u>
		(771,615)
The net revenue of the internal service fund is included in governmental activities in the statement of net assets.		<u>133,761</u>
Change in net assets of governmental activities		<u>\$ (3,212,894)</u>

See notes to financial statements.

# CITY OF THIBODAUX

## Statement of Net Position Proprietary Funds December 31, 2012

	Business-type Activities - Enterprise Funds				Statement G Governmental Activities
	41	43	15	Total Enterprise Funds	46
	Municipal Waterworks Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund		Internal Service Fund
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 2,890,563	\$ 182,133	\$ 245,848	\$ 3,318,544	\$ 788,189
Receivables:					
Unbilled service charges	116,213	242,794	68,389	427,396	-
Customers	123,594	218,867	76,314	418,775	-
Accrued interest	386	1,759	-	2,145	-
Due from Other Governments	981,779	17,534	112,932	1,112,245	-
<b>Total current assets</b>	<b>4,112,535</b>	<b>663,087</b>	<b>503,483</b>	<b>5,279,105</b>	<b>788,189</b>
<b>Restricted assets:</b>					
Cash and cash equivalents	403,129	161,162	-	564,291	-
Investments	202,442	573,721	-	776,163	-
<b>Total Restricted Assets</b>	<b>605,571</b>	<b>734,883</b>	<b>-</b>	<b>1,340,454</b>	<b>-</b>
<b>Noncurrent assets:</b>					
<b>Capital Assets</b>					
Land	31,896	245,438	-	277,334	-
Plant and Equipment	18,010,338	25,017,412	-	43,027,750	-
Accumulated Depreciation	(6,365,059)	(14,220,181)	-	(20,585,240)	-
<b>Total Capital Assets</b>	<b>11,677,175</b>	<b>11,042,669</b>	<b>-</b>	<b>22,719,844</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 16,395,281</b>	<b>\$ 12,440,639</b>	<b>\$ 503,483</b>	<b>\$ 29,339,403</b>	<b>\$ 788,189</b>
<b>LIABILITIES</b>					
<b>Current liabilities - Payable from current assets:</b>					
Accounts Payable and Accrued Expenses	\$ 142,039	\$ 345,066	\$ 183,716	\$ 670,821	\$ 234,478
Accrued salaries & benefits	11,523	10,738	-	22,261	-
Contracts and Retainages Payable	442,542	32,268	-	474,810	-
Compensated Absences Payable	21,965	18,304	1	40,270	-
<b>Total payable from current assets</b>	<b>618,069</b>	<b>406,376</b>	<b>183,717</b>	<b>1,208,162</b>	<b>234,478</b>
<b>Current liabilities - Payable from restricted assets:</b>					
Revenue Bonds Payable	218,000	125,000	-	343,000	-
Accrued Interest on Bonds	14,286	6,656	-	20,942	-
Reserve for Restricted Cash	403,129	161,161	-	564,290	-
Customers meter deposits	225,117	129,714	-	354,831	-
<b>Total payable from restricted assets</b>	<b>860,532</b>	<b>422,531</b>	<b>-</b>	<b>1,283,063</b>	<b>-</b>
<b>Noncurrent liabilities:</b>					
Revenue Bonds Payable	3,825,232	690,000	-	4,515,232	-
Compensated Absences Payable	28,962	12,244	-	41,206	-
Other postemployment benefits	200,578	295,249	-	495,827	-
<b>Total noncurrent liabilities</b>	<b>4,054,772</b>	<b>997,493</b>	<b>-</b>	<b>5,052,265</b>	<b>-</b>
<b>Total liabilities</b>	<b>5,533,373</b>	<b>1,826,400</b>	<b>183,717</b>	<b>7,543,490</b>	<b>234,478</b>
<b>NET POSITION</b>					
Net Invested in capital assets	7,633,943	10,227,669	-	17,861,612	-
Restricted for debt service	605,571	734,883	-	1,340,454	-
Unrestricted (deficit)	2,622,394	(348,313)	319,766	2,593,847	553,711
<b>Total Net Assets</b>	<b>10,861,908</b>	<b>10,614,239</b>	<b>319,766</b>	<b>21,795,913</b>	<b>553,711</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 16,395,281</b>	<b>\$ 12,440,639</b>	<b>\$ 503,483</b>	<b>\$ 29,339,403</b>	<b>\$ 788,189</b>

See notes to financial statements.

**CITY OF THIBODAUX**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2012

Statement H

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15	Total Enterprise Funds	46
	Municipal Waterworks Fund	Municipal Gas & Sewerage System Fund	Garbage Collection Fund		Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 2,217,622	\$ 2,867,319	\$ 1,232,269	\$ 6,317,210	\$ -
<b>OPERATING EXPENSES</b>					
Gas purchased	-	942,405	-	942,405	-
Contractual service	-	-	1,186,728	1,186,728	-
Personal services	669,202	692,520	-	1,361,722	-
Operating supplies	256,242	171,079	7,361	434,682	-
Equipment expenses	100,497	97,582	-	198,079	-
Building expenses	122,716	210,969	248	333,933	-
Outside services	81,057	205,590	1,432	288,079	-
General operating	174,378	102,691	341,139	618,208	(131,571)
General administrative	6,701	60,126	-	66,827	-
Depreciation	374,667	713,938	-	1,088,605	-
Total expenses	1,785,460	3,196,900	1,536,908	6,519,268	(131,571)
Operating Income (Loss)	432,162	(329,581)	(304,639)	(202,058)	131,571
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment Income	18,912	5,211	1,294	25,417	2,190
Other non-operating revenues	2,707	8,737	2,849	14,293	-
Intergovernmental	203,221	56,022	112,932	372,175	-
Interest and fiscal charges	(133,552)	(31,890)	-	(165,442)	-
Total Non-Operating Revenues	91,288	38,080	117,075	246,443	2,190
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	523,450	(291,501)	(187,564)	44,385	133,761
Transfers From Other Funds					
41 Water	-	166,291	-	166,291	-
Transfers To Other Funds					
01 General Fund	-	-	(96,450)	(96,450)	-
43 Gas & Sewerage	(166,291)	-	-	(166,291)	-
Total Transfers	(166,291)	166,291	(96,450)	(96,450)	-
<b>CHANGE IN NET POSITION</b>	357,159	(125,210)	(284,014)	(52,065)	133,761
<b>NET POSITION:</b>					
BEGINNING OF YEAR	10,504,749	10,739,449	603,780	21,847,978	419,950
END OF YEAR	\$ 10,861,908	\$ 10,614,239	\$ 319,766	\$ 21,795,913	\$ 553,711

See notes to financial statements.

**CITY OF THIBODAUX**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**

Statement I

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities
	41 Municipal Waterworks Fund	43 Municipal Gas & Sewerage System Fund	15 Garbage Collection Fund		46 Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers & Users	\$ 2,234,551	\$ 3,298,342	\$ 1,213,210	\$ 6,746,103	\$ -
Cash Payments to suppliers/claims expense	(1,354,680)	(2,244,429)	(1,562,642)	(5,161,751)	(131,653)
Cash Payments to Employees	(632,504)	(626,436)	-	(1,258,940)	-
Net Cash Provided by (Used in) Operating Activities	<u>247,367</u>	<u>427,477</u>	<u>(349,432)</u>	<u>325,412</u>	<u>(131,653)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers from (to) other funds Intergovernmental	(166,291)	166,291	(96,450)	(96,450)	-
	203,221	56,022	112,932	372,175	-
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>36,930</u>	<u>222,313</u>	<u>16,482</u>	<u>275,725</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(2,515,762)	3,234	-	(2,512,528)	-
Proceeds from issuance of bonds	2,073,438	-	-	2,073,438	-
Principal paid on outstanding debt	-	(125,000)	-	(125,000)	-
Interest paid on outstanding debt	(133,552)	(31,890)	-	(165,442)	-
Net Cash Provided by (Used in) Operating Activities	<u>(575,876)</u>	<u>(153,656)</u>	<u>-</u>	<u>(729,532)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchases of Investments	223,410	-	-	223,410	-
Maturities of Investments	5,466	(518,215)	-	(512,749)	-
Investment Income	18,912	5,211	1,295	25,418	2,190
Other revenue	2,707	8,737	2,849	14,293	-
Net Cash Provided (Used) by Investing Activities	<u>250,495</u>	<u>(504,267)</u>	<u>4,144</u>	<u>(249,628)</u>	<u>2,190</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(41,084)</b>	<b>(8,133)</b>	<b>(328,806)</b>	<b>(378,023)</b>	<b>(129,463)</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
<b>BEGINNING OF YEAR</b>	<u>3,334,776</u>	<u>351,397</u>	<u>574,654</u>	<u>4,260,827</u>	<u>917,652</u>
<b>END OF YEAR</b>	<u>\$ 3,293,692</u>	<u>\$ 343,264</u>	<u>\$ 245,848</u>	<u>\$ 3,882,804</u>	<u>\$ 788,189</u>

See notes to financial statements.

**CITY OF THIBODAUX**  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2012

Statement I

**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR CONSISTS OF:**

Cash	\$ 2,890,563	\$ 182,133	\$ 245,848	\$ 3,318,544	\$ 788,189
Restricted Cash	<u>403,129</u>	<u>161,162</u>	<u>-</u>	<u>564,291</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 3,293,692</u>	<u>\$ 343,295</u>	<u>\$ 245,848</u>	<u>\$ 3,882,835</u>	<u>\$ 788,189</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH**

**PROVIDED BY (USED IN) OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ 432,162	\$ (329,581)	\$ (304,639)	\$ (202,058)	\$ 131,571
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation and Amortization	374,667	715,557	-	1,090,224	-
(Increase) Decrease in Assets:					
Receivables	11,223	(91,428)	(19,059)	(99,264)	-
Due from Other Governments	(413,786)	17,591	(112,932)	(509,127)	-
Increase (Decrease) in Liabilities:					
Accounts Payable and Accrued Expenses	(199,303)	45,018	87,198	(67,087)	(263,224)
Meter Deposits	5,706	4,236	-	9,942	-
Compensated absences payable	4,484	344	-	4,828	-
Postemployment benefit obligations	<u>32,214</u>	<u>65,740</u>	<u>-</u>	<u>97,954</u>	<u>-</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ 247,367</u>	<u>\$ 427,477</u>	<u>\$ (349,432)</u>	<u>\$ 325,412</u>	<u>\$ (131,653)</u>

See notes to financial statements.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**INTRODUCTION**

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

The more significant of the City's accounting policies are described in these notes to the financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements of the City have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America 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. In the government-wide financial statements (GWFS) and the fund financial statements (FFS) for proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB Pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statements Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements.

**B. 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 the 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.

GASB Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14 established the criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the City and the potential component unit.

**CITY OF THIBODAUX**  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. REPORTING ENTITY (continued)**

4. Imposition of will by the City on the potential component unit.

5. Financial benefit/burden relationship between the City and the potential component unit.

The basic financial statements do not include the following which are considered to be component units:

**City Court of Thibodaux, Louisiana** - The City Court of Thibodaux, Louisiana is fiscally dependent on the City for office space and courtrooms. The City Court Judge and City Marshal are independently elected officials, whose office operations are both accounted for in the City Court of Thibodaux, Louisiana's financial statements. The substance of the relationship between City Court of Thibodaux, Louisiana and the City is that the City has approval authority over its capital budget.

**Thibodaux Volunteer Fire Department Inc. (the Fire Department)** - The Fire Department is a separate, independent non-profit corporation. Management of the Fire Department is by a Board of Directors made up of volunteer firemen who have been elected by the membership of the various fire companies. After being elected by the fire companies' membership, the board members of the Fire Department are approved by the City Council. The Mayor of the City is an ex-officio member of the Board of Directors of the Fire Department. Fiscal dependency exists since the City provides insurance, utilities and various other expenses. The Fire Department also receives financial support from the City in the form of property taxes assessed at a rate of 6.33 mills.

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 City 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 the component unit and from the Clerk of the City Council.

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

**C. BASIS OF ACCOUNTING**

The basic financial statements consist of the GWFS on all of the non-fiduciary activities of the primary government and its non-fiduciary component units and the FFS (individual major fund and combined non-major funds).

**Government-Wide Financial Statements (GWFS)**

The GWFS (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. The GWFS focus is primarily on the sustainability of the City and the change in aggregate financial position resulting from the activities of the fiscal period.

**CITY OF THIBODAUX**  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BASIS OF ACCOUNTING (continued)**

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and fund programs.

Program revenue includes:

- Charges for services to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and
- Grants and contributions that is restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as a restricted property tax.

**Fund Financial Statements (FFS)**

The FFS are very similar to the traditional government fund statements as presented by governments prior to the issuance of the GASB Statement No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

The City uses funds 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped into generic fund types and three broad fund categories.

The fund classifications and a description of each existing fund type follow:

**Governmental Funds**

Governmental funds are used to account for all or most of the governmental activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Major governmental funds include:

1. **01 - General Fund** - the general operating fund of the City and accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is always a major fund.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BASIS OF ACCOUNTING (continued)**

2. Special revenue funds--account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds reported the following funds as major funds:

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

3. Debt service funds account for the accumulation of resources for and the payment of principal and interest on long-term debt and related costs. There are no debt service funds reported as a major fund.

4. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds. The capital project fund reported as a major fund is:

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

**Proprietary Funds**

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. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise funds--account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise Funds reported as major funds in the FFS are as follows:

**CITY OF THIBODAUX**  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. BASIS OF ACCOUNTING (continued)**

- **Municipal Waterworks Fund** - accounts for providing water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.
- **Municipal Gas & Sewerage System Fund** - accounts for providing gas and sewerage services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to; administration, operations, maintenance, financing and related debt service, billing and collection.
- **Garbage Collection Fund** - accounts for operations of the garbage system. Financing is provided by service charges assessed by the City and other fund transfers when necessary. Waste disposal service companies under contract with the City provide collection and disposal services.

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

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for Enterprise Funds and the Internal Service Fund include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. MEASUREMENT FOCUS**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

**Government-wide Financial Statements (GWFS)**

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and the related state revenue sharing are recognized in the year for which they are levied. Ad valorem tax adjustments and deductions are recognized as expenses for the year in which the related property tax revenue is recognized.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. MEASUREMENT FOCUS (continued)**

**Fund Financial Statements (FFS)**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – those resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeitures, and most miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The definition of available means expected to be received within sixty days of the end of the fiscal year except for FEMA reimbursements for which the period is six months.

Non-exchange transactions, in which the City receives value without directly giving value in return, included sales tax, property tax, special assessments, grants, entitlements, and donations. Sales and use taxes are considered “measurable” when the underlying transaction occurs and meets the availability criteria.

Sales and use tax revenues are considered “measurable” when the underlying transaction occurs and meets the availability criteria.

Ad valorem taxes are recognized as revenue of the period in which levied, thus the property taxes levied December 4, 2012 are recorded as revenue for the current year.

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, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose of 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 are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Interest income on investments is recorded when earned. At the time of levy, a special assessment receivable is recognized and is offset by deferred revenues. As the assessment becomes measurable and available, deferred revenues are reduced and the revenue is recognized. In addition, interest earned on special assessments is accrued when due, rather than when earned, because it approximately offsets the related interest expenditures that is also recognized when due. Substantially all other revenues are recorded when they become available.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. MEASUREMENT FOCUS (continued)**

**Expenditures** – are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following:

- Principal and interest on long-term debt are recorded when due, and
- Claims and judgments, group health claims and compensated absences are recorded as expenditures in the governmental fund type when paid with expendable available financial resources.

Allocations of cost such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

**E. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all government funds. Annual appropriated budgets are adopted by the City for the following governmental funds: general, special revenue and capital projects. All annual appropriations lapse at year-end.

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

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 the passage of an ordinance by the City Council.
- (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.
- (7) The budget was amended during the year.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in petty cash, demand deposits, interest-bearing demand deposits, money market accounts, and cash with the state treasury. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955, bond covenants and the City's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments are reported at fair value except for:

- Short-term and money market investments, consisting primarily of US Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and
- The Louisiana Asset Management Pool (LAMP), which is a local government 2a7-like pool administered by a non-profit corporation organized under Stat of LA law, which is permitted to be carried at amortized cost.

All investments are traded in a national or international exchange and are valued at the last reported sales price at current exchange rates. There are no investments without an established market. Unrealized gains and losses on investments recorded at fair value are included in investment income.

**G. ACCOUNTS RECEIVABLE**

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 33 days comprise the trade accounts receivable allowance for uncollectibles. The accounts receivable are written off every 6 months.

Uncollectible receivables due for ad valorem taxes and other governmental activities are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**H. INTERFUND TRANSACTIONS**

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. Short-term interfund loans are classified as interfund receivables/payables. In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and are not expected to be paid back. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the GWFS. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the GWFS as "internal balances". All interfund transfers are reported as operating transfers.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both GWFS and FFS. These items are reported in the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered non-spendable in an amount equal to the carrying value of the asset on the fund financial statements.

**J. CAPITAL ASSETS**

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

<b>Threshold for Capitalization</b>	<b>Dollar Amount</b>
Land	\$1
Land Improvements	\$25,000
Buildings & Improvements	\$50,000
Furnishing & Equipment	\$5,000
Vehicles	\$5,000
Infrastructure	\$250,000

Useful lives of assets are determined as follows:

<b>TYPE OF ASSET</b>	<b>YEARS</b>
Buildings & Improvements	10-50
Plant & Distribution Systems	5-50
Land Improvements	10-20
Furnishings & Equipment	5-20
Vehicles	5
Infrastructure	20-30

All infrastructure assets purchased by the City since 1980 are recorded at historical cost as capital assets and depreciated accordingly. All donated infrastructure accepted into the City's maintenance program since 1980 has been capitalized and depreciated in accordance with the above capitalization policy.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. CAPITAL ASSETS (continued)**

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

At this point the project costs are moved out of construction-in-progress and capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. The City did not capitalize any interest costs during the period.

**K. COMPENSATED ABSENCES**

GASB Statement No. 16, Accounting for Compensated Absences, requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement.

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, 1995, only the sick leave of employees eligible for retirement shall vest. The calculation of accrued sick leave that is payable is based on the number of service years for that employee. The amount of sick leave that an employee is eligible for is their accumulated sick leave balance times a percentage based on the number of years of service up to a predetermined maximum balance that is also based on the number of years of service.

The current portion of accrued vacation and sick leave earned has been recorded in the governmental fund-type fund financial statements as a current year expenditure and liability. This amount (\$264,230 in the General Fund and \$3,875 in the Grant Fund) represents the dollar value of accrued time during the year that would normally be liquidated with expendable available financial resources of the City.

In the government-wide financial statements and the proprietary fund type statements, the total compensated absences liability is recorded as an expense and a long-term obligation and allocated on a functional basis. A current liability (\$21,965 in the Municipal Waterworks Fund and \$18,304 in the Municipal Gas and Sewerage Fund) is recorded for the value of one year's accrual of leave.

**L. OTHER POSTEMPLOYMENT BENEFITS**

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement.

In the government-wide financial statements and the proprietary fund type statements, the other postemployment benefits liability is recorded as an expense, allocated on a functional basis, and long-term obligation.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

**M. LONG-TERM DEBT**

In the GWFS long term debt and other long-term obligations are reported as liabilities. Long-term liabilities for governmental funds are not reported as liabilities in the FFS. Debt proceeds are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

**N. FUND EQUITY**

**Net Position - GWFS**

Net position represents the difference between assets and liabilities. Equity is classified as net assets and displayed in three components:

- Net invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.
- Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.
- Unrestricted net assets are all other net assets that do not meet the definition of the other two categories.

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, and then unrestricted resources as they are needed.

**Fund Balances - FFS**

Governmental fund balances are classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Council through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Council. Assigned fund balances is a limitation imposed by a designee of the Council. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Proprietary fund net assets are classified the same as in the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**O. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary fund and the GWFS during the reporting period. Actual results could differ from these estimates.

**P. NEW GASB STATEMENTS**

The City implemented the following GASB Statements during the fiscal year:

The City implemented GASB Statements 63 and 65 during the current year. The statements provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources which defines those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. The statement also identifies net position as the residual of all other elements presented in a statement of financial position. The changes in implementing these statements are noted throughout the report.

**2. AD VALOREM TAXES**

Ad valorem taxes are levied each November on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the City. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by LA law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2012. Taxes are due and payable on the day they are levied with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is June 12, 2013 (the lien date). Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2012 levy was based, was \$99,154,315.

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

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, 2012, was 14 mills – 4.96 mills for general governmental services, 2.71 mills for special improvement streets and 6.33 mills for the fire department. Tax collections on the 2012 tax levy at December 31, 2012 were 57 percent.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**3. DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is included on the Statement of Net Position and Governmental Funds Balance Sheet in "cash and cash equivalents" and "investments". The interest earned on these cash and investments is divided pro-rata between the participating funds.

Under state law, deposits (or the resulting bank balances) of all political subdivisions must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank at all times. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Obligations of the United States, the State of LA, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	<b>Bank Balances</b>	<b>Reported Amount</b>
<b>Checking accounts:</b>		
Governmental Funds	\$3,022,162	\$3,408,301
Enterprise Funds	3,318,544	3,318,544
Enterprise Funds – Restricted	564,291	564,291
Internal Service Fund	788,189	788,189
<b>TOTALS</b>	<b>\$ 7,693,186</b>	<b>\$ 8,079,325</b>

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. The City has no formal policy relating to custodial credit risk. The City has a written policy for custodial credit risk which is based on the above described state law. As of December 31, \$7,443,196 of the bank balance was exposed to custodial credit risk. These deposits were uninsured but adequately collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name. There were adequate securities pledged to cover those deposits at year-end.

At December 31, cash and cash equivalents in excess of FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the depositors. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**3. DEPOSITS AND INVESTMENTS (continued)**

**B. INVESTMENTS**

State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-I/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool. The City had the following investments and maturities:

Investment Type	Fair Value	Matures in less than 1 year	Matures in 1-5 years	Matures in 6-10 years	Matures in more than 10 years
Federal Farm Credit Bank Notes	\$1,720,236	\$1,720,236			
FHLMC notes	1,032,917	999,780		\$33,137	
FNMA Notes	2,464,719		2,461,952		\$2,767
<b>TOTALS</b>	<b>\$5,217,872</b>	<b>\$2,720,016</b>	<b>\$2,461,952</b>	<b>\$33,137</b>	<b>\$2,767</b>

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy emphasizes maintaining liquidity to match specific cash flows. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity period of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the entity will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's investment policy requires the application of the prudent-person rule. The policy states, In general, the City of Thibodaux shall operate under the "Prudent Person" rule, exercising judgment and care, under the circumstances prevailing, which people of ordinary prudence would employ in the management of their own affairs - not in regard to speculation, but as to the permanent disposition of their own funds, considering both safety of capital and income,.. The City's investment policy limits investments to those discussed earlier in this note. All of the City's investments were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

	5,217,872
	\$7,515,034
	4,441,709
Total	\$13,297,197

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**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 every 6 months which would indicate the uncollectability of the particular receivable.

Receivables and the applicable allowances for doubtful accounts at year-end were as follows:

	Amount	Allowance for Uncollectibles	Net Receivable
<b>Governmental Activities:</b>			
General Fund:			
Ad Valorem Taxes	\$ 213,157	\$ -	\$213,157
Franchise Fees	214,406	-	214,406
Other	72,514	-	71,514
Non-major Funds:			
Ad Valorem Taxes	388,466	-	388,466
Other	250	-	250
<b>Total</b>	<b>\$ 887,793</b>	<b>\$ -</b>	<b>\$887,793</b>

**Franchise Fees:**

**Electric**

On October 21, 2003, the City entered into a new agreement with Entergy, that granted, by ordinance, to Entergy a franchise, right and privilege for a period of thirty-three (33) years from the date of adoption to distribute, deliver, sell and supply, in such a manner as it chooses, electric service throughout the City. The City is to receive a sum of two percent (2%) of the gross receipts from the sale of electric service at retail for residential and commercial purposes within the corporate limits of the City. The City earned and reported in the General Fund \$251,953 of franchise fee revenue of which \$54,826 was receivable for the year ended December 31, 2012.

**Business-type Activities**

**Municipal Waterworks Fund:**

Unbilled service charges	\$116,213	\$ -	\$116,213
Customers	129,596	(6,002)	123,594
Accrued Interest	386	-	386

**Municipal Gas & Sewerage Fund:**

Unbilled service charges	242,794	-	242,794
Customers	229,864	(10,997)	218,867
Accrued Interest	1,759	-	1,759

**Garbage Collection Fund:**

Unbilled service charges	68,389	-	68,389
Customers	79,314	(3,000)	76,314
	<b>\$868,315</b>	<b>\$ (19,999)</b>	<b>\$848,316</b>

**Cable TV**  
On June 18, 2004, the City granted to

Renaissance Media L.L.C. doing business as Charter Communications, a new franchise to supply cable service within the city limits for 15 years. The City receives five percent (5%) of revenues received from subscribers in the City as franchise fee for television service, not including installation revenues. The City earned and reported in the General Fund \$176,529 of Cable TV franchise fee revenue and \$88,366 is receivable for the year ended December 31, 2012.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**4. RECEIVABLES (continued)**

**Telephone**

On August 21, 1998, the City granted to BellSouth Telecommunications, Inc. (currently AT&T) a franchise to use and occupy the streets, alleys, public ways and thoroughfares of the City for the purpose of constructing, maintaining and operating its poles, wires, conduits, cables, anchors, towers, transmission lines, manholes, piers, abutments and other structures and facilities used in or incidental to the provisions of telephone or telegraph services to the public. In consideration, AT&T agrees to pay five percent (5%) of the gross receipts from local exchange telephone service provided within the corporate limits. The agreement is on a year-to-year basis unless canceled by either party upon at least sixty days notice prior to the expiration of the initial term or any extension thereof. The City earned and reported in the General Fund \$115,139 of telephone franchise fee revenue of which \$15,255 was receivable for the year ended December 31, 2012.

**Wireless Phone**

The City collects fees from various wireless phone carriers. In the current year the City earned and reported \$55,959 of revenue.

**5. DUE FROM OTHER GOVERNMENTS**

The following is a summary:

Revenue Type	
Federal Grants	\$ 273,792
State Grants	
School Board - Sales Taxes	1,606,409
Other	
	<b>\$ 2,069,772</b>

Revenue Type	
Federal Grants	\$975,503
State Grants	
	<b>\$ 1,112,245</b>

**6. RESTRICTED ASSETS**

Restricted assets in the enterprise funds consists of \$353,422 of customer deposits and \$987,032 in specific assets required to be segregated as to use pursuant to restrictions arising from the Utilities and Water Revenue Bond Issues, see Note 9.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**7. CAPITAL ASSETS**

Capital asset activity for the year was as follows:

<b>Cost of Capital Assets:</b>	<b>Balance 12/31/11</b>	<b>Additions</b>	<b>Deletions &amp; Adjustments</b>	<b>Balance 12/31/12</b>
Land	\$ 4,252,051	\$ -	\$ -	\$ 4,252,051
Construction in Progress	194,831	681,017	(181,213)	694,635
<b>Capital Assets Non-depreciable</b>	<b>4,446,882</b>	<b>681,017</b>	<b>(181,213)</b>	<b>4,946,686</b>
Infrastructure	34,569,921	-	1	34,569,922
Buildings and improvements	12,439,524	181,214	-	12,620,738
Equipment & Furniture	5,747,402	540,453	(354,684)	5,933,171
<b>Total Capital Assets - Depreciable</b>	<b>52,756,847</b>	<b>721,667</b>	<b>(354,683)</b>	<b>53,123,831</b>
<b>Total Cost of Capital Assets</b>	<b>\$57,203,729</b>	<b>\$1,402,684</b>	<b>\$(535,896)</b>	<b>\$58,070,517</b>

	<b>Beginning Accumulated</b>	<b>Depreciation Expense</b>		<b>Ending Accumulated</b>
<b>Less Accumulated Depreciation:</b>				
Infrastructure	\$12,625,177	1,357,280	1	13,982,458
Buildings and improvements	6,533,299	500,574	-	7,033,873
Equipment & Furniture	3,528,282	549,571	(336,934)	3,740,919
<b>Total accumulated depreciation</b>	<b>22,686,758</b>	<b>2,407,425</b>	<b>(336,933)</b>	<b>24,757,250</b>
<b>Net Depreciable Capital Assets</b>	<b>30,070,089</b>	<b>(1,685,758)</b>	<b>(17,750)</b>	<b>28,366,581</b>
<b>Net Capital Assets</b>	<b>\$34,516,971</b>	<b>(1,004,742)</b>	<b>(198,963)</b>	<b>\$33,313,267</b>

Depreciation expense was charged to governmental activities functions as follows:

General Government	\$ 85,371
Public Safety	334,999
Public Works	1,342,656
Culture & Recreation	599,588
Economic Development	44,811
	<b>\$2,407,425</b>

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**7. CAPITAL ASSETS (continued)**

<b>Sewerage - Enterprise Funds:</b>	<b>Balance 12/31/11</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/12</b>
Land				
Construction in progress	2,962,570	3,450,341	(1)	6,412,910
<b>Total capital assets not depreciated</b>				
Water production & distribution	12,338,143	52,904	-	12,391,047
Sewerage system plant and equipment				
Gas distribution system	8,860,459	29,438	1	8,889,898
Garbage collection equipment				
<b>Total capital assets being depreciated</b>	<b>36,483,973</b>	<b>150,793</b>	<b>(19,926)</b>	<b>36,614,840</b>
<b>Total cost of capital assets</b>				
	<b>Beginning Accumulated</b>	<b>Depreciation Expense</b>		<b>Ending Accumulated</b>
<b>Less Accumulated Depreciation:</b>				
Water production & distribution				
Sewerage system plant and equipment	8,157,958	454,339	-	8,612,297
Gas distribution system				
Garbage collection equipment	19,928	-	(19,928)	-
<b>Total accumulated depreciation</b>				
<b>Net Capital Assets</b>	<b>\$20,207,315</b>	<b>\$2,512,529</b>	<b>-</b>	<b>\$22,719,844</b>

Depreciation expense was charged to business-type activities functions as follows:

Waterworks	\$374,667
Gas System	259,599
Sewerage System	454,339
	<b>\$1,088,605</b>

The City is engaged in various construction and capital projects at year-end. Various commitments with contractors are as follows:

<b>PROJECT DESCRIPTION</b>	<b>EXPENDITURES TO 12/31/2012</b>	<b>REMAINING COMMITMENT</b>
City Hall Waterproofing	\$56,345	\$24,755
<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>\$449,880</b>	<b>\$1,926,655</b>

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**8. ACCOUNTS PAYABLE AND AND OTHER CURRENT LIABILITIES**

Accounts payable and other current liabilities consisted of the following:

	General	Section 8	Capital Projects	Non-Major	Internal Service
<b>Governmental Activities:</b>					
Vendors	\$715,894	\$4,553	\$ 20,028	\$10,777	\$-
Salaries & Benefits	148,624	1,822	-	-	-
Claims & Judgments	-	-	-	-	234,478
<b>Total Accounts Payable and Accrued Expenditures</b>	<b>864,518</b>	<b>6,375</b>	<b>20,028</b>	<b>10,777</b>	<b>234,478</b>
Contracts & Retainages	14,031	-	-	12,874	-
<b>Total</b>	<b>\$878,549</b>	<b>\$6,375</b>	<b>\$20,028</b>	<b>\$23,651</b>	<b>\$234,478</b>

	Waterworks	Gas & Sewer	Garbage
<b>Business-type Activities:</b>			
Vendors	\$142,038	\$345,066	\$183,716
Salaries & Benefits	11,523	10,738	-
<b>Total Accounts Payable and Accrued Expenditures</b>	<b>153,561</b>	<b>355,804</b>	<b>183,716</b>
Contracts & Retainages	442,542	32,268	-
Other	-	-	-
<b>Total</b>	<b>\$596,103</b>	<b>\$388,072</b>	<b>\$183,716</b>

**9. LONG-TERM DEBT**

A summary of changes in long-term debt is as follows:

Governmental Activities:	Balance 12/31/11	Obligations Retired	Additions	Balance 12/31/12	due within one year
Compensated Absences					
Postemployment Benefits	2,646,847	(196,746)	964,632	3,414,733	-
<b>Totals:</b>	<b>\$3,179,789</b>	<b>(\$643,505)</b>	<b>\$1,415,120</b>	<b>\$3,951,404</b>	<b>\$268,105</b>

For governmental activities, compensated absences and postemployment benefits will be liquidated by the fund and department by which the employee's salary is incurred.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**9. LONG-TERM DEBT (continued)**

Business-type Activities:	Balance 12/31/11	Obligations Retired	Additions	Balance 12/31/12	due within one year
Utilities Revenue Bonds Series 1997					
Taxable Water Revenue Bond Series 2010B	1,838,794	(87,000)	2,291,439	4,043,232	218,000
Compensated Absences					
Postemployment Benefits	397,873	(74,636)	172,591	495,828	-
<b>Totals:</b>	<b>\$3,253,335</b>	<b>(\$346,722)</b>	<b>\$2,528,923</b>	<b>\$5,435,535</b>	<b>\$383,269</b>

**Utilities Revenue Bonds Series 1997**

The City issued Utilities Revenue Bonds Series 1997 in the amount of \$2,283,827 in connection with a loan from the State of Louisiana, Department of Environmental Quality (DEQ) to construct sewer improvements constituting the wastewater treatment project. DEQ is holding the bonds as payment for the loan. Revenue bonds outstanding are \$815,000 repayable through 2018 at an interest rate of 2.45% plus a .5% annual administration fee.

**Taxable Water Revenue Bonds Series 2010A and Series 2010B**

On February 8, 2010, the City issued \$1,000,000 in Water Revenue Bonds Series 2010A and \$5,400,000 in Water Revenue Bonds Series 2010B for the purpose of constructing and acquiring improvements and extensions to the City's waterworks system. The bonds were issued in the form of a single bond, which was purchased by the Louisiana Department of Health and Hospitals. In accordance with federal law mandate, the \$1,000,000 in Series 2010A Bonds shall immediately and irrevocably be deemed forgiven and no interest shall accrue on the principal amount that is so forgiven. The \$5,400,000 of Series 2010B bonds shall bear interest at the rate of 2.95% plus a .5% annual administrative fee repayable through 2031.

As of December 31, 2012, the City was forgiven all of the total \$1,000,000 in Series 2010A Bonds, which was recorded as intergovernmental revenue in the financial statements. Series 2010B bonds outstanding are approximately \$4,043,232, which represents the total drawdown of these bonds. Principal and interest are payable semiannually from June 2011 through June 2031.

**Bond Requirements and Covenants - Utility Revenue Bonds Series 1997**

Under the terms of the bond indenture outstanding, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operation of the Sewer and the Gas Systems (the Systems). All revenues must be deposited in the Municipal Gas and Sewer System Fund and required transfers made to the following funds on a monthly basis after the payment of operating expenses:

**a) Utilities Revenue Bond Sinking Funds**

Monthly transfers are required to these funds in an amount necessary to make the principal and interest payments as they become due. These funds are restricted for this purpose and amount to \$140,132 for Series 1997 bond issues.

**b) Utilities Revenue Bond Reserve Fund**

Monies in the amount of \$148,698 have been deposited into this fund. This amount represents the highest amount of principal and interest due on each bond issue in future years. The fund is restricted to the payment of principal and interest in case of default on either bond issue.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**9. LONG-TERM DEBT (continued)**

**c) Capital Additions and Contingency Fund**

Monthly transfers of 5% of gross revenues of the Systems for the preceding month are required. The fund is restricted to payments for extensions, additions, improvement, renewals and replacements necessary to properly operate the Systems. It will also be used to pay principal and interest if there are not sufficient funds in the Revenue Bond Sinking Fund and Bond Reserve Fund. However, this fund must contain a minimum of \$50,000 at all times. The fund had a balance of \$461,493.

**d) Bond Requirements**

The accounting requirements of the bond resolutions, as stated in a) through c) above, have been complied with for the year ended December 31, 2012.

**Bond Requirements and Covenants - Taxable Water Revenue Bonds Series 2010B**

Under the terms of the bond indenture outstanding, principal and interest is secured and payable solely from a pledge of the income and revenues to be derived from the operation of the Waterworks System (the System). All revenues must be deposited in the Waterworks, Electric, and Power Plant System Fund and required transfers made to the following funds on a monthly basis after the payment of operating expenses:

**a) Water Revenue Bond Sinking Funds**

Monthly transfers are required to these funds in an amount necessary to make the principal and interest payments as they become due. These funds are restricted for this purpose and amount to \$92,220 for Series 2010B bond issues.

**b) Water Revenue Bond Reserve Fund**

Annual transfers are required to this fund for the sole purpose of paying principal and interest. Within five years from the delivery date of the bond, this fund should equal the highest amount of principal and interest due on the bond issue in future years. This fund is restricted for the payment of principal and interest in case of default on the bond issue. As of December 31, 2012, the City made installments totaling \$186,714.

**c) Capital Additions and Contingency Fund**

Monthly transfers of 5% of gross revenues of the Systems for the preceding month are required. The fund is restricted to payments for extensions, additions, improvement, renewals and replacements necessary to properly operate the System. It will also be used to pay principal and interest if there are not sufficient funds in the Revenue Bond Sinking Fund and Bond Reserve Fund. Such transfers will continue until such a time that there has been \$100,000 accumulated in this fund, when such payments can cease until the fund is reduced below the sum of \$100,000. At December 31, 2012 the fund had a balance of \$102,299.

**d) Bond Requirements**

The accounting requirements of the bond resolutions, as stated in a) through c) above, have been complied with for the year ended December 31, 2012.

The annual requirements to amortize Utilities Revenue Bonds Series 1997 bonds outstanding are as follows:

	Total Principal	Total Interest	Total Payments
<b>2013</b>	\$125,000	\$18,436	\$143,436
<b>2014</b>	130,000	15,313	145,313
<b>2015</b>	135,000	12,066	147,066
<b>2016</b>	140,000	8,698	148,698
<b>2017</b>	140,000	5,268	145,268
<b>2018</b>	145,000	1,776	146,776
	<b>\$815,000</b>	<b>\$61,556</b>	<b>\$876,556</b>



**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**11. LEASE COMMITMENTS (continued)**

The minimum annual commitments under non-cancelable operating leases are as follows:

YE 12/31	Amount
2014	21,808
2016	12,400
<b>Total</b>	<b>\$ 292,927</b>

**12. RISK MANAGEMENT**

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

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

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

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

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

Settled claims have not exceeded the insurance coverage for the excess liability in any of the past three years.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**13. RISK MANAGEMENT (continued)**

At December 31, 2012, the amount of liability for unpaid claims was \$234,478. These liabilities are the City's best estimate based on available information. Changes in the reported liabilities during the past two years are as follows:

YEAR	BEGINNING BALANCE	CLAIMS AND CHANGES IN ESTIMATE	PAYMENTS	ENDING BALANCE
2012	\$497,702	\$26,038	\$(289,262)	\$234,478
2011	\$498,656	\$105,050	\$106,004	\$497,702
2010	\$471,395	\$107,509	\$80,248	\$498,656

**14. COMMITMENTS AND CONTINGENCIES**

The City receives funding under grants from various Federal and State agencies. These grants specify the purpose that the monies are to be used and such grants are subject to audit by the granting agency or its representative. If the grant monies received are not expended, the City may be required to reimburse the granting agency.

**15. OTHER POSTRETIREMENT EMPLOYEE BENEFITS (OPEB)**

**Plan Description**

The City administers a single employer defined benefit health care plan (the Plan). The Plan provides hospitalization, dental and life insurance premiums for retired employees as approved by the City Council. The City will fund the entire premium for all employees retiring with at least twenty-five years of service. A retired employee may provide dependent hospitalization coverage if they had dependent coverage at the time of retirement at the applicable dependent coverage rate. The City of Thibodaux will continue payment of premium benefits for retired employees on a pro-rated basis beginning with 40% of premiums paid after completing 10 years or 120 months of service. The percentage of premium paid benefit will increase by 4% for each additional year or 12 month period of service through 25 years or 300 months of service when 100% of premiums shall be paid. The city does not issue a public available financial report on the Plan.

**Funding Policy**

The City funds required premiums based on pay-as-you-go financing requirements. The cost of providing these benefits are recognized as expenses/expenditures as premiums are payable. The City contributed \$271,382 - \$ 196,746 for governmental activities and \$74,636 for business-type activities.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**15. OTHER POSTRETIREMENT EMPLOYEE BENEFITS (OPEB) (continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The City recognized a net other post employment benefit (OPEB) obligation for covered post employment healthcare benefits in accordance with the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions (GASB 45).

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the current year, and related information.

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
ARC	\$942,064	\$170,885	\$1,112,949
Interest on net OPEB	105,873	15,916	121,789
Adjustments to ARC	(94,532)	(14,210)	(108,742)
Annual OPEB cost	953,405	172,591	1,125,996
Contributions made	(196,746)	(74,636)	(271,382)
Increase in obligation	756,659	97,955	854,614
Net OPEB obligation:			
Beginning of year	2,646,846	397,874	3,044,720
End of year	\$3,403,505	\$495,829	\$3,899,334

The City's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation for this year and the two preceding years are as follows:

<i>Year Ended:</i>	<i>Annual OPEB Cost</i>	<i>% of Annual OPEB Cost</i>	<i>Net OPEB Obligation</i>
12/31/2012	\$1,125,996	24.10%	\$3,899,334
12/31/2011	\$ 952,168	24.04%	\$3,044,720
12/31/2010	\$1,001,609	17.49%	\$2,321,460

**Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$13,954,604 - \$11,135,878 for governmental activities and \$2,818,726 for business-type activities. Covered payroll for eligible employees was \$6,553,485 and the total UAAL represents 213.9% of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**15. OTHER POSTRETIREMENT EMPLOYEE BENEFITS (OPEB) (continued)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as of % of Covered payroll ((b-a)/c)
1/1/2008	-	\$ 11,491,576	\$ 11,491,576	0.00%	\$ 4,826,550	238.1%
1/1/2010	-	\$ 11,318,481	\$ 11,318,481	0.00%	\$ 5,828,746	194.2%
1/1/2012	-	\$14,014,702	\$14,014,702	0.00%	\$6,553,485	213.9%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

In the January 1, 2012 actuarial valuation, the entry age-normal actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (discount rate), a 3.5% expected increase in payroll, and annual medical cost trend rate of 9.5% initially, reduced by decrements to an ultimate rate of 5.5% after nine years. The annual dental cost trend was initially 5%, reduced by decrements to an ultimate rate of 3.5% after nine years. A 3% inflation rate is included in each of the four rates previously mentioned. Zero trend was assumed for valuing life insurance. Other assumptions include (1) expenses are included in the premium rate charged, (2) 100% of employees will choose to participate in the plan at retirement, and (3) male spouses are three years older than females. As of the valuation date, the City only pays required insurance premiums directly from City resources, accordingly there are no plan assets, hence no need for an actuarial value of assets. The UAAL is being amortized over an open 30 year period using the level percent of payroll method with an assumption that payroll increases by 3.5% per year. The remaining amortization period at January 1, 2012 was 26 years.

**16. EMPLOYEE RETIREMENT SYSTEMS**

Employees of the City (except for police) are members of the Municipal Employees' Retirement System of Louisiana. City police are members of the Municipal Police Employees' Retirement System.

**a) Municipal Employees' Retirement System of Louisiana**

**Plan Description** - The City contributes to Plan A of the Municipal Employees' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit pension plan, which is controlled and administered by a separate Board of Trustees. The system provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 356 of the 1954 Louisiana Legislative Session established the plan. Act 569 of the 1968 Louisiana Legislative Session provided an optional method for municipalities to cancel Social Security and come under supplementary benefits in the System, effective on and after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The System is governed by Louisiana Revised Statutes 11:1731 through 11:1884, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System.

**CITY OF THIBODAUX**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**16. EMPLOYEE RETIREMENT SYSTEMS (continued)**

The report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

**Funding Policy** - Plan members are required to contribute 9.25% of their earnable compensation and the City is required to contribute at an actuarially determined rate. The City's contribution rate during the period January 1, 2011 through June 30, 2012 was 14.25% of annual covered payroll and 16.75% of annual covered payroll during the period July 1, 2012 through December 31, 2012. In addition, the System also receives VA. of 1% of ad valorem taxes collected within the City and revenue sharing funds each year as appropriated by the Legislature. The contribution requirements of plan members and the City are established and may be amended by state statute. The City's contributions to the System for the years ending December 31, 2012, 2011, and 2010 were \$729,647, \$635,830, and \$553,798, respectively, equal to the required contributions for each year.

**b) Municipal Police Employees' Retirement System**

**Plan Description** - The City contributes to the Municipal Police Employees' Retirement System (the System), a cost-sharing multiple-employer defined benefit public employee retirement system, which is controlled and administered by a separate Board of Trustees. The system provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 189 of the 1973 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:2211 through 11:2233, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by contacting the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809.

**Funding Policy** - Plan members are required to contribute 10% of their earnable compensation and the City is required to contribute at an actuarially determined rate. The City's contribution rate was 25% of annual payroll excluding overtime, but including state supplemental pay. Due to passage of House Bill 332 of the 1022 Regular Legislative Session, the effective rates as of July 1, 2011 for contributions of plan member above the 2011 Poverty Guidelines is 10% of annual payroll during the period excluding overtime, but including state supplemental pay. Employers are required to contribute 26.5% for plan members above the 2011 Poverty Guidelines. Plan members below the 2011 Poverty Guidelines may continue to contribute 7.50% of annual payroll during the period excluding overtime, but including state supplemental pay. The City contribution rate for individuals below the 2011 Poverty Guidelines is 29%. In addition, the System also receives a percentage of insurance premiums. The contribution requirements of plan members and the City are established and may be amended by state statute. The City's contributions to the System for the years ending December 31, 2012, 2011, and 2010 were \$881,448, \$710,589, and \$409,691 respectively, equal to the required contributions for each year.

**17. ON-BEHALF PAYMENTS FOR SUPPLEMENTAL PAY**

The City recognizes as revenues and expenditures salary supplements that the State of Louisiana has paid directly to the City's police officers. The total on-behalf payments made for the year amounted to \$346,849.

***REQUIRED SUPPLEMENTAL  
INFORMATION***

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #001 General Fund  
 For the Year Ended December 31, 2012

Schedule 1.1

REVENUES	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>Taxes:</b>				
Ad Valorem	\$ 459,600	\$ 474,300	\$ 490,994	\$ 16,694
Sales and Use	8,300,000	8,700,000	9,237,433	537,433
Beer tax	30,000	30,000	34,128	4,128
Video poker taxes	450,000	450,000	483,498	33,498
Off track betting	10,000	10,000	8,797	(1,203)
<b>Franchise</b>				
Entergy	295,000	295,000	251,953	(43,047)
Cable TV	174,000	174,000	176,529	2,529
Telephone	95,000	95,000	115,139	20,139
Bell South Mobility	10,710	10,710	10,710	-
Crown Communications	11,720	11,720	11,714	(6)
Nextel Communications	19,060	19,060	18,935	(125)
Voice Stream, Inc.	14,350	14,350	14,600	250
	<u>9,869,440</u>	<u>10,284,140</u>	<u>10,854,430</u>	<u>570,290</u>
<b>Charges for Services:</b>				
<b>Licenses &amp; Permits:</b>				
Business and occupational licenses	800,000	800,000	801,348	1,348
Beer and liquor permits	12,000	12,000	13,107	1,107
Building permits	12,000	17,050	17,587	537
Plumbing licenses	3,000	3,000	4,760	1,760
Chain store licenses	20,000	20,000	20,190	190
Electrical licenses	7,000	7,000	9,700	2,700
Bartender permits	2,000	3,720	3,927	207
Mechanical licenses	3,000	4,100	5,680	1,580
	<u>859,000</u>	<u>866,870</u>	<u>876,299</u>	<u>9,429</u>
<b>Intergovernmental:</b>				
<b>Federal Government:</b>				
Bullet Proof Vest Grant	-	4,950	4,010	(940)
JAG Grant 2010	-	9	9	-
FAA Entitlement Grant	440,000	-	126,841	126,841
FEMA - Hurricane Isaac	147,200	43,620	61,248	17,628
Alcohol Awareness Program	15,000	25,750	34,175	8,425
<b>State of LA:</b>				
State Fire Insurance	55,000	57,690	57,686	(4)
Supplemental pay	358,000	349,749	346,849	(2,900)
DOTD Litter Maintenance Grant	6,150	12,300	12,300	-
L RTP Downtown Upgrade Study	-	21,486	5,970	(15,516)
Airport Maintenance Reimbursement	1,520	1,520	3,840	2,320
<b>Other local governmental units:</b>				
Lafourche Parish Sheriff	-	5,964	5,964	-
Lorio Grants	6,000	125,875	125,875	-
Lafourche Parish Recreation Tax	107,205	105,000	105,000	-
	<u>1,136,075</u>	<u>753,913</u>	<u>889,767</u>	<u>135,854</u>
<b>Other Charges for Services:</b>				
Warren J. Harang, Jr. Municipal Auditorium	175,000	247,360	257,253	9,893
Police reports	12,000	12,000	9,088	(2,912)
Mechanical Inspections	9,000	11,040	11,456	416
Plumbing Inspections	10,000	13,540	14,212	672
Electrical Inspections	25,000	47,190	51,150	3,960
Zoning Variance Applications	1,750	830	910	80
Maps - photos	-	10	37	27
Municipal pool fees and Registration	40,700	33,600	33,321	(279)
Recreation fees collected	80,000	90,400	93,907	3,507
Adult Community Service Program	1,500	4,550	4,875	325
Sponsor fees collected	18,000	20,050	20,800	750
Subdivision Construction Fees	5,000	1,400	1,520	120
Park concessions	1,500	900	1,094	194
	<u>379,450</u>	<u>482,870</u>	<u>499,623</u>	<u>16,753</u>
<b>Fines and Forfeitures:</b>				
Court Fines	110,000	170,000	186,007	16,007

See notes to budgetary comparison schedules.

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #001 General Fund  
 For the Year Ended December 31, 2012

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>Miscellaneous</b>				
Investment income	34,100	36,370	42,398	6,028
Discounts earned - S/C	50	100	93	(7)
Donations	-	1,480	1,511	31
Rentals - Recreation Parks	18,000	18,000	13,927	(4,073)
Royalties	2,000	2,000	1,319	(681)
Housing Authority Pilot	35,000	35,000	-	(35,000)
Sale of Fixed Assets	-	15,740	15,739	(1)
Other	27,500	47,040	46,913	(127)
	<u>116,650</u>	<u>155,730</u>	<u>121,900</u>	<u>(33,830)</u>
<b>Total Revenues</b>	<u>12,470,615</u>	<u>12,713,523</u>	<u>13,428,026</u>	<u>714,503</u>
<b>EXPENDITURES</b>				
<b>General Government:</b>				
<b>General administrative:</b>				
Personal services and benefits	22,019	13,644	12,420	1,224
Operating Supplies	88,730	93,985	72,599	21,386
Equipment	69,420	72,209	61,551	10,658
Building	123,270	118,115	93,891	24,224
Outside services	68,340	84,340	72,939	11,401
General operating	55,890	131,470	113,856	17,614
General administrative	147,890	116,005	94,138	21,867
	<u>575,559</u>	<u>629,768</u>	<u>521,394</u>	<u>108,374</u>
<b>Capital outlay</b>	<u>1,261,909</u>	<u>356,787</u>	<u>299,331</u>	<u>57,456</u>
	<u>1,837,468</u>	<u>986,555</u>	<u>820,725</u>	<u>165,830</u>
<b>Financial administration</b>				
Personal services and benefits	441,489	393,970	377,888	16,082
Operating Supplies	29,500	25,992	13,217	12,775
Equipment	10,000	23,500	6,741	16,759
Building	8,860	8,860	8,748	112
Outside services	78,550	81,550	84,067	(2,517)
General operating	49,230	36,740	41,841	(5,101)
General administrative	6,200	6,200	1,198	5,002
	<u>623,829</u>	<u>576,812</u>	<u>533,700</u>	<u>43,112</u>
<b>Grants:</b>				
Personal services and benefits	71,719	69,943	67,988	1,955
Operating Supplies	7,880	6,380	4,027	2,353
Equipment	1,500	3,000	2,494	506
Building	1,440	1,440	1,467	(27)
Outside services	340	340	171	169
General operating	24,610	4,509	4,050	459
General administrative	11,500	36,210	32,839	3,371
	<u>118,989</u>	<u>121,822</u>	<u>113,036</u>	<u>8,786</u>
<b>Civil Service:</b>				
Personal services and benefits	96,364	94,757	93,863	894
Operating supplies	6,600	10,100	1,568	8,532
Equipment	5,950	2,450	2,250	200
Building	2,500	2,500	2,493	7
Outside services	7,820	7,640	1,175	6,465
General operating	11,490	9,840	8,658	1,182
General administrative	7,200	7,200	2,204	4,996
	<u>137,924</u>	<u>134,487</u>	<u>112,211</u>	<u>22,276</u>
<b>Council Administration:</b>				
Personal services and benefits	224,251	222,680	221,040	1,640
Operating Supplies	8,900	8,900	2,978	5,922
Equipment	5,650	5,750	5,086	664
Building	4,550	5,330	4,709	621
Outside services	67,370	62,023	59,080	2,943
General operating	53,360	46,860	42,219	4,641
General administrative	22,800	24,067	10,657	13,410
	<u>386,881</u>	<u>375,610</u>	<u>345,769</u>	<u>29,841</u>

See notes to budgetary comparison schedules.

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #001 General Fund  
 For the Year Ended December 31, 2012

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>Office of the Mayor:</b>				
Personal services and benefits	203,965	214,298	214,344	(46)
Operating Supplies	7,770	7,770	3,187	4,583
Equipment	10,200	10,524	9,943	581
Building	5,070	5,070	4,616	454
Outside services	6,700	6,520	346	6,174
General operating	17,140	15,747	14,067	1,680
General administrative	25,620	24,773	5,983	18,790
	<u>276,465</u>	<u>284,702</u>	<u>252,486</u>	<u>32,216</u>
<b>City Attorney's Office:</b>				
Personal services and benefits	121,565	123,986	122,121	1,865
Operating Supplies	6,600	132,190	3,650	128,540
Outside services	-	490	171	319
General operating	5,550	4,110	4,055	55
General administrative	1,150	1,150	200	950
	<u>134,865</u>	<u>261,926</u>	<u>130,197</u>	<u>131,729</u>
<b>City Court:</b>				
Personal services and benefits	473,201	462,634	448,189	14,445
Operating Supplies	18,800	16,330	8,488	7,842
Equipment	4,010	4,030	3,333	697
Building	4,910	4,910	4,563	347
Outside services	15,020	14,410	12,764	1,646
General operating	26,340	22,840	21,487	1,353
General administrative	17,500	18,100	13,039	5,061
	<u>559,781</u>	<u>543,254</u>	<u>511,863</u>	<u>31,391</u>
<b>Human Resources:</b>				
Personal services and benefits	134,436	133,287	135,691	(2,404)
Operating Supplies	37,800	21,840	15,948	5,892
Equipment	3,000	3,000	3,232	(232)
Building	3,250	3,250	3,176	74
Outside services	39,610	4,210	3,683	527
General operating	9,245	9,970	4,479	5,491
General administrative	6,500	9,245	2,469	6,776
	<u>233,841</u>	<u>184,802</u>	<u>168,678</u>	<u>16,124</u>
<b>Airport:</b>				
Operating Supplies	40,550	550	166	384
Equipment	10,300	7,190	1,165	6,025
Building	6,000	6,200	632	5,568
Outside services	28,200	28,530	28,130	400
General operating	13,330	15,720	15,711	9
General administrative	-	-	-	-
	<u>98,380</u>	<u>58,190</u>	<u>45,804</u>	<u>12,386</u>
Capital outlay	400,000	45,350	126,841	(81,491)
	<u>498,380</u>	<u>103,540</u>	<u>172,645</u>	<u>(69,105)</u>
<b>Information Technology:</b>				
Personal services and benefits	121,614	118,631	116,940	1,691
Operating Supplies	14,190	14,190	7,617	6,573
Equipment	2,150	2,150	1,613	537
Building	5,790	5,790	5,100	690
Outside services	1,470	1,380	259	1,121
General operating	1,760	2,300	2,290	10
General administrative	7,500	7,500	-	7,500
	<u>154,474</u>	<u>151,941</u>	<u>133,819</u>	<u>18,122</u>
<b>Marketing and Public Relations:</b>				
Personal services and benefits	69,029	68,207	68,879	(672)
Operating Supplies	18,400	24,020	13,931	10,089
Equipment	1,500	1,500	230	1,270
Building	1,430	1,560	1,578	(18)
Outside services	440	350	87	263
General operating	2,120	2,140	1,885	255
General administrative	27,540	27,540	10,771	16,769
	<u>120,459</u>	<u>125,317</u>	<u>97,361</u>	<u>27,956</u>
<b>Total General Government-current</b>	<b>3,421,447</b>	<b>3,448,631</b>	<b>2,966,318</b>	<b>482,313</b>

See notes to budgetary comparison schedules.

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #001 General Fund  
 For the Year Ended December 31, 2012

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>Public Safety:</b>				
<b>Emergency Preparedness:</b>				
Personal services and benefits	66,067	31,218	30,741	477
Operating Supplies	8,600	8,600	1,035	7,565
Equipment	1,000	1,500	945	555
Building	1,430	1,430	520	910
Outside services	740	180	116	64
General operating	500	1,840	1,334	506
General administrative	5,000	5,000	437	4,563
	<u>83,337</u>	<u>49,768</u>	<u>35,128</u>	<u>14,640</u>
Capital Outlay	-	12,995	12,995	-
	<u>83,337</u>	<u>62,763</u>	<u>48,123</u>	<u>14,640</u>
<b>City Police:</b>				
Personal services and benefits	5,079,549	5,198,998	5,146,321	52,677
Operating Supplies	253,500	241,210	204,634	36,576
Equipment	308,200	316,044	299,303	16,741
Building	75,800	60,800	60,041	759
Outside services	59,150	47,328	24,711	22,617
General operating	287,680	240,020	217,055	22,965
General administrative	70,700	61,140	37,798	23,342
	<u>6,134,579</u>	<u>6,165,540</u>	<u>5,989,863</u>	<u>175,677</u>
Capital Outlay	265,500	204,152	204,152	-
	<u>6,400,079</u>	<u>6,369,692</u>	<u>6,194,015</u>	<u>175,677</u>
<b>Fire Prevention</b>				
Operating Supplies	121,500	75,925	72,611	3,314
Equipment	86,150	36,333	36,331	2
Building	21,000	86,023	68,114	17,909
General operating	-	29,979	29,978	1
General administrative	644,000	667,890	667,889	1
	<u>872,650</u>	<u>896,150</u>	<u>874,923</u>	<u>21,227</u>
	<b>7,090,566</b>	<b>7,111,458</b>	<b>6,899,914</b>	<b>211,544</b>
<b>Public Works:</b>				
Personal services and benefits	1,662,385	1,454,512	1,418,172	36,340
Operating Supplies	46,150	45,750	35,984	9,766
Equipment	145,700	130,950	112,848	18,102
Building	131,170	14,570	14,388	182
Outside services	389,680	84,720	81,287	3,433
General operating	18,500	338,710	312,266	26,444
General administrative	-	13,257	11,738	1,519
	<u>2,393,585</u>	<u>2,082,469</u>	<u>1,986,683</u>	<u>95,786</u>
Capital Outlay	163,000	96,466	96,446	20
	<u>2,556,585</u>	<u>2,178,935</u>	<u>2,083,129</u>	<u>95,806</u>
<b>Recreation:</b>				
Personal services and benefits	382,521	379,839	355,861	23,978
Operating Supplies	22,300	24,895	21,926	2,969
Equipment	24,530	7,675	5,825	1,850
Building	6,260	32,212	20,669	11,543
Outside services	19,860	22,450	14,201	8,249
General operating	105,940	99,168	71,710	27,458
General administrative	4,330	5,340	3,531	1,809
	<u>565,741</u>	<u>571,579</u>	<u>493,723</u>	<u>77,856</u>
Capital Outlay	114,900	12,800	12,794	6
	<u>680,641</u>	<u>584,379</u>	<u>506,517</u>	<u>77,862</u>
<b>Warren J. Harang, Jr. Municipal Auditorium:</b>				
Personal services and benefits	273,751	250,645	248,369	2,276
Operating Supplies	39,850	18,400	13,505	4,895
Equipment	20,200	20,400	17,282	3,118
Building	186,320	142,530	136,990	5,540
Outside services	5,840	3,350	2,448	902
General operating	126,430	146,202	144,730	1,472
General administrative	6,320	488	350	138
	<u>658,711</u>	<u>582,015</u>	<u>563,674</u>	<u>18,341</u>
Capital Outlay	140,000	106,360	106,360	-
	<u>798,711</u>	<u>688,375</u>	<u>670,034</u>	<u>18,341</u>

See notes to budgetary comparison schedules.

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #001 General Fund  
 For the Year Ended December 31, 2012

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
<b>Parks:</b>				
Personal services and benefits	879,870	794,235	763,982	30,253
Operating Supplies	227,200	276,045	236,781	39,264
Equipment	102,000	101,200	79,221	21,979
Building	195,650	196,750	112,738	84,012
Outside services	37,180	22,480	20,891	1,589
General operating	80,180	45,925	38,230	7,695
General administrative	14,500	35,528	18,942	16,586
	<u>1,536,580</u>	<u>1,472,163</u>	<u>1,270,785</u>	<u>201,378</u>
Capital Outlay	295,239	43,320	28,873	14,447
	<u>1,831,819</u>	<u>1,515,483</u>	<u>1,299,658</u>	<u>215,825</u>
<b>Total Culture and Recreation - current</b>	<b>2,761,032</b>	<b>2,625,757</b>	<b>2,328,182</b>	<b>297,575</b>
<b>Total expenditures</b>	<b>18,307,178</b>	<b>16,146,545</b>	<b>15,068,889</b>	<b>1,077,656</b>
<b>Total expenditures by function:</b>				
Current	15,666,630	15,268,315	14,181,097	1,087,218
Capital outlay	2,640,548	878,230	887,792	(9,562)
	<u>18,307,178</u>	<u>16,146,545</u>	<u>15,068,889</u>	<u>1,077,656</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,836,563)</b>	<b>(3,433,022)</b>	<b>(1,640,863)</b>	<b>(363,153)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out):				
# Fire Department Fund	584,000	604,814	604,814	-
# Loss Fund	(291,315)	-	-	-
# Capital Projects Fund	(382,030)	-	-	-
# Garbage Collection	-	96,450	96,450	-
Total Transfers In (Out)	<u>(89,345)</u>	<u>701,264</u>	<u>701,264</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,925,908)</b>	<b>(2,731,758)</b>	<b>(939,599)</b>	<b>(363,153)</b>
<b>FUND BALANCES</b>				
BEGINNING OF YEAR	8,522,542	8,522,542	8,522,542	-
END OF YEAR	<u>\$ 2,596,634</u>	<u>\$ 5,790,784</u>	<u>\$ 7,582,943</u>	<u>\$ (363,153)</u>

See notes to budgetary comparison schedules.

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #17 - Section 8 Housing  
 For the Year Ended December 31, 2012

Schedule 1.2

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental - Federal	\$ 892,000	\$ 794,602	\$ 794,602	\$ -
Miscellaneous:				
Interest	260	210	222	12
Miscellaneous - In Kind Contributions	-	2,080	2,080	-
<b>Total Revenues</b>	<b>892,260</b>	<b>796,892</b>	<b>796,904</b>	<b>12</b>
<b>EXPENDITURES</b>				
Current - General Government - Health & Welfare:				
Housing assistance payments	800,000	819,000	819,975	(975)
Personal services	148,801	148,270	114,021	34,249
Operating supplies	8,300	5,210	4,384	826
Equipment	7,600	6,940	6,804	136
Building repair and maintenance	1,100	1,140	1,080	60
Outside services	8,470	19,690	15,328	4,362
General operating	11,520	11,051	15,085	(4,034)
General administration	5,570	1,435	2,918	(1,483)
<b>Total current expenditures</b>	<b>991,361</b>	<b>1,012,736</b>	<b>979,595</b>	<b>33,141</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(99,101)</b>	<b>(215,844)</b>	<b>(182,691)</b>	<b>(33,129)</b>
<b>FUND BALANCES</b>				
BEGINNING OF YEAR	273,816	273,816	273,816	-
END OF YEAR	<b>\$ 174,715</b>	<b>\$ 57,972</b>	<b>\$ 91,125</b>	<b>\$ (33,129)</b>

See notes to budgetary comparison schedules.

**CITY OF THIBODAUX**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO BUDGETARY COMPARISON SCHEDULES**  
For the Year Ended December 31, 2012

**NOTE 1 - BUDGETARY INFORMATION**

The annual appropriated budget is adopted for all of the governmental funds on a basis consistent with accounting principles generally accepted in the United States of America.

The Mayor submits a comprehensive operating and capital budget on the modified accrual basis of accounting consistent with generally accepted accounting principles for the ensuing year. The Mayor is required to submit a budget to the Council for approval at the first regular meeting in November.

Public hearings are conducted to obtain taxpayer comments.

On or before December 7<sup>th</sup> of each year, the budget is legally enacted through the passage of a budget ordinance.

The City employs formal budgetary integration and interim budget reporting practices. Budgeted amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments to get to the final budget.

The Mayor is authorized to transfer budgeted amounts among programs within any fund or department. However, any revisions that alter the total expenditures budgeted for any department, office, agency or fund must be approved by the City Council. Unexpended appropriations lapse at year-end.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments are recorded.

**NOTE 2 – CAPITAL PROJECTS FUND – MAJOR FUND**

Required supplementary information may not include budgetary comparisons for capital projects funds. The budgetary comparison is presented with the Capital Project Funds section.

***COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES***

**CITY OF THIBODAUX**  
Combining Balance Sheet  
Non-Major Special Revenue Funds  
December 31, 2012

Schedule 2.1

	11	13	14 Street	31	
	Police Forfeiture Fund	Fire Department Fund	Improvement and Maintenance	CDBG Fund	Total
<b>ASSETS</b>					
Cash and Equivalents	\$ 36,820	\$ 356,244	\$ 287,861	\$ (2,103)	\$ 678,822
Investments	-	-	214,469	-	214,469
Receivables					
Property taxes	-	272,010	116,456	-	388,466
Other	-	-	250	-	250
Due from Other Governments	20,000	-	-	17,274	37,274
	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>17,274</u>	<u>37,274</u>
 Total Assets	 <u>\$ 56,820</u>	 <u>\$ 628,254</u>	 <u>\$ 619,036</u>	 <u>\$ 15,171</u>	 <u>\$ 1,319,281</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 959	\$ -	\$ 7,521	\$ 2,297	\$ 10,777
	-	-	-	12,874	12,874
	<u>959</u>	<u>-</u>	<u>7,521</u>	<u>15,171</u>	<u>23,651</u>
 Total Liabilities	 <u>959</u>	 <u>-</u>	 <u>7,521</u>	 <u>15,171</u>	 <u>23,651</u>
<b>FUND BALANCES</b>					
Restricted					
Public Safety	-	628,254	-	-	628,254
Public Works	-	-	611,515	-	611,515
Assigned	55,861	-	-	-	55,861
Total Fund Balances	<u>55,861</u>	<u>628,254</u>	<u>611,515</u>	<u>-</u>	<u>1,295,630</u>
 Total Liabilities and Fund Balances	 <u>\$ 56,820</u>	 <u>\$ 628,254</u>	 <u>\$ 619,036</u>	 <u>\$ 15,171</u>	 <u>\$ 1,319,281</u>

**CITY OF THIBODAUX**  
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 For the Year Ended December 31, 2012

Schedule 2.2

	11	13	14	31	
	Police Forfeiture Fund	Fire Department Fund	Street Improvement and Maintenance	CDBG Fund	Total
<b>REVENUES</b>					
Taxes					
Ad Valorem	\$ -	\$ 626,562	\$ 268,251	\$ -	\$ 894,813
Intergovernmental from:					
Federal	-	-	-	206,392	206,392
State of LA	20,000	-	-	-	20,000
Local	-	-	-	-	-
Miscellaneous	1,119	1,438	4,517	-	7,074
Total Revenues	<u>21,119</u>	<u>628,000</u>	<u>272,768</u>	<u>206,392</u>	<u>1,128,279</u>
<b>EXPENDITURES</b>					
Current - General Government:					
Public Safety	3,878	-	-	-	3,878
Public Works	-	-	286,990	206,392	493,382
Total Current	<u>3,878</u>	<u>-</u>	<u>286,990</u>	<u>206,392</u>	<u>497,260</u>
Capital Outlay	25,828	-	-	-	25,828
Total Expenditures	<u>29,706</u>	<u>-</u>	<u>286,990</u>	<u>206,392</u>	<u>523,088</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(8,587)</u>	<u>628,000</u>	<u>(14,222)</u>	<u>-</u>	<u>605,191</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	(604,814)	-	-	(604,814)
Total other financing sources (uses)	<u>-</u>	<u>(604,814)</u>	<u>-</u>	<u>-</u>	<u>(604,814)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(8,587)</u>	<u>23,186</u>	<u>(14,222)</u>	<u>-</u>	<u>377</u>
<b>FUND BALANCES -</b>					
BEGINNING OF YEAR	64,448	605,068	625,737	-	1,295,253
END OF YEAR	<u>\$ 55,861</u>	<u>\$ 628,254</u>	<u>\$ 611,515</u>	<u>\$ -</u>	<u>\$ 1,295,630</u>

**CITY OF THIBODAUX**

Fund #11 - Police Forfeiture Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2012

Schedule 2.3

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental - State	\$ 1,000	\$ 20,000	\$ 20,000	\$ -
Miscellaneous	80	1,130	1,119	(11)
<b>Total Revenues</b>	<b>1,080</b>	<b>21,130</b>	<b>21,119</b>	<b>(11)</b>
<b>EXPENDITURES</b>				
Operating supplies	14,000	5,000	3,878	1,122
Capital outlay	50,000	25,830	25,828	(2)
<b>Total public safety</b>	<b>64,000</b>	<b>30,830</b>	<b>29,706</b>	<b>1,120</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(62,920)</b>	<b>(9,700)</b>	<b>(8,587)</b>	<b>(1,131)</b>
<b>FUND BALANCES</b>				
<b>BEGINNING OF YEAR</b>	<b>64,448</b>	<b>64,448</b>	<b>64,448</b>	<b>-</b>
<b>END OF YEAR</b>	<b>\$ 1,528</b>	<b>\$ 54,748</b>	<b>\$ 55,861</b>	<b>\$ (1,131)</b>

**CITY OF THIBODAUX**

Fund #13 - Fire Department Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2012

Schedule 2.4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes - Ad Valorem	\$ 586,000	\$ 604,820	\$ 626,562	\$ 21,742
Miscellaneous	950	1,300	1,438	138
	<u>586,950</u>	<u>606,120</u>	<u>628,000</u>	<u>21,880</u>
Total Revenues				
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer out:				
01 General Fund	<u>(584,000)</u>	<u>(604,814)</u>	<u>(604,814)</u>	<u>-</u>
	<u>(584,000)</u>	<u>(604,814)</u>	<u>(604,814)</u>	<u>-</u>
Total expenditures				
<b>NET CHANGE IN FUND BALANCE</b>	2,950	1,306	23,186	21,880
<b>FUND BALANCES</b>				
BEGINNING OF YEAR	<u>605,068</u>	<u>605,068</u>	<u>605,068</u>	<u>-</u>
END OF YEAR	<u>\$ 608,018</u>	<u>\$ 606,374</u>	<u>\$ 628,254</u>	<u>\$ 21,880</u>

**CITY OF THIBODAUX**

Fund #14 - Street Improvement and Maintenance Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2012

Schedule 2.5

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>				
Taxes - ad valorem	\$ 250,900	\$ 258,940	\$ 268,251	\$ 9,311
Interest	990	1,240	1,826	(586)
Miscellaneous	1,000	2,700	2,691	(9)
<b>Total Revenues</b>	<b>252,890</b>	<b>262,880</b>	<b>272,768</b>	<b>8,716</b>
<b>EXPENDITURES</b>				
Current - Public Works:				
Operating supplies	602,500	335,500	267,773	67,727
Capital outlay	10,000	19,217	19,217	-
<b>Total expenditures</b>	<b>612,500</b>	<b>354,717</b>	<b>286,990</b>	<b>67,727</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(359,610)</b>	<b>(91,837)</b>	<b>(14,222)</b>	<b>(59,011)</b>
<b>FUND BALANCES</b>				
BEGINNING OF YEAR	625,737	625,737	625,737	-
END OF YEAR	\$ 266,127	\$ 533,900	\$ 611,515	\$ (59,011)

**CITY OF THIBODAUX**

Fund #31 - CDBG Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year December 31, 2012

Schedule 2.6

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental - Federal Interest	\$ 249,504	\$ 214,148	\$ 206,392	\$ (7,756)
	-	-	-	-
<b>Total Revenues</b>	<b>249,504</b>	<b>214,148</b>	<b>206,392</b>	<b>(7,756)</b>
<b>EXPENDITURES</b>				
Current - General Government - Public Works:				
Personnel	50,514	36,249	36,796	547
Operating supplies	3,850	100	17	(83)
Equipment	160,000	135,477	128,742	(6,735)
Building	-	162	156	(6)
Outside services	30,600	35,300	33,946	(1,354)
General operating	400	5,556	5,431	(125)
General administrative	4,140	1,304	1,304	-
<b>Total current</b>	<b>249,504</b>	<b>214,148</b>	<b>206,392</b>	<b>(7,756)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
BEGINNING OF YEAR	-	-	-	-
END OF YEAR	\$ -	\$ -	\$ -	\$ -

**CITY OF THIBODAUX**  
 Required Supplementary Information  
 Budget Comparison Schedule - Fund #65 Capital Projects Fund  
 For the Year Ended December 31, 2012

Schedule 3.1

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>REVENUES</b>				
Intergovernmental from:				
State of LA	\$ 2,526,500	\$ 117,540	\$ 153,838	\$ 36,298
Local	220,000	-	-	-
Interest	400	1,200	1,294	94
	<u>2,746,900</u>	<u>118,740</u>	<u>155,132</u>	<u>36,392</u>
Total Revenues				
<b>EXPENDITURES</b>				
Outside services	184,500	86,833	84,582	(2,251)
Capital Outlay	3,414,760	17,500	35,192	(17,692)
Total expenditures	<u>3,599,260</u>	<u>104,333</u>	<u>119,774</u>	<u>(19,943)</u>
REVENUE OVER (UNDER) EXPENDITURES	(852,360)	14,407	35,358	56,335
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out):				
01 General Fund	382,030	-	-	-
Total Transfers In (Out)	<u>382,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(470,330)	14,407	35,358	56,335
<b>FUND BALANCES</b>				
BEGINNING OF YEAR	<u>490,020</u>	<u>490,020</u>	<u>490,020</u>	<u>-</u>
END OF YEAR	<u>\$ 19,690</u>	<u>\$ 504,427</u>	<u>\$ 525,378</u>	<u>\$ 56,335</u>

***OTHER SUPPLEMENTARY  
INFORMATION SECTION***

**CITY OF THIBODAUX**  
**SCHEDULE OF COMPENSATION PAID TO COUNCIL**

**For the year ended December 31, 2012**

Included in the expenditures of the General Fund is the compensation of the members of the City Council. In accordance with State of Louisiana Statutes, the City has elected the bi-weekly payment method of compensation in lieu of per diem payments. Under this method, the Chairman of the City Council and the Vice-Chairman each received approximately \$540 bi-weekly and each of the Council members received approximately \$487 bi-weekly.

Lloyd Badeaux	\$ 14,100
Eddie J. Hebert, Jr.	12,700
Chad Mire	14,100
Eugene Richard	12,700
Constance Williams	12,700
	<b>\$ 66,300</b>

**CITY OF THIBODAUX**  
Statement of Revenues Expenses  
Municipal Gas and Sewerage System Fund  
For the Year Ended December 31, 2012

Schedule 4.2

	<u>Gas System</u>	<u>Sewerage System</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,606,786	\$ 1,260,533	\$ 2,867,319
<b>OPERATING EXPENSES</b>			
Gas purchased	942,405	-	942,405
Personal services	370,953	321,567	692,520
Operating supplies	133,095	37,984	171,079
Equipment expenses	30,175	67,407	97,582
Building expenses	6,949	204,020	210,969
Outside services	42,780	162,810	205,590
General operating	71,395	31,296	102,691
General administrative	1,736	58,359	60,095
Depreciation	259,600	454,369	713,969
<b>Total expenses</b>	<u>1,859,088</u>	<u>1,337,812</u>	<u>3,196,900</u>
Operating Income (Loss)	<u>(252,302)</u>	<u>(77,279)</u>	<u>(329,581)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	2,605	2,606	5,211
Other non-operating revenues	4,369	4,368	8,737
Intergovernmental	4,011	52,011	56,022
Interest and fiscal charges	-	(31,890)	(31,890)
<b>Total Non-Operating Revenues</b>	<u>10,985</u>	<u>27,095</u>	<u>38,080</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(241,317)</u>	<u>(50,184)</u>	<u>(291,501)</u>
Transfers From Other Funds			
<b>41 Water</b>	<u>83,145</u>	<u>83,146</u>	<u>166,291</u>
<b>Total Transfers</b>	<u>83,145</u>	<u>83,146</u>	<u>166,291</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ (158,172)</u>	<u>\$ 32,962</u>	<u>\$ (125,210)</u>

**CITY OF THIBODAUX**  
**SCHEDULE OF UTILITY CUSTOMERS**  
**For the year ended December 31, 2012**  
**(UNAUDITED)**

The number of meters being serviced at year-end is:

<b>Department</b>	<b>Commercial</b>	<b>Residential</b>	<b>Total</b>
Natural Gas	578	3,654	4,232
Water & Sewer	1,258	5,113	6,371
<b>Totals</b>	<b>1,836</b>	<b>8,767</b>	<b>10,603</b>

All water and natural gas customers are metered. Sewerage is a charge based on water consumption.

**CITY OF THIBODAUX**  
**Schedule of Insurance in Force**  
**(UNAUDITED)**

For the Year Ended December 31, 2012

Schedule 4.4

<b>Company/Agent</b>	<b>Type of Insurance</b>	<b>Amount</b>	<b>Expiration Date</b>
American Alternative Ins. Co / Riviere Insurance	Auto Liability Deductible: SIR OF \$100,000	\$ 1,000,000	6/30/2013
American Alternative Ins. Co / Riviere Insurance	General Liability Deductible: SIR OF \$100,000	\$ 1,000,000	6/30/2013
American Alternative Ins. Co / Riviere Insurance	Public Officials/Employment Practices Deductible: SIR OF \$100,000	\$ 2,000,000	6/30/2013
American Alternative Ins. Co / Riviere Insurance	Police Liability Deductible: SIR OF \$100,000	\$ 1,000,000	6/30/2013
American Alternative Ins. Co / Riviere Insurance	Employment Practices Liability Deductible: SIR OF \$100,000	\$ 2,000,000	6/30/2013
American Alternative Ins. Co / Riviere Insurance	Employees Benefits Liability Deductible: SIR OF \$100,000	\$ 1,000,000	6/30/2013
LA Workmen's Comp?AJ Gallagher	Workers' Compensation Deductible: None	Statutory	12/31/2012
Great American/AJ Gallagher/ Inland Marine	Physical damage on equipment Deductible: \$1,000	\$ 1,170,939	7/18/2013
Hartford/AJ Gallagher	Boiler & Machinery Policy Deductible: \$5,000	\$ 50,000,000	1/1/2013
Fidelity & Deposit/AJ Gallagher	Employee/Faith Performance Deductible: \$1,000	\$ 100,000	5/27/2013
Fidelity & Deposit/AJ Gallagher	Police/Honesty Bond Deductible: \$1,000	\$ 100,000	5/27/2013
New Hampshire/AJ Gallagher	Flood Insurance-Building Deductible - Building: \$1,000	\$ 213,000	7/25/2013
New Hampshire/AJ Gallagher	Flood Insurance-Contents Deductible - Building: \$1,000	\$ 23,200	7/25/2013
American Alternative Insurance/ Riviere Insurance	Auto Liability - Fire Department Deductible: \$1,000	\$ 1,000,000	10/11/2013
Fidelity & Deposit/Riviere Insurance	Public Official Bond - Finance Director Deductible: \$0	\$ 100,000	3/1/2013
Fidelity & Deposit/Riviere Insurance	Public Official Bond - Finance Secretary Deductible: \$0	\$ 100,000	3/1/2013
Fidelity & Deposit/Riviere Insurance	Public Official Bond - Mayor's Secretary Deductible: \$0	\$ 100,000	3/1/2013
Western Surety/Jones Insurance	Public Official Bond - Council President Deductible: \$0	\$ 100,000	4/15/2013
Fidelity & Deposit/Peltier Insurance	Public Official Bond - Mayor Deductible: \$0	\$ 100,000	12/13/2014
Underwriters at Lloyd's London Princeton Excess & Surplus Lines QBE Specialty Insurance Co. Steadfast Insurance Co.	Physical Damage	\$ 23,448,531	6/1/2013
Western Surety Co./ Riviere Insurance	Notary Bond: Chief of Police	\$ 10,000	0101/2009-2014
	Notary Bond: Calvin Cooks	\$ 10,000	0101/2009-2014
	Notary Bond: Kyle Cressoine	\$ 10,000	0101/2009-2014
	Notary Bond: Brian Rhodes	\$ 10,000	0101/2009-2014
	Notary Bond: Lori Cortez	\$ 10,000	0101/2009-2014

***SINGLE AUDIT SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the City Council  
City of Thibodaux, Louisiana  
Thibodaux, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Thibodaux as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 16, 2013.

### ***Internal Control Over Financial Reporting***

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

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

To the City Council  
City of Thibodaux, Louisiana  
Page 2

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

May 16, 2013  
Thibodaux, Louisiana





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the City Council  
City of Thibodaux, Louisiana  
Thibodaux, LA

### ***Reporting On Compliance for Each Major Federal Program***

We have audited the City of Thibodaux, Louisiana's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the major federal programs for the year ended December 31, 2012.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. And 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 of the material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

To the City Council  
City of Thibodaux, Louisiana  
Page 2

***Report on Internal Control Over Compliance***

Management is responsible for establishing, and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of internal control over compliance.

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

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

The Purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Stagni & Company*

May 16, 2013  
Thibodaux, Louisiana



**City of Thibodaux**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the year ended December 31, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
<b>U.S. Department of Housing and Urban Development:</b>			
Office of Community Planning and Development:	14.218	B-10-MC-22-0012	\$ 3,839
Community Development Block Grants/		B-11-MC-22-0012	180,829.66
Entitlement Grants		B-12-MC-22-0012	21,723.75
Office of Public and Indian Housing:			
Section 8 Housing Choice Vouchers	14.871	LA194VO	975,720
Total U.S. Department of Housing and Urban Development			<u>\$ 1,182,112</u>
<b>U.S. Department of Transportation:</b>			
Federal Highway Administration:			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Transportation and Development</u>			
Canal Pedestrian Bridge	20.200		\$ 16,288
State and Community Highway Safety			
<u>Pass-Through Program From:</u>			
<u>Louisiana Highway Safety Commission</u>			
LHSC 2011-2012	20.600	2012-30-21 FFY12	74
Alcohol Impaired Driving Countermeasure Incentive			
<u>Pass-Through Program From:</u>			
<u>Louisiana Highway Safety Commission</u>			
LHSC 2011-2012	20.601	2012-30-21 FFY12	26,937
LHSC 2012-2013	20.601	2012-30-21 FFY13	7,840
Highway Planning & Construction			
<u>Pass-Through Program From:</u>			
<u>Louisiana Highway Safety Commission</u>			
LHSC 2011-2012	20.205	2012-30-21 FFY12	5,331
National Highway Traffic Safety Administration			
<u>Pass-Through Program From:</u>			
<u>Louisiana Department of Transportation and Development</u>			
Downtown Parking Study	20.607	H.009705	6,633
Federal Aviation Administration			
<u>Pass-Through Programs From:</u>			
<u>State Department of Transportation and Development:</u>			
Airport Improvements	20.106	3-22-0072-003-2012	126,841
Total U. S. Department of Transportation			<u>\$ 189,944</u>

**City of Thibodaux**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the year ended December 31, 2012**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Award/ Pass-Through Entity Identifying Number	Federal Expenditures*
<b>U.S. Department of Environmental Protection Agency</b>			
<u>Pass-Through Program From:</u>			
Louisiana Department of Health & Hospitals			
ARRA - Capitalization Grants for Clean Water State Revolving Fund	66.468	DWRLF Project #1057003-01	\$ 196,945
Capitalization Grants for Clean Water State Revolving Fund	66.468	DWRLF Project #1057003-01	<u>2,640,580</u>
Total U. S. Department of Environmental Protection Agency			<u>\$ 2,837,525</u>
<b>U.S. Department of Justice:</b>			
Bureau of Justice Assistance:			
Edward Byrne Memorial JAG 2010	16.738	2010-DJ-BX-1637	\$ 430
Bulletproof Vest Partnership Program	16.607	n/a	7,768
Total U.S. Department of Justice			<u>\$ 8,198</u>
<b>U.S. Department of Homeland Security:</b>			
<u>Pass-Through Programs From:</u>			
<u>Louisiana Office of Emergency Preparedness:</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Hurricane Isaac	97.036	4080-DR-LA	\$ 412,469
<u>Governor's Office of Homeland Security &amp; Emergency Preparedness:</u>			
<u>South Central Planning and Development Commission:</u>			
Interoperable Emergency Communications	97.055	2010-V0811-LA-IP	7,800
	97.067	EMU-2011-SS-00124-S01	728
Total U.S. Department of Homeland Security			<u>\$ 420,997</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 4,638,776</b></u>

\* Federal expenditures represent total expenditures for the program. Those expenditures may include amounts reimbursed by state and/or local matches.

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF THIBODAUX**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**  
**December 31, 2012**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Primary Government of the City of Thibodaux (The City). All federal expenditures of financial assistance received directly from federal agencies are included on the schedule, as well as expenditures of federal financial assistance passed-through other government agencies, including amounts reimbursed by state and/or local match.

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. A reconciliation of the federal expenditures to the federal revenues presented in the financial statements is outlined below:

Federal Expenditures per the Schedule of Federal Awards	\$ 4,638,776
Revenues from Other Sources/Matching to cover Expenses:	
Donation from SCPDC of radios	(7,800)
Donation from SCPDC of TV	(728)
25% Match FEMA -Hurricane Isaac	(56,208)
Section 8 Housing	(181,118)
JAG 2010	(421)
Bullet Proof Vest	(3,759)
Canal Pedestrian Bridge	(16,288)
LHSC 2011-2012 - Alcohol Impaired	(676)
LHSC 2012-2012 - Planning & Construction	(5,331)
Downtown Parking Study	(6,633)
Clean Water State Revolving Loan	(143,400)
Principal Forgiveness of Debt	(196,945)
Draws on Clean Water State Revolving Loan	(2,291,438)
Intergovernmental Federal Grants recorded in Enterprise Funds	(136,742)
Expenditures reflected in Current Year, expect to receive revenues in future - PW not written - Hurricane Isaac - Debris Removal	(187,636)
Expenditures reflected in Current Year, expect to receive revenues in future - Reimbursement Request Not filed - Clean Water State Revolving Loan	(205,743)
Revenues received for PW - work not performed in 2012	29,366
Federal Revenues per Statement (Statement E)	<u>\$ 1,227,277</u>

During 2010 the City entered into a commitment agreement with the LA Department of Environmental Quality pursuant to the Federal Safe Drinking Water Act Amendments of 1996, specifically Section 300j-12 of Title 42 of the United States Code ("The Federal Act), enabling capitalization grants to states to be used for the purpose of providing loans or loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds which are deposited in a State Revolving Fund, or to provide other financial assistance authorized under the Federal Act to community water systems and non-profit, non-community water systems, other than systems owned by Federal agencies. The State of Louisiana has established a Drinking Water Revolving Loan Fund to be used for the purpose of providing financial assistance for the improvement of public drinking water systems in the State. The commitment agreement dated January 1, 2010 relating to the issuance of not exceeding \$6,400,000 Water Revenue Bond, Series 2010 of the City of Thibodaux, State of Louisiana. The agreement allows for a loan with 100% principal forgiveness for the \$1,000,000 (ARRA) Series 2010A and \$5,400,000 for Taxable Water Revenue Bonds, Series 2010B. During the current year, the City of Thibodaux recognized Principal Forgiveness of Debt of \$196,945 and draws totaling \$2,291,438 of the Taxable Water Revenue Bonds.

**Note 2 Findings of Noncompliance**

There were no federal award findings or questioned costs reported during the audit for the year ended December 31, 2012.

**CITY OF THIBODAUX**  
 Schedule of Current Year Findings  
 December 31, 2012

**Section I - Summary of Auditor's Reports**

*Financial Statements*

The independent auditor's report issued on the financial statements was unqualified.

- Internal Control over financial reporting:
  - Material Weaknesses Identified? **No**
  - Significant Deficiencies Identified? **No**
- Non-Compliance Material to Financial Statements noted?: **No**

*Federal Awards*

- Internal Control over major programs:
  - Material Weaknesses Identified? **No**
  - Significant Deficiencies Identified? **No**
- Type of Auditor's Report On Compliance for Major Programs: **Unqualified**

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)? **No**

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
14.871	Section 8 Housing Choice Vouchers
66.468	ARRA – Capitalization Grants for Clean Water State Revolving
66.468	Capitalization Grants for Clean Water State Revolving
97.036	Disaster Grants – Public Assistance – Hurricane Isaac

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**

**Section II - Financial Statement Findings:**

*No matters were reported.*

**Section III Federal Award Findings and Questioned Costs**

*No matters were reported.*

**CITY OF THIBODAUX**  
**STATUS OF PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2012**

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding
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*Section I - Internal Control and Compliance Material to the Financial Statements:*

**NO FINDINGS TO FOLLOW UP**

*Section II - Internal Control and Compliance Material to Federal Awards:*

**NO FINDINGS TO FOLLOW UP**

*Section III - Management Letter:*

**NO FINDINGS TO FOLLOW UP**