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FINANCIAL REPORT

DECEMBER 31, 2025

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EisnerAmper

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Thibodaux, Louisiana, (the "City") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Thibodaux Volunteer Fire Department, Inc. and City Court of Thibodaux, Louisiana, which represent one hundred percent of the assets, net position, and revenues of the discretely presented component units as of November 30, 2025, and December 31, 2025, respectively, and the respective changes in financial position. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, Thibodaux Volunteer Fire Department, Inc. and City Court of Thibodaux, Louisiana, are based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund, the schedule of revenues, expenditures, and changes in fund balance – budget to actual – Section 8 Housing fund, schedule of changes in total other postemployment benefit liability and related ratios, schedule of proportionate share of the net pension liability, schedule of contributions, and notes to the required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor special revenue fund financial statements and budget-to-actual schedules, the combining statement of revenues, expenses, and change in net position – municipal gas and sewerage system fund, the combining statements – discretely presented component units, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, the justice system funding schedule – collecting/disbursing entity, the justice system funding schedule – receiving entity, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the combining and individual nonmajor special revenue fund financial statements and budget-to-actual schedules, the combining statement of revenues, expenses, and change in net position – municipal gas and sewerage system fund, the combining statements – discretely presented component units, the schedule of principal officials and salaries, the schedule of compensation, benefits, and other payments to agency head, the justice system funding schedule – collecting/disbursing entity, the justice system funding schedule – receiving entity, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of utility customers on page 99 and the schedule of insurance in force on page 100 but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

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, 2025. 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 summarized government-wide financial analysis of revenues, expenses and changes in the net position as well as a financial analysis of the more significant funds of the City consisting of the governmental fund types and proprietary funds.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the primary government at the close of the most recent fiscal year by **$88.9** million (net position). Of this amount, **$76.9** million is the net invested in capital assets and **$4.0** million is restricted for debt service payments, utility system maintenance, health and welfare, public safety, and public works.

Governmental activities current assets decreased by **$0.7** million due to a decrease in receivables and due from other governments due to completion of grant projects that came to completion or near completion and receiving revenue from closeouts from Hurricane Francine. Current assets of the business-type activities decreased by **$0.3** million as due to the decrease in cash and cash equivalents as a result of capital projects that were completed particularly Trickling Filter Media/UV Lights.

Business-type activities restricted assets increased by **$0.4** million due to bond debt service requirements and the increase in utility deposit fees recorded as liabilities.

The Internal Service Fund had a net deficit of **$0.7** million due to judgments and estimated losses accrued as of year-end. These judgments and claims are expected to be funded by transfers from the General Fund.

Capital assets of the Governmental activities increased by **$3.2** million due to continued projects including DOTD Airport Mitigation, Andolsek Park, Acadia Rd Roundabout, Downtown Sidewalks, Audubon Ave Overlay, 2024 Roadway Improvements, and Levert Roadway. Continued depreciation on assets placed in service, offset by the continuation or completion of water and sewer improvements, especially the trickling filter media, resulted in a decrease in the capital assets of the Business-type activities of **$0.7** million in 2025.

Total long-term liabilities of the primary government decreased by **$2.5** million during 2025. Governmental activities long-term liabilities decreased by **$1.4** million primarily due to a decrease in the net pension liability, offset by increases in OPEB liability and claims liability. Business-type long-term liabilities decreased by **$1.1** million due to bond and lease repayments and a decrease in the net pension liability.

Total net position increased by **$4.7** million during 2025. This is primarily a result of increases in ad valorem and sales taxes and controlled expenses. The City continues to receive capital grants for Highway Planning and Construction program projects. Additionally, the City received **$0.8** million in donated assets in the current year due to development of the City and additional subdivisions being constructed.

Total capital grants and contributions decreased by **$0.1** million during 2025. Governmental activities capital grants and contributions increased **$0.7** million due to donated assets. Business-type activities capital grants and contributions decreased **$0.8** million due to decreases in donated assets and intergovernmental funding for the Trickling Filter project and other projects provided by American Rescue Plan.

Expenses of the governmental activities and business-type activities stayed relatively consistent except for governmental activities public works expenses that experienced an increase of **$1.2** million mainly due to increases in adding two additional limestone roads for the LWIN tower access and Andolsek Park.

At the end of our current fiscal year, the governmental funds reported combined ending fund balances of nearly **$30.4** million, an increase of approximately **$0.4** million in comparison with the prior year. This small increase is mainly due to surpluses in the Special Revenue Funds offsetting small deficits in the General Fund. The unassigned fund balance of **$27.3** million represents a very adequate level of reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements ("FFS") presentation more familiar.

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

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

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

Proprietary Funds report both Enterprise and Internal Service funds on the FFS illustrated in Statements G through I. *Enterprise funds* are used to account for operations financed with service charges and operated in a manner similar to private business enterprises. The following are major enterprise funds: Municipal Waterworks Fund and Municipal Gas and Sewerage System Fund. There is one non-major proprietary fund: 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.

Other Information

Notes to the Financial Statements

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

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for 2025, with comparative figures from 2024:

Condensed Statements of Net Position

	Governmental Activities		Business-type Activities	
	2025	**2024**	**2025**	**2024**
Assets				
Current and Other	$ 31,790,869	$ 32,539,949	$ 7,305,215	$ 7,601,914
Restricted	-	-	3,467,908	3,095,069
Capital	51,806,563	48,655,432	37,548,863	38,200,030
Total Assets	83,597,432	81,195,381	48,321,986	48,897,013
Deferred Outflows	4,484,249	3,916,749	934,709	657,867
Liabilities				
Current	3,482,590	3,301,247	2,631,734	2,604,963
Long-term	26,697,161	28,115,681	11,432,558	12,549,449
Total Liabilities	30,179,751	31,416,928	14,064,292	15,154,412
Deferred Inflows	3,882,184	3,439,827	900,672	1,060,060
Net Position				
Net Inv in Capital Assets	48,990,529	45,481,086	27,929,687	27,321,807
Restricted	1,908,109	1,644,793	2,138,185	1,788,060
Unrestricted	3,121,108	3,129,496	4,223,859	4,230,541
Total Net Position	$ 54,019,746	$ 50,255,375	$ 34,291,731	$ 33,340,408

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

Approximately **87.1%** of total net position as of December 31, 2025, reflects the net invested in capital assets (land, construction in progress, buildings, infrastructure, machinery and equipment less accumulated depreciation) less any related outstanding debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Another **4.5%** of the total net position is subject to external restrictions as to their use. The remaining unrestricted net position is **8.4%** of total net position.

While net investment in capital assets increased approximately **$4.1** million, unrestricted net position stayed constant at approximately **$7.3** million.

The table below provides a summary of the changes in net position for the year ended December 31, 2025, with comparative figures from 2024:

Condensed Statements of Activities

	Governmental Activities		Business-type Activities	
	2025	**2024**	**2025**	**2024**
Revenue				
Program Revenue:				
Charges for Services	$ 2,067,643	$ 1,952,475	$ 11,407,914	$ 10,292,411
Operating Grants and Contributions	4,545,445	4,703,173	51,447	46,585
Capital Grants and Contributions	4,297,901	3,621,425	321,047	1,117,349
General Revenue:				
Ad Valorem Taxes	2,203,956	2,077,591	-	-
Sales Taxes	19,489,266	18,597,625	-	-
Franchise and Other Taxes	1,276,778	1,272,456	-	-
Investment Earnings	733,598	891,321	194,983	189,465
Other	953,252	963,682	146,420	127,537
Total Revenue	35,567,839	34,079,748	12,121,811	11,773,347
Expenses				
General Government	5,629,458	4,839,674	-	-
Public Safety	12,114,740	12,592,183	-	-
Public Works	6,254,634	5,011,230	-	-
Culture & Recreation	4,470,380	4,335,615	-	-
Health & Welfare	3,093,621	2,909,926	-	-
Interest on lease obligations	205,635	198,889	-	-
Waterworks	-	-	4,131,447	3,577,984
Gas & Sewerage	-	-	5,191,186	5,046,828
Garbage Collection	-	-	1,882,855	1,868,075
Total Expenses	31,768,468	29,887,517	11,205,488	10,492,887
Increase in Net Position Before Transfers	**3,799,371**	**4,192,231**	**916,323**	**1,280,460**
Transfers (to) from	(35,000)	(1,215,000)	35,000	1,215,000
Increase in Net Position	**3,764,371**	**2,977,231**	**951,323**	**2,495,460**
Beginning Net Position	50,255,375	47,278,144	33,340,408	30,844,948
Ending Net Position	**$ 54,019,746**	**$ 50,255,375**	**$ 34,291,731**	**$ 33,340,408**

The City's total net position increased by **$4.7** million during the current fiscal year. This increase is due to the increase in the net position for *Governmental Activities* of approximately **$3.8** million and the increase in net position for *Business-type Activities* of approximately **$0.9** million. These increases are attributed to service fee revenues, ad valorem taxes, and sales taxes outpacing increases in the cost of the City's services.

Financial Analysis of the Governmental Funds

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

The combined fund balance of the governmental funds was nearly **$30.4** million, an increase of approximately **$0.4** million from the prior year. Approximately **89.9%** (**$27.3** million) of total fund balance was unassigned and available for spending in future periods. The restricted fund balance was comprised of **$77,408** due to restrictions by external parties and approximately **$1.8** million due to ad valorem taxes dedicated for Public Safety and Public Works. Fund balance of **$1.0** million was committed for Public Works by the Council. The assigned fund balance of **$176,189** represents amounts that are constrained by the administration's intent to be used for specific purposes but are neither restricted nor committed.

The General Fund is the chief operating fund and is always a major fund. At the end of the current fiscal year, the unassigned fund balance of the General Fund was approximately **$27.3** million, a decrease of approximately **$0.2** million from the prior year. This represents over **102.1%** of total General Fund expenditures and transfers out for the year ended December 31, 2025.

Other major funds include the Section 8 Housing Special Revenue Fund and Capital Projects Fund. At the end of the current fiscal year, the fund balance of the Section 8 Housing Fund, all of which is restricted specifically for the Section 8 federal program was **$77,408**, an increase of approximately **$76,000** from the prior year.

The fund balance of the Capital Projects Fund increased by approximately **$26,000** from the prior year. The ending fund balance of the Capital Projects fund is **$28,306**. The Capital Projects Fund accounts mainly for roadway improvements.

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

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

The Municipal Waterworks Fund had unrestricted net deficit of approximately **$575,000**. Net Invested in Capital Assets at the end of the current fiscal year was nearly **$12.0** million, **$0.1** million was restricted for debt service, and **$0.1** million was restricted for system maintenance. This fund ended the year with **$0.7** million in operating loss as charges did not cover current operating expenses.

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

The Municipal Gas & Sewerage System Fund had unrestricted net position of **$4.1** million. The Gas System ended the year with an operating income of **$200,720** and the Sewerage System ended with an operating income of **$876,038** for a combined operating income at year-end of **$1.1** million. Investment in capital assets, net of related debt, at the end of the current fiscal year was **$16.0** million, **$0.6** million was restricted for debt service, and more than **$1.3** million was restricted for system maintenance.

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

The Garbage Collection Fund had approximately **$0.7** million in unrestricted net position. The fund ended the year with an operating income of **$6,652.** There was no investment in capital assets at the end of the current fiscal year.

General Fund Budgetary Highlights

The budget was amended twice during the year. The primary reason for amending the budget was due to decreases in expected grant revenues and capital outlay as a result of capital projects not reaching expected milestones during the year. Some of the significant variances are listed below:

REVENUES

- **Revenues and transfers in total were amended by $297,982 from $27,342,607 to $27,640,589 due to higher expected ad valorem and sales taxes collections, offset by a decrease in federal government grant funding as a result of cost-reimbursement capital projects not reaching expected milestones. The actual revenues and transfers-in for the year fell in-line with the amended budget.**

EXPENDITURES

- **Expenditures and transfers out in total were amended for a decrease of $6,227,295 from $35,759,460 to $29,532,165 due to lesser transfers needed for capital projects, as various projects had not reached the expected status as of year end. Also, expenditures were amended downward to better estimate the expected results as the fiscal year progressed. The actual expenditures and transfers came in $1,656,000 below the amended budget.**

Capital Asset and Debt Administration

Capital Assets: The capital assets for governmental and business-type activities were nearly **$89.4** million (net of accumulated depreciation and amortization). Capital assets includes land, construction in progress, infrastructure, buildings and improvements, furnishings and equipment, gas and water utility systems, sewer system facilities, roads, highways and drainage systems, and right of use lease assets. The total increase in capital assets (net of depreciation and amortization) for the current fiscal year was **$2.5** million, with a **$3.2** million increase for governmental activities and a **$0.7** million decrease for business-type activities.

Major capital asset additions, completed and placed-in-service projects, or purchases during the current fiscal year included the following:

Governmental Activities	
• **DOTD Airport Mitigation**	**$ 575,215**
• **Andolsek Park**	**1,095,490**
• **Acadia Rd Roundabout**	**777,186**
• **Audubon Ave Overlay**	**2,092,617**
• **Downtown Sidewalks**	**1,437,393**
• **2024 Roadway Improvements**	**783,268**
• **Levert Roadway**	**584,103**
• **Acadia Plantation Subdivision Donations**	**474,262**
Business-Type Activities	
• **Trickling Filter Media**	**$ 2,483,515**
• **Vacuum Truck**	**539,872**
• **Acadia Plantation Subdivision Donations**	**321,047**

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

Governmental Activities	
• **Canal Bridge Replacement**	**$ 966,279**
• **LA648 Percy Brown Rd**	**374,271**
Business-Type Activities	
• **Canal Boulevard Water Tower**	**$ 639,951**

Contract commitments remaining in relation to the above projects at year-end total **$8.0** million.

Capital Assets (Net of Depreciation and Amortization)

	Governmental Activities		Business-type Activities	
	2025	**2024**	**2025**	**2024**
Land	$ 4,646,127	$ 4,646,127	$ 403,334	$ 403,334
Construction in progress	1,722,697	4,506,338	639,951	2,460,739
Buildings & improvements	3,152,104	2,711,624	-	-
Infrastructure	35,414,714	29,270,465	-	-
Furnishing & equipment	4,307,145	4,438,919	-	-
Water production and distribution system	-	-	13,151,919	14,112,834
Sewer system & equipment	-	-	21,380,764	19,016,296
Gas distribution system	-	-	1,953,481	2,176,151
Right of use assets	2,121,871	2,487,089	19,414	30,676
Subscription assets	441,905	594,870	-	-
	$ 51,806,563	$ 48,655,432	$ 37,548,863	$ 38,200,030

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

Long-term Debt: At the end of the current fiscal year, the City had total outstanding bonds payable and lease liabilities of **$12.4** million.

Summary of Outstanding Debt

	Governmental Activities		Business-type Activities	
	2025	**2024**	**2025**	**2024**
Water Revenue Bond, Series 2010B	$ -	$ -	$ 1,486,276	$ 1,763,276
Utilities Revenue Bonds, Series 2013	-	-	2,985,992	3,268,992
Utilities Revenue Bonds, Series 2019	-	-	4,638,659	4,924,659
Financed Asset Liability (Water)	-	-	311,864	613,834
Financed Asset Liability (Gas)	-	-	113,505	223,410
Leases obligations	2,321,990	2,621,516	22,354	32,906
Subscription liabilities	478,681	617,904	-	-
	$ 2,800,671	$ 3,239,420	$ 9,558,650	$ 10,827,077

At the end of the current fiscal year, the City had total bonded debt outstanding of **$9.1** million. The bond issues are serviced by water and sewerage user fees net of system operating expenses and are payable solely from these net revenues.

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

The proposed General Fund budget for the year ending December 31, 2026, results in an operating loss of **$6.3** million. Highlights of next year's General Fund budget include:

Condensed Summary of General Fund
Budgeted Finances

	FY 2026
Anticipated revenues	$ 27,265,762
Expenditures:	
Current	27,568,027
Capital outlay	2,106,834
Transfers out	3,908,778
Total expenditures	33,583,639
Excess of expenditures	(6,317,877)
Fund balance:	
Beginning of the year	24,147,869
End of the year	$ 17,829,992

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. Historically, these revenues have fluctuated significantly, making it a common practice to budget conservatively. In 2026, this approach was maintained, especially as some revenues experienced slight declines and capital grant funding decreased.
- Sales Tax collections play a key role in funding the General Fund and the Capital Projects Fund. From 2024 to 2025, the City saw a 4.79% increase in sales tax growth. To maintain a caution approach, the 2026 budget does not factor in an increase, aligning projections with 2025 estimates. This decision accounts for anticipated revenue from Lafourche Parish Sales Tax office audits conducted in 2025.
- Ad Valorem taxes possibly will not see a big increase due to no change in millage rates. This adjustment ensures tax revenues align with updated property valuations.
- A 3.00% increase in salaries was budgeted.
- Retirement contributions are expected to change as follows: 3.57% decrease (MERS), 5.97% decrease (MPERS), and 8.69% decrease (LASERS).
- Approximately $331,486 in capital expenditures was budgeted in 2026 for the Municipal Gas & Sewerage Fund.
- Approximately $114,305 in capital expenditures was budgeted in 2026 for the Municipal Waterworks Fund.
- Approximately $7.6 million in capital expenditures was budgeted in 2026 for various Capital Street Improvement Projects.
- Insurance expenditures are budgeted to increase 15%-25%.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (“GWFS”)

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF NET POSITION
DECEMBER 31, 2025

Statement A

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Total
ASSETS				
Cash and cash equivalents	$ 17,517,325	$ 5,711,450	$ 23,228,775	$ 3,242,944
Investments	9,855,843	614	9,856,457	5,704,400
Receivables, net	635,236	1,593,151	2,228,387	112,860
Due from other governments	3,781,920	-	3,781,920	100
Due from other agencies	-	-	-	126,896
Other assets	545	-	545	-
Restricted assets:				
Cash and cash equivalents	-	2,491,305	2,491,305	-
Investments	-	976,603	976,603	-
Capital assets:				
Non-depreciable	6,368,824	1,043,285	7,412,109	5,626,977
Net depreciable	45,437,739	36,505,578	81,943,317	8,720,766
Total assets	83,597,432	48,321,986	131,919,418	23,534,943
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits ("OPEB") related	1,675,054	588,257	2,263,311	-
Pension related	2,809,195	346,452	3,155,647	-
Total deferred outflows of resources	4,484,249	934,709	5,418,958	-
LIABILITIES				
Accounts payables and accrued expenses	1,042,770	681,430	1,724,200	619,110
Retainage payable	15,363	60,526	75,889	-
Due to other governments	-	-	-	13,405
Unearned revenue	-	-	-	100,987
Liabilities payable from restricted assets	-	472,033	472,033	-
Long term liabilities:				
Bonds, financed asset liabilities, leases, subscriptions, and compensated absences:				
Due within one year	1,090,385	1,343,207	2,433,592	558,332
Due in more than one year	3,042,362	8,363,984	11,406,346	2,199,826
Claims liability, due in more than one year	886,812	-	886,812	-
Total OPEB liability:				
Due within one year	447,260	74,538	521,798	-
Due in more than one year	10,498,539	1,749,609	12,248,148	-
Net pension liability, due in more than one year	13,156,260	1,318,965	14,475,225	-
Total liabilities	30,179,751	14,064,292	44,244,043	3,491,660
DEFERRED INFLOWS OF RESOURCES				
OPEB related	2,093,062	699,000	2,792,062	-
Pension related	1,745,995	201,672	1,947,667	-
Resources recovered prior to time requirements	43,127	-	43,127	-
Total deferred inflows of resources	3,882,184	900,672	4,782,856	-
NET POSITION				
Net investment in capital assets	48,990,529	27,929,687	76,920,216	12,147,917
Restricted for:				
Debt service	-	683,696	683,696	-
Utility system maintenance	-	1,454,489	1,454,489	-
Federal grants	77,408	-	77,408	-
Public safety and public works	1,830,701	-	1,830,701	5,171,017
Unrestricted	3,121,108	4,223,859	7,344,967	2,724,349
Total net position	$ 54,019,746	$ 34,291,731	$ 88,311,477	$ 20,043,283

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

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement B

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
					Primary Government			Component Units
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Total
Primary government:								
Governmental activities:								
General government	$ 5,629,458	$ 1,363,012	$ 141,706	$ 418,555	$ (3,706,185)	$ -	$ (3,706,185)	$ -
Public safety	12,114,740	171,298	985,740	10,219	(10,947,483)	-	(10,947,483)	-
Public works	6,254,634	122,409	52,513	3,869,127	(2,210,585)	-	(2,210,585)	-
Culture and recreation	4,470,380	410,924	259,859	-	(3,799,597)	-	(3,799,597)	-
Health and welfare	3,093,621	-	3,105,627	-	12,006	-	12,006	-
Interest on long-term debt	205,635	-	-	-	(205,635)	-	(205,635)	-
Total governmental activities	31,768,468	2,067,643	4,545,445	4,297,901	(20,857,479)	-	(20,857,479)	-
Business-type activities:								
Waterworks	4,131,447	3,330,205	24,330	142,323	-	(634,589)	(634,589)	-
Gas and sewerage	5,191,186	6,188,202	27,117	178,724	-	1,202,857	1,202,857	-
Garbage collection	1,882,855	1,889,507	-	-	-	6,652	6,652	-
Total business-type activities	11,205,488	11,407,914	51,447	321,047	-	574,920	574,920	-
Total	$ 42,973,956	$ 13,475,557	$ 4,596,892	$ 4,618,948	(20,857,479)	574,920	(20,282,559)	-
Component units:								
Court services	$ 919,810	$ 196,291	$ 942,294	$ -	-	-	-	218,775
Public safety	2,079,948	101,230	1,583,179	-	-	-	-	(395,539)
Total component units	$ 2,999,758	$ 297,521	$ 2,525,473	$ -	-	-	-	(176,764)
General revenues:								
Taxes:								
Ad valorem					2,203,956	-	2,203,956	978,125
Sales					19,489,266	-	19,489,266	-
Other taxes					686,226	-	686,226	-
Franchise fees					590,552	-	590,552	-
Investment earnings					733,598	194,983	928,581	291,460
Miscellaneous					953,252	146,420	1,099,672	437,621
Transfers					(35,000)	35,000	-	-
Total general revenues and transfers					24,621,850	376,403	24,998,253	1,707,206
Change in net position					3,764,371	951,323	4,715,694	1,530,442
Net position - December 31, 2024					50,255,375	33,340,408	83,595,783	18,512,841
Net position - December 31, 2025					$ 54,019,746	$ 34,291,731	$ 88,311,477	$ 20,043,283

FUND FINANCIAL STATEMENTS ("FFS")

CITY OF THIBODAUX
Thibodaux, Louisiana
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2025

Statement C

	Major Funds				
	01	17	65		
	General Fund	Section 8 Housing	Capital Projects Fund	Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	$ 14,417,180	$ 92,728	$ -	$ 2,792,969	$ 17,302,877
Investments	9,855,843	-	-	-	9,855,843
Accounts receivable, net	413,578	-	-	218,237	631,815
Due from other governments	3,573,169	-	183,153	25,598	3,781,920
Due from other funds	7,147	-	-	-	7,147
Other assets	545	-	-	-	545
Total assets	$ 28,267,462	$ 92,728	$ 183,153	$ 3,036,804	$ 31,580,147
LIABILITIES					
Accounts payable and accrued expenses	$ 473,037	$ 10,320	$ 150,236	$ 10,327	$ 643,920
Accrued salaries and benefits	340,649	5,000	-	612	346,261
Retainage payable	15,363	-	-	-	15,363
Due to other funds	-	-	4,611	2,536	7,147
Total liabilities	829,049	15,320	154,847	13,475	1,012,691
DEFERRED INFLOWS OF RESOURCES					
Resources recovered prior to time requirements	133,829	-	-	58,407	192,236
Total deferred inflows of resources	133,829	-	-	58,407	192,236
FUND BALANCES					
Restricted for:					
Federal and state grant programs	-	77,408	-	-	77,408
Public safety	-	-	-	1,005,557	1,005,557
Public works	-	-	-	825,144	825,144
Committed for:					
Public works	-	-	28,306	958,032	986,338
Assigned for:					
Public safety	-	-	-	176,189	176,189
Unassigned	27,304,584	-	-	-	27,304,584
Total fund balances	27,304,584	77,408	28,306	2,964,922	30,375,220
Total liabilities, deferred inflows and fund balances	$ 28,267,462	$ 92,728	$ 183,153	$ 3,036,804	$ 31,580,147

CITY OF THIBODAUX
Thibodaux, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Statement D

Total fund balance for governmental funds		$ 30,375,220
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds:		
Cost of non-depreciable capital assets	6,368,824	
Cost of depreciable capital assets	97,250,790	
Less: accumulated depreciation	(54,376,827)	
Right of use assets - leases	3,312,796	
Less: accumulated amortization	(1,190,925)	
Subscription assets	747,835	
Less: accumulated amortization	(305,930)	51,806,563
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position		(721,532)
Ad valorem tax revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay current period expenditures		100,819
Franchise fee revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay current period expenditures		48,290
Elimination of interfund assets and liabilities:		
Due from other funds	7,147	
Due to other funds	(7,147)	-
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities:		
Compensated absences payable:		
Due within one year	(394,823)	
Due in more than one year	(937,253)	(1,332,076)
Total other postemployment benefits (OPEB) liability:		
Due within one year	(447,260)	
Due in more than one year	(10,498,539)	(10,945,799)
Net pension liability:		(13,156,260)
Lease liability:		
Due within one year	(546,534)	
Due in more than one year	(1,775,456)	(2,321,990)
Subscription liability:		
Due within one year	(149,028)	
Due in more than one year	(329,653)	(478,681)
Deferred outflows and inflows of resources related to OPEB and pensions are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows - pension related	2,809,195	
Deferred outflows - OPEB related	1,675,054	
Deferred inflows - pension related	(1,745,995)	
Deferred inflows - OPEB related	(2,093,062)	645,192
Total net position of governmental activities		$ 54,019,746

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

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement E

	Major Funds				
	01	17	65		
	General Fund	Section 8 Housing	Capital Projects Fund	Non-Major Funds	Total
REVENUES					
Taxes	$ 20,944,489	$ -	$ -	$ 1,464,007	$ 22,408,496
Licenses and permits	1,191,788	-	-	-	1,191,788
Intergovernmental:					
Federal government	378,947	3,098,189	2,666,054	245,642	6,388,832
State government	882,598	-	229,175	144,048	1,255,821
Local government	195,000	-	-	-	195,000
Charges for services	547,637	-	-	-	547,637
Franchise fees	601,191	-	-	-	601,191
Fines and forfeitures	171,224	-	-	156,994	328,218
Investment income	692,642	639	139	35,185	728,605
Miscellaneous	800,698	44,435	-	12,578	857,711
Total revenues	26,406,214	3,143,263	2,895,368	2,058,454	34,503,299
EXPENDITURES					
Current:					
General government	5,051,636	-	-	-	5,051,636
Public safety	10,790,019	-	-	40,186	10,830,205
Public works	3,720,265	-	270,076	275,944	4,266,285
Culture and recreation	3,771,143	-	-	-	3,771,143
Health and welfare	-	3,103,243	-	1,988	3,105,231
Capital outlay	1,445,007	-	4,615,737	288,475	6,349,219
Debt service:					
Principal repayments	654,613	-	-	-	654,613
Interest and bank charges	205,635	-	-	-	205,635
Total expenditures	25,638,318	3,103,243	4,885,813	606,593	34,233,967
Excess (deficiency) of revenues over expenditures	767,896	40,020	(1,990,445)	1,451,861	269,332
OTHER FINANCING SOURCES (USES)					
Proceeds from sales of capital assets	45,114	-	-	50,427	95,541
Other financing sources - leases	215,864	-	-	-	215,864
Transfers in	978,125	36,308	2,016,539	-	3,030,972
Transfers out	(2,237,847)	-	-	(978,125)	(3,215,972)
Total other financing sources (uses)	(998,744)	36,308	2,016,539	(927,698)	126,405
NET CHANGE IN FUND BALANCES	(230,848)	76,328	26,094	524,163	395,737
FUND BALANCES					
Fund balances, beginning of year	27,535,432	1,080	2,212	2,440,759	29,979,483
Fund balances, end of year	$ 27,304,584	$ 77,408	$ 28,306	$ 2,964,922	$ 30,375,220

CITY OF THIBODAUX
Thibodaux, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025

Statement F

Net change in fund balances - governmental funds		$ 395,737
The change in net position reported for governmental activities in the statement of activities is different because:		
Net change in the deferral of ad valorem taxes due to collections beyond 60 days		(29,048)
Net change in the deferral of franchise fees due to collection beyond 60 days		(10,639)
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives or shorter of the lease term and reported as depreciation or amortization expense:		
Capital outlay and other capitalized purchases, adjustments, and reclassifications	6,607,617	
Depreciation expense, including adjustments and reclassifications	(2,938,303)	3,669,314
Right of use of leased assets	215,864	
Amortization expense on leased assets	(581,082)	(365,218)
Amortization expense on subscription assets	(152,965)	(152,965)
The net change in net position of the internal service fund is reported with governmental activities		(1,136,455)
Changes in long-term liabilities:		
Change in compensated absences payable	(8,136)	
Proceeds from lease obligations	(215,864)	
Prinicipal paid on leases	515,390	
Principal paid on subscription liabilities	139,223	
Net change in other postemployment benefits and deferred inflows/outflows of resources	(26,322)	
Net change in pension liability and deferred inflows/outflows of resources	989,354	1,393,645
Total change in net position of governmental activities		$ 3,764,371

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2025

Statement G

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15		46
			Non-Major Fund		
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund	Total	Internal Service Fund
ASSETS					
Current assets					
Cash and cash equivalents	$ 214,867	$ 4,854,484	$ 642,099	$ 5,711,450	$ 214,448
Investments	614	-	-	614	-
Accounts receivable, net	426,762	932,683	233,706	1,593,151	3,421
Due from other governments	-	-	-	-	-
Total unrestricted current assets	642,243	5,787,167	875,805	7,305,215	217,869
Restricted assets					
Cash and cash equivalents	421,728	1,010,005	-	1,431,733	-
Investments	250,091	331,595	-	581,686	-
Total restricted current assets	671,819	1,341,600	-	2,013,419	-
Total current assets	1,314,062	7,128,767	875,805	9,318,634	217,869
Noncurrent assets					
Restricted assets					
Cash and cash equivalents	114,251	945,321	-	1,059,572	-
Investments	-	394,917	-	394,917	-
Total restricted noncurrent assets	114,251	1,340,238	-	1,454,489	-
Capital assets					
Non-depreciable	671,847	371,438	-	1,043,285	-
Depreciable, net	13,171,333	23,334,245	-	36,505,578	-
Total capital assets	13,843,180	23,705,683	-	37,548,863	-
Total noncurrent assets	13,957,431	25,045,921	-	39,003,352	-
Total assets	15,271,493	32,174,688	875,805	48,321,986	217,869
DEFERRED OUTFLOWS OF RESOURCES					
Other postemployment benefits related	140,900	447,357	-	588,257	-
Pension related	205,628	140,824	-	346,452	-
Total deferred outflows of resources	346,528	588,181	-	934,709	-
LIABILITIES					
Current liabilities					
Current liabilities payable from current assets:					
Accounts payable and accrued expenses	176,356	309,895	151,767	638,018	52,589
Accrued salaries and benefits	20,870	22,542	-	43,412	-
Retainage payable	60,526	-	-	60,526	-
Financed asset liability payable within one year	311,864	113,505	-	425,369	-
Leases payable within one year	7,381	-	-	7,381	-
Compensated absences payable within one year	25,309	27,148	-	52,457	-
Total payable from current assets	602,306	473,090	151,767	1,227,163	52,589
Current liabilities payable from restricted assets:					
Revenue bonds payable within one year	283,000	575,000	-	858,000	-
Accrued interest on bonds	4,273	24,145	-	28,418	-
Customer meter deposits	278,290	165,325	-	443,615	-
Total payable from restricted assets	565,563	764,470	-	1,330,033	-
Noncurrent liabilities					
Revenue bonds payable after one year	1,203,276	7,049,651	-	8,252,927	-
Compensated absences payable after one year	65,863	30,221	-	96,084	-
Financed asset liability payable after one year	-	-	-	-	-
Leases payable after one year	14,973	-	-	14,973	-
Claims liability	-	-	-	-	886,812
Net pension liability	680,548	638,417	-	1,318,965	-
Other postemployment benefits liability:					
OPEB due within one year	23,268	51,270	-	74,538	-
OPEB due after one year	546,149	1,203,460	-	1,749,609	-
Total noncurrent liabilities	2,534,077	8,973,019	-	11,507,096	886,812
Total liabilities	3,701,946	10,210,579	151,767	14,064,292	939,401
DEFERRED INFLOWS OF RESOURCES					
Other postemployment benefits related	246,134	452,866	-	699,000	-
Pension related	62,343	139,329	-	201,672	-
Total deferred inflows of resources	308,477	592,195	-	900,672	-
NET POSITION					
Net investment in capital assets	11,962,160	15,967,527	-	27,929,687	-
Restricted for debt service	106,456	577,240	-	683,696	-
Restricted for system maintenance	114,251	1,340,238	-	1,454,489	-
Unrestricted	(575,269)	4,075,090	724,038	4,223,859	(721,532)
Total net position	$ 11,607,598	$ 21,960,095	$ 724,038	$ 34,291,731	$ (721,532)

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement H

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15		46
			Non-Major Fund		
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund	Total	Internal Service Fund
OPERATING REVENUES					
Charges for services	$ 3,330,205	$ 6,188,202	$ 1,889,507	$ 11,407,914	$ -
OPERATING EXPENSES					
Gas purchased	-	1,405,587	-	1,405,587	-
Contractual sevices	-	-	1,856,885	1,856,885	-
Personal services	1,025,765	1,042,103	-	2,067,868	-
Operating supplies	500,817	272,925	11,361	785,103	-
Equipment expenses	936,471	554,286	-	1,490,757	-
Building expenses	236,497	287,532	-	524,029	-
Outside services	23,723	266,377	-	290,100	-
General operating	203,754	178,961	14,609	397,324	1,291,448
General administrative	11,548	5,770	-	17,318	-
Depreciation and amortization	1,116,388	1,097,903	-	2,214,291	-
Total operating expenses	4,054,963	5,111,444	1,882,855	11,049,262	1,291,448
Operating income (loss)	(724,758)	1,076,758	6,652	358,652	(1,291,448)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	36,499	146,620	11,864	194,983	4,993
Other non-operating revenues	93,108	43,743	9,569	146,420	-
Revenues from non-employer contributing entities	24,330	27,117	-	51,447	-
Loss on disposition of capital assets	(814)	-	-	(814)	-
Interest and fiscal charges	(75,670)	(79,742)	-	(155,412)	-
Total non-operating revenues (expenses)	77,453	137,738	21,433	236,624	4,993
Income (loss) before operating transfers	(647,305)	1,214,496	28,085	595,276	(1,286,455)
TRANSFERS					
Transfers in	35,000	-	-	35,000	150,000
Net transfers	35,000	-	-	35,000	150,000
Income before capital contributions	(612,305)	1,214,496	28,085	630,276	(1,136,455)
CONTRIBUTIONS					
Capital contributions	142,323	178,724	-	321,047	-
CHANGE IN NET POSITION	(469,982)	1,393,220	28,085	951,323	(1,136,455)
NET POSITION					
Beginning of year	12,077,580	20,566,875	695,953	33,340,408	414,923
End of year	$ 11,607,598	$ 21,960,095	$ 724,038	$ 34,291,731	$ (721,532)

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement I

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15		46
			Non-Major Fund		
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	$ 3,267,046	$ 6,025,863	$ 1,877,085	$ 11,169,994	$ -
Cash payments to suppliers for goods and services	(1,824,019)	(3,097,785)	(1,881,286)	(6,803,090)	(432,938)
Cash payments to employees	(1,053,384)	(1,254,807)	-	(2,308,191)	-
Net cash provided by (used in) operating activities	389,643	1,673,271	(4,201)	2,058,713	(432,938)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Miscellaneous receipts (expenses)	119,284	73,984	9,569	202,837	(145)
Transfers, net	35,000	-	-	35,000	150,000
Net cash provided by non-capital financing activities	154,284	73,984	9,569	237,837	149,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital grants received	5,674	137,219	-	142,893	-
Acquisition of capital assets	(645,248)	(597,643)	-	(1,242,891)	-
Proceeds from sale of capital assets	-	-	-	-	-
Interest and fiscal charges on capital debt and leases	(76,466)	(81,544)	-	(158,010)	-
Proceeds received from capital debt	-	-	-	-	-
Principal paid on capital debt	(277,000)	(569,000)	-	(846,000)	-
Principal paid on financed purchases	(301,970)	(109,905)	-	(411,875)	-
Principal paid on leases	(7,537)	(3,015)	-	(10,552)	-
Net cash used in capital and related financing activities	(1,302,547)	(1,223,888)	-	(2,526,435)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest income	36,916	162,004	11,864	210,784	4,993
Purchase of investments	(96,496)	(668,308)	-	(764,804)	-
Proceeds from sale or maturities of investments	85,230	625,016	-	710,246	-
Net cash provided by investing activities	25,650	118,712	11,864	156,226	4,993
Net increase (decrease) in cash	(732,970)	642,079	17,232	(73,659)	(278,090)
Cash at beginning of year	1,483,816	6,167,731	624,867	8,276,414	492,538
Cash at end of year	$ 750,846	$ 6,809,810	$ 642,099	$ 8,202,755	$ 214,448
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS:					
Current assets-					
Cash and cash equivalents	$ 214,867	$ 4,854,484	$ 642,099	$ 5,711,450	$ 214,448
Restricted cash and cash equivalents	421,728	1,010,005	-	1,431,733	-
Noncurrent assets-					
Restricted cash and cash equivalents	114,251	945,321	-	1,059,572	-
Total cash and cash equivalents	$ 750,846	$ 6,809,810	$ 642,099	$ 8,202,755	$ 214,448

(continued)

CITY OF THIBODAUX
Thibodaux, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement I

	Business-type Activities - Enterprise Funds				Governmental Activities
	41	43	15		46
			Non-Major Fund		
	Municipal Waterworks Fund	Municipal Gas and Sewerage System Fund	Garbage Collection Fund	Total	Internal Service Fund
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ (724,758)	$ 1,076,758	$ 6,652	$ 358,652	$ (1,291,448)
ADJUSTMENTS TO RECONCILE INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Depreciation and amortization	1,116,388	1,097,903	-	2,214,291	-
Bad debt expense	20,659	28,769	14,609	64,037	-
Change in assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable	(96,411)	(199,500)	(27,031)	(322,942)	-
Accounts payable and accrued expenses	88,791	(126,347)	1,569	(35,987)	28,026
Accrued salaries and benefits payables	2,190	2,414	-	4,604	-
Claims liability	-	-	-	-	830,484
Customer deposits	12,593	8,392	-	20,985	-
Compensated absences payable	8,750	(2,865)	-	5,885	-
Total other postemployment benefit ("OPEB") liability	115,807	213,984	-	329,791	-
Deferred outflows - OPEB related	(65,597)	(146,033)	-	(211,630)	-
Deferred inflows - OPEB related	(61,557)	(125,132)	-	(186,689)	-
Net pension liability	61,814	(206,187)	-	(144,373)	-
Deferred outflows - pension related	(81,057)	15,845	-	(65,212)	-
Deferred inflows - pension related	(7,969)	35,270	-	27,301	-
Net cash provided by (used in) operating activities	$ 389,643	$ 1,673,271	$ (4,201)	$ 2,058,713	$ (432,938)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributions accrued as capital assets	$ (142,323)	$ (178,724)	$ -	$ (321,047)	$ -

(concluded)

1. Summary of Significant Accounting Policies

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

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

a. Financial Reporting Entity

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

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

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

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

a. Financial Reporting Entity (continued)

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

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

City Court of Thibodaux, Louisiana (the "City Court") – The City Court is fiscally dependent on the City for office space and courtrooms. The City Court Judge and City Marshal are independently elected officials, whose office operations are both accounted for in the City Court's financial statements. The substance of the relationship between City Court and the City is that the City has approval authority over its capital budget. The City Court's fiscal year end is December 31, 2025.

Thibodaux Volunteer Fire Department, Inc. (the "Fire Department") – The Fire Department is a separate, independent non-profit corporation. Management of the Fire Department is by a Board of Directors made up of volunteer firemen who have been elected by the membership of various fire companies. After being elected by the fire companies' membership, the board members of the Fire Department are approved by the City Council. The Mayor of the City is an ex-officio member of the Board of Directors of the Fire Department. Fiscal dependency exists since the City provides insurance, utilities, and various other expenses. The Fire Department also receives financial support from the City in the form of property taxes assessed at a rate of 6.37 mills. The Fire Department's fiscal year end is November 30, 2025.

Complete separate financial statements for all component units may be obtained online from the Louisiana Legislative Auditor's website: https://lla.la.gov.

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

b. Basis of Presentation

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

<u>Government-Wide Financial Statements</u>

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

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

b. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

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

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

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

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

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

Fund Financial Statements

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

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

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

b. Basis of Presentation (continued)

Fund Financial Statements (continued)

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

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

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

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

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

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

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

Proprietary Funds:

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

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

b. Basis of Presentation (continued)

Fund Financial Statements (continued)

Proprietary Funds: (continued)

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

The Municipal Gas and 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.

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

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

c. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

c. Basis of Accounting and Measurement Focus (continued)

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

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

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

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

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

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

d. Budgetary Data

Budget Policies and Budgetary Accounting

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

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

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

- A proposed budget is prepared and submitted to the Mayor and City Council at the first regular meeting of the Council each November prior to the beginning of each fiscal year.

- The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.

- On or before December 7th of each year, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

- Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the City Council.

- The council, by ordinance, may make supplemental appropriations for the year up to the amount of such excess of estimated revenues in the budget in the same manner required for adoption of the budget.

- The Council may make emergency appropriations to meet a public emergency affecting life, health, property, or the public peace.

- Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

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

For the year ended December 31, 2025, no funds had expenditures and transfers out which exceeded appropriations.

1. Summary of Significant Accounting Policies (continued)

e. Cash, Cash Equivalents, and Investments

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

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

f. Restricted Assets

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

g. Accounts Receivable

Accounts receivable are reported net of an allowance for uncollectable in business-type activities. Accounts receivable in excess of 30 days comprise the allowance for uncollectible. Uncollectible accounts receivable are written off every six months.

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

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

h. Interfund Receivables and Payables

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

1. Summary of Significant Accounting Policies (continued)

i. Capital Assets

Capital assets, right of use lease assets, and subscription 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, right of use lease assets, and subscription assets are defined by the government as assets with an estimated useful life in excess of one year and initial, individual costs as follows:

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

Useful lives of assets are determined as follows:

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

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

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

1. Summary of Significant Accounting Policies (continued)

j. Leases

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

k. Subscription-based Information Technology Arrangements ("SBITA")

In accordance with GASB Statement No. 96, *Subscription-based Information Technology Arrangements ("SBITA")*, the City recognizes a right to use subscription asset and a corresponding subscription liability for those arrangements with an initial individual value that is material to the financial statements and whose terms call for a subscription period greater than one year. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the City or the City's incremental borrowing rate by looking at the most recently added debt to its books as the discount rate for the SBITA. The right of use subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right of use subscription asset is generally amortized as expenses systematically over the subscription term. The subscription term includes the noncancellable period of the SBITA plus any renewal periods that management has determined are reasonably certain to be renewed. Management monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the balance recognized if certain changes occur that are expected to significantly affect the amount of the SBITA.

1. Summary of Significant Accounting Policies (continued)

l. Compensated Absences

Under the terms of employment, employees are granted sick leave and vacation leave in varying amounts. Employees of the City may accumulate and vest up to a maximum of 21 days of vacation leave. Employees are not limited in the accumulation of sick leave. Employees earn one day of sick leave per month of service after the first 180 days of employment. However, as of August 1, 1995, only the sick leave of employees eligible for retirement shall vest. 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. No employee can convert unused sick leave hours to retirement years of service.

GASB Statement No. 101, *Compensated Absences*, requires governments to accrue a liability for compensated leave that has not been used if all of the following are true: (1) The leave is attributable to services already rendered; (2)The leave accumulates; and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

The City has recorded the following liabilities, including the salary-related benefits associated with the payment of compensated absences as of December 31, 2025:

- Sick leave that is expected to be used or paid based on years of service and a five-year average of hours not-forfeited multiplied by current year pay rates.
- Vacation leave based on maximum vested amount multiplied by current year pay rates.

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

A current liability is recorded for the value of the average prior accumulated leave taken in a year in the enterprise fund statements. No liability is recorded in the governmental fund financial statements.

m. Other Postemployment Benefits ("OPEB")

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

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

In the governmental fund type financial statements OPEB expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources.

Expendable available financial resources generally refer to OPEB payments due and payable of the end of the year.

1. Summary of Significant Accounting Policies (continued)

n. Long-Term Liabilities

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

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

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

o. Pension Plans

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

p. Deferred Outflows/Inflows of Resources

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

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

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

1. <u>Summary of Significant Accounting Policies</u> (continued)

p. Deferred Outflows/Inflows of Resources (continued)

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

The governmental funds report unavailable revenues from property taxes, franchise fees, and deposits received for future auditorium rentals. The amounts are deferred and recognized as inflow of resources in the period that the amounts become available.

q. Net Position / Fund Balance Classifications

<u>Government-Wide Statements</u>

In the government-wide statements, equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds of which the proceeds have been spent on projects, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

<u>Fund Financial Statements</u>

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

a. Non-spendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

b. Restricted – represents balances where constraints have been established by parties outside the City or imposed by law through constitutional provisions or enabling legislation.

c. Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority.

d. Assigned – represents balances that are constrained by the City’s intent to be used for specific purposes but are not restricted nor committed.

e. Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

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

q. Net Position / Fund Balance Classifications (continued)

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

r. Transfers In and Out

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

s. Estimates

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

t. Risk Management

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

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

u. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax-exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of the Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of the Treasury for City issues at December 31, 2025.

1. Summary of Significant Accounting Policies (continued)

v. Current Year Adoption of New Accounting Standards

The City adopted the provisions of GASB Statement No. 102, *Certain Risk Disclosures*. This statement is intended to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. There was no impact to the December 31, 2025 financial statements.

2. Ad Valorem Taxes

Ad valorem taxes are normally levied each November on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the City.

Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2024. Taxes are due and payable on the day they are levied with the interest normally being charged on payments after January 1. Taxes can be paid through the tax sale date. Properties for which the taxes have not been paid are sold for the amount of the taxes.

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

Under Article VI, Section 27 of the Louisiana Constitution, municipalities are granted the authority to levy an ad valorem tax for general purposes not to exceed 7 mills. Any additional millage must be approved by the voters. This general-purpose millage is subject to adjustment after reassessment to assure that the same amount of revenue is produced. The combined tax rate to finance general governmental services for the year ended December 31, 2025, was 4.68 mills. Additionally, millages were authorized and levied for 2.55 mills for special improvements of streets and 6.37 mills for fire department special improvements.

3. Sales Taxes

2.0% EFFECTIVE MARCH 1, 1981

A sales and use tax of one (1.0%) percent created by Ordinance No. 667 by a special election held on May 2, 1967 and was adopted on May 9, 1967, authorized the levying of a sales and use tax within the City of Thibodaux from and after July 1, 1967; and an additional tax of one (1.0%) percent by Ordinance No. 1127 by virtue of a special election held on January 17, 1981 made effective on March 1, 1981. Such proceeds may be used for paying principal and interest on any bonded debt or funded indebtedness; constructing and acquiring extensions and improvements to the sewer and waterworks systems; constructing and improving streets, sidewalks, bridges, drains, drainage canals, subsurface drainage and parkway beautification; constructing and acquiring garbage incinerator facilities and purchasing garage disposal and health sanitation equipment and facilities; purchasing, constructing, and improving public parks and recreational facilities and acquiring any necessary equipment and furnishings, therefore; constructing and purchasing police department equipment and facilities; constructing and improving public buildings; purchasing equipment for civil defense; constructing, acquiring or improving any work or permanent public improvement; purchasing and acquiring all sites, equipment and furnishings for the public works, building improvements facilities of the City, and for the purpose of paying salaries of employees and the general operation of the City. The tax shall remain in effect without limit as to term or duration.

0.5% EFFECTIVE JULY 1, 2016

The City was authorized by a special election on March 5, 2016 to levy and collect a tax of one half of one percent (0.5%) in perpetuity, from and after July 1, 2016, so that such proceeds may be used for providing municipal services including, but not limited to, constructing, acquiring, improving, extending, maintaining or operating public roads, public safety, parks and recreational facilities and other public improvements and facilities of the City. The tax shall remain in effect without limit as to term or duration.

4. Equity in Pooled Cash and Deposits

Equity in Pooled Cash

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

At December 31, 2025, the City had cash (book balances) totaling $25,720,080. Included in cash and cash equivalents on the balance sheet at December 31, 2025, are the following:

Cash on hand	$ 3,900
Demand deposits	23,224,875
Total unrestricted cash	23,228,775
Restricted cash	2,491,305
Total cash and cash equivalents	$ 25,720,080

Restricted cash consists of $43,816 restricted for customer meter deposits and $2,447,489 restricted to meet requirements of bond covenants.

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of December 31, 2025, the City's bank balance totaled $25,934,736. Of this balance, $250,000 was insured by federal deposit insurance and $25,684,736 was collateralized by securities held by the pledging financial institutions' trust department or agent in the City's name.

5. Investments

As of December 31, 2025, the City had the following investments which are scheduled to mature in less than one year:

Investment Type	Fair Value
Investments at fair value	
Mortgage-backed securities	$ 2,160,559
Investments measured at the net asset value ("NAV")	
Louisiana Asset Management Pool ("LAMP")	8,414,439
Federated Government Obligations Fund	258,062
Total investments measured at NAV	8,672,501
Total investments	$10,833,060

Included in investments on the Statement of Net Position at December 31, 2025, are the following:

Investments	$ 9,856,457
Restricted investments	976,603
Total investments	$ 10,833,060

5. Investments (continued)

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

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

As of December 31, 2025, the City had the following percentages of investments in debt securities:

Federal Farm Credit Bank ("FFCB")	Aa by Moody's	100%

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. At December 31, 2025, investments of $8,414,439 are in LAMP.

Credit Risk: LAMP is rated AAAm by Standard & Poor's.

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

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

Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity ("WAM") method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM of LAMP's total investments is 73 days as of December 31, 2025.

5. Investments (continued)

Foreign Currency Risk: Not applicable.

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

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The Federated Government Obligations Fund (the "Fund") is a 2a-7 like investment pool. The primary objective of the Fund is to provide a safe environment for the placement of public funds in short-term, high-quality investments. At December 31, 2025, investments of $258,062 are in the Fund.

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

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

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

Interest Rate Risk: The Fund is designed to be highly liquid to give its participants immediate access to their account balances. The Fund prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of Fund's total investments is 35 days as of December 31, 2025.

Foreign Currency Risk: Not applicable.

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

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

6. Fair Value of Financial Instruments

Fair Value Hierarchy

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

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

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

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

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

6. Fair Value of Financial Instruments (continued)

The City's mortgage-backed securities in the amount of $2,160,559 are Level 2 investments based on the fair value hierarchy described on the previous page.

Fair Value of Assets Measured on a Recurring Basis

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

7. Receivables

The following is a summary of accounts receivable at December 31, 2025:

Class of Receivable	Governmental Activities	Business-Type Activities
Charges for services		
Water	$ -	$ 435,967
Sewerage & Gas	-	950,357
Garbage	-	249,754
Ad valorem taxes		
General	126,140	-
Non-major	217,987	-
Franchise fees		
General	147,680	-
Claims in excess of self-insured retention		
Internal Service Fund	3,421	-
Other		
General	139,758	-
Non-major	250	-
Water	-	19,780
Sewerage & Gas	-	22,611
Total receivables	635,236	1,678,469
Less: allowance for doubtful accounts	-	(85,318)
Receivables, net	$ 635,236	$ 1,593,151

8. Due from Other Governments

Amounts due from other governments at December 31, 2025 consist of the following:

Governmental Activities	General Fund	Section 8 Housing	Capital Projects	Non-major Funds	Total
Lafourche Parish Sales Tax	$ 3,395,230	$ -	$ -	$ 13,665	$ 3,408,895
Louisiana Hwy Safety Commission	18,630	-	-	-	18,630
Beer Taxes, State of Louisiana	7,025	-	-	-	7,025
Video Poker, State of Louisiana	55,858	-	-	-	55,858
DOTD, State of Louisiana	-	-	183,153	-	183,153
City of Thibodaux City Court Fund	10,643	-	-	-	10,643
Housing Authority	82,724	-	-	-	82,724
Federal grants	3,059	-	-	11,933	14,992
	$ 3,573,169	$ -	$ 183,153	$ 25,598	$ 3,781,920

9. Franchise Fee Revenues

Electric

On October 21, 2003, the City entered into an agreement with Entergy, that granted, by ordinance, to Entergy a franchise, right, and privilege for a period of thirty-three (33) years from the date of adoption to distribute, deliver, sell, and supply, in such a manner as it chooses, electric service throughout the City. The City is to receive a sum of two percent (2%) of the gross receipts from the sale of electric service at retail for residential and commercial purposes within the corporate limits of the City. The City earned and reported in the General Fund $433,629 of franchise fee revenue for the year ended December 31, 2025.

Telephone

On August 21, 1998, the City granted to BellSouth Telecommunications, Inc. (currently “AT&T”) a franchise to use and occupy the streets, alleys, public ways, and thoroughfares of the City for the purpose of constructing, maintaining and operating its poles, wires, conduits, cables, anchors, towers, transmission lines, manholes, piers, abutments, and other structures and facilities used in or incidental to the provisions of telephone services to the public. In consideration, AT&T agrees to pay five percent (5%) of the gross receipts from local exchange telephone service provided within the corporate limits. The agreement is on a year-to-year basis unless canceled by either party upon at least sixty days' notice prior to the expiration of the initial term or any extension thereof. The City earned and reported in the General Fund $22,844 of telephone franchise fee revenue for the year ended December 31, 2025.

9. <u>Franchise Fee Revenues</u> (continued)

Cable TV

On June 18, 2004, the City granted to Renaissance Media, L.L.C. doing business as Charter Communications, a new franchise to supply cable service within the city limits for 15 years. On June 24, 2019, this agreement was renewed for an additional 15 years. The City receives five percent (5%) of revenues received from subscribers in the City as franchise fee for television service, not including installation revenues. The City earned and reported in the General Fund $113,742 of Cable TV franchise fee revenue for the year ended December 31, 2025.

Wireless Phone

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

The perpetual servitudes can be terminated by written notice within a reasonable time to be able to remove its building(s), tower and above ground property and restore the surface to its original condition, reasonable, wear and tear excepted. Wireless Tower revenue recorded for RTC was $5,645, Eatel was $8,771, and AT&T was $16,560, totaling $30,976 for the year ending December 31, 2025.

10. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2025, are as follows:

Governmental Activities:

	Balance 12/31/2024	Additions	Deletions	Transfers/ Reclasses	Balance 12/31/2025
Land	$ 4,646,127	$ -	$ -	$ -	$ 4,646,127
Construction in progress	4,506,338	5,346,570	-	(8,130,211)	1,722,697
Capital assets, non-depreciable	9,152,465	5,346,570	-	(8,130,211)	6,368,824
Infrastructure	62,730,867	474,262	-	7,785,648	70,990,777
Buildings & improvements	15,039,006	344,160	-	344,563	15,727,729
Equipment & furniture	10,420,815	442,625	(331,156)	-	10,532,284
Capital assets, depreciable	88,190,688	1,261,047	(331,156)	8,130,211	97,250,790
Less: Accumulated depreciation					
Infrastructure	(33,460,402)	(2,115,661)	-	-	(35,576,063)
Buildings & improvements	(12,327,382)	(248,243)	-	-	(12,575,625)
Equipment & furniture	(5,981,896)	(571,634)	328,391	-	(6,225,139)
Total accumulated depreciation	(51,769,680)	(2,935,538)	328,391	-	(54,376,827)
Net depreciable capital assets	36,421,008	(1,674,491)	(2,765)	8,130,211	42,873,963
Right of use assets - leases	3,527,291	215,864	(430,359)	-	3,312,796
Less: accumulated amortization	(1,040,202)	(581,082)	430,359	-	(1,190,925)
Net right of use assets - leases	2,487,089	(365,218)	-	-	2,121,871
Subscription assets	747,835	-	-	-	747,835
Less: accumulated amortization	(152,965)	(152,965)	-	-	(305,930)
Net subscription assets	594,870	(152,965)	-	-	441,905
Net capital assets	$ 48,655,432	$ 3,153,896	$ (2,765)	$ -	$ 51,806,563

For the year ended December 31, 2025, governmental activities depreciation expense of $2,935,538 was charged to the following functions:

General Government	$	260,530
Public Safety		251,257
Public Works		1,935,753
Culture & Recreation		487,998
	$	2,935,538

In addition, for the year ended December 31, 2025, governmental activities amortization expense of $581,082 was charged to the following functions related to the right of use of assets – leases:

General Government	$	64,208
Public Safety		432,367
Public Works		41,521
Culture & Recreation		42,986
	$	581,082

For the year ended December 31, 2025, governmental activities amortization expense related to subscription assets totaling $152,965 was charged to the public safety function.

10. Capital Assets (continued)

Business-Type Activities:

	Balance 12/31/2024	Additions	Deletions	Transfers	Balance 12/31/2025
Land	$ 403,334	$ -	$ -	$ -	$ 403,334
Construction in progress	2,460,739	662,727	-	(2,483,515)	639,951
Capital assets non-depreciable	2,864,073	662,727	-	(2,483,515)	1,043,285
Water production & distribution	29,033,071	147,620	(53,251)	-	29,127,440
Sewerage system plant & equipment	35,417,871	707,412	-	2,483,515	38,608,798
Gas distribution system	10,307,663	45,879	-	-	10,353,542
Capital assets depreciable	74,758,605	900,911	(53,251)	-	78,089,780
Total cost of capital assets	77,622,678	1,563,638	(53,251)	-	79,133,065
Less: Accumulated depreciation					
Water production & distribution	(14,920,237)	(1,107,721)	52,437	-	(15,975,521)
Sewerage system plant & equipment	(16,401,575)	(826,459)	-	-	(17,228,034)
Gas distribution system	(8,131,512)	(268,549)	-	-	(8,400,061)
Total accumulated depreciation	(39,453,324)	(2,202,729)	52,437	-	(41,603,616)
Net depreciable capital assets	35,305,281	(1,301,818)	(814)	2,483,515	36,486,164
Right of use assets – leases	121,640	-	(87,477)	-	34,163
Less: accumulated amortization	(90,664)	(11,562)	87,477	-	(14,749)
Net right of use assets - leases	30,976	(11,562)	-	-	19,414
Net capital assets	$ 38,200,330	$ (650,653)	$ (814)	$ -	$ 37,548,863

For the year ended December 31, 2025, business-type activities depreciation expense of $2,202,729 was charged to the following functions:

Waterworks	$ 1,107,721
Sewerage System	826,459
Gas System	268,549
	$ 2,202,729

In addition, for the year ended December 31, 2025, amortization expense of $8,667 and $2,895 was charged to the waterworks and sewerage system functions, respectively, related to the right of use of assets - leases.

11. Pension and Retirement Plans

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

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

MERS:	MPERS:	LASERS:
7937 Office Park Boulevard Baton Rouge, Louisiana 70809 (225) 925-4810 www.mersla.com	7722 Office Park Boulevard, Suite 200 Baton Rouge, Louisiana 70809 (225) 929-7411 www.lampers.org	8401 United Plaza Blvd. Baton Rouge, Louisiana 70809-4213 (225) 922-0600 www.lasersonline.org

Plan Descriptions

Municipal Employees' Retirement System of Louisiana ("MERS")

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

Municipal Police Employees' Retirement System of Louisiana ("MPERS")

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

Louisiana State Employees' Retirement System ("LASERS")

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

11. Pension and Retirement Plans (continued)

Funding Policy

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

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2025, for the City and covered employees were as follows:

	City	Employees
Municipal Employees' Retirement System Plan A		
Members hired prior to 01/01/2013	27.000%	10.000%
Members hired after 01/01/2013	27.000%	10.000%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all Hazardous Duty employees hired after 01/01/2013	33.475%	10.000%
Non-hazardous Duty (hired after 01/01/2013)	33.475%	8.000%
Employees receiving compensation below poverty guidelines of US Department of Health	38.100%	7.500%
Louisiana State Employees' Retirement System	36.680%	11.500%

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

	2025	2024	2023
Municipal Employees' Retirement System Plan A	$ 1,745,748	$ 1,700,644	$ 1,665,632
Municipal Police Employees' Retirement System	$ 1,438,666	$ 1,364,207	$ 1,184,144
Louisiana State Employees' Retirement System	$ -	$ 16,036	$ 20,737

11. <u>Pension and Retirement Plans</u> (continued)

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

The following schedule lists the City's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2025 measurement date. The City uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2025 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at June 30, 2025 along with the change compared to the June 30, 2024 rate. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at December 31, 2025	Rate at June 30, 2025	Increase (Decrease) from June 30, 2024 Rate
Governmental Activities:			
Municipal Employees' Retirement System Plan A	$ 5,556,811	2.9996%	0.2007%
Municipal Police Employees' Retirement System	7,599,449	1.1004 %	0.0386%
Louisiana State Employees' Retirement System	-	0.0000%	-0.0021%
	13,156,260		
Business-type Activities:			
Municipal Employees' Retirement System Plan A	1,318,965	2.9996%	0.2007%
Total primary government	$ 14,475,225		

11. <u>Pension and Retirement Plans</u> (continued)

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

The following schedule lists each pension plan's recognized pension expense of the City for the year ended December 31, 2025:

Governmental Activities:		
Municipal Employees' Retirement System Plan A	$	923,222
Municipal Police Employees' Retirement System		1,501,822
Louisiana State Employees Retirement System		(65,231)
	$	2,359,813
Business-Type Activities:		
Municipal Employees' Retirement System Plan A	$	233,843

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Governmental Activities:				
Differences between expected and actual experience	$	380,942	$	(292,536)
Changes of assumptions		-		(368,906)
Net difference between projected and actual earnings on pension plan investments		-		(952,340)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		1,046,785		(132,213)
Employer contributions subsequent to the measurement date		1,381,468		-
Total	$	2,809,195	$	(1,745,995)
Business-Type Activities:				
Differences between expected and actual experience	$	3,158	$	(23,171)
Changes of assumptions		-		(5,015)
Net difference between projected and actual earnings on pension plan investments		-		(89,595)
Changes in proportion and differences between Employer contributions and proportionate share of contributions		170,321		(83,891)
Employer contributions subsequent to the measurement date		172,973		-
Total	$	346,452	$	(201,672)

11. <u>Pension and Retirement Plans</u> (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
Municipal Employees' Retirement System Plan A	$ 1,054,337	$ (529,646)
Municipal Police Employees' Retirement System	1,752,281	(1,152,222)
Louisiana State Employees' Retirement System	2,577	(64,127)
	$ 2,809,195	$ (1,745,995)
Business-Type Activities:		
Municipal Employees' Retirement System Plan A	$ 346,452	$ (201,672)

The City reported a total of $1,554,441 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2025, which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2026. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement System Plan A	$ 855,877
Municipal Police Employees' Retirement System	698,564
Louisiana State Employees' Retirement System	-
	$ 1,554,441

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

December 31,	MERS	MPERS	LASERS	Total
2026	$ 600,979	$ 1,050,593	$ (61,530)	$ 1,590,042
2027	(253,535)	(470,844)	-	(724,379)
2028	(371,653)	(427,605)	-	(799,258)
2029	(162,092)	(250,774)	-	(412,866)
	$ (186,301)	$ (98,630)	$ (61,530)	$ (346,461)

11. Pension and Retirement Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of December 31, 2025 are as follows:

	MERS	MPERS	LASERS
Valuation Date	June 30, 2025	June 30, 2025	June 30, 2025
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:			
Expected Remaining Service Lives	3 years	4 years	2 years
Investment Rate of Return	6.85%	6.75%	7.25% per annum
Inflation Rate	2.50%	2.50%	2.40% per annum
Mortality	For annuitant and beneficiary mortality tables used were: PubG-2010(B) Healthy Retiree Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales. For employees, the PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, each adjusted using their respective male and female MP2021 scales. For disabled annuitants, PubNS-2010(B) Disabled Retiree Table set equal to 115% for males and 120% for females with the full generational MP2021 scale.	For annuitant and beneficiary mortality tables used were: Pub-2016 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 125% for males and 125% for females, each adjusted using their respective male and female MP2021 scales. For employees, the Pub-2016 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 125% for males and 125% for females, each adjusted using their respective male and female MP2021 scales. For disabled annuitants, Pub-2016 Public Retirement Plans Mortality Tables for Disabled Retiree Table multiplied by 125% for males and 125% for females with the full generational MP2021 scale.	For non-disabled members - Mortality rates for 2025 were based on the PubG-2010 Healthy Retiree with mortality improvement projected using the MP-2021 Mortality Improvement Scale, applied on a fully generational basis. For disabled members - mortality rates were based on the RP - 2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

CITY OF THIBODAUX
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NOTES TO FINANCIAL STATEMENTS
December 31, 2025

11. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

Cost of Living Adjustments	The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

11. <u>Pension and Retirement Plans</u> (continued)

Actuarial Assumptions (continued)

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

MERS	MPERS	LASERS
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2025.	The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 6.75% for the year ended June 30, 2025.	The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% nominal rate of return is 8.30% for 2025.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2024:

	Target Allocation			Long-term Expected Real Rate of Return		
	MERS	MPERS	LASERS	MERS	MPERS	LASERS
Cash	-	-	-	-	-	0.85%
Public equity	53.00%	-	-	2.31%	-	-
Equity						
U.S. Equity	-	51.00%	34.00%	-	3.20%	4.42%
Non-U.S. Equity	-	-	17.00%	-	-	5.22%
Fixed income						
Public fixed income	29.00%	-	-	1.26%	-	-
Domestic fixed income	-	35.00%	3.00%	-	1.21%	2.53%
International fixed income	-	-	19.00%	-	-	5.37%
Alternatives	18.00%	14.00%	27.00%	0.78%	1.04%	7.43%
Total	100.00%	100.00%	100.00%	4.35%	5.45%	5.75%

11. Pension and Retirement Plans (continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS, MPERS, and LASERS was 6.85%, 6.75% and 7.25%, respectively for the year ended June 30, 2025.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Rates	5.85%	6.85%	7.85%
City of Thibodaux's Share of NPL	$ 11,278,325	$ 6,875,776	$ 3,160,946
MPERS			
Rates	5.75%	6.75%	7.75%
City of Thibodaux's Share of NPL	$ 12,465,680	$ 7,599,449	$ 3,524,165
LASERS			
Rates	6.25%	7.25%	8.25%
City of Thibodaux's Share of NPL	$ -	$ -	$ -

Support of Non-Employer Contributing Entities

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

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

MERS	$ 254,511
MPERS	326,367
LASERS	-
	$ 580,878

11. <u>Pension and Retirement Plans</u> (continued)

Payables to the Pension Plan

The City recorded accrued liabilities to each of the retirement systems for the year ended December 31, 2025. The amounts are included in liabilities under the amounts reported as accounts payables. As of December 31, 2025, the City had no payables to either of the retirement systems.

12. <u>Postemployment Health Care Benefits</u>

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

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

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

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

Employees covered by benefit terms – At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	63
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	194
	257

12. <u>Postemployment Health Care Benefits</u> (continued)

Total OPEB Liability

The City's total OPEB liability of $12,769,946 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2024.

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

Measurement Date	December 31, 2025
Actuarial Valuation Date	January 1, 2024
Inflation	2.00%
Salary Increases	2.00%, including inflation
Prior Discount Rate	4.28%
Current Discount Rate	4.43%

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index Yield as of December 31, 2025, the end of the applicable measurement period.

Mortality rates for active employees were based on PubG.H-2010 (general employees) and PubS.H-2010 (public safety) Employee Mortality Table, Generational with Projection Scale MP-2021. Mortality rates for retirees were based on PubG.H-2010 (general employees) and PubS.H-2010 (public safety) Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2021.

Changes in the Total OPEB Liability

Balance at December 31, 2024	$ 10,280,685
Changes for the year:	
Service cost	326,654
Interest	443,359
Differences between expected and actual experience	63,655
Changes in assumptions	2,152,544
Benefit payments and net transfers	(496,951)
Net changes	2,489,261
Balance at December 31, 2025	$ 12,769,946

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

	1.0% Decrease	Current Discount	1.0% Increase
Total OPEB liability	$ 14,971,770	$ 12,769,946	$ 10,996,362

	1.0% Decrease	Current Trend	1.0% Increase
Total OPEB liability	$ 10,773,447	$ 12,769,946	$ 15,337,640

12. <u>Postemployment Health Care Benefits</u> (continued)

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

For the year ended December 31, 2025, the City recognized OPEB expense of $454,745. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 61,027	$ (370,880)
Changes in assumptions	2,202,284	(2,421,182)
Total	$ 2,263,311	$ (2,792,062)

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

Year ending December 31,	
2026	$ (302,943)
2027	(302,943)
2028	(302,937)
2029	(265,129)
2030	322,600
Thereafter	322,601
	$ (528,751)

13. Long-Term Liabilities

The following is a summary of long-term debt transactions for the year ended December 31, 2025:

	Payable 12/31/2024	Additions*	Deletions	Payable 12/31/2025	Amount due within one year
Governmental activities:					
Direct borrowing and placement of debt:					
Lease obligations	$ 2,621,516	$ 215,864	$ (515,390)	$ 2,321,990	$ 546,534
Subscription liabilities	617,904	-	(139,223)	478,681	149,028
Claims liability	56,328	1,092,094	(261,610)	886,812	-
Compensated absences	1,323,940	8,136	-	1,332,076	394,823
Total	**$ 4,619,688**	**$ 1,316,094**	**$ (916,223)**	**$ 5,019,559**	**$ 1,090,385**
Business-type activities:					
Direct borrowing and placement of debt:					
Water Revenue Bonds, Series 2010B	$ 1,763,276	$ -	$ (277,000)	$ 1,486,276	$ 283,000
Utility Revenue Bonds, Series 2013	3,268,992	-	(283,000)	2,985,992	286,000
Utility Revenue Bonds, Series 2019	4,924,659	-	(286,000)	4,638,659	289,000
Lease obligations	32,906	-	(10,551)	22,354	7,381
Financed asset	837,244	-	(411,875)	425,369	425,369
Compensated absences	142,656	5,885	-	148,541	52,457
Total	**$ 10,969,733**	**$ 5,885**	**$ (1,268,396)**	**$ 9,707,191**	**$ 1,343,207**

*With respect to compensated absences, the amount reported represents the net of increases and decreases to the compensated absence liability in accordance with GASB Statement No. 101, *Compensated Absences*.

13. <u>Long-Term Liabilities</u> (continued)

A. <u>Debt Obligations</u>

Direct borrowings and placements at December 31, 2025 are comprised of the following individual issues:

Business-Type Activities:

Revenue bonds:

Water Revenue Bonds, Series 2010B $5,400,000 water revenue bonds dated February 8, 2010 were issued for the purpose of constructing and acquiring improvements and extensions to the City's waterworks system. Principal is payable annually at June 1 with interest payable June 1 and December 1 at the rate of 2.95 percent per annum. The bonds mature on June 1, 2030. The outstanding note is secured by a pledge of the income and revenues to be derived from the operation of the Waterworks System. Events of default include default on the principal or on the interest of the Bond, breach of any covenant, or bankruptcy. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.	$1,486,276
Utility Revenue Bonds, Series 2013 $8,640,000 utility revenue bonds in connection with a loan from the State of Louisiana, Department of Environmental Quality ("DEQ") in parity with the Series 1997 Bonds to construct sewerage improvements constituting the wastewater treatment project. The loan and pledge agreement is dated October 1, 2013. DEQ is holding the bonds as payment for the loan. The bonds shall mature in twenty installments of principal, payable annually on March 1, which commenced March 1, 2016. Interest is payable on March 1 and September 1 of each year at the rate of 0.45 percent per annum. The outstanding note is secured by a pledge of the income and revenues to be derived from the operation of the Sewerage and the Gas Systems. Events of default include default on the principal or on the interest of the Bond, failure to pay the administrative fee, breach of any covenant, or bankruptcy. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.	2,985,992

13. Long-Term Liabilities (continued)

A. Debt Obligations (continued)

Business-Type Activities: (continued)

Revenue bonds: (continued)

Utility Revenue Bonds, Series 2019 $6,510,000 utility revenue bonds in connection with a loan from the State of Louisiana, Department of Environmental Quality ("DEQ") in parity with the Series 2013 Bonds to upgrade the water treatment plant. The loan and pledge agreement is dated September 1, 2019. DEQ is holding the bonds as payment for the loan. The bonds shall mature in twenty installments of principal, payable annually on March 1, commencing March 1, 2021. Interest is payable on March 1 and September 1 of each year at the rate of 0.45 percent per annum, commencing March 1, 2020. The outstanding note is secured by a pledge of the income and revenues of the combined wastewater treatment and disposal system and natural gas distribution system. Events of default include default on the principal or on the interest of the Bond, failure to pay the administrative fee, breach of any covenant, or bankruptcy. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.	$4,638,659
Financed Asset Liability $3,682,484 financed purchase loan dated October 25, 2016 was issued for purposes of financing the purchase water and gas meters. Principal is payable on April 25 and October 25 annually. Interest is payable on the same dates at the rate of 3.25 percent per annum. The loan is scheduled to mature on October 25, 2026. Events of default are outlined in the purchase agreement and include failure to make any payment as it becomes due; failure to perform any of the obligations of the agreement; failure to perform or observe any other covenant, condition, or agreement on its part to be observed or performed under that agreement; any statement or representation proven to be false, misleading, or erroneous in any material respect; (1) application for or consent to the appointment of receiver, trustee, conservator, or liquidator of all or a substantial part of assets, (2) be unable fail, or admit in writing its inability generally to pay its debts as they become due, (3) make a general assignment for the benefit of creditors, (4) have an order for relief entered against it under applicable federal bankruptcy law, (5) or file a voluntary petition in bankruptcy or a petition for an answer seeking reorganization or an arrangement with creditors or taking advantage of insolvency law or any answer admitting the material allegations of a petition filed in any bankruptcy, reorganization, or insolvency proceeding; and have an order, judgment, or decree entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian, or liquidator of all or a substantial part of the assets in each case without its application, approval, or consent, and such order, judgment, or decree will continue unstayed and in effect for any period of 30 consecutive days.	425,369
	$9,536,296

13. Long-Term Liabilities (continued)

A. Debt Obligations (continued)

Business-Type Activities: (continued)

The annual requirements to amortize all debt outstanding as of December 31, 2025 is as follows:

	Direct borrowing and placement:			
Year Ending December 31	Water Revenue Bonds, Series 2010B	Utility Revenue Bonds, Series 2013	Utility Revenue Bonds, Series 2019	Financed Asset Liability
		Principal payments		
2026	283,000	286,000	289,000	425,369
2027	290,000	289,000	292,000	-
2028	297,000	291,000	295,000	-
2029	304,000	294,000	298,000	-
2030	312,276	297,000	300,000	-
2031-2035	-	1,528,992	1,545,000	
2036-2040	-	-	1,619,659	-
Total Principal	1,486,276	2,985,992	4,638,659	425,369
		Interest payments		
2026	39,671	12,793	20,224	10,396
2027	31,219	11,500	18,916	-
2028	22,561	10,195	17,596	-
2029	13,696	8,878	16,261	-
2030	4,606	7,549	14,916	-
2031-2035	-	17,327	53,959	-
2036-2040	-	-	18,353	-
Total Interest	111,753	68,242	160,225	10,396
Total Principal and Interest	$ 1,598,029	$ 3,054,234	$ 4,798,884	$ 435,765

13. Long-Term Liabilities (continued)

A. Debt Obligations (continued)

Business-Type Activities: (continued)

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

- The “Water Revenue Bond Debt Service Fund” requires the issuer to make monthly deposits into the Debt Service Fund in such a manner as to accumulate in such fund the amounts payable on the bonds payable therefrom on any interest payment date. All other amounts deposited in the Debt Service Fund will be depleted at least once each bond year, except for the reasonable carryover amount which will not exceed the greater of (i) the earnings on the Debt Service Fund for the immediately preceding bond year, or (ii) 1/12 of the principal and interest payments on the bonds and any additional parity bonds for the immediately preceding bond year.

- The “Water Revenue Bond Debt Service Reserve Fund” requires that the issuer shall transfer from the Revenue Fund, 20% of the amount required to be paid into the Sinking Fund for such month as a result of the issuance of the bonds. The Reserve Fund is required to be funded in an amount equal to one-half the highest combined principal and interest requirements for any succeeding bond year on the Bonds.

- The “Water System Depreciation and Contingency Fund” requires that the issuer shall transfer from the Revenue Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 5% of the revenues for the preceding month, provided that such sum is available after the provision is made for any certain required payments as set forth in the bond ordinance. Such payments shall continue until such time as there has been accumulated in the Contingency Fund the sum of $100,000.

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

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

13. <u>Long-Term Liabilities</u> (continued)

A. <u>Debt Obligations</u> (continued)

Business-Type Activities: (continued)

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

- The "Capital Additions and Contingencies Fund" requires that the issuer shall transfer from the Utility System Fund, monthly on or before the 20th day of each month of each year, a sum equal to 5% of the revenues for the preceding month.

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

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

13. Long-Term Liabilities (continued)

B. Leases

City as Lessee

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

As of December 31, 2025, the value of the lease liabilities related to governmental activities was $2,321,990. In determining the present values, the interest rate charged by the lessor was the discount rate, if applicable. When the interest rate charged by the lessor was not provided, the City used its estimated incremental borrowing rate as the discount rate for leases of 3.50%. The recorded value of the right-of-use assets as of the end of the current fiscal year was $3,312,796 and the accumulated amortization of these assets was $1,190,925.

As of December 31, 2025, the value of the lease liabilities related to business-type activities was $22,354. In determining the present values, the interest rate charged by the lessor was the discount rate, if applicable. When the interest rate charged by the lessor was not provided, the City used its estimated incremental borrowing rate as the discount rate for leases of 3.50%. The recorded value of the right-of-use assets as of the end of the current fiscal year was $34,163 and the accumulated amortization of these assets was $14,749.

The future principal and interest lease payments as of December 31, 2025 are as follows:

Governmental Activities:

December 31,	Principal	Interest	Total
2026	$ 546,534	$ 125,198	$ 671,732
2027	486,848	83,556	570,404
2028	311,194	52,913	364,107
2029	200,980	32,611	233,591
2030	51,098	24,247	75,345
2031-2035	139,508	103,535	243,043
2036-2040	110,523	84,496	195,019
2041-2045	151,343	63,974	215,317
2046-2050	201,422	36,305	237,727
2051-2055	122,540	5,114	127,654
Total	$ 2,321,990	$ 611,949	$ 2,933,939

13. <u>Long-Term Liabilities</u> (continued)

B. <u>Leases</u> (continued)

City as Lessee (continued)

Business-Type Activities:

December 31,	Principal	Interest	Total
2026	7,381	1,678	9,059
2027	7,483	1,015	8,498
2028	7,490	295	7,785
Total	$ 22,354	$ 2,988	$ 25,342

C. <u>Subscription-based Information Technology Arrangements ("SBITA")</u>

The City has two subscription-based information technology arrangements ("SBITA") involving police body cameras and license plate reading cameras. Pursuant to GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, the City has recorded subscription assets and related liabilities for future payment. The recorded value of the subscription assets as of the end of the current fiscal year was $747,835 and the accumulated amortization of these assets was $305,930. As of December 31, 2025, the value of the subscription liabilities was $478,681. In determining the present values, the interest rate charged by the lessor was the discount rate, if applicable. When the interest rate charged by the lessor was not provided, the City used its estimated incremental borrowing rate as the discount rate for leases of 3.45%.

The future principal and interest lease payments as of December 31, 2025 for governmental activities are as follows:

December 31,	Principal	Interest	Total
2026	149,028	16,515	165,543
2027	159,372	11,373	170,745
2028	170,281	5,873	176,154
Total	$ 478,681	$ 33,761	$ 512,442

13. Long-Term Liabilities (continued)

D. Compensated Absences

As of December 31, 2025, employees of the City have accumulated and vested $483,675 of vacation leave benefits according to the City's policy and $996,942 of employee sick leave benefits, which were computed in accordance with GASB Statement No. 101, *Compensated Absences*. The following is a summary of the compensated absences liability activity during the year:

	Governmental Activities	Business-type Activities	Primary Government
Balance as of December 31, 2024	$ 1,323,940	$ 142,656	$ 1,466,596
Net change	8,136	5,885	14,021
Balance as of December 31, 2025	$ 1,332,076	$ 148,541	$ 1,480,617

The amount of compensated absences estimated to be due and payable within one year is as follows:

	Due within one year
Governmental activities	$ 394,823
Business-type activities	52,457
Primary government	$ 447,280

14. Transfers

Interfund transfers for the year ended December 31, 2025 are as follows:

	TRANSFERS IN	TRANSFERS OUT
General Fund		
Internal Service Fund	$ -	$ 150,000
Capital Projects	-	2,016,539
Fire Department	978,125	-
Section 8 Housing	-	36,308
CDBG	-	-
Municipal Waterworks	-	35,000
Fire Department		
General	-	978,125
Section 8 Housing		
General	36,308	-
Capital Projects		
General	2,016,539	-
Municipal Waterworks		
General	35,000	-
Internal Service Fund		
General	150,000	-
	$ 3,215,972	$ 3,215,972

15. Risk Management

The City is subject to various risks of loss related to theft of, damage to, and destruction of assets; error and omissions; injuries to employees; natural disasters; and worker's compensation claims. The City has purchased commercial liability insurance to cover risks of loss related to torts or negligence by employees and council members. Commercial insurance has also been obtained to cover risk of damages to or theft of computer equipment, boilers and other machinery, employee's health insurance, and general liability claims. However, these liability insurance policies have deductibles ranging from $100,000 to $150,000 for which the City retains the risk of loss. Some risks of the City, such as those related to business operations and contracts, are not covered through insurance. 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 for which it retains risk. The City is named as a defendant in various legal claims arising in the ordinary course of operations. In accordance with Governmental Accounting Standards Board Accounting Standard Codification C50, *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.

15. <u>Risk Management</u> (continued)

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 for the City's portion of retained risk and for any risk exceeding insurance coverage. As of December 31, 2025, the Internal Service Fund had a net deficit of $721,532 due to judgments and estimated losses accrued as of year-end. This deficit is expected to be alleviated with transfers from the General Fund.

Transfers from the participating funds to the Internal Service Fund are made as necessary. Except for certain claims which may not be covered through insurance, claims in excess of the self-insured retention amounts are recovered through commercial limited-coverage insurance policies as follows:

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

Settled claims have not exceeded the insurance coverage for the excess liability in any of the past three years. At December 31, 2025, the amount of liability for unpaid claims was $886,812. These liabilities are the City's best estimate based on available information. Changes in the reported liabilities during the past three years are as follows:

Year	Beginning Balance	Claims and Changes in Estimate	Payments	Ending Balance
2025	$ 56,328	$ 1,092,094	$ 261,610	$ 886,812
2024	25,789	112,530	130,760	56,328
2023	8,541	148,008	187,938	8,541

16. <u>Commitments and Contingencies</u>

As of December 31, 2025, the City was committed to construction and other contract agreements totaling $10,409,250. Of this amount, $7,982,332 has not yet been expended.

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

17. <u>On-Behalf Payments for Supplemental Pay</u>

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 $372,240.

18. <u>Tax Abatement</u>

The City enters into property tax abatement agreements with local businesses under the Restoration Tax Abatement Program was created by Act 445 of the 1983 Legislature, and revised by Act 783 of 1984, Article VII, Part II, Section 21 (H) of the Louisiana Constitution and La. R.S. 47:4311-4319, to authorize the Board of Commerce and Industry, with the approval of the Governor and the local governing authority and in accordance with procedures and conditions provided by law, to enter into a contract granting property owners who propose the expansion, restoration, improvement or development of an existing structure or structures in a downtown development district, historic district, or economic development district, established in accordance with law, the right to pay ad valorem taxes based upon the assessed valuation of property prior to the commencement of the expansion, restoration, improvement or development. The City currently has two abatement agreements for renovation of properties in the Historic District. The total amount of taxes paid on the abated properties is insignificant for the year ended December 31, 2025. There were no new agreements entered into in 2025.

19. <u>Rouse Land Company, LLC Cooperative Endeavor Agreement</u>

The City entered into a cooperative endeavor agreement in 2015 with Rouse Land Company, LLC, a Louisiana limited liability company to do business in the State (“Rouse”). The City agreed to reimburse Rouse not to exceed the sum of $217,000 per year or in the aggregate $800,000 from sales tax revenue over a reimbursement term that lasts until the aggregate amount is reached for the purpose of enabling Rouse to construct a facility in Thibodaux, Louisiana, and to aid in the revitalization of the City.

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

The City's reimbursement obligation is expressly limited to a 2.5% undedicated sales and use tax applied solely to the sales tax increment revenues generated by the Facility. The amount paid to Rouse for the year was $66,335.

20. Component Units – Selected Notes to the Financial Statements and Condensed Financial Statements

The balances of deposits are as follows:

	Reported Balance	Bank Balance
Demand Deposits	$ 3,242,944	$ 3,630,781
Certificates of Deposit	5,704,400	5,704,400
Total deposits	$ 8,947,344	$ 9,335,181
Exposed to custodial credit risk		$ 8,440,690
Covered by pledged securities		$ 8,400,690

A summary of capital assets for component units is as follows:

	Beginning Balance	Additions	Removals	Ending Balance
Land	$ 1,330,748	$ 350,000	$ -	$ 1,680,748
Construction in progress	2,358,666	3,739,336	(2,151,773)	3,946,229
Total non-depreciable	3,689,414	4,089,336	(2,151,773)	5,626,977
Buildings and improvements	7,056,697	2,808,870	(64,561)	9,801,006
Equipment and furniture	8,899,260	846,291	(478,574)	9,266,977
Total depreciable	15,955,957	3,655,161	(543,135)	19,067,983
Total cost	19,645,371	7,744,497	(2,694,908)	24,694,960
Total accumulated depreciation	(10,037,276)	(814,090)	504,149	(10,347,217)
Net depreciable capital assets	5,918,681	2,841,071	(38,986)	8,720,766
Net capital assets	$ 9,608,095	$ 6,930,407	$ 2,190,759	$ 14,347,743

A summary of financial highlights is as follows:

	City Court of Thibodaux	Thibodaux Volunteer Fire Department, Inc.	Total
Assets	$ 733,684	$ 22,801,259	$ 23,534,943
Liabilities	179,913	3,311,747	3,491,660
Net Position	553,771	19,489,512	20,043,283
Revenues	1,147,619	3,382,581	4,530,200
Expenses	919,810	2,079,948	2,999,758
Change in Net Position	227,809	1,302,633	1,530,442

21. Subsequent Events

Subsequent to year end, the City entered into contract commitments approximating $2.0 million for capital improvements. The City expects to utilize general fund resources to fund these commitments.

22. Current Accounting Standards Scheduled to be Implemented

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

GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement is intended to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Key components mentioned in the statement are management's discussion and analysis; unusual or frequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; major component unit information; and budgetary comparison information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City will include the requirements of this statement, as applicable, in its December 31, 2026 financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This statement is intended to provide users of government financial statements with essential information about certain types of capital assets and requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34. Lease assets recognized in accordance with GASB Statement No. 87 and subscription assets recognized in GASB Statement No. 96 should be disclosed separately by major class of underlying asset in the capital assets note disclosures. This statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City will include the requirements of this statement, as applicable, in its December 31, 2026 financial statements.

GASB Statement No. 105, *Subsequent Events*. This statement is intended to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The statement also requires the date through which subsequent events have been evaluated to be disclosed. This statement clarifies the subsequent events that constitute recognized and unrecognized events and establishes specific note disclosures for nonrecognized events. The requirements of this statements are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. The City will include the requirements of this statement, as applicable, in its December 31, 2027 financial statements.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Taxes	$ 20,512,330	$ 21,209,413	$ 20,944,489	$ (264,924)
Licenses and permits	1,250,280	1,235,280	1,191,788	(43,492)
Intergovernmental:				
Federal government	855,315	367,528	378,947	11,419
State government	841,734	886,058	882,598	(3,460)
Local government	185,000	195,000	195,000	-
Charges for services	460,100	541,473	547,637	6,164
Franchise fees	580,560	594,003	601,191	7,188
Fines and forfeitures	135,000	168,000	171,224	3,224
Investment income	683,000	670,052	692,642	22,590
Miscellaneous	854,640	795,657	800,698	5,041
Total revenues	26,357,959	26,662,464	26,406,214	(256,250)
EXPENDITURES				
Current:				
General government	6,219,675	5,512,017	5,051,636	460,381
Public safety	12,450,101	11,882,285	10,790,019	1,092,266
Public works	4,030,219	3,908,019	3,720,265	187,754
Culture and recreation	4,563,090	4,087,461	3,771,143	316,318
Capital outlay	1,594,690	1,371,646	1,445,007	(73,361)
Debt service:				
Principal repayments	139,370	-	654,613	(654,613)
Interest and bank charges	17,131	-	205,635	(205,635)
Total expenditures	29,014,276	26,761,428	25,638,318	1,123,110
Excess of revenues over (under) expenditures	(2,656,317)	(98,964)	767,896	866,860
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of capital assets	-	45,114	45,114	-
Other financing sources - leases	-	-	215,864	215,864
Transfers in	984,648	978,125	978,125	-
Transfers out	(6,745,184)	(2,770,737)	(2,237,847)	532,890
Total other financing sources (uses)	(5,760,536)	(1,747,498)	(998,744)	748,754
NET CHANGE IN FUND BALANCES	(8,416,853)	(1,846,462)	(230,848)	1,615,614
FUND BALANCES				
Fund balances, beginning of year	24,322,832	24,322,832	27,535,432	3,212,600
Fund balances, end of year	$ 15,905,979	$ 22,476,370	$ 27,304,584	$ 4,828,214

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - SECTION 8 HOUSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1.2

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental:				
Federal government	$ 2,772,000	$ 3,102,423	$ 3,098,189	$ (4,234)
Investment income	500	600	639	39
Miscellaneous	27,000	44,296	44,435	139
Total revenues	2,799,500	3,147,319	3,143,263	(4,056)
EXPENDITURES				
Current:				
Health and welfare	2,919,007	3,114,795	3,103,243	11,552
Total expenditures	2,919,007	3,114,795	3,103,243	11,552
Excess of revenues over (under) expenditures	(119,507)	32,524	40,020	7,496
OTHER FINANCING SOURCES				
Transfers in	122,507	36,308	36,308	-
Total other financing sources	122,507	36,308	36,308	-
NET CHANGE IN FUND BALANCES	3,000	68,832	76,328	7,496
FUND BALANCES				
Fund balances, beginning of year	5,997	5,997	1,080	(4,917)
Fund balances, end of year	$ 8,997	$ 74,829	$ 77,408	$ 2,579

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
DECEMBER 31, 2025

Schedule 1.3

Measurement Date	Service Cost	Interest	Difference between actual and expected experience	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability - beginning	Total OPEB liability - ending	Covered Employee payroll	Total OPEB liability as a percentage of covered employee payroll
12/31/2025	$ 326,654	$ 443,359	$ 63,655	$ 2,152,544	$ (496,951)	$ 2,489,261	$ 10,280,685	$ 12,769,946	$ 8,909,280	143.33%
12/31/2024	$ 288,321	$ 378,770	$ (147,509)	$ 195,511	$ (386,054)	$ 329,039	$ 9,951,646	$ 10,280,685	$ 8,734,588	117.70%
12/31/2023	$ 261,464	$ 379,324	$ 11,316	$ 368,575	$ (362,473)	$ 658,206	$ 9,293,440	$ 9,951,646	$ 7,467,931	133.26%
12/31/2022	$ 515,635	$ 263,362	$ (342,667)	$ (4,793,272)	$ (358,164)	$ (4,715,106)	$ 14,008,546	$ 9,293,440	$ 7,321,501	126.93%
12/31/2021	$ 477,493	$ 282,967	$ (237,109)	$ (65,461)	$ (298,572)	$ 159,318	$ 13,849,228	$ 14,008,546	$ 6,869,581	203.92%
12/31/2020	$ 466,761	$ 376,304	$ (258,829)	$ 184,874	$ (288,732)	$ 480,378	$ 13,368,850	$ 13,849,228	$ 6,734,883	205.63%
12/31/2019	$ 372,758	$ 448,855	$ (782,564)	$ 1,816,112	$ (424,114)	$ 1,431,047	$ 11,937,803	$ 13,368,850	$ 7,201,296	185.65%
12/31/2018	$ 365,449	$ 433,663	$ 25,210	$ -	$ (420,215)	$ 404,107	$ 11,533,696	$ 11,937,803	$ 7,060,094	169.09%

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

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1.4

Pension Plan	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System (Plan A)					
2025	2.9996%	$ 6,875,776	$ 6,234,787	110.2808%	83.47%
2024	2.7989%	7,876,238	5,701,808	138.1358%	79.05%
2023	2.7963%	10,220,099	5,619,834	181.8577%	72.46%
2022	2.6445%	10,940,157	5,068,576	215.8428%	67.87%
2021	2.5210%	7,012,180	4,991,993	140.4685%	77.82%
2020	2.4599%	10,635,283	4,701,716	226.2000%	64.52%
2019	2.5023%	10,456,083	4,632,152	225.7284%	64.68%
2018	2.5597%	10,598,889	4,673,281	226.7976%	63.94%
2017	2.5583%	10,702,627	4,646,127	230.3559%	62.49%
2016	2.5588%	10,487,822	4,570,921	229.4466%	62.11%
Municipal Police Employees' Retirement System					
2025	1.1004%	$ 7,599,449	$ 4,124,530	184.2501%	81.94%
2024	1.0618%	9,619,611	3,742,932	257.0074%	75.84%
2023	1.0072%	10,640,773	3,411,338	311.9237%	71.30%
2022	0.9052%	9,294,736	2,794,370	332.6237%	70.80%
2021	0.7070%	3,768,702	2,581,430	145.9928%	84.09%
2020	0.8410%	7,772,550	2,597,530	299.2285%	70.94%
2019	0.8290%	7,528,992	2,589,215	290.7828%	71.01%
2018	0.9226%	7,799,903	2,726,269	286.1017%	71.89%
2017	0.8807%	7,688,683	2,615,723	293.9410%	70.08%
2016	0.9330%	8,744,482	2,547,442	343.2652%	66.04%
State Employees' Retirement System					
2025	0.0000%	$ -	$ 12,831	0.0000%	79.30%
2024	0.0021%	114,855	46,682	246.0370%	74.60%
2023	0.0022%	149,934	46,593	321.7951%	68.40%
2022	0.0021%	161,075	43,344	371.6201%	63.70%
2021	0.0021%	113,822	42,082	270.4767%	72.78%
2020	0.0019%	160,292	40,857	392.3244%	58.00%
2019	0.0020%	141,276	40,272	350.8045%	62.90%
2018	0.0021%	144,514	38,766	372.7854%	64.30%
2017	0.0022%	154,854	38,357	403.7177%	62.50%
2016	0.0022%	168,516	37,413	450.4210%	57.70%

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

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1.5

Pension Plan	Contractually Required Contribution[1]	Contributions in Relation to Contractually Required Contribution[2]	Contribution Deficiency (Excess)	Employer's Covered Payroll[3]	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System (Plan A)					
2025	$ 1,745,748	$ 1,745,748	$ -	$ 6,348,427	27.499%
2024	1,700,644	1,700,644	-	5,921,009	28.722%
2023	1,665,632	1,665,632	-	5,646,208	29.500%
2022	1,519,155	1,519,155	-	5,149,679	29.500%
2021	1,509,314	1,509,314	-	5,116,313	29.500%
2020	1,434,952	1,434,952	-	5,006,699	28.661%
2019	1,248,064	1,248,064	-	4,645,418	26.867%
2018	1,180,078	1,180,078	-	4,652,479	25.364%
2017	1,109,483	1,109,483	-	4,673,961	23.738%
2016	976,265	976,265	-	4,596,783	
Municipal Police Employees' Retirement System					
2025	$ 1,438,666	$ 1,438,666	$ -	$ 4,165,762	34.535%
2024	1,364,207	1,364,207	-	3,919,563	34.805%
2023	1,184,144	1,184,144	-	3,629,278	32.628%
2022	882,865	882,865	-	2,883,736	30.615%
2021	871,366	871,366	-	2,765,344	31.510%
2020	882,485	882,485	-	2,665,962	33.102%
2019	849,499	849,499	-	2,623,954	32.375%
2018	840,232	840,232	-	2,670,286	31.466%
2017	826,713	826,713	-	2,638,953	31.327%
2016	799,771	799,771	-	2,597,654	30.788%
State Employees' Retirement System					
2025	$ -	$ -	$ -	$ -	0.000%
2024	16,036	16,036	-	42,455	37.772%
2023	20,737	20,737	-	45,776	45.301%
2022	19,505	19,505	-	44,036	44.293%
2021	18,447	18,447	-	42,753	43.148%
2020	18,280	18,280	-	43,060	42.452%
2019	16,629	16,629	-	40,312	41.251%
2018	15,846	15,846	-	39,516	40.100%
2017	15,127	15,127	-	38,737	39.051%
2016	14,445	14,445	-	37,963	38.050%

For reference only:

[1] *Employer contribution rate multiplied by employer's covered payroll*

[2] *Actual employer contributions remitted to MERS MPERS and LASERS*

[3] *Employer's covered payroll amount for the fiscal year ended December 31 of each year*

CITY OF THIBODAUX
Thibodaux, Louisiana

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 1.6

Pension and Retirements System Notes:

Changes of Benefit Terms include:

Municipal Employees' Retirement System (Plan A)

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

Municipal Police Employees' Retirement System

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

State Employees' Retirement System

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

Changes of Assumptions:

Municipal Employees' Retirement System (Plan A)

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

Inflation Rate:				***Investment rate of return:***			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	2.500%	0.000%	12/31/2025	6/30/2025	6.850%	0.000%
12/31/2024	6/30/2024	2.500%	0.000%	12/31/2024	6/30/2024	6.850%	0.000%
12/31/2023	6/30/2023	2.500%	0.000%	12/31/2023	6/30/2023	6.850%	0.000%
12/31/2022	6/30/2022	2.500%	0.000%	12/31/2022	6/30/2022	6.850%	0.000%
12/31/2021	6/30/2021	2.500%	0.000%	12/31/2021	6/30/2021	6.850%	-0.100%
12/31/2020	6/30/2020	2.500%	0.000%	12/31/2020	6/30/2020	6.950%	-0.050%
12/31/2019	6/30/2019	2.500%	-0.100%	12/31/2019	6/30/2019	7.000%	-0.275%
12/31/2018	6/30/2018	2.600%	-0.175%	12/31/2018	6/30/2018	7.275%	-0.125%
12/31/2017	6/30/2017	2.775%	-0.100%	12/31/2017	6/30/2017	7.400%	-0.100%
12/31/2016	6/30/2016	2.875%		12/31/2016	6/30/2016	7.500%	

Municipal Police Employees' Retirement System

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

Inflation Rate:				***Investment rate of return:***			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	2.500%	0.000%	12/31/2025	6/30/2025	6.750%	0.000%
12/31/2024	6/30/2024	2.500%	0.000%	12/31/2024	6/30/2024	6.750%	0.000%
12/31/2023	6/30/2023	2.500%	0.000%	12/31/2023	6/30/2023	6.750%	0.000%
12/31/2022	6/30/2022	2.500%	0.000%	12/31/2022	6/30/2022	6.750%	0.000%
12/31/2021	6/30/2021	2.500%	0.000%	12/31/2021	6/30/2021	6.750%	-0.200%
12/31/2020	6/30/2020	2.500%	0.000%	12/31/2020	6/30/2020	6.950%	-0.175%
12/31/2019	6/30/2019	2.500%	-0.100%	12/31/2019	6/30/2019	7.125%	-0.075%
12/31/2018	6/30/2018	2.600%	-0.100%	12/31/2018	6/30/2018	7.200%	-0.125%
12/31/2017	6/30/2017	2.700%	-0.175%	12/31/2017	6/30/2017	7.325%	-0.175%
12/31/2016	6/30/2016	2.875%		12/31/2016	6/30/2016	7.500%	

State Employees' Retirement System

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

Inflation Rate:				***Investment rate of return:***			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
12/31/2025	6/30/2025	2.400%	0.000%	12/31/2025	6/30/2025	7.250%	0.000%
12/31/2024	6/30/2024	2.400%	0.100%	12/31/2024	6/30/2024	7.250%	0.000%
12/31/2023	6/30/2023	2.300%	0.000%	12/31/2023	6/30/2023	7.250%	0.000%
12/31/2022	6/30/2022	2.300%	0.000%	12/31/2022	6/30/2022	7.250%	-0.150%
12/31/2021	6/30/2021	2.300%	0.000%	12/31/2021	6/30/2021	7.400%	-0.150%
12/31/2020	6/30/2020	2.300%	-0.200%	12/31/2020	6/30/2020	7.550%	-0.050%
12/31/2019	6/30/2019	2.500%	-0.250%	12/31/2019	6/30/2019	7.600%	-0.050%
12/31/2018	6/30/2018	2.750%	0.050%	12/31/2018	6/30/2018	7.650%	-0.050%
12/31/2017	6/30/2017	2.700%	-0.175%	12/31/2017	6/30/2017	7.700%	-0.050%
12/31/2016	6/30/2016	2.875%		12/31/2016	6/30/2016	7.750%	

(continued)

Schedule 1.6

Other Post-Employment Benefit Obligation Notes:

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

Changes in benefit terms:

12/31/2025 There were no changes of benefit terms for the year ended December 31, 2025.
12/31/2024 Increased life insurance benefit for retirees to $10,000 from $5,000 (reducing to 65% at age 65 and to 50% at age 70).
12/31/2023 There were no changes of benefit terms for the year ended December 31, 2023.
12/31/2022 There were no changes of benefit terms for the year ended December 31, 2022.
12/31/2021 There were no changes of benefit terms for the year ended December 31, 2021.
12/31/2020 There were no changes of benefit terms for the year ended December 31, 2020.
12/31/2019 There were no changes of benefit terms for the year ended December 31, 2019.
12/31/2018 There were no changes of benefit terms for the year ended December 31, 2018.

Changes in assumptions:

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

Measurement Date	Discount Rate	Mortality Table
12/31/2025	4.43%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2024	4.28%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2023	3.77%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2022	4.05%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2021	1.84%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2021
12/31/2020	2.00%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2020
12/31/2019	2.75%	PubG.H-2010 (general); PubS.H-2010 (public safety) - MP-2019
12/31/2018	3.71%	RPH-2014
12/31/2017	3.50%	

Budgetary Comparison Information

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

(concluded)

SUPPLEMENTARY AND OTHER INFORMATION

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2025

Statement 2.1

	11 Police Forfeiture Fund	13 Fire Department Fund	14 Street Improvement and Maintenance	18 DOTD Parish Transportation	31 CDBG Fund	Total
ASSETS						
Cash and cash equivalents	$ 177,556	$ 891,598	$ 912,336	$ 811,479	$ -	$ 2,792,969
Accounts receivable, net	-	155,603	62,634	-	-	218,237
Due from other governments	-	-	-	13,665	11,933	25,598
Total assets	$ 177,556	$ 1,047,201	$ 974,970	$ 825,144	$ 11,933	$ 3,036,804
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenses	$ 1,367	$ -	$ 175	$ -	$ 8,785	$ 10,327
Accrued salaries and benefits	-	-	-	-	612	612
Due to other funds	-	-	-	-	2,536	2,536
Total liabilities	1,367	-	175	-	11,933	13,475
DEFERRED INFLOWS OF RESOURCES						
Resources recovered prior to time requirements	-	41,644	16,763	-	-	58,407
Total deferred inflows of resources	-	41,644	16,763	-	-	58,407
FUND BALANCES						
Restricted for:						
Public safety	-	1,005,557	-	-	-	1,005,557
Public works	-	-	-	825,144	-	825,144
Committed for:						
Public works	-	-	958,032	-	-	958,032
Assigned for:						
Public safety	176,189	-	-	-	-	176,189
Total fund balances	176,189	1,005,557	958,032	825,144	-	2,964,922
Total liabilities, deferred inflows and fund balances	$ 177,556	$ 1,047,201	$ 974,970	$ 825,144	$ 11,933	$ 3,036,804

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement 2.2

	11 Police Forfeiture Fund	13 Fire Department Fund	14 Street Improvement and Maintenance	18 DOTD Parish Transportation	31 CDBG Fund	Total
REVENUES						
Taxes	$ -	$ 1,045,473	$ 418,534	$ -	$ -	$ 1,464,007
Intergovernmental:						
Federal government	-	-	-	-	245,642	245,642
State government	-	-	-	144,048	-	144,048
Fines and forfeitures	156,994	-	-	-	-	156,994
Investment income	1,942	5,847	13,030	14,366	-	35,185
Miscellaneous	3,377	4,608	4,593	-	-	12,578
Total revenues	162,313	1,055,928	436,157	158,414	245,642	2,058,454
EXPENDITURES						
Current:						
Public safety	40,186	-	-	-	-	40,186
Public works	-	-	253,022	-	22,922	275,944
Health and welfare	-	-	-	-	1,988	1,988
Capital Outlay	18,514	-	-	49,229	220,732	288,475
Total expenditures	58,700	-	253,022	49,229	245,642	606,593
Excess of revenues over (under) expenditures	103,613	1,055,928	183,135	109,185	-	1,451,861
OTHER FINANCING SOURCES (USES)						
Proceeds from sales of capital assets	50,427	-	-	-	-	50,427
Transfers in	-	-	-	-	-	-
Transfers out	-	(978,125)	-	-	-	(978,125)
Total other financing sources (uses)	50,427	(978,125)	-	-	-	(927,698)
NET CHANGE IN FUND BALANCES	154,040	77,803	183,135	109,185	-	524,163
FUND BALANCES						
Fund balances, beginning of year	22,149	927,754	774,897	715,959	-	2,440,759
Fund balances, end of year	$ 176,189	$ 1,005,557	$ 958,032	$ 825,144	$ -	$ 2,964,922

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - POLICE FORFEITURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2.3

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Fines and forfeitures	$ -	$ 156,994	$ 156,994	$ -
Investment income	40	1,500	1,942	442
Miscellaneous	-	3,377	3,377	-
Total revenues	40	161,871	162,313	442
EXPENDITURES				
Current:				
Public safety	18,116	116,573	40,186	76,387
Capital Outlay	-	18,515	18,514	1
Total expenditures	18,116	135,088	58,700	76,387
Excess of revenues under expenditures	(18,076)	26,783	103,613	76,829
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of capital assets	-	50,427	50,427	-
Total other financing sources (uses)	-	50,427	50,427	-
NET CHANGE IN FUND BALANCES	(18,076)	77,210	154,040	76,829
FUND BALANCES				
Fund balances, beginning of year	18,616	18,616	22,149	3,533
Fund balances, end of year	$ 540	$ 95,826	$ 176,189	$ 80,362

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - FIRE DEPARTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2.4

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Taxes	$ 1,055,753	$ 1,087,117	$ 1,045,473	$ (41,644)
Investment income	3,000	5,000	5,847	847
Miscellaneous	1,100	3,231	4,608	1,377
Total revenues	1,059,853	1,095,348	1,055,928	(39,420)
OTHER FINANCING USES				
Transfers out	(984,648)	(978,125)	(978,125)	-
Total other financing uses	(984,648)	(978,125)	(978,125)	-
NET CHANGE IN FUND BALANCES	75,205	117,223	77,803	(39,420)
FUND BALANCES				
Fund balances, beginning of year	959,138	959,138	927,754	(31,384)
Fund balances, end of year	$ 1,034,343	$ 1,076,361	$ 1,005,557	$ (70,804)

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - STREET IMPROVEMENTS AND MAINTENANCE FUND FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2.5

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Taxes	$ 423,538	$ 435,297	$ 418,534	$ (16,763)
Investment income	10,000	12,000	13,030	1,030
Miscellaneous	2,500	4,267	4,593	326
Total revenues	436,038	451,564	436,157	(15,407)
EXPENDITURES				
Current:				
Public works	612,500	469,105	253,022	216,083
Total expenditures	612,500	469,105	253,022	216,083
Excess of revenues over (under) expenditures	(176,462)	(17,541)	183,135	200,676
NET CHANGE IN FUND BALANCES	(176,462)	(17,541)	183,135	200,676
FUND BALANCES				
Fund balances, beginning of year	725,092	725,092	774,897	49,805
Fund balances, end of year	$ 548,630	$ 707,551	$ 958,032	$ 250,481

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - PARISH TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2.6

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental:				
State government	$ 145,000	$ 145,000	$ 144,048	$ (952)
Investment income	9,500	14,300	14,366	66
Total revenues	154,500	159,300	158,414	(886)
EXPENDITURES				
Capital Outlay	-	94,838	49,229	45,609
Total Expenditures	-	94,838	49,229	45,609
NET CHANGE IN FUND BALANCES	154,500	64,462	109,185	46,495
FUND BALANCES				
Fund balances, beginning of year	723,799	723,799	715,959	(7,840)
Fund balances, end of year	$ 878,299	$ 788,261	$ 825,144	$ 38,655

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - CDBG FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2.7

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental:				
Federal government	$ 437,763	$ 271,265	$ 245,642	$ (25,623)
Total revenues	437,763	271,265	245,642	(25,623)
EXPENDITURES				
Current:				
Public works	47,763	27,115	22,922	4,193
Health and welfare	10,000	2,020	1,988	32
Capital outlay	380,000	242,130	220,732	21,398
Total expenditures	437,763	271,265	245,642	25,623
Excess of revenues under expenditures	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES				
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET TO ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 3.1

	Original Budget	Final Budget	Actual Amounts	Variance + / (-)
REVENUES				
Intergovernmental:				
Federal government	$ 1,076,660	$ 2,649,580	$ 2,666,054	$ 16,474
State government	6,214,117	194,942	229,175	34,233
Investment income	300	300	139	(161)
Total revenues	7,291,077	2,844,822	2,895,368	50,546
EXPENDITURES				
Current:				
Public works	101,500	593,394	270,076	323,318
Capital outlay	12,655,419	4,703,069	4,615,737	87,332
Total expenditures	12,756,919	5,296,463	4,885,813	410,650
Excess of revenues under expenditures	(5,465,842)	(2,451,641)	(1,990,445)	461,196
OTHER FINANCING SOURCES				
Transfers in	5,062,396	2,549,429	2,016,539	(532,890)
Total other financing sources	5,062,396	2,549,429	2,016,539	(532,890)
NET CHANGE IN FUND BALANCES	(403,446)	97,788	26,094	(71,694)
FUND BALANCES				
Fund balances, beginning of year	510,258	510,258	2,212	(508,046)
Fund balances, end of year	$ 106,812	$ 608,046	$ 28,306	$ (579,740)

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION - MUNICIPAL GAS AND SEWERAGE SYSTEM FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

Statement 4.1

	Gas System	Sewerage System	Total
OPERATING REVENUES			
Charges for services	$ 2,786,645	$ 3,401,557	$ 6,188,202
OPERATING EXPENSES			
Gas purchased	1,405,587	-	1,405,587
Personal services	486,319	555,784	1,042,103
Operating supplies	229,990	42,935	272,925
Equipment expenses	89,225	465,061	554,286
Building expenses	8,814	278,718	287,532
Outside services	60,353	206,024	266,377
General operating	32,313	146,648	178,961
General administrative	2,442	3,328	5,770
Depreciation	270,882	827,021	1,097,903
Total operating expenses	2,585,925	2,525,519	5,111,444
Operating income	200,720	876,038	1,076,758
NON-OPERATING REVENUES (EXPENSES)			
Investment income	86,180	60,440	146,620
Other non-operating revenues	24,078	19,665	43,743
Revenues from non-employer contributing entities	12,390	14,727	27,117
Interest and fiscal charges	(6,407)	(73,335)	(79,742)
Total non-operating revenues (expenses)	116,241	21,497	137,738
Income before capital contributions	316,961	897,535	1,214,496
CONTRIBUTIONS			
Capital contributions	45,879	132,845	178,724
CHANGE IN NET POSITION	$ 362,840	$ 1,030,380	$ 1,393,220

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2025 AND NOVEMBER 30, 2025

Statement 4.2

	City Court of Thibodaux December 31, 2025	Thibodaux Volunteer Fire Department, Inc. November 30, 2025	Total
ASSETS			
Cash and cash equivalents	$ 536,108	$ 2,706,836	$ 3,242,944
Investments - certificates of deposit	-	5,704,400	5,704,400
Receivables, net	-	112,860	112,860
Due from other governments	100	-	100
Due from other agencies	126,896	-	126,896
Capital assets			
Non-depreciable	-	5,626,977	5,626,977
Net depreciable	70,580	8,650,186	8,720,766
Total assets	733,684	22,801,259	23,534,943
LIABILITIES			
Accounts payables and accrued expenses	176	618,934	619,110
Due to other governments	13,405	-	13,405
Unearned revenue	-	100,987	100,987
Long term liabilities			
Bonds, leases and compensated absences			
Due within one year	166,332	392,000	558,332
Due in more than one year	-	2,199,826	2,199,826
Total liabilities	179,913	3,311,747	3,491,660
NET POSITION			
Net investment in capital assets	70,580	12,077,337	12,147,917
Restricted for:			
Public safety	-	5,171,017	5,171,017
Unrestricted	483,191	2,241,158	2,724,349
Total net position	$ 553,771	$ 19,489,512	$ 20,043,283

CITY OF THIBODAUX
Thibodaux, Louisiana

COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND NOVEMBER 30, 2025

Statement 4.3

	City Court of Thibodaux December 31, 2025	Thibodaux Volunteer Fire Department, Inc. November 30, 2025	Total
EXPENSES	$ 919,810	$ 2,079,948	$ 2,999,758
PROGRAM REVENUES			
Charges for services	196,291	101,230	297,521
Operating grants and contributions	942,294	1,583,179	2,525,473
Total program revenues	1,138,585	1,684,409	2,822,994
Net expense	218,775	(395,539)	(176,764)
GENERAL REVENUES			
Ad valorem taxes	-	978,125	978,125
Investment earnings	7,502	283,958	291,460
Miscellaneous	1,532	436,089	437,621
Total general revenues	9,034	1,698,172	1,707,206
CHANGE IN NET POSITION	227,809	1,302,633	1,530,442
NET POSITION			
Beginning of year	325,962	18,186,879	18,512,841
End of year	$ 553,771	$ 19,489,512	$ 20,043,283

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 4.4

Kevin Clement - Mayor	$	106,024
Monique Crochet - District A		12,700
Eugene Richard - District B, through August 2025		8,499
Lester Bimah - District B, August - December 2025		3,370
Varick Taylor Sr - District C		12,700
Chad Mire - Councilman at Large		14,100
Mike Naquin - Councilman at Large		14,100
	$	171,493

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 4.5

Mayor: Kevin Clement

Purpose		
Salary	$	106,024
Benefits - Insurance		20,739
Benefits - Retirement		29,156
Benefits - Other		2,169
Vehicle Allowance		12,000
Employer's Portion of Payroll Taxes		1,416
Other		2,175
Total	$	173,679

CITY OF THIBODAUX
Thibodaux, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING ENTITY
AS REQUIRED BY La. R.S. 24:515.2
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 4.6

	First Six Month Period Ended 6/30/25	Second Six Month Period Ended 12/31/25
Beginning Balance of Amounts Collected	$ 37,342	$ 179,627
Add Collections:		
Asset Forfeiture Sale	215,320	112,107
Pre-Trial Diversion Program Fees	25,050	21,750
Subtotal Collections	240,370	133,857
Less Disbursements To Governments and Nonprofits:		
Drug Asset Recovery Team, Asset Forfeiture/Sales	1,966	988
Criminal Court Fund, 17th Judicial District, Asset Forfeiture/Sales	38,907	19,542
Lafourche Parish District Attorney, Asset Forfeiture/Sales	38,987	19,617
Less Amounts Retained by Collecting Agency		
Amounts Self-Disbursed to Collecting Agency: *Pre-Trial Diversion Program*	10,725	10,068
Less Disbursements to Collections or Processing Agencies		
Other disbursements to individuals	7,500	10,500
Subtotal Disbursements/Retainage	98,085	60,715
Ending Balance of Amounts Collected but Not Disbursed	$ 179,627	$ 252,769

CITY OF THIBODAUX
Thibodaux, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE-RECEIVING ENTITY
AS REQUIRED BY La. R.S. 24:515.2
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 4.7

	First Six Month Period Ended 6/30/25	Second Six Month Period Ended 12/31/25
Receipts from:		
Thibodaux City Court, Criminal Court Costs/Fees - Witness Fees	$ 56,717	$ 57,567
Thibodaux City Court, Criminal Court Costs/Fees - Court Fines	4,795	4,585
Total	$ 61,512	$ 62,152

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF UTILITY CUSTOMERS
(Unaudited)
December 31, 2025

Schedule 4.8

The number of meters in service at December 31, 2024:

Department	Commercial	Residential	Total
Natural Gas	554	3,812	4,366
Water & Sewer	1,274	5,509	6,783
Totals	1,828	9,321	11,149

The number of meters in service at December 31, 2025:

Department	Commercial	Residential	Total
Natural Gas	562	3,811	4,373
Water & Sewer	1,911	5,546	7,457
Totals	2,473	9,357	11,830

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF INSURANCE IN FORCE
(Unaudited)
DECEMBER 31, 2025

Schedule 4.9

Issuer	Kind of Insurance	Insurance	Expiration Date
Riviere Insurance			
(American Alternative Insurance Company)	Auto Liability & Physical Damage Deductible: SIR $100,000	$ 1,000,000	7/1/2026
	General Liability Deductible: SIR $100,000	$ 1,000,000	7/1/2026
	Law Enforcement Liability: SIR $150,000	$ 1,000,000	7/1/2026
	Wrongful Act Liability Deductible: SIR $100,000	$ 2,000,000	7/1/2026
	Employee Benefit Plan Liability Deductible: SIR $100,000	$ 1,000,000	7/1/2026
(National Union Fire Ins)	TVFD Auto Liability Deductible: $1,000	$ 1,000,000	10/11/2026
(Fidelity Deposit Company of Maryland)	Public Official Bond - Finance Director Deductible: $0	$ 100,000	3/1/2026
	Public Office Bond - Administrative Asst Deductible: $0	$ 100,000	3/1/2026
	Public Office Bond - Mayor's Secretary Deductible: $0	$ 100,000	3/1/2026
A.J. Gallagher Risk Management Services			
(USI Insurance Services, LLC)	LA Workmens Comp Deductible: None	Statutory	12/31/2026
(USI Insurance Services, LLC)	Inland Marine Deductible: $2,500	$ 4,829,929	6/1/2026
(Liberty Mutual/USI Southwest)	Boiler & Machinery Deducible: $10,000	$ 65,000,000	6/1/2026
(Fidelity & Deposit Co. of Maryland)	Government Crime Policy - Commissioner Deductible: $1,000	$ 100,000	5/27/2026
(Fidelity & Deposit Co. of Maryland)	Government Crime Policy Employee Deductible: $1,000	$ 100,000	5/27/2026
(American Bankers Ins Co of Florida)	Building & Contents Flood Policy Deductible: $4,000	$ 237,000	7/25/2026
CNA Surety	Public Official Bond - Mayor Deductible: $0	$ 100,000	12/31/2026
Jones Insurance Agency	Thibodaux Senior Citizen - Commercial General Liability Deductible: $2,000	$ 2,000,000	10/1/2026
CNA Surety	Public Official Bond - Council President Deductible: $0	$ 100,000	4/15/2026
Gallagher Benefit Services	Recreation - Excess Accident Policy Deductible $100	$ 10,000	6/29/2026
Underwriters at Lloyd's London Indian Harbor Insurance Co. Old Republic Union Insurance Co. GeoVera Specialty Insurance Co. MS Transverse Specialty Ins. Co. National Fire & Marine Ins. Co. Spinnaker Specialty Insurance Co. Everest Indemnity Insurance Co.	Physical Damage	$ 54,399,619	6/1/2026

OTHER REPORTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Thibodaux, Louisiana (the "City"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2026. Our report includes a reference to other auditors who audited the financial statements of Thibodaux Volunteer Fire Department, Inc. and City Court of Thibodaux, Louisiana, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Thibodaux, Louisiana's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major program for the year ended December 31, 2025.

Basis for Opinion on Its Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 30, 2026

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's ID Number	Federal Expenditures	Program Total
HOUSING VOUCHER CLUSTER				
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the Office of Public Housing and Indian Housing				
Section 8 Housing Choice Vouchers	14.871	LA194VO	$ 2,726,653	$ 2,726,653
Section 8 Mainstream Vouchers	14.879	LA194AF0130 / LA194AF0131	365,553	365,553
TOTAL HOUSING VOUCHER CLUSTER			3,092,206	
CDBG - ENTITLEMENT/SPECIAL PURPOSE GRANTS CLUSTER				
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the Office of Community Planning and Development				
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-22-0012	224,917	
Community Development Block Grants/Entitlement Grants	14.218	B-24-MC-22-0012	20,725	
TOTAL CDBG - ENTITLEMENT/SPECIAL PURPOSE GRANTS CLUSTER			245,642	245,642
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			3,337,848	
HIGHWAY SAFETY CLUSTER				
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Passed through Louisiana Highway Safety Commission				
State and Community Highway Safety - LHSC 2024-2025	20.600	2025-30-55	35,415	
State and Community Highway Safety - LHSC 2025-2026	20.600	2026-30-55	4,478	39,893
National Priority Safety Programs - LHSC 2024-2025	20.616	2025-30-55	5,603	
National Priority Safety Programs - LHSC 2024-2025	20.616	2026-30-55	1,350	6,953
TOTAL HIGHWAY SAFETY CLUSTER			46,846	
OTHER PROGRAMS				
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Passed through Louisiana Department of Transportation and Development				
Airport Rehabilitation Runway 8/26	20.106	3-22-0072-013-2024	168,555	168,555
Highway Planning and Construction - Acadia Roundabout	20.205	H009320/H.009320.5	3,493	
Highway Planning and Construction - Audubon Avenue Overlay	20.205	H013269	1,593,124	
Highway Planning and Construction - Downtown Sidewalks	20.205	H0134295	1,069,437	2,666,054
Passed through Louisiana Highway Safety Commission				
Alcohol Open Container Requirements - LHSC 2024-2025	20.607	2025-30-55	80,213	
Alcohol Open Container Requirements - LHSC 2025-2026	20.607	2026-30-55	12,803	93,016
TOTAL OTHER PROGRAMS			2,927,625	
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			2,974,471	
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Hurricane Ida	97.036	4611-DR-LA	64,242	64,242
TOTAL UNITED STATES DEPARTMENT OF HOMELAND SECURITY			64,242	

(continued)

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 2025

Federal Grantor Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's ID Number	Federal Expenditures	
UNITED STATES DEPARTMENT OF JUSTICE				
BUREAU OF JUSTICE ASSISTANCE				
Bullet Proof Vest Partnership Program	16.607	N/A	10,219	10,219
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			10,219	
UNITED STATES DEPARTMENT OF Interior				
NATIONAL PARK SERVICE				
Junior Ranger Angler	15.954	N/A	10,000	10,000
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			10,000	
TOTAL FEDERAL ASSISTANCE EXPENDED			$ 6,396,780	

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant award of the City under programs of the federal government for the year ended December 31, 2025, and is presented on the modified accrual basis of accounting or in a manner specified in the award agreement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B - RECONCILIATION OF FEDERAL EXPENDITURES

Federal assistance expended as reported on Schedule of Expenditures of Federal Awards	$ 6,396,780
Add: current year FEMA reimbursements for prior year expenditures	239
Less: current year FEMA expenditures not yet obligated	(24,168)
Add: current year Section 8 Housing revenues not yet expended	5,981
Total intergovernmental revenues	$ 6,378,832
Intergovernmental revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position	
Governmental Funds	$ 6,388,832
Less: private fund donations received included in intergovernmental revenues for governmental funds	(10,000)
	$ 6,378,832

NOTE C - INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The City does not pass through any awards to subrecipients.

(concluded)

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

Internal control over compliance:		
• Material weakness identified	___ Yes	X No
• Significant deficiency not considered to be a material weakness?	___ Yes	X None reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	___ Yes	X No

Identification of major program:

Name of Federal Program or Cluster	Federal Assistance Listing Number
Highway Planning and Construction	20.205

Dollar threshold to distinguish between Type A and Type B programs:	$1,000,000	
Auditee qualified as low-risk auditee?	X Yes	___ No

CITY OF THIBODAUX
Thibodaux, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF THIBODAUX
Thibodaux, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2025

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS

Condition: The City executed a procurement contract totaling $80,370 for a diesel generator through a cooperative endeavor agreement that was not adopted or approved by the Louisiana Office of State Procurement.

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

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

None.