

City of Denham Springs, State of Louisiana



***ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT***

For The Year Ended June 30, 2024

**Annual Comprehensive  
Financial Report  
of the**

**CITY OF DENHAM SPRINGS**

**Denham Springs, Louisiana**

**For the Fiscal Year Ended  
June 30, 2024**

**Prepared by the  
City of Denham Springs  
Accounting Department**



## INTRODUCTION

**CITY OF DENHAM SPRINGS  
DENHAM SPRINGS, LOUISIANA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2024**

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DENHAM SPRINGS, LOUISIANA**

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DENHAM SPRINGS, LOUISIANA**

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**MAYOR**  
GERARD LANDRY

**MAYOR PRO-TEMPORE**  
JEFF WESLEY

**CITY CLERK**  
BUFFY ANDERSON



## *City of Denham Springs*

**CITY COUNCIL**  
AMBER DUGAS  
JIM GILBERT  
LORI LAMM-WILLIAMS  
ROBERT POOLE  
JEFF WESLEY

December 30, 2024

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Denham Springs

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Denham Springs (City) for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City of Denham Springs. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Denham Springs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Hannis T. Bourgeois, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Denham Springs for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected were based on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The independent auditor's opinion on the primary government was unmodified in that the financial statements of the primary government of the City of Denham Springs present fairly, in all material respects, the respective financial position included in each of the components of the financial statements. During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Questioned Cost, and the Auditor's Report on Compliance and on Internal Control over Financial Reporting is included in a separately issued report and is available upon request.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Denham Springs, incorporated in 1903, is located on the western side of Livingston Parish and is adjacent to East Baton Rouge Parish, which contains the state's capital city of Baton Rouge and is a major industrial area. The City currently occupies a land area of 7 square miles and serves a population of 10,149. The City of Denham Springs is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Denham Springs has operated under the mayor-board of aldermen (city council) form of government since 1903. Policy-making and legislative authority are vested in a governing council consisting of five council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. The mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing, with the approval of the city council, the heads of the various departments. The mayor and the city council are elected at large. The mayor and the five council members serve four-year terms.

The City of Denham Springs provides a full range of services, including police and fire protection, maintenance of streets and drainage, maintaining landscape beautification, animal control, cemetery, general administrative services, planning and zoning, building inspection, main street program, tourism, recreation, health services, gas services, water services, sewer services, and recycling and solid waste disposal.

A determination of the financial reporting entity to be included in this annual comprehensive financial report (ACFR) is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement 61. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

The City of Denham Springs financial reporting entity consists of the following:

- The Primary Government – This is the City (all funds under the auspices of the Mayor and the City Council).
- Legally separate component units – These units of government are legally separate from the City government but have a sufficiently close relationship with the government to warrant inclusion in the consolidated financial report.

The financial statements included in this ACFR are as follows:

➤ The City of Denham Springs	Primary Government
➤ Denham Springs Sewerage District No. 1	Blended Component Unit
➤ City Court of Denham Springs - Ward II	Discrete Component Unit
➤ Marshal of City Court of Denham Springs - Ward II	Discrete Component Unit
➤ Denham Springs Economic Development District	Discrete Component Unit
➤ Springs at Riverside Landing Economic Development District	Discrete Component Unit

An explanation of the accounting policies of the City of Denham Springs is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies is explained in detail in the Notes to the Financial Statements.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City of Denham Springs are required to submit requests for appropriation to the government's city treasurer. The city treasurer uses these requests as the starting point for developing a proposed budget. The mayor reviews the proposed budget for revisions and budget message. The city treasurer then presents this proposed budget to the city council for review. The city council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund the comparison is presented in Exhibit B-5 as part of the financial statements of the governmental funds. The only other governmental funds with an annual appropriated budget are the Capital Projects Fund and the Witness Fee Special Revenue Fund. These funds are considered nonmajor funds. The budget comparisons are presented in Exhibit D-3 and D-4 as part of the financial statements of the governmental funds.

As authorized by the Mayor-City Council, the Accounting Department is entrusted with maintaining accounting systems for the City of Denham Springs in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and with the authority of the Mayor, exercises financial and budgetary control over each City department.

In developing and evaluating the accounting system of the City of Denham Springs, the Accounting Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City of Denham Springs government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Accounting Department believes that the internal controls of the City of Denham Springs adequately safeguard and provide reasonable assurance of the proper recording of financial transactions.

## **Factors Affecting Financial Condition**

### **Economic Condition and Outlook**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Denham Springs operates.

**Local economy.** The City of Denham Springs continues to enjoy a favorable economic environment and local indicators point to continued stability. The region has a varied industrial base that adds to the relative stability of the unemployment rate. Major industrial areas located within close proximity include the petrochemical manufacturing plants and the companies supported by these plants such as suppliers, contractors, professionals and financial institutions. Add to this the state governmental job availability in the surrounding areas of Baton Rouge, the state capital for the State of Louisiana, and the businesses supported directly and indirectly.

Located within the City of Denham Springs are several financial institutions, pharmacies, varied retail outlets, retail discount stores, and restaurants and fast-food chains.

The factors new residents consider when relocating to Livingston Parish continues to be lower crime rates, a respected school system and various quality of life benefits offered such as recreation, arts, antiques, local music concerts, and theater productions. Though investment dollars are limited, retailers continue to follow the population growth and are locating or expanding operations within the City of Denham Springs. Long-term economic outlook and availability of commercial properties with city services including police and fire protection are major factors with retailers deciding to locate here.

The region (which includes the City of Denham Springs and the surrounding unincorporated area within Livingston Parish) has an employed labor force of approximately 69,807. This is according to the Louisiana Department of Labor June 2024 employment numbers. The City's central business district continues to maintain its current 97-100 percent occupancy rate with a variety of stores, specialty shops, and commercial businesses.

### **Major Initiatives in 2024**

#### **Long-term financial planning.**

The City will continue to improve services and upgrade infrastructure. Projects planned for the future include:

#### **Highway Infrastructure Improvements**

- **Road Transfer Credits.** The City entered into a Cooperative Endeavor Agreement with the State of Louisiana in November 2016 that transferred ownership of state route LA 1030, known as Cockerham Road, from North Range Avenue east to the end of the corporate limits and state route LA 3282, known as Centerville Street, from North Range Avenue to Hatchell Lane. In consideration for acquiring these roadways, the State issued \$856,318 in road transfer credits for the City to use on current and future road projects undertaken with the State. These road transfer credits can be used to fund the City's cost share of the road projects. As of June 30, 2024, the City has utilized \$545,224 of the road transfer credits with \$311,094 remaining for use on eligible projects.
- **Centerville Street sidewalk project.** The City has been awarded funding for the construction of sidewalks on the north side of Centerville Street from Summers Street to Denham Springs Junior High through the Transportations Alternatives Project program. This project was combined with a separate project for the overlay of the Centerville Street, NW. In addition to the overlay, the project will add paved shoulders to both sides of the roadway for bicycle lanes and will upgrade the



sidewalks on the north side of the roadway. The City will have a cost share for construction costs of 20% and will also be responsible for costs related to design and construction administration. As of June 30, 2024, the City has spent \$273,312 on engineering costs for this project.

- East Railroad Avenue. This project will include the removal of existing pavement, new Portland cement concrete pavement, removing and replacing subsurface drainage pipes and structures, and re-sealing concrete pavement joints and pavement striping. The City will be responsible for the engineering cost for this project. The City is also responsible for 20% of the construction costs. The City spent \$547,700 in costs and the project was completed in October 2023.
- Bass Pro Boulevard. This project will add a roundabout on Bass Pro Boulevard and overlay the road. The City will be responsible for the engineering cost for this project, along with 20% of the construction costs. This project is in the design phase. As of June 30, 2024, the City has incurred \$199,392 in costs related to this project.
- Demco Drive/Rushing connector. This project will construct a road that will connect Pete's Highway to Range Avenue to help relieve congestion on the surface streets and is the first phase of a larger project to improve congestion on Range Avenue and I-12. The City has applied for Capital Outlay funds from the State to help finance this roadwork. This project is in the planning stage. As of June 30, 2024, the City has not incurred any expenses related to this project.
- Home Depot Drive improvements. This project will improve Home Depot Road from a 2-lane roadway to a 3-lane roadway. This project is part of the first phase of a larger project to improve congestion on Range Avenue and I-12. The City has applied for Capital Outlay funds from the State to help finance this roadwork. This project is in the planning stage. As of June 30, 2024, the City has not incurred any expenses related to this project.
- Cook Road Extension. This 4-lane curb and gutter roadway with a grass median is a State and Parish Project and will provide access between Pete's Highway and Juban Road (LA 1026) that is expected to be an economic catalyst in the immediately surrounding area. Construction on this project began in the spring of 2022 and is expected to be completed by the end of 2025.

### **Acknowledgements**

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Hannis T. Bourgeois, LLP (Certified Public Accountants).

Appreciation is also expressed to the Mayor and City Council for their support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

City of Denham Springs



Michelle Hood  
City Treasurer

CITY OF DENHAM SPRINGS  
PRINCIPAL ELECTED OFFICIALS

JUNE 30, 2024

Mayor:

H. Gerard Landry

City Council Members:  
Current Terms Expire December 31, 2026:

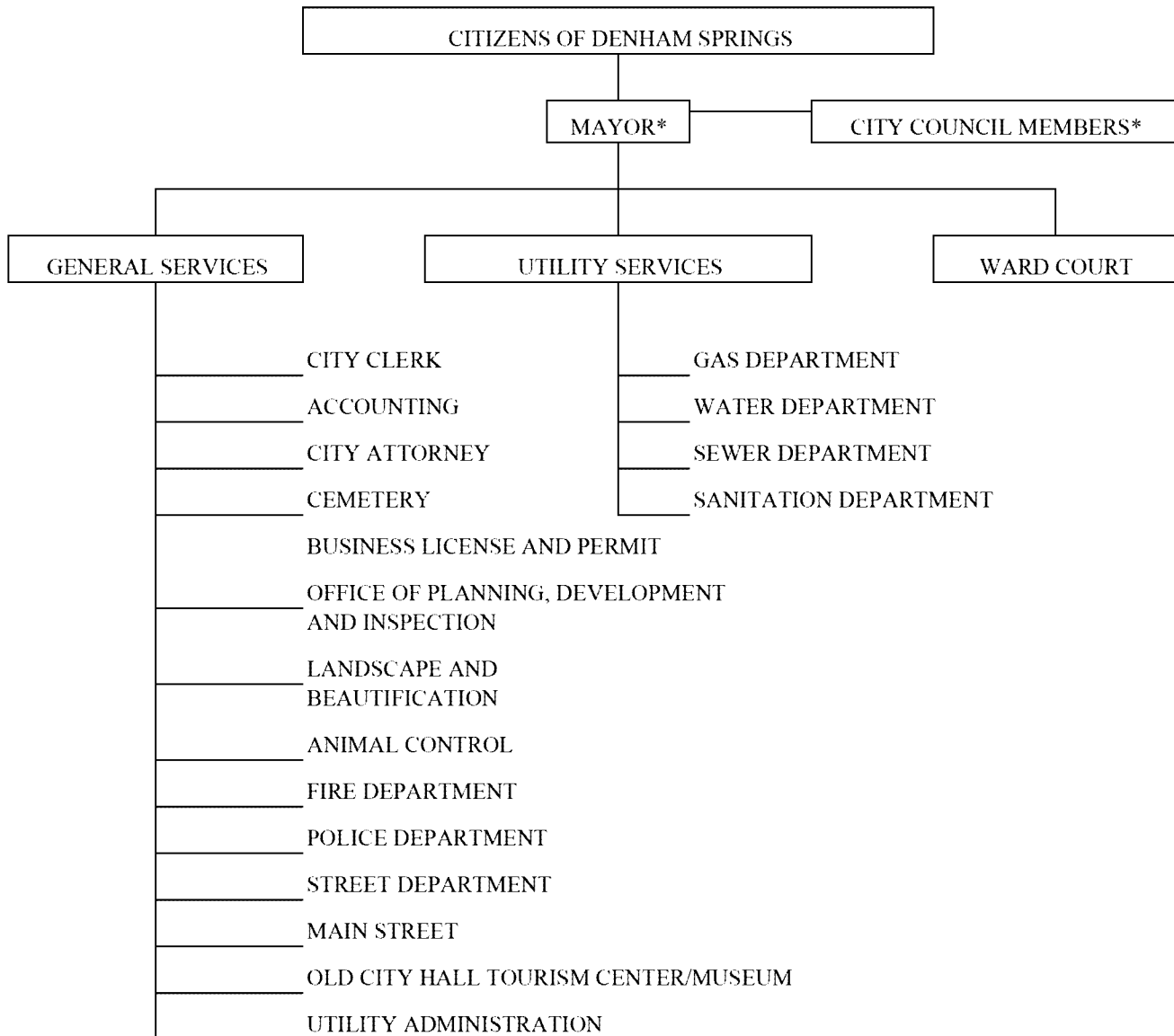
Lori Lamm-Williams  
Jeffrey Wesley  
Robert Poole  
Jim Gilbert  
Amber Dugas



# CITY OF DENHAM SPRINGS

## ORGANIZATIONAL CHART

JUNE 30, 2024



\* ELECTED OFFICIALS



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Denham Springs  
Louisiana**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrell*

Executive Director/CEO



FINANCIAL SECTION



**HANNIS T.  
BOURGEOIS**

**CPAs + BUSINESS ADVISORS**

1254 DEL ESTES AVE., SUITE 1101  
DENHAM SPRINGS, LA 70726  
TEL. 225.928.4770 | WWW.HTBCPA.COM  
PROUDLY SERVING LOUISIANA SINCE 1924

## INDEPENDENT AUDITOR'S REPORT

The Honorable H. Gerard Landry, Mayor  
and Members of the City Council  
Denham Springs, 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 City of Denham Springs, Louisiana as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We also have audited the financial statements of the City's non-major internal service fund and each of the non-major governmental funds presented in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2024, as listed in the table of contents as exhibits D-1 through D-4.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements 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 City of Denham Springs, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the general fund for the year ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the non-major internal service fund and each non-major governmental fund of the City of Denham Springs, Louisiana, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof and the budgetary comparison schedules of the Capital Projects Fund and the Special Revenue Fund (exhibits D-3 and D-4) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Marshal of City Court of Denham Springs – Ward Two and the City Court of Denham Springs – Ward II, which represent 95 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marshal of City Court of Denham Springs – Ward Two and the City Court of Denham Springs – Ward II, are based solely on the reports of the other auditor.

### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Denham Springs, Louisiana 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***

The City of Denham Springs, Louisiana's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 City of Denham Springs' 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.

### ***Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 City of Denham Springs, Louisiana'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 City of Denham Springs, Louisiana'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, schedule of proportionate share of the net pension liability by plan, and the schedule of contributions by plan on pages 6 through 19 and 108 through 114 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Denham Springs, Louisiana’s basic financial statements. The capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4), 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 comprehensive financial report. The other information comprises the introductory section on pages iv through xi and the statistical section (Schedules 5 through 24) but does not include the basic financial statements and our auditor’s 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 December 30, 2024, on our consideration of the City of Denham Springs' 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 City of Denham Springs' internal control over financial reporting and compliance.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 30, 2024

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



As management of the City of Denham Springs, Louisiana, we offer readers of the City of Denham Springs, Louisiana's financial statements this narrative overview and analysis of the financial activities of the City of Denham Springs, Louisiana, for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv-viii of this report.

### **Financial Highlights**

- The assets and deferred outflows of resources of the City's primary government exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$59,805,483 (*net position*).
- The primary government's total net position compared to prior year of \$50,363,792 increased by \$9,441,691.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,507,392, an increase of \$3,932,558 in comparison with the prior year combined ending fund balances of \$15,574,834. Approximately eighty-five percent of this total amount, \$16,612,593, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$16,612,593 or 117 percent of total general fund expenditures.
- The City's total liabilities decreased by \$1,671,107 during the current fiscal year. Governmental Activities liabilities increased \$593,959 while liabilities for Business-Type activities decreased \$2,265,066. Significant to these changes were decreases in amounts due in more than one year of \$2,065,429 and in accounts payable and accrued expenses of \$223,286 for Business-Type Activities, partially offset by increases in accounts payable and accrued expenses of \$453,683, amounts due in more than 1 year of \$53,760 and net pension liability increases of \$68,596 for the Governmental Activities.
- The City's total deferred outflows of resources decreased by \$397,593 during the current fiscal year. Governmental Activities saw a decrease in Deferred Outflows-Related to Pensions of \$187,532. Business-Type Activities also saw a decrease in Deferred Outflows-Related to Pensions in the amount of \$10,482. Additionally, Business-Type Activities saw a decrease in Deferred Amount on refunding of \$199,579.
- Governmental Activities related to deferred inflows of resources related to pension decreased by \$262,419 while Business-Type activities decreased by \$39,357, for a citywide decrease of \$301,776.

### **Overview of the Financial Statements**

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

**Government-wide financial statements.** The *government-wide financial statements* (see Exhibit A-1 and A-2) are designed to provide readers with a broad overview of the City of Denham Springs's finances, in a manner similar to a private-sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The statements combine all governmental funds and internal service funds current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government. Component units are separate legal governmental entities to which the City of Denham Springs may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities within the basic financial statements. All City of Denham Springs discretely presented component unit agencies issue separate independently audited financial statements.

The *Statement of Net Position* (Exhibit A-1) presents information on all of the City of Denham Springs's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Denham Springs is improving or deteriorating.

The *Statement of Activities* (Exhibit A-2) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes and earned but unused vacation leave result 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 funded by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost of various governmental services and/or subsidy to various governmental and business-type activities and component units.

Both of the government-wide financial statements distinguish functions of the City of Denham Springs that are principally supported by taxes, licenses, permits, fines 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 of the City of Denham Springs include general government, public safety, highways and streets, health, and culture and recreation. The business-type activities of the City of Denham Springs include a natural gas and water distribution operation, a sewer disposal operation, and a contracted solid waste disposal operation. In addition, on January 26, 2009 the City of Denham Springs created Denham Springs Sewerage District No. 1. This sewer district encompasses unincorporated areas in Livingston Parish that the City provides natural gas and water services. Denham Springs Sewerage District No. 1 was created in accordance with Louisiana Statute and approved by resolution adopted by the Livingston Parish Council. Denham Springs Sewerage District No. 1 is a blended component unit. Blending is the method of reporting the financial data of a component unit to present the component unit's balances and transactions in a manner similar to the presentation of the balances and transactions of the primary government. All business-type activities are included in a single Utility Enterprise Fund.

The government-wide financial statements include not only the City of Denham Springs itself (known as the *primary government*), but also a legally separate City Court of Denham Springs Ward II and a legally separate Marshall of City of Denham Springs - Ward II for which the City of Denham Springs is financially accountable. In addition to the state constitutionally defined agencies included above, the City has created two Economic Development Districts under Louisiana Statute, the Denham Springs Economic Development District and the Springs at Riverside Landing Economic Development District, to assist the City and surrounding area in the creation of economic development, to improve employment and to otherwise improve the economic condition of the City of Denham Springs and surrounding areas. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements are presented in Exhibits A-1 and A-2 of this report.

**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. The City of Denham Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Denham Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Denham Springs maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is the City's major fund. Data from the other four governmental funds (capital projects, debt service, permanent, and special revenue) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Denham Springs adopts an annual appropriated budget for its general fund and the capital projects fund. Budgetary comparison statements have been provided for the general fund and the capital projects fund to demonstrate compliance with its budget.

The basic governmental fund financial statements are presented in Exhibits B-1 to B-5 of this report.

**Proprietary funds.** The City of Denham Springs maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Denham Springs uses enterprise funds (Utility Enterprise Fund and Denham Springs Sewer District Number 1) to account for its natural gas and water distribution operation, sewer disposal operation, and contracted solid waste disposal operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Denham Springs uses an internal service fund to account for fuel and maintenance cost for its fleet of vehicles and equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the enterprise funds consisting of the natural gas and water distribution operation, sewer disposal operation, and contracted solid waste disposal operation, which are considered to be major funds of the City of Denham Springs. Conversely, the internal service fund is a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements are presented in Exhibits C-1 to C-3 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Cash management policies and practices of the City of Denham Springs conservatively invested idle funds in public funds interest bearing checking accounts through Capital One, N.A. During the year ended June 30, 2023, the City moved these idle funds into certificates of deposit when rates became favorable to do so. All cash and investments are collateralized with securities pledged by the financial institution and held in our name by an approved third-party custodial bank. Procedures followed and securities pledged are in accordance with the Statutes of the State of Louisiana. The average yield on the certificates of deposit was 4.07% for the fiscal year ended June 30, 2024.

During the fiscal year ended June 30, 2024, management believes the City is fully insured for all major risks, such as General Liability, Worker's Compensation, Employee and Public Official Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program at June 30, 2024.

Additional information on the City of Denham Springs cash management policies and practices and risk management can be found in the notes to the financial statements on pages 42-106 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, the combining statements, and the individual budgetary comparison schedules referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. The combining and individual fund statements and schedules are presented behind the notes to the financial statements as Exhibits D-1 to D-4 of this report.

### **Government-wide Financial Analysis**

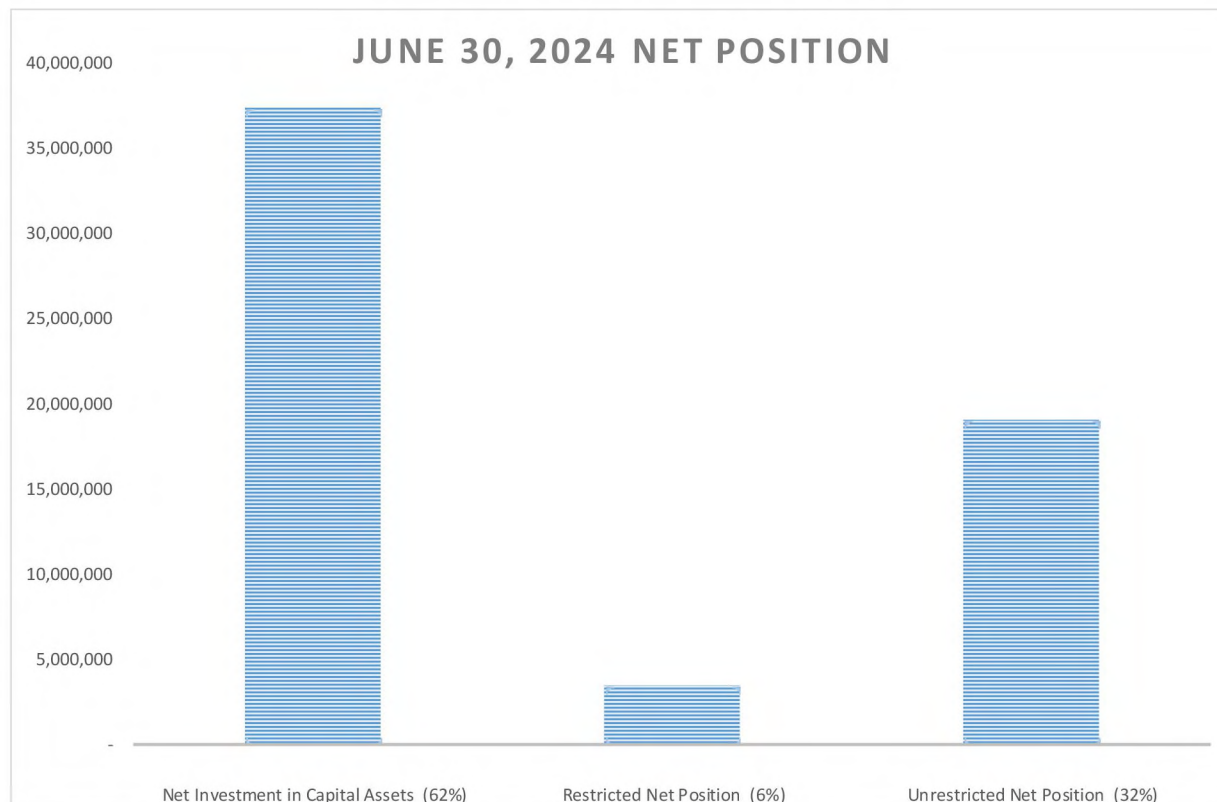
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Denham Springs, assets exceeded liabilities by \$59,805,483 at the close of the most recent fiscal year.

The following table reflects the Condensed Statement of Net Position for June 30, 2024 with comparative figures from 2023.

City of Denham Springs  
Condensed Statement of Net Position  
June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current and Other Assets	\$ 25,269,583	\$20,862,412	\$ 11,775,126	\$ 9,496,719	\$ 37,044,709	\$ 30,359,131
Restricted Assets	-	-	3,377,662	3,672,770	3,377,662	3,672,770
Capital Assets	17,263,716	16,162,336	59,209,218	58,834,667	76,472,934	74,997,003
Total Assets	42,533,299	37,024,748	74,362,006	72,004,156	116,895,305	109,028,904
<b>Deferred Outflows of Resources:</b>						
Deferred Amount on Refunding	-	-	4,395,762	4,595,341	4,395,762	4,595,341
Deferred Outflows - Related to Pensions	3,788,120	3,975,652	636,420	646,902	4,424,540	4,622,554
Total Deferred Outflows of Resources	3,788,120	3,975,652	5,032,182	5,242,243	8,820,302	9,217,895
<b>Liabilities:</b>						
Current Liabilities	5,803,664	5,332,061	5,290,838	5,443,118	11,094,502	10,775,179
Long-Term Liabilities	11,139,756	11,017,400	43,299,245	45,412,031	54,439,001	56,429,431
Total Liabilities	16,943,420	16,349,461	48,590,083	50,855,149	65,533,503	67,204,610
<b>Deferred Inflows of Resources:</b>						
Deferred Inflows - Related to Pensions	327,861	590,280	48,760	88,117	376,621	678,397
<b>Net Position:</b>						
Net Investment in Capital Assets	17,263,716	16,162,336	19,763,653	17,893,828	37,027,369	34,056,164
Restricted	1,702,688	1,584,440	1,779,487	2,179,612	3,482,175	3,764,052
Unrestricted	10,083,734	6,313,883	9,212,205	6,229,693	19,295,939	12,543,576
Total Net Position	\$ 29,050,138	\$24,060,659	\$ 30,755,345	\$26,303,133	\$ 59,805,483	\$ 50,363,792

For more detailed information see Exhibit A-1, the Statement of Net Position.



By far the largest portion of the City of Denham Springs's net position, \$37,332,421, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). The City of Denham Springs uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Denham Springs's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City of Denham Springs' net position, 6 percent or \$3,482,175, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$19,295,939 represents unrestricted net position.

The City's net position increased by \$9,441,691 during the current fiscal year as compared to 2023's increase of \$10,841,397. Attributable to this increase is an increase in net investment in capital assets of \$3,276,257, a decrease in restricted net position of \$281,877, and an increase in unrestricted net position of \$6,447,311.

The condensed statement below provides a summary of the changes in net position for the year ended June 30, 2024, with comparative figures from 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 395,954	\$ 364,956	\$ 15,789,471	\$ 15,382,826	\$ 16,185,425	\$ 15,747,782
Operating Grants and Contributions	1,806,038	1,120,399	101,031	221,734	1,907,069	1,342,133
Capital Grants and Contributions	237,887	567,133	1,933,399	1,698,420	2,171,286	2,265,553
General Revenues:						
Sales Taxes	12,959,347	12,467,115	-	-	12,959,347	12,467,115
Other Taxes	2,492,202	2,489,174	-	-	2,492,202	2,489,174
Net Gain (Loss) on Disposition of Capital Assets	15,732	6,207	11,852	15,921	27,584	22,128
Miscellaneous	868,860	698,596	38,170	23,635	907,030	722,231
Other	578,650	252,243	345,872	249,951	924,522	502,194
Transfers	-	2,541,060	-	-	-	2,541,060
Total Revenues and Transfers	19,354,670	20,506,883	18,219,795	17,592,487	37,574,465	38,099,370
Expenses:						
General Government	2,885,786	3,494,477	-	-	2,885,786	3,494,477
Public Safety	8,727,165	8,256,634	-	-	8,727,165	8,256,634
Highways and Streets	2,536,135	2,261,915	-	-	2,536,135	2,261,915
Health	31,599	33,798	-	-	31,599	33,798
Culture and Recreation	184,506	154,557	-	-	184,506	154,557
Gas	-	-	3,490,956	3,571,400	3,490,956	3,571,400
Water	-	-	2,627,975	2,421,427	2,627,975	2,421,427
Sewer	-	-	6,568,602	5,941,582	6,568,602	5,941,582
Sanitation	-	-	1,080,050	1,122,183	1,080,050	1,122,183
Total Expenses	14,365,191	14,201,381	13,767,583	13,056,592	28,132,774	27,257,973
Increase in Net Position	4,989,479	6,305,502	4,452,212	4,535,895	9,441,691	10,841,397
Net Position - Beginning of Year	24,060,659	17,755,157	26,303,133	21,767,238	50,363,792	39,522,395
Net Position - End of Year	\$ 29,050,138	\$ 24,060,659	\$ 30,755,345	\$ 26,303,133	\$ 59,805,483	\$ 50,363,792

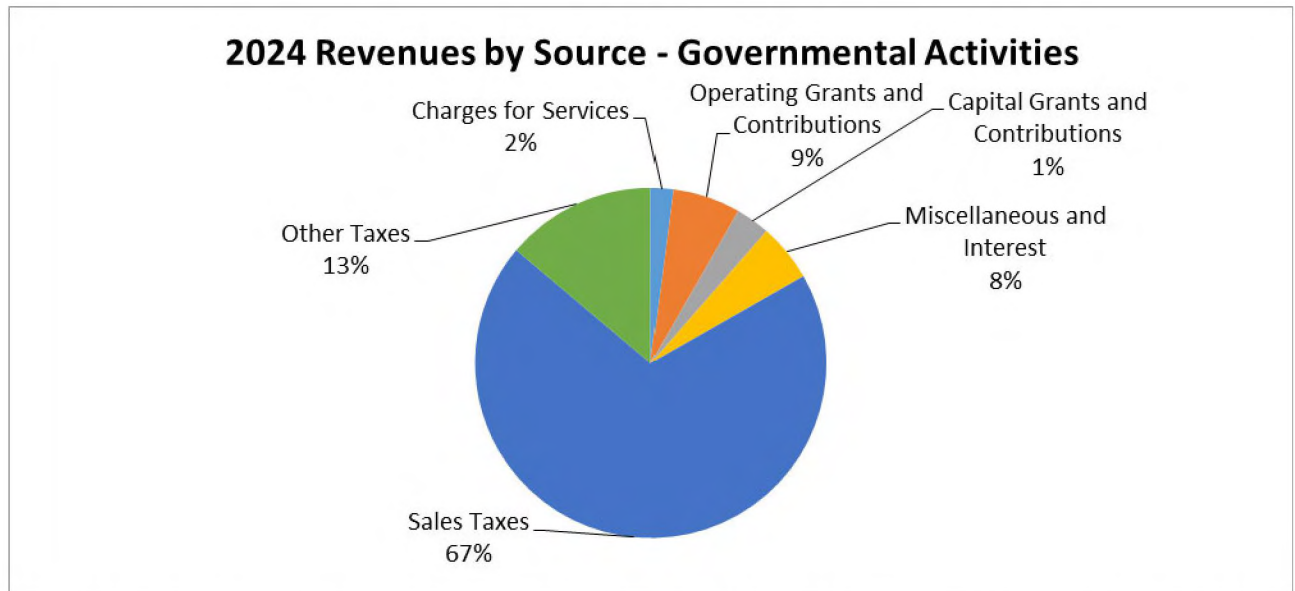
**Governmental activities.** Governmental activities increased the City of Denham Springs's net position by \$4,989,479. Key elements of this net increase are documented below.

Total revenues and transfers from Governmental activities decreased by \$1,152,213 over the prior year caused mainly by the following:

- Sales taxes increased by 3.95% or \$492,232 during the fiscal year. This increase is primarily attributable to inflation.
- Charges for services increased \$30,998 during the fiscal year.
- Operating grants and contributions increased \$685,639 during the fiscal year. This increase is primarily attributable to funding received for drainage projects and grants received to elevate homes in flood prone areas.



- Capital Grants and Contributions decreased by \$329,246. This is mainly attributable to a decrease in reimbursement from FEMA and OCD-DRU for flood recovery costs in the prior year.
- Transfers decreased \$2,541,060 due to a transfer of infrastructure assets from the Denham Springs Economic Development District in the prior year.



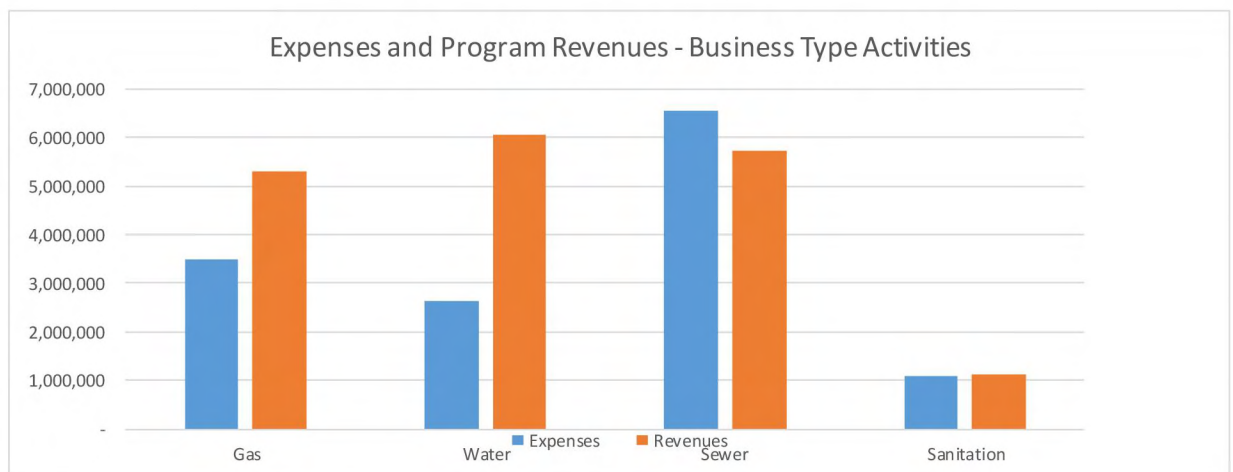
Total expenses from Governmental Activities increased by \$163,810, or 1%, primarily due to the following reasons:

- Total salaries charged to governmental activities increased from \$5,581,337 to \$5,835,850, for a net increase of \$254,513 or 4.6%.
- Related payroll taxes and employee benefits charged to governmental activities increased from \$2,794,816 to \$3,078,370 for a net increase of \$283,554. The majority of the increase is due to increases in the net pension liabilities and compensated absences payable.
- General Government, other than salaries and benefits, decreased a net of approximately \$770,000. This decrease is primarily comprised of a decrease in professional fees of \$424,000, miscellaneous expenses of \$120,067, and buildings of \$59,030. These decreases are mostly related to the FMA homeowner elevation and acquisition program. The City is reimbursed in full for these costs by the Federal Mitigation Acquisition program and, where required, in part by a homeowner cost share. There were also decreases in payments to component units of \$92,000 and decreases in additional court cost of \$99,917.
- Public Safety activities other than salaries and benefits increased approximately \$200,000. Making up this increase were increases in police training in the amount of \$30,000, increases in equipment expense of \$104,601, and increased insurance expense for the police department of \$66,000.
- Highways and Streets activities not related to payroll and benefits increased approximately \$110,000. The increase is comprised of increases in street maintenance and materials of \$64,000 related to an increase in drainage maintenance for various drainage project ongoing throughout the city. Also there were increases in insurance of \$1853 and contracts services of \$18,632
- Culture and Recreation activities not related to payroll and benefits increased approximately \$16,000.
- Depreciation expense for Governmental Activities increased by approximately \$32,000.



**Business-type activities.** Business-type activities increased the City of Denham Springs’s net position by \$4,452,212. Key elements to this net increase are documented below.

- Overall charges for services for business-type activities increased \$260,839 compared to the prior fiscal year. Gas charges for services decreased \$465,060, water charges for services increased \$425,413, sewer charges for services increased \$290,870 and sanitation charges for services increased by \$9,616. These changes are primarily due to a 3.39% CPI increase in rates. For the Gas department, their CPI increase was offset by reduced amounts of natural gas sold due to the milder winter experienced. Additionally, there was an increase in customer count for all services.
- Business-type activities expenses increased \$710,991.
  - Gas Department expenses decreased \$80,444 compared to the prior fiscal year. This decrease was primarily attributable to a decrease of \$643,577 in the amount of natural gas purchased partially offset by increases in maintenance costs of \$356,143, direct labor and benefits of \$119,586, and depreciation of \$55,343.
  - Water Department expenses increased by \$206,548 compared to the prior fiscal year. The increase was caused by increases in direct labor of \$42,121 and related benefits of \$31,323, infrastructure maintenance of \$66,186, and depreciation of \$73,306.
  - Sewer Department expenses increased by \$627,020 compared to the prior fiscal year. This increase is mostly related to increases of approximately \$106,794 in direct labor and related benefits, professional fees of \$232,380, infrastructure maintenance costs of \$199,710, and depreciation expense of \$61,887.
  - Sanitation Department expenses decreased \$42,133 compared to the prior fiscal year. This was related to the timing of invoices paid when a change in providers was made.



### Financial Analysis of the Government’s Funds

As noted earlier, the City of Denham Springs uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Denham Springs’s *governmental funds* is to provide information on near-term inflow, and balances of *spendable* resources. Such information is useful in assessing the City of Denham Springs’s 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.

As of the end of the current fiscal year, the City of Denham Springs's governmental funds reported combined ending fund balances of \$19,507,392, an increase of \$3,932,558 in comparison with the prior fiscal year. In accordance with GASB #54, the governmental fund reporting includes classifications for Nonspendable, Restricted For, Committed To, Assigned To, and Unassigned. Approximately 85% of this total amount, \$16,612,593, constitutes unassigned fund balance, which is available for spending at the government's discretion. Nonspendable fund balance is \$1,574,008 or 8%. Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City Nonspendable classification meet both (a) and (b). Prepaid Insurance meets Nonspendable (a) and Permanent Fund Principal meets Nonspendable (b). Permanent Fund Principal is established to generate income to pay for the perpetual care of the municipal cemetery. Restricted fund balances are restricted to specific purposes (witness fees and Lakeland Acres Subdivision 1994 paving certificates debt service). Restricted fund balances are \$188,989 or 1%. Assigned fund balance is constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed, except for stabilization arrangements. Assigned to Capital Projects ended the fiscal year with a fund balance of \$153,760 or less than 1%. Governmental Fund "Committed To" fund balances for this fiscal year are \$978,042 or 5%. These represent commitments made to various construction projects, including upgrading fire and police buildings to make them hurricane resistant and the Centerville Street and East Railroad Avenue road projects. Committed To amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Committed to amounts are established by authorization specifying the purposes of which the amount can be used (for example legislation, resolution, ordinance). The authorization specifying the purposes for which amounts can be used should have the consent of both the City Council and Mayor.

The general fund is the chief operating fund of the City of Denham Springs. At the end of the current fiscal year total general fund balance is \$17,650,944. General fund balance has three classifications in accordance with GASB #54. Nonspendable - prepaid insurance fund balance of \$60,309 or less than 1%, Committed for Construction contracts of \$978,042 or 6%, and Unassigned fund balance of \$16,612,593 or 94%. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 117 percent of total general fund expenditures. Total fund balance represents 125 percent of total general fund expenditures.

During the current fiscal year, the fund balance of the City of Denham Springs' general fund increased by \$3,752,795, as compared to the prior fiscal year net increase in fund balance of \$2,702,555. Key factors in this increase are as follows:

- General fund revenue resulted in a net increase of \$1,356,313 compared to the prior fiscal year. Key factors to this net decrease are:
  - Increase in net tax revenues of \$481,158. This increase is mostly attributable to an increase in sales taxes of \$492,232 and charitable gaming tax of \$44,302 partially offset by a decrease in electrical franchise taxes of \$79,883.
  - Increase in licenses and permits of \$57,963.
  - Increase in interest income of \$303,050. This is due to increases in interest rates on interest bearing accounts and certificates of deposit.
  - Increase in intergovernmental revenue of \$343,776. This increase is due to funding received from the state for pedestrian lighting improvements in the antique district, upgrades to the animal shelter, and public safety equipment for police and fire.

- Increase in miscellaneous revenue of \$136,862 from increases in the insurance premium rebate received from LWCC and properties donated to the city by the state as part of the Louisiana Watershed program to buy out flood prone properties in the area around Spring Park.
- Key to future revenue growth will be economic stability of Livingston Parish and the southeastern portion of the State of Louisiana.
- General fund expenditures resulted in a net increase of \$88,932 compared to the prior fiscal year. Key factors in this net increase are:
  - General government expenditures decreased by \$776,228 or 22%. This decrease is primarily related to reductions in professional fees related to elevations of flood prone homes through the flood mitigation assistance program.
  - Public Safety expenditures increased \$213,840 or 2.5%. Of this increase, \$243,000 is related to police equipment purchased and \$30,000 is related to police training. Additionally, the police department also saw increases in insurance expenses of \$66,000. These are offset by a decrease in Police and Fire salary and benefits. The reduced salaries for these two departments are a result of open positions that went unfilled for a portion of the year.
  - Highways and Street expenditures increased \$425,526 or 22%. The increase is primarily related to increased amounts spent on drainage projects in the Kelli Drive and Jason Drive areas and purchases of equipment.
  - Culture and Recreation activities increased \$227,993, representing enhancements made to pedestrian lighting in the antique district.
  - Other Financing Uses increase of \$217,141 is related primarily to transfers out to the Capital Projects fund and the Motor Pool fund.
- Pension and other postemployment benefits – Substantially all employees of the City of Denham Springs are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Municipal Police Employees Retirement System of Louisiana (MPERS), or Firefighters Retirement System (FFRS) of Louisiana. These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate State appointed board of trustees.
- Additional information on the City of Denham Springs' pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the notes to the financial statements.
- Of concern is the related retirement benefit enjoyed by City employees. The City continues to monitor the State administered retirement system employer rates. For this fiscal period the rate for all plans the City participates in are as follows:

	<u>Prior Employer Rate</u>	<u>Current Employer Rate</u>	<u>Rate Increase</u>
Municipal Employees' Retirement System of Louisiana	15.50%	15.500%	0.0%
Municipal Police Employees' Retirement System of Louisiana	31.25%	33.925%	2.675%
Firefighters' Retirement System of Louisiana	33.25%	33.250%	0.0%

Overall retirement contributions increased \$169,791 for the fiscal year ended June 30, 2024. The net increases break down as follows:

	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>Increase (Decrease)</u>
Municipal Employees' Retirement System of Louisiana	\$ 534,302	\$ 568,863	\$ 34,561
Municipal Police Employees' Retirement System	546,386	628,776	82,390
Firefighters' Retirement System of Louisiana	<u>470,834</u>	<u>523,674</u>	<u>52,840</u>
Total	<u>\$1,551,522</u>	<u>\$1,721,313</u>	<u>\$ 169,791</u>

Permanent Fund has a total nonspendable – permanent fund principal fund balance of \$1,513,699 compared to the prior year nonspendable – permanent fund principal balance of \$1,406,134. This is the Cemetery Care Permanent Fund used to account for principal trust amounts received and related interest income. The interest income portion of the trust can be used to maintain the City's cemetery.

Special revenue fund – witness fee fund has a restricted fund balance of \$185,720, compared to a prior year restricted fund balance of \$175,037. This fund is used to account for the cost of court appearances by police officers at the City Court of Denham Springs – Ward II to provide testimony.

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

In the Utility Enterprise fund, charges for services increased approximately \$261,000. Attributable to this net increase are decreases in charges for gas services of \$465,000, and increases in charges for water services of \$425,000, charges for sewer services of \$291,000, and charges for sanitation services of \$9,600.

Operating expenses increased approximately \$685,251. This increase is primarily attributable to increases in infrastructure repairs and maintenance of \$648,000, depreciation expense of \$193,000, personnel and benefit costs of \$290,000 and contractual services of \$151,000. There were offset in part by a decrease in natural gas purchased of \$644,000.

Unrestricted Net Position of the Utility Enterprise Fund at the end of the year amounted to \$21,881,294. The factors concerning the enterprise fund have already been addressed in the discussion of the City of Denham Springs' business-type activities.

The Denham Springs Sewerage District No. 1 (DSSD #1) unrestricted net position - (deficit) at the end of the year amounted to (\$12,669,089), compared to unrestricted net position - (deficit) for the prior fiscal year of (\$12,041,128). Net investment in capital assets is \$5,366,257. The Denham Springs Sewerage District No.1 owed \$13,028,561 to the City of Denham Springs Utility Fund as of June 30, 2024. This amount represents cash transfers in support of DSSD #1 debt sinking payments and operational costs

### **General Fund Budgetary Highlights**

Major differences between the original budget and the final amended budget of the General Fund are briefly summarized as follows:

#### **Revenues:**

Total final budgeted revenues increased by \$1,714,835 over the original budget. Key to this increase is:

- An increase in other grants of \$302,000 related to elevations and acquisitions of flood prone properties under the Federal Mitigation Assistance grants.
- An increase in Other State Grant revenue of \$665,000 related funding for drainage projects and public safety equipment purchases.

- Sales tax revenue increased by \$600,000, primarily due to increased receipts because of inflation experienced in the area.
- An increase in charitable gaming tax of \$60,000 due to a second gaming location opened.
- An increase in interest income of \$250,000 due to increases in interest rates.
- An increase in insurance premium rebate of \$127,000.
- An increase in police fines of \$44,000.
- A decrease in federal grants of \$500,000 from the office of community development related to our cost share for FEMA grants awarded for the recovery from the 2016 flood. The closing process needed to receive these funds has not moved as quickly as anticipated.

#### Expenditures:

Total budgeted appropriations were decreased by approximately \$294,000. This was primarily due to drainage projects that were slower to complete than anticipated.

#### Other Financing (Uses):

The budget was decreased for transfers out to Capital Projects Fund of \$505,000 for general fund infrastructure improvements.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Denham Springs' investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$76,472,934 (net of accumulated depreciation). This investment in capital assets includes land, servitudes acquisition cost, buildings and systems, improvements, machinery and equipment, roads, highways, and drainage.

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

- Purchase of seven vehicles by the police department along with 27 new tasers, street department purchased an excavator and two new trucks, and the fire department completed a buildout to include 3 offices for administration.
- Construction of the East Railroad Street overlay project was completed, and planning continued on the Centerville overlay and sidewalk project.

Major capital asset events during the current fiscal year included the following business-type activities:

- The City had Gas system expansion costs of \$58,900 placed in service during the year and spent \$1,190,598 on gas upgrades in the Hillon Hood Road area.
- The City completed repairs and upgrades to the water wells for a total cost of \$1,897,000. These repairs and upgrades are to repair damage caused in the 2016 flood.
- The City completed \$2,577,000 in sewer projects that were put into service. These projects are upgrades and repairs from damage incurred during the August 2016 flood.
- Three new trucks were purchased for the water department and two were purchased for the sewer department.

City of Denham Springs

(Net of Accumulated Depreciation)

June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and Right-of-Ways	\$ 1,883,003	\$ 1,839,255	\$ 4,286,843	\$ 4,286,843	\$ 6,169,846	\$ 6,126,098
Buildings and Improvements	4,617,933	4,705,073	708,333	678,137	5,326,266	5,383,210
Gas System	-	-	2,652,648	1,535,434	2,652,648	1,535,434
Water System	-	-	8,723,778	7,254,958	8,723,778	7,254,958
Sewer System	-	-	39,632,888	36,544,151	39,632,888	36,544,151
Machinery and Equipment	3,908,359	3,201,942	1,284,715	1,156,216	5,193,074	4,358,158
Infrastructure	6,312,550	6,128,058	-	-	6,312,550	6,128,058
Construction in Progress	541,871	288,008	1,920,013	7,378,928	2,461,884	7,666,936
Total	<u>\$ 17,263,716</u>	<u>\$ 16,162,336</u>	<u>\$ 59,209,218</u>	<u>\$ 58,834,667</u>	<u>\$ 76,472,934</u>	<u>\$ 74,997,003</u>

Additional information on the City of Denham Springs' capital assets can be found in Note 8 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Denham Springs had total debt outstanding of \$43,536,275. This debt is secured by utility service charges and lawfully available funds.

There are no general obligation bonds outstanding by the City of Denham Springs at June 30, 2024.

Additional information on the City's long-term debt can be found in Note 9 of this report.

### Next Year's Budgets and Rates

Current fiscal year end June 30, 2024 unassigned fund balance in the general fund is \$16,612,593. The City adopted a 2025 fiscal year general fund budget setting anticipated revenue of \$17,504,701 and anticipated appropriation expenditures of \$16,448,211 thereby anticipating a net surplus of \$1,056,490.

Budgeted general fund revenues anticipate a net decrease of \$687,785 compared to the FYE 2024 amended adopted budget.

Budgeted general fund expenditures anticipate a net increase of \$1,692,896 compared to the FYE 2024 amended adopted budget. The variance in the expenditures are related primarily to road and drainage projects.

This financial report is designed to provide a general overview of the City of Denham Springs' finances for all those with an interest in the government's finances. Questions concerning any of this information provided in this report or requests for additional information should be addressed to the City Treasurer, c/o City of Denham Springs, P.O. Box 1629, Denham Springs, Louisiana 70727-1629.



## BASIC FINANCIAL STATEMENTS

## **BASIC FINANCIAL STATEMENTS**



**CITY OF DENHAM SPRINGS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	City Court of Denham Springs - Ward II	Marshal of City Court of Denham Springs - Ward II	Denham Springs Economic Development District
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 21,819,194	\$ 8,380,044	\$ 30,199,238	\$ 349,296	\$ 105,833	\$ 33,002
Receivables, Net	535,176	1,450,341	1,985,517	-	334	-
Due from Other Governments	2,801,937	1,291,796	4,093,733	-	-	-
Due from Component Unit	33,002	-	33,002	-	-	-
Inventories	19,965	582,778	602,743	-	-	-
Prepaid Items	60,309	70,167	130,476	2,293	-	-
Restricted Assets:						
Cash	-	3,349,264	3,349,264	-	-	-
Receivable	-	28,398	28,398	-	-	-
Capital Assets:						
Land and Construction in Progress	2,424,874	6,206,856	8,631,730	-	-	-
Other Capital Assets, Net of Depreciation	14,838,842	53,002,362	67,841,204	56,403	62,319	-
Total Assets	<u>42,533,299</u>	<u>74,362,006</u>	<u>116,895,305</u>	<u>407,992</u>	<u>168,486</u>	<u>33,002</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Amount on Refunding	-	4,395,762	4,395,762	-	-	-
Deferred Outflows - Related to Pensions	3,788,120	636,420	4,424,540	145,592	114,838	-
Total Deferred Outflows of Resources	<u>3,788,120</u>	<u>5,032,182</u>	<u>8,820,302</u>	<u>145,592</u>	<u>114,838</u>	<u>-</u>
<b>LIABILITIES</b>						
Accounts Payable, Accrued Expenses, and Unearned Revenue	5,664,397	3,164,690	8,829,087	13,255	21,018	-
Due to Primary Government	-	-	-	-	-	33,002
Non-Current Liabilities:						
Due Within One Year	139,267	2,126,148	2,265,415	-	-	-
Due in More Than One Year:						
Other Amounts Due in More Than One Year	417,804	41,636,558	42,054,362	-	-	-
Net Pension Liability	10,721,952	1,662,687	12,384,639	236,893	181,282	-
Total Liabilities	<u>16,943,420</u>	<u>48,590,083</u>	<u>65,533,503</u>	<u>250,148</u>	<u>202,300</u>	<u>33,002</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows - Related to Pensions	327,861	48,760	376,621	5,329	3,304	-
<b>NET POSITION</b>						
Net Investment in Capital Assets	17,263,716	19,763,653	37,027,369	56,403	62,319	-
Restricted for:						
Cemetery Care:						
Nonexpendable	1,513,699	-	1,513,699	-	-	-
Civil Fees	-	-	-	279,842	-	-
Debt Service	-	1,779,487	1,779,487	-	-	-
Witness Fees	185,720	-	185,720	-	-	-
Other	3,269	-	3,269	-	-	-
Unrestricted (Deficit)	10,083,734	9,212,205	19,295,939	(38,138)	15,401	-
Total Net Position	<u>\$ 29,050,138</u>	<u>\$ 30,755,345</u>	<u>\$ 59,805,483</u>	<u>\$ 298,107</u>	<u>\$ 77,720</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

**CITY OF DENHAM SPRINGS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues				Primary Government			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	City Court of Denham Springs - Ward II	Marshal of City Court of Denham Springs - Ward II	Denham Springs Economic Development District
<b>Primary Government:</b>										
Governmental Activities:										
General Government	\$ 2,885,786	\$ -	\$ 385,529	\$ -	\$ (2,500,257)	\$ -	\$ (2,500,257)	\$ -	\$ -	\$ -
Public Safety	8,727,165	382,429	777,096	39,803	(7,527,837)	-	(7,527,837)	-	-	-
Highways and Streets	2,536,135	13,525	607,746	-	(1,914,864)	-	(1,914,864)	-	-	-
Health	31,599	-	-	-	(31,599)	-	(31,599)	-	-	-
Culture and Recreation	184,506	-	35,667	198,084	49,245	-	49,245	-	-	-
Total Governmental Activities	14,365,191	395,954	1,806,038	237,887	(11,925,312)	-	(11,925,312)	-	-	-
Business-Type Activities:										
Gas	3,490,956	5,138,445	26,573	41,425	-	1,715,487	1,715,487	-	-	-
Water	2,627,975	4,700,358	23,874	1,200,251	-	3,296,508	3,296,508	-	-	-
Sewer	6,568,602	4,830,730	50,584	691,723	-	(995,565)	(995,565)	-	-	-
Sanitation	1,080,050	1,119,938	-	-	-	39,888	39,888	-	-	-
Total Business-Type Activities	13,767,583	15,789,471	101,031	1,933,399	-	4,056,318	4,056,318	-	-	-
Total Primary Government	\$ 28,132,774	\$ 16,185,425	\$ 1,907,069	\$ 2,171,286	(11,925,312)	4,056,318	(7,868,994)	-	-	-
<b>Component Units:</b>										
City Court of Denham Springs - Ward II	\$ 691,103	\$ 677,740	\$ 27,795	\$ -	-	-	-	14,432	-	-
Marshal of City Court of Denham Springs - Ward II	811,183	316,900	74,963	-	-	-	-	-	(419,320)	-
Denham Springs Economic Development District	33,068	-	-	-	-	-	-	-	-	(33,068)
Total Component Units	\$ 1,535,354	\$ 994,640	\$ 102,758	\$ -	-	-	-	14,432	(419,320)	(33,068)
<b>General Revenues:</b>										
Taxes:										
Property					377,103	-	377,103	-	-	-
Sales					12,959,347	-	12,959,347	-	-	-
Occupational and Permits					1,292,827	-	1,292,827	-	-	-
Franchise					822,272	-	822,272	-	-	-
Miscellaneous					868,860	38,170	907,030	10,372	8,843	-
Interest Income					578,650	345,872	924,522	12,839	4,072	-
Net Gain (Loss) on Disposition of Capital Assets					15,732	11,852	27,584	(1,358)	-	-
Payments from the City of Denham Springs					-	-	-	46,860	246,978	-
Total General Revenues and Transfers					16,914,791	395,894	17,310,685	68,713	259,893	-
Change in Net Position					4,989,479	4,452,212	9,441,691	83,145	(159,427)	(33,068)
Net Position - Beginning of Year					24,060,659	26,303,133	50,363,792	214,962	237,147	33,068
Net Position - End of Year					\$ 29,050,138	\$ 30,755,345	\$ 59,805,483	\$ 298,107	\$ 77,720	\$ -

The accompanying notes are an integral part of this statement

## CITY OF DENHAM SPRINGS

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 19,649,621	\$ 2,082,562	\$ 21,732,183
Receivables:			
Ad Valorem Taxes, Net	1,673	-	1,673
Other	523,984	9,519	533,503
Due from Other Governments	2,500,712	301,225	2,801,937
Due from Component Units	33,002	-	33,002
Prepaid Insurance	60,309	-	60,309
Total Assets	<u>\$ 22,769,301</u>	<u>\$ 2,393,306</u>	<u>\$ 25,162,607</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 328,790	\$ 201,838	\$ 530,628
Unearned Revenue	-	311,094	311,094
Other Accrued Liabilities	-	23,926	23,926
Payroll Taxes Payable	14,913	-	14,913
Retirement and Group Insurance Payable	176,199	-	176,199
Accrued Salaries and Wages	211,308	-	211,308
Unearned Revenue - ARPA	3,613,047	-	3,613,047
Other Liabilities	774,100	-	774,100
Total Liabilities	<u>5,118,357</u>	<u>536,858</u>	<u>5,655,215</u>
<b>FUND BALANCES</b>			
Fund Balances:			
Nonspendable:			
Prepaid Insurance	60,309	-	60,309
Permanent Fund Principal	-	1,513,699	1,513,699
Restricted For:			
Witness Fees	-	185,720	185,720
Other Purposes	-	3,269	3,269
Committed For:			
Construction Contracts	978,042	-	978,042
Assigned To:			
Capital Projects	-	153,760	153,760
Unassigned	16,612,593	-	16,612,593
Total Fund Balances	<u>17,650,944</u>	<u>1,856,448</u>	<u>19,507,392</u>
Total Liabilities and Fund Balances	<u>\$ 22,769,301</u>	<u>\$ 2,393,306</u>	<u>\$ 25,162,607</u>

The accompanying notes are an integral part of this statement.

## CITY OF DENHAM SPRINGS

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

Fund Balances-Total Governmental Funds		\$ 19,507,392
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital Assets Used in Governmental Activities are not Financial Resources and are not Reported in the Governmental Funds		
Governmental Capital Assets	31,982,984	
Less Accumulated Depreciation	<u>(14,764,211)</u>	17,218,773
Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported in the Governmental Funds:		
Compensated Absences Payable		(528,877)
Net Pension Liability		(10,661,804)
Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds		3,755,629
Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds		(327,713)
The Motor Pool Internal Service Fund is Used by Management to Charge the Cost of Vehicle Repairs to Individual Funds. The Assets and Liabilities of the Internal Service Fund are Included in Governmental Activities in the Statement of Net Position - Motor Pool Internal Service Fund Net Position		<u>86,738</u>
Net Position of Governmental Activities		<u>\$ 29,050,138</u>

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 14,485,091	\$ -	\$ 14,485,091
Licenses and Permits	1,292,827	-	1,292,827
Fines and Forfeits	348,367	-	348,367
Interest	529,737	48,000	577,737
Fees	24,109	6,916	31,025
Intergovernmental	1,424,764	367,592	1,792,356
Miscellaneous	409,961	70,090	480,051
Total Revenues	18,514,856	492,598	19,007,454
<b>Expenditures:</b>			
Current:			
General Government	2,773,626	5,906	2,779,532
Public Safety	8,617,883	-	8,617,883
Highways and Streets	2,373,646	-	2,373,646
Health	31,599	-	31,599
Culture and Recreation	344,116	-	344,116
Capital Outlay:			
Highways and Streets	-	856,929	856,929
Total Expenditures	14,140,870	862,835	15,003,705
Excess (Deficiency) of Revenues over Expenditures	4,373,986	(370,237)	4,003,749
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	550,000	550,000
Transfers Out	(650,000)	-	(650,000)
Proceeds from Disposition of Assets	28,809	-	28,809
Total Other Financing Sources (Uses)	(621,191)	550,000	(71,191)
Net Change in Fund Balances	3,752,795	179,763	3,932,558
<b>Fund Balances at Beginning of Year</b>	13,898,149	1,676,685	15,574,834
<b>Fund Balances at End of Year</b>	\$ 17,650,944	\$ 1,856,448	\$ 19,507,392

The accompanying notes are an integral part of this statement.

## CITY OF DENHAM SPRINGS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,932,558

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

Governmental Funds Report Capital Outlays as Expenditures. However, in  
the Statement of Activities, the Cost of Those Assets is Allocated Over  
their Estimated Useful Lives and Reported as Depreciation Expense.

Capital Outlay	2,337,682	
Depreciation Expense	<u>(1,227,706)</u>	
		1,109,976

In the Statement of Activities, Only the Gain on the Sale of Capital Assets  
is reported. However, in the Governmental Funds, the Proceeds from  
the Sale Increase Financial Resources. Thus, the Change in Net Position Differs  
from the Change in the Fund Balance by the Cost of the Capital Assets Sold.

Add Accumulated Depreciation on Capital Assets Retired	277,948	
Less Cost Basis of Capital Assets Retired During the Year	(291,024)	

Some Expenses Reported in the Statement of Activities do not Require the  
use of Current Financial Resources and are not Reported as Expenditures  
in Governmental Funds.

(Increase) Decrease in Compensated Absences Payable	(70,788)	
(Increase) Decrease in Pension Expense	(333,043)	

Proportionate Share of Non-employer Contributions to the Pension Plans do not  
Provide Current Financial Resources and, Therefore, are not reported as  
Revenues in the Governmental Funds.

330,568

Internal Service Funds are Used by Management to Charge the Costs of  
Certain Activities to Individual Funds. The Net Revenue (Expense) of  
the Internal Service Fund is Reported with Governmental Activities.

33,284

Change in Net Position of Governmental Activities

\$ 4,989,479

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
<b>Revenues</b>				
<b>Taxes:</b>				
Ad Valorem Taxes	\$ 360,000	\$ 375,000	\$ 377,103	\$ 2,103
Alcoholic Beverage Tax	60,000	60,000	58,690	(1,310)
Cable TV Franchise Tax	120,000	105,000	104,338	(662)
Chain Store Tax	25,000	22,000	22,116	116
Charitable Gaming Tax	180,000	240,000	245,563	5,563
Electrical Franchise Taxes	700,000	730,000	716,564	(13,436)
Sales Taxes	12,000,000	12,600,000	12,959,347	359,347
Wrecker Franchise Tax	1,400	1,400	1,370	(30)
	13,446,400	14,133,400	14,485,091	351,691
<b>Licenses and Permits:</b>				
Occupational Licenses	1,025,000	1,065,000	1,157,169	92,169
Other Permits and Licenses	123,000	129,950	135,658	5,708
	1,148,000	1,194,950	1,292,827	97,877
<b>Fines and Forfeits:</b>				
Ward II Court	316,250	360,000	348,367	(11,633)
<b>Interest Income</b>	200,000	450,000	529,737	79,737
<b>Fees:</b>				
Animal Adoption Fees	8,500	11,000	10,584	(416)
Road Maintenance Fees	10,820	13,525	13,525	-
	19,320	24,525	24,109	(416)

(CONTINUED)



**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Intergovernmental:</b>				
Federal Government:				
Office of Community				
Development DRU Grant	500,000	-	-	-
FEMA Disaster Grants	-	-	-	-
Other Grant Revenue	200,000	502,000	377,509	(124,491)
State Government:				
Fire Insurance Commissions	50,000	50,000	88,881	38,881
Law Enforcement Grants	5,000	16,240	12,880	(3,360)
On Behalf Payments for Salaries	336,500	343,880	361,120	17,240
Other Grant Revenue	-	664,634	502,640	(161,994)
Livingston Parish School Board				
School Resource Officer	81,732	81,732	81,734	2
	<u>1,173,232</u>	<u>1,658,486</u>	<u>1,424,764</u>	<u>(233,722)</u>
<b>Miscellaneous:</b>				
Insurance Premium Rebate	125,000	251,701	251,701	-
Wreck Reports	15,000	17,500	16,562	(938)
Rent Income	1,200	3,775	5,500	1,725
Miscellaneous	33,249	98,149	136,198	38,049
	<u>174,449</u>	<u>371,125</u>	<u>409,961</u>	<u>38,836</u>
<b>Total Revenues</b>	<u>16,477,651</u>	<u>18,192,486</u>	<u>18,514,856</u>	<u>322,370</u>

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures</b>				
<b>General Government:</b>				
General Provisions:				
Salaries	557,517	543,645	540,003	3,642
Council Per Diems	60,000	60,000	60,000	-
Payroll Taxes, Retirement, and Group Insurance	224,639	201,170	204,849	(3,679)
Buildings	40,000	-	1,260	(1,260)
Equipment Purchased	57,000	64,029	78,875	(14,846)
Flood Expenses	16,000	-	-	-
Insurance	48,520	59,115	50,851	8,264
Land Purchase	-	43,748	43,747	1
Legal and Professional	267,000	147,000	164,940	(17,940)
Membership Fees and Educational Training	35,000	37,000	38,278	(1,278)
Miscellaneous	103,800	81,138	79,284	1,854
Printing, Postage and Office Supplies	95,000	70,500	51,659	18,841
Rental Equipment	13,000	14,000	9,587	4,413
Repairs and Maintenance	85,500	111,500	119,306	(7,806)
Small Tools and Supplies	2,500	1,500	1,224	276
Telephone	30,000	30,300	26,638	3,662
Travel	11,500	11,500	11,520	(20)
Utilities	87,800	87,100	84,938	2,162
Total General Provisions	<u>1,734,776</u>	<u>1,563,245</u>	<u>1,566,959</u>	<u>(3,714)</u>
Cemetery:				
Contracted Services	52,839	51,300	51,300	-
Insurance	550	1,086	477	609
Miscellaneous	450	-	-	-
Repairs and Maintenance	1,500	-	1,066	(1,066)
Small Tools and Supplies	250	250	-	250
Total Cemetery	<u>55,589</u>	<u>52,636</u>	<u>52,843</u>	<u>(207)</u>

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>General Government (Continued):</b>				
Tax:				
Salaries	47,909	49,245	49,373	(128)
Payroll Taxes, Retirement, and Group Insurance	22,516	22,076	20,636	1,440
Collection Fees	194,000	211,000	215,953	(4,953)
Equipment Expense	2,500	3,300	3,003	297
Insurance	2,000	2,866	2,833	33
Legal and Professional	500	-	-	-
Miscellaneous	775	625	483	142
Printing, Postage and Office Supplies	3,900	4,300	3,277	1,023
Small Tools and Supplies	1,300	2,500	2,084	416
Tax Roll	5,050	5,050	5,051	(1)
Total Tax	280,450	300,962	302,693	(1,731)
Ward Court:				
Salaries	51,550	51,550	51,550	-
Payroll Taxes, Retirement, and Group Insurance	14,422	14,422	14,354	68
Additional Court Costs	11,000	11,000	10,768	232
Building Maintenance	-	1,000	520	480
Insurance	2,590	4,969	3,432	1,537
Payments to Component Units	283,071	283,071	283,070	1
Total Ward Court	362,633	366,012	363,694	2,318

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>General Government (Continued):</b>				
Planning and Zoning:				
Salaries	233,743	231,743	227,061	4,682
Payroll Taxes, Retirement, and Group Insurance	89,416	92,673	93,729	(1,056)
Demolition Expense	50,000	40,000	29,920	10,080
Equipment Purchased	3,000	2,791	4,140	(1,349)
Insurance	8,700	9,870	11,861	(1,991)
Legal and Professional	26,000	28,000	33,578	(5,578)
Membership Fees and Educational Training	15,000	12,000	11,184	816
Miscellaneous	8,925	9,800	9,768	32
Printing, Postage and Office Supplies	4,500	3,700	2,911	789
Small Tools and Supplies	3,000	2,500	1,876	624
Vehicle Expense	8,000	10,500	8,405	2,095
Total Planning and Zoning	<u>450,284</u>	<u>443,577</u>	<u>434,433</u>	<u>9,144</u>
Landscaping:				
Contracted Services	50,676	50,700	50,700	-
Insurance	2,360	2,865	2,304	561
Total Landscaping	<u>53,036</u>	<u>53,565</u>	<u>53,004</u>	<u>561</u>
Total General Government	<u>2,936,768</u>	<u>2,779,997</u>	<u>2,773,626</u>	<u>6,371</u>

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Public Safety:</b>				
Animal Control:				
Salaries	270,760	293,700	291,890	1,810
Payroll Taxes, Retirement, and Group Insurance	65,883	67,997	65,440	2,557
Animal Care Expense	74,000	138,000	114,033	23,967
Equipment Purchased	6,000	6,842	6,842	-
Equipment Expense	4,000	3,000	3,389	(389)
Insurance	20,065	15,510	17,099	(1,589)
Miscellaneous	38,795	37,328	32,968	4,360
Small Tools and Supplies	2,500	2,000	2,181	(181)
Telephone	10,000	4,000	4,327	(327)
Utilities	15,400	18,000	16,542	1,458
Total Animal Control	507,403	586,377	554,711	31,666
Fire:				
Salaries	1,723,920	1,702,397	1,688,015	14,382
Payroll Taxes, Retirement, and Group Insurance	922,728	923,055	922,148	907
Legal and Professional	2,500	1,000	1,755	(755)
Equipment Purchased	505,000	239,491	250,186	(10,695)
Equipment Expense	109,500	108,000	149,156	(41,156)
Flood Expenses	3,000	-	-	-
Insurance	176,500	200,685	214,104	(13,419)
Membership Fees and Educational Training	43,000	43,000	33,148	9,852
Miscellaneous	15,500	17,500	17,508	(8)
Printing, Postage and Office Supplies	10,525	7,375	7,666	(291)
Repairs and Maintenance	40,000	21,000	10,842	10,158
Small Tools and Supplies	49,000	53,000	52,708	292
Telephone	27,600	27,600	20,759	6,841
Uniforms	24,000	24,000	20,741	3,259
Utilities	31,525	31,450	26,645	4,805
Total Fire	3,684,298	3,399,553	3,415,381	(15,828)

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Public Safety (Continued):</b>				
Police:				
Salaries	2,186,565	2,173,214	2,155,255	17,959
Payroll Taxes, Retirement, and Group Insurance	1,136,219	1,132,085	1,125,802	6,283
Equipment Purchased	582,160	560,999	500,716	60,283
Equipment Expense	214,500	227,000	261,027	(34,027)
Equipment Rental	14,500	14,500	11,746	2,754
Insurance	204,325	239,283	301,013	(61,730)
Membership Fees and Educational Training	42,000	42,000	73,347	(31,347)
Miscellaneous	16,000	20,500	23,418	(2,918)
Printing, Postage and Office Supplies	13,150	12,450	9,279	3,171
Professional Fees	12,000	11,000	11,085	(85)
Repairs and Maintenance	50,000	42,000	37,119	4,881
Small Tools and Supplies	9,500	9,500	8,071	1,429
Telephone	42,000	42,000	43,392	(1,392)
Uniforms	42,000	42,000	45,719	(3,719)
Utilities	47,000	42,000	40,802	1,198
Total Police	4,611,919	4,610,531	4,647,791	(37,260)
Total Public Safety	8,803,620	8,596,461	8,617,883	(21,422)
<b>Highway and Streets:</b>				
Streets:				
Salaries	797,298	731,715	733,041	(1,326)
Payroll Taxes, Retirement, and Group Insurance	342,888	303,380	299,079	4,301
Contract Services	45,000	45,000	46,629	(1,629)
Equipment Purchased	269,362	432,858	432,935	(77)
Equipment Expense	135,500	152,500	148,218	4,282

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Highway and Streets (Continued):</b>				
Streets:				
Equipment Rental	5,000	1,000	763	237
Flood Expenses	2,500	-	-	-
Insurance	81,177	92,651	112,638	(19,987)
Uniforms	10,000	13,000	12,314	686
Legal and Professional	1,000	125	125	-
Streets Maintenance and Materials	575,000	391,000	365,428	25,572
Membership Fees and Educational Training	400	400	100	300
Miscellaneous	30,650	35,650	30,560	5,090
Small Tools and Supplies	7,500	9,000	8,658	342
Telephone	10,500	10,500	5,988	4,512
Utilities	10,200	10,100	9,576	524
Total Streets	2,323,975	2,228,879	2,206,052	22,827
Lighting:				
Utilities	170,000	175,000	167,594	7,406
Total Lighting	170,000	175,000	167,594	7,406
Total Highways and Streets	2,493,975	2,403,879	2,373,646	30,233
<b>Health:</b>				
Council on Aging	20,912	20,441	21,694	(1,253)
Pest Control	10,000	10,000	9,905	95
Total Health	30,912	30,441	31,599	(1,158)

(CONTINUED)



**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>Culture and Recreation:</b>				
Culture:				
Salaries	40,560	29,000	28,874	126
Payroll Taxes, Retirement, and Group Insurance	3,260	2,316	2,290	26
Committee Expenses	-	-	177	(177)
Equipment Rental	-	-	458	(458)
Equipment Purchased	-	164,942	212,028	(47,086)
Insurance	6,747	9,415	8,854	561
Legal and Professional	500	-	-	-
Membership Fees and Educational Training	400	-	-	-
Repairs and Maintenance	36,760	20,288	22,377	(2,089)
Printing, Postage and Office Supplies	2,750	1,500	600	900
Telephone	2,700	3,300	3,191	109
Utilities	6,935	7,310	6,580	730
Total Culture	100,612	238,071	285,429	(47,358)
Parks:				
Buildings/Structures	5,000	1,500	1,191	309
Insurance	2,600	866	513	353
Land Improvements	500	-	-	-
Maintenance	24,850	54,100	56,983	(2,883)
Total Parks	32,950	56,466	58,687	(2,221)
Total Culture and Recreation	133,562	294,537	344,116	(49,579)
Total Expenditures	14,398,837	14,105,315	14,140,870	(35,555)

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**GENERAL FUND**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,078,814	4,087,171	4,373,986	286,815
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(1,155,000)	(650,000)	(650,000)	-
Proceeds from Disposition of Assets	-	4,705	28,809	24,104
Total Other Financing Sources (Uses)	<u>(1,155,000)</u>	<u>(645,295)</u>	<u>(621,191)</u>	<u>24,104</u>
<b>Net Change in Fund Balance</b>	923,814	3,441,876	3,752,795	310,919
<b>Fund Balance at Beginning of Year</b>	<u>13,898,149</u>	<u>13,898,149</u>	<u>13,898,149</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 14,821,963</u>	<u>\$ 17,340,025</u>	<u>\$ 17,650,944</u>	<u>\$ 310,919</u>

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS  
PROPRIETARY FUNDS**

STATEMENT OF NET POSITION

JUNE 30, 2024

	Business-Type Activities -			Governmental Activities -
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	Motor Pool Internal Service Fund
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 8,199,025	\$ 181,019	\$ 8,380,044	\$ 87,011
<b>Restricted Assets:</b>				
Cash for Customer Deposits	1,447,164	-	1,447,164	-
Revenue Bond Covenant Accounts	1,105,312	796,788	1,902,100	-
Accrued Interest Receivable	28,398	-	28,398	-
	2,580,874	796,788	3,377,662	-
<b>Receivables:</b>				
Accounts (Net of Allowance for Uncollectible Accounts of \$104,000)	871,292	-	871,292	-
Due from Other Governments	1,283,134	8,662	1,291,796	-
Accounts Receivable - Other	22,752	-	22,752	-
Unbilled Utility Sales	556,297	-	556,297	-
	2,733,475	8,662	2,742,137	-
<b>Inventory, at Cost</b>	582,778	-	582,778	19,965
<b>Due from Other Funds</b>	13,028,561	194,200	13,222,761	-
<b>Prepaid Expenses</b>	3,969	-	3,969	-
Total Current Assets	27,128,682	1,180,669	28,309,351	106,976
<b>Noncurrent Assets:</b>				
Prepaid Items	66,198	-	66,198	-
Capital Assets:				
Land and Construction in Progress	2,450,321	3,756,535	6,206,856	-
Other Capital Assets, at Cost (Net of Accumulated Depreciation)	34,109,745	18,892,617	53,002,362	44,943
Total Noncurrent Assets	36,626,264	22,649,152	59,275,416	44,943
Total Assets	63,754,946	23,829,821	87,584,767	151,919
<b>Deferred Outflows of Resources:</b>				
Deferred Amount on Refunding of Debt	1,783,275	2,612,487	4,395,762	-
Deferred Outflows - Related to Pensions	636,420	-	636,420	32,491
Total Deferred Outflows of Resources	2,419,695	2,612,487	5,032,182	32,491
Total Assets and Deferred Outflows of Resources	\$ 66,174,641	\$ 26,442,308	\$ 92,616,949	\$ 184,410

(CONTINUED)

**CITY OF DENHAM SPRINGS  
PROPRIETARY FUNDS**

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

	Business-Type Activities -			Governmental Activities -
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	Motor Pool Internal Service Fund
<b>Current Liabilities</b>				
<b>(Payable from Current Assets):</b>				
Accounts Payable	\$ 1,332,458	\$ 24,409	\$ 1,356,867	\$ 4,379
Accrued Salaries and Wages	86,790	-	86,790	-
Accumulated Unpaid Vacation	56,607	-	56,607	7,048
Customers' Deposits	1,357,964	-	1,357,964	-
Current Portion of Debt	1,313,781	755,760	2,069,541	-
Other Current Liabilities	240,456	-	240,456	4,803
Due To Other Funds	194,200	13,028,561	13,222,761	-
Accrued Bond Interest	66,410	56,203	122,613	-
Total Current Liabilities	4,648,666	13,864,933	18,513,599	16,230
<b>Noncurrent Liabilities:</b>				
Accumulated Unpaid Vacation	169,824	-	169,824	21,146
Debt Payable after One Year (Net of Unamortized Bond Premium or Discount)	22,327,112	19,139,622	41,466,734	-
Net Pension Liability	1,662,687	-	1,662,687	60,148
Total Noncurrent Liabilities	24,159,623	19,139,622	43,299,245	81,294
Total Liabilities	28,808,289	33,004,555	61,812,844	97,524
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows - Related to Pensions	48,760	-	48,760	148
<b>Net Position:</b>				
Net Investment in Capital Assets	14,397,396	5,366,257	19,763,653	44,943
Restricted for Debt Service	1,038,902	740,585	1,779,487	-
Unrestricted (Deficit)	21,881,294	(12,669,089)	9,212,205	41,795
Total Net Position (Deficit)	37,317,592	(6,562,247)	30,755,345	86,738
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 66,174,641	\$ 26,442,308	\$ 92,616,949	\$ 184,410

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type Activities -			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Operating Revenues:</b>				
Charges for Services	\$ 14,099,351	\$ 1,690,120	\$ 15,789,471	\$ 516,241
Total Operating Revenues	14,099,351	1,690,120	15,789,471	516,241
<b>Operating Expenses:</b>				
Personal Services and Benefits	3,188,920	59,523	3,248,443	167,442
Contractual Services	1,648,114	44,822	1,692,936	-
Cost of Materials	965,718	-	965,718	377,728
Utilities	540,447	147,337	687,784	3,882
Repairs and Maintenance	1,812,817	280,407	2,093,224	8,066
Supplies	493,000	100,084	593,084	9,922
Insurance	273,304	12,487	285,791	10,983
Depreciation	2,022,830	477,153	2,499,983	9,104
Overhead Allocation	(254,126)	254,126	-	-
Total Operating Expenses	10,691,024	1,375,939	12,066,963	587,127
Operating Income (Loss)	3,408,327	314,181	3,722,508	(70,886)
<b>Nonoperating Revenues:</b>				
Intergovernmental	101,031	-	101,031	3,257
Interest	283,361	32,203	315,564	913
Amortization of Bond Premium	30,308	-	30,308	-
Gain on Disposition of Assets	11,852	-	11,852	-
Miscellaneous	38,170	-	38,170	-
Total Nonoperating Revenues	464,722	32,203	496,925	4,170
<b>Nonoperating Expenses:</b>				
Interest	920,055	776,829	1,696,884	-
Amortization of Bond Insurance	3,736	-	3,736	-
Total Nonoperating Expenses	923,791	776,829	1,700,620	-
Income (Loss) Before Contributions and Transfers	2,949,258	(430,445)	2,518,813	(66,716)
Capital Contributions	1,745,941	187,458	1,933,399	-
Transfers In From Other Funds	-	-	-	100,000
Change in Net Position	4,695,199	(242,987)	4,452,212	33,284
<b>Total Net Position (Deficit) at Beginning of Year</b>	32,622,393	(6,319,260)	26,303,133	53,454
<b>Total Net Position (Deficit) at End of Year</b>	\$ 37,317,592	\$ (6,562,247)	\$ 30,755,345	\$ 86,738

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS**  
**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities -			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 13,013,129	\$ 1,855,080	\$ 14,868,209	\$ 516,241
Cash Payments to Suppliers for Goods and Services	(5,737,299)	(825,499)	(6,562,798)	(420,646)
Cash Payments to Employees for Services and Benefits	(3,180,927)	(59,523)	(3,240,450)	(171,874)
Other Receipts (Payments)	(340,921)	405,255	64,334	-
Net Cash Provided by (Used in) Operating Activities	3,753,982	1,375,313	5,129,295	(76,279)
<b>Cash Flows From Noncapital and Related Financing Activities:</b>				
Transfer From General Fund	-	-	-	100,000
Net Cash Provided by Noncapital and Related Financing Activities	-	-	-	100,000
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition and Construction of Capital Assets	(2,665,017)	(220,768)	(2,885,785)	(13,583)
Proceeds from Disposition of Assets	11,852	-	11,852	-
Interest Expense Paid on Long Term Debt	(819,047)	(683,366)	(1,502,413)	-
Principal Paid on Long Term Debt	(1,242,581)	(727,419)	(1,970,000)	-
Cash Payments from (to) Other Funds for Capital Activities	(220,768)	220,768	-	-
Capital Contributions	1,745,941	187,458	1,933,399	-
Net Cash Used in Capital and and Related Financing Activities	(3,189,620)	(1,223,327)	(4,412,947)	(13,583)
<b>Cash Flows From Investing Activities:</b>				
Purchase of Investments	500,000	-	500,000	-
Interest Income Received	263,653	32,203	295,856	913
Net Cash Provided by Investing Activities	763,653	32,203	795,856	913
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,328,015	184,189	1,512,204	11,051
<b>Cash and Cash Equivalents - Beginning of Year</b>	9,423,486	793,618	10,217,104	75,960
<b>Cash and Cash Equivalents - End of Year</b>	\$ 10,751,501	\$ 977,807	\$ 11,729,308	\$ 87,011
<b>Schedule of Noncash Investing, Capital and Financing Activities:</b>				
Amortization of Bond Insurance	\$ 3,736	\$ -	\$ 3,736	\$ -
Amortization of Bond Premium and Discount (Net)	\$ (30,308)	\$ -	\$ (30,308)	\$ -
(Gain) Loss on Disposal of Capital Assets	\$ (11,852)	\$ -	\$ (11,852)	\$ -
Non-employer Contributions to the Pension Plans	\$ 74,867	\$ -	\$ 74,867	\$ 3,257
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheet:</b>				
Cash and Cash Equivalents	\$ 8,199,025	\$ 181,019	\$ 8,380,044	\$ 87,011
Cash for Customer Deposits	1,447,164	-	1,447,164	-
Revenue Bond Covenant Accounts	1,105,312	796,788	1,902,100	-
Total Cash and Cash Equivalent	\$ 10,751,501	\$ 977,807	\$ 11,729,308	\$ 87,011

(CONTINUED)

**CITY OF DENHAM SPRINGS  
PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities -			Governmental Activities - Motor Pool Internal Service Fund
	Utility Enterprise Fund	Denham Springs Sewer District Number 1	Total Business-Type Activities	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating Income (Loss)	\$ 3,408,327	\$ 314,181	\$ 3,722,508	\$ (70,886)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	2,022,830	477,153	2,499,983	9,104
Intergovernmental Revenues	26,164	-	26,164	-
Miscellaneous Revenues	38,170	-	38,170	-
Pension Expense Adjustment	(1,365)	-	(1,365)	(5,509)
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(45,825)	-	(45,825)	-
(Increase) Decrease in Other Receivables	(1,062,087)	164,960	(897,127)	-
(Increase) Decrease in Unbilled Utility Sales	(5,454)	-	(5,454)	-
(Increase) Decrease in Due from Other Funds	(400,182)	367,761	(32,421)	-
(Increase) Decrease in Inventory	3,283	-	3,283	16,528
(Increase) Decrease in Prepaid Expenses	1,436	-	1,436	-
Increase (Decrease) in Accounts Payable - Trade	(295,275)	13,764	(281,511)	(26,593)
Increase (Decrease) in Accrued Salaries and Wages	3,876	-	3,876	-
Increase (Decrease) in Other Current Liabilities	32,531	-	32,531	185
Increase (Decrease) in Due To Other Funds	(5,073)	37,494	32,421	-
Increase (Decrease) in Customers' Deposits	27,144	-	27,144	-
Increase (Decrease) in Accumulated Unpaid Vacation	5,482	-	5,482	892
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,753,982</u>	<u>\$ 1,375,313</u>	<u>\$ 5,129,295</u>	<u>\$ (76,279)</u>

The accompanying notes are an integral part of this statement.





NOTES TO THE FINANCIAL STATEMENTS

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

#### (1) **Summary of Significant Accounting Policies -**

##### A. Financial Reporting Entity

The City of Denham Springs "the City" was incorporated May 8, 1903, under the provisions of R.S. 33:321-48. The City operates under a Mayor - City Council form of government and provides the following services as authorized by its charter: public safety (police, animal control, and fire), highways and streets, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Denham Springs, Louisiana, and its component units, entities for which the City of Denham Springs is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Each discretely presented component unit has a June 30, 2024 year end.

The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and the City Council), (2) organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists, and (3) 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.

Governmental Accounting Standards Board (GASB) Statement No. 61, the Financial Reporting Entity: Omnibus, established criteria for determining which component units should be considered part of the City of Denham Springs for financial reporting purposes. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

3. Financial benefits/burden relationship between the City and the potential component unit, and misleading to exclude which 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.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Denham Springs (the primary government) and its component units. Based on the criteria above, the City of Denham Springs has included the following component units in the financial reporting entity:

#### **BLENDED COMPONENT UNIT**

The City of Denham Springs created the Denham Springs Sewer District No. 1 on January 26, 2009, under the authority of Louisiana Revised Statute 33:3911 et. seq. The Denham Springs Sewer District No. 1 is a separate legal entity and is governed by the Mayor and the City Council of the City of Denham Springs and thus the governing body is substantively the same as the governing body of the primary government and is reported as a proprietary fund in the basic financial statements of the City of Denham Springs. The creation of this District also created a financial benefit and/or burden relationship between the primary government and the component unit. The purpose of the Sewer District is to install sewer infrastructure into unincorporated areas of Livingston Parish and within the designated boundaries of the District, to provide sewer services to residences of the area, and to set rates and collect sewer fees once the system is installed. The Sewer District is connecting into the City of Denham Springs sewer treatment facility as the infrastructure is installed.

#### **DISCRETELY PRESENTED COMPONENT UNITS**

Component units that are legally separate from the City but are financially accountable to the City, or whose relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete are discretely presented. The component units column of the government-wide financial statements include the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

Funding for the following state constitutionally defined agencies is included in the City's general fund. These officials however, have certain statutorily defined sources of funds for their own operating and/or capital budget discretion. These funds have been discretely presented in the City's government-wide financial statements:

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

City Court of Denham Springs - Ward II - The Judge of the Court is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the City Court in that the City is required to provide the City Court office facilities and the City pays a portion of the Judge's compensation, and reimburses the Court for certain other salaries and benefits. The City Court has jurisdiction over all violations of City Ordinances and State misdemeanor cases. The jurisdiction includes the incorporated area of the City of Denham Springs and Ward Two of Livingston Parish. The City has the ability to modify or approve their budget which comes from the General Fund. There are certain funds collected by the City Court, pursuant to state statute, which are under the control of the courts. The City's government-wide financial statements discretely presents the City Court of Denham Springs - Ward II's financial statements for the year ended June 30, 2024.

Marshal of City Court of Denham Springs - Ward II - The Marshal is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the Marshal in that the City is required to provide the Marshal's office facilities, and reimburses the Marshal's office for certain other salaries and benefits. The Marshal of the City Court of Denham Springs has the power of a sheriff in the execution of the Court's orders and mandates in making requests and preserving the peace. The City has the ability to modify or approve the budget which comes from the General Fund. The Marshal serves the citizenry of the City of Denham Springs and Ward Two of Livingston Parish. The City's government-wide financial statements discretely presents the Marshal's financial statements for the year ended June 30, 2024.

In addition to the state constitutionally defined agencies included above, the City created the Denham Springs Economic Development District which created a Louisiana nonprofit corporation, the Denham Springs Economic Development Corporation, and the Springs at Riverside Landing Economic Development District to assist the City in the creation of economic development, to improve employment and to otherwise improve the economic condition of the City of Denham Springs and surrounding areas.

Denham Springs Economic Development District - The Denham Springs Economic Development District ("the District") was created by an ordinance of the City Council of the City of Denham Springs on December 9, 2003, pursuant to the Louisiana Cooperative Economic Development Law. A board of five members is provided by law. The board is comprised of the members of the City Council of the City of Denham Springs and thus the City can impose its will on the District. The District encompasses approximately 75 acres within the City of Denham Springs.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

The purpose of the District is to secure Sales Tax Increment Revenue bonds issued to provide funds for the construction of infrastructure improvements and acquiring, constructing and equipping the Bass Pro retail outlet and restaurant and ancillary items within the District. The District issued Sales Tax Increment Revenue Bonds Series 2007 A, B, and C dated March 1, 2007 in the total amount of \$41,540,000 and issued Sales Tax Increment Revenue Bonds Series 2008 dated May 27, 2008 in the amount of \$8,460,000. The proceeds were used for the purchase of 24 acres within the 75 acre District and for the construction of the “Bass Pro Shops” project and infrastructure. The bonds were paid off October 1, 2021. The bonds were repaid from sales tax generated by developments within the District.

Because of the required cooperation from each of and the sales tax revenues given up by each of the following governmental entities,

City of Denham Springs  
Livingston Parish School Board  
Livingston Parish Council  
Livingston Parish Sheriff  
Livingston Parish Gravity Drainage District #1  
State of Louisiana

the District created the Denham Springs Economic Development Corporation on February 14, 2004. The Corporation’s Board was composed of five members recommended by the City of Denham Springs, two members recommended by the Livingston Parish School Board, one member recommended by the Livingston Parish Council, and one member recommended by the Livingston Parish Sheriff for a total of nine members. The corporation was a private nonprofit corporation created pursuant to the Louisiana Nonprofit Corporation Law (Chapter 2 of Title 12 of the Louisiana Revised Statutes) and was assigned the responsibilities to oversee, supervise and approve the construction of infrastructure improvements and acquiring, constructing, and equipping the Bass Pro retail outlet and restaurant and ancillary items. With the bonds being paid off and Bass Pro exercising its option to purchase the facilities on July 6, 2022, the Denham Springs Economic Development Corporation board was disbanded, and the corporation ceased operation during fiscal year 2023.

The Denham Springs Economic Development Corporation has been included in the financial statements of the Denham Springs Economic Development District as a blended component unit, and the Denham Springs Economic Development District has been included in the City’s government-wide financial statements as a discretely presented component unit for the year ended June 30, 2024.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

Springs at Riverside Landing Economic Development District - The Springs at Riverside Landing Economic Development District ("the Springs") was created by an ordinance of the City Council of the City of Denham Springs on November 7, 2013, pursuant to the Louisiana Cooperative Economic Development Law. A board of five members is provided by law. The board is comprised of the members of the City Council of the City of Denham Springs and thus the City can impose its will on the District. The Springs encompasses approximately 33 acres within the City of Denham Springs.

The purpose of the Springs is to secure Sales Tax Increment Revenue bonds to finance drainage and drainage related activities, parking and lighting improvements for the Springs and provide for the construction and development of other public infrastructure in connection with the Springs. The bonds would be repaid from sales tax revenues generated by developments within the District. Collateral for the bonds would be limited to the prospective developments and the City of Denham Springs would have no liability for these bonds or for the debt service of these bonds. As of June 30, 2024, no bonds had been issued.

#### **RELATED ORGANIZATIONS**

City officials are also responsible for appointing members of the board of another organization. The City's accountability does not extend beyond making the appointments.

Denham Springs Housing Authority - The Denham Springs Housing Authority is a legally separate government entity formed to administer housing programs funded by the U.S. Department of Housing and Urban Development (HUD). The City governing authority appoints a majority of the Authority's members; however, there is no financial relationship between the Authority and the primary government.

The Denham Springs Parks and Recreation District #3 of Livingston Parish is a related organization of the City, however the City officials have no responsibility for the District. The District does however include the geographic area of the City.

Denham Springs Parks and Recreation District (PARD) - PARD is a legally separate parish agency that provides parks and recreational services to the residents of Livingston Parish District #3. District #3 includes the geographic area within the City of Denham Springs.

PARD sets its own ad valorem tax, can incur debt and owns property. The City has no budget approval, management designation or commission member removal powers. PARD finances capital and operating budgets directly from the parish constituents within District #3, and has no financial benefit/burden relationship with the City of Denham Springs.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The following agency is a public trust established pursuant to State Statutes to finance debt for various public purposes within Livingston Parish. The City Council appoints the board members of the agency. The agency is fiscally independent from the City, issues its own debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City is not obligated in any manner for the debt issues of this agency.

#### Denham Springs/Livingston Housing and Mortgage Finance Authority

Complete financial statements for each of the City of Denham Springs component units and related organizations can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397, or at each of the agencies administrative offices.

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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. *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*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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 as revenues 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 have been met.



## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental fund:

*The general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

*The utility enterprise fund* accounts for the provision of gas, water, sewer and sanitation services to the residents of the City of Denham Springs and some residents of the parishes of Livingston and East Baton Rouge. 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, and billing and collections.

*The Denham Springs Sewer District Number 1 fund (a blended component unit)* accounts for the provision of sewer services to customers outside the limits of the City of Denham Springs but within a certain geographical area of Livingston Parish. 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, and billing and collections.

Additionally, the City reports the following fund types:

*The 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. The capital projects fund excludes those type of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

*The special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects.

*The internal service fund* accounts for services such as vehicle fuel and repairs and maintenance to vehicles provided to other departments or agencies of the City, on a cost reimbursement basis.

*The debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*The permanent fund* is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or its citizenry.

The statements are 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). Both the government-wide financial statements and the proprietary fund financial statements follow guidance included in GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the City's utility fund and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Equity

1. Deposits and Investments -

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments, with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments (certificates of deposit with original maturities greater than 90 days) are reflected at fair value, except non participating investment contracts which are reported at cost, if any.

Deposit and Investment policies of the component units are similar to those of the primary government.

2. Receivables and Payables -

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds 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."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance classification in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. At June 30, 2024, there were no advances between funds.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable based on agings and estimated charge-off percentages comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to three percent of the current year property tax levy plus one hundred percent of any unpaid prior year tax at June 30, 2024.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Property taxes are levied in September or October each year on property values assessed as of the same date. Billed taxes become delinquent on January 1 of the following year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. Inventories and Prepaid Items -

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Also included in prepaid items is prepaid insurance on the issuance of bonds. Prepaid insurance on the issuance of bonds is recognized as an expense in a systematic and rational manner over the duration of the related bonds.

4. Restricted Assets -

*Primary Government -*

Certain resources set aside for repayment of the City's Enterprise Fund bonds (2021 Revenue Bonds, 2014, 2015, and 2016 Utility Revenue Refunding Bonds and the 2016 Sewer Revenue Refunding Bonds) and the Sewer District Number 1 the 2016 Sewer Revenue Refunding Bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond debt service" accounts are used to segregate resources accumulated for debt service payments over the next twelve months.

Certain proceeds and resources of the City's Utility Enterprise Fund are set aside to reimburse customers their utility deposits upon discontinuance of service.

5. Capital Assets -

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

In the case of the initial capitalization of general infrastructure assets, the City of Denham Springs chose to not include such assets acquired prior to 1980.

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

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 - 40
Building Improvements	10 - 25
Public Domain Infrastructure	50
System Infrastructure	20 - 50
Equipment	3 - 15

6. Deferred Outflows and Inflows of Resources -

The statement of financial position reports a separate section for deferred outflows and (or) inflows of financial resources. Deferred outflows of resources, represent a consumption of net assets that applies to future periods and so 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 future periods and so will not be recognized as an inflow of resources until that time.

The City has deferred outflows of resources on the statement of net position that are a result of deferrals concerning bonded debt. A deferred charge on refunding results from the difference in the varying value of refunded debt and its reacquisition price. Deferred amount on refunding of debt is reported in the deferred outflow sections of the statement of position.

The City, the City Court of Denham Springs – Ward II, and the Marshal of City Court of Denham Springs – Ward II have deferred outflows and inflows of resources on the statement of net position that are related to pensions. See pension Note 11.

7. Compensated Absences -

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

8. Pensions -

The City, the City Court of Denham Springs – Ward II, and the Marshal of City Court of Denham Springs – Ward II are participating employers in cost-sharing, multiple-employer defined benefit 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, pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by 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 are reported at fair value.

9. Long-Term Obligations -

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Net Position -

Net position represents the difference between assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets.

The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those restricted assets. The restricted component of net position is used when there are limitations imposed on their use of an asset by external parties such as creditors, grantors, laws or regulations of other governments.

The *unrestricted* component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

included in the determination of net investment in capital assets or the restricted component of net position.

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

#### **11. Fund Equity -**

Governmental fund equity is classified as fund balance and is reported in accordance with the provisions of Governmental Accounting Standards Board Statement No. 54. In the governmental fund financial statements, fund balances are classified as follows:

**Nonspendable** - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed** - Amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City of Denham Springs that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**Assigned** - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Unassigned** - These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed, or assigned for those purposes. The City has not adopted a policy to maintain the general fund's unassigned fund balance above a certain minimum level.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

The details of the fund balances are included in the Balance Sheet - Governmental Funds (Exhibit B-1). City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. As noted above, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the City Council or the Assignment has been changed by the City Council. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

12. Post-Employment Health Care Benefits -

Retiree Benefits -

In addition to the pension benefits described in Note 11, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the City and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only two (2) participants in the program as of June 30, 2024. Since the retiree healthcare benefit program is reimbursed to the City by the participants and the number of retirees opting to use this benefit has been historically low, the City determined any postemployment benefit accrual would be immaterial to the financial statements as the only potential accrual would be the implicit benefit of the retirees of paying the insurance group rate.

COBRA Benefits -

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid by the City and reimbursed by the insured. This program is offered for a duration of eighteen (18) months after the termination date. There is no associated cost to the City under this program, and at June 30, 2024, there are no participants in the program.

13. Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences may be material.



## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

14. Current Year Adoption of New Accounting Standards -

The following statements of the Governmental Accounting Standards Board (GASB) are effective for the City's 2024 fiscal year. The City has adopted and implemented these statements in the preparation of the financial statements for the year ended June 30, 2024.

During the year, the City adopted GASB Statement No. 99 – *Omnibus 2022* – the portion that relates to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 and GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*. These statements had no material effect on the City's financial statements.

15. Current Accounting Pronouncements -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the City's fiscal year 2024.

1. Statement No. 101 – *Compensated Absences (2025)*.
2. Statement No. 102 – *Certain Risk Disclosures (2025)*.
3. Statement No. 103 – *Financial Reporting Model Improvements (2026)*.
4. Statement No. 104 – *Disclosure of Certain Capital Assets (2026)*.

Management is currently evaluating the effects of the new GASB pronouncements.

(2) **Stewardship, Compliance and Accountability -**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except the Debt Service Fund and the Cemetery Care Permanent Fund which are not budgeted. All annual appropriations lapse at fiscal yearend.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Treasurer prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. 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 the approval of the City Council.

Activities of the General Fund, the Capital Project Fund, and the Special Revenue Fund are included in the annual appropriated budget. The City is not required to prepare and does not prepare an annual appropriated budget for its Debt Service Fund, Enterprise Fund, Internal Service Fund or Cemetery Care Permanent Fund.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. Any increase in departmental budgets must be approved by the City Council.

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 2024, the City Council approved the decrease in the original expenditures and transfers out of the General Fund from \$15,553,787 to \$14,755,315.

The total General Fund decrease amounted to \$798,522. The General Fund budget as amended was increased approximately \$27,000 for equipment expenses, increased approximately \$49,430 for equipment purchases, decreased approximately \$104,000 for salaries, street maintenance and materials decreased approximately \$184,000, payroll taxes, retirement, and group insurance decreased approximately \$63,000, decreased approximately \$3,000 in utilities & phone expenses, decreased approximately \$505,000 in transfers out, decreased approximately \$13,000 in miscellaneous expenses, decreased approximately \$22,000 in flood expenses, increased approximately \$43,000 in land purchases, repairs and maintenance expense increased approximately \$19,000, land purchases expense increased approximately \$43,000, collection fees increased approximately \$17,000, legal & professional expense decreased approximately \$122,000, and animal care expense increases \$64,000. These areas were the major budget increases and decreases.

Budgetary data for the discretely presented component units are not presented in these financial statements.

#### **(3) Deposits and Investments -**

The City has established a consolidated bank account with a local bank into which monies are deposited and from which all disbursements are now being made. The purpose of the consolidation account is to reduce administrative charges and provide a single cash balance

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

available for the maximization of investment earnings. Each fund shares in the investment earnings of the consolidated account according to its average cash balance. Cash is transferred from those funds with available cash resources to cover any negative cash balances, if any, in other funds at year-end.

The City also invests excess funds in interest bearing demand deposit accounts. At June 30, 2024, all of the City's certificates of deposit had initial maturities of 90 days or less and thus were included as part of cash equivalents.

The discretely presented component units maintain deposit accounts similar to the Primary Government.

#### A. Deposits - Primary Government

As reflected in Exhibit A-1, the City of Denham Springs, Louisiana has cash and equivalents totaling \$33,548,502. This balance includes \$19,270,000 of short-term certificates of deposit with an initial term of 90 days or less. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held by and are in the name of the fiscal agent bank but pledged to the City. The following is a summary of cash and cash equivalents at June 30, 2024.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheet:			
Cash and Cash Equivalents	\$21,819,194	\$11,729,308	\$33,548,502

#### *Custodial Credit Risk - Deposits and CDs with Initial Maturities of 90 days or Less*

In the case of deposits and CDs with initial maturities of 90 days or less, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City that the fiscal agent has failed to pay deposited funds on demand.

At June 30, 2024, the City has \$33,753,636 in demand deposits (collected bank balances) and CDs with an original maturity of 90 days or less for cash and cash equivalents, in two banks. The City has \$31,843,235 in one bank. Of the \$31,843,235, \$250,000 of the

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

demand deposits and \$250,000 of CDs with an initial maturity of 90 days or less are secured from risk by federal deposit insurance and \$10,123,931 is in ICS (Insured Cash Sweep) accounts. ICS accounts transfer the daily balance of all held deposits to FDIC-insured institutions across the country, thereby ensuring that all the City's deposits in the ICS accounts are federally insured. The remaining \$21,038,284 is secured by pledged securities. The \$21,038,284 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). In the second bank, the City has \$1,910,401 in trust accounts and are secured from risk by the Trust Department of the bank; therefore, none of the \$1,910,401 is exposed to custodial credit risk.

### B. Deposits - Discretely Presented Component Units

The discretely presented component units are required to invest funds within the same state statutes as the primary government. Component unit deposits (including demand deposit accounts and all certificates of deposits) at June 30, 2024, are summarized below.

	City Court of Denham Springs- Ward II	Marshall of City Court of Denham Springs- Ward II	Denham Springs Economic Development District
Deposits in Bank Accounts			
Per Balance Sheet:			
Cash and Cash Equivalents	\$ 349,296	\$ 105,833	\$ 33,002
Fiduciary Amounts - Not Included in Statement of Net Position	<u>564,346</u>	<u>-</u>	<u>-</u>
	<u>\$ 913,642</u>	<u>\$ 105,833</u>	<u>\$ 33,002</u>

### *Custodial Credit Risk - Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the component units' deposits may not be returned to them. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entities that the fiscal agent has failed to pay deposited funds on demand. As of June 30, 2024, \$443,544 of the City Court of Denham Springs - Ward II's bank balance of \$953,811 was exposed to custodial credit risk. As of June 30, 2024, none of the Marshall of City Court of Denham Springs - Ward II's bank balance of \$151,961 and Denham Springs Economic Development District's bank balance of \$33,002 was exposed to custodial credit risk because they were completely insured by the Federal Deposit Insurance Corporation (FDIC).

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

**(4) Ad Valorem Taxes -**

Normally, ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Normally, taxes are levied by the City in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The City's property taxes are now billed and collected by the Livingston Parish Tax Collector from information on assessed values received from the Livingston Parish Assessor's Office. The Tax Collector remits collections monthly to the City.

For the year ended June 30, 2024, taxes of 3.583 mills were levied on property with assessed valuations totaling \$104,724,010 and were dedicated to general purposes.

Total taxes levied were \$375,227. Taxes receivable at June 30, 2024, consisted of the following:

Taxes Receivable - Current Roll	\$ 4,487
Taxes Receivable - Prior Years	<u>57,904</u>
	62,391
Allowance for Uncollectible Taxes	<u>(60,718)</u>
	<u>\$ 1,673</u>

**(5) Receivables -**

Receivables as of June 30, 2024, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Interest</u>	<u>Ad Valorem Taxes</u>	<u>Franchise Taxes</u>	<u>Accounts</u>	<u>Unbilled Sales</u>	<u>Less: Allowance for Uncollectibles</u>	<u>Total - Net Receivable</u>
<u>Governmental Activities:</u>							
General Fund	\$109,748	\$ 62,391	\$159,307	\$ 254,929	\$ -	\$ (60,718)	\$ 525,657
Nonmajor Governmental Funds	<u>9,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,519</u>
Total Governmental Activities	119,267	62,391	159,307	254,929	-	(60,718)	535,176
<u>Business Type-Activities:</u>							
Utility Fund	-	-	-	998,044	556,297	(104,000)	1,450,341
<u>Component Units:</u>							
Marshal of City Court of							
Denham Springs - Ward II	<u>-</u>	<u>-</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>334</u>
Total Component Units	-	-	-	334	-	-	334
	<u>\$119,267</u>	<u>\$ 62,391</u>	<u>\$159,307</u>	<u>\$1,253,307</u>	<u>\$556,297</u>	<u>\$(164,718)</u>	<u>\$1,985,851</u>

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

**(6) Due From Other Governments -**

Due from Other Governments as of June 30, 2024, consists of the following:

	Livingston Parish School Board	State of Louisiana	Livingston Parish	FEMA	Other	Total
<u>Governmental Activities:</u>						
General Fund	\$ 2,053,734	\$ 315,006	\$ 88,881	\$ 43,091	\$ -	\$2,500,712
Capital Projects Fund	-	<u>301,225</u>	-	-	-	<u>301,225</u>
Total Governmental Activities	2,053,734	616,231	88,881	43,091	-	2,801,937
<u>Business-Type Activities:</u>						
Utility Fund	-	-	-	1,249,625	33,509	1,283,134
Sewer District #1 Fund	-	-	-	-	<u>8,662</u>	<u>8,662</u>
Total Business-Type Activities	-	-	-	1,249,625	42,171	1,291,796
	<u>\$2,053,734</u>	<u>\$ 616,231</u>	<u>\$ 88,881</u>	<u>\$1,292,716</u>	<u>\$ 42,171</u>	<u>\$4,093,733</u>

**(7) Interfund Receivables, Payables - Due (To) From Primary Government/Component Units - Transfers In, Transfers Out -**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Due To</u>	<u>Due From</u>
<u>Business Type-Activities:</u>			
Denham Springs Sewer			
District Number 1	Utility Fund	\$ 13,028,561	\$ -
	Utility Fund	-	194,200
Utility Fund	Sewer District Number 1	-	13,028,561
	Sewer District Number 1	<u>194,200</u>	<u>-</u>
		<u>\$ 13,222,761</u>	<u>\$ 13,222,761</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Denham Springs Sewer District Number 1 owes the Utility Fund \$13,028,561 in accumulated project costs in connection with the construction of the District's infrastructure and for cost for services provided by the Utility Fund. The Utility Fund handles the billing and collection of amounts due from customers of Denham Springs Sewer District Number 1. The Utility Fund and the District share some common customers because the Utility fund provides those customers water services. The Utility Fund owes Denham Springs Sewer District Number 1 \$194,200 for impact fees collected and billed and unbilled sales for the month of June 2024. These balances due to and from funds are expected to be repaid in the subsequent year.

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

	<u>Transfer In</u>	<u>Transfers Out</u>
Governmental Activities:		
General Fund:		
Capital Project Fund	\$ -	\$ 550,000
Motor Pool Internal Service Fund	-	100,000
Total General Fund	-	650,000
Capital Project Fund	550,000	-
Motor Pool Internal Service Fund	100,000	-
Total	<u>\$ 650,000</u>	<u>\$ 650,000</u>

The transfers out of the General Fund and transfers into the Capital Project Fund are to cover the cost of ongoing capital projects that are not covered by other funding. The transfers out of the General Fund and transfers into the Motor Pool Internal Service Fund are to cover the increased cost of providing services that are not covered by other funding.

	<u>Due (To)/From Primary Government</u>	<u>Due (To)/From Component Units</u>
<u>Primary Government:</u>		
General Fund	\$ -	\$ 33,002
<u>Component Units:</u>		
Denham Springs Economic Development District	<u>(33,002)</u>	<u>-</u>
Total	<u>\$(33,002)</u>	<u>\$ 33,002</u>

The due (to)/from the Primary Government and Component Unit is comprised of the remaining cash funds of the Denham Springs Economic Development District that are due to the General Fund of the Primary Government. These funds will be disbursed in the next fiscal year.

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

### (8) Changes in Capital Assets -

Primary government capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land and Right-of-Ways	\$ 1,839,255	\$ 43,748	\$ -	\$ 1,883,003
Construction in Progress	288,008	937,901	(684,038)	541,871
Total Capital Assets not being Depreciated	2,127,263	981,649	(684,038)	2,424,874
Capital Assets being Depreciated:				
Buildings and Improvements	7,974,208	104,071	-	8,078,279
Infrastructure	11,363,936	547,700	-	11,911,636
Equipment	8,716,841	1,401,884	(291,024)	9,827,701
Total Capital Assets being Depreciated	28,054,985	2,053,655	(291,024)	29,817,616
Less: Accumulated Depreciation for:				
Buildings and Improvements	3,269,135	191,211	-	3,460,346
Infrastructure	5,235,878	363,208	-	5,599,086
Equipment	5,514,899	682,391	(277,948)	5,919,342
Total Accumulated Depreciation	14,019,912	1,236,810	(277,948)	14,978,774
Total Capital Assets being Depreciated, Net	14,035,073	816,845	(13,076)	14,838,842
Total Governmental Activities Capital Assets, Net	<u>\$ 16,162,336</u>	<u>\$ 1,798,494</u>	<u>\$ (697,114)</u>	<u>\$ 17,263,716</u>

(CONTINUED)



# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

	Balance <u>June 30, 2023</u>	Additions	Deletions	Balance <u>June 30, 2024</u>
<u>Business-Type Activities:</u>				
Capital Assets not being Depreciated:				
Land and Right-of-Ways	\$ 4,286,843	\$ -	\$ -	\$ 4,286,843
Construction in Progress	<u>7,378,928</u>	<u>2,308,949</u>	<u>(7,767,864)</u>	<u>1,920,013</u>
Total Capital Assets not being Depreciated	11,665,771	2,308,949	(7,767,864)	6,206,856
Capital Assets being Depreciated:				
Buildings and Improvements	1,060,330	66,100	-	1,126,430
Gas System	5,894,589	1,272,933	-	7,167,522
Water System	18,317,876	1,929,318	-	20,247,194
Sewer System	59,346,540	4,681,079	-	64,027,619
Equipment	<u>3,608,883</u>	<u>384,019</u>	<u>(58,333)</u>	<u>3,934,569</u>
Total Capital Assets being Depreciated	88,228,218	8,333,449	(58,333)	96,503,334
Less: Accumulated Depreciation for:				
Buildings and Improvements	382,193	35,904	-	418,097
Gas System	4,359,155	155,719	-	4,514,874
Water System	11,062,918	460,498	-	11,523,416
Sewer System	22,802,389	1,592,342	-	24,394,731
Equipment	<u>2,452,667</u>	<u>255,520</u>	<u>(58,333)</u>	<u>2,649,854</u>
Total Accumulated Depreciation	<u>41,059,322</u>	<u>2,499,983</u>	<u>(58,333)</u>	<u>43,500,972</u>
Total Capital Assets being Depreciated, Net	<u>47,168,896</u>	<u>5,833,466</u>	<u>-</u>	<u>53,002,362</u>
Total Business-Type Activities Capital Assets, Net	<u>\$ 58,834,667</u>	<u>\$ 8,142,415</u>	<u>\$ (7,767,864)</u>	<u>\$ 59,209,218</u>

(CONTINUED)

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Depreciation expense was charged to functions of the primary government as follows:

<u>Governmental Activities:</u>		<u>Business-Type Activities:</u>	
General Government	\$ 190,050	Water	\$ 571,690
Public Safety	476,176	Gas	235,010
Highways and Streets	507,871	Sewer	1,687,794
Parks and Recreation	53,609	Sanitation	5,489
	<u>1,227,706</u>	Total Depreciation Expense -	
Capital Assets Held by Internal		Business-Type Activities	<u>\$ 2,499,983</u>
Service Funds are Charged to the			
Various Functions Based on their			
Usage of the Assets	<u>9,104</u>		
Total Depreciation Expense -			
Governmental Activities	<u>\$ 1,236,810</u>		

### Commitments

#### *Governmental Activities:*

The City has six active uncompleted projects as of June 30, 2024 in the governmental activities. The projects include the Fire Station 1 Retrofit Project, Fire Station 2 Retrofit Project, Fire Station 3 Retrofit Project, Police Station Retrofit Project, The Centerville Overlay Project, the Hatchell Lane Sidewalks Project, and the Bass Pro Blvd Improvements Project. All of these projects are city owned projects with the exception of the Hatchell Lane Sidewalks Project which is owned by the State of Louisiana.

The following schedule represents commitments in the governmental funds at June 30, 2024:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Fire Station 1 Retrofit Project	\$ 7,737	\$ 1,673
Fire Station 2 Retrofit Project	9,121	1,051
Fire Station 3 Retrofit Project	8,954	1,937
Centerville Overlay	273,312	209,458
Police Station Retrofit Project	43,355	10,655
Bass Pro Blvd Improvements	<u>199,392</u>	<u>753,268</u>
	<u>\$ 541,871</u>	<u>\$ 978,042</u>

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

### *Business-Type Activities:*

The City has two active construction projects as of June 30, 2024 in the business-type activities. The projects include the Brignac Water Well Project and the Old Hammond Highway Gas Expansion Project. These two projects are owned by the City.

The following schedule represents commitments in the proprietary funds at June 30, 2024:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Brignac Water Well Project	\$1,561,072	\$3,094,088
Old Hammond Highway Gas Expansion Project	<u>358,941</u>	<u>484,922</u>
	<u>\$1,920,013</u>	<u>\$3,579,010</u>

### Component Units

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

#### City Court of Denham Springs - Ward II:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
<u>Governmental Activities:</u>				
Capital Assets Being Depreciated				
Furniture and Fixtures	\$ 14,916	\$ -	\$ -	\$ 14,916
Software	120,145	-	-	120,145
Vehicles	9,500	28,500	(9,500)	28,500
Computer Equipment	<u>66,508</u>	<u>5,676</u>	<u>-</u>	<u>72,184</u>
Total	211,069	34,176	(9,500)	235,745
Less: Accumulated				
Depreciation	<u>162,218</u>	<u>21,716</u>	<u>(4,592)</u>	<u>179,342</u>
Capital Assets, Net	<u>\$ 48,851</u>	<u>\$ 12,460</u>	<u>\$ (4,908)</u>	<u>\$ 56,403</u>

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

### Marshal of City Court of Denham Springs - Ward II:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
<u>Governmental Activities:</u>				
Capital Assets Being Depreciated				
Office Equipment	\$ 9,673	\$ -	\$ -	\$ 9,673
Machinery and Equipment	23,654	-	-	23,654
Vehicles	223,025	11,995	-	235,020
Total	256,352	11,995	-	268,347
Less: Accumulated				
Depreciation	177,479	28,549	-	206,028
Capital Assets, Net	<u>\$ 78,873</u>	<u>\$ (16,554)</u>	<u>\$ -</u>	<u>\$ 62,319</u>

Depreciation expense was charged to functions of the component unit governments as follows:

#### Governmental Activities:

City Court of Denham Springs – Ward II	\$ 21,716
Marshal of City Court of Denham Springs - Ward II	28,549
	<u>\$ 50,265</u>

### **(9) Long-Term Liabilities -**

#### **Primary Government -**

##### Revenue Bonds

Utility Enterprise Fund: The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt services. On December 1, 2006, the City issued \$23,765,000 of revenue bonds. On May 28, 2008, the City also issued an additional \$9,100,000 of revenue bonds. These bonds were issued to finance the funding of the upgrade of the City owned sewer treatment plant, the funding of the expansion of the City water distribution system to unincorporated areas of the City, the funding of renovations and rehabilitations of City sewer manholes, the funding of the reclamation of the City's sewer lagoons, the funding of a water and sewer department building, the funding of any other repairs and/or expansions needed to maintain the City's water distribution system, and any costs incidental to the issuance of these bonds. On March 31, 2021, the City issued \$1,610,000 of revenue bonds. These bonds were issued for the purposes of acquiring, constructing, extending, and improving the gas portion of its combined enterprise system; funding a debt service reserve fund or paying the cost of a debt service reserve policy, if necessary; and paying the costs of issuing the bonds, including the cost of bond issuance.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

#### Prior Years Advance Refundings

On November 19, 2014, the City issued \$9,145,000 Series 2014 Revenue Refunding Bonds for the purpose of refunding \$8,355,000 of the outstanding balance of the Series 2006 Utility Revenue Bonds and interest and redemption premium associated with the Series 2006 Bonds. The net proceeds of \$9,045,844 (after payment of \$303,075 in cost of issuance) plus an additional \$156,727 of the sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 18 years by \$620,626 and resulted in an economic gain of \$497,760.

On May 6, 2015, the City issued \$9,440,000 Series 2015 Revenue Refunding Bonds for the purpose of refunding \$9,145,000 of the outstanding balance of the Series 2006 Utility Revenue Bonds and interest and redemption premium associated with the Series 2006 Bonds. The net proceeds of \$9,715,796 (after payment of \$268,019 in cost of issuance) plus an additional \$167,146 of the sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 22 years by \$720,778 and resulted in an economic gain of \$542,161.

The advance refunding of the Series 2006 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,322,115, \$710,452 on the Series 2014 bonds and \$611,663 on the Series 2015 bonds, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$1,011,384.

On January 7, 2016, the City issued \$7,885,000 Series 2016 Revenue Refunding Bonds for the purpose of refunding \$7,155,000 of the outstanding balance of the Series 2008 Utility Revenue Bonds and interest associated with the Series 2008 Bonds. The net proceeds of \$7,905,819 (after payment of \$233,995 in cost of issuance) plus an additional \$27,976 of the sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 22 years by \$358,968 and resulted in an economic gain of \$251,258.

The advance refunding of the Series 2008 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$940,387, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$743,007. As a result of the issuance of the Revenue Refunding Bonds Series 2016, \$7,155,000 of the 2008 Series Bonds were considered in-substance defeased and the liability for those bonds was removed from the City's books. The 2008 Series Bonds were paid off during fiscal year 2019.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

On July 28, 2016, the City issued \$25,930,000 Series 2016 Sewer Revenue Refunding Bonds for the purpose of refunding \$1,225,000 of the City's 2006 Utility Revenue Bonds – Sewer Project, maturing December 1, 2017 to December 1, 2018, and \$21,425,000 of the Denham Springs Sewer District No. 1's outstanding Series 2009 Revenue Bonds, dated November 19, 2009, maturing December 1, 2020 to December 1, 2039. The net proceeds of \$25,591,997 (after payment of \$529,015 in cost of issuance) plus an additional \$191,011 of the sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2009 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 23 years by \$1,339,506 and resulted in an economic gain of \$873,179. The principal repayment on the Series 2016 Sewer Revenue Refunding Bonds are in varying amounts due on December 1 each year from 2016 through 2040 and bear an interest rate of 3.39%. The Bonds are secured by and payable from utility revenues.

The advance refunding of the Series 2006 and 2009 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,252,171, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2024, the unamortized balance is \$2,641,371. As a result of the issuance of the Sewer Revenue Refunding Bonds Series 2016, \$1,255,000 of the 2006 Series Bonds and \$21,425,000 of the 2009 Series Bonds were considered in-substance defeased and the liability for those bonds was removed from the City's books. The 2009 Series bonds were paid off during fiscal year 2020. The 2006 Series Bonds were paid off during fiscal year 2017.

Denham Springs Sewer District Number 1: On November 1, 2009, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$23,750,000 in revenue bonds on behalf of the Denham Springs Sewer District Number 1. These bonds were issued for the purpose of (1) financing the cost of acquiring, constructing, extending and improving the sewerage infrastructure within the District and (2) paying capitalized interest on the bonds for a period of eighteen months, and (3) paying the cost of issuance of the bonds. \$21,425,000 of these bonds were refunded during the 2017 fiscal year through the issuance of the Series 2016 Sewer Revenue Refunding Bonds.

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The revenue bonds outstanding at June 30, 2024, are as follows:

<u>Description/Purpose</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance June 30, 2024</u>
Business-Type Activities:				
Utility Enterprise Fund:				
2014 Utility Revenue Refunding Bonds	\$ 9,145,000	1.00 to 4.88%	12-01-2031	\$ 7,785,000
2015 Utility Revenue Refunding Bonds	\$ 9,440,000	2.00 to 4.00%	12-01-2036	6,275,000
2016 Utility Revenue Refunding Bonds	\$ 7,885,000	1.20 to 4.00%	12-01-2038	6,230,000
2016 Sewer Revenue Refunding Bonds	\$ 1,433,929	3.39%	12-01-2039	1,164,618
2021 Combined Utility Revenue Bonds	\$ 1,610,000	1.15% to 2.50%	12-01-2050	1,505,000
Denham Springs Sewer District Number 1:				
2016 Sewer Revenue Refunding Bonds	\$24,496,071	3.39%	12-01-2039	19,895,382
Total Revenue Bonds				\$42,855,000

Revenue bond debt service requirements to maturity, including interest requirements, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,040,000	\$ 1,439,649	\$ 3,479,649
2026	2,100,001	1,375,281	3,475,282
2027	2,170,001	1,307,154	3,477,155
2028	2,240,000	1,234,811	3,474,811
2029	2,305,000	1,159,986	3,464,986
2030-2034	12,725,000	4,538,283	17,263,283
2035-2039	15,175,000	2,025,764	17,200,764
2040-2044	3,619,998	134,712	3,754,710
2045-2049	335,000	39,438	374,438
2050-2052	145,000	3,688	148,688
Total Revenue Bonds	\$42,855,000	\$ 13,258,766	\$56,113,766

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

The 2014 Utility Revenue Refunding Bonds requires the following funds to be maintained:

A debt service fund designed to achieve proper mailing of principal and interest payments as due on the Revenue Bond.

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2024, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$564,180.

The 2015 Utility Revenue Refunding Bonds requires the following funds to be maintained:

A debt service fund designed to achieve proper mailing of principal and interest payments as due on the Revenue Bond.

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2024, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$34,214.

The 2016 Utility Revenue Refunding Bonds requires the following funds to be maintained:

A debt service fund designed to achieve proper mailing of principal and interest payments as due on the Revenue Bond.

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2024, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$223,728.

The 2016 Sewer Revenue Refunding Bonds requires the following funds to be maintained:

A debt service fund designed to achieve proper mailing of principal and interest payments as due on the Revenue Bonds.

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2024, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$566,638.

The 2021 Combined Utility Revenue Bonds requires the following funds to be maintained:

A debt service fund designed to achieve proper mailing of principal and interest payments as due on the Revenue Bonds.



# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2024, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$31,356.

For fiscal year end 2024, the City met the bond covenant that requires the Utility Enterprise Fund net revenues combined with the Denham Springs Sewer District Number 1 net revenues in each fiscal year equal to a least one hundred twenty-five percent of the required deposits to the debt service funds.

Changes in Long-Term Liabilities. Long-term liability activity for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 485,391	\$ 755,068	\$ 683,388	\$ 557,071	\$ 139,267
Net Pension Liability	10,653,356	11,457,221	11,388,625	10,721,952	-
Governmental Activities Long-Term Liabilities	<u>\$ 11,138,747</u>	<u>\$ 12,212,289</u>	<u>\$12,072,013</u>	<u>\$11,279,023</u>	<u>\$ 139,267</u>
Business-Type Activities:					
Revenue Bonds:					
2014 Utility Revenue Refunding Bond	\$ 8,635,000	\$ -	\$ 850,000	\$ 7,785,000	\$ 875,000
2015 Utility Revenue Refunding Bond	6,275,000	-	-	6,275,000	-
2016 Utility Revenue Refunding Bond	6,540,000	-	310,000	6,230,000	320,000
2016 Sewer Revenue Refunding Bond	21,830,000	-	770,000	21,060,000	800,000
2021 Combined Utility Revenue Bonds	1,545,000	-	40,000	1,505,000	45,000
Adjust for Deferred Amount:					
For Issuance Premiums	725,700	-	30,308	695,392	29,944
For Issuance Discounts	(14,520)	-	(403)	(14,117)	(403)
Total Bond Payable	45,536,180	-	1,999,905	43,536,275	2,069,541
Compensated Absences	220,949	249,366	243,884	226,431	56,607
Net Pension Liability	1,710,044	7,862,428	7,909,785	1,662,687	-
Business-Type Activities Long-Term Liabilities	<u>\$ 47,467,173</u>	<u>\$ 8,111,794</u>	<u>\$10,153,574</u>	<u>\$45,425,393</u>	<u>\$ 2,126,148</u>

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The internal service fund serves predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$28,194 of compensated absences for the internal service fund is included in the above amounts. Also, compensated absences and net pension liability attributable to governmental activities have been generally liquidated by the General Fund and the Motor Pool Internal Service Fund in prior years.

See Note 11 for details on the Net Pension Liability.

**(10) Customers' Deposits -**

Meter deposits are paid by customers upon application for utility services and are returnable to them upon termination of service. Receipts from meter deposits are deposited in the Utility Operating Fund and refunds of deposits on termination of service are made from the same account.

The City has a demand deposit account which is designated specifically for Customers' Deposits. At June 30, 2024, customers' deposits amounted to \$1,357,964 and the balance of the demand deposit account for Customers' Deposits amounted to \$1,447,164 and are included as Restricted Assets on the Statement of Net Position.

**(11) Pension Plans -**

The City follows the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68, as amended*. These standards revise and establish new financial reporting requirements for governments that provide their employees with pension benefits. These standards require the City to record its proportionate share of each of the pension plans net pension liability and report the following disclosures:

**General Information about the Pension Plans**

***Plan Descriptions:***

**Municipal Employees' Retirement System of Louisiana**

All permanent employees working at least 35 hours per week, not covered by another pension plan, under age 60 at date of employment, and are paid wholly or in part from City funds are eligible to participate in the Municipal Employees Retirement System (MERS) - Plan "B". The Municipal Employees' Retirement System of Louisiana is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. MERS issues a publicly available financial report that can be obtained at [www.mersla.com](http://www.mersla.com).

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

#### **Municipal Police Employees' Retirement System**

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233. MPERS issues a publicly available financial report that can be obtained at [www.lampers.org](http://www.lampers.org).

#### **Firefighters' Retirement System**

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. Membership in FRS is a condition of employment for any full-time firefighters who earn more than \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the FRS. Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251- 11:2272. Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. FRS issues a publicly available financial report that can be obtained at [www.lafirefightersret.com](http://www.lafirefightersret.com).

#### **Louisiana State Employees' Retirement System**

The judge of the City Court of Denham Springs – Ward Two (component unit) is a member of the Louisiana State Employees' Retirement System (LASERS). The City pays a portion of his salary and related benefits. LASERS is a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

#### ***Benefits Provided:***

The following is a description of the plans and their benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **Municipal Employees' Retirement System of Louisiana**

##### **1. Retirement**

Any member of Plan B who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for Retirement for Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of creditable service.
2. Age 62 with ten (10) or more years of creditable service.
3. Age 55 with thirty (30) or more years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused sick leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

#### **2. Survivor Benefits**

Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

#### **3. DROP Benefits**

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

#### **4. Disability Benefits**

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

#### **5. Cost of Living Increases**

MERS 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 MERS to grant an additional cost of living increase 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.

#### **6. Deferred Benefits**

Plan B provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

### **Municipal Police Employees' Retirement System**

#### **1. Retirement, Survivor Benefits, and Disability Benefits**

##### **Membership Prior to January 1, 2013**

A member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

#### **Membership Commencing January 1, 2013**

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of MPERS and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

## **2. Cost of Living Adjustments**

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.

Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

#### **3. DROP Benefits**

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in MPERS is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into MPERS shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of MPERS's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the MPERS's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

#### **4. Initial Benefit Option Plan**

In 1999, the State Legislature authorized MPERS to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

#### **Firefighters' Retirement System**

##### **1. Retirement**

Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3 1/3% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect the maximum benefit (unreduced benefit which ceases upon the member's death) or any of the following six other options at retirement:

1. At death, their beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, their beneficiary will receive a life annuity equal to the member's reduced retirement allowance.
3. At death, their beneficiary will receive a life annuity equal to 1/2 of the member's reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to the employee's retirement allowance limited to a spouse and/or minor or handicapped children.
5. The member can select a reduced option 2 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children or handicapped children.
6. The member can select a reduced option 3 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children.

Members that select the maximum option, or options 2 or 3 from above, can elect to receive a guaranteed 2 1/2% COLA (cost of living adjustment) every year beginning when the member reaches age 55. In exchange for this COLA, the member takes an actuarially reduced benefit upon retirement.

##### **2. Death Benefits**

If an active employee dies and is not eligible for retirement, his survivors shall be paid:

1. If the employee is not eligible to retire and dies in the line of duty, their spouse will receive monthly, an annual benefit equal to 2/3 of the employee's average final compensation. If death is not in the line of duty, the spouse will receive monthly, an



## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

annual benefit equal to 3.0% of the member's average final compensation multiplied by his total years of service; however, the benefit shall not be less than 40.0%, or more than 60.0% of the employee's average final compensation.

2. Unmarried children of deceased employees will receive the greater of \$200 or 10.0% of the member's final average compensation per month until reaching the age of 18 or until the age of 22, if enrolled full time in an institution of higher education. Any unmarried surviving child of a deceased member that has a total physical disability or an intellectual disability, regardless of age, shall receive the benefits as long as they are dependent on the surviving spouse or other legal guardian. The sum shall not exceed 100% of the member's AFC.
3. If a member, who is eligible to retire, dies before retiring, the designated beneficiary shall be paid under option 2, survivor benefit equal to member's benefit.

#### **3. Disability Benefits**

If an eligible member is officially certified as disabled by the State Medical Disability Board, he shall receive the greater retirement, if eligible for disability, as follows:

1. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60.0% of the average final compensation being received at the time of the disability.
2. Any member of FRS who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has 5 years of creditable service, but is not eligible for retirement under the provisions of R. S. 11:2256 may apply for retirement under the provisions of R.S. 11:2258 and shall be retired on 75.0% of the retirement salary to which he would be entitled under R. S. 11:2256 if he were otherwise eligible there under or 25.0% of the member's average salary, whichever is greater.
3. Any retired member or DROP plan participant who becomes disabled for any reason provided for by law shall be permitted to apply for conversion of a service retirement to a service-connected disability retirement under R.S. 11:2258(B)(1)(e).
4. Should a member who is on disability retirement die and leave a surviving spouse, the surviving spouse shall receive a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse shall receive 50% of the disability benefit being paid immediately prior to the death of the disabled retiree.

#### **4. DROP Benefits**

After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to FRS cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to FRS. No payments may be made from the deferred retirement option plan account until the participant retires.

#### **5. Initial Benefit Option**

Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

### **Louisiana State Employees' Retirement System**

#### **1. Retirement**

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

#### **2. Deferred Retirement Benefits**

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

#### **3. Disability Benefits**

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

#### **4. Survivor's Benefits**

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

#### **5. Permanent Benefit Increases/Cost of Living Adjustments**

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

#### ***Contributions:***

##### **Municipal Employees' Retirement System of Louisiana**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2024, the employer contribution rate was 15.5% and the employee rate was 5% for Plan B. Contributions to MERS from the City were \$568,862 for the year ended June 30, 2024.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$135,115 for the year ended June 30, 2024.

#### **Municipal Police Employees' Retirement System**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2024, the employer contribution rate was 33.925% and the employee rate was 10% for hazardous duty members. The employer contribution rate was 33.925% and the employee rate was 8% for non-hazardous duty members. Contributions to MPERS from the City were \$628,434 for the year ended June 30, 2024.

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$119,105 for the year ended June 30, 2024.

#### **Firefighters' Retirement System**

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2024, the employer contribution rate was 33.25% and the employee rate was 10%. Contributions to FRS from the City were \$523,674 for the year ended June 30, 2024.

FRS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$154,472 for the year ended June 30, 2024.

#### **Louisiana State Employees' Retirement System**

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2024 for the plan were 11.5% for the employee and 45.8% for the employer.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

The City's contractually required composite contribution rate for the year ended June 30, 2024 was 45.8% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$11,816 for the year ended June 30, 2024.

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

At June 30, 2024, the City reported a liability of \$12,384,639 for its proportionate share of the net pension liability of MERS, MPERS, FRS, and LASERS combined. For all plans, the net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportion at June 30, 2023 and change in proportion measured as of June 30, 2022 is as follows:

<u>Plan</u>	<u>Proportion at June 30, 2023</u>	<u>Change in Proportion</u>
MERS	4.24174%	0.27692%
MPERS	0.51643%	(0.01200%)
FRS	0.52750%	0.03385%
LASERS	0.00126%	0.00126%

For the year ended June 30, 2024, the City recognized pension expense as follows:

<u>Plan</u>	<u>Pension Expense (Benefit)</u>
MERS	\$ 573,350
MPERS	810,781
FRS	642,649
LASERS	32,177
	<u>\$ 2,058,957</u>

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	MERS	MPERS	FRS	LASERS	Total
Deferred Outflows of Resources:					
Differences between expected and actual Experience	\$ 48,875	\$ 384,326	\$ 107,491	\$ 1,826	\$ 542,518
Changes in Assumptions	-	91,045	208,327		299,372
Net difference between projected and actual earnings on pension plan investments	441,212	589,012	466,642	482	1,497,348
Changes in proportion and differences between Employer contributions and proportionate share of contributions	132,606	33,156	184,577	2,177	352,516
Employer contributions subsequent to the measurement date	568,862	628,434	523,674	11,816	1,732,786
Total Deferred Outflows of Resources	<u>\$ 1,191,555</u>	<u>\$ 1,725,973</u>	<u>\$ 1,490,711</u>	<u>\$ 16,301</u>	<u>\$ 4,424,540</u>
Deferred Inflows of Resources:					
Differences between expected and actual Experience	\$ 1,190	\$ 2,287	\$ 117,955	\$ -	\$ 121,432
Changes in proportion and differences between Employer contributions and proportionate share of contributions	54,734	74,627	143,677	(17,849)	255,189
Total Deferred Inflows of Resources	<u>\$ 55,924</u>	<u>\$ 76,914</u>	<u>\$ 261,632</u>	<u>\$ (17,849)</u>	<u>\$ 376,621</u>

\$1,732,786 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	MERS	MPERS	FRS	LASERS	Total
2024	\$ 161,161	\$ 348,364	\$ 130,815	\$ 22,331	\$ 662,671
2025	135,806	138,902	76,628	(3,046)	348,290
2026	288,498	562,632	424,019	4,154	1,279,303
2027	(18,696)	(29,273)	2,641	(1,105)	(46,433)
2028	-	-	31,565	-	31,565
Thereafter	-	-	39,737	-	39,737
	<u>\$ 566,769</u>	<u>\$ 1,020,625</u>	<u>\$ 705,405</u>	<u>\$ 22,334</u>	<u>\$ 2,315,133</u>

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

### *Actuarial Assumptions:*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 for all plans are as follows:

	MERS	MPERS	FRS	LASERS
Inflation	2.50%	2.50%	2.50%	2.30%
Investment rate of return	6.85%	6.750%	6.90%	7.25%
	Vary from 7.4% in first 4 years of service to 4.9% after 4 years	Vary from 12.3% in first 2 years of service to 4.7% after 2 years	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	2.6% to 5.1%
Salary increases				

For MERS, the annuitant and beneficiary mortality rates were based on the PubG-2010(B) Healthy Retiree Table (set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales), the PubG-2010(B) Employee Table (set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales), and the PubNS-2010(B) Disabled Retiree Table (set equal to 120% for males and females with the full generational MP2018 scale).

For MPERS, the mortality rates were based on the Pub-2010 Public Retirement Plan Mortality Table (set equal to 115% for males and 125% for females, each adjusted using their respective male and female MP2019 scales) for healthy annuitants and beneficiaries, Pub-2010 Public Retirement Plans Mortality table for Safety Disable Retirees (set equal to 105% for males and 115% for females, each adjusted using their respective male and female MP2019 scale) for disabled lives, and Pub-2010 Public Retirement Plans Mortality Table Safety Below-Median Employees for active members (set equal to 115% for males and 125% for females using the MP2019 scale).

For FRS, mortality assumptions were based on Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for active members, Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees for annuitants and beneficiaries, and Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees for disabled retirees, all set to 105% for males and 115% for females, each adjusted using the full generational MP2019 scale.

For LASERS, mortality rates were based on RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members.



## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

For all plans' cost of living adjustments, the present value of future retirement benefits is based on benefits currently being paid by the Systems and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

For MERS, 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 and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the MERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	56%	2.44%
Public Fixed Income	29%	1.26%
Alternative	15%	0.65%
Total	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

For MPERS, 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 rates of return is 7.90% for the year ended June 30, 2023. Best estimates of arithmetic real rates of return for each major asset class included in the MPERS's target asset allocation as of June 30, 2023 are summarized in the following table:

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity	52%	3.29%
Fixed Income	34%	1.12%
Alternative	14%	0.95%
Total	100%	5.36%
Inflation		2.54%
Expected Arithmetic Nominal Return		7.90%

For FRS, 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 rates of return is 6.90% for the year ended June 30, 2023 . Best estimates of arithmetic real rates of return for each major asset class included in the FRS's target asset allocation as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Fixed Income:		
U.S. Core Fixed Income	20%	1.89%
U.S. TIPS	2%	1.72%
Emerging Market Debt	2%	4.30%
Multisector Fixed Income	2%	0.00%
Equity:		
U.S. Equity	29.50%	6.24%
Non-U.S. Equity	11.50%	6.49%
Global Equity	10%	6.49%
Emerging Market Equity	5%	8.37%
Alternative:		
Real Estate	6%	4.41%
Private Equity/Debt	9%	9.57%
Real Assets	3%	5.62%
Multi-Asset Strategies:		
Global Tactical Asset Allocation	0%	4.02%
Total	100%	

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

For LASERS the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Cash	0%	0.80%
Domestic Equity	34%	4.45%
International Equity	18%	5.44%
Domestic Fixed Income	3%	2.04%
International Fixed Income	17%	5.33%
Alternative Investments	28%	8.19%
Total	100%	5.75%

#### ***Discount Rate***

For MERS, the discount rate used to measure the total pension liability was 6.85% which was consistent with the prior measurement date of June 30, 2022. For MPERS, the discount rate used to measure the total pension liability was 6.75% which was consistent with the prior measurement date of June 30, 2022. For FRS, the discount rate used to measure the total pension liability was 6.90% which was consistent with the prior measurement date of June 30, 2022. The discount rate used to measure the total pension liability was 7.25% for LASERS which was consistent with the prior measurement date of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

The following presents the City's proportionate share of the net pension liability calculated using the current discount rate, as well as what the City's proportionate share of the net pension liability 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 as of June 30, 2023 for MERS, MPERS, FRS, and LASERS:

<b>MERS:</b>	Changes in Discount Rate		
	Plan B:		
	1% Decrease	Current Discount Rate	1% Increase
	5.850%	6.850%	7.850%
Net pension liability (asset)	\$ 4,806,041	\$ 3,401,281	\$ 2,213,085
<b>MPERS:</b>	Changes in Discount Rate		
	Current Discount Rate		
	1% Decrease	Rate	1% Increase
	5.750%	6.750%	7.750%
Net pension liability (asset)	\$ 7,677,012	\$ 5,456,056	\$ 3,600,666
<b>FRS:</b>	Changes in Discount Rate		
	Current Discount Rate		
	1% Decrease	Rate	1% Increase
	5.90%	6.90%	7.90%
Net pension liability (asset)	\$ 5,311,356	\$ 3,442,897	\$ 1,884,518
<b>LASERS:</b>	Changes in Discount Rate		
	Current Discount Rate		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ 110,522	\$ 84,405	\$ 62,279

### ***Pension Plans Fiduciary Net Position***

MERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the audit report can be found on the System's website: [www.mersla.com](http://www.mersla.com) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

MEPRS issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the audit report can be found on the System's website: [www.lampers.org](http://www.lampers.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

FRS issued a stand-alone audit report on its financial statements for the year ended June 30, 2023. Access to the audit report can be found on the System's website: [www.lafirefightersret.com](http://www.lafirefightersret.com) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2023 Annual Comprehensive Financial Report at [www.lasersonline.org](http://www.lasersonline.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

#### **Payables to the Pension Plans**

At June 30, 2024 included in liabilities are payables to the pension plans as follows: MERS \$58,481, MPERS \$66,009, FRS \$52,902, and LASERS \$1,232. These payables are normal legally required contributions to the pension plans.

#### **Component Units**

City Court of Denham Springs – Ward Two and Marshal of City Court of Denham Springs – Ward Two

#### **General Information about the Pension Plans**

##### ***Plan Descriptions:***

##### **Parochial Employees Retirement System of Louisiana**

Employees of the City Court of Denham Springs – Ward Two (the Court) and the Marshal of City Court of Denham Springs – Ward Two (the Marshal) may elect to be members of the Parochial Employees' Retirement System (PERS) - Plan "B", a cost-sharing multiple-employer defined benefit plan administered by the Parochial Employees' Retirement System of Louisiana. PERS was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute. PERS – Plan “B” was designed for those employers that contribute to Social Security. PERS issues a publicly available financial report that can be obtained at [www.persla.org](http://www.persla.org).

##### **Louisiana State Employees' Retirement System**

The judge of the City Court of Denham Springs – Ward Two is a member of the Louisiana State Employees' Retirement System (LASERS). See pages 81 to 83 for plan description and benefits provided by LASERS.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

#### **Municipal Employees' Retirement System of Louisiana**

All permanent employees of the Marshal working at least 35 hours per week, not covered by another pension plan, under age 60 at date of employment, and are paid wholly or in part from City funds are eligible to participate in the Municipal Employees Retirement System (MERS) - Plan "B". See pages 74 to 76 for plan description and benefits provided by MERS.

#### ***Benefits Provided:***

The following is a description of the PERS and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **Parochial Employees Retirement System of Louisiana**

##### **1. Retirement**

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System. Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

- 1 - Age 55 with thirty (30) years of creditable service.
- 2 - Age 60 with a minimum of ten (10) years of creditable service.
- 3 - Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

- 1 - Age 55 with thirty (30) years of creditable service.
- 2 - Age 62 with a minimum of ten (10) years of creditable service.
- 3 - Age 67 with a minimum of seven (7) years of creditable service.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

##### **2. Survivor Benefits**

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

#### **3. Deferred Retirement Option Plan**

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

#### **4. Disability Benefits**

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

#### **5. Cost of Living Increases**

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. 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. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

#### ***Contributions:***

##### **Parochial Employees Retirement System of Louisiana**

According to state statute, contributions for all employers are actuarially determined each year. The required contribution rate for the period July 1, 2023 to June 30, 2024 was 7.5%. Employees were required to contribute 3% of their annual salary for both periods. Contributions to PERS from the Court were \$18,303 for the year ended June 30, 2024.

According to state statute, PERS also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. For the Court, the amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$2,367 for the year ended June 30, 2024. For the Marshal, the amount of non-employer contributions recognized in the government-wide governmental activities statement of activities was \$816 for the year ended June 30, 2024.

##### **Louisiana State Employees' Retirement System**

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. Contributions to the pension plan from the Court were \$38,715 for the year ended June 30, 2024.

##### **Municipal Employees' Retirement System of Louisiana**

According to state statute, contribution requirements for all employees are actuarially determined each year. Contributions to the plan are required and are expressed as a percentage of covered payroll. The employer contribution rates in effect for the year ended June 30, 2024 for the Municipal Employees' Retirement System Plan B is 15.50%.



# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

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

At June 30, 2024, the Court reported a net pension liability of \$1,348 for its proportionate share of PERS and a net pension liability of \$235,545 for its proportionate share of LASERS. At June 30, 2024, the Marshal reported a net pension liability of \$465 for its proportionate share of the net pension asset of PERS and a net pension liability of \$180,817 for its proportionate share of the Municipal Employees Retirement System. For PERS, the net pension asset/liability was measured as of December 31, 2023 and the total pension asset/liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For LASERS, the net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For MERS, the new pension asset/liability was measured as of June 30, 2023, and was determined by actuarial valuation as of that date. The Court and the Marshal's proportion of the net pension asset/liability was based on a projection of the Court and the Marshal's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2023, the Court's proportion was .134388% for PERS which was a decrease of .3398% from its proportion measured as of December 31, 2022. At June 30, 2023, the Court's proportion was .00352% for LASERS which was an increase of .00098% from its proportion measured as of June 30, 2022. At December 31, 2023, the Marshal's proportion was .046323% for PERS and .225496% for MERS.

For the year ended June 30, 2024, the Court recognized pension expense of \$8,577 for PERS and pension expense of \$35,461 for LASERS. For the year ended June 30, 2024, the Marshal recognized pension expense of \$5,282 for PERS and pension expense of \$31,106 for MERS.

At June 30, 2024, the Court and the Marshal reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City Court of Denham Springs - Ward Two			Marshal City Court of Denham Springs - Ward Two		
	PERS	LASERS	Total	PERS	MERS	Total
Deferred Outflows of Resources:						
Differences between expected and actual Experience	\$ 4,362	\$ 5,099	\$ 9,461	\$ 1,504	\$ 2,598	\$ 4,102
Changes in Assumptions	2,354	-	2,354	811	-	811
Net difference between projected and actual earnings on pension plan investments	18,286	1,347	19,633	6,303	23,456	29,759
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,682	62,651	65,333	9,868	7,050	16,918
Employer contributions subsequent to the measurement date	10,096	38,715	48,811	-	63,248	63,248
Total Deferred Outflows of Resources	\$ 37,780	\$ 107,812	\$ 145,592	\$ 18,486	\$ 96,352	\$ 114,838

(CONTINUED)

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

	<u>City Court of Denham Springs - Ward Two</u>			<u>Marshal City Court of Denham Springs - Ward Two</u>		
	<u>PERS</u>	<u>LASERS</u>	<u>Total</u>	<u>PERS</u>	<u>MERS</u>	<u>Total</u>
Deferred Inflows of Resources:						
Differences between expected and actual Experience	\$ 3,392	\$ -	\$ 3,392	\$ 1,169	\$ 63	\$ 1,232
Changes in Assumptions	-	-	-	278	-	278
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,573	364	1,937	-	1,794	1,794
Total Deferred Inflows of Resources	<u>\$ 4,965</u>	<u>\$ 364</u>	<u>\$ 5,329</u>	<u>\$ 1,447</u>	<u>\$ 1,857</u>	<u>\$ 3,304</u>

\$48,811 and \$63,248 reported as deferred outflows of resources related to pensions resulting from the Court and the Marshal's, respectively, contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>City Court of Denham Springs - Ward Two</u>			<u>Marshal City Court of Denham Springs - Ward Two</u>		
<u>Year ended June 30:</u>	<u>PERS</u>	<u>LASERS</u>	<u>Total</u>	<u>PERS</u>	<u>MERS</u>	<u>Total</u>
2025	\$ 1,785	\$ 68,725	\$ 70,510	\$ 3,696	\$ 9,148	\$ 12,844
2026	11,152	(8,206)	2,946	6,981	7,755	14,736
2027	17,555	11,601	29,156	9,038	15,337	24,375
2028	(7,773)	(3,387)	(11,160)	(2,676)	(993)	(3,669)
	<u>\$ 22,719</u>	<u>\$ 68,733</u>	<u>\$ 91,452</u>	<u>\$ 17,039</u>	<u>\$ 31,247</u>	<u>\$ 48,286</u>

### ***Actuarial Assumptions:***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023 for PERS and as of June 30, 2023 for LASERS and MERS are as follows:

	<u>PERS</u>	<u>LASERS</u>	<u>MERS</u>
Inflation	2.30%	2.30%	2.50%
Investment rate of return	6.40% (net of investment expense)	7.25% (net of investment expense)	6.85% (net of investment expense)
Salary increases	4.25% (2.30% Inflation, 1.95% Merit)	2.6% to 5.1%	4.9% to 7.4%

For PERS, mortality rates were based Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

For PERS and LASERS' cost of living adjustments, the present value of future retirement benefits is based on benefits currently being paid by the Systems and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

For PERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates 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 rates 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% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.50% for the year ended December 31, 2023. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Fixed Income	33%	1.12%
Equity	51%	3.20%
Alternative	14%	0.67%
Real Assets	2%	0.11%
Total	<u>100%</u>	<u>5.10%</u>
Inflation		<u>2.40%</u>
Expected Arithmetic Nominal Return		<u>7.50%</u>

For LASERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0%	0.80%
Domestic Equity	34%	4.45%
International Equity	18%	5.46%
Domestic Fixed Income	3%	2.04%
International Fixed Income	17%	5.33%
Alternative Investments	28%	8.19%
Total	<u>100%</u>	<u>5.75%</u>

For MERS, the long-term expected rate of return on pension plan investment was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 6.85%, for the year ended June 30, 2023. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	56%	2.44%
Public Fixed Income	29%	1.26%
Alternatives	15%	0.65%
Total	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.50%</u>
Expected Arithmetic Nominal Return		<u>6.85%</u>

### ***Discount Rate***

For PERS, the discount rate used to measure the total pension liability was 6.40% which was same as the prior measurement date of December 31, 2022. For LASERS, the discount rate used to measure the total pension liability was 7.25% which was the same as the prior measurement date of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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.

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

The following presents the Court and the Marshal's proportionate share of the net pension liability calculated using the current discount rate, as well as what the Court and Marshal's proportionate share of the net pension liability 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 as of December 31, 2023 for PERS and as of June 30, 2023 for LASERS and MERS:

#### City Court of Denham Springs - Ward Two

<b>PERS:</b>	Changes in Discount Rate		
	Plan B:		
	Current Discount		
	1% Decrease 5.40%	Rate 6.40%	1% Increase 7.40%
Net pension liability (asset)	\$ 77,141	\$ 1,348	\$ (62,085)

<b>LASERS:</b>	Changes in Discount Rate		
	Current Discount		
	1% Decrease 6.25%	Rate 7.25%	1% Increase 8.25%
	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ 308,427	\$ 235,545	\$ 173,799

#### Marshal of City Court of Denham Springs - Ward Two

<b>PERS:</b>	Changes in Discount Rate		
	Plan B:		
	Current Discount		
	1% Decrease 5.40%	Rate 6.40%	1% Increase 7.40%
Net pension liability (asset)	\$ 18,737	\$ 465	\$ (15,080)

<b>MERS:</b>	Changes in Discount Rate		
	Current Discount		
	1% Decrease 5.85%	Rate 6.85%	1% Increase 7.85%
	5.85%	6.85%	7.85%
Net pension liability (asset)	\$ 255,496	\$ 180,817	\$ 117,651

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

#### ***Pension Plans Fiduciary Net Position***

PERS issued a stand-alone audit report on its financial statements for the year ended December 31, 2023. Access to the audit report can be found on the System's website: [www.persla.org](http://www.persla.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2023 Annual Comprehensive Financial Report at [www.lasersonline.org](http://www.lasersonline.org) or on the Office of Louisiana Legislative Auditor's official website: [www.la.state.la.us](http://www.la.state.la.us).

#### **Payables to the Pension Plans**

For the City Court of Denham Springs - Ward Two, included in liabilities at June 30, 2024 is a payable in the amount of \$7,026 to PERS and \$4,034 to LASERS. These payables are normal legally required contributions to the pension plan.

For the Marshal of City Court for Denham Springs – Ward Two, there is no payable to MERS at June 30, 2024.

#### **(12) Deferred Compensation Plan -**

The City offers its employees a deferred compensation plan created in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and Section 457 of the Internal Revenue Code of 1954. The Louisiana Public Employees' Deferred Compensation Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, the City established a custodial account with a third party administrator who will hold the assets and income of the plan.

At June 30, 2024, assets totaling \$94,880 are held by Empower, a deferred compensation center.

Compensation deferred under this plan for the fiscal year ended June 30, 2024, amounted to \$15,000.

#### **(13) Litigation -**

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City of Denham Springs.

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

**(14) Intergovernmental Revenue -**

GASB No. 24 requires government employers to disclose the amount recognized in the financial statements for on-behalf payments of salaries and fringe benefits.

Supplementary salary payments are made by the State of Louisiana directly to certain groups of the City's employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended June 30, 2024, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$361,120.

**(15) Risk Management -**

The City is exposed to various risks of loss related to torts theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City maintains commercial insurance for all risks of loss, including (1) Worker's Compensation, (2) Public Official Bonds and Employees Liability, (3) Business Auto Liability, (4) Umbrella coverage, (5) Law Enforcement Professional Liability, (6) Fire and Extended coverage and (7) Flood Insurance.

**(16) Mayor and Council Members' Compensation -**

The following list includes the compensation paid to the Mayor and Council Members for the year ended June 30, 2024. The current terms of the Mayor and Council Members expire on December 31, 2026.

H. Gerard Landry, Mayor 516 Cedar Street Denham Springs, Louisiana 70726 Telephone: 665-8121 - Term Began: January 1, 2023	\$ 94,911
Lori Lamm-Williams, Council Member 1565 River Run Drive Denham Springs, Louisiana 70726 Telephone: 445-0273 - Term Began: January 1, 2023	\$ 12,000
Jeffery Wesley, Council Member 340 Pine Street Denham Springs, Louisiana 70726 Telephone: 921-4306 - Term Began: January 1, 2023	\$ 12,000
Robert Poole, Council Member 1403 Weeping Willow Drive Denham Springs, Louisiana 70726 Telephone: 939-3526 - Term Began: January 1, 2023	\$ 12,000
Jim Gilbert, Council Member 238 N. College St. Denham Springs, Louisiana 70726 Telephone: 278-3366 - Term Began: January 1, 2023	\$ 12,000
Amber Dugas, Council Member 210 Carroll Street Denham Springs, Louisiana 70726 Telephone: 933-5762 - Term Began: January 1, 2023	\$ 12,000

# CITY OF DENHAM SPRINGS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

**(17) Schedule of Compensation, Benefits and Other Payments to Mayor -**

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by H. Gerard Landry, Mayor, the acting agency head for the year ended June 30, 2024:

Purpose	H. Gerard Landry
Salary	\$ 94,911
Benefits-insurance	219
Benefits-retirement	14,711
Vehicle provided by government	750
	<u>\$ 110,591</u>

**(18) Schedule of Business-Type Activities Net Income (Loss) from Operations by Department for the Fiscal Year Ended June 30, 2024 -**

	Gas Department	Water Department	Sewer Department	Sanitation Department	Total Utility Enterprise Fund	Denham Springs Sewer District Number 1
<b>Operating Revenues:</b>						
Charges for Services	\$ 5,064,954	\$ 4,538,820	\$ 3,095,588	\$ 1,103,920	\$ 13,803,282	\$ 1,690,120
Delinquent Charges	73,491	65,858	44,917	16,018	200,284	-
Miscellaneous	-	95,680	105	-	95,785	-
Total Operating Revenues	5,138,445	4,700,358	3,140,610	1,119,938	14,099,351	1,690,120
<b>Operating Expenses:</b>						
Direct	2,776,242	1,789,585	2,700,550	980,901	8,247,278	1,176,541
General and Administrative	680,270	611,146	1,053,181	99,149	2,443,746	199,398
Total Operating Expenses	3,456,512	2,400,731	3,753,731	1,080,050	10,691,024	1,375,939
Operating Income (Loss) by						
Department	1,681,933	2,299,627	(613,121)	39,888	3,408,327	314,181
Nonoperating Revenues	123,734	156,629	184,359	-	464,722	32,203
Nonoperating Expenses	(34,444)	(227,244)	(662,103)	-	(923,791)	(776,829)
Capital Contributions	41,425	1,200,251	504,265	-	1,745,941	187,458
Change in Net Position					4,695,199	(242,987)
Business-Type Activities						
Departmental Net Income (Loss)	<u>\$ 1,812,648</u>	<u>\$ 3,429,263</u>	<u>\$ (586,600)</u>	<u>\$ 39,888</u>		
Change in Net Position						
Business-Type Activities					<u>\$ 4,695,199</u>	<u>\$ (242,987)</u>



**CITY OF DENHAM SPRINGS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2024

**(19) Schedule of Business-Type Activities Operating Expenses by Department  
for the Fiscal Year Ended June 30, 2024 -**

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Sanitation Department</u>	<u>Total Utility Enterprise Fund</u>	<u>Denham Springs Sewer District Number 1</u>
<b>Direct Expenses:</b>						
Natural Gas Purchases	\$ 965,718	\$ -	\$ -	\$ -	\$ 965,718	\$ -
Direct Labor	709,744	539,978	694,680	-	1,944,402	-
Chlorinator Expense	-	36,305	-	-	36,305	-
Depreciation	235,010	571,690	1,210,641	5,489	2,022,830	477,153
Utilities	8,577	185,134	260,879	-	454,590	146,823
Equipment Expenses	79,510	41,366	103,641	-	224,517	-
Equipment Rental	4,367	22,265	1,764	-	28,396	280
Lab Fees	-	-	42,972	-	42,972	17,091
Maintenance	629,247	236,483	625,820	-	1,491,550	280,407
Meter Reading	106,546	147,136	-	-	253,682	-
Meter Repairs	12,893	-	-	-	12,893	-
Overhead Allocation	-	-	(254,126)	-	(254,126)	254,126
Small Tools and Supplies	24,630	9,228	14,279	-	48,137	661
Subcontract Disposal Service	-	-	-	975,412	975,412	-
	<u>2,776,242</u>	<u>1,789,585</u>	<u>2,700,550</u>	<u>980,901</u>	<u>8,247,278</u>	<u>1,176,541</u>
<b>General and Administrative Expenses:</b>						
Office Salaries	101,677	142,585	80,953	53,408	378,623	41,444
Payroll Taxes, Retirement and Group Insurance	313,106	262,519	266,972	23,298	865,895	18,079
Utilities	12,434	544	-	-	12,978	-
Flood Expenses	-	12,254	66,280	-	78,534	-
Maintenance and Repairs	4,685	-	638	-	5,323	-
Insurance	65,256	77,582	120,545	9,921	273,304	12,487
Miscellaneous	95,939	24,335	227,241	5,445	352,960	99,222
Office Expense	38,221	33,293	20,132	257	91,903	201
Professional Fees	17,828	41,136	246,225	6,158	311,347	27,451
Telephone	31,124	16,898	24,195	662	72,879	514
	<u>680,270</u>	<u>611,146</u>	<u>1,053,181</u>	<u>99,149</u>	<u>2,443,746</u>	<u>199,398</u>
<b>Total Operating Expenses</b>	<u><u>\$ 3,456,512</u></u>	<u><u>\$ 2,400,731</u></u>	<u><u>\$ 3,753,731</u></u>	<u><u>\$ 1,080,050</u></u>	<u><u>\$ 10,691,024</u></u>	<u><u>\$ 1,375,939</u></u>

**CITY OF DENHAM SPRINGS**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2024

**(20) Schedule of Business-Type Activities Operating Expenses by  
Function for the Fiscal Year Ended June 30, 2024 -**

	Total Utility Enterprise Fund	Denham Springs Sewer District Number 1
<b>Personal Services and Benefits:</b>		
Direct Labor	\$ 1,944,402	\$ -
Office Salaries	378,623	41,444
Payroll Taxes, Retirement and Group Insurance	865,895	18,079
	<u>3,188,920</u>	<u>59,523</u>
<b>Contractual Services:</b>		
Chlorinator Expense	36,305	-
Equipment Rental	28,396	280
Lab Fees	42,972	17,091
Meter Reading	253,682	-
Subcontract Disposal Service	975,412	-
Professional Fees	311,347	27,451
	<u>1,648,114</u>	<u>44,822</u>
<b>Cost of Materials:</b>		
Natural Gas Purchases	965,718	-
<b>Utilities:</b>		
Utilities (Direct)	454,590	146,823
Utilities (General)	12,978	-
Telephone	72,879	514
	<u>540,447</u>	<u>147,337</u>
<b>Repair and Maintenance:</b>		
Equipment Expenses	224,517	-
Flood Expenses	78,534	-
Maintenance	1,491,550	280,407
Meter Repairs	12,893	-
Maintenance and Repairs	5,323	-
	<u>1,812,817</u>	<u>280,407</u>
<b>Supplies:</b>		
Small Tools and Supplies	48,137	661
Office Expense	91,903	201
Miscellaneous	352,960	99,222
	<u>493,000</u>	<u>100,084</u>
<b>Insurance</b>	273,304	12,487
<b>Depreciation</b>	2,022,830	477,153
<b>Overhead Allocation</b>	(254,126)	254,126
Total Operating Expenses	<u><u>\$ 10,691,024</u></u>	<u><u>\$ 1,375,939</u></u>

## CITY OF DENHAM SPRINGS

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024

#### **(21) Restricted Net Position -**

##### Primary Government:

##### *Governmental Activities:*

At June 30, 2024, the City has \$1,513,699 in Restricted Net Position for cemetery care for the perpetual care of the municipal cemetery. At June 30, 2024, the City also has Restricted Net Position that are restricted to specific purposes (witness fees \$185,720 and Lakeland Acres Subdivision 1994 paving certificates debt service of \$3,269).

##### *Business-Type Activities:*

At June 30, 2024, the City has \$1,779,487 in Restricted Net Position, restricted for debt service. This represents the City's funds restricted by revenue bond debt covenants and contracts with customers for deposits less liabilities related to these restricted funds. A liability relates to restricted assets if the asset results from incurring the liability or if the liability will be liquidated with the restricted assets.

##### Component Units:

##### City Court of Denham Springs – Ward II

At June 30, 2024, the City Court of Denham Spring – Ward II has \$279,842 in Restricted Net Position, restricted for civil fees.

#### **(22) Subsequent Events -**

On November 5, 2024, a special election was held on a proposed hotel occupancy tax of up to 6.75% to be levied on all hotel rooms within the boundaries of the Denham Springs city limits. The proposition passed, with 70.17% of voters electing to pass the tax. An estimated \$503,110 is to be collected each year, beginning April 1, 2025. This tax can only be used to fund salaries and benefits for the police and fire departments. Each department will receive 50% of the tax collected, after allowed collections fees are paid. This tax will exist in perpetuity.

City management has evaluated subsequent events through December 30, 2024, the date which the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DENHAM SPRINGS**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2024\***

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b><u>Primary Government</u></b>					
<b><u>Municipal Employees' Retirement System of Louisiana:</u></b>					
2015	5.06169%	\$ 2,376,447	\$ 3,557,043	66.81%	76.94%
2016	5.24720%	3,566,246	3,640,848	97.95%	68.71%
2017	4.76559%	3,950,241	3,504,307	112.73%	63.34%
2018	4.34626%	3,760,529	3,226,030	116.57%	62.49%
2019	4.27112%	3,612,648	3,165,219	114.14%	65.60%
2020	4.19798%	3,672,448	3,209,205	114.43%	66.14%
2021	4.14999%	3,760,826	3,216,120	116.94%	66.26%
2022	4.10229%	2,376,501	3,155,466	75.31%	79.14%
2023	3.96482%	3,481,046	3,187,571	109.21%	69.56%
2024	4.24174%	3,401,281	3,447,112	98.67%	73.25%
<b><u>Municipal Police Employees' Retirement System:</u></b>					
2015	0.60299%	\$ 3,772,330	\$ 1,735,777	217.33%	75.10%
2016	0.63557%	4,979,059	1,698,319	293.18%	70.73%
2017	0.60684%	5,687,838	1,696,936	335.18%	66.04%
2018	0.52585%	4,590,865	1,565,808	293.19%	70.08%
2019	0.55681%	4,707,297	1,643,294	286.45%	71.89%
2020	0.53519%	4,860,385	1,671,338	290.81%	71.01%
2021	0.51718%	4,779,939	1,594,737	299.73%	70.94%
2022	0.52282%	2,786,895	1,594,848	174.74%	84.09%
2023	0.52843%	5,401,462	1,631,515	331.07%	70.80%
2024	0.51643%	5,456,056	1,748,434	312.05%	71.30%
<b><u>Firefighters' Retirement System:</u></b>					
2015	0.67926%	\$ 3,022,630	\$ 1,319,503	229.07%	76.02%
2016	0.63720%	3,439,056	1,354,171	253.96%	72.45%
2017	0.57365%	3,752,164	1,293,446	290.09%	68.16%
2018	0.54858%	3,144,395	1,280,871	245.49%	73.55%
2019	0.51802%	2,979,713	1,233,341	241.60%	74.76%
2020	0.53389%	3,343,196	1,290,354	259.09%	73.96%
2021	0.50326%	3,488,337	1,252,903	278.42%	72.61%
2022	0.49089%	1,739,656	1,231,302	141.29%	86.78%
2023	0.49365%	3,480,892	1,271,820	273.69%	74.68%
2024	0.52750%	3,442,897	1,416,041	243.14%	77.69%
<b><u>Louisiana State Employees' Retirement System:</u></b>					
2015	0.00143%	\$ 89,667	\$ 25,800	347.55%	65.02%
2016	0.00139%	94,692	25,800	367.02%	62.66%
2017	0.00146%	114,400	25,800	443.41%	57.73%
2018	0.00146%	103,039	25,800	399.38%	62.50%
2019	0.00141%	96,226	25,800	372.97%	71.02%
2020	0.00135%	97,875	25,800	379.36%	62.90%
2021	0.00130%	107,850	25,800	418.02%	58.00%
2022	0.00406%	74,304	25,800	288.00%	72.80%
2023	0.00000%	-	19,923	0.00%	63.65%
2024	0.00126%	84,405	23,095	365.47%	68.42%

\*For MERS, MPERS, FRS, and LASERS, the amounts presented have a measurement date of the previous fiscal year end.

(CONTINUED)

**CITY OF DENHAM SPRINGS**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2024\***

Fiscal Year	Employer's Proportion of the Net Pension (Asset) Liability	Employer's Proportionate Share of the Net Pension (Asset) Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Component Units</b>					
<b>City Court of Denham Springs - Ward Two</b>					
<b>Parochial Employees' Retirement System of Louisiana:</b>					
2015	0.29291%	\$ 813	\$ 246,552	0.33%	99.89%
2016	0.29465%	52,461	283,195	18.52%	93.48%
2017	0.29392%	38,182	292,795	13.04%	95.50%
2018	0.27963%	(35,183)	195,825	(17.97%)	101.97%
2019	0.19338%	52,245	176,875	29.54%	91.93%
2020	0.20249%	(14,650)	224,997	(6.51%)	102.04%
2021	0.18544%	(47,607)	187,245	(25.42%)	106.75%
2022	0.14912%	(83,329)	148,405	(56.15%)	114.20%
2023	0.16779%	39,948	190,789	20.94%	94.26%
2024	0.13439%	1,348	228,081	0.59%	99.77%
<b>Louisiana State Employees' Retirement System:</b>					
2015	0.00352%	\$ 219,914	\$ 63,270	347.58%	65.02%
2016	0.00348%	236,827	64,800	365.47%	62.66%
2017	0.00376%	295,256	66,600	443.33%	57.73%
2018	0.00382%	268,883	68,000	395.42%	62.54%
2019	0.00381%	259,839	69,600	373.33%	64.30%
2020	0.00382%	276,793	70,008	395.37%	62.90%
2021	0.00353%	292,120	73,000	400.16%	58.00%
2022	0.00406%	223,241	73,160	305.14%	72.80%
2023	0.00202%	152,486	77,490	196.78%	63.65%
2024	0.00300%	235,545	80,400	292.97%	68.40%
<b>Marshal of City Court of Denham Springs - Ward Two</b>					
<b>Parochial Employees' Retirement System of Louisiana:</b>					
2015	0.30483%	\$ 847	\$ 282,454	0.30%	99.89%
2016	0.22881%	40,739	272,908	14.93%	93.48%
2017	0.18856%	24,469	155,960	15.69%	95.50%
2018	0.14494%	(18,036)	146,976	(12.27%)	101.97%
2019	0.22533%	60,877	235,737	25.82%	91.93%
2020	0.19871%	(14,376)	220,780	(6.51%)	102.04%
2021	0.14609%	(37,505)	167,317	(22.42%)	106.75%
2022	0.16899%	(94,432)	193,016	(48.92%)	114.20%
2023	0.17188%	40,924	257,951	15.87%	94.26%
2024	0.04632%	465	94,100	0.49%	99.77%
<b>Municipal Employees Retirement System of Louisiana:</b>					
2024	0.22550%	\$ 180,817	\$ 101,691	177.81%	73.25%

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

\*For PERS, the amounts presented were determined as of the calendar year-end that occurred within the fiscal year. For LASERS and MERS, the amounts presented have a measurement date of the previous fiscal year end.

See independent auditor's report.

**CITY OF DENHAM SPRINGS**  
**SCHEDULE OF CONTRIBUTIONS BY PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<b><u>Primary Government</u></b>					
<b><u>Municipal Employees' Retirement System of Louisiana:</u></b>					
2015	\$ 345,881	\$ 345,881	\$ -	\$ 3,640,848	9.50%
2016	332,625	332,625	-	3,501,307	9.50%
2017	354,864	354,864	-	3,226,030	11.00%
2018	419,393	419,393	-	3,165,219	13.25%
2019	449,289	449,289	-	3,209,205	14.00%
2020	450,257	450,257	-	3,216,120	14.00%
2021	489,098	489,098	-	3,155,466	15.50%
2022	494,074	494,074	-	3,187,571	15.50%
2023	534,302	534,302	-	3,447,112	15.50%
2024	568,862	568,862	-	3,670,078	15.50%
<b><u>Municipal Police Employees' Retirement System:</u></b>					
2015	\$ 535,536	\$ 535,536	\$ -	\$ 1,698,319	31.53%
2016	501,470	501,470	-	1,696,936	29.55%
2017	498,418	498,418	-	1,565,808	31.83%
2018	505,310	505,310	-	1,643,294	30.75%
2019	539,004	539,004	-	1,671,338	32.25%
2020	519,163	519,163	-	1,594,737	32.55%
2021	538,261	538,261	-	1,594,848	33.75%
2022	485,376	485,376	-	1,631,515	29.75%
2023	546,386	546,386	-	1,748,434	31.25%
2024	628,434	628,434	-	1,852,423	33.92%
<b><u>Firefighters' Retirement System:</u></b>					
2015	\$ 396,096	\$ 396,096	\$ -	\$ 1,354,171	29.25%
2016	352,464	352,464	-	1,293,446	27.25%
2017	323,419	323,419	-	1,280,871	25.25%
2018	326,833	326,833	-	1,233,341	26.50%
2019	341,944	341,944	-	1,290,354	26.50%
2020	347,681	347,681	-	1,252,903	27.75%
2021	397,095	397,095	-	1,231,302	32.25%
2022	429,240	429,240	-	1,271,820	33.75%
2023	470,834	470,834	-	1,416,041	33.25%
2024	523,674	523,674	-	1,574,959	33.25%
<b><u>Louisiana State Employees' Retirement System:</u></b>					
2015	\$ 10,707	\$ 10,707	\$ -	\$ 25,800	41.50%
2016	9,830	9,830	-	25,800	38.10%
2017	9,804	9,804	-	25,800	38.00%
2018	10,346	10,346	-	25,800	40.10%
2019	10,346	10,346	-	25,800	40.10%
2020	10,939	10,939	-	25,800	42.40%
2021	10,965	10,965	-	25,800	42.50%
2022	8,707	8,707	-	19,923	43.70%
2023	10,347	10,347	-	23,095	44.80%
2024	11,816	11,816	-	25,800	45.80%

(CONTINUED)



**CITY OF DENHAM SPRINGS**  
**SCHEDULE OF CONTRIBUTIONS BY PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<b><u>Component Units</u></b>					
<b><u>City Court of Denham Springs - Ward Two</u></b>					
<b><u>Parochial Employees' Retirement System of Louisiana:</u></b>					
2015	\$ 24,215	\$ 24,215	\$ -	\$ 261,446	9.26%
2016	25,258	25,258	-	297,295	8.50%
2017	20,871	20,871	-	260,877	8.00%
2018	14,676	14,676	-	188,654	7.79%
2019	16,725	16,725	-	223,000	7.50%
2020	17,008	17,008	-	226,773	7.50%
2021	13,362	13,362	-	154,782	8.63%
2022	14,378	14,378	-	171,451	8.39%
2023	15,758	15,758	-	190,789	8.26%
2024	18,303	18,303	-	222,911	8.21%
<b><u>Louisiana State Employees' Retirement System:</u></b>					
2015	\$ 26,892	\$ 26,892	\$ -	\$ 64,800	41.50%
2016	25,375	25,375	-	66,600	38.10%
2017	25,840	25,840	-	68,000	38.00%
2018	27,909	27,909	-	69,600	40.10%
2019	28,035	28,035	-	70,008	40.10%
2020	30,698	30,698	-	73,000	42.05%
2021	31,093	31,093	-	73,160	42.50%
2022	26,808	26,808	-	77,490	34.60%
2023	32,267	32,267	-	80,400	40.13%
2024	38,715	38,715	-	87,326	44.33%
<b><u>Marshal of City Court of Denham Springs - Ward Two</u></b>					
<b><u>Parochial Employees' Retirement System of Louisiana:</u></b>					
2015	\$ 25,244	\$ 25,244	\$ -	\$ 272,908	9.25%
2016	16,695	16,695	-	185,800	9.00%
2017	12,557	12,557	-	156,960	8.01%
2018	14,869	14,869	-	192,836	7.71%
2019	17,502	17,502	-	233,360	7.50%
2020	14,217	14,217	-	189,567	7.50%
2021	14,025	14,025	-	187,006	7.50%
2022	15,105	15,105	-	201,395	7.50%
2023	7,057	7,057	-	94,100	7.50%
2024	-	-	-	-	-
<b><u>Municipal Employees' Retirement System of Louisiana:</u></b>					
2023	\$ 29,999	\$ 29,999	\$ -	\$ 101,691	29.50%
2024	\$ 63,248	\$ 63,248	\$ -	\$ 397,872	15.90%

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

See independent auditor's report.

# CITY OF DENHAM SPRINGS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024

### **Primary Government**

#### **Municipal Employees' Retirement System of Louisiana:**

##### ***Changes in Actuarial Assumptions***

There were no changes of benefit assumptions for the year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

Other changes are as follows:

Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	6.850%	6.850%	6.850%	6.950%	7.000%	7.275%	7.40%	7.50%	7.50%	7.75%
Inflation Rate	2.500%	2.500%	2.500%	2.500%	2.500%	2.600%	2.775%	2.875%	2.875%	3.00%
Projected Salary Increase	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	Vary from 7.4% in the first 4 years of service to 4.9% after 4 years	5.00% (including inflation and merit)	5.00% (including inflation and merit)	5.00% (including inflation and merit)	5.00% (including inflation and merit)	5.75% (including inflation and merit)

#### **Municipal Police Employees' Retirement System:**

##### ***Changes in Actuarial Assumptions***

There were no changes of benefit assumptions for the year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

Other changes are as follows:

Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	6.750%	6.750%	6.750%	6.950%	7.125%	7.20%	7.325%	7.50%	7.50%	7.50%
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.60%	2.70%	2.875%	2.875%	3.00%
Projected Salary Increase	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 12.3% in the first 2 years of service to 4.7% after 2 years	Vary from 9.75% in the first 2 years of service to 4.25% after 23 years	Vary from 9.75% in the first year of service to 4.25% after 23 years	Vary from 9.75% in the first year of service to 4.25% after 23 years	Vary from 9.75% in the first year of service to 4.25% after 23 years	Vary from 9.75% in the first year of service to 4.25% after 23 years	Vary from 10% in the first year of service to 4.4% after 30 years

See independent auditor's report.

# CITY OF DENHAM SPRINGS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

### Firefighters' Retirement System:

#### *Changes in Actuarial Assumptions*

There were no changes of benefit assumptions for the year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

Other changes are as follows:

Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	6.90%	6.90%	6.90%	7.00%	7.15%	7.30%	7.40%	7.50%	7.50%	7.50%
Inflation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%	2.775%	2.875%	2.875%	3.00%
Projected Salary Increase	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service	Vary from 14.75% in first 2 years of service to 4.5% after 25 years	Vary from 15% in first 2 years of service to 4.75% after 25 years	Vary from 15% in first 2 years of service to 4.75% after 25 years	Vary from 15% in first 2 years of service to 4.75% after 25 years	Vary from 15% in first 2 years of service to 4.75% after 25 years	Vary from 15% in first 2 years of service to 5.5% after 14 years

### Louisiana State Employees' Retirement System:

#### *Changes of Benefit Terms* include:

- A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session, and,
- Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.
- There were no changes of benefit assumptions for the year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

#### *Changes in Actuarial Assumptions*

Valuation Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount Rate	7.25%	7.25%	7.40%	7.55%	7.60%	7.65%	7.70%	7.75%	7.75%	7.75%
Inflation Rate	2.30%	2.30%	2.30%	2.30%	2.50%	2.75%	2.75%	3.000%	3.000%	3.000%
Projected Salary Increase	2.6% to 5.1%	2.6% to 5.1%	2.6% to 5.1%	2.6% to 5.1%	2.8% to 5.3%	2.8% to 5.3%	2.8% to 5.3%	3% to 5.5%	3% to 5.5%	3% to 5.5%

See independent auditor's report.

# CITY OF DENHAM SPRINGS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2024

### Component Units

#### **Parochial Employees' Retirement System of Louisiana:**

#### *Changes in Actuarial Assumptions*

There were no changes of benefit assumptions for the year ended June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

Other changes are as follows:

Valuation Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Discount Rate	6.40%	6.40%	6.40%	6.40%	6.50%	6.50%	6.75%	7.00%	7.00%	7.25%
Inflation Rate	2.30%	2.30%	2.30%	2.40%	1.85%	2.40%	2.50%	2.50%	2.50%	3.00%
Projected Salary Increase	4.25% (2.30% Inflation, 1.95% Merit)	4.25% (2.30% Inflation, 1.95% Merit)	4.25% (2.30% Inflation, 1.95% Merit)	4.25% (2.40% Inflation, 1.85% Merit)	5.25% (1.85% Inflation, 3.40% Merit)	4.25% (2.40% Inflation, 1.85% Merit)	5.25% (2.50% Inflation, 2.75% Merit)	5.75% (3.00% Inflation, 2.75% Merit)	5.25% (2.50% Inflation, 2.75% Merit)	5.75% (3.00% Inflation, 2.75% Merit)

See independent auditor's report.



NONMAJOR GOVERNMENTAL FUNDS

## **NONMAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUND**

Capital projects funds are 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. The capital projects fund excludes those type of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

Capital Projects Fund - This fund is used to account for the costs of major repairs and construction of City streets, for the costs of improving major drainage arteries throughout the City, and for the construction costs and/or major renovation costs to various City buildings.

### **DEBT SERVICE FUND**

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

1994 Paving Certificates Debt Service Fund - This fund was used to account for the collection of a special assessment on the property owners of the Lakeland Acres Subdivision. The proceeds of such collections to be used to make annual payments on the 1994 Paving Certificates of Indebtedness incurred for the benefit of the property owners of the Lakeland Acres Subdivision. The special assessment debt has been paid and at June 30, 2024, only the balance of excess cash remains in the fund.

### **PERMANENT FUND**

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or its citizenry.

Cemetery Care Permanent Fund - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the City's cemetery.

### **SPECIAL REVENUE FUND**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt services or capital projects.

Witness Fee Fund - This fund is used to account for the cost of court appearances by police officers at the City Court of Denham Springs - Ward II to provide testimony.

**CITY OF DENHAM SPRINGS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2024

	Capital Projects Fund	1994 Paving Certificates Debt Service Fund	Cemetery Care Permanent Fund	Witness Fee - Special Revenue Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 389,143	\$ 3,269	\$ 1,505,306	\$ 184,844	\$ 2,082,562
Receivables (Net of Allowance for Uncollectibles):					
Other	-	-	8,643	876	9,519
Due from Other Governments	301,225	-	-	-	301,225
Total Assets	<u>\$ 690,368</u>	<u>\$ 3,269</u>	<u>\$ 1,513,949</u>	<u>\$ 185,720</u>	<u>\$ 2,393,306</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts Payable	\$ 201,588	\$ -	\$ 250	\$ -	\$ 201,838
Deferred Revenue	311,094	-	-	-	311,094
Other Accrued Liabilities	23,926	-	-	-	23,926
Total Liabilities	536,608	-	250	-	536,858
Fund Balances:					
Nonspendable:					
Permanent Fund Principal	-	-	1,513,699	-	1,513,699
Restricted For:					
Witness Fees	-	-	-	185,720	185,720
Other Purposes	-	3,269	-	-	3,269
Assigned To:					
Capital Projects	153,760	-	-	-	153,760
Total Fund Balances	153,760	3,269	1,513,699	185,720	1,856,448
Total Liabilities and Fund Balances	<u>\$ 690,368</u>	<u>\$ 3,269</u>	<u>\$ 1,513,949</u>	<u>\$ 185,720</u>	<u>\$ 2,393,306</u>

See independent auditor's report.

## CITY OF DENHAM SPRINGS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Capital Projects Fund	1994 Paving Certificates Debt Service Fund	Cemetery Care Permanent Fund	Witness Fee - Special Revenue Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Intergovernmental:					
Federal Grants	\$ 367,592	\$ -	\$ -	\$ -	\$ 367,592
Fees	-	-	-	6,916	6,916
Interest	852	-	42,236	4,912	48,000
Miscellaneous	-	-	70,090	-	70,090
Total Revenues	368,444	-	112,326	11,828	492,598
<b>Expenditures:</b>					
Current:					
General Government	-	-	4,761	1,145	5,906
Capital Outlay:					
Highways and Streets	856,929	-	-	-	856,929
Total Expenditures	856,929	-	4,761	1,145	862,835
Excess (Deficiency) of Revenues over (under) Expenditures	(488,485)	-	107,565	10,683	(370,237)
<b>Other Financing Sources:</b>					
Transfers In	550,000	-	-	-	550,000
Total Other Financing Sources	550,000	-	-	-	550,000
Net Change in Fund Balances	61,515	-	107,565	10,683	179,763
<b>Fund Balances at Beginning of Year</b>	92,245	3,269	1,406,134	175,037	1,676,685
<b>Fund Balances at End of Year</b>	\$ 153,760	\$ 3,269	\$ 1,513,699	\$ 185,720	\$ 1,856,448

See independent auditor's report.



**CITY OF DENHAM SPRINGS  
CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Interest	\$ -	\$ -	\$ 852	\$ 852
Intergovernmental:				
Federal Grants	<u>1,386,292</u>	<u>326,474</u>	<u>367,592</u>	<u>41,118</u>
Total Revenues	<u>1,386,292</u>	<u>326,474</u>	<u>368,444</u>	<u>41,970</u>
<b>Expenditures:</b>				
Construction Costs and Related Expenditures	<u>2,440,873</u>	<u>831,294</u>	<u>856,929</u>	<u>(25,635)</u>
Total Expenditures	<u>2,440,873</u>	<u>831,294</u>	<u>856,929</u>	<u>(25,635)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,054,581)	(504,820)	(488,485)	16,335
<b>Other Financing Sources:</b>				
Transfers In	<u>1,055,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Total Other Financing Sources	<u>1,055,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net Change in Fund Balance	419	45,180	61,515	16,335
<b>Fund Balance at Beginning of Year</b>	<u>92,245</u>	<u>92,245</u>	<u>92,245</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 92,664</u>	<u>\$ 137,425</u>	<u>\$ 153,760</u>	<u>\$ 16,335</u>

See independent auditor's report.

**CITY OF DENHAM SPRINGS**  
**WITNESS FEE FUND -**  
**SPECIAL REVENUE FUND**

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Fees	\$ 5,500	\$ 7,000	\$ 6,916	\$ (84)
Interest	<u>3,000</u>	<u>3,000</u>	<u>4,912</u>	<u>1,912</u>
Total Revenues	8,500	10,000	11,828	1,828
<b>Expenditures:</b>				
General Government	<u>2,020</u>	<u>1,755</u>	<u>1,145</u>	<u>610</u>
Total Expenditures	<u>2,020</u>	<u>1,755</u>	<u>1,145</u>	<u>610</u>
Net Change in Fund Balance	6,480	8,245	10,683	2,438
<b>Fund Balance at Beginning of Year</b>	<u>175,037</u>	<u>175,037</u>	<u>175,037</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 181,517</u></u>	<u><u>\$ 183,282</u></u>	<u><u>\$ 185,720</u></u>	<u><u>\$ 2,438</u></u>

See independent auditor's report.



SUPPLEMENTARY EXHIBITS -  
CAPITAL ASSETS

## **SUPPLEMENTARY EXHIBITS**

## CITY OF DENHAM SPRINGS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS<sup>1</sup>  
SCHEDULE BY SOURCE

AS OF JUNE 30, 2024

**Governmental Funds Capital Assets:**

Land and Right-of-Ways	\$ 1,883,003
Land Improvements	77,711
Buildings	7,871,305
Equipment	9,697,458
Infrastructure	11,911,636
Construction in Progress	541,871
Total Capital Assets	<u>\$ 31,982,984</u>

**Investments in Governmental Funds Capital Assets by Source:**

General Fund Revenues	\$ 5,573,709
Federal Revenues and Federal Grants	5,970,476
Donated Infrastructure	649,138
Capital Improvement Funds:	
City's Share of Cost:	
General Fund	14,076,570
Federal Revenue Sharing	201,482
Federal Grants	2,929,563
State Grants	2,582,046
Total Investment in Capital Assets	<u>\$ 31,982,984</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. The capital assets of the internal service fund are included as governmental activities in the statement of net position.

See independent auditor's report.

## CITY OF DENHAM SPRINGS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>

AS OF JUNE 30, 2024

Function and Activity:	Land and Right- of-Ways	Improvements Other Than Buildings	Buildings	Machinery and Equipment	Infrastructure	Total
General Government:						
General Government Buildings	\$ 983,982	\$ 13,950	\$ 2,806,156	\$ -	\$ -	\$ 3,804,088
Administration	593,355	-	-	700,279	-	1,293,634
Cemetery	2,000	11,002	10,313	-	-	23,315
Tax	-	-	-	18,163	-	18,163
Planning and Development	-	-	-	92,182	-	92,182
Public Service Workers	-	-	10,647	-	-	10,647
Total General Government	1,579,337	24,952	2,827,116	810,624	-	5,242,029
Public Safety:						
Animal Control	1,500	34,031	991,872	97,629	-	1,125,032
Fire	8,250	-	743,672	3,386,525	-	4,138,447
Police	201,482	8,953	1,475,445	2,531,216	-	4,217,096
Total Public Safety	211,232	42,984	3,210,989	6,015,370	-	9,480,575
Highways and Streets:						
Streets	2,748	-	143,317	2,654,798	11,367,300	14,168,163
Health:						
Council on Aging	-	-	370,890	-	-	370,890
Culture and Recreation:						
Tourism	-	-	950,091	213,112	168,253	1,331,456
Parks	89,686	9,775	368,902	3,554	376,083	848,000
Total Culture and Recreation	89,686	9,775	1,318,993	216,666	544,336	2,179,456
Total Governmental Funds Capital Assets Allocated to Functions	<u>\$ 1,883,003</u>	<u>\$ 77,711</u>	<u>\$ 7,871,305</u>	<u>\$ 9,697,458</u>	<u>\$ 11,911,636</u>	31,441,113
				Construction in Progress		541,871
						<u>\$ 31,982,984</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. The capital assets of the internal service fund are included as governmental activities in the statement of net position.

See independent auditor's report.

## CITY OF DENHAM SPRINGS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>

FOR THE YEAR ENDED JUNE 30, 2024

<b>Function and Activity:</b>	Governmental Funds Capital Assets 6/30/23	Transfers	Additions	Deductions	Governmental Funds Capital Assets 6/30/24
<b>General Government:</b>					
General Government Buildings	\$ 3,760,340	\$ -	\$ 43,748	\$ -	\$ 3,804,088
Administration	1,225,200	-	86,874	18,440	1,293,634
Cemetery	23,315	-	-	-	23,315
Tax	18,163	-	-	-	18,163
Planning and Development	81,764	7,627	2,791	-	92,182
Public Service Workers	10,647	-	-	-	10,647
Total General Government	5,119,429	7,627	133,413	18,440	5,242,029
<b>Public Safety:</b>					
Animal Control	1,118,190	-	6,842	-	1,125,032
Fire	3,908,692	-	250,186	20,431	4,138,447
Police	3,950,586	(7,627)	500,716	226,579	4,217,096
Total Public Safety	8,977,468	(7,627)	757,744	247,010	9,480,575
<b>Highways and Streets:</b>					
Streets	13,213,104	-	980,634	25,575	14,168,163
<b>Health:</b>					
Council on Aging	370,890	-	-	-	370,890
<b>Culture and Recreation:</b>					
Tourism	1,119,428	-	212,028	-	1,331,456
Parks	848,000	-	-	-	848,000
Total Culture and Recreation	1,967,428	-	212,028	-	2,179,456
Construction in Progress	288,008	-	937,901	684,038	541,871
Total Governmental Funds Capital Assets	<u>\$ 29,936,327</u>	<u>\$ -</u>	<u>\$ 3,021,720</u>	<u>\$ 975,063</u>	<u>\$ 31,982,984</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. The capital assets of the internal service fund are included as governmental activities in the statement of net position.

See independent auditor's report.



SUPPLEMENTARY SCHEDULES



## **SUPPLEMENTARY SCHEDULES**

## CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE

JUNE 30, 2024

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
CNA Surety	Public Official Bonds		
	Mayor; Gerard Landry	\$ 50,000	1/01/25
	Council Members:		
	Amber Dugas	\$ 10,000	1/01/25
	Jeffrey Wesley	\$ 10,000	1/01/25
	Jim Gilbert	\$ 10,000	1/01/25
	Robert Poole	\$ 10,000	1/01/25
	Lori Lamm-Williams	\$ 10,000	1/01/25
	Public Employees Blanket Bond:		
	City Treasurer:		
	Michelle Hood	\$ 50,000	12/11/2024
Hanover Insurance Company	City Clerk:		
	Joan LeBlanc	\$ 50,000	2/06/25
	Public Employees Bond	\$ 25,000	2/18/25
	Property and Casualty Coverage -		
	90% Co-Insurance:		
	Blanket Building	\$ 15,646,914	7/01/24
	Blanket Contents	\$ 738,837	7/01/24
	Pavilion	\$ 323,000	7/01/24
	<u>941 Government Street</u>		
	Steel Water Tank and Tower	\$ 700,000	7/01/24
	<u>110 Brignac Street</u>		
	Council on Aging Buildings	\$ 1,474,580	7/01/24
	<u>949 Government Street</u>		
	Police Station and Jail Facility	\$ 3,650,000	
	Contents	\$ 206,109	7/01/24
	<u>447 Lamm Street</u>		
	Sewer Building	\$ 300,000	
	Contents	\$ 19,947	7/01/24
	<u>9300 Forest Delatte Road</u>		
	Sewer Lab Building	\$ 11,971	
	Storage Building (for equipment)	\$ 24,801	7/01/24
	<u>9300 Forest Delatte Road</u>		

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2024

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
Hanover Insurance Company Company	Animal Control Building	\$ 873,329	
	Contents	\$ 26,500	7/01/24
	<u>600-C Bowman St.</u>		
	SADD		
	Office Building	\$ 03,611	7/01/24
	<u>115 Hummell St.</u>		
	Bronze Statue		
	Contents	\$ 16,000	7/01/24
	<u>140 Centerville St</u>		
	Street Department	\$ 560,000	
	Contents	\$ 26,500	7/01/24
	<u>940 Government Street</u>		
	Utility Warehouse Building	\$ 134,915	
	Contents	\$ 41,223	7/01/24
	<u>112 Brignac Street</u>		
	Motor Pool and Warehouse		
	Building	\$ 530,000	
	Contents	\$ 102,391	7/01/24
	<u>401 N. Railroad Ave.</u>		
	Arts Council/Red Cross		
	Building	\$ 400,000	7/01/24
	<u>133 Hummel St.</u>		
	City Hall Building	\$ 3,031,600	
	Contents	\$ 289,573	7/01/24
	LED Signage	\$ 85,000	7/01/24
	<u>116 N Range Ave</u>		
	Old City Hall Building	\$ 985,837	7/01/24
	Contents	\$ 26,594	
	<u>115 Mattie St.</u>		
	Steel Water Tank and Tower	\$2,373,934	7/01/24
	<u>23322 Springhill Drive</u>		

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2024			
<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
	Contractor Equipment	\$2,373,934	7/01/24
Liberty Mutual	Sewer Treatment Plant Scheduled Equipment	\$4,216,672	7/01/24
	<u>9300 Forest Delatte Road</u>		
Louisiana Workers' Compensation Corporation	Workmen's Compensation Statutory	\$ 500,000	7/01/24
BCS Ins. Co	Cyber Policy	\$1,000,000	7/01/24
	Crime Policy	\$ 250,000	7/01/24
AmGuard	General Liability	\$1,000,000	7/01/24
	Law Enforcement		
	Professional Liability	\$1,000,000	7/01/24
	Public Officials and Employees Liability		
	Errors and Omissions	\$ 500,000	7/01/24
	Business Auto		
	Liability	\$ 500,000	7/01/24
	Vehicle Physical		
	Damage - Except Fire	\$3,521,652	7/01/24
VFIS, Inc.	Property and Casualty Coverage -		
	Fire Station Building	\$ 419,207	7/01/24
	Contents	\$ 155,732	7/01/24
	<u>1100 Hatchell Lane</u>		
	Fire Station/ Water Department Office		
	Building	\$1,037,077	7/01/24
	Contents	\$ 161,815	7/01/24
	<u>27135 LA Hwy 16</u>		
	Fire Station Building	\$ 552,997	7/01/24
	Additional Structure (Shed)	\$ 16,097	7/01/24
	Contents	\$ 158,164	7/01/24

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2024			
<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
	Vehicle Liability & Physical Damage – Fire <u>930 Government Street</u>	\$1,000,000	7/01/24
Hartford Ins.	Flood Insurance:		
	Street Dept	\$ 120,000	
	Contents	\$ 50,000	7/01/24
	<u>940 Government Street</u>		
	Council on Aging Building 1	\$ 500,000	
	Council on Aging Building 2	\$ 225,000	
	Contents	\$ -0-	7/01/24
	<u>949 Government Street</u>		
	Police Station and		
	Jail Facility	\$ 382,000	
	Contents	\$ 229,000	7/01/24
	<u>447 Lamm Street</u>		
	Animal Control Center		
	Building	\$ 312,000	7/01/24
	Contents	\$ 62,000	7/01/24
	<u>600-C Bowman Street</u>		
	Gas Department Building	\$ 500,000	
	Contents	\$ 100,000	7/01/24
	<u>401 E. Railroad Avenue</u>		
	Old City Hall Building	\$ 500,000	
	Contents	\$ 100,000	7/01/24
	<u>115 Mattie Street</u>		
	Sewer Lab Building	\$ 50,000	
	Sewer Office Building	\$ 50,000	
	Contents	\$ 25,000	7/01/24
	<u>9300 Forrest Delatte Road</u>		
	Arts Council Building	\$ 100,000	
	Contents	\$ 50,000	7/01/24
	<u>133 Hummel Street</u>		

(CONTINUED)

**CITY OF DENHAM SPRINGS**

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2024

<u>Insurance</u>	<u>Coverage</u>	<u>Amount</u>	<u>Expiration Date</u>
Hartford Ins.	Flood Insurance (continued):		
	City Hall Building	\$ 500,000	
	Contents	\$ 500,000	7/01/24
	<u>116 N. Range Ave.</u>		
Excess Flood Coverage-Aon	City Hall (Building Only)	\$1,500,000	7/01/24
	<u>116 N. Range Ave.</u>		

See independent auditor's report.

## CITY OF DENHAM SPRINGS

SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING ENTITY

FOR THE YEAR ENDED JUNE 30, 2024

	<b>First Six Month Period Ended 12/31/2023</b>	<b>Second Six Month Period Ended 06/30/2024</b>
<b>Cash Basis Presentation</b>		
<b>Receipts From:</b>		
Ward II Court - Criminal Fines - Other	\$ 109,957	\$ 100,700
Ward II Court - Pre-Trial Diversion Program Fees	72,258	65,352
Ward II Court - Other - Witness Fees	3,308	3,158
Ward II Court - Other - DWI Analysis fees	-	50
21st JDC - Other - DWI Analysis fees	-	50
<b>Total Receipts</b>	<b>\$ 185,523</b>	<b>\$ 169,310</b>

See independent auditor's report.



STATISTICAL SECTION



## STATISTICAL SECTION

This part of the City of Denham Springs' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	132
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	137
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
Debt Capacity	143
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	148
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	150
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF DENHAM SPRINGS  
NET POSITION BY COMPONENTS

Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 7,833,690	\$ 7,578,587	\$ 7,894,411	\$ 8,852,195	\$ 9,414,293	\$ 11,073,059	\$ 13,338,114	\$ 13,229,604	\$ 16,162,336	\$ 17,263,716
Restricted	1,039,675	1,076,407	1,110,623	1,161,182	1,226,795	1,303,809	1,346,577	1,466,494	1,584,440	1,702,688
Unrestricted (Deficit)	(6,861,769)	(6,361,194)	(4,551,104)	(4,360,533)	(5,203,819)	(4,058,003)	(3,230,493)	3,059,059	6,313,883	10,083,734
Total Governmental Activities - Net Position	<u>\$ 2,011,596</u>	<u>\$ 2,293,800</u>	<u>\$ 4,453,930</u>	<u>\$ 5,652,844</u>	<u>\$ 5,437,269</u>	<u>\$ 8,318,865</u>	<u>\$ 11,454,198</u>	<u>\$ 17,755,157</u>	<u>\$ 24,060,659</u>	<u>\$ 29,050,138</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 11,743,652	\$ 11,092,592	\$ 10,709,842	\$ 10,489,376	\$ 10,804,788	\$ 12,520,637	\$ 13,948,155	\$ 13,173,742	\$ 17,893,828	\$ 19,763,653
Restricted	-	-	-	-	-	-	-	-	2,179,612	1,779,487
Unrestricted (Deficit)	1,710,830	2,865,893	2,571,962	2,767,491	3,202,427	3,356,446	4,535,835	8,593,496	6,229,693	9,212,205
Total Business-Type Activities - Net Position	<u>\$ 13,454,482</u>	<u>\$ 13,958,485</u>	<u>\$ 13,281,804</u>	<u>\$ 13,256,867</u>	<u>\$ 14,007,215</u>	<u>\$ 15,877,083</u>	<u>\$ 18,483,990</u>	<u>\$ 21,767,238</u>	<u>\$ 26,303,133</u>	<u>\$ 30,755,345</u>
Primary Government:										
Net Investment in										
Capital Assets	\$ 19,577,342	\$ 18,671,179	\$ 18,604,253	\$ 19,341,571	\$ 20,219,081	\$ 23,593,696	\$ 27,286,269	\$ 26,403,346	\$ 34,056,164	\$ 37,027,369
Restricted	1,039,675	1,076,407	1,110,623	1,161,182	1,226,795	1,303,809	1,346,577	1,466,494	3,764,052	3,482,175
Unrestricted (Deficit)	(5,150,939)	(3,495,301)	(1,979,142)	(1,593,042)	(2,001,392)	(701,557)	1,305,342	11,652,555	12,543,576	19,295,939
Total Primary Government - Net Position	<u>\$ 15,466,078</u>	<u>\$ 16,252,285</u>	<u>\$ 17,735,734</u>	<u>\$ 18,909,711</u>	<u>\$ 19,444,484</u>	<u>\$ 24,195,948</u>	<u>\$ 29,938,188</u>	<u>\$ 39,522,395</u>	<u>\$ 50,363,792</u>	<u>\$ 59,805,483</u>

The City of Denham Springs adopted the provisions of GASB 68 and 71 beginning July 1, 2014, and applied those provisions prospectively.

## CITY OF DENHAM SPRINGS

## CHANGE IN NET POSITION

Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year				Fiscal Year					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 2,145,397	\$ 2,152,354	\$ 2,639,792	\$ 2,437,965	\$ 2,412,412	\$ 2,639,104	\$ 3,016,726	\$ 2,620,747	\$ 3,494,477	\$ 2,885,786
Public Safety	6,878,353	6,805,088	7,144,277	6,846,372	7,390,688	7,292,904	7,458,341	6,683,595	8,256,634	8,727,165
Highways and Streets	2,453,904	1,971,847	8,776,069	2,875,109	13,338,114	1,961,810	1,656,236	3,044,298	2,261,915	2,536,135
Health	74,835	51,650	30,273	29,310	1,346,577	35,587	44,183	50,175	33,798	31,599
Culture and Recreation	183,990	161,147	133,933	171,936	(3,279,086)	178,390	170,057	198,101	154,557	184,506
Interest on Long-Term Indebtedness	156	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expense:	11,736,635	11,142,086	18,724,344	12,360,692	21,208,705	12,107,795	12,345,543	12,596,916	14,201,381	14,365,191
Business-Type Activities:										
Gas	3,101,268	2,282,747	2,304,551	2,774,190	13,948,155	2,724,211	2,984,418	3,465,088	3,571,400	3,490,956
Water	2,554,246	2,394,908	2,406,037	2,362,879	2,358,904	2,230,902	2,205,944	2,160,155	2,421,427	2,627,975
Sewer	6,158,037	5,879,536	6,192,531	5,594,398	4,535,835	5,507,610	5,884,985	5,726,433	5,941,582	6,568,602
Sanitation	904,727	896,356	913,077	838,303	826,622	840,490	843,406	955,264	1,122,183	1,080,050
Total Business-Type Activities	12,718,278	11,453,547	11,816,196	11,569,770	21,669,516	11,303,213	11,918,753	12,306,940	13,056,592	13,767,583
Total Primary Government Expenses	\$ 24,454,913	\$ 22,595,633	\$ 30,540,540	\$ 23,930,462	\$ 42,878,221	\$ 23,411,008	\$ 24,264,296	\$ 24,903,856	\$ 27,257,973	\$ 28,132,774
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Public Safety	\$ 666,342	\$ 543,245	\$ 355,745	\$ 465,411	\$ 496,175	\$ 394,851	\$ 393,028	\$ 340,986	\$ 354,136	\$ 382,429
Highways and Streets	12,850	12,850	12,850	11,835	11,835	10,820	10,820	10,820	10,820	13,525
Operating Grants and Contributions	711,480	763,052	7,288,463	1,570,173	1,050,857	1,741,444	1,555,812	2,376,218	1,120,399	1,806,038
Capital Grants and Contributions	337,369	-	691,742	1,157,290	344,415	2,287,877	1,700,139	252,452	567,133	237,887
Total Governmental Activities Program Revenues	1,728,041	1,319,147	8,348,800	3,204,709	1,903,282	4,434,992	3,659,799	2,980,476	2,052,488	2,439,879
Business-Type Activities:										
Charges for Services:										
Natural Gas	4,758,675	3,655,028	2,948,060	4,027,218	4,148,175	3,672,678	4,815,070	5,548,140	5,603,506	5,138,445
Water	3,387,207	3,446,017	3,015,738	3,187,169	3,291,115	3,427,674	3,675,291	3,870,379	4,274,945	4,700,358
Sewer	3,370,735	3,458,451	3,033,149	3,194,199	3,319,161	3,495,222	3,740,708	3,945,857	4,394,053	4,830,730
Sanitation	816,824	802,098	722,786	722,807	760,465	767,718	882,298	1,058,086	1,110,322	1,119,938
Operating Grants and Contributions	60,940	170,101	528,014	64,036	169,950	240,603	140,282	648,917	221,734	101,031
Capital Grants and Contributions	532,141	385,893	466,531	320,451	715,543	1,369,021	1,157,738	417,360	1,698,420	1,933,399
Total Business-Type Activities Program Revenues	12,926,522	11,917,588	10,714,278	11,515,880	12,404,409	12,972,916	14,411,387	15,488,739	17,302,980	17,823,901
Total Primary Government Programs Revenues	\$ 14,654,563	\$ 13,236,735	\$ 19,063,078	\$ 14,720,589	\$ 14,307,691	\$ 17,407,908	\$ 18,071,186	\$ 18,469,215	\$ 19,355,468	\$ 20,263,780
<b>Net Expense Revenue</b>										
Governmental Activities	\$ (10,008,594)	\$ (9,822,939)	\$ (10,375,544)	\$ (9,155,983)	\$ (19,305,423)	\$ (7,672,803)	\$ (8,685,744)	\$ (9,616,440)	\$ (12,148,893)	\$ (11,925,312)
Business-Type Activities	208,244	464,041	(1,101,918)	(53,890)	(9,265,107)	1,669,703	2,492,634	3,181,799	4,246,388	4,056,318
Total Primary Government Net Expense	\$ (9,800,350)	\$ (9,358,898)	\$ (11,477,462)	\$ (9,209,873)	\$ (28,570,530)	\$ (6,003,100)	\$ (6,193,110)	\$ (6,434,641)	\$ (7,902,505)	\$ (7,868,994)

(CONTINUED)

## CITY OF DENHAM SPRINGS

## CHANGE IN NET POSITION

Last Ten Fiscal Years  
(Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year				Fiscal Year					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property	\$ 320,432	\$ 319,365	\$ 275,364	\$ 289,607	\$ 291,577	\$ 326,552	\$ 340,831	\$ 360,576	\$ 349,151	\$ 377,103
Sales	7,347,545	7,281,993	8,389,648	7,823,526	7,399,855	7,687,752	9,039,502	12,828,637	12,467,115	12,959,347
Occupational and permits	1,029,019	1,070,043	1,041,368	1,055,098	1,044,131	1,043,182	1,139,734	1,154,801	1,234,864	1,292,827
Franchise	832,404	786,427	648,653	679,479	691,187	680,415	729,953	817,536	905,159	822,272
Miscellaneous	584,526	636,518	1,179,183	486,758	453,842	771,851	531,881	667,235	698,596	868,860
Interest Income	8,256	10,797	12,542	20,429	58,048	44,647	11,231	16,474	252,243	578,650
Transfer from Component Unit	-	-	-	-	-	-	-	-	2,541,060	-
Insurance Proceeds	-	-	988,916	-	-	-	-	72,140	-	-
Gain on Sale of Asset	-	-	-	-	-	-	27,945	-	6,207	15,732
Total Governmental Activities	10,122,182	10,105,143	12,535,674	10,354,897	9,938,640	10,554,399	11,821,077	15,917,399	18,454,395	16,914,791
Business-Type Activities:										
Miscellaneous	40,877	30,134	128,700	14,300	23,965	22,095	44,298	20,495	23,635	38,170
Interest Income	9,754	9,828	17,328	14,653	21,296	65,328	57,318	58,949	249,951	345,872
Insurance Proceeds	-	-	279,209	-	-	79,987	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-	32,755	12,657	22,005	15,921	11,852
Total Business-Type Activities	50,631	39,962	425,237	28,953	45,261	200,165	114,273	101,449	289,507	395,894
Total Primary Government	<u>\$ 10,172,813</u>	<u>\$ 10,145,105</u>	<u>\$ 12,960,911</u>	<u>\$ 10,383,850</u>	<u>\$ 9,983,901</u>	<u>\$ 10,754,564</u>	<u>\$ 11,935,350</u>	<u>\$ 16,018,848</u>	<u>\$ 18,743,902</u>	<u>\$ 17,310,685</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 113,588	\$ 282,204	\$ 2,160,130	\$ 1,198,914	\$ (9,366,783)	\$ 2,881,596	\$ 3,135,333	\$ 6,300,959	\$ 6,305,502	\$ 4,989,479
Business-Type Activities	258,875	504,003	(676,681)	(24,937)	(9,219,846)	1,869,868	2,606,907	3,283,248	4,535,895	4,452,212
Total Primary Government	<u>\$ 372,463</u>	<u>\$ 786,207</u>	<u>\$ 1,483,449</u>	<u>\$ 1,173,977</u>	<u>\$ (18,586,629)</u>	<u>\$ 4,751,464</u>	<u>\$ 5,742,240</u>	<u>\$ 9,584,207</u>	<u>\$ 10,841,397</u>	<u>\$ 9,441,691</u>

## CITY OF DENHAM SPRINGS

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year				Fiscal Year					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable:										
Prepaid Insurance	\$ 105,702	\$ 88,670	\$ 50,376	\$ 200,313	\$ 65,222	\$ 189,032	\$ 192,886	\$ 20,375	\$ 205,591	\$ 60,309
Committed For:										
Construction Contracts									841,833	978,042
Unassigned	2,015,310	2,355,986	4,422,595	4,341,799	3,771,290	5,111,739	5,947,687	11,175,219	12,850,725	16,612,593
Total General Fund	<u>\$ 2,121,012</u>	<u>\$ 2,444,656</u>	<u>\$ 4,472,971</u>	<u>\$ 4,542,112</u>	<u>\$ 3,836,512</u>	<u>\$ 5,300,771</u>	<u>\$ 6,140,573</u>	<u>\$ 11,195,594</u>	<u>\$ 13,898,149</u>	<u>\$ 17,650,944</u>
All Other Governmental Funds										
Nonspendable:										
Permanent Fund Principal	\$ 890,819	\$ 923,037	\$ 948,401	\$ 995,098	\$ 1,059,668	\$ 1,137,248	\$ 1,177,368	\$ 1,294,358	\$ 1,406,134	\$ 1,513,699
Restricted For:										
Witness Fees	145,587	150,101	158,953	162,815	163,858	163,292	165,940	168,867	175,037	185,720
Other Purposes	3,269	3,269	3,269	3,269	3,269	3,269	3,269	3,269	3,269	3,269
Assigned To:										
Capital Projects	92,983	167,583	161,357	161,147	152,412	72,993	9,110	35,991	92,245	153,760
Total All Other Governmental Funds	<u>\$ 1,132,658</u>	<u>\$ 1,243,990</u>	<u>\$ 1,271,980</u>	<u>\$ 1,322,329</u>	<u>\$ 1,379,207</u>	<u>\$ 1,376,802</u>	<u>\$ 1,355,687</u>	<u>\$ 1,502,485</u>	<u>\$ 1,676,685</u>	<u>\$ 1,856,448</u>

## CITY OF DENHAM SPRINGS

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

	Fiscal Year				Fiscal Year					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Taxes	\$ 8,738,638	\$ 8,625,408	\$ 9,478,989	\$ 8,958,286	\$ 8,567,949	\$ 8,857,987	\$ 10,336,281	\$ 14,243,923	\$ 14,003,933	\$ 14,485,091
Licenses and Permits	1,029,019	1,070,043	1,041,368	1,055,098	1,044,131	1,043,182	1,139,734	1,154,801	1,234,864	1,292,827
Fines and Forfeits	596,819	493,339	325,256	422,245	457,777	360,880	363,630	307,675	319,129	348,367
Interest	8,256	10,797	11,634	20,429	58,048	44,647	11,231	16,474	252,050	577,737
Fees	64,116	45,480	32,756	40,846	35,498	27,895	28,557	25,902	26,508	31,025
Intergovernmental	725,678	477,845	7,284,326	2,465,064	1,099,675	3,753,843	2,923,986	2,408,663	1,447,192	1,792,356
Miscellaneous	399,068	389,994	717,434	310,228	286,774	598,234	345,245	370,715	368,709	480,051
Total Revenues	11,561,594	11,112,906	18,891,763	13,272,196	11,549,852	14,686,668	15,148,664	18,528,153	17,652,385	19,007,454
<b>Expenditures:</b>										
Current:										
General Government	2,142,114	2,087,443	2,569,637	2,324,424	2,572,660	4,141,389	3,918,573	2,562,912	3,559,536	2,779,532
Public Safety	7,039,551	6,480,187	7,249,558	7,090,880	7,632,306	6,692,899	7,545,021	7,629,478	8,404,043	8,617,883
Highways and Streets	1,661,674	1,708,065	8,360,867	2,155,051	1,641,684	2,181,365	1,426,819	2,792,637	1,948,120	2,373,646
Health	74,835	51,650	30,273	29,310	34,409	35,587	44,183	50,175	33,798	31,599
Culture and Recreation	156,141	108,028	76,281	113,224	82,924	119,023	441,046	148,690	116,123	344,116
Capital Outlay:										
Highways and Streets	844,123	242,557	620,286	1,456,010	234,591	79,651	806,436	134,582	659,960	856,929
Debt Service:										
Principal Retirement	17,314	-	-	-	-	-	-	-	-	-
Interest	305	-	-	-	-	-	-	-	-	-
Total Expenditures	11,936,057	10,677,930	18,906,902	13,168,899	12,198,574	13,249,914	14,182,078	13,318,474	14,721,580	15,003,705
<b>Excess of Revenues Over (Under) Expenditures</b>	(374,463)	434,976	(15,139)	103,297	(648,722)	1,436,754	966,586	5,209,679	2,930,805	4,003,749
<b>Other Financing Sources (Uses)</b>										
Insurance Proceeds	-	-	988,916	-	-	-	-	72,140	-	-
Proceeds from Disposition of Assets	-	-	1,082,528	16,193	-	25,100	37,101	-	30,950	28,809
Transfers In	496,259	316,680	-	131,930	80,000	-	218,327	124,462	350,000	550,000
Transfers Out	(496,259)	(316,680)	-	(131,930)	(80,000)	-	(403,327)	(204,462)	(435,000)	(650,000)
Total Other Financing Sources (Uses)	-	-	2,071,444	16,193	-	25,100	(147,899)	(7,860)	(54,050)	(71,191)
<b>Net Change in Fund Balances</b>	<b>\$ (374,463)</b>	<b>\$ 434,976</b>	<b>\$ 2,056,305</b>	<b>\$ 119,490</b>	<b>\$ (648,722)</b>	<b>\$ 1,461,854</b>	<b>\$ 818,687</b>	<b>\$ 5,201,819</b>	<b>\$ 2,876,755</b>	<b>\$ 3,932,558</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.15%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

## CITY OF DENHAM SPRINGS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(Unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupational Licenses and Permits	Charitable Gaming Tax	Total
2015	\$ 320,432	\$ 7,347,545	\$ 832,404	\$ 1,029,019	\$ 179,736	\$ 9,709,136
2016	319,365	7,281,993	786,427	1,070,043	181,399	9,639,227
2017	275,364	8,389,648	648,653	1,041,368	111,326	10,466,359
2018	289,607	7,823,526	679,479	1,055,098	101,497	9,949,207
2019	291,577	7,399,855	691,187	1,044,131	112,000	9,538,750
2020	326,552	7,687,752	680,415	1,043,182	84,643	9,822,544
2021	340,831	9,039,502	729,953	1,139,734	144,536	11,394,556
2022	360,576	12,828,637	817,536	1,154,801	149,743	15,311,293
2023	349,151	12,467,115	905,159	1,234,864	201,261	15,157,550
2024	377,103	12,959,347	822,272	1,292,827	245,563	15,697,112

## CITY OF DENHAM SPRINGS

ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY

Last Ten Years  
(Unaudited)

Year	Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value*
2015	85,650,350	3.73	\$ 778,639,545	11%
2016	85,660,850	3.73	778,735,000	11
2017	81,148,660	3.48	737,715,091	11
2018	84,082,230	3.48	764,383,909	11
2019	85,189,780	3.48	774,452,545	11
2020	88,109,420	3.72	800,994,727	11
2021	97,234,290	3.58	883,948,091	11
2022	101,487,560	3.58	922,614,182	11
2023	101,608,910	3.58	923,717,364	11
2024	104,724,010	3.58	952,036,455	11

\*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are assessed at 10% of fair market value; commercial and industrial properties, excluding land, are assessed at 15%. The overall assessed value is estimated to be 11% of actual market value.

SOURCE: Livingston Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of Livingston.

NOTE: Additional information concerning estimated values by types of property was not currently readily available.



## CITY OF DENHAM SPRINGS

PROPERTY TAX RATES AND TAX LEVIES  
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years  
(Unaudited)

Fiscal Year	City of Denham Springs			Parish Special Districts				Total Parish Millage	Livingston Parish School Board					Total School Millages	Total Direct and Overlapping Rates
	Operating Millage	Total City Millage	Parishwide <sup>1</sup>	Drainage District #1	Recreation District #3	Law Enforcement District	Juvenile Detention Center		Operational Millage	Additional Support Millage	Maintenance Millage	Construction Millage	Debt Service Millage		
2015	3.73	3.73	45.67	4.85	16.00	10.55	2.75	79.82	3.29	7.18	7.00	5.00	11.22	33.69	117.24
2016	3.73	3.73	43.61	5.00	15.35	10.55	2.75	77.26	3.29	7.18	7.00	5.00	10.97	33.44	114.43
2017	3.48	3.48	43.11	4.43	15.35	10.55	2.75	76.19	3.29	7.18	7.00	5.00	9.64	32.11	111.78
2018	3.48	3.48	41.29	4.43	15.10	10.55	2.75	74.12	3.29	7.18	7.00	5.00	11.64	34.11	111.71
2019	3.48	3.48	41.29	4.43	15.10	10.55	2.75	74.12	3.29	7.18	7.00	5.00	11.64	34.11	111.71
2020	3.72	3.72	41.79	4.43	15.00	10.55	2.75	74.52	3.29	7.18	7.00	5.00	10.14	32.61	110.85
2021	3.58	3.58	40.90	4.17	14.13	10.55	2.75	72.50	3.29	7.18	7.00	5.00	8.64	31.11	107.19
2022	3.58	3.58	41.46	5.00	14.13	10.55	2.75	73.89	3.29	7.18	7.00	5.00	8.64	31.11	108.58
2023	3.58	3.58	41.09	5.00	14.13	10.55	2.75	73.52	3.29	7.18	7.00	5.00	8.64	31.11	108.21
2024	3.58	3.58	40.25	5.00	14.13	10.55	2.75	72.68	3.29	7.18	7.00	5.00	8.64	31.11	107.37

<sup>1</sup>Parishwide - includes all or some of the following:

Parish/Local, Dixon Sinking, Courthouse Sinking, Road Equipment/Maintenance, Drainage Tax,  
Council on Aging, Courthouse Maintenance, Health Unit, Library, and Assessor.

SOURCE: Livingston Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish  
of Livingston.

## CITY OF DENHAM SPRINGS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago  
(Unaudited)

Name of Taxpayer	Type of Business	2024			2015		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Bass Pro Outdoor World	Retail	\$ 3,604,119	1	3.44	\$ 1,074,730	5	1.25
All Star Dealership Properties	Auto Dealership	2,783,895	2	2.66	4,575,310	1	5.34
Walmart Louisiana, LLC	Retail	2,746,634	3	2.62	2,631,360	2	3.07
Sam's East, Inc./Real Estate Business Trust	Retail	2,485,783	4	2.37	2,455,080	3	2.87
First Guaranty Bank	Bank	2,434,490	5	2.32	837,540	9	.98
Home Depot #0375	Retail	2,041,214	6	1.95	1,576,960	4	1.84
Cox Communications Inc.	Telecommunications	2,009,681	7	1.92			
Brookwood-Rushing, LLC d.b.a Life Storage	Storage Facility	1,841,200	8	1.76			
Hancock Whitney Bank	Bank	1,780,860	9	1.70			
Entergy Gulf States, LLC	Public Utility	1,701,030	10	1.62	1,010,680	6	1.18
Capital One Bank	Bank				987,600	7	1.15
Spring Park Property Owner, LLC	Real Estate				897,350	8	1.05
Bellsouth Telecommunications, INC	Telecommunications				835,910	10	.98
		<u>\$ 23,428,906</u>		<u>22.36%</u>	<u>\$ 16,882,520</u>		<u>19.71%</u>

Source: Livingston Parish Assessor's Office.

## CITY OF DENHAM SPRINGS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy For Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 319,044	\$ 313,950	98.40 %	\$ 3,173	\$ 317,123	99.40 %
2016	319,087	315,134	98.76	2,750	317,884	99.62
2017	282,235	272,614	96.59	3,794	276,408	97.94
2018	292,438	286,190	97.86	2,859	289,049	98.84
2019	296,290	288,765	97.46	3,549	292,314	98.66
2020	328,120	316,248	96.38	7,150	323,398	98.56
2021	348,391	337,417	96.85	8,363	345,780	99.25
2022	363,631	345,198	94.93	3,618	348,816	95.93
2023	364,065	359,102	98.64	4,119	363,221	99.77
2024	375,227	372,526	99.28	-	372,526	99.28

## CITY OF DENHAM SPRINGS

MUNICIPAL TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX  
(AMOUNTS EXPRESSED IN THOUSANDS)

LAST TEN FISCAL YEARS  
(Unaudited)

<u>Standard Industrial Classification Code</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Agriculture, Forestry, and Fishing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mining	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Manufacturing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transportation and Public Utilities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wholesale Trade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Retail Trade	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vehicle	21,423	22,165	53,211	19,640	17,655	21,875	27,856	24,819	26,301	24,867
Food Stores	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance, Insurance, and Real Estate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Livingston Parish School System's Sales Tax Department which is  
Collector of City of Denham Springs Municipal 1 1/2 % Sales and Use Taxes  
currently does not compile sales tax data by standard industrial code.

## CITY OF DENHAM SPRINGS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities			Business - Type Activities		Total Primary Government	Percentage of Personal Income	Population <sup>1</sup>	Per Capita
	General Obligation Bonds	Certificates of Indebtedness	Capital Lease	Revenue Bonds	Capital Lease				
2015	\$ -	\$ -	\$ 12,085	\$ 53,241,999	\$ 130,533	\$ 53,384,617	N/A	10,251	\$ 5,207.75
2016	-	-	7,343	53,001,589	79,309	53,088,241	N/A	10,215	5,197.09
2017	-	-	1,552	54,782,954	16,754	54,801,260	N/A	10,314	5,313.29
2018	-	-	-	53,169,292	-	53,169,292	N/A	10,332	5,146.08
2019	-	-	-	51,477,555	-	51,477,555	N/A	10,327	4,984.75
2020	-	-	-	49,682,805	-	49,682,805	N/A	10,295	4,825.92
2021	-	-	-	49,436,012	-	49,436,012	N/A	10,343	4,779.66
2022	-	-	-	47,518,949	-	47,518,949	N/A	9,410	5,049.84
2023	-	-	-	45,536,180	-	45,536,180	N/A	10,132	4,494.29
2024	-	-	-	43,536,275	-	43,536,275	N/A	10,149	4,289.71

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: <sup>1</sup> Population of the City of Denham Springs obtained from the State Treasurer's Office.

## CITY OF DENHAM SPRINGS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2015	-	-	-	N/A	N/A
2016	-	-	-	N/A	N/A
2017	-	-	-	N/A	N/A
2018	-	-	-	N/A	N/A
2019	-	-	-	N/A	N/A
2020	-	-	-	N/A	N/A
2021	-	-	-	N/A	N/A
2022	-	-	-	N/A	N/A
2023	-	-	-	N/A	N/A
2024	-	-	-	N/A	N/A

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

The City has had no outstanding general obligation bonds in the past ten years.

Population data can be found in the Schedule of Demographic and Economic Statistics on Schedule 19.

## CITY OF DENHAM SPRINGS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2024

(Unaudited)

		Amounts In Debt Service		City of Denham Springs	
	Gross Debt Outstanding	Fund For Principal	Net Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Share of Debt
<u>GOVERNMENTAL UNIT - Direct Debt</u>					
City of Denham Springs	\$ -	\$ -	\$ -	100%	\$ -
<u>OTHER GOVERNMENTAL AGENCIES - Overlapping Debt</u>					
School District #1	38,970,000	221,587	38,748,413	29%	11,237,040
Library Bonds	695,000	738,089	(43,089)	11%	(4,740)
Livingston Parish -					
Recreation District No. 3	7,180,000	732,026	6,447,974	37%	2,385,750
Recreation District No. 3	-	16,577	(16,577)	37%	(6,133)
Total Other					
Governmental					
Agencies	46,845,000	1,708,279	45,136,721		13,611,917
Total Direct and					
Overlapping					
Debt	\$ 46,845,000	\$ 1,708,279	\$ 45,136,721		\$ 13,611,917
2024 Population					10,149
Per Capita					\$ 1,341

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Denham Springs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Net Overlapping Debt is computed to demonstrate the total property tax burden on the taxpayers within the reporting government's geographic jurisdiction and the total debt that their property taxes will be expected to repay.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's total taxable assessed value.

## CITY OF DENHAM SPRINGS

## LEGAL DEBT MARGIN INFORMATION

Last Ten Years  
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 8,565,035	\$ 8,566,085	\$ 8,114,856	\$ 8,408,223	\$ 8,518,978	\$ 8,810,942	\$ 9,723,429	\$ 10,148,756	\$ 10,160,891	\$ 10,472,401
Legal Debt Margin	<u>\$ 8,565,035</u>	<u>\$ 8,566,085</u>	<u>\$ 8,114,856</u>	<u>\$ 8,408,223</u>	<u>\$ 8,518,978</u>	<u>\$ 8,810,942</u>	<u>\$ 9,723,429</u>	<u>\$ 10,148,756</u>	<u>\$ 10,160,891</u>	<u>\$ 10,472,401</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Note: Under state finance law, the City of Denham Springs' outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Legal Debt Margin Calculation for Fiscal Year 2024

Total Assessed Value	<u>\$ 104,724,010</u>
Debt Limit (10% of Total Assessed Value)	\$ 10,472,401
Less: Debt Applicable to Limit: General Obligation Bonds	<u>-</u>
Legal Debt Margin	<u>\$ 10,472,401</u>



## CITY OF DENHAM SPRINGS

PLEDGED REVENUE COVERAGELast Ten Years  
(Unaudited)

Year	Utility Revenue Bonds								Special Assessment Certificates			
	Gross Revenue <sup>1</sup>	Other Financial Sources <sup>3</sup>	Expenses <sup>2</sup>	Available for Debt Service	Debt Service		Total	Coverage	Special Assessment Collections	Debt Service		Coverage
					Principal	Interest				Principal	Interest	
2015	\$ 12,445,012	\$ -	\$ 8,204,298	\$ 4,240,714	\$ 779,692	\$ 2,283,432 <sup>4</sup>	\$ 3,063,124	1.38	\$ -	\$ -	\$ -	N/A
2016	11,571,657	-	7,107,991	4,463,666	1,331,224	2,104,449	3,435,673	1.30	-	-	-	N/A
2017	10,672,984	-	7,909,948	2,763,036	1,662,555	1,682,839	3,345,394	0.83	-	-	-	N/A
2018	11,224,382	-	7,487,609	3,736,773	1,615,000	1,875,240	3,490,240	1.07	-	-	-	N/A
2019	11,868,000	-	7,712,714	4,155,286	1,690,000	1,820,436	3,510,436	1.18	-	-	-	N/A
2020	11,804,060	-	7,418,124	4,385,936	1,740,000	1,756,919	3,496,919	1.25	-	-	-	N/A
2021	13,367,922	-	7,980,271	5,387,651	1,785,000	1,790,773	3,575,773	1.51	-	-	-	N/A
2022	15,172,828	-	8,274,356	6,898,472	1,860,000	1,790,573	3,650,573	1.89	-	-	-	N/A
2023	15,894,067	-	9,028,418	6,865,649	1,925,000	1,558,502	3,483,502	1.97	-	-	-	N/A
2024	16,286,396	-	9,567,020	6,719,376	1,970,000	1,502,010	3,472,010	1.94	-	-	-	N/A

<sup>1</sup>Total Operating Revenues plus Non-Operating Revenues plus Capitalized Interest Income<sup>2</sup>Total Operating Expenses plus Non-Operating Expenses less Depreciation and Debt Service Interest on Revenue Bonds not capitalized<sup>3</sup>Transfers In<sup>4</sup>Interest capitalized during construction plus Debt Service Interest on Revenue Bonds not capitalized

## CITY OF DENHAM SPRINGS

DEMOGRAPHIC AND ECONOMIC STATISTICSLast Ten Years  
(Unaudited)

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income (amounts expressed in thousands)</u>	<u>Per Capita Income<sup>2</sup></u>	<u>Median Age<sup>3</sup></u>	<u>Public School Enrollment<sup>4</sup></u>	<u>Unemployment Livingston Parish<sup>5</sup></u>	<u>Unemployment Labor Market Area<sup>5</sup></u>
2015	10,251	\$ 344,885	\$ 33,644	N/A	25,845	5.6	6.5
2016	10,215	345,798	33,852	N/A	25,714	5.6	6.0
2017	10,314	282,965	27,435	N/A	25,295	4.9	5.2
2018	10,332	285,917	27,673	N/A	25,460	5.0	5.4
2019	10,327	292,853	28,358	N/A	25,712	4.6	5.0
2020	10,295	276,163	26,825	N/A	26,111	7.8	9.4
2021	10,343	302,160	29,214	36.3	25,900	4.2	6.0
2022	9,410	282,658	30,038	N/A	26,433	3.2	4.3
2023	10,132	313,818	30,973	N/A	26,163	2.6	3.2
2024	10,149	316,314	31,167	N/A	27,731	3.4	3.9

<sup>1</sup>Per State Treasurer's office<sup>2</sup>Parishwide Per Capita Income Per Louisiana Department of Labor.<sup>3</sup>Per Louisiana Department of Labor.<sup>4</sup>Louisiana Department of Education.<sup>5</sup>United States Census Bureau.

N/A - Not readily available at this time.

## CITY OF DENHAM SPRINGS

Principal Employers

Current Year and Nine Years Ago  
(Unaudited)

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Livingston Parish School Board	543	1	5.46%	631	1	9.52%
Walmart	323	2	3.25%	305	2	4.60%
City of Denham Springs	180	3	1.81%	191	4	2.88%
Sam's Club	180	4	1.81%	157	6	2.37%
Harvest Manor	179	5	1.80%			
Home Depot	157	6	1.58%	145	7	2.19%
Facilities Maintenance (FMM)	157	7	1.58%			
Keller Williams	130	8	1.31%			
Bass Pro Shops	102	9	1.03%	250	3	3.77%
Lard Oil of Denahm Springs	95	10	0.96%			
Albertsons				78	8	1.18%
Golden Age Nursing Home				172	5	2.59%
Whitney Bank				71	10	1.07%
B&C Sheet Metal				77	9	1.16%
	<u>2,046</u>		<u>20.59%</u>	<u>2,077</u>		<u>31.32%</u>

Source: Livingston Economic Development Council

## CITY OF DENHAM SPRINGS

## FULL-TIME EQUIVALENT CITY OF DENHAM SPRINGS EMPLOYEES BY FUNCTION

Last Ten Fiscal Years  
(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government:										
General Provisions	12	10	15	16	16	16	16	11	11	12
Cemetery	-	-	-	-	-	-	-	-	-	-
Business License and Permit	1	1	1	1	1	1	1	1	1	1
Ward II Court	2	2	2	1	1	1	1	1	1	1
Planning and Zoning	4	4	5	4	4	4	4	4	4	4
Landscaping	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Animal Control	13	8	7	8	10	12	9	9	10	11
Firemen	27	26	27	27	27	27	27	27	27	27
Firemen Administrative Staff	2	2	2	2	2	3	3	3	3	3
Policemen	33	26	26	31	27	22	29	27	29	29
Police Evidence Officer	-	1	1	1	1	1	1	1	1	1
Police Communications	4	4	5	5	5	4	4	4	4	4
Police Administrative Staff	5	4	6	5	5	5	5	5	5	5
Police Crossing Guards	3	3	3	3	3	3	3	3	3	3
Litter Control	-	-	-	-	-	-	-	-	-	-
Public Works:										
Street	20	18	20	16	15	14	13	16	16	17
Culture and Recreation:										
Main Street Director	-	-	-	1	1	1	1	1	1	1
Old City Hall Secretary	1	1	1	1	1	1	1	1	1	1
Public Utilities:										
Natural Gas, Water and Sewer	44	42	33	33	33	34	34	37	39	40
Motor Pool:										
Mechanics	2	2	2	2	2	2	2	2	2	2
Total Full-time Equivalent	<u>173</u>	<u>154</u>	<u>156</u>	<u>157</u>	<u>154</u>	<u>151</u>	<u>154</u>	<u>153</u>	<u>158</u>	<u>162</u>
Total Full-time and Part-time Employees	<u>183</u>	<u>174</u>	<u>162</u>	<u>163</u>	<u>164</u>	<u>154</u>	<u>166</u>	<u>169</u>	<u>169</u>	<u>169</u>

Note: Information provided by the City of Denham Springs.

The Mayor is an elected full-time position. This position is not included in the above schedule.

## CITY OF DENHAM SPRINGS

## OPERATING INDICATORS BY FUNCTION

		Last Ten Fiscal Years (Unaudited)									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Government</b>											
<b>Election Data</b>											
Registered Voters		6,388	5,877	6,445	5,883	5,805	5,720	5,985	5,692	5,649	5,232
Voters at polls		2,407	1,668	2,933	1,075	1,977	2,686	1,602	454	1,531	1,012
Absentee ballots		346	297	1,137	212	388	1,190	851	205	573	507
Percent Voting		43.10%	33.43%	63.15%	21.86%	40.73%	67.77%	41.61%	11.58%	37.25%	39.76%
<b>Ward II Court</b>											
<b>Court Cases</b>											
Civil		2,478	1,953	1,207	1,641	1,880	1,782	1,876	1,711	2,007	1,852
Criminal		1,755	N/A	415	473	1,470	1,561	1,370	1,236	1,045	968
Landlord and tenant (Included in Civil)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Small Claims		-	1,103	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic		15,440	10,975	3,577	6,357	5,629	4,872	5,701	6,236	6,054	6,380
<b>Public Safety</b>											
<b>Police Protection</b>											
Adult arrests		936	885	683	1,049	866	577	416	738	787	822
Civil infractions		N/A	N/A	719	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Group A Offenses		984	826	711	970	813	920	961	1,005	1,015	1,427
Group B Offenses		1,564	898	742	996	908	986	1,086	2,001	1,784	2,106
Accidents w/injury		169	119	111	125	261	198	250	175	145	136
Juvenile arrest		58	42	35	53	86	35	26	32	64	112
DWI		69	70	76	81	97	48	44	30	38	42
Parking violations		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Criminal damage to property		142	120	101	106	102	92	104	112	102	98
Private property damage		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total traffic violations		12,125	9,147	8,025	9,967	6,352	4,736	6,116	6,362	6,410	6,841
<b>Fire Protection</b>											
Fire		54	56	53	56	45	56	64	56	60	87
Estimated Loss Due to Fire Incidents Reported		\$ 908,700	\$ 167,800	\$ 665,800	\$ 455,900	\$ 520,550	\$ 102,300	\$ 196,000	\$ 333,915	\$ 194,050	\$211,200
Overpressure rupture, explosion, overhear (no fire)		8	4	2	-	3	6	5	3	1	1
Rescue & Emergency Medical Service Incident		1,223	1,045	908	1,074	1,046	992	1,285	1,570	1,420	1,443
Hazardous Condition (No Fire)		41	39	38	23	29	19	43	24	35	33
Service Call		116	163	131	180	136	120	167	272	239	236
Good Intent Call		287	219	213	232	216	205	311	292	182	223
False Alarm & False Call		141	107	150	128	111	95	151	175	125	147
Severe Weather & Natural Disaster		5	2	2	1	1	2	2	-	-	-
Special Incident Type		6	1	-	2	1	4	1	-	-	1

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Natural Gas Services</b>										
<b>Customers</b>	6,362	6,410	5,816	5,991	6,140	6,252	6,369	6,509	6,565	6,642
Inside - Residential	2,132	2,144	1,762	1,800	1,856	1,886	1,885	1,901	1,908	1,908
Inside - Commercial/Industrial	262	259	228	233	227	233	233	240	244	242
Outside - Residential	3,887	3,923	3,745	3,878	3,979	4,053	4,166	4,269	4,310	4,389
Outside - Commercial/Industrial	81	84	81	80	78	80	85	99	103	103
<b>Natural Gas (in million cubic feet (MCF))</b>										
Purchased from LA Municipal Gas Authority (LMGA)	302,169	242,638	183,224	258,735	252,373	229,570	265,268	258,408	241,784	257,935
Sold to customers	287,104	266,666	182,691	257,962	270,904	231,953	270,463	288,388	248,706	257,481
<b>Rates</b>										
<b>All customers inside and outside the city</b>										
Minimum monthly charge	\$ 8.48	\$ 8.41	\$ 8.48	\$ 8.66	\$ 8.86	\$ 9.05	\$ -	\$ -	\$ -	\$ -
Monthly gas rate - cost of gas plus .99 cents per CCF (hundred cubic feet)	eff. 7-1-14	eff. 7-1-15	eff. 7-1-16	eff. 7-1-17	eff. 7-1-18	eff. 7-1-19	\$ -	\$ -	\$ -	\$ -
<b>New Rate Structure (effective 1-1-21)</b>										
<b>Residential inside city limits</b>										
Minimum monthly charge	-	-	-	-	-	-	\$ 10.50	\$ 10.99	\$ 11.97	\$ 12.52
Amount above cost of gas (per CCF)	-	-	-	-	-	-	\$ 0.99	\$ 1.04	\$ 1.13	\$ 1.18
<b>Residential outside city limits</b>										
Minimum monthly charge	-	-	-	-	-	-	\$ 11.50	\$ 12.04	\$ 13.12	\$ 13.73
Amount above cost of gas (per CCF)	-	-	-	-	-	-	\$ 1.09	\$ 1.14	\$ 1.24	\$ 1.30
<b>Commercial inside city limits</b>										
Minimum monthly charge	-	-	-	-	-	-	\$ 15.00	\$ 15.70	\$ 17.10	\$ 17.89
Amount above cost of gas (per CCF)	-	-	-	-	-	-	\$ 0.89	\$ 0.93	\$ 1.01	\$ 1.06
<b>Commercial outside city limits</b>										
Minimum monthly charge	-	-	-	-	-	-	\$ 16.00	\$ 16.75	\$ 18.25	\$ 19.09
Amount above cost of gas (per CCF)	-	-	-	-	-	-	\$ 0.99	\$ 1.04	\$ 1.13	\$ 1.18
<b>Hotels</b>										
Minimum monthly charge	-	-	-	-	-	-	\$ 25.00	\$ 26.17	\$ 28.51	\$ 29.83
Amount above cost of gas (per CCF)	-	-	-	-	-	-	\$ 0.88	\$ 0.92	\$ 1.00	\$ 1.05
<b>Water Services</b>										
<b>Customers</b>	8,606	8,645	8,095	8,305	8,556	8,754	8,961	9,174	9,190	9,267
Inside - Residential	3,927	3,914	3,535	3,605	3,668	3,731	3,766	3,777	3,786	3,790
Inside - Commercial/Industrial	286	290	285	291	296	300	301	312	317	316
Outside - Residential	4,153	4,184	4,004	4,121	4,303	4,426	4,584	4,765	4,764	4,836
Outside - Commercial/Industrial	240	257	271	288	289	297	310	320	323	325
Contracted Service - Shadow Springs Utility System, Inc.	-	-	-	-	-	-	-	-	-	-

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Water (per hundred gallons)</b>										
Sold to customers	7,576,086	7,693,095	8,750,638	7,070,081	6,871,623	7,139,045	7,336,816	7,471,142	7,558,447	808,187
<b>Rates (amount billed customers)</b>										
<b>Inside the corporate limits</b>										
For the first 2,500 gallons monthly minimum charge based on meter size - Refer to meter chart (A)										
For every 1,000 gallons or part thereof next 5,500 gallons	\$ 2.31	\$ 2.29	\$ 2.31	\$ 2.36	\$ 2.41	\$ 2.46	\$ 2.46	\$ 2.58	\$ 2.81	\$ 2.94
For every 1,000 gallons or part thereof next 17,000 gallons	\$ 2.16	\$ 2.14	\$ 2.16	\$ 2.21	\$ 2.26	\$ 2.31	\$ 2.31	\$ 2.42	\$ 2.64	\$ 2.76
For every 1,000 gallons or part thereof all over 25,000 gallons	\$ 2.01	\$ 1.99	\$ 2.01	\$ 2.05	\$ 2.10	\$ 2.15	\$ 2.15	\$ 2.25	\$ 2.45	\$ 2.56
Flat fee for filling of swimming pool or tank truck from fire hydrant by authorized personnel	\$ 77.12	\$ 76.48	\$ 77.11	\$ 78.76	\$ 80.61	\$ 82.37	\$ 82.43	\$ 86.30	\$ 94.01	\$ 98.36
<b>Chart (A) - Monthly minimum charge</b>										
5/8 inch	\$ 12.08	\$ 11.98	\$ 12.08	\$ 12.34	\$ 12.63	\$ 12.91	\$ 12.92	\$ 13.53	\$ 14.74	\$ 15.42
3/4 inch	\$ 14.50	\$ 14.38	\$ 14.50	\$ 14.81	\$ 15.16	\$ 15.49	\$ 15.50	\$ 16.23	\$ 17.68	\$ 18.50
1 inch	\$ 20.72	\$ 20.55	\$ 20.72	\$ 21.16	\$ 21.66	\$ 22.13	\$ 22.15	\$ 23.19	\$ 25.26	\$ 26.43
1 1/2 inch	\$ 36.15	\$ 35.85	\$ 36.15	\$ 36.92	\$ 37.79	\$ 38.61	\$ 38.64	\$ 40.46	\$ 44.07	\$ 46.11
2 inch	\$ 54.81	\$ 54.36	\$ 54.81	\$ 55.98	\$ 57.29	\$ 58.54	\$ 58.58	\$ 61.63	\$ 66.81	\$ 69.90
3 inch	\$ 98.98	\$ 98.16	\$ 98.97	\$ 101.09	\$ 103.46	\$ 105.71	\$ 105.79	\$ 110.76	\$ 120.65	\$ 126.23
4 inch	\$ 161.65	\$ 160.32	\$ 161.65	\$ 165.11	\$ 168.97	\$ 172.65	\$ 172.78	\$ 180.90	\$ 197.06	\$ 206.17
6 inch	\$ 317.55	\$ 314.93	\$ 317.54	\$ 324.33	\$ 331.93	\$ 339.16	\$ 339.41	\$ 355.36	\$ 387.11	\$ 405.00
8 inch	\$ 629.59	\$ 624.40	\$ 629.57	\$ 643.04	\$ 658.10	\$ 672.43	\$ 672.92	\$ 704.53	\$ 767.47	\$ 802.95
<b>Outside the corporate limits</b>										
For the first 2,500 gallons monthly minimum charge based on meter size - Refer to meter chart (B)										
For every 1,000 gallons or part thereof next 5,500 gallons	\$ 2.31	\$ 2.29	\$ 2.31	\$ 2.36	\$ 2.41	\$ 2.46	\$ 2.46	\$ 2.58	\$ 2.81	\$ 2.94
For every 1,000 gallons or part thereof next 17,000 gallons	\$ 2.16	\$ 2.14	\$ 2.16	\$ 2.21	\$ 2.26	\$ 2.31	\$ 2.31	\$ 2.42	\$ 2.64	\$ 2.76
For every 1,000 gallons or part thereof all over 25,000 gallons	\$ 2.01	\$ 1.99	\$ 2.01	\$ 2.05	\$ 2.10	\$ 2.15	\$ 2.15	\$ 2.25	\$ 2.45	\$ 2.56
Flat fee for filling of swimming pool or tank truck from fire hydrant by authorized personnel	\$ 77.12	\$ 76.48	\$ 77.11	\$ 78.76	\$ 80.61	\$ 82.37	\$ 82.43	\$ 86.30	\$ 94.01	\$ 98.36

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

	Last Ten Fiscal Years (Unaudited)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Chart (B) - Monthly minimum charge</b>										
5/8 inch	\$ 12.60	\$ 12.50	\$ 12.60	\$ 12.87	\$ 13.17	\$ 13.46	\$ 13.47	\$ 14.10	\$ 15.36	\$ 16.07
3/4 inch	\$ 16.35	\$ 16.22	\$ 16.35	\$ 16.70	\$ 17.10	\$ 17.47	\$ 17.48	\$ 18.30	\$ 19.93	\$ 20.85
1 inch	\$ 23.81	\$ 23.61	\$ 23.81	\$ 24.32	\$ 24.89	\$ 25.43	\$ 25.45	\$ 26.65	\$ 29.03	\$ 30.37
1 1/2 inch	\$ 42.37	\$ 42.02	\$ 42.37	\$ 43.28	\$ 44.29	\$ 45.25	\$ 45.28	\$ 47.41	\$ 51.65	\$ 54.04
2 inch	\$ 64.73	\$ 64.20	\$ 64.73	\$ 66.11	\$ 67.66	\$ 69.13	\$ 69.18	\$ 72.43	\$ 78.90	\$ 82.55
3 inch	\$ 117.74	\$ 116.77	\$ 117.74	\$ 120.26	\$ 123.07	\$ 125.75	\$ 125.84	\$ 131.75	\$ 143.52	\$ 150.15
4 inch	\$ 192.92	\$ 191.32	\$ 192.90	\$ 197.03	\$ 201.65	\$ 206.04	\$ 206.19	\$ 215.88	\$ 235.17	\$ 246.04
6 inch	\$ 379.97	\$ 376.84	\$ 379.96	\$ 388.09	\$ 397.18	\$ 405.83	\$ 406.13	\$ 425.21	\$ 463.20	\$ 484.61
8 inch	\$ 754.48	\$ 748.26	\$ 754.46	\$ 770.60	\$ 788.65	\$ 805.83	\$ 806.42	\$ 844.30	\$ 919.73	\$ 962.25
<b>Sewer Services</b>										
<b>Customers</b>	5,256	5,258	4,832	4,947	5,025	5,085	5,127	5,172	5,168	5,193
Inside - Residential	3,257	3,252	2,951	3,014	3,069	3,121	3,141	3,159	3,157	3,172
Inside - Commercial/Industrial	654	657	614	629	628	632	634	648	660	660
Outside - Residential	1,324	1,325	1,245	1,280	1,305	1,309	1,329	1,342	1,329	1,338
Outside - Commercial/Industrial	21	24	22	24	23	23	23	23	22	23
Contracted Services-LP Sewer District #1 and #2	474	470	456	463	507	563	600	663	664	660
Denham Springs Sewerage District #1	2,237	2,332	2,234	2,307	2,411	2,472	2,593	2,679	2,685	2,753
<b>Rates (amount billed customers)</b>										
<b>The City of Denham Springs Sewer Rates</b>										
<b>Residential customers inside the city</b>										
Monthly flat fee and	\$ 10.28	\$ 10.20	\$ 10.28	\$ 10.50	\$ 10.75	\$ 10.98	\$ 10.99	\$ 11.51	\$ 12.54	\$ 13.12
% of water consumption per 100 gallons	25.71%	26.00%	26%	26%	27%	27%	27%	29%	31%	33%
<b>Residential customers outside the city</b>										
Monthly flat fee and	\$ 12.37	\$ 12.24	\$ 12.37	\$ 12.60	\$ 12.90	\$ 13.18	\$ 13.19	\$ 13.81	\$ 15.04	\$ 15.74
% of water consumption per 100 gallons	25.71%	26.00%	26%	26%	27%	27%	27%	29%	31%	33%
<b>Commercial customers inside the city</b>										
<b>Hotels/Motels</b>										
Number of rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms	513 Rooms
Monthly flat fee based on number of	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.75	\$ 10.98	\$ 10.99	\$ 10.99	\$ 12.54	\$ 13.12
rooms and % of water consumption per 100 gal.	25.21%	25.71%	26%	26%	26%	27%	27%	29%	31%	33%
<b>Commercial customers outside the city</b>										
<b>Hotels/Motels</b>										
Number of Rooms	None	None	None	None	None	None	None	None	None	None
Monthly flat fee based on number of	\$ 12.34	\$ 12.34	\$ 12.34	\$ 12.34	\$ 12.34	\$ 13.18	\$ 13.18	\$ 13.18	\$ 15.04	\$ 15.74
rooms and % of water consumption per 100 gal.	25.71%	26.00%	26%	26%	27%	27%	27%	29%	31%	33%

(CONTINUED)



CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years (Unaudited)											
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<b>All other commercial customers inside the city</b>											
Monthly flat fee based on commercial business zone and % of water consumption per 100 gallons	26%	26%	26%	26%	27%	27%	27%	29%	31%	33%	
Zone C-1	\$ 20.57	\$ 20.57	\$ 20.57	\$ 20.57	\$ 21.50	\$ 21.50	\$ 21.99	\$ 23.02	\$ 25.08	\$ 26.24	
number of customers	26	28	25	25	25	24	24	23	23	24	
Zone C-2	\$ 25.71	\$ 25.71	\$ 25.71	\$ 25.71	\$ 26.88	\$ 26.88	\$ 27.49	\$ 28.78	\$ 31.35	\$ 32.80	
number of customers	37	37	34	37	36	36	36	36	36	35	
Zone C-3	\$ 30.85	\$ 30.85	\$ 30.85	\$ 30.85	\$ 32.25	\$ 32.25	\$ 32.97	\$ 34.52	\$ 37.60	\$ 39.34	
number of customers	403	404	378	387	395	396	397	406	415	417	
Zone C-4	\$ 35.99	\$ 35.99	\$ 35.99	\$ 35.99	\$ 37.62	\$ 37.62	\$ 38.47	\$ 40.28	\$ 43.88	\$ 45.91	
number of customers	43	40	37	41	37	37	36	39	41	39	
Zone I-1 and I-2	\$ 41.43	\$ 41.43	\$ 41.43	\$ 42.99	\$ 42.99	\$ 42.99	\$ 43.96	\$ 46.03	\$ 50.14	\$ 52.46	
number of customers	32	35	35	32	32	32	32	34	34	36	
Zone R-1 and R-2	\$ 15.42	\$ 15.42	\$ 15.42	\$ 15.42	\$ 16.12	\$ 16.12	\$ 16.48	\$ 17.25	\$ 18.79	\$ 19.66	
number of customers	25	24	21	21	22	24	24	25	25	25	
<b>Governmental Business</b>	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 32.97	\$ 34.52	\$ 37.60	\$ 39.34	
<b>All other commercial customers outside the city</b>											
Monthly flat fee and % of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 32.97 27%	\$ 34.52 29%	\$ 37.60 31%	\$ 39.34 33%	
<b>Denham Springs Sewer District #1 Rates</b>											
<b>Residential customers outside the city</b>											
Monthly flat fee and % of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 25.08 31%	\$ 26.24 33%	
<b>Commercial customers outside the city</b>											
<b>Hotels/Motels</b>											
Number of Rooms											None
Monthly flat fee and % of water consumption per 100 gallons	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 25.08 31%	\$ 26.24 33%	
<b>All other commercial customers outside the city</b>	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	Included w/ inside City	\$ 47.64 31%	\$ 49.84 33%	
% of water consumption per 100 gallons											

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

		Last Ten Fiscal Years (Unaudited)											
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024		
<b>Sanitation Services</b>													
<b>Customers</b>		3,565	3,573	3,180	3,238	3,306	3,361	3,384	3,402	3,417	3,419		
Inside - Residential		3,405	3,413	3,032	3,087	3,154	3,210	3,232	3,235	3,231	3,234		
Inside - Commercial/Industrial		160	160	148	151	152	151	152	167	186	185		
Sanitation Service Contracted Rates - Monthly per Customer													
Twice Weekly Pickup and Weekly Pickup of Recycling		\$ 18.34	\$ 18.20	\$ 18.20	\$ 18.20	\$ 19.12	\$ 19.30	\$ 22.20	\$ 25.82	\$ 26.37	\$ 26.37		
<b>Rates (amount billed customers)</b>													
Inside - Residential		\$ 18.34	\$ 18.20	\$ 18.20	\$ 18.20	\$ 19.12	\$ 19.30	\$ 22.20	\$ 25.82	\$ 26.37	\$ 26.37		
Inside - Commercial/Industrial		\$ 18.34	\$ 18.20	\$ 18.20	\$ 18.20	\$ 19.12	\$ 19.30	\$ 22.20	\$ 25.82	\$ 26.37	\$ 26.37		
Inside - Senior Citizens		\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00		

Sources:

Election Data - Livingston Parish Registrar of Voter's Office  
 Court Cases - City Court of Denham Springs - Ward II  
 Police Protection - City of Denham Springs Police Department  
 Fire Protection - City of Denham Springs Fire Department  
 Customer Counts and Rates - City of Denham Springs Utility Billing office

## CITY OF DENHAM SPRINGS

## CAPITAL ASSET STATISTICS BY FUNCTION

(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Government</b>										
<b>Buildings</b>										
Municipal (City Hall, Ward II Court and Ward II Marshall)	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
<b>Police Protection</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles - Marked	32	30	32	37	35	34	32	32	26	28
Vehicles - Unmarked	10	7	6	8	10	10	12	10	14	13
Motorcycles - Marked	5	5	5	5	5	5	4	4	4	4
<b>Fire Protection</b>										
Administrative Office	1	1	1	-	-	-	-	-	-	1
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles - Extinguishment	6	6	5	7	6	5	5	5	6	6
Vehicles - Emergency Medical	1	1	1	-	-	-	-	-	-	-
<b>Public Works</b>										
<b>Streets and Sidewalks</b>										
Miles of City:										
Primary streets (State and Federal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary streets (City)	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Sidewalks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bridges	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Buildings	2	2	2	3	1	1	1	1	1	1
Street Lights:										
Residential	652	613	613	613	613	613	613	613	613	613
Street and Highway	284	343	343	343	343	343	343	343	343	343
Security Light	2	11	11	11	11	11	11	11	14	14
Vehicles	19	19	20	21	21	22	23	23	23	23
<b>Natural Gas, Water and Sewer Services</b>										
Fire Hydrants	1,415	1,415	1,418	1,420	1,434	1,432	1,432	1,434	1,438	1,439
Miles of natural gas mains	189	189	191	191	191	193	193	195	195	195
Miles of water mains	150	150	150	150	153	153	153	156	158	164
Miles of sanitary sewer:										
City of Denham Springs	68	68	69	69	69	69	69	69	69	69
Denham Springs Sewerage District #1	38	38	39	40	43	43	44	44	44	44
Number of sewer pumping stations:										
City of Denham Springs	39	39	36	36	36	36	37	37	37	37
Denham Springs Sewerage District #1	44	44	48	49	52	52	52	52	52	52
Type of sewer treatment system	Mechanica l System	Mechanica l System	Mechanica l System	Mechanical System	Mechanical System	Mechanical System	Mechanical System	Mechanical System	Mechanical System	Mechanical System
<b>Recreation and Culture</b>										
<b>Parks and Recreation</b>										
Acres	4	4	4	4	4	4	4	4	4	4
Developed Parks (Spring, Train Station, Willow & Old City Hall)	6	6	6	6	6	6	7	7	7	7
Buildings (Spring, Train Station, and Old City Hall)	4	4	4	4	4	4	5	5	5	5

## Sources:

Number of Street Lights - Entergy  
Fire Hydrants and Miles of Water Mains - City of Denham Springs Water Department  
Sewer Lines, Pumping Stations, and Type of Sewer Treatment System - City of Denham Springs Sewer Department  
Miles of Gas Mains - City of Denham Springs Gas Department  
All Other Information - City of Denham Springs Accounting and Administrative Departments

**CITY OF DENHAM SPRINGS, LOUISIANA**

**REPORTS AND SCHEDULES**

**JUNE 30, 2024**

## **CITY OF DENHAM SPRINGS, LOUISIANA**

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



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## INDEPENDENT AUDITOR'S REPORT

The Mayor and Members of  
the City Council  
City of Denham Springs  
Denham Springs, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Denham Springs, Louisiana's basic financial statements and have issued our report thereon dated December 30, 2024. We also have audited the financial statements of the City's nonmajor internal service fund and each of the nonmajor governmental funds as of and for the year ended June 30, 2024. Our report includes a reference to another auditor who audited the financial statements of certain discretely presented component units, as described in our report on the City of Denham Springs, Louisiana's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

### **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 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 of 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 30, 2024



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

## INDEPENDENT AUDITOR'S REPORT

The Mayor and Members of  
the City Council  
City of Denham Springs  
Denham Springs, Louisiana

### **Report on Compliance for Each Major Federal Program**

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

We have audited the City of Denham Springs's ("the City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Denham Springs complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

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

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

## ***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 GAAS, *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 GAAS, *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 Auditor's 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; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited 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 Denham Springs, Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We also have audited the financial statements of the City's nonmajor internal service fund and each of the nonmajor governmental funds as of and for the year ended June 30, 2024. Our report also includes a reference to another auditor who audited the financial statements of certain discretely presented component units, as described in our report on the City's financial statements. We issued our report thereon dated December 30, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 30, 2024

# CITY OF DENHAM SPRINGS

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed- through to Subrecipients	Federal Expenditures
<u>United States Department of Housing and Urban Development</u>				
<i>Passed Through Louisiana Office of Community Development:</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	\$ -	\$ 25,634
Total United States Department of the Housing and Urban Development			-	25,634
<u>United States Department of Transportation</u>				
<i>Passed Through Louisiana Department of Transportation and Development</i>				
Highway Planning and Construction	20.205	N/A	-	367,592
Nation Priority Safety Programs (1)	20.616	N/A	-	7,880
Total United States Department of Transportation			-	375,472
<u>United States Department of the Treasury</u>				
<i>Passed Through Louisiana Office of Community Development:</i>				
COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,200,251
Total United States Department of the Treasury			-	1,200,251
<u>United States Department of Homeland Security</u>				
<i>Passed Through Louisiana Governor's Office of Homeland Security &amp; Emergency Preparedness:</i>				
Disaster Grants - Public Assistance - Debris Removal, Emergency Protective Measures, and Public Buildings and Contents Program	97.036	N/A	-	42,065
Disaster Grants - Public Assistance - Permanent Utility Repair Projects Program	97.036	N/A	-	377,451
Total Disaster Grants - ALN 97.036			-	419,516
Hazard Mitigation Grant	97.039	N/A	-	422,786
Total United States Department of Homeland Security			-	842,302
Total Expenditures of Federal Awards			\$ -	\$ 2,443,659

See accompanying notes to the Schedule of Expenditures of Federal Awards.

## **CITY OF DENHAM SPRINGS**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

#### **Note A - Significant Accounting Policies -**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Denham Springs and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

#### **Note B - Indirect Cost Rate Election -**

The City did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2024.

#### **Note C - Sub-Recipients -**

The City did not pass thru any federal awards to any sub-recipients during the year ended June 30, 2024.

## CITY OF DENHAM SPRINGS

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

#### A. Summary of Auditor's Results

As required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the following is a summary of the results of our audit:

##### Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- |  |           |                            |
|--|-----------|----------------------------|
| • Material weaknesses identified?      | _____ Yes | <u>  x  </u> No            |
| • Significant deficiencies identified? | _____ Yes | <u>  x  </u> None Reported |

Noncompliance material to financial statements noted?	_____ Yes	<u>  x  </u> No
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Other matter reported?	_____ Yes	<u>  x  </u> No
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##### Federal Awards

Internal control over major federal programs:

- |  |           |                            |
|--|-----------|----------------------------|
| • Material weaknesses identified?      | _____ Yes | <u>  x  </u> No            |
| • Significant deficiencies identified? | _____ Yes | <u>  x  </u> None Reported |

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	<u>  x  </u> No
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Identification of major federal programs:

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Assistance Listing Number</u>
<u>United States Department of Homeland Security</u>	
Passed Through Louisiana Governor's Office of Homeland Security and Preparedness: Disaster Grant – Public Assistance Program	97.036
<u>United States Department of Treasury</u>	
Passed Through Louisiana Office of Community Development: COVID19 - Coronavirus State and Local Fiscal Recovery Funds	21.027

- The threshold used for distinguishing Types A and B programs was \$750,000.
- The City was determined to be a low-risk auditee.

**CITY OF DENHAM SPRINGS**

**SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2024**

**B. Findings - Financial Reporting**

**1. Internal Control Over Financial Reporting**

None.

**2. Compliance and Other Matters**

None.

**C. Findings - Federal Awards**

**1. Internal Control Over Compliance of Federal Awards**

None.

**2. Compliance**

None.



## **CITY OF DENHAM SPRINGS**

### **SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**A. Findings - Internal Control Over Financial Reporting**

None.

**B. Findings - Compliance and Other Matters**

**Finding 2023-01 - Misappropriation of Cash and Assets**

**Corrective Action:**

In the prior year, this was a required reporting due to the Louisiana Legislative Auditor requiring the reporting of misappropriations of cash and assets that are \$1,000 or greater. As noted in the prior year, the fraudulent activity was identified in a timely manner. The financial institution replaced the majority of the City's funds which had been incorrectly disbursed. Additionally, in order to help prevent this situation in the future, the City implemented "Positive Pay" on the bank account which requires the City to verify all checks issued before payments will be processed.

**Finding 2023-02 - Timely Notification of the Louisiana Legislative Auditor on a Misappropriation of Cash and Assets**

**Corrective Action:**

Management implemented a procedure for the City to timely and properly notify the Louisiana Legislative Auditor, the District Attorney, and Law Enforcement Agency in any instance that the City's agency head has actual knowledge of or reasonable cause to believe that there has been a misappropriation of the public funds or assets of his agency.

**C. Findings - Federal Awards**

**1. Internal Control Over Compliance of Federal Awards**

None.

**2. Compliance**

None.

Independent Accountant's Report  
on Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2024

The Mayor and Members of  
the City Council  
City of Denham Springs  
Denham Springs, Louisiana  
And Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The City's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
**Finding** – The City's written policies and procedures do not specifically address budgeting.
  - ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes. – **No exceptions noted.**
  - iii. ***Disbursements***, including processing, reviewing, and approving. – **No exceptions noted.**
  - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation). – **No exceptions noted.**
  - v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for

employee(s) rate of pay or approval and maintenance of pay rate schedules. – **No exceptions noted.**

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

**Finding** – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address contracting.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions noted.**

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

**Finding** – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address credit cards. Although the written procedures do not specifically address credit cards, purchases are required to go through approval processes for disbursements and checks require two signatures.

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

**Finding** – The City does have written policies and procedures for Ethics, but the written policies do not address item (4).

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

**Finding** – The City does have written policies and procedures for purchasing and disbursements, but policies do not specifically address debt service.

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

**Finding** – The City does not have written policies and procedures that specifically items (1) through (6). Although the City does not have formal written policies and procedures for the above items, informal procedures are present and active.

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

**Finding** – The city does have written policies and procedures on sexual harassment, but the policies do not specifically address (2) annual employee training and (3) annual reporting.

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

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

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document. – **No exceptions noted.**
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. – **No exceptions noted.**
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund. – **No exceptions noted.**
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved. – **No exceptions noted.**

### ***3) Bank Reconciliations***

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged); – **No exceptions noted.**
  - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and – **No exceptions noted.**
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. – **No exceptions noted.**

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

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- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5). – **No exceptions noted.**
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - i. Employees responsible for cash collections do not share cash drawers/registers. – **No exceptions noted.**

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit. – **No exceptions noted.**
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and – **No exceptions noted.**
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions noted.**
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period. – **No exceptions noted.**
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered. – **No exceptions noted.**
  - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions noted.**
  - iii. Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions noted.**
  - iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- Finding** – For one selected deposit, HTB noted that check receipt dates were not documented and therefore HTB could not determine if the checks were deposited within one business day of receipt.
- v. Trace the actual deposit per the bank statement to the general ledger. – **No exceptions noted.**

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

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- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5). – **No exceptions noted.**
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase. – **No exceptions noted.**
  - ii. At least two employees are involved in processing and approving payments to vendors. – **No exceptions noted.**

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files. – **No exceptions noted.**
  - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments. – **No exceptions noted.**
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means. – **No exceptions noted.**
- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity. – **No exceptions noted.**
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable. – **No exceptions noted.**
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.* – **No exceptions noted.**

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

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. – **No exceptions noted.**
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and. – **No exceptions noted.**
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.

**Finding** – Finance charges or late fees were noted on 2 of the 5 credit cards tested.

- C. Using the monthly statements or combined statements selected under #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny. – **No exceptions noted.**

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

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected: – **No exceptions noted.**
- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)). – **No exceptions noted.**
  - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. – **No exceptions noted.**
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and. – **No exceptions noted.**
  - iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **No exceptions noted.**

#### ***8) Contracts***

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and: – **No exceptions noted**
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law. – **No exceptions noted.**
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter). – **No exceptions noted.**
  - iii. If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval). – **No exceptions noted.**
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract. – **No exceptions noted.**



## ***9) Payroll and Personnel***

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- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files. – **No exceptions noted.**
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
  - i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). – **No exceptions noted.**
  - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials. – **No exceptions noted.**
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **No exceptions noted.**
  - iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file. – **No exceptions noted.**
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy. – **No exceptions noted.**
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines. – **No exceptions noted.**

## ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:
  - i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170. – **No exceptions noted.**
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable. – **No exceptions noted.**
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170. – **No exceptions noted.**

## ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution. – **No exceptions noted.**



- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants). – **No exceptions noted.**

## ***12) Fraud Notice***

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- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523. – **There were no reports of misappropriations of public funds or assets noted during the fiscal period.**
- B. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. – **No exceptions noted.**

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

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- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted. – **We performed the procedure and discussed the results with management.**
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months. – **We performed the procedure and discussed the results with management.**
  - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor. – **We performed the procedure and discussed the results with management.**
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network. – **No exceptions noted.**
- C. Using the 5 randomly selected employees/officials from the Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
1. Hired before June 9, 2020 – completed the training; and

2. Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

– **No exceptions noted.**

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

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343. – **No exceptions noted.**
- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website). – **No exceptions noted.**
- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - i. Number and percentage of public servants in the agency who have completed the training requirements;
  - ii. Number of sexual harassment complaints received by the agency;
  - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
  - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - v. Amount of time it took to resolve each complaint.

– **No exceptions noted.**

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

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

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

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

Denham Springs, Louisiana  
December 30, 2024

MAYOR  
GERARD LANDRY

MAYOR PRO-TEMPORE  
JEFF WESLEY

CITY CLERK  
BUFFY ANDERSON



## *City of Denham Springs*

CITY COUNCIL  
AMBER DUGAS  
JIM GILBERT  
LORI LAMM-WILLIAMS  
ROBERT POOLE  
JEFF WESLEY

December 24, 2024

Hannis T. Bourgeios, LLP  
178 Del Orleans  
Suite C  
Denham Springs, LA 70726

### Agreed-Upon Procedures Findings Management Response:

#### Written Policies and Procedures

1.A(i) Budgeting – including preparing, adoption, monitoring, and amending the budget.

Finding – The City's written policies and procedures do not specifically address budgeting.

Response – The City will consider adopting a written policy that includes budgeting procedures.

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

Finding - The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address contracting.

Response – The City will consider adopting a written policy for contracts.

1.A(viii) Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

Finding – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address credit cards. Although the written procedures do not specifically address credit cards, purchases are required to go through approval processes for disbursements and checks require two signatures.

Response – The City will update the policies to address credit card usage.

1.A(ix) Ethics – a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Finding – The City does have written policies and procedures but the written policies do not address item (4).

Response – The City will update it's written policies to include how employees are notified of any changes to the entity's ethics policy.

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

Finding – The City does have written policies and procedures for purchasing and disbursements but policies do not specifically address debt service.

Response – The City will review policies and consider policy updates to address debt service.

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

Finding – The City does not have written policies and procedures that specifically address Disaster Recovery/Business Continuity.

Response – The City is in the process of drafting a disaster recovery policy.

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

Finding – The City does have written policies and procedures on sexual harassment, but the policies do not specifically address (2) annual employee training and (3) annual reporting.

Response – The City will update it's written policies to include training and reporting requirements.

#### Collections (excluding electronic funds transfers)

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

Finding – For one selected deposit, HTB noted that check receipt dates were not documented and therefore HTB could not determine if the checks were deposited within one business day of receipt.

Response – The City is working on procedures that will require documentation of receipt date of incoming funds and timelines with which the funds must be deposited.



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

6.B(ii) Observe that finance charges and late fees were not assessed on the selected statements.

Finding – Finance charges or late fees were noted on 2 of the 5 credit cards tested.

Response – The City will look at it's procedures for all bill payments to eliminate late fees and service charges.

Sincerely,

A handwritten signature in blue ink, reading "Michelle W. Hood". The signature is fluid and cursive, with the first name "Michelle" being more prominent than the last name "Hood".

Michelle W. Hood  
City Treasurer