

CITY OF LAKE CHARLES, LOUISIANA

ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT

for the  
Fiscal Year Ended  
September 30, 2023



Prepared by  
Department of Finance



The City of Lake Charles fully complies with Title VI of the Civil Rights Act of 1964, Americans With Disabilities Act, and related statutes, executive orders, and regulations in all programs and activities. The City operates without regard to race, color, or national origin. Any person who believes him/herself or any specific class of persons, to be subjected to discrimination prohibited by Title VI and/or Americans with Disabilities Act may by him/herself or by representative file a written complaint with the City of Lake Charles. The City's Title VI Coordinator/ADA Coordinator may be reached by phone at (337) 491-1440, the Mayor's Action Line at (337) 491-1346, or contact the appropriate Department Head.

**CITY OF LAKE CHARLES**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended September 30, 2023**  
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## CITY OF LAKE CHARLES

NICHOLAS E. HUNTER  
MAYOR

326 Pujot Street • P.O. Box 3706  
Lake Charles, LA 70602-3706  
(337) 491-1251 • FAX (337) 491-1225

DEPARTMENT OF FINANCE  
EMILY K. McDANIEL, DIRECTOR

March 27, 2023

Honorable Nicholas Hunter, Mayor  
Members of the City Council

Dear Mayor and City Council Members:

In accordance with requirements of the City's Charter and applicable state law, I am pleased to submit the Annual Comprehensive Financial Report of the City of Lake Charles for the fiscal year ended September 30, 2022. This report has been prepared by the City's Finance Department in conformity with generally accepted accounting principles (GAAP), and the basic financial statements contained herein have been independently audited in accordance with generally accepted auditing standards. However, the completeness and reliability of all information presented in this report remains the responsibility of the City's management. McElroy, Quirk, and Burch (APC), a firm of licensed certified public accountants, have audited the City of Lake Charles's financial statements. The purpose of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on these financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board (GASB) requires certain government-wide statements as well as the fund financial statements. The purposes and contents of these financial statements are further explained in Management's Discussion and Analysis (MD&A) which follows the independent auditor's report and should be read in conjunction with this letter of transmittal for a more complete understanding of the City's financial condition and activity.

### City Profile

The City of Lake Charles was incorporated in 1867 and is the principal city and trade center of Southwest Louisiana. The 2023 Census Bureau of Economic Analysis estimates the five-parish area has a population of 299,021. Lake Charles's population was 84,872 in 2022. The corporate limits of the City include 50.47 square miles. Lake Charles, which is in Calcasieu Parish, is located on Interstate 10, approximately two hours east of Houston, Texas and west of Baton Rouge, Louisiana and 46 miles north of the Gulf of Mexico.

The City operates under a mayor-council form of government pursuant to a 1961 home rule charter, and provides a full range of traditional municipal services such as public safety, construction and maintenance of municipal infrastructure including water and wastewater, parks and recreation, planning and zoning, trash collection and solid waste disposal and public transportation. The City also has specialized facilities such as a municipal golf course, an event center coliseum and theater complex, and two art centers. All of these activities are integral parts of the city government and are included in this report. Certain components of the judicial function are legally separate entities which are discretely presented in these statements as "component units."

The City adopts an annual operating budget and a project-based capital budget in accordance with procedures established by its charter and by state statute. Although the budget document is comprehensive, covering all funds within the City's control, legal control of expenditures is exercised primarily at the department level for the General Fund and for each Special Revenue Fund pursuant to charter and statutory requirements. Budget-to-actual comparisons for major funds of these types are included in this report.

*United for Progress and Prosperity*

**CITY OF LAKE CHARLES, LOUISIANA**  
**TRANSMITTAL LETTER**  
September 30, 2023

The City also maintains an internal control framework designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, as well as the reliability of financial records for preparing financial statements. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. An evaluation of internal controls and legal compliance is required by federal law in connection with the independent audit, and the auditor's reports thereon are included in a separately issued "uniform guidance" report.

Economic Environment

The City of Lake Charles had a full year of progress as a result of the grants received in the wake of the 2020 and 2021 federally declared disasters. Both Historic City Hall and Central School Arts and Humanities Center restorations were completed during the summer of 2023. Restorations were completed at all of the recreation facilities, the Lake Charles Event Center marquee lights up the lakefront once again, and the reopening of the Rosa Hart Theater at the Lake Charles Event Center are a few of the accomplishments in 2023.

In addition to FEMA Public Assistance funds, the City was one of seven cities awarded the HUD Choice Neighborhood Initiative grant. This \$40 million award is dedicated to housing. In response, multiple housing investments have been announced across the City. Housing developments with private developers, non-profit agencies, and HUD will add over 500 residential housing units for all residents throughout the City. Approximately 150 of these units will be senior living communities, providing affordable and safe housing for our seniors. The cumulative impact of these housing investments are evenly dispersed across the City and total over \$300 million.

Many of the City's restaurant and event spaces continue to see increased activity. Some restaurants expanded their current spaces, while others opened additional locations within the city. Lake Charles was the host to the inaugural Louisiana Food and Wine Festival, bringing in over 3,000 guests from 14 states as well as guests from Canada and England.

Work continues on the major lakefront developments of Port Wonder housing the Children's Museum and the Louisiana Wildlife and Fisheries Science and Educational Center and are expected to open in early summer 2024. Construction on a new pier was completed and will complement additional amenities to the North Beach and Lakefront. Crying Eagle's lakefront restaurant and microbrewery began construction in February 2024. The renovations of the parking garage have been completed. The Bord du Lac Marina refurbishment was completed in April 2023 and opened to boaters in May. All of these projects will continue to stimulate growth along the I-10 corridor and the Lakefront.

Southwest Louisiana boasts the second largest Mardi Gras celebration in the state, with festivities including parades, galas, chicken runs and more. Mardi Gras is followed by popular events such as Downtown at Sundown concerts in the spring; Red, White, Blue and You July 4<sup>th</sup> fireworks and food celebration; Light Up the Lake Christmas Festival; in addition to a number of new events. In November 2023, the City joined with Visit Lake Charles and the Arena Football League to announce the arrival of the Louisiana Voodoo and calling the Lake Charles Event Center their home in 2024. All of these events bring tourism to our city and provide quality of life for the citizens.

Chennault Industrial Airport established an agreement with Customs and Boarder Protection as a new U.S. Port of Entry setting the stage for additional growth. Chennault was also named in a report from the Department of Transportation and Aviation as ranking in the top 3 Louisiana employers for total employment and payroll. The Port of Lake Charles also experienced a few major milestones with the completion of a rehabilitation and strengthening of Berths 2 and 3 as well as having an area in the Gulf of Mexico south of Lake Charles designated as a Wind Energy Lease area.

In November 2023, voters approved two ballot propositions that will make way for an additional \$190 million of new projects in an initiative called LC Rebound. The projects will seek to improve quality of life and mobility of our citizens and visitors throughout the city.

**CITY OF LAKE CHARLES, LOUISIANA**  
**TRANSMITTAL LETTER**  
September 30, 2023

Current and Future Financial Plans

The City's primary operating account, the General Fund, had an ending fund balance of \$55.1 million on September 30, 2023. This represents an increase from \$47.4 million at the end of fiscal year 2022 due to the continued increase in tax revenues and a conservative approach to expenditures.

The General Fund budget for fiscal year 2024, projects that operating revenues of \$87 million will be used to cover departmental expenditures of \$88.7 million. Operational transfers of \$4.5 million and transfers of \$4.7 million for capital projects, resulting in a \$10.9 million use of fund balance reserves during fiscal year 2024.

The General Fund ending fund balance of \$55.1 million is 63 percent of 2023 departmental expenditures. It is the City's policy to maintain a 30 percent minimum fund balance target for the General Fund.

The Disaster Recovery Fund continues to qualify as a major fund in 2024. Revenues of \$16.5 million represents 9 percent of all governmental fund revenues. FEMA funding will cover much of the expenditures of \$17.3 million, but the City will be responsible for no less than 10 percent of most of these costs. Revenues recorded in fiscal year 2024 include funds expected by FEMA will be for reimbursement of repair projects such as the ballfield repairs, communication tower, utility repairs, repairs to community service facilities.

The City continues to focus on rebuilding with resiliency in both our facilities and infrastructure. The CDBG-DR funds designated by HUD and Louisiana Office of Community Development will allow the city to construct facilities to support Public Safety, other community support services and ensure the housing needs of the citizens are met without further delay.

Capital Improvements:

The adopted capital budget for fiscal year 2024 includes \$13 million for streets and drainage, \$23.5 million for utility improvements, \$8.3 million for community and general government projects and \$2.3 million for debt service requirements. The 2024 capital budget also includes \$47.3 million additional funds budgeted for Hurricane Laura Recovery capital projects. Funding for these capital projects will be from FEMA, State Capital Outlay, CDBG-DR, a transfer of reserves from the Disaster Recovery Fund.

Recently completed include projects totaling \$12.7 million include various road, drainage, bridge and sidewalk and sewer projects, \$4.1 million in community service, recreation, general government, and public safety projects. Many water and wastewater projects are currently in progress.

Work continues on the Prien Lake Road project from Cove Lane to Ihles Road, with funding from both the City and Parish. Work has begun on the Southeast Water Treatment Plant. Funding for this project consists of Louisiana Department of Health & Hospitals (DHH) Revolving Loan funds, ARPA, and city funds. The Distribution Line project for the Southeast Water Plant will advertise for bids during the summer of 2024. The Southern Wastewater Loop is another major project that is under design. This wastewater project will be partially funded through the State Water Sector Development grant program and DEQ.

Various road projects continue, including bridge repairs, asphalt overlay, street striping, intersection improvements, sidewalks and streetscaping. Wastewater projects include annual rehabilitation of basins, distribution lines, lift stations, plant repairs and improvements, as well as extension of services. Water projects include water line extensions, water storage tank construction and rehab, filter media replacement, chemical feed system improvements, water well replacement, and backup power improvements.

The City issued \$10 million in bonds for drainage improvements in fiscal year 2022. Major drainage projects have been identified as part of the initial bond issue and work is currently under way. The May 2021 historical flood event reminded us that natural drainage does not recognize city or parish limits.

**CITY OF LAKE CHARLES, LOUISIANA**  
**TRANSMITTAL LETTER**  
September 30, 2023

Phase II of the Lakefront Boardwalk project is under construction. Port Wonder is scheduled to be finished in the early summer of 2024. Phase II of the parking garage repairs are complete. The clubhouse and grill at Mallard Golf are complete and open for lunch, dinner, snack, and full bar service.

Annually, the City completes a five-year capital improvement plan. This serves as the basis for budgeting and planning for future City capital improvement projects. The Planning Department and Engineering Division study infrastructure needs for Lake Charles and the surrounding areas beyond the required five-year plan.

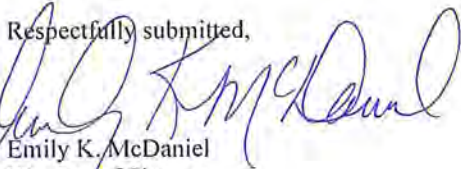
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Charles for its annual comprehensive financial report for the fiscal year ended September 30, 2022. The City also received this award for its reports of the preceding thirty-eight years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the Finance Department staff. We wish to acknowledge Mayor Hunter for his input and vision for the development and financial future of the City of Lake Charles. His leadership has been instrumental in the City being granted Federal and State monies intended for rebuilding and helping to ensure the financial stability of the City. The City Council and others in the administrative staff take an active role in the City's financial affairs, and we appreciate their interest and support.

Respectfully submitted,



Emily K. McDaniel  
Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lake Charles  
Louisiana**

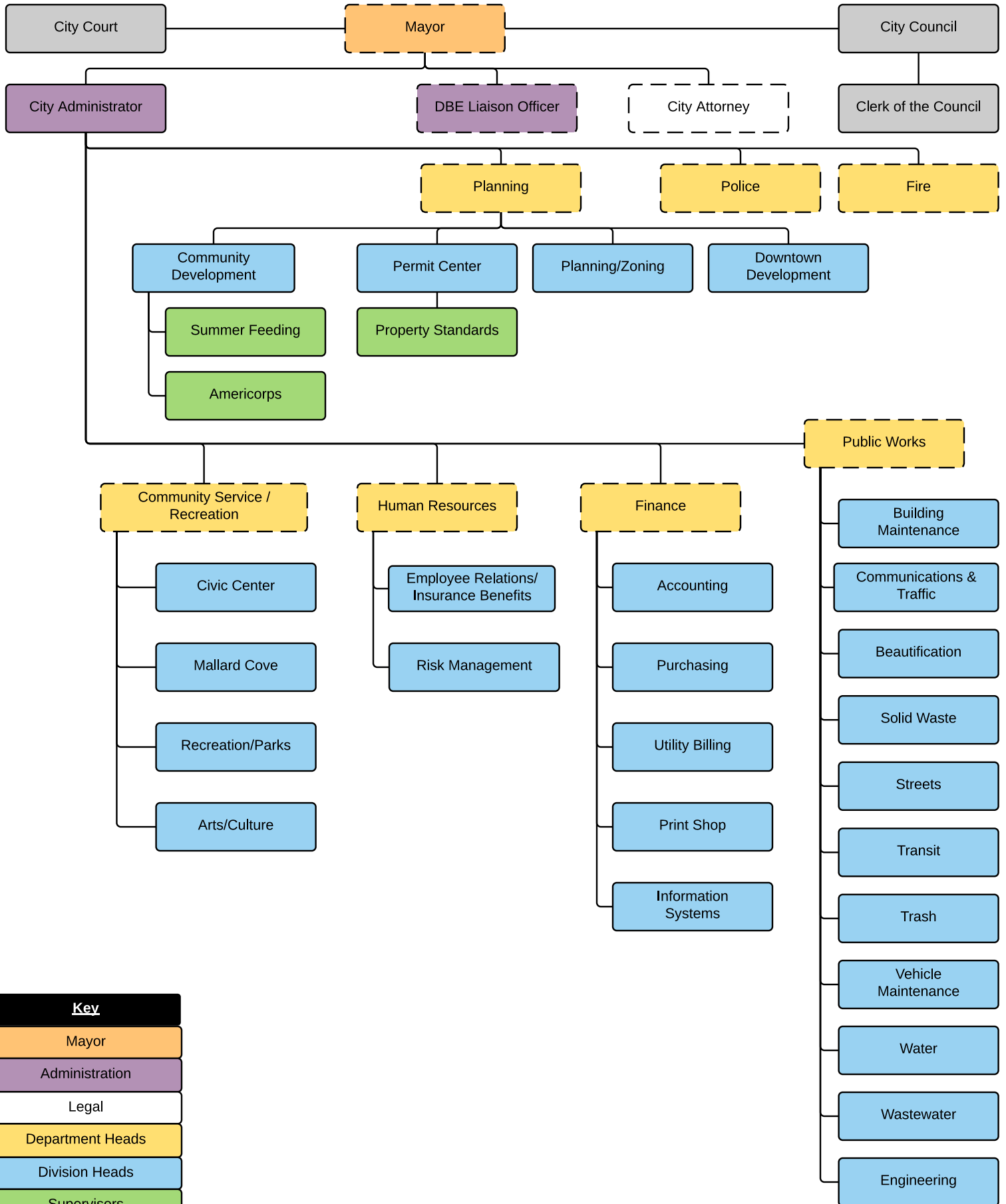
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# City of Lake Charles Organization Chart



**Key**

- Mayor
- Administration
- Legal
- Department Heads
- Division Heads
- Supervisors

City Charter Positions

**CITY OF LAKE CHARLES  
ELECTED CITY OFFICIALS**

	<u>PRESENT TERM BEGINS</u>	<u>PRESENT TERM EXPIRES</u>	<u>BEGAN AS MEMBER</u>
<u>MAYOR</u>			
Nicholas Hunter	July 1, 2021	June 30, 2025	July 2017
<u>CITY COUNCIL</u>			
Mark Eckard, President	July 1, 2021	June 30, 2025	July 2009
Craig Marks, Vice President	July 1, 2021	June 30, 2025	July 2021
Luvertha August	July 1, 2021	June 30, 2025	January 2008
Rodney Geyen	July 1, 2021	June 30, 2025	July 1997
John Ieyoub	July 1, 2021	June 30, 2025	July 2009
Ronnie Harvey, Jr.	July 1, 2022	June 30, 2025	July 2022
Stuart Weatherford	July 1, 2021	June 30, 2025	July 2005
<u>CITY JUDGES</u>			
Jamie B. Bice	January 1, 2021	December 31, 2026	January 2015
Ronald C. Richard	January 1, 2021	December 31, 2026	January 2021
<u>WARD 3 MARSHAL</u>			
Nathan Keller	January 1, 2021	December 31, 2026	January 2021

**CITY OF LAKE CHARLES  
DEPARTMENT HEADS**

**EMPLOYEE**

---

John Cardone

David Morgan

Emily McDaniel

Wendy Goodwin

Delton Carter

Shawn Caldwell

Stacy Dowden

Doug Burguieres

Michael Castille

**DEPARTMENT**

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Mayor's Office

Legal

Finance

Human Resources

Fire

Police

Public Works

Planning

Community Services

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor Nicholas Hunter  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Lake Charles, Louisiana's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Lake Charles, Louisiana, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City Court of Lake Charles or the Office of the Ward Three Marshal, which represent 0.15 percent, 0.03 percent and 2.56 percent, respectively, of the assets, net position, and revenues of the governmental activities as of September 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Court of Lake Charles and the Office of the Ward Three Marshal, are based solely on the report of the other auditors.

### Basis for Opinions

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

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

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

## **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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lake Charles, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lake Charles, 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, budgetary comparison information, the schedule of changes in total other post-employment liability and related ratios, the schedule of employer's proportionate share of net pension liability, and the schedule of employer's pension contributions 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 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 purposes of forming opinions on the financial statements that collectively comprise the City of Lake Charles, Louisiana's basic financial statements. The Schedule of Total Compensation for Mayor, City of Lake Charles, the Schedule of Justice System Funding, combining and individual nonmajor governmental fund statements, combining and individual fund statements and schedules, combining internal service fund statements, and the schedules of capital assets used in the operation of governmental funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and 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 by us and other auditors. In our opinion, based on our audit and the reports of the other auditors, the Schedule of Total Compensation for Mayor, City of Lake Charles, the Schedule of Justice System Funding, combining and individual nonmajor governmental fund statements, combining and individual fund statements and schedules, combining internal service fund statements, and the schedules of capital assets used in the operation of governmental funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 March 27, 2024, on our consideration of the City of Lake Charles, Louisiana's, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lake Charles'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 Lake Charles, Louisiana's internal control over financial reporting and compliance.



Lake Charles, Louisiana  
March 27, 2024



**CITY OF LAKE CHARLES, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2023**

This discussion and analysis seeks to provide an overview of the financial activity and performance of the City of Lake Charles for the fiscal year ended September 30, 2023, and accompanies the basic financial statements beginning on page 27 of this report. The transmittal letter on pages 1 - 4 of this report provides further information from a broader perspective, and should be consulted in conjunction with this discussion and the financial statements themselves for a more complete understanding of the City's financial condition and economic environment.

This Annual Comprehensive Financial Report for September 30, 2023 is reflective of the continuing rebuilding from the natural disasters of 2020 and 2021 as well as the transformational federal and state funding requests that will provide support for critical infrastructure and housing needs. The recognizable revenues for the aid provided through September 30 are included.

Financial Highlights

- The City's total net position at the end of fiscal year 2023 was \$736 million, compared to the September 30, 2022 balance of \$675 million. The Statement of Activities reflect total governmental and business-type activities revenues of \$230 million were used to cover \$169 million of expenditures which are comprised of a \$48.4 million increase in net position for governmental activities and a \$12.7 million increase in net position for business-type activities.
- Total revenue from both governmental and business-type activities was \$230 million, which was an increase of \$4.5 million or 2 percent from the previous year total of \$225 million. Other general revenues in the governmental funds increased due to the collection from a hurricane-related litigation settlement. Operating grants and contributions decreased by \$14.3 million. Prior years reflected recognition of Federal Emergency Management Association (FEMA) proceeds. The current year reflects completion of emergency repairs and debris removal as the City transitions to permanent rebuilding of structures and facilities. In addition Capital grants and contributions decreased by \$15.1 million. Prior years reflected the receipt of American Rescue Plan (ARPA) funds. These funds are being utilized in the current year to construct the SE Water Treatment Plant and the installation of the Automated Water Metering System (AMI).
- Sales and Property Tax revenues account for 41 percent of total revenues. Sales taxes are a main component, accounting for 35 percent of total revenues and increased one percent over prior year. Property tax revenues have begun to recover as property values are rebounding from repairs to structures. Other taxes account for 8 percent.
- In the fund financial statements, total governmental fund balances of \$235.8 million is a decrease of \$785,135 from \$236.6 million in 2022. The fund balance in the General Fund was increased by \$7.6 million to \$55.1 million. Property tax revenue collections increased 3.4 percent. This steady growth is due to property values rebounding with the completion of rebuilding efforts of homes and businesses. The City held millages steady at 15.12 mils for the year. Interest and investment earnings recognized an increase of \$8.6 million. This increase was the result of Federal Reserve led interest rate hikes throughout the year. Riverboat revenues increased 12.2 percent over prior year. This increase is also reflective of a return to post-disaster activity and all gaming floors open for business. Expenditures increased during the year by \$8.9 million primarily within Planning with a \$7 million increase, General Services with a \$5.6 million increase, and Community Services with a \$1.7 million increase. These increases were offset with decreased expenditures in Public Works. The Disaster Recovery Fund has a fund balance of \$26.8 million, this includes unspent insurance proceeds and transfers from other funds to pay for the continued rehabilitation of City facilities damaged in the storms. The Capital Project Fund has reserves of \$131.5 million with additional transfers for capital improvements that will be completed in the current fiscal year, as well as funds accumulated for projects that are currently under design.

**CITY OF LAKE CHARLES, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2023

- The 2023 governmental fund revenues of \$180.6 million are a decrease of 2 percent from the \$184.4 million collected in 2022. Intergovernmental revenues decreased by \$17.9 million as a result of the completions of FEMA temporary-repair reimbursements. Miscellaneous revenue collections increased from \$2.2 million in 2022 to \$10.3 million in 2023 due to the increase in interest earnings.
- Governmental fund expenditures of \$166.8 million is a 20 percent increase from 2022 expenditures of \$139.5 million. Planning and Development increased \$7 million. This department had a 50 percent increase in the number of Property Standards cases handled as compared to previous years. This includes additional costs for demolition of blighted properties and lot clearing activities. Community Services increased expenditures by \$4 million. This included improvements and upgrades to parks and recreation facilities. Capital project expenditures increased by \$14.7 million.
- The General Fund operating revenues of \$95 million exceeded expenditures and transfers of \$87.4 million resulting in a total fund balance increase of \$7.6 million. The total expenditures included \$3 million for disaster-related capital projects and a \$1.8 million capital transfer for Wastewater projects. The ending fund balance was \$55.1 million at September 30, 2023 compared to \$47.4 million at the end of fiscal year 2022.
- The City of Lake Charles implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA) for the year ending September 30, 2023. The City concluded two SBITA agreements requiring adjustment and disclosure under the new statement. The implementation did not require a prior period restatement of Net Position.

### The Financial Statements

This report encompasses a series of financial statements consisting of the following components:

1. The government-wide financial statements are designed to provide an organization-wide overview similar in nature to the form of reporting used for private-sector businesses. The two components of this presentation are:
  - The Statement of Net Position is roughly equivalent to a private business balance sheet, summarizing all of the City's assets and liabilities and reporting the difference between the two as "net position." Changes in net position over time may provide an indication of either an improving or declining financial position.
  - The Statement of Activities is an organization-wide operating statement which accounts for changes in fund net position during the City's 2023 fiscal year. This statement takes into account all revenues and expenses accrued for that year, regardless of when cash is received or paid.

The government-wide statements presented on pages 28 - 29 of this report are a result of the financial reporting model established by Governmental Accounting Standards Board Statement No. 34. These statements also distinguish governmental activities, which are those city functions principally supported by taxes and intergovernmental revenues from business-type activities which are intended to recover a significant portion of their costs through user fees and charges. The City's governmental activities include such functions as public safety (fire and police) and public works (principally streets, sanitation and sewerage), while its business-type activities consist of a civic center, golf course, transit system, and water utility.

The government-wide statements also include two component units, City Court and the Ward Three Marshal, which are legally separate entities with financial dependency on the City as their "primary government." They do not include other legally separate local entities which are financially and operationally independent of the City. This discussion and analysis pertains only to the City as primary government.

2. Fund financial statements report financial data for individual funds into which the City's accounts are organized to maintain compliance with finance-related legal and contractual requirements. This report includes two categories of funds, governmental and proprietary. The City has no fiduciary funds.

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The governmental fund financial statements generally cover the same functions as the governmental activities in the government-wide statements but differ in their focus on near-term spendable resources rather than longer-term measurement of net position. A comparison of the fund and government-wide statements with respect to governmental functions is useful in gaining a longer-term perspective than that provided solely by the near-term focus of governmental fund statements, and reconciliation is provided in the governmental fund statements to support such comparison.

The City maintains fourteen individual governmental funds, six of which are classified as major. Budget to actual statements for four funds are separately displayed in the Required Supplemental Information section beginning on page 88 of this report. There are eight special revenue funds which are aggregated into a single display on those schedules but are individually presented in the combining statements referred to below.

The proprietary fund financial statements cover business-type activities in which external customers are charged for services, as well as internal service activities funded by charges to other city funds and operating units. The enterprise fund category in these statements corresponds to the business-type activities reported in the government-wide statements. The internal service category consists of two funds which account for risk financing and employee group medical benefits. All proprietary fund statements are reported on the accrual basis of accounting as used in the government-wide statements and in private-sector business.

3. Notes to the financial statements provide additional information and explanation necessary for full understanding of the government-wide and fund financial statements and are presented on pages 42 - 89 of this report.
4. Required Supplemental Information is included with information related to OPEB, Net Pension Liability and budget to actual schedules for the major governmental funds.
5. Other information, consisting of the combining statements for the eight non-major governmental funds and two internal service funds, the Capital Assets Used in the Operation of Governmental Funds, the schedule of total compensation for Mayor, and the Justice System Filing Schedule is presented immediately following the Required Supplemental Information.
6. The statistical section contains primarily trend data and non-financial information about the City's various activities.

City-wide Financial Analysis

As shown on the government-wide financial statements, the City's net position at the end of 2023 was \$735,660,156 with 66.7 percent of this total consisting of capital assets, i.e., physical plant, equipment, and infrastructure, less related outstanding debt. An additional 5.7 percent of the net position is externally restricted by law or contract, leaving 27.6 percent as unrestricted net position which is generally available for use at the City's discretion. Year-end assets, liabilities, and net position are summarized below. It should be noted that the investment in capital assets is not available as a financial resource for payment of related debt, other liabilities, or future costs, which will require the use of either existing financial resources or future revenues. Also note that capital assets are reported net of accumulated depreciation and that the infrastructure portion of these reported assets includes only those projects completed since 1975.

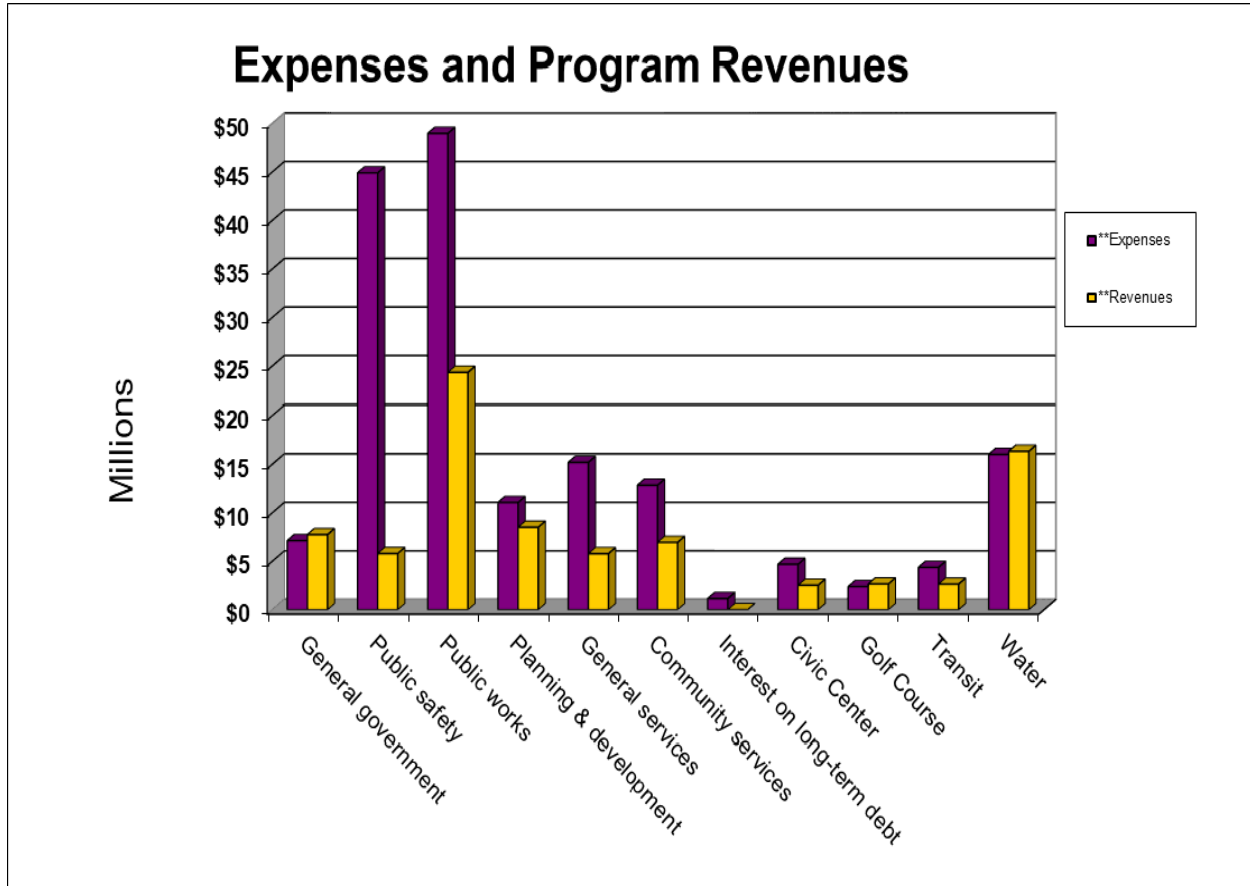
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<b>NET POSITION</b>						
<b>(in thousands)</b>						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 320,473	\$ 291,306	\$ 37,835	\$ 42,373	\$ 358,308	\$333,679
Capital assets	421,758	401,811	116,835	97,153	538,593	498,964
Total assets	<u>742,231</u>	<u>693,117</u>	<u>154,670</u>	<u>139,526</u>	<u>896,901</u>	<u>832,643</u>
Deferred outflows of resource	<u>17,455</u>	<u>22,141</u>	<u>1,039</u>	<u>1,321</u>	<u>18,494</u>	<u>23,462</u>
Long-term liabilities	112,839	124,276	8,023	7,833	120,862	132,109
Current and other liabilities	<u>49,035</u>	<u>41,333</u>	<u>5,628</u>	<u>3,585</u>	<u>54,663</u>	<u>44,918</u>
Total liabilities	<u>161,874</u>	<u>165,609</u>	<u>13,651</u>	<u>11,418</u>	<u>175,525</u>	<u>177,027</u>
Deferred inflows of resources	<u>3,981</u>	<u>4,198</u>	<u>229</u>	<u>316</u>	<u>4,210</u>	<u>4,514</u>
Net position:						
Net investment in capital asset:	376,158	350,311	114,347	97,153	490,505	447,464
Restricted	42,274	41,725	-	-	42,274	41,725
Unrestricted	<u>175,399</u>	<u>153,415</u>	<u>27,482</u>	<u>31,960</u>	<u>202,881</u>	<u>185,375</u>
Total net position	<u>\$ 593,831</u>	<u>\$ 545,451</u>	<u>\$ 141,829</u>	<u>\$ 129,113</u>	<u>\$ 735,660</u>	<u>\$674,564</u>

Total net position of \$735,660,156 is an increase of \$61,095,854 or 9.1 percent from the 2022 net position of \$674,564,302. The change in net position for governmental activities was an 8.9 percent increase, while business-type activities increased 9.8 percent. Explanations of the changes are outlined in the pertinent sections below.

The following chart summarizes expenses and related program revenues for the various governmental and business-type functions displayed in the financial statements. The significance of this comparison is that the portion of each function's expenses not offset by program revenues is left to be covered by general revenues, namely taxes and other restricted sources.

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On an overall basis, the City’s total costs in 2023 were \$141.2 million for governmental activities and \$27.4 million for business-type activities. Total expenses of \$168.6 million are a 5.7 percent increase over 2022 expenses of \$159.6 million. The portions not covered by program revenues, or net costs funded by taxes and other general revenues, were \$82.1 million for governmental activities. The public works function decreased to \$48 million in 2023 compared to \$53 million in 2022. The reduction is due to the completion of emergency and temporary repairs following Hurricane Laura. The public safety function (fire and police) had \$39.1 million in excess expenses over program revenues during 2023.

The City’s total revenue for 2022 was \$229.7 million, a 2 percent increase from 2022 revenues of \$225.1 million. Operating Grants decreased \$14.3 million mainly in the governmental activities. The decrease is due to a reduction in FEMA emergency protective measures and repairs. Capital Grants had a decrease of \$15 million. Capital grants and contributions in Governmental activities decreased \$7.5 million. Prior year included the last tranche of ARPA grant funding. Business activities also decreased by \$7.5 million. Prior year included contributed capital for Mallard Golf. \$2.4 million in prior year capital grants and contributions was used for operations in the Event Center in the current year.

The Statement of Activities for 2023 categorizes the City’s revenues as either program revenues, which are service charges or grants and contributions for specific governmental or business-type functions, or general revenues which include most taxes and other revenue sources of a government-wide nature.

Major components of program and general revenues, together with total expenses and the resulting change in net position, are summarized below for the 2023 fiscal year.

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<b>CHANGES IN NET POSITION</b>						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities		2023	2022
	2023	2022	2023	2022	2023	2022
<b>Program revenues:</b>						
Charges for services	\$ 21,474	\$ 18,292	\$ 16,481	\$ 18,508	\$ 37,955	\$ 36,800
Operating grants & contributions	25,420	39,782	3,997	4,012	29,417	43,794
Capital grants & contributions	12,197	19,756	3,673	11,220	15,870	30,976
<b>General revenues:</b>						
Property taxes	12,796	12,375	-	-	12,796	12,375
Sales taxes	80,732	79,929	-	-	80,732	79,929
Utility franchise taxes	6,401	6,695	-	-	6,401	6,695
Riverboat gaming taxes	12,179	10,851	-	-	12,179	10,851
Other general revenues	32,960	3,468	1,397	260	34,357	3,728
Total revenues	204,159	191,148	25,548	34,000	229,707	225,148
<b>Expenses:</b>						
General government	7,121	7,191	-	-	7,121	7,191
Public safety	44,856	46,167	-	-	44,856	46,167
Public works	48,970	53,423	-	-	48,970	53,423
Planning and development	11,052	3,995	-	-	11,052	3,995
General services	15,194	9,531	-	-	15,194	9,531
Community services	12,828	11,109	-	-	12,828	11,109
Interest in long-term debt	1,159	1,271	-	-	1,159	1,271
Civic Center	-	-	4,683	3,985	4,683	3,985
Golf Course	-	-	2,384	3,530	2,384	3,530
Transit	-	-	4,366	4,482	4,366	4,482
Water	-	-	15,998	14,944	15,998	14,944
Total expenses	141,180	132,687	27,431	26,941	168,611	159,628
Excess before transfers	62,979	58,461	(1,883)	7,059	61,096	65,520
Transfers	(14,599)	(20,710)	14,599	20,710	-	-
Increase (decrease) net position	48,380	37,751	12,716	27,769	61,096	65,520
Net position - beginning	545,451	507,700	129,113	101,344	674,564	609,044
Net position - ending	\$ 593,831	\$ 545,451	\$ 141,829	\$ 129,113	\$ 735,660	\$ 674,564

As indicated by the above table and the following chart, Sales Tax revenue, the City's primary source of revenue, increased 1 percent to \$80.7 million as compared to 2022 collections and is responsible for 35% of total revenues. Sales tax collections brought on by economic activity in hotel/motel rentals and restaurant sales have provided additional sales tax collections to outpace declining sales tax collections in building materials.

Charges for services of \$37.9 million account for 17 percent of all revenue and were increased by \$1.2 million in 2023 compared to prior year. Increased revenues from water and sewer utility fees account for some of the gains. The automated water meter installation was approximately 60 percent complete and being read by the automated system. This system has increased accuracy and reliability in assessing usage in the utilities. Capital grants and contributions decreased \$15 million. Mallard Golf capital grants decreased by \$6.5 million due to prior year activities including the contribution of the golf course land and the sale of the original property location. In addition, Water capital grants and contributions increased due to draws made on the Louisiana Department of Health & Hospitals loan for construction of the SE Water Treatment Plant.

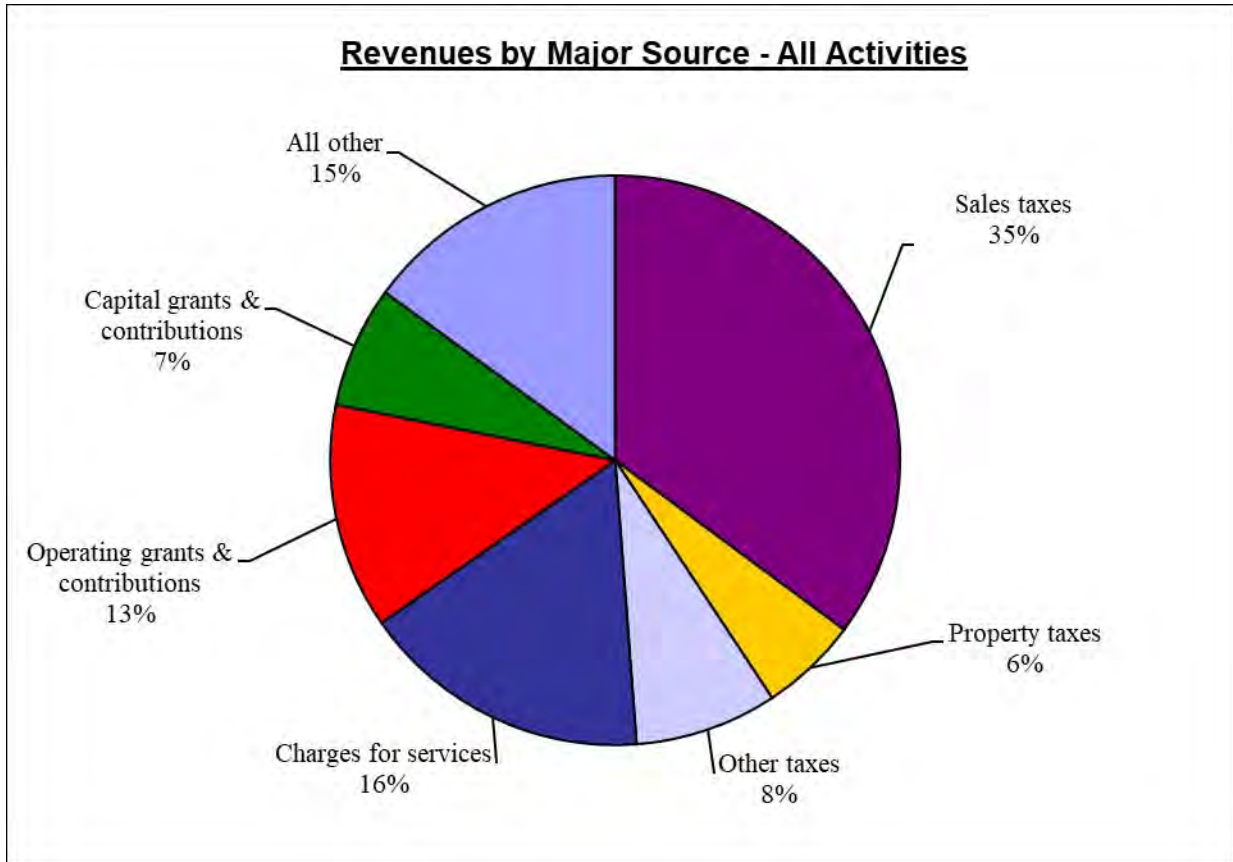
Property taxes account for 6 percent of total revenues and increased by 3.4 percent in 2023. Property taxes were reassessed in 2020 and the City Council adopted the adjusted maximum millage levy of 15.12. The Council

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maintained the 15.12 millage rate for 2023. There will be a property value reassessment performed in fiscal year 2024.

Gaming tax revenues have a 12 percent increase in revenues to \$12.2 million in the current year, compared to \$10.8 million in 2022. The City of Lake Charles and the Calcasieu Parish Police Jury created the Calcasieu Parish Gaming Revenue District and in April 2007 entered into a cooperative endeavor agreement to pool most gaming revenues received parish-wide. Gaming revenues for fiscal year 2023 continued to show strong signs of recovery. Taxable revenues reflected in the statements are from the two riverboat casinos and two land-based casinos located in Calcasieu Parish which includes the Horseshoe Casino that reopened in December 2022.

Other general revenues of \$34.3 million is an increase from \$3.7 million in 2022. The increase is attributable to an increase on interest rates on investments as well as a hurricane –related litigation settlement.



Total expenses increased by 5 percent to \$168.6 million compared to \$159.6 million in 2022. Planning and Development accounted for a \$7 million increase due to increased activity in Property Standards inspections, demolitions, lot clearing that were ordered through the administrative hearing process. General Services had a \$1.9 million increase in expenses in 2023. Public safety accounts for 27 percent of all expenses and decreased 2.8 percent to \$44.8 million in 2023. Public Works accounts for 29 percent of all expenses and decreased by 8.3 percent to \$48.9 million in 2023.

**Analysis of Fund Financial Statements**

This discussion pertains to the financial statements for the various funds into which the City’s accounts are divided to comply with legal requirements. As previously noted, the two fund classifications represented in these statements are governmental and proprietary funds. The below discussion of the Fund Financial Statements is a better representation of the City’s current financial condition, rather than the above statements, which represent a longer-term picture of resources and liabilities.

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The City's governmental funds had a combined fund balance of \$235,848,407 at the end of fiscal year 2023, a decrease of \$785,135 from the fiscal year 2022 balance. The reserves in the General Fund were increased by \$7.6 million to \$55.1 million compared to \$47.4 million in 2022. The Capital Project fund balance decreased by \$4.3 million. Disaster Recovery Fund Balance decreased due to a decrease in FEMA reimbursements that were recognized in prior year for emergency protective measures and emergency repair work. The Wastewater Special Revenue Fund had a \$2.7 million increase in fund balance. This is related to increased revenues for charges for services of the utility.

The City's proprietary funds' net position increased to \$141,829,153 in 2023 compared to \$129,113,031 in the previous year. The Water Utility Fund's net position accounts for 68 percent of the total net position.

General Fund Summary

The General Fund is the City's principal operating fund, accounting for 48 percent of all revenue received by the City and 53 percent of revenue for all governmental funds. The City ended fiscal year 2023 with a fund balance reserve of \$55.1 million in the General Fund compared to \$47.4 on September 30, 2022.

The General Fund revenues of \$95,095,396 were \$4.1 million or 4.6 percent more than fiscal year 2022 revenues of \$90,914,520. Total sales tax revenues of \$61.2 million account for 64 percent of all General Fund revenues and were a 1 percent increase as compared to last fiscal year. Property taxes of \$11.3 million account for 11.9 percent of General Fund revenues and increased by 3 percent. Licenses and permits of \$1 million decreased 15 percent over prior year due to a continued slow-down of permits issued to rebuild residential and commercial properties. This is expected as more properties complete repairs.

Actual General Fund operating expenditures of \$78,392,666 were increased by 10.7 percent compared to prior year expenditures of \$70,813,700. Salaries of \$28.6 million accounts for 36 percent of total expenditures and were nearly unchanged from prior year. Across-the-board increases were given, but salaries remain flat due to the number of open positions throughout the City, particularly in Public Safety. Overtime cost increased in the General Fund to \$5.7 million due to many open positions throughout the City, especially in Public Safety. Other operational expenses, such as maintenance, material and supplies increased 18.5 percent and makeup 27 percent of total operating expenditures.

Fringe benefits, including retirement contributions and health insurance, of \$14.5 million account for 18.6 percent of all General Fund expenses. Retirement contribution expenses were \$7.6 million in 2023; a 5 percent increase as compared to the 2022 fiscal year. For the period July 1, 2022 through June 30, 2023 retirement contribution rates were 33.25 percent for the Fire Department, and remained 33.25 percent on July 1, 2023. The rates for the Police Department were 31.25 percent until June 30, 2023 and increased to 33.95 percent on July 1, 2023. The rates for all other employees remained unchanged at 15.5 percent.

The General Fund had operating transfers, which are necessary to subsidize debt service accounts and the proprietary funds, totaled \$3.2 million in 2023. Other operating transfers were to the Disaster Recovery Fund for \$500,000 and to the Debt Service Fund of \$552,630 to support the City's drainage initiative. The City provided for a transfer of \$4.8 million for capital projects, \$1.8 million for wastewater system improvements and \$3 million for Disaster Recovery Capital.

In summary, current year operating revenues of \$95.1 million were sufficient to cover operating expenditures of \$78.4 million and transfers of \$9 million, resulting in a fund balance increase of \$7.6 million. A portion of this increase will be used for equipment ordered but not received and continued disaster recovery work. The General Fund's ending balance in 2023 was \$55,149,904, which represents 63 percent of total expenditures and all transfers made from the fund that year. The fund balance amount at 2022 fiscal year end was \$47,487,565, which was 58 percent of total expenditures.



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Other Major Fund Summary

The Disaster Recovery Special Revenue Fund was initially established to account for revenues and expenses related to Hurricane Rita, and it has since be used to account for any disaster thereafter. Fund balance reserves were retained in this fund for use during any subsequent disaster. Revenues and expenses related to the coronavirus pandemic, Hurricanes Laura and Delta, Winter Storm Uri, and May flooding required this fund to be classified as a major fund. Revenues of \$16.5 million represents 9 percent of all governmental fund revenues. Fund expenditures of \$17.4 million account for 10 percent of all governmental fund expenditures. This fund will continues to support the rebuilding of City buildings and facilities. The City will shift focus from recovery projects to permanent rebuilding in fiscal year 2024.

The revenues recorded in the Riverboat Gaming Special Revenue Fund of \$12.4 million was a 14 percent increase over prior year revenues of \$10.9 million. The gaming taxes received by the City each year are first and primarily dedicated to the repayment of a portion of the City's debt obligations. Remaining funds are used to fund one-time capital improvements. With revenues returning to pre-disaster levels, the fund transferred \$10.8 million fund balance to support Proprietary Fund and wastewater system capital projects, as well as \$3.9 million for debt service. Riverboat Gaming Fund reserves increased to \$3.4 million in 2023.

The Wastewater Special Revenue Fund revenues were \$17.9 million in fiscal year 2023. Sales tax receipts of 16 percent of one cent are dedicated to wastewater were collected in the amount of \$5 million. Sewer user fees of \$12.4 million are the primary source of revenue for the fund. This increase in revenue is attributed to the automated meter project being nearly 60 percent implemented. The project has increased accuracy in billing for the utility. There were no wastewater fee increases in fiscal year 2023.

Wastewater operating expenses were \$13.2 million. Each year funds are transferred to the Capital Project Fund and to debt service funds to pay for debt service obligations. The transfer to the Capital Project Fund is used for infrastructure improvements to the wastewater system. Needed expansions and improvements are considered when determining a rate schedule. Total transfers in fiscal year 2023 were \$2.3 million; \$1.3 million for debt service payments and \$1 million for capital improvements. The transfer in 2022 was \$5.5 million. Fund balance reserves increased to \$6 million in 2023

The Debt Service Fund revenues remained nearly constant as compared to prior year. Expenditures increased by \$1.2 million in principal payments of \$1 million for the 2021 Drainage Bonds, \$2.1 million for the 2017 Bond Refunding, and a decrease of \$1.9 million for the 2014 Bond Refunding. Transfers of \$8.2 million into the debt service funds come primarily from the Wastewater, Gaming and Capital Project funds and are used to meet the annual principal and interest debt service requirement.

Capital Project Fund Summary

The Capital Projects Fund revenues increased to \$25.9 million compared to \$23.9 million in fiscal year 2022. The Capital Project Fund receives 28 percent of a one cent sales tax levy, collections which increased by 1 percent. Intergovernmental revenue decreased to \$10.2 million in fiscal year 2023 compared to \$14 million in the prior year. The prior years recognized ARPA funding which was fully received in 2021 and 2022. Other revenues in the category are funds from FEMA and Calcasieu Parish Police Jury that cost share in various projects and funds from the Convention and Visitor's Bureau as per a CEA, which provides that the City receive funds from a tax dedicated for economic development. The increase of miscellaneous revenues to \$5.8 million are due to increased interest earnings on investment and deposit accounts.

There was \$21 million transferred into the fund in the current fiscal year. Transfers are from the General, Riverboat Gaming, and Wastewater Funds, including \$8 million from Disaster Recovery Fund for permanent facility repairs and rebuilding. All other transfers were used for improvements to streets and drainage, wastewater system improvements and other general capital projects.

Expenditures of \$38.3 million in fiscal year 2023 is an increase of \$14.2 million compared to \$24.1 million in fiscal year 2022. Fiscal year 2023 reflects the beginning of construction for many large projects including the continued construction on Prien Lake Road, and disaster-related permanent projects such as the demolition and rebuilding of

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the LCPD Annex. The decrease in fund balance of \$4.4 million reflects the use of funds related to these and other projects that were funded in previous years. Total fund balance at year-end of \$131.5 million are restricted or committed for capital projects.

Proprietary Funds Summary

The business-type activities operating revenues of \$16 million have increased by 23 percent from fiscal year 2022. Charges for Services have rebounded in the all of the funds. Mallard Golf Club revenues increased 55 percent and the Water Utility revenues increased 20 percent.

Water Utility total operating revenues account for the majority of revenues and increased to \$13.7 million. The City has completed 60 percent installation of analog water meters with automated meters. This project is anticipated to provide additional accuracy of metering and charging for usage. Operating expenses increased to \$16 million from \$15 million in the prior year. The General Service category, which includes insurance and contractual services, increased by \$924,000.

Mallard Golf had operating revenues totaling \$1,322,526. The course has been host to many new tournaments including multiple youth golf events. The new clubhouse has expanded its menu and is contributing to the revenue increases.

The Lake Charles Event Center, renamed from the Lake Charles Civic Center, is now operating under the management of ASM Global. The Event Center had operating revenues of \$87,908. This is a 40 percent increase over prior year.

Capital Assets

The City's total net investment in capital assets of \$538 million at the end of the 2023 fiscal year was an increase of \$40 million from \$499 million at the end of 2022. Land increased \$2 million primarily due to purchase of land for the LCFD Fire Training Center and the LCPD Annex. The net increase in Construction in Process is \$33.5 million. This includes additions for current year projects in progress totaling \$49 million and a reduction of \$15 million for projects completed throughout the year. The net change in the Governmental Activities include streets, wastewater system improvement projects, public safety, and community services. The net change in Business-type Activities of \$19.6 million include \$14.4 million to begin construction on the Southeast Water Plant and \$5.8 million for Event Center improvements.

Components of the City's capital assets are summarized in the following table. As previously noted, reported value for infrastructure is limited to projects completed since 1975. Additional detail is provided by the financial statements and notes thereto (Note 4-C).

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Net Investment in Capital Assets as of September 30, 2023						
	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 19,072	\$ 16,874	\$ 7,861	\$ 7,861	\$ 26,933	\$ 24,735
Construction in progress	55,234	40,224	26,255	7,752	81,489	47,976
Buildings	16,168	18,257	9,741	6,599	25,909	24,856
Improvements other than buildings	68,209	67,968	69,292	71,028	137,501	138,996
Equipment	13,105	11,775	3,518	3,677	16,623	15,452
Infrastructure	249,011	246,221	-	-	249,011	246,221
Right of use leases	321	492	168	236	489	728
Right of use subscriptions	639	-	-	-	639	-
Total	<u>\$ 421,759</u>	<u>\$ 401,811</u>	<u>\$ 116,835</u>	<u>\$97,153</u>	<u>\$ 538,594</u>	<u>\$ 498,964</u>

Debt Administration

As of September 30, 2023, the City's Governmental Activities reported \$112.8 million in non-current liabilities compared to \$124 million in the previous year. The change in net pension liability deferred outflows accounts for most of the decrease. Bonded debt of \$29.7 million is a decreased from \$35.3 million in fiscal year 2022 and is payable from future annual appropriations, all of the outstanding bond principal is due within ten years. The decrease is due to principal payments reducing the outstanding debt of the 2014 and 2017 LCDA Revenue Refunding Bonds and the 2021 Drainage Bonds.

The City has no outstanding general obligation debt to which a bond rating can be assigned. All outstanding bond issues are insured and therefore rated "AA" by Standard and Poor's. Statutory debt limits applicable to the City have not been met or exceeded by any of the City's current outstanding debt.

As per notification by Standard and Poor's on February 2018, all City of Lake Charles debt was upgraded one notch following new criteria application; therefore, all debt was upgraded from "AA-" to "AA". As the City prepares to take on the LC Rebound projects with the new issuance of bonds, the City will seek an updated grading from a reputable rating agency.

The voters of Lake Charles approved a \$90 million bond issue in November 2006. Through the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA), the City has issued bonds in 2007 and in 2010 totaling \$75 million. The proceeds were used for improving streets and roads, park and recreation facilities, water and wastewater systems, downtown and/or lakefront development infrastructure and economic development initiatives within the City. Riverboat gaming revenue, sales tax revenues and funds from sewer user fees are used to repay the debt.

The City issued \$15,825,000 in Revenue Refunding Bonds in December 2014. The proceeds were used to advance refund a portion of the outstanding 2007 Public Improvement Bonds. In May 2017 the City issued \$24,140,000 in Revenue Refunding Bonds to refund the remaining 2007 Public Improvement Bonds and to advance refund a portion of the outstanding 2010 Public Improvement Bonds. Both Series were assigned a rating of "AA-" (stable outlook) by Standard and Poor's.

The City of Lake Charles was approved in 2011 by the Louisiana Department of Environmental Quality (DEQ) for a \$21,000,000 loan from the State Revolving Loan Fund for improvements to the City's wastewater system. Current

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principal balance is \$11,117,000. The debt will be repaid with sewer user fees of the Wastewater Special Revenue Fund through 2032.

The City has been approved for a \$30 million loan from the Department of Health Drinking Water Revolving Loan Fund to construct the Southeast Water Treatment Facility. Interest and administration fees will total 2.45 percent and will be repaid over a 20-year period. This debt was granted a \$3 million principal forgiveness loan. The City expects to fully borrow \$27 million by project completion. Current principal balance is \$2,317,438.

The City has been approved for an additional \$20 million loan from the DEQ State Revolving Loan Fund in anticipation of future major sewer improvement projects. As with the 2011 loan, interest and administration fees will total 0.95 percent and would be repaid over a 20-year period.

In June 2021, the city council approved a drainage proposal to issue up to \$20 million in bonds to address the drainage problems within the city boundaries. The bonds will be repaid over a term not to exceed 20 years, at a rate of interest not to exceed 5 percent. As disclosed in the notes to the financial statements, the City issued a \$10 million bond in December 2021 and no additional tranches of debt were issued prior to the end of fiscal year 2023.

The City has fully adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB 87 changed the accounting and financial reporting for leases by establishing a single model for lease accounting based on the foundational principal that leases are financings of the right-to-use of an asset. The lease liability is measured at a discount rate of 1.90%. The City recognized a right-to-use lease asset with net book value of \$489,069 and a lease liability of \$499,498.

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The City recognized a SBITA net book value of \$638,808 and a SBITA liability of \$591,419 for the fiscal year ending September 30, 2023.

Additional information regarding long-term debt and liabilities is provided in the financial statements and accompanying notes (Note 4-H).

### Economic Outlook

Southwest Louisiana has experienced many areas of progress through economic development over the course of fiscal year 2023. Housing initiatives have been popping up around the City beginning with the award of \$40 million through Housing and Urban Development's Choice Neighborhood grant. The total grant of over \$200 million will transform the mid-City neighborhood of Lloyd Oaks. This award, along with over \$300 million of additional housing investments throughout Southwest Louisiana, will provide much needed housing dispersed throughout the City.

As anticipated, sales tax revenues have leveled off following the increased spending after the disasters. Sales tax collections remained relatively flat as compared to prior year 2022 Sales tax collections for the first four months of fiscal year 2024 reflect a 5.2 percent decrease when compared to the first four month's collections of 2023. Manufacturing and building material sales have decreased while miscellaneous sales, such as hotel/motel sales and other rentals have increased over the past year.

Gaming revenues rebounded in fiscal year 2023. All three major land-based casinos were open for a full year of gaming. The City of Lake Charles collected \$12.2 million from taxable gaming proceeds in fiscal year 2023 as compared to \$10.8 million in fiscal year 2022, and anticipates \$11.5 million will be received in fiscal year 2024. Sportsbook gaming in person and online made its way to SWLA. Gaming revenue forecasting does not yet include this new form of gaming. Receipts for Sportsbook gaming begin in 2024.

The City's Planning Department reported an additional 217 of single-family dwelling units and an additional 188 multi-family dwellings adding 448 units to the City's housing availability. The permitted construction values of

**CITY OF LAKE CHARLES, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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these additions were \$138.8 million. These additions, along with those in 2021 of 358 housing units and the 290 additions in 2022 have shown positive strides to return to the 2019 level of availability.

The Lake Charles MSA Realtor Housing Data shows 308 housing units available at September 30, 2023. The median house price is \$239,000 in Southwest Louisiana. Mortgage interest rates are on the rise due to the Federal Reserve's attempts to slow inflation. This action will likely lead to an increase of housing units in the market for longer periods of time as homeowners navigate the rising interest rate environment.

Next Year's Budget

The fiscal year 2024 Operating and Capital budget was submitted to the City Council on August 11, 2023. The City proposed a budget with modest revenue projections and level expenditures.

The fund balance of the General Fund was \$55.1 million at fiscal year-end 2023, which is 63 percent of all expenditures and non-capital transfers incurred in fiscal year 2023 and within our policy of reserves of 35 percent of departmental expenses and operational subsidies to other funds.

The Disaster Recovery Fund for Hurricane Laura adopted an expenditure budget of \$3 million. The reduced expenditure budget reflects the City's transition from the expenditures of debris removal and temporary repairs to the permanent reconstruction of City facilities. These permanent projects are scheduled and authorized as part of the overall Capital Project authorizations. The budget includes new authorizations of \$47 million for Hurricane Laura Capital Projects that have been identified as being essential in the recovery efforts for the City. These funds will be used to rebuild destroyed structures, such as the Public Work's administration building and other buildings once part of the Broad Street campus, Police Department's annex, training, and SWAT buildings, a new LCFD Training Facility, as well as many other water and wastewater facilities. Authorizations include the planning and actual construction of these facilities that will continue over several years. Budgets will be developed as costs are calculated and funding sources are identified.

The fiscal year 2024 capital budget includes \$47.3 million which includes \$13 million for streets and drainage; including street overlays and street striping, \$23.5 million for water and wastewater projects; including improvements to large lift stations and annual basin rehabilitation, and \$10.6 million for community and government services; including additional upgrades and improvements to recreation facilities, as well as debt service obligations.

Large scale projects, such as the Prien Lake Road project, remain under construction. This much needed arterial road, is being funded by both the City and the Calcasieu Parish Police Jury. The SE Water Treatment Facility construction is well underway. The new above ground storage tank can be seen throughout the area. The distribution lines for the treatment plant will go out for bid in the summer of 2024. A new major sewer transport line is also being designed and will provide relief to existing lines, as well as allow for expansion of the system. The water and sewer projects will be funded from accumulated reserves and proceeds from state revolving loan funds.

Mayor Hunter and the City's administration are excited to see the near completion of Port Wonder a \$28 million lakefront project that will house the Children's Museum of Lake Charles and the Louisiana Department of Wildlife and Fisheries' Science Center and Educational Complex which is set to open early summer 2024. The renovations of the Parking Garage has been completed along the lakefront, which provides the infrastructure backbone for future development within the Lakefront and the I-10 Corridor Economic Development Districts. Crying Eagle Restaurant and Brewery began construction in March 2024.

The City will continue to seek all available funding, from every possible source to rebuild our City better and stronger than it was before these disasters. Although there is still so much work to be done, the citizens of Southwest Louisiana are excited to see life returning to our area. Arts, cultural and tourist events are back, such as Mardi Gras balls and parades, concerts and festivals. The people of this community and their resolve have been the driving factor of all of the recent successes of the City.

**CITY OF LAKE CHARLES, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2023

Requests for Information

This report is intended to provide interested parties with a general overview of the finances of the City of Lake Charles. Questions or requests for further financial information should be addressed to the Department of Finance, City of Lake Charles, P. O. Box 3706, Lake Charles, Louisiana 70602.

# BASIC FINANCIAL STATEMENTS



**CITY OF LAKE CHARLES, LOUISIANA**

**Statement of Net Position**

**September 30, 2023**

	Primary Government			Component Units	
	Governmental	Business-Type	Total	City	City
	Activities	Activities		Court	Marshal
<b>ASSETS</b>					
Cash and cash equivalents	\$ 192,257,477	\$ 11,301,497	\$ 203,558,974	\$ 10,677	\$ 282,960
Investments	63,261,707	12,983,120	76,244,827	-	-
Receivables (net of allowance for uncollectables)	68,771,995	3,332,260	72,104,255	10,361	85,718
Internal balances	(7,840,567)	7,840,567	-	-	-
Inventories	315,923	552,848	868,771	-	-
Prepays	3,706,108	112,516	3,818,624	-	-
Restricted assets:					
Cash and cash equivalents	-	1,712,070	1,712,070	235,195	-
Capital assets not being depreciated:					
Land	19,072,724	7,860,704	26,933,428	-	-
Construction in progress	55,234,100	26,255,344	81,489,444	-	-
Capital assets net of accumulated depreciation:					
Building	16,167,272	9,740,733	25,908,005	-	-
Improvements other than buildings	68,208,917	69,291,475	137,500,392	-	-
Equipment	13,105,476	3,518,888	16,624,364	129,092	388,870
Infrastructure	249,010,478	-	249,010,478	-	-
Right of use leased assets net of amortization:	320,847	168,222	489,069	-	-
Right of use subscription assets net of amortization:	638,808	-	638,808	-	-
Total assets	<u>742,231,265</u>	<u>154,670,244</u>	<u>896,901,509</u>	<u>385,325</u>	<u>757,548</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on debt refundings	595,869	-	595,869	-	-
Deferred outflows related to net pension liab	14,968,374	732,465	15,700,839	122,904	-
Deferred outflows related to OPEB	1,890,970	306,945	2,197,915	-	-
	<u>17,455,213</u>	<u>1,039,410</u>	<u>18,494,623</u>	<u>122,904</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable & other current liabilities	29,853,466	3,790,429	33,643,895	304,184	60,306
Liabilities payable from restricted assets	-	1,712,070	1,712,070	-	-
Noncurrent liabilities:					
Claims payable within one year	10,653,082	-	10,653,082	-	-
Claims payable in more than one year	1,612,840	-	1,612,840	-	-
Due within one year	8,528,026	125,453	8,653,479	-	-
Due in more than one year	40,105,391	3,133,590	43,238,981	-	-
OPEB payable due in more than one year	6,811,635	1,006,376	7,818,011	-	-
Net pension liability due in more than one year	64,309,396	3,883,412	68,192,808	694,362	-
Total liabilities	<u>161,873,836</u>	<u>13,651,330</u>	<u>175,525,166</u>	<u>998,546</u>	<u>60,306</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to net pension liab	3,335,168	139,824	3,474,992	2,735	-
Deferred inflows related to OPEB	646,471	89,347	735,818	-	-
	<u>3,981,639</u>	<u>229,171</u>	<u>4,210,810</u>	<u>2,735</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	376,157,772	114,346,781	490,504,553	129,092	361,201
Restricted for:					
Capital projects	37,886,798	-	37,886,798	237,320	-
Debt service	4,387,108	-	4,387,108	-	-
Marshal activity	-	-	-	-	69,102
Unrestricted	175,399,325	27,482,372	202,881,697	(859,464)	266,939
Total net position	<u>\$ 593,831,003</u>	<u>\$ 141,829,153</u>	<u>\$ 735,660,156</u>	<u>\$ (493,052)</u>	<u>\$ 697,242</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF LAKE CHARLES, LOUISIANA**

Statement of Activities

For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	City Court	City Marshal
					Governmental Activities	Business-Type Activities			
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 7,121,487	\$ 7,546,837	\$ 7,829	\$ 182,387	\$ 615,566	\$ -	\$ 615,566	\$ -	\$ -
Public safety	44,856,154	33,357	5,760,324	-	(39,062,473)	-	(39,062,473)	-	-
Public works	48,970,447	12,650,041	3,275,627	8,410,999	(24,633,780)	-	(24,633,780)	-	-
Planning and development	11,052,094	971,347	7,529,110	-	(2,551,637)	-	(2,551,637)	-	-
General services	15,193,674	-	4,282,796	1,500,000	(9,410,878)	-	(9,410,878)	-	-
Community services	12,827,668	272,410	4,564,466	2,103,517	(5,887,275)	-	(5,887,275)	-	-
Interest in long-term debt	1,159,064	-	-	-	(1,159,064)	-	(1,159,064)	-	-
Total governmental activities	<u>141,180,588</u>	<u>21,473,992</u>	<u>25,420,152</u>	<u>12,196,903</u>	<u>(82,089,541)</u>	<u>-</u>	<u>(82,089,541)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Civic center	4,682,599	888,060	1,640,863	-	-	(2,153,676)	(2,153,676)	-	-
Golf Course	2,383,458	1,316,673	-	1,335,854	-	269,069	269,069	-	-
Transit	4,366,206	210,019	2,355,793	74,365	-	(1,726,029)	(1,726,029)	-	-
Water	15,998,277	14,066,333	-	2,262,565	-	330,621	330,621	-	-
Total business-type activities	<u>27,430,540</u>	<u>16,481,085</u>	<u>3,996,656</u>	<u>3,672,784</u>	<u>-</u>	<u>(3,280,015)</u>	<u>(3,280,015)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 168,611,128</u>	<u>\$ 37,955,077</u>	<u>\$ 29,416,808</u>	<u>\$ 15,869,687</u>	<u>\$ (82,089,541)</u>	<u>\$ (3,280,015)</u>	<u>\$ (85,369,556)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Component units:</b>									
City Court	\$ 1,915,531	\$ 151,105	\$ 1,324,808	\$ 63,065	\$ -	\$ -	\$ -	\$ (376,553)	\$ -
City Marshal	3,209,433	3,312,321	-	-	-	-	-	-	102,888
Total component units	<u>\$ 5,124,964</u>	<u>\$ 3,463,426</u>	<u>\$ 1,324,808</u>	<u>\$ 63,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (376,553)</u>	<u>\$ 102,888</u>
General revenues:									
Property taxes					12,796,055	-	12,796,055	-	-
Sales taxes					80,731,571	-	80,731,571	-	-
Franchise taxes					6,401,494	-	6,401,494	-	-
Riverboat taxes					12,179,035	-	12,179,035	-	-
Grants and contributions not restricted to specific programs					131,379	-	131,379	-	-
Interest and investment earnings					9,678,990	1,397,300	11,076,290	3,838	-
Miscellaneous					23,149,586	-	23,149,586	3,950	-
Transfers					(14,598,837)	14,598,837	-	-	-
Total general revenues and transfers					<u>130,469,273</u>	<u>15,996,137</u>	<u>146,465,410</u>	<u>7,788</u>	<u>-</u>
Change in net position					48,379,732	12,716,122	61,095,854	(368,765)	102,888
Net position - beginning					545,451,271	129,113,031	674,564,302	(124,287)	594,354
Net position - ending					<u>\$ 593,831,003</u>	<u>\$ 141,829,153</u>	<u>\$ 735,660,156</u>	<u>\$ (493,052)</u>	<u>\$ 697,242</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LAKE CHARLES, LOUISIANA**

**Balance Sheet  
Governmental Funds  
September 30, 2023**

	<b>General</b>	<b>Disaster Recovery Special Revenue</b>	<b>Riverboat Gaming Special Revenue</b>
<b>ASSETS</b>			
Cash (Note 4-A)	\$ 23,225,597	\$ -	\$ 1,495,332
Investments (Note 4-A)	27,074,007	-	639,384
Receivable (net of allowance for uncollectable)			
Accounts (Note 4-B)	8,032,540	1,770,000	-
Special Assessments	-	-	-
Accrued interest	7,875	-	-
Intergovernmental (Note 4-B)	71,241	48,110,829	1,109,385
Due from other funds (Note 4-F)	286,880	-	113,208
Inventory	315,923	-	-
Prepaid items	76,448	-	-
Total assets	<u>\$ 59,090,511</u>	<u>\$ 49,880,829</u>	<u>\$ 3,357,309</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,615,568	\$ 22,673,840	\$ -
Contracts payable	-	348,282	-
Escrow	985,184	-	-
Due to other funds	306,294	-	-
Unearned revenue	75	-	-
Other liabilities	33,486	-	-
Total liabilities	<u>3,940,607</u>	<u>23,022,122</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	315,923	-	-
Prepaid items	76,448	-	-
Restricted:			
Sales tax and bond funds for capital projects	-	-	-
Debt service reserve	-	-	-
Committed :			
Capital projects	-	-	-
Wastewater system improvements	-	-	-
Debt service payments	-	-	-
Other purposes - subsequent year's expenditures	10,935,331	26,858,707	653,104
Assigned:			
Community services	-	-	-
Public safety	-	-	-
Capital projects	-	-	2,704,205
Unassigned	43,822,202	-	-
Total fund balances	<u>55,149,904</u>	<u>26,858,707</u>	<u>3,357,309</u>
Total liabilities and fund balances	<u>\$ 59,090,511</u>	<u>\$ 49,880,829</u>	<u>\$ 3,357,309</u>

The notes to the financial statements are an integral part of this statement.

<b>Wastewater Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Special Revenue Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,622,274	\$ 4,398,465	\$ 107,153,740	\$ 6,536,845	\$ 146,432,253
680,429	26,583	28,743,832	1,441,006	58,605,241
2,049,362	-	946,984	444,943	13,243,829
-	-	196,865	-	196,865
-	-	-	-	7,875
-	124,293	5,015,468	641,461	55,072,677
-	-	-	27	400,115
-	-	-	-	315,923
37,709	-	95,000	8,680	217,837
<u>\$ 6,389,774</u>	<u>\$ 4,549,341</u>	<u>\$ 142,151,889</u>	<u>\$ 9,072,962</u>	<u>\$ 274,492,615</u>
\$ 292,427	\$ -	\$ 786,723	\$ 538,362	\$ 26,906,920
-	-	1,820,261	-	2,168,543
13,693	-	-	21,579	1,020,456
5,604	-	7,975,000	132,830	8,419,728
-	-	95,000	-	95,075
-	-	-	-	33,486
<u>311,724</u>	<u>-</u>	<u>10,676,984</u>	<u>692,771</u>	<u>38,644,208</u>
-	-	-	-	315,923
37,709	-	95,000	8,680	217,837
-	-	37,886,798	-	37,886,798
-	4,387,108	-	-	4,387,108
-	-	82,211,000	-	82,211,000
3,598,816	-	11,036,644	-	14,635,460
-	162,233	-	-	162,233
2,441,525	-	-	3,906,394	44,795,061
-	-	-	1,894,320	1,894,320
-	-	-	316,533	316,533
-	-	245,463	2,254,264	5,203,932
-	-	-	-	43,822,202
<u>6,078,050</u>	<u>4,549,341</u>	<u>131,474,905</u>	<u>8,380,191</u>	<u>235,848,407</u>
<u>\$ 6,389,774</u>	<u>\$ 4,549,341</u>	<u>\$ 142,151,889</u>	<u>\$ 9,072,962</u>	

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, therefore are not reported in the funds.	421,733,958
Other long-term assets are not available to pay for current-period expenditures.	95,075
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	41,810,908
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	(119,130,919)
Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in the government funds	13,473,574
Net position of governmental activities	<u>\$ 593,831,003</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For Fiscal Year Ended September 30, 2023**

	<u>General</u>	<u>Disaster Recovery Special Revenue</u>	<u>Riverboat Gaming Special Revenue</u>
<b>Revenues:</b>			
Taxes	\$ 76,549,185	\$ -	\$ 12,179,035
Licenses and permits	7,470,149	-	-
Intergovernmental	3,777,515	16,493,574	-
Charges for services	3,801,784	-	-
Fines and forfeitures	167,577	-	-
Miscellaneous	3,329,186	6,194	211,418
Total revenues	<u>95,095,396</u>	<u>16,499,768</u>	<u>12,390,453</u>
<b>Expenditures:</b>			
Current operating:			
General government	4,448,098	8,747	-
Finance	2,032,467	-	-
Human Resources	440,786	-	-
Fire	19,766,223	986,568	-
Police	22,722,709	1,202,260	-
Public works	18,461,923	2,247,801	-
Planning and development	3,287,956	2,457,486	-
Community services	-	5,785,894	-
General services	7,027,701	4,697,147	-
Capital projects	-	-	-
Debt service:			
Principal	186,613	-	-
Interest and fiscal charges	18,190	-	-
Total expenditures	<u>78,392,666</u>	<u>17,385,903</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>16,702,730</u>	<u>(886,135)</u>	<u>12,390,453</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	500,000	-
Transfers out	(9,040,391)	(8,029,223)	(10,789,130)
Total other financing sources (uses)	<u>(9,040,391)</u>	<u>(7,529,223)</u>	<u>(10,789,130)</u>
Net change in fund balances	7,662,339	(8,415,358)	1,601,323
Fund balance at beginning of year	<u>47,487,565</u>	<u>35,274,065</u>	<u>1,755,986</u>
Fund balance at end of year	<u>\$ 55,149,904</u>	<u>\$ 26,858,707</u>	<u>\$ 3,357,309</u>

The notes to the financial statements are an integral part of this statement.

<b>Wastewater Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Special Revenue Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 5,119,213	\$ -	\$ 8,958,622	\$ 6,271,233	\$ 109,077,288
-	-	-	-	7,470,149
-	182,387	10,269,018	5,509,652	36,232,146
12,438,927	-	814,670	251,600	17,306,981
-	-	-	-	167,577
371,940	202,342	5,844,433	360,061	10,325,574
<u>17,930,080</u>	<u>384,729</u>	<u>25,886,743</u>	<u>12,392,546</u>	<u>180,579,715</u>
-	-	-	-	4,456,845
-	-	-	-	2,032,467
-	-	-	-	440,786
-	-	-	-	20,752,791
-	-	-	261,014	24,185,983
12,524,219	-	-	-	33,233,943
-	-	-	5,301,390	11,046,832
-	-	-	5,183,666	10,969,560
-	-	-	231,675	11,956,523
731,544	-	38,319,524	-	39,051,068
-	7,013,000	-	-	7,199,613
-	1,421,412	-	-	1,439,602
<u>13,255,763</u>	<u>8,434,412</u>	<u>38,319,524</u>	<u>10,977,745</u>	<u>166,766,013</u>
<u>4,674,317</u>	<u>(8,049,683)</u>	<u>(12,432,781)</u>	<u>1,414,801</u>	<u>13,813,702</u>
375,000	8,161,335	21,225,000	1,073,427	31,334,762
(2,325,000)	-	(13,174,855)	(2,575,000)	(45,933,599)
<u>(1,950,000)</u>	<u>8,161,335</u>	<u>8,050,145</u>	<u>(1,501,573)</u>	<u>(14,598,837)</u>
2,724,317	111,652	(4,382,636)	(86,772)	(785,135)
<u>3,353,733</u>	<u>4,437,689</u>	<u>135,857,541</u>	<u>8,466,963</u>	<u>236,633,542</u>
<u>\$ 6,078,050</u>	<u>\$ 4,549,341</u>	<u>\$ 131,474,905</u>	<u>\$ 8,380,191</u>	<u>\$ 235,848,407</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For Fiscal Year Ended September 30, 2023**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (785,135)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	19,461,763
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(2,925)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,661,857
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Net effect of right to use subscription liability recognition	47,389
Net effect of right of use lease liability recognition	(417)
Net effect of pension liability recognition	163,735
Net effect of OPEB liability recognition	(534,722)
Deferred charge on debt refunding, net current year amortization	(168,340)
Internal service funds are used by management to charge the costs of insurance to individual funds. The net expenses of certain activities of internal service funds is reported within the governmental activities.	<u>22,536,527</u>
Change in net position of governmental activities	<u><u>\$ 48,379,732</u></u>

The notes to the financial statements are an integral part of this statement.

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**CITY OF LAKE CHARLES, LOUISIANA**

**Statement of Net Position**

**Proprietary Funds**

**September 30, 2023**

	<b>Business-type Activities-Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Civic Center</b>	<b>Golf Course</b>	<b>Public Transit</b>	<b>Water Utility</b>	<b>Totals 2023</b>	
<b>ASSETS</b>						
Current assets:						
Cash	\$ 3,184,013	\$ 1,380,689	\$ -	\$ 6,736,795	\$ 11,301,497	\$ 46,139,938
Investments	2,323,324	-	44,239	10,615,557	12,983,120	4,656,466
Restricted cash:						
Customer deposits	-	-	-	1,712,070	1,712,070	-
Accounts receivable (net of allowance for uncollectible)	11,343	-	-	2,024,162	2,035,505	250,749
Accrued interest receivable	-	-	-	-	-	-
Intergovernmental receivables	-	-	1,296,755	-	1,296,755	-
Due from other funds	1,281,294	-	-	7,000,000	8,281,294	-
Inventories	39,945	60,706	-	452,197	552,848	-
Prepaid items	46,817	56,924	3,748	5,027	112,516	3,488,271
Total current assets	<u>6,886,736</u>	<u>1,498,319</u>	<u>1,344,742</u>	<u>28,545,808</u>	<u>38,275,605</u>	<u>54,535,424</u>
Capital assets:						
Land	-	5,340,000	806,824	1,713,880	7,860,704	-
Buses	-	-	4,533,409	-	4,533,409	-
Buildings and structures	18,768,595	6,002,222	4,973,499	459,012	30,203,328	-
Improvements	24,027,207	6,630,132	134,089	98,384,226	129,175,654	-
Construction in Progress	6,396,335	-	-	19,859,009	26,255,344	-
Equipment, furniture and fixtures	3,872,953	365,094	1,390,066	2,947,919	8,576,032	50,022
Right of use leased assets	-	302,814	-	-	302,814	-
Total capital assets	<u>53,065,090</u>	<u>18,640,262</u>	<u>11,837,887</u>	<u>123,364,046</u>	<u>206,907,285</u>	<u>50,022</u>
Less accumulated depreciation and amortization	<u>36,757,795</u>	<u>873,226</u>	<u>5,882,514</u>	<u>46,558,384</u>	<u>90,071,919</u>	<u>25,358</u>
Total capital assets (net of accumulated depreciation)	<u>16,307,295</u>	<u>17,767,036</u>	<u>5,955,373</u>	<u>76,805,662</u>	<u>116,835,366</u>	<u>24,664</u>
Total assets	<u>23,194,031</u>	<u>19,265,355</u>	<u>7,300,115</u>	<u>105,351,470</u>	<u>155,110,971</u>	<u>54,560,088</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Deferred amounts related to net pension liabilities	142,595	65,938	114,661	409,271	732,465	76,008
Deferred amounts related to OPEB liabilities	58,554	41,483	40,907	166,001	306,945	13,760
Total deferred outflow of resources	<u>201,149</u>	<u>107,421</u>	<u>155,568</u>	<u>575,272</u>	<u>1,039,410</u>	<u>89,768</u>



**Business-type Activities-Enterprise Funds**

	<b>Civic Center</b>	<b>Golf Course</b>	<b>Public Transit</b>	<b>Water Utility</b>	<b>Totals 2023</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>LIABILITIES</b>						
Current liabilities :						
Accounts payable	1,209,302	2,918	104,539	1,440,509	2,757,268	38,775
Contracts payable	294,105	-	-	701,098	995,203	-
Customer deposits payable	-	-	-	1,712,070	1,712,070	-
Escrow	22,524	15,434	-	-	37,958	-
Due to other funds	27	229,020	24,407	8,227	261,681	-
Total current liabilities	<u>1,525,958</u>	<u>247,372</u>	<u>128,946</u>	<u>3,861,904</u>	<u>5,764,180</u>	<u>38,775</u>
Non-current liabilities:						
Compensated absences	151,588	28,498	130,912	406,493	717,491	157,959
OPEB liability	186,074	126,645	156,121	590,503	1,059,343	62,591
Net pension liability	756,017	349,593	607,913	2,169,889	3,883,412	402,979
Right of use lease liability	-	171,147	-	-	171,147	-
Loan Payable	-	-	-	2,317,438	2,317,438	-
Accrued insurance claims	-	-	-	-	-	10,328,082
Incurred-not reported claims	-	-	-	-	-	325,000
Accrued insurance claims-noncurrent	-	-	-	-	-	1,612,840
Total non-current liabilities	<u>1,093,679</u>	<u>675,883</u>	<u>894,946</u>	<u>5,484,323</u>	<u>8,148,831</u>	<u>12,889,451</u>
Total liabilities	<u>2,619,637</u>	<u>923,255</u>	<u>1,023,892</u>	<u>9,346,227</u>	<u>13,913,011</u>	<u>12,928,226</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Deferred amounts related to net						
Pension Liabilities	27,221	12,587	21,888	78,128	139,824	14,510
OPEB	16,345	1,958	15,926	55,118	89,347	5,574
Total Deferred Inflows of Resources	<u>43,566</u>	<u>14,545</u>	<u>37,814</u>	<u>133,246</u>	<u>229,171</u>	<u>20,084</u>
<b>NET POSITION</b>						
Net investment in capital assets	16,307,295	17,595,889	5,955,373	74,488,224	114,346,781	24,664
Unrestricted	4,424,682	839,087	438,604	21,959,045	27,661,418	41,676,882
Total net position	<u>\$ 20,731,977</u>	<u>\$ 18,434,976</u>	<u>\$ 6,393,977</u>	<u>\$ 96,447,269</u>	<u>142,008,199</u>	<u>\$ 41,701,546</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(179,046)	
Net position of business-type activities					<u>\$ 141,829,153</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2023**

	<b>Business-type</b>	
	<b>Civic Center</b>	<b>Golf Course</b>
Operating revenues:		
Charges for services	\$ 845,848	\$ 1,301,994
Other	31,060	20,532
Total operating revenues	876,908	1,322,526
Operating expenses:		
Personal services	1,157,933	651,676
Materials and supplies	368,439	627,405
Maintenance	663,156	221,411
Utilities	410,635	66,790
Transportation	-	-
General and administration	663,287	274,257
Claims and losses paid	-	-
Depreciation and Amortization	1,432,818	543,207
Total operating expenses	4,696,268	2,384,746
Operating income (loss)	(3,819,360)	(1,062,220)
Nonoperating revenues (expenses):		
Operating grants-governmental agencies	1,640,863	-
Interest income	284,458	38,269
Interest expense	-	-
Litigation Settlement	-	-
Gain (loss) on retirement, impairment, or transfer of capital assets	-	-
Other	-	-
Total nonoperating revenues	1,925,321	38,269
Income (loss) before operating transfers	(1,894,039)	(1,023,951)
Capital contributions and transfers:		
Capital contributions - governmental agencies	11,152	1,330,000
Capital contributions - loan proceeds	-	-
Transfers in (out)	4,525,878	596,325
Total capital contributions and transfers	4,537,030	1,926,325
Change in net position	2,642,991	902,374
Net position at beginning of year - as restated	18,088,986	17,532,602
Net position at end of year	\$ 20,731,977	\$ 18,434,976

The notes to the financial statements are an integral part of this statement.

<b>Activities-Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>
<b>Public Transit</b>	<b>Water Utility</b>	<b>Totals 2023</b>	
\$ 102,300	\$ 12,935,669	\$ 15,185,811	\$ 18,519,582
95,839	776,419	923,850	966,700
<u>198,139</u>	<u>13,712,088</u>	<u>16,109,661</u>	<u>19,486,282</u>
1,255,337	3,899,047	6,963,993	1,627,328
322,217	2,182,494	3,500,555	25,033
250,994	997,100	2,132,661	-
69,417	1,370,559	1,917,401	-
127,821	-	127,821	-
1,828,948	5,000,988	7,767,480	5,004,381
-	-	-	12,489,971
515,348	2,587,232	5,078,605	8,835
<u>4,370,082</u>	<u>16,037,420</u>	<u>27,488,516</u>	<u>19,155,548</u>
<u>(4,171,943)</u>	<u>(2,325,332)</u>	<u>(11,378,855)</u>	<u>330,734</u>
2,355,793	-	3,996,656	-
17,401	1,057,173	1,397,301	1,701,280
-	(1,818)	(1,818)	-
-	-	-	20,577,403
(2,001)	20,387	18,386	-
-	332,825	332,825	-
<u>2,371,193</u>	<u>1,408,567</u>	<u>5,743,350</u>	<u>22,278,683</u>
<u>(1,800,750)</u>	<u>(916,765)</u>	<u>(5,635,505)</u>	<u>22,609,417</u>
74,365	-	1,415,517	-
-	2,264,383	2,264,383	-
<u>1,936,634</u>	<u>7,540,000</u>	<u>14,598,837</u>	<u>-</u>
<u>2,010,999</u>	<u>9,804,383</u>	<u>18,278,737</u>	<u>-</u>
210,249	8,887,618	12,643,232	22,609,417
6,183,728	87,559,651		19,092,129
<u>\$ 6,393,977</u>	<u>\$ 96,447,269</u>		<u>\$ 41,701,546</u>

Adjustments to reflect the consolidation of  
internal service fund activities related  
to enterprise funds

72,890

Change in net position of business-type activities

\$ 12,716,122

**CITY OF LAKE CHARLES, LOUISIANA**

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended September 30, 2023

	<u>Civic Center</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 873,954
Receipts from interfund charges for risk management services	-
Payments to employees	(1,183,784)
Payments to suppliers	(1,303,045)
Internal activity - payments from other funds	-
Internal activity - payments to other funds	(349,356)
Net cash provided by operating activities	<u>(1,962,231)</u>
<b>Cash flow from noncapital financing activities:</b>	
Operating subsidies	404,584
Shared revenue from governmental agencies	1,640,863
Litigation Settlement	-
Net cash provided by noncapital financing activities	<u>2,045,447</u>
<b>Cash flows from capital and related financing activities:</b>	
Purchases/sale of capital assets	(6,548,304)
Contracts payable	294,105
Capital subsidies from governmental agencies - current year	-
Capital improvement fee	-
Proceeds from loan	-
Capital transfers	2,840,000
Net cash provided (used for) capital and related financing activities	<u>(3,414,199)</u>
<b>Cash flow from investing activities:</b>	
Purchase of investment securities	(104,617)
Proceeds from sale and maturities of investment securities	-
Interest on investments	284,458
Net cash provided (used for) investing activities	<u>179,841</u>
Net increase (decrease) in cash and cash equivalents	(3,151,142)
Cash and cash equivalents at beginning of year	6,335,155
Cash and cash equivalents at end of year	<u>\$ 3,184,013</u>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	<u>\$ (3,819,360)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization expense	1,432,818
(Increase) decrease in accounts receivable	(2,954)
(Increase) decrease in due from other funds	-
(Increase) decrease in inventories	(4,282)
(Increase) decrease in prepaid items	(1,750)
(Increase) decrease in deferred outflows of resources related to NP liability	56,167
(Increase) decrease in deferred outflows of resources related to OPEB liability	(1,381)
Increase (Decrease) in accounts payables	808,887
Increase (Decrease) in miscellaneous payables	4,302
Increase (Decrease) in customer deposit account	-
Increase (Decrease) in compensated absences payable	11,253
Increase (Decrease) in OPEB liability	22,378
Increase (Decrease) in NP liability	(102,164)
Increase (Decrease) in due deferred inflows of resources NP liability	(13,347)
Increase (Decrease) in due deferred inflows of resources OPEB	(3,442)
Increase (Decrease) in Right of Use Lease Liability	-
Increase (Decrease) in due to other funds	(349,356)
Total adjustments	<u>1,857,129</u>
Net cash provided (used) by operating activities	<u>\$ (1,962,231)</u>

**Noncash investing and capital activities:**

Assets retired/transferred cost \$279,259 and had accumulated depreciation of \$264,345, loss of \$14,914. Change in the fair value of investments resulted in an unrealized gain of \$0 at year end 2023 and an unrealized gain of \$0 at year end 2022.

The notes to the financial statements are an integral part of this statement

**Business-type Activities - Enterprise Funds**

<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities Internal Service Funds</b>
<b>Golf Course</b>	<b>Transit</b>	<b>Water Utility</b>	<b>Totals 2023</b>	
\$ 1,322,525	\$ 198,539	\$ 13,613,442	\$ 16,008,460	\$ 1,998,545
-	-	-	-	17,872,250
(673,676)	(1,264,422)	(4,011,099)	(7,132,981)	(1,647,507)
(1,412,571)	(3,820,539)	(9,425,662)	(15,961,817)	(20,718,630)
-	407,657	-	407,657	-
179,494	24,407	(40,937)	(186,392)	(1)
<u>(584,228)</u>	<u>(4,454,358)</u>	<u>135,744</u>	<u>(6,865,073)</u>	<u>(2,495,343)</u>
317,102	1,269,584	340,000	2,331,270	-
-	2,508,187	-	4,149,050	-
-	-	-	-	20,577,403
<u>317,102</u>	<u>3,777,771</u>	<u>340,000</u>	<u>6,480,320</u>	<u>20,577,403</u>
(1,738,533)	(22,086)	(598,174)	(8,907,097)	(26,995)
(332,298)	-	(15,186,570)	(15,224,763)	-
-	16,214	-	16,214	-
-	-	332,825	332,825	-
-	-	4,580,004	4,580,004	-
1,580,000	667,050	200,000	5,287,050	-
<u>(490,831)</u>	<u>661,178</u>	<u>(10,671,915)</u>	<u>(13,915,767)</u>	<u>(26,995)</u>
-	(1,992)	(478,007)	(584,616)	(209,676)
-	-	-	-	-
38,268	17,401	1,057,173	1,397,300	1,701,280
<u>38,268</u>	<u>15,409</u>	<u>579,166</u>	<u>812,684</u>	<u>1,491,604</u>
(719,689)	-	(9,617,005)	(13,487,836)	19,546,669
2,100,378	-	18,065,870	26,501,403	26,593,269
<u>\$ 1,380,689</u>	<u>\$ -</u>	<u>\$ 8,448,865</u>	<u>\$ 13,013,567</u>	<u>\$ 46,139,938</u>
\$ (1,062,220)	\$ (4,171,943)	\$ (2,325,332)	\$ (11,378,855)	\$ 330,734
543,207	515,348	2,587,232	5,078,605	8,835
-	400	(171,741)	(174,295)	384,513
-	407,657	-	407,657	-
(43,279)	-	(95,679)	(143,240)	-
(4,763)	(1,321)	(885)	(8,719)	(879,537)
25,972	45,164	161,207	288,510	29,938
(142)	(1,381)	(4,284)	(7,188)	(425)
(123,613)	(1,214,285)	214,535	(314,476)	(244,823)
15,434	-	-	19,736	(2,073,966)
-	-	73,095	73,095	-
3,371	15,543	15,165	45,332	5,134
2,295	22,378	65,581	112,632	6,886
(47,242)	(82,150)	(293,226)	(524,782)	(54,457)
(6,172)	(10,733)	(38,308)	(68,560)	(7,114)
(353)	(3,442)	(10,679)	(17,916)	(1,059)
(66,217)	-	-	(66,217)	-
179,494	24,407	(40,937)	(186,392)	(2)
<u>477,992</u>	<u>(282,415)</u>	<u>2,461,076</u>	<u>4,513,782</u>	<u>(2,826,077)</u>
<u>\$ (584,228)</u>	<u>\$ (4,454,358)</u>	<u>\$ 135,744</u>	<u>\$ (6,865,073)</u>	<u>\$ (2,495,343)</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City of Lake Charles, Louisiana (the City) was incorporated in 1867, and operates under a home rule charter, which became effective in 1961. The City utilizes the Mayor-Council form of government and provides a full range of municipal services under a centralized system of administration.

The accounting and financial reporting policies of the City conform to generally accepted accounting principles as applicable to governments. Such policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units. Following is a summary of the more significant accounting policies.

The accompanying financial statements include all funds, which are directly controlled by the City, and which constitute the primary government as defined for financial reporting purposes. In accordance with generally accepted accounting principles, this report also includes component units, which are legally separate from the City but considered to be fiscally dependent on the primary government. Component units are discretely presented in this report, are reported for periods and balance sheet dates which differ from the City's, and have been separately audited. Further disclosures concerning such units are provided below.

**Discretely Presented Component Units**

Financial data of component units is displayed on the Statement of Net Position and Statement of Activities. The reported component units are as follows:

*City Court of Lake Charles:*

This entity is created by state statutes, which provide for its governance by independently elected officials and has a jurisdictional area extending beyond the corporate limits of the City. Although legally separate, City Court is fiscally dependent upon the government because of the statutory requirements that the City provides and maintains the physical facilities necessary for its operation. The relationship between the City and City Court is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for the City Court component unit is from its separately audited financial statements for the fiscal year ended December 31, 2022.

*Ward Three Marshal:*

The office of Ward Three Marshal, which is governed by an independently elected official, is created in the same statutory manner as City Court and has a corresponding area of jurisdiction. Although legally separate, the office of Ward Three Marshal is fiscally dependent upon the government because of the statutory requirements that the City provides and maintains the physical facilities necessary for its operation. The relationship between the Marshal and the City is such that exclusion would cause the City's financial statements to be incomplete. Financial data reported for this component unit are from its separately audited financial report for the year ended December 31, 2022. Complete financial statements of the individual component units are available from the City of Lake Charles at 326 Pujoe Street, Lake Charles, Louisiana 70601.

**B. Government-wide and Fund Financial Statement**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these

**CITY OF LAKE CHARLES, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023

statements. Governmental activities, which normally are supported by taxes and the intergovernmental revenues, are reported separately from business-type activities, which rely primarily on charges for services 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 is 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 as general revenues.

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

**C. Measurement Focus and Basis of Accounting in the Basic Financial Statement**

The government-wide financial statement of net position and statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions should be recognized in accordance with the requirements of Section N50, Non-exchange Transactions.

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 City 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 so they have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflow of resources, and liabilities and deferred inflow of resources is referred to as "Fund Balance."

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The City of Lake Charles reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for and report all financial resources not accounted for and reported in another fund.

Disaster Recovery Fund – This fund accounts for the receipt of insurance reimbursements, federal funds and other miscellaneous revenues received in connection with disasters and the related expenditures of such funds in the City’s efforts to recover from such disasters.

Riverboat Gaming Special Revenue Fund – This fund accounts for receipt and subsequent expenditure or transfer of revenue from casino riverboat admissions taxes and other gaming.

Wastewater Fund – This fund accounts for the receipt and subsequent expenditure of dedicated sales taxes, sewer use charges, and other current charges dedicated to operations, maintenance and improvement of the City’s sanitary sewerage system.

Debt Service Fund – This fund is used to account for the accumulation of resources and the payments made for principal, interest, and related costs on long-term debt obligations of governmental funds. The primary source of revenue is transfers in from other funds as mandated by law or City policy.

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Revenues include 28 percent of one percent sales tax dedicated to capital improvements and various intergovernmental revenues.

The City of Lake Charles reports the following proprietary funds:

Civic Center – This fund accounts for the activities of the Lake Charles Civic Center.

Golf Course – This fund accounts for the activities of Mallard Golf Course.

Transit Fund – This fund accounts for the operation of the City’s transit system.

Water Fund – This fund accounts for the operation of the City’s water system.

The City of Lake Charles reports the following additional fund type:

Internal Service Funds - Internal Service Funds are used to account for the insurance needs provided to other departments of the City, or to other governments, on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments between the government’s water function and various other functions of the government. 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. 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The intent of the governing body is that the costs (expenses) of providing goods or services to the general



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public on a continuing basis be financed or recovered primarily through user charges and are reported as program revenues.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

**D. Assets, Liabilities and Net Position**

**1. Deposits and Investments**

The government'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.

The City's investment program is authorized and limited by state statute and city ordinances to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool equivalent to a money market fund. LAMP invests in short-term instruments permitted by statute.

Investments for the government, its component units and for LAMP are reported at fair value.

**2. Receivables and Payables**

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables, including those for grass cutting and demolition assessments in the governmental funds and water and sewer charges in the enterprise funds, are shown net of an allowance for uncollectables. The allowance for estimated uncollectable receivables is established based on historical collection experience and other relevant circumstances.

There appears to be concentration of credit-risk with regard to general accounts receivable and, more specifically, accounts receivable for water and sewer user fees in the Wastewater Special Revenue Fund and the Water Utility Enterprise Fund. The City's ability to collect the amounts due from the users of the City water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

The City property taxes must be levied by December 1 of each year. Property taxes are due by December 31 and are delinquent by January 1. Delinquent property taxes are assessed interest at one and one-quarter percent per month for the period of delinquency. Property owners with taxes still delinquent by March 1 are notified by certified mail that they have twenty days to pay delinquent property taxes. The lien date is the date in which the tax assessor files the tax roll with the Clerk of Court, which is the same as the levy date. Sale of delinquent properties is held each year as soon as possible after May 1. Most taxes are collected in December, January and February.

**3. Inventories and Unpaid Items**

Inventory is valued at average cost. Inventory in the General Fund consists of materials and supplies held for consumption and are accounted for under the consumption method where expenditures are recorded when the goods are used. Inventories are also held in the enterprise funds. These consist of concession supplies held for sale to the public and materials held for

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water system maintenance and improvements. Certain payments made to vendors are for services that will benefit subsequent periods, and, using the consumption method, these expenses are recorded as prepaid items in fiscal year 2023 in both the governmental-wide and fund financial statements.

**4. Restricted Assets**

Customer deposits in the Water Enterprise Fund are classified as restricted assets on the balance sheet because their use is limited to repayment of deposits to qualified customers or upon termination 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 \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are often financed on a pay-as-go basis. However, the City has incurred debt for the construction of sewer treatment facility and issued bonds to fund capital improvements, such as roads, water, sewer, recreation and downtown development activities. All current bonded debt will be repaid by 2032.

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

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements other than buildings	20
Public Domain infrastructure	10 – 50
System infrastructure	10 – 50
Machinery and equipment	7
Right-to-use lease asset	Lease Term
Right-to-use subscription asset	Subscription Term

**6. Compensated Absences**

It is the government's policy to permit employees to accumulate earned, but unused, vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. There was no amount recorded in the governmental fund statements as a payable to employees who had terminated as of the end of the fiscal year on September 30, 2023.

Vacation is based on the number of years of service and is earned as follows:

First four years	10 days
Five to nine years	15 days
Ten to nineteen years	20 days
Nineteen years and over	25 days

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Sick pay is based on the number of years of service and is carried as follows:

First three years	8 hours per month
Four years and over	12 hours per month

Sick pay is not vested except at retirement or 20 year of service, where accumulated sick pay hours up to six hundred (600) are payable to qualified employees. The termination payment liability was calculated by developing a ratio based on historical data of sick leave paid at termination compared with sick leave accumulated and by applying that ratio to the sick leave accumulated by the current employee population as of September 30, 2023. Because there was no current liability at the end of the fiscal year, all estimated termination payment liability is recorded in the government-wide and proprietary fund financial statements.

City employees may receive compensatory time off with pay in lieu of overtime pay for work in excess of regular scheduled hours. Accumulation of unused compensatory time is limited, and any unused or unpaid portion is payable upon separation from employment. Compensatory time is accrued when incurred in the government-wide and proprietary funds financial statements. There was no current portion of compensatory time recorded in the governmental fund statement at September 30, 2023.

At September 30, 2023 the total liability reported on the Statement of Net Position for accrued vacation, sick and compensatory time was \$4,246,734 for Governmental Activities, which includes \$157,959 from the Internal Service Funds. The amount recorded in Business-Type Activities equaled \$717,491.

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has items that qualify for reporting in this category. It has deferred charges on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the refunded debt. The \$595,869 balance of deferred outflows of resources related to bond refunding will be recognized as interest expense over the remaining life of the bonds. The City also has deferred outflow of resources related to net pension liability of \$15,700,839. The City also has deferred outflow of resources related to OPEB liability of \$2,197,915.

The statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has reported deferred inflows related to the net pensions liability in the amount of \$3,474,992. The City also has deferred inflow of resources related to OPEB liability of \$735,818.

Additional information on deferred outflows/inflows of resources related to both defined benefit pension plans as well as postemployment benefits other than pension plans (OPEB) can be found in Note 5.

**8. 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

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applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize principal payments during the current period. The face amount of debt issued is reported as other financing sources.

**9. Recent Adoption of New Accounting Standard**

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, “*Subscription-Based Information Technology Arrangements*” for the year ended September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The statement establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability.

**10. Leases – Lessee**

In accordance with GASB Statement No. 87, the City recognized a lease liability and an intangible right-to-use lease asset for all lease contracts whose terms are for a lease period greater than one year. The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The lease assets are amortized on a straight-line basis over the useful life of the related lease. Key assumptions related to leases include the following:

The discount rate used to determine the present value of expected lease payment

- The City was not provided the interest rate charged by the lessor, therefore using its estimated incremental borrowing rate of 1.90% as the discount rate for leases

The lease term

- The lease terms include the noncancellable period of the lease and optional renewal periods.

The lease payments

- Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that administration considers reasonably certain to be exercised.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**11. Subscription-Based Information Technology Arrangements (SBITA)**

In accordance with GASB Statement No. 96, the City has examined the provisions of the statement and identified all SBITAs that qualify for adjustment and disclosure under the new statement. The City recognized a subscription liability, which was measured at the present value of the future minimum payments as of the date of inception. The subscription assets are amortized on a straight-line basis over the useful life of the related subscription. The City was not provided

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the interest rate charged by the SBITA vendors, therefore using its estimated incremental borrowing rate of 1.90% as the discount rate for subscriptions. The subscription terms include the noncancellable period of the subscription and optional renewal periods. The implementation of this standard had no material impact on beginning net position. The City recognized a SBITA net book value of \$638,808 and SBITA liability of \$591,419 for the fiscal year ended September 30, 2023.

As with Leases, the City monitors changes in circumstances that would require a remeasurement of its subscription agreements and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

## **12. Fund Equity**

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City of Lake Charles classifies governmental fund balances as follows:

Non-spendable – Includes fund balance amounts that cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained or due to constitutional provisions or enabling legislation. Any deviation from the specific purpose must be approved by the original third party whether that is the electorate or grantor.

Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (the City Council) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment. A separate city ordinance adopted by the City Council is required to modify a previous commitment of fund balance.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by action of the Mayor, an ordinance of the City Council, or adoption of the budget and generally only exists temporarily. A similar action or amendment is necessary to remove or revise the limitation.

Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and when applicable, negative fund balances in other governmental funds.

All of these items are included as elements of net position on the government-wide statement.

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are incurred.

It is the City's policy to maintain a minimum fund balance of 30 percent of operating expenditures and operating transfers in the General Fund.

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**2. Reconciliation of Government-Wide Financial Statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:**

The governmental fund balance sheet includes a reconciliation between fund balance of total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains “long term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.”

The details of this \$119,130,919 difference are as follows:

2014 LCDA Refunding Bonds payable	\$ 9,380,000
Premium on 2014 LCDA Refunding Bonds payable (to be amortized over the life of the debt)	296,315
2017 LCDA Refunding Bonds payable	11,240,000
Premium on 2017 LCDA Refunding Bonds payable (to be amortized over the life of the debt)	1,475,091
2021 LCDA Public Improvement Bonds payable	9,080,000
Compensated absences	4,088,775
Other post employee benefits (OPEB) payable	7,107,551
Net pension liability	63,906,417
Right of use lease liability	328,351
Right of use subscription liability	591,419
LC City Court building project	520,000
DEQ loan -- sewer plant rehabilitation	11,117,000
Net adjustment to reduce fund balance-total governmental funds to arrive at net position-governmental activities	<u>\$ 119,130,919</u>

Deferred outflows and inflows of resources are not available to pay current period expenditures, therefore are not reported in the governmental funds. The details of this \$13,473,574 difference are as follows:

Deferred outflows on charges on bond refunds	\$ 595,869
Deferred outflows of resources - related to net pension liability	14,968,374
Deferred outflows of resources - related to OPEB	1,890,970
Deferred inflows of resources - related to net pension liability	(3,335,168)
Deferred inflows of resources - related to OPEB	(646,471)
Net adjustment to increase fund balance to arrive at net position - governmental activities	<u>\$ 13,473,574</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, “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.”

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The details of the \$19,461,763 are as follows:

Capital outlays	\$ 40,377,978
Depreciation expense	(20,851,283)
Loss on retirement of capital assets	(64,932)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 19,461,763

Another element of that reconciliation states that, “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$7,661,857 are as follows:

Principal repayment:	
2014 LCDA public improvement refunding bonds	\$ 175,000
2017 LCDA public improvement refunding bonds	4,585,000
Compensated absences	210,362
Proceeds from premium on 2014 public improvement refunding bonds (to be amortized as interest over the life of the debt)	69,722
Proceeds from premium on 2017 public improvement refunding bonds (to be amortized as interest over the life of the debt)	368,773
2021 public improvement revenue bonds	920,000
Lake Charles City Court building loan	155,000
DEQ loan - sewer plant improvements	1,178,000
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 7,661,857

**C. Explanation of certain differences between the proprietary fund statement of net position and the governmental-wide statement of net position:**

The proprietary fund statements of net position include reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the governmental-wide statements of net position. The description of the sole element of that reconciliation is “adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this \$(179,046) are as follows:

Internal payable representing costs in excess of charges to the business-type activities - prior year	\$ (251,936)
Internal payable representing costs in excess of charges to the business-type activities - current year	72,890
Net adjustment to decrease net position - enterprise funds to arrive at net position - business-type activities	\$ (179,046)

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**3. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

The City annually adopts and implements an operating and capital budget in accordance with requirements of the City Charter and applicable state law for the General Fund and all Special Revenue and Proprietary Funds. The Capital Projects Fund's budget is a project-based capital budget. Policies and procedures with respect to budget adoption and budgetary control are as follows:

1. The Mayor submits the proposed operating budget for the fiscal year commencing October 1 to the City Council no later than August 15. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget and notices of public hearing is published in accordance with statutory requirements.
3. The proposed budget is subject to one or more public hearings before the City Council prior to adoption by ordinance, which must occur no later than September 15. The City Charter requires a two-thirds vote of the City Council to amend the proposed budget submitted by the Mayor.
4. Expenditures are legally restricted to budgetary appropriations at the department level within the General Fund and at the fund level for Special Revenue Funds, which are not departmentalized. Revisions, which alter the total expenditures of any such department or fund, must be approved by budget amendment ordinance adopted by the City Council at the request of the Mayor. Transfers of budgeted amounts between expenditure objects or programs within the same department and fund are authorized to be made administratively by the Director of Finance.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Projects Fund, which is budgeted on a project basis. Formal budgetary integration is not employed in the Debt Service Funds because effective budgetary control is alternatively achieved through the respective bond indentures and provisions.
6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Comparisons of budgeted and actual results of operation are presented for the General Fund and Special Revenue Funds in the accompanying financial statements. The Capital Projects Fund is not included in this budget, and actual comparison, as the capital budget which encompasses that fund, is presented on the basis of cumulative as opposed to annual budget amounts.
7. All budgetary appropriations, except capital project budgets, lapse at the end of each fiscal year.
8. Budgeted amounts are as originally adopted or as amended by the City Council. The originally adopted General Fund expenditure budget of \$92,888,642 was amended during the fiscal year to increase operational expenditures by \$135,000 for additional operational expenses of the Ward 3 Marshal's office and to accommodate for increased lot cleaning and demolitions expenses in Property Standards, bringing the total expenditure budget to \$93,023,642. Operating revenues proposed to total \$81,909,000 but were amended to \$85,418,500, an increase of \$3,509,500 due to an increase in sales taxes received associated with continued rebuilding efforts following Hurricane Laura and increased franchise and license taxes. The original adopted budget anticipated that \$10.9 million of fund balance reserves would be needed for fiscal year 2023; however, the amended budget reflected that only \$7.6 million would be needed.

The originally adopted amount of all Special Revenue Funds was \$59,094,485. Amendments increased the budget by \$7,712,949 and resulted in the final total Special Revenue Fund budget of \$66,807,434. The increase in the annual amendment was primarily in response to Hurricane



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Laura. An annual amendment is necessary in response to grant awards compared to actual expenditures within the fiscal year.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Funds.

In accordance with generally accepted accounting principles, outstanding encumbrances at year end for which goods or services have been received are reclassified to expenditures and accounts payable. All other encumbrances in the annual budgeted funds are reversed at year end and are either canceled or are included as re-appropriations of fund balance for the subsequent year. Encumbrances at year end in funds that are budgeted on a project basis, including Enterprise Fund construction projects, are carried forward along with their related appropriations and are not subject to an annual cancellation and re-appropriation. Such balances are classified as committed fund balance in the Capital Project Fund. Significant project encumbrances are included in the “construction commitments” section of the capital asset note disclosure. The total amount reserved for encumbrances in all funds at fiscal year ended September 30, 2023 are as follows:

Major Funds:	
General Fund	\$ 1,298,759
Capital Projects	26,195,383
Disaster Recovery Fund	1,251,829
Wastewater Fund	827,951
Total Major Funds	29,573,922
Non-Major Funds:	
Recreation Fund	150,843
Total Non-Major Funds	150,843
Proprietary Funds:	
Civic Center	2,293,530
Transit	2,818,950
Water Utility	32,932,587
Total Proprietary Funds	38,045,067
Total Reserved for Encumbrances	
Fiscal Year ended September 30, 2023	\$ 67,769,832

**C. Excess of Expenditures Over Appropriations and Deficit Fund Equity**

There was no deficit fund equity in any fund at fiscal year ended September 30, 2023.

**D. Unfavorable Revenue & Expenditure Variances**

The revenue received from the Community Development Special Revenue Fund was \$5,297,888 which was \$16,834 less than the \$5,314,722 budgeted amount. The unfavorable variance in this special revenue fund is attributable to variances in grant program revenues, which are budgeted on the basis of grant awards but actual revenues received are based on annual expenditure reimbursements in those funds.

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**4. Detailed Notes on All Funds**

**A. Deposits and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet within "cash and investments" or "restricted cash and investments" where applicable. Legal and contractual provisions with respect to deposits and investments are substantially the same for all funds and fund types.

Demand deposits of the City are maintained under a banking agreement in which account balances are collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve Bank in the City's name. The bank balance of such deposits at September 30, 2022 was \$177,426,710 (carrying amount \$170,776,604).

The total includes restricted cash in the amount of \$1,712,070 from customer deposits in the Water Utility Enterprise Fund. The amounts do not include petty cash of \$20,950 or \$13,737,013 that is on deposit with a third party for bond reserves and the administration of the City's insurance claims. It also does not include a cash overdraft of \$21,051,189 reported as accounts payable in the Disaster Recovery Special Revenue Fund, Central School Special Revenue Fund, Community Development Special Revenue Fund and Transit Enterprise Fund,

The carrying amounts of cash deposits for component units at their respective balance sheet dates were \$69,239 for City Court and \$400,686 for the Ward Three Marshal. These amounts were fully covered by federal deposit insurance or were collateralized entirely by U.S. Treasury and government agency securities held by a Federal Reserve Bank in the entity's name.

Fair Value Reporting – Investments

Investments are stated at fair value and are categorized within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value. Level 1 inputs are quoted prices for identical items in active markets; Level 2 inputs are those that are either directly or indirectly observable for similar items; Level 3 inputs are unobservable inputs.

The City utilizes the market-based approach for determining the fair value of investments. Level 1 investments are valued using prices quoted for identical assets in active, liquid, and visible markets. Level 2 investments are valued using quoted prices in active or inactive markets for similar investments, or other valuations based on matrix, cost, or market pricing techniques. The city has no Level 3 investments. Louisiana Asset Management Pool (LAMP) is excluded from fair value assessment. As of September 30, 2023, the City had the following investments and maturities:

Investment type	Maturity	Fair Value/ Net Asset Value
U.S. agencies	1 - 5 year	4,514,393
Federal Home Loan Bank (Level 2)		4,514,393
Louisiana Asset Management Pool (Net Asset Value)		71,730,434
		\$ 76,244,827

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Credit Risk – Investments

The City's investment program is authorized and limited by state statute and city policy to purchases of securities issued or guaranteed by the U.S. Government and its agencies or instrumentalities and participation in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit local government money-market type (2a-7-like) investment pool sponsored by the State of Louisiana. This pool is rated "AAAm" by Standard & Poor's. Security investments are carried at fair value; investment in LAMP is carried at cost, which approximates market value. With the exception of LAMP, all of the City's investments are held in the City's name by its custodial bank. The City's investment policy does not specifically limit investment maturities, except for a general requirement that funds used for operation be invested within a three-year final maturity range. This policy assumes that callable investments will not be called. The City's investment policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

The City does not directly invest in commercial paper, which is permitted by state statute. However, such investments are made by LAMP, which are subject to concentration and maturity limitations of its investments policy.

The City's investments in U.S. Agency Securities were primarily rated "AA+" by Standard and Poor's and Fitch Ratings and "Aaa" by Moody's Investors Services. The City's investment policy does not specifically limit concentration with individual issuers. The policy states that financial or credit risk, as distinguished from market risk, is not acceptable for any investment in either short or long term investment categories.

Interest Rate Risk – Investments

The City's policy on investments places primary order of emphasis on 1) the safety of principal; 2) the liquidity of the investment, in order to enable the City to meet reasonably expected operating and capital funding requirements; and 3) the yield or return on investment.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investment. Investments are exposed to custodial credit risk if the securities are (a) uninsured and unregistered and held by the counterparty; or (b) uninsured, unregistered and held by the counterparty's trust department or agent but not in the name of the City.

According to the City's investment policy for investment purchases, the fiscal agent bank merely executes the necessary wire-transfer services to support the City's investment transactions and is therefore not a counterparty to the investment transactions. As such, these investments are not subject to custodial credit risk since the fiscal agent bank is not a party to the original investment purchases and is only holding the book-entry securities in a securities safekeeping account in the name of the City of Lake Charles.

**B. Receivables**

Receivables as of year-end for the City of Lake Charles's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectable accounts are as follows:

**CITY OF LAKE CHARLES, LOUISIANA**  
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<b>Governmental-type Activities</b>	<b>General</b>	<b>Disaster Recovery</b>	<b>Riverboat Gaming</b>	<b>Wastewater</b>	<b>Debt Service</b>
Receivables:					
Accounts	\$ 3,676,995	\$ 1,770,000	\$ -	\$ 2,681,165	\$ -
Taxes	5,102,156	-	-	419,479	-
Property standards & special assessment	-	-	-	-	-
Interest	7,875	-	-	-	-
Intergovernmental	71,241	48,110,829	1,109,385	-	124,293
Gross receivables	8,858,267	49,880,829	1,109,385	3,100,644	124,293
Less: allowance for uncollectable	(746,611)	-	-	(1,051,282)	-
Net total receivables	\$ 8,111,656	\$ 49,880,829	\$ 1,109,385	\$ 2,049,362	\$ 124,293

<b>Governmental-type Activities (continued)</b>	<b>Capital Projects</b>	<b>Non-major Funds</b>	<b>Internal Service</b>	<b>Total Governmental Activities</b>
Receivables:				
Accounts	\$ 212,895	\$ 42,699	\$ 250,749	\$ 8,634,503
Taxes	734,089	402,244	-	6,657,968
Property standards & special assessment	196,865	-	-	196,865
Interest	-	-	-	7,875
Intergovernmental	5,015,468	641,461	-	55,072,677
Gross receivables	6,159,317	1,086,404	250,749	70,569,888
Less: allowance for uncollectable	-	-	-	(1,797,893)
Net total receivables	\$ 6,159,317	\$ 1,086,404	\$ 250,749	\$ 68,771,995

Receivables as of year-end for the City of Lake Charles's individual enterprise funds in the aggregate including the applicable allowances for uncollectable accounts are as follows:

<b>Business-type Activities</b>	<b>Civic Center</b>	<b>Public Transit</b>	<b>Water</b>	<b>Total Business-Type Activities</b>	<b>Total Government</b>
Receivables:					
Accounts	\$ 11,343	\$ -	\$ 3,096,924	\$ 3,108,267	\$ 11,742,770
Taxes	-	-	-	-	6,657,968
Property standards & special assessment	-	-	-	-	196,865
Interest	-	-	-	-	7,875
Intergovernmental	-	1,296,755	-	1,296,755	56,369,432
Gross receivables	11,343	1,296,755	3,096,924	4,405,022	74,974,910
Less: allowance for uncollectable	-	-	(1,072,762)	(1,072,762)	(2,870,655)
Net total receivables	\$ 11,343	\$ 1,296,755	\$ 2,024,162	\$ 3,332,260	\$ 72,104,255

**CITY OF LAKE CHARLES, LOUISIANA**  
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Intergovernmental receivables consisted of the following:

<b>Governmental-type activity:</b>	
Calcasieu Parish Policy Jury	\$ 3,312,200
Calcasieu Parish Tax Assessor	9,223
Lake Charles City Court	124,293
U.S. Department of Justice	14,017
Community Development Grant	620,327
LA Department of Transportation	285,608
LA Commission on Law Enforcement and Admin. Of Criminal Justice Grant	4,303
LA Department of Military Affairs	50,525,829
LA Department of Health and Hospitals	1,500
Department of Culture and Recreation	175,377
Total Government-type activities	55,072,677
<b>Business-type activity:</b>	
LA Department of Transportation	1,296,755
Total Business-type activities	1,296,755
Total Primary government	\$ 56,369,432

**CITY OF LAKE CHARLES, LOUISIANA**  
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**C. Capital Assets**

Capital asset activity for the fiscal year ended September 30, 2022 as restated was as follows:

**Primary Government**  
Governmental Activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets - not being depreciated:				
Land	\$ 16,874,409	\$ 2,198,315	\$ -	\$ 19,072,724
Construction in progress	40,223,973	27,584,563	(12,574,436)	55,234,100
Total capital assets - not being depreciated	57,098,382	29,782,878	(12,574,436)	74,306,824
Capital assets - being depreciated:				
Buildings	56,720,754	-	(684,055)	56,036,699
Improvements	121,535,620	5,403,113	(35,529)	126,903,204
Machinery & Equipment	45,472,900	5,035,800	(2,215,462)	48,293,238
Infrastructure	421,882,033	12,757,618	-	434,639,651
Right of use leased assets	809,173	15,591	-	824,764
Right of use subscription assets	-	899,784	-	899,784
Total capital assets - being depreciated	646,420,480	24,111,906	(2,935,046)	667,597,340
Less accumulated depreciation and amortization for:				
Buildings	(38,463,765)	(2,089,717)	684,055	(39,869,427)
Improvements	(53,567,912)	(5,155,840)	29,465	(58,694,287)
Machinery & Equipment	(33,697,624)	(3,646,732)	2,156,594	(35,187,762)
Infrastructure	(175,661,344)	(9,967,829)	-	(185,629,173)
Right of use leased assets	(316,887)	(187,030)	-	(503,917)
Right of use subscription assets	-	(260,976)	-	(260,976)
Total accumulated depreciation	(301,707,532)	(21,308,124)	2,870,114	(320,145,542)
Total capital assets - being depreciated, net	\$ 344,712,948	\$ 2,803,782	\$ (64,932)	\$ 347,451,798
Governmental activities capital assets, net	\$ 401,811,330	\$ 32,586,660	\$ (12,639,368)	\$ 421,758,622

The assets of the Internal Service Funds are included in the table for assets related to governmental-type activities. Total assets are \$50,022 with accumulated depreciation of \$25,358. Remaining value of assets at September 30, 2023 equaled \$24,664; and this total is included in the net asset statement for the Governmental-type activities.

**CITY OF LAKE CHARLES, LOUISIANA**  
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Business-type activities:

Asset	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets - not being depreciated:				
Land	\$ 7,860,704	\$ -	\$ -	\$ 7,860,704
Construction in progress	7,752,456	21,391,645	(2,888,757)	26,255,344
Total capital assets - not being depreciated	15,613,160	21,391,645	(2,888,757)	34,116,048
Capital assets - being depreciated:				
Buildings	26,788,838	3,414,490	-	30,203,328
Improvements	127,042,818	2,132,834	-	129,175,652
Machinery & Equipment	12,642,753	725,657	(258,967)	13,109,443
Right of use leased assets	302,814	-	-	302,814
Total capital assets - being depreciated	166,777,223	6,272,981	(258,967)	172,791,237
Less accumulated depreciation and amortization for:				
Buildings	(20,190,123)	(272,472)	-	(20,462,595)
Improvements	(56,014,642)	(3,869,535)	-	(59,884,177)
Machinery & Equipment	(8,965,306)	(869,302)	244,053	(9,590,555)
Right of use leased assets	(67,296)	(67,296)	-	(134,592)
Total accumulated depreciation	(85,237,367)	(5,078,605)	244,053	(90,071,919)
Total capital assets, being depreciated, net	\$ 81,539,856	\$ 1,194,376	\$ (14,914)	\$ 82,719,318
Business-type activities capital assets, net	\$ 97,153,016	\$ 22,586,021	\$ (2,903,671)	\$ 116,835,366

Depreciation and amortization expense was charged to functions / programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 273,500
Public safety	2,311,433
Public works	16,846,990
Planning and development	53,694
General services	307,322
Community services	1,506,350
Capital assets held by the government's internal service funds are charges to the various functions based on their usage of the assets	8,835
Total depreciation expense - governmental activities	<u>\$ 21,308,124</u>
<b>Business-type activities:</b>	
Civic Center	\$ 1,432,818
Golf Course	543,207
Transit	515,348
Water	2,587,232
Total depreciation expense - business-type activities	<u>\$ 5,078,605</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
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**D. Discretely Presented Component Units**

Capital asset activity for the year ended December 31, 2022 was as follows for City Court:

<b>Governmental activities</b>	<b>Balance 1/01/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2022</b>
Governmental activities:				
Equipment	\$ 97,019	\$ -	\$ -	\$ 97,019
Furniture and fixtures	24,280	-	-	24,280
Software	202,321	-	(5,471)	196,850
Total at historical cost	323,620	-	(5,471)	318,149
Less accumulated depreciation:				
Equipment	(80,243)	(7,456)	-	(87,699)
Furniture and fixtures	(1,740)	(1,192)	-	(2,932)
Software	(84,212)	(19,685)	5,471	(98,426)
Total accumulated depreciation	(166,195)	(28,333)	5,471	(189,057)
Governmental activities capital assets, net	\$ 157,425	\$ (28,333)	\$ -	\$ 129,092

Capital asset activity for the year ended December 31, 2022 was as follows for City Marshal:

<b>Governmental activities</b>	<b>Balance 1/01/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/2022</b>
Governmental activities:				
Automobiles & equipment	\$ 445,192	\$ 258,450	\$ (46,850)	\$ 656,792
Furniture and fixtures	13,763	-	-	13,763
Equipment	247,941	43,791	-	291,732
Buildings & improvements	48,018	-	-	48,018
Totals at historical cost	754,914	302,241	(46,850)	1,010,305
Less accumulated depreciation:				
Automobiles	(374,776)	(45,148)	46,850	(373,074)
Furniture and fixtures	(13,763)	-	-	(13,763)
Equipment	(205,423)	(19,067)	-	(224,490)
Buildings & improvements	(8,568)	(1,540)	-	(10,108)
Total accumulated depreciation	(602,530)	(65,755)	46,850	(621,435)
Governmental activities capital assets, net	\$ 152,384	\$ 236,486	\$ -	\$ 388,870



**CITY OF LAKE CHARLES, LOUISIANA**  
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**E. Construction Commitments**

The City had total commitments of \$60,768,502 with contractors for unfinished construction projects as of September 30, 2023 categorized as follows:

Project type	Expended to date	Remaining commitment
Streets and storm drainage	\$ 18,485,920	\$ 21,355,173
Waterlines	1,082,056	28,547
Water Facilities	12,039,726	32,638,736
Sanitary sewer rehabilitation	5,115,532	3,393,199
Recreation / community facilities	9,017,477	969,293
Public Safety	56,750	1,500
Civic Center Improvements	5,879,284	2,293,530
Other governmental facilities	34,426	88,524
Total	\$ 51,711,171	\$ 60,768,502

All remaining commitments are financed from City revenues previously authorized.

**F. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of September 30, 2023 is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Golf Course	\$ 229,020
	Wastewater Fund	5,604
	Water Fund	8,227
	Transit Fund	24,407
	Non-major Governmental Funds	19,622
Riverboat Gaming Fund	Non-major Governmental Funds	113,208
	Civic Center Fund	27
Civic Center Fund	General Fund	306,294
	Capital Projects Fund	975,000
Water Fund	Capital Projects Fund	7,000,000
Total		\$ 8,681,409

**CITY OF LAKE CHARLES, LOUISIANA**  
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Interfund Transfers:

Transfer out:	General Fund	Disaster Recovery Fund	Riverboat Fund	Wastewater Fund	Capital Project Fund	Other Special Revenue Funds
<b>Transfer in:</b>						
Debt Service	\$ 552,630	\$ -	\$ 3,923,850	\$ 1,325,000	\$ 2,359,855	\$ -
Disaster Recovery	500,000	-	-	-	-	-
Capital Projects	4,800,000	8,000,000	4,850,000	1,000,000	-	2,575,000
Non-major Governmental	175,197	-	898,230	-	-	-
Civic Center	710,878	-	-	-	3,815,000	-
Golf Course	317,102	29,223	250,000	-	-	-
Transit	1,269,584	-	667,050	-	-	-
Water	340,000	-	200,000	-	7,000,000	-
Wastewater	375,000	-	-	-	-	-
Total	\$ 9,040,391	\$ 8,029,223	\$ 10,789,130	\$ 2,325,000	\$ 13,174,855	\$ 2,575,000

Transfers are used to move revenues from the fund in which collections are made to other funds in accordance with budgetary authorizations.

General Fund made transfers in the amount of \$9,040,391 to other funds for debt service payments, capital related projects, required match of federal programs, and to subsidize operations of other funds.

Disaster Recovery Fund made transfers in the amount of \$8,029,223 to other funds for capital related projects.

Riverboat Fund made transfers in the amount of \$10,789,130 to other funds for debt service payments, capital related projects, and to subsidize operations of other funds.

Wastewater Fund made transfers in the amount of \$2,325,000 to other funds for debt service payments and capital related projects.

Capital Project Fund made transfers in the amount of \$13,174,855 to other funds for debt service payments and capital related projects in proprietary funds.

Other special revenue funds made transfers in the amount of \$2,575,000 to other funds for capital related projects.

**CITY OF LAKE CHARLES, LOUISIANA**  
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**G. Long-Term Debt**

Bonds payable as of September 30, 2023 are comprised of the following individual issues and are entirely related to governmental activities:

**\$ 15,825,000 2014 Fixed Rate Revenue Refunding Bonds - LCDA**

Original issue was for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in annual amounts of \$50,000 to \$2,450,000 through 2027; interest rates of 2% to 5%. \$ 9,380,000

**\$ 24,140,000 2017 Fixed Rate Revenue Refunding Bonds – LCDA**

Original issue was for City of Lake Charles Public Improvement Projects (roads, utilities, downtown/lakefront development, economic development and parks) due in the annual amounts of \$1,715,000 to \$3,050,000 through 2027; interest rates of 4% to 5%. 11,240,000

**\$ 10,000,000 2021 Fixed Rate Revenue Bonds – LCDA**

Original issue was for City of Lake Charles Public Improvement Projects (drainage) due in the annual amounts of \$920,000 to \$1,085,000 through 2032; interest rate of 1.9%. 9,080,000

Total bonds payable \$ 29,700,000

The Revenue Bonds are subject to arbitrage rules. Arbitrage calculations are done as required.

Annual debt service requirements to maturity of the bonds are as follows:

<b>Governmental Activities</b>			
<b>Year ending September 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	5,775,000	1,017,213	6,792,213
2025	6,010,000	780,083	6,790,083
2026	6,225,000	567,045	6,792,045
2027	6,460,000	333,275	6,793,275
2028	1,010,000	89,775	1,099,775
2029	1,025,000	70,443	1,095,443
2030	1,045,000	50,778	1,095,778
2031	1,065,000	30,733	1,095,733
2032	1,085,000	291,308	1,376,308
Total	\$ 29,700,000	\$ 3,230,650	\$ 32,930,650

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Direct Placement Debt as of September 30, 2023 related to governmental activities is comprised of the following individual issues:

**\$ 21,000,000 2011 Louisiana Department of Environmental Quality Loan**

Original issue was for rehabilitation and rebuild of existing wastewater treatment facility due in amounts of \$212,000 to \$2,691,000 through 2032; interest rates of 0.45% and administrative fee of 0.50% - direct placement. \$ 11,117,000

**\$ 3,000,000 2011 Calcasieu Parish Public Trust Authority Revenue Bonds**

Original issue was for the construction of Lake Charles City Court Building due in the annual amounts of \$95,000 to \$175,000 through 2031; interest rates of 3.783% - direct placement. 520,000

Total direct borrowing - Governmental Activities \$ 11,637,000

Annual debt service requirements to maturity of the direct placement related to governmental activities are as follows:

<b>Governmental Activities</b>			
<b>Year ending September 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	1,349,000	66,672	1,415,672
2025	1,370,000	55,079	1,425,079
2026	1,387,000	43,154	1,430,154
2027	1,238,000	34,106	1,272,106
2028	1,235,000	28,319	1,263,319
2029	1,247,000	22,761	1,269,761
2030	1,258,000	17,150	1,275,150
2031	1,270,000	11,489	1,281,489
2032	1,283,000	5,774	1,288,774
<b>Total</b>	<b>\$ 11,637,000</b>	<b>\$ 284,504</b>	<b>\$ 11,921,504</b>

Direct Placement Debt as of September 30, 2023 related to business-type activities is comprised of the following individual authorization:

**\$ 30,000,000 2023 Louisiana Department of Health & Hospitals Loan**

Original authorization was for the construction of a new water treatment facility due in amounts of \$1,062,000 to \$1,683,000 through 2044; interest rates of 1.95% and administrative fee of 0.50% - direct placement. \$3,000,000 of original issue qualifies as loan forgiveness. Total issued as of September 30, 2023 was \$2,317,438. \$ 2,317,438

Total direct borrowing authorized - Business-type Activities \$ 2,317,438

**CITY OF LAKE CHARLES, LOUISIANA**  
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Annual debt service requirements to maturity of the direct placement authorization related to business-type activities are as follows:

<b>Business-type Activities</b>			
<b>Year ending September 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ -	\$ 45,190	\$ 45,190
2025	91,168	44,293	135,461
2026	93,414	43,336	136,750
2027	95,701	42,314	138,015
2028	98,048	41,228	139,276
2029 - 2043	1,794,690	435,353	2,230,043
2044	144,417	12,708	157,125
<b>Total</b>	<b>\$ 2,317,438</b>	<b>\$ 619,232</b>	<b>\$ 2,936,670</b>

The City of Lake Charles has approval from the Lake Charles City Council and the State Bond Commission to issue \$20 million from the Louisiana Department of Environmental Quality Revolving Loan Fund.

**CITY OF LAKE CHARLES, LOUISIANA**  
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**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2023 as restated was as follows:

	Balance 10/01/2022	Additions	Reductions	Balance 9/30/2023	Due within one year
<b>Governmental activities:</b>					
<b>Bonds payable:</b>					
Revenue Refunding Bonds					
LC Public Imp 2014	\$ 9,555,000	\$ -	\$ (175,000)	\$ 9,380,000	\$ 2,230,000
Deferred amount of revenue bonds	366,036	-	(69,721)	296,315	69,721
Revenue Refunding Bonds					
LC Public Imp 2017	15,825,000	-	(4,585,000)	11,240,000	2,610,000
Deferred amount of revenue bonds	1,843,864	-	(368,773)	1,475,091	368,773
Revenue Refunding Bonds					
LC Public Imp 2021	10,000,000	-	(920,000)	9,080,000	935,000
Total bonds payable	<u>37,589,900</u>	<u>-</u>	<u>(6,118,494)</u>	<u>31,471,406</u>	<u>6,213,494</u>
Compensated absences	4,451,963	1,018,277	(1,223,506)	4,246,734	200,000
Other post-employment benefits	6,452,564	1,274,637	(557,059)	7,170,142	358,507
Net pension liability	68,983,421	5,480,800	(10,154,825)	64,309,396	-
Right-to-use lease liability	499,373	-	(171,022)	328,351	172,519
Right-to-use subscription liability	-	591,419	-	591,419	234,506
LC City Court building-direct placement	675,000	-	(155,000)	520,000	160,000
DEQ loan - direct placement	12,295,001	-	(1,178,001)	11,117,000	1,189,000
Long-term liabilities	<u>\$ 130,947,222</u>	<u>\$ 8,365,133</u>	<u>\$ (19,557,907)</u>	<u>\$ 119,754,448</u>	<u>\$ 8,528,026</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 672,159	\$ 117,321	\$ (71,989)	\$ 717,491	\$ 5,000
Other post-employment benefits	946,711	191,436	(78,804)	1,059,343	52,967
Net pension liability	4,408,194	205,484	(730,266)	3,883,412	-
Right of use lease liability	237,364	-	(66,217)	171,147	67,486
DHH loan - direct placement	-	2,317,438	-	2,317,438	-
Long-term liabilities	<u>\$ 6,264,428</u>	<u>\$ 2,831,679</u>	<u>\$ (947,276)</u>	<u>\$ 8,148,831</u>	<u>\$ 125,453</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$157,959 of internal service compensated absences; \$62,591 OPEB liabilities and \$402,979 in Net Pension liabilities are included in the above statement.

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In the current year, compensated absences were paid from the following governmental funds:

General Fund	Wastewater Fund	Other Special Revenue Funds
\$ 1,111,486	\$ 37,215	\$ 74,805

In the current and prior years, other post-employment benefits and net pension liabilities are paid primarily from the General Fund.

**Leases and Right-To-Use Assets**

The City has entered into agreements to lease various buildings, land and equipment as outlined below. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The lease liability is measured at a discount rate of 1.90%.

The City leases an office building near the Lake Charles Police Department (LCPD) Central Station from Wyatt Creek investments for use by the LCPD. The leased space is being used by LCPD SWAT and Training divisions due to the loss of their facilities following Hurricane Laura. The lease was executed on January 1, 2021 with a term of 4 years and monthly payments of \$6,000 due at the beginning of each month. As a result of the lease, the City has recorded a right-to-use asset with a net book value of \$86,750 at September 30, 2023.

The City leases modular office buildings from Aries Building Systems for use by the Lake Charles Police Department as office space during the rebuilding of their Annex building following the loss from Hurricane Laura. The lease was executed December 1, 2020 and is long-term automatically renewing lease with a 30-day termination option. Monthly rent payments of \$5,315 are due at the beginning of each month. As a result of the lease, the City has recorded a right-to-use asset with a net book value of \$191,057 at September 30, 2023.

The City leases print shop grade equipment from Xerox Corporation. The lease was executed May 13, 2021 as a 36-month lease with an option to purchase the equipment at fair market value at the end of the lease period. The City does not have expectation to exercise the purchase option. Monthly rental payments of \$3,676 are due at the beginning of each month. As a result of the lease, the City has recorded a right-to-use asset with a net book value of \$25,018 at September 30, 2023.

The City leases real estate from Flavin Realty for use of a parking lot for additional parking for City Hall. The lease was executed December 1, 2020 as a long-term lease with automatic renewal at the end of each year. The initial lease was for \$12,000 per year with a seven percent cost adjustment each subsequent year. The payments are due in full at the beginning of each year. As a result of the lease, the City has recorded a right-to-use asset with a net book value of \$18,022 at September 30, 2023.

Future obligations over the remaining expected terms as of September 30, 2023 are as follows for governmental activities:

<u>Year Ending September 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2024	172,519	4,546	177,065
2025	82,301	2,101	84,402
2026	62,929	851	63,780
2027	10,602	28	10,630
	<u>\$ 328,351</u>	<u>\$ 7,526</u>	<u>\$ 335,877</u>

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The City leases Club Car golf carts from VGM Financial Services for use at Mallard Golf Club. The lease was executed October 1, 2021 as a 54-month non-cancelable lease. Monthly rental payments of \$5,846 are due at the beginning of each month. As a result of the lease, the City has recorded a right-to-use asset with a net book value of \$168,222 at September 30, 2023.

Future obligations over the remaining expected terms as of September 30, 2023 are as follows for business-type activities:

<b>Year Ending September 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2024	67,486	2,666	70,152
2025	68,779	1,373	70,152
2026	34,882	194	35,076
	<u>\$ 171,147</u>	<u>\$ 4,233</u>	<u>\$ 175,380</u>

**Subscription-Based Information Technology Agreements (SBITA)**

The City has entered into subscription-based information agreements, SBITAs, for officer safety technology and license for various desktop software subscriptions. The SBITAs qualify as other than short-term agreement under GASB Statement No. 96 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. Neither subscription has a stated interest rate so the City's estimated incremental borrowing rate of 1.90% was used to discount the subscription payments. The City recorded a right-to-use asset with a net book value of \$638,808 at September 30, 2023. The total liability balance at year end was \$591,419.

Future minimum subscription obligations and the net present value of these minimum payments as of September 30, 2023 are as follows for governmental activities:

<b>Year Ending September 30</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total</b>
2024	234,507	11,336	245,843
2025	239,003	6,841	245,844
2026	58,395	2,260	60,655
2027	59,514	1,141	60,655
	<u>\$ 591,419</u>	<u>\$ 21,578</u>	<u>\$ 612,997</u>

**Refunding of Bonds**

The City has issued 2014 and 2017 Revenue Refunding Bonds. In both transactions, the reacquisition price exceeded the net carrying amount of the old debt. This amount of \$595,869 is being reported as a deferred outflow of resources and amortized over the life of the new debt, which is the same as the old debt. This amount is included in the calculation of net investment in capital assets. The amount includes \$363,379 from the 2014 Revenue Refunding Bonds and \$232,490 from the 2017 Revenue Refunding Bonds. Amortization for 2023 was \$90,843 and \$77,496 for each respective issue.



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**5. Other Information**

**A. Risk Management**

As of July 1, 1986 the City became self-insured with regard to workmen's compensation, auto liability, general liability, and a portion of police professional liability risk. The Risk Management Fund was established as an internal service fund at that date to account for all claims, expenses and administrative costs related to these self-insured and retained risks. The fund uses a third-party administrator to service and estimate claim losses, and uses both in-house legal staff and outside counsel for defense of self-insured claims. Excess risk or stop-loss coverages are used to limit retained risk where feasible, and the cost of such coverages is also paid through the Risk Management Fund.

As an internal service activity, the Risk Management Fund is a proprietary fund in which both current and long-term liabilities for claims and losses are recognized and reported when the liability is incurred. Financial resources are provided to the fund primarily through internal service charges that are distributed among other departments and funds in proportion to estimated risk and prior loss experience. A portion of the fund's accumulated resources is designated for catastrophic losses as provided by authorizing ordinance. Any remaining fund equity is reserved for subsequent workmen's compensation and other liability claims on an aggregate basis.

The Risk Management Fund also accounts for payment of hazard insurance premiums and third-party claims administration services under a comprehensive risk limitation and insurance program. Under this program, the City's retained risk for all auto liability and general liability is generally limited to a maximum of \$2.5 million per claim or loss. The City's self-insured retention for workmen's compensation is \$1.5 million for fire and police and \$1.25 million for all other employees.

Total net position at September 30, 2023 was \$35,763,220. Specific ordinance authorization is required of any claim in excess of \$100,000 or for any reduction or use of the amount designated for catastrophic losses. However, all estimable claims are accrued as current or long-term liabilities when incurred, without regard to the level of authorization required for payment.

The City established a self-insurance program for employee health benefits as of January 1, 1993 and accounts for this program through a separate internal service fund. Total net position of that fund at September 30, 2023 was \$5,938,326. The amount of risk retained by the fund during 2023 was limited to \$175,000 per claimant through use of purchased stop-loss coverage.

Changes in the balances of claims liabilities during the past year are as follows:

	<b>Risk Management</b>	<b>Employee Insurance</b>	<b>Totals</b>
Unpaid claims, beginning of fiscal year 2022:	\$ 8,549,632	\$ 2,050,507	\$ 10,600,139
Incurred and adjusted claims	11,169,802	9,160,380	20,330,182
Claim payments	(7,629,549)	(8,960,887)	(16,590,436)
Unpaid claims, beginning of fiscal year 2023:	12,089,885	2,250,000	14,339,885
Incurred and adjusted claims	270,056	10,145,952	10,416,008
Claim payments	(2,444,019)	(10,045,952)	(12,489,971)
Total unpaid claims September 30, 2023:			
Current claims due within one year	8,303,082	2,350,000	10,653,082
Long-term claims due one year or more	1,612,840	-	1,612,840
Total unpaid claims September 30, 2023:	<b>\$ 9,915,922</b>	<b>\$ 2,350,000</b>	<b>\$ 12,265,922</b>

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**B. Property Tax**

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Calcasieu Parish Assessor’s Office and approved by the State of Louisiana Tax Commission. All millages except the General Alimony tax were reauthorized in 2016 for an additional 10 years. The distribution of the City's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2023 and 2022:

Tax	Fiscal year 2023	Fiscal year 2022
General Alimony	5.95	5.95
Special recreation	1.68	1.68
Employee salary	5.21	5.21
Special street improvement	2.28	2.28
Total Millage	15.12	15.12

**C. Contingencies and Commitments**

The City has a number of outstanding contracts, the breach of any, of which could result in a liability to the City. The amount of the liability to the City at September 30, 2023, if any, is not estimable.

**D. Joint Service Agreements**

The City of Lake Charles and the Calcasieu Parish Police Jury entered into a joint service agreement, with an effective date of January 1, 2010, regarding operational responsibility for a consolidated animal services and shelter program. The term of the agreement was for the calendar year 2010 through 2012, with an option to renew for additional years. The City agreed to fund one-half of the operating budget, after the reduction for self-generated revenue and other specified grant revenue. The fifty percent amount is based on the average service call breakdown between the City and the Parish. The 2023 payment was \$650,482.

The City of Lake Charles and the Calcasieu Parish Police Jury are statutorily required to fund the operations of the Ward Three Court and Marshal’s Office. The Parish paid the City \$229,210 in 2023 under this agreement.

On July 20, 2004, the City and the Calcasieu Parish Police Jury entered into a joint services agreement regarding the management of Fire Protection District 2 of Ward 3. In that agreement, the Parish dissolved the existing board of directors and assumed that responsibility. The City of Lake Charles assumed the day-to-day management of those operations, which would be inclusive of any budgetary, decision-making requirements. The Parish would continue to collect the property tax revenue on behalf of the District while paying the City for their management services. The ownership of the District’s assets would not be transferred under this joint services agreement, and any costs associated with major improvements or capital expenditures would remain the responsibility of the District. The fee for the management services provided is the full amount of the property tax collections and the state revenue sharing collections paid to the District. In 2023, the Parish remitted \$2,847,769 to the City. The activity of this District is presented as a blended component unit of the Parish since the Police Jury’s and the District’s governing board are the same.

**E. Gaming Activity and Agreements**

In 2007, the City of Lake Charles and the Calcasieu Parish Police Jury entered into a cooperative endeavor agreement thereby creating the Calcasieu Parish Gaming Revenue District which is

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responsible for collecting fees and assessments related to gaming activity conducted within the boundaries of the Parish and the City of Lake Charles and then distributing those collections to participating entities. The entities eligible for participation in this distribution are currently the Parish, the City of Lake Charles, the City of Sulphur, the City of Dequincy, the Town of Vinton, the Town of Iowa and the Town of Westlake. The City received \$12,179,035 during fiscal year 2023 as a result of this agreement.

**F. Other Postemployment Benefits Other than Pensions (OPEB)**

For the fiscal year ended September 30, 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement addresses the fact that certain postemployment benefits other than pensions, which for the City consists of healthcare benefits only, are related to employee services and salaries received presently but that will benefit the employee in the future, upon retirement, and whose costs will be borne by the City in the future.

Plan Description: The City provides certain continuing healthcare benefits for its retired employees. The City OPEB Plan is a single employer defined benefit plan administered by the City. The contribution requirements of the retirees and the participating employees are established in the annual operating budget and may be amended in the subsequent year by City management. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No.75.

Benefits Provided: Employees are eligible for retiree health benefits if they are eligible for a pension from their respective retirement system, and they are enrolled in the City of Lake Charles health plan at the time of retirement. City employees may retire upon attaining 1) age 60 with 10 years of service; or 2) at any age with 30 years of service. Police employees may retire upon attaining 1) age 55 with 12 years of service; 2) age 50 with 20 years of service; or 3) at any age with 25 years of service. Fire employees may retire upon attaining 1) age 55 with 12 years of service; 2) age 50 with 20 years of service; or 3) at any age with 25 years of service. In addition, if an employee becomes disabled under the terms of his retirement system, he shall be eligible for medical benefits. City employees must have 10 years of service at time of disability. Police and fire employees must have 5 years of service at time of disability.

Upon election, spouses and children are eligible for coverage. In the event of death after satisfying the criteria for retirement, but prior to actual retirement, a surviving spouse and dependents are eligible for benefits. Participants over 65 are covered under a retiree-pay-all Medicare Advantage plan.

For coverage under the plan prior to age 65, retirees pay 100% of the blended active premium. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly which for 2023 consisted of \$746 per month for retiree only and \$1,490 for retiree and dependent coverage. After age 65, retirees may participate in a retiree-pay-all Medicare Advantage plan. Three optional plans are administered by Blue Cross Blue Shield and are completely paid by the retiree. Pharmacy benefits are included. Therefore, there is no post- retirement benefit increase/liability to the City after age 65.

City employees, with at least 25 years of full time service and a retirement date after January 1, 2019 and before August 1, 2022, who retain City health insurance are entitled to a \$300 per month supplement towards their monthly insurance premium. Those employees with a retirement date after August 1, 2022 are entitled to a \$500 per month supplement. The City will provide for this supplement for up to 60 months, until the retiree becomes eligible for Medicare or reaches age 66, whichever occurs first.

Employees Covered by Benefit Terms: The September 30, 2023 total OPEB liability was determined using the October 1, 2022 actuarial valuation that included the following employees covered by the benefit terms:

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Inactive employees or beneficiaries currently receiving benefit payments	64
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>692</u>
<b>Total</b>	<b>756</b>

Total OPEB Liability

The City's total OPEB liability of \$8,229,485 was measured at September 30, 2023 and was determined by an actuarial valuation as of October 1, 2022.

Actuarial Assumptions and Other Inputs:

The total OPEB liability as of the October 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

- Actuarial Cost Method – Entry age normal
- Valuation date – October 1, 2022
- Measurement date – September 30, 2023
- Inflation rate was 2.5%; 2.2% used for medical trend inflation
- Salary Increase Rate - 2022 MERSLA Plan B report was used for city employees and the 2022 LAMPERS report was used for police and fire employees.

<i>MERSLA Plan B</i>		<i>LAMPERS</i>	
Years of Service	Salary Increase	Years of Service	Salary Increase
1-4	7.40%	1-2	12.30%
Above 4	4.90%	3-23	4.70%

- Discount Rate was 4.09% net of expenses (increased from 4.02% previously). The discount rate was based on the Bond Buyer's 20-year General Obligation Index immediately prior to or coincident with the measurement date.
- Health Care Cost Trend – see table on following page
- Coverage Assumption – 25% of active participants are assumed to elect medical coverage at retirement. Of those electing medical coverage, 62% are assumed to elect Option 1, 37% are assumed to elect Option 2, and 1% are assumed to elect Option 3 (based on current population elections). Per capital medical benefit costs and employee contributions reflect these weighted averages.
- Marriage Assumptions - For active participants, husbands are assumed to be three years older than their wives. 25% of active participants making it to retirement are assumed to be married and elect spouse coverage. Actual spouse dates of birth are used for current retirees if provided.
- Mortality Rate was based on the PubG.H-2010 table projected forward with MP-2021. Pub-2010 tables for disabled lives and contingent survivors were also used.

Changes in the Total OPEB Liability

Balance at September 30, 2022	<u>\$ 7,399,274</u>
Change for the year:	
Service Cost	251,337
Interest Cost	294,900
Effect of Plan changes	164,644
Effect of Economic/Demographic gains or losses	755,482
Effect of assumption changes or inputs	(290)
Expected Benefit Payments	<u>( 635,862)</u>
Net Changes	<u>830,211</u>
Balance at September 30, 2023	<u>\$ 8,229,485</u>

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The amount of total OPEB liability estimated to be due and payable within one year is \$411,474

Sensitivity Analysis:

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate.

	<b>1% Decrease (3.09%)</b>	<b>Current Discount Rate (4.09%)</b>	<b>1% Increase (5.09%)</b>
Total OPEB liability	\$ 8,781,340	\$ 8,229,485	\$ 7,704,260

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate* – The following table presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare trend rates – see following tables.

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB liability	\$ 7,431,487	\$ 8,229,485	\$ 9,169,055

The trend assumptions for medical, pharmacy, and retiree premiums are summarized below:

<u>Year Beginning October 1</u>	<u>Trend</u>	<u>Year Beginning October 1</u>	<u>Trend</u>
2022	6.30%	2023	4.30%
2023	6.70%	2031-2058	4.10%
2024	6.40%	2059	4.20%
2025	5.80%	2060-2065	4.10%
2026	5.20%	2066-2067	4.00%
2027	4.90%	2068-2069	3.90%
2028	4.70%	2070-2071	3.80%
2029	4.50%	2072+	3.70%

For the year ended September 30, 2023, the City recognized OPEB expense of \$1,263,515. At September 30, 2023, the City’s actuarial valuation reported deferred outflows of resources of \$2,197,915. At September 30, 2023, the City’s actuarial valuation reported deferred inflows of resources of \$735,818.

Deferred Inflows and Outflows

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows / Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 0	\$ 2,137,449
Changes of assumptions	735,818	60,466
Total	\$ 735,818	\$ 2,197,915

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

<u>Year ended September 30</u>	
2024	\$552,634
2025	552,634
2026	323,609
2027	(19,936)
2028	(31,160)
2029 & beyond	84,316

**G. Retirement Commitments**

Plan Descriptions

The City participates in four state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the City’s full-time employees: Municipal Employees’ Retirement System (MERS), Municipal Police Employees’ Retirement System (MPERS), Firefighters’ Retirement System (FRS) and Louisiana State Employees’ Retirement System (LASERS) of the State of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual, publicly-available financial reports that include financial statements and required supplementary information for the systems. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. The City of Lake Charles implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. Additional disclosures with respect to GASB 68 to the City’s participation in these systems are provided below. The reports for MERS, MPERS, FRS, and LASERS may be obtained at [www.mersla.com](http://www.mersla.com), [www.lampers.org](http://www.lampers.org), [www.lafirefightersret.com](http://www.lafirefightersret.com) and [www.lasersonline.org](http://www.lasersonline.org) respectively. The Municipal Employees’ Retirement System (MERS) issues a publicly available financial report, which may be obtained by writing to that system at 9737 Office Park Boulevard, Baton Rouge, LA 70809. The financial report for the Municipal Police Employees’ Retirement System (MPERS) may be obtained by writing to that system at 8401 United Plaza Boulevard Suite 270, Baton Rouge, LA 70809-7017. The financial report for the Firefighters’ Retirement System (FRS) may be obtained by writing to that system at P.O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095. The financial report for LASERS may be obtained by writing to that system at 8401 United Plaza Blvd., #100, Baton Rouge, LA 70809.

Plan Description- MERS

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana and is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City of Lake Charles are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all full-time elected municipal officials are eligible to participate in MERS.

Plan Description- MPERS

All full-time police department employees engaged in law enforcement are required to participate in MPERS providing he or she does not have to pay social security and providing he or she meets the

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statutory criteria. MPERS provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through MPERS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Plan Description- FRS

The Firefighters' Retirement System (FRS) is the administrator of a cost-sharing, multiple-employer, defined benefit pension plan. Membership in the System is a condition of employment for any full-time firefighters who earn at least \$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 Firefighters' Retirement System. The System provides retirement benefits for their members. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in LRS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment.

No person who has attained age fifty or over shall become a member of the System, unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen years shall become a member of the System.

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Plan Description- LASERS

The City of Lake Charles has two Judges participating in LASERS. The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of LRS 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of total pension liability includes all benefits to be provided to current active and inactive employees through LASERS in accordance with benefit terms and any legal agreements in force at the measurement date.

**Benefits Provided**

Retirement Benefits- MERS (Plan B)

Any member of Plan B hired before January 1, 2013 may retire at any age with 30 years of creditable service or at age 60 with at least 10 years of creditable service. Any member of Plan B hired on or after January 1, 2013 may retire at age 67 with at least 7 years of creditable service, at age 62 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service. Members hired on or after January 1, 2013 are also eligible to retire at any age with at least 25 years of creditable service, but

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their benefit will be actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any of the previously-mentioned provisions, if the member had continued in service to that age. Members are entitled to a retirement benefit, payable monthly for life, equal to 2% of the member's final compensation (defined below) multiplied by the member's years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

Final average compensation is the average monthly earnings during the highest 60 consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Retirement Benefits- MPERS

Members of MPERS with membership beginning prior to January 1, 2013 are eligible for regular retirement after he or she 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 of creditable service and is age 55. A member is eligible for early retirement after he or she has been a member of MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent (3.33 percent) of the member's final compensation (employee's average salary over the 36 consecutive or joined months that produce the highest average) multiplied by the member's years of creditable service.

Members of MPERS with membership beginning on or after January 1, 2013 are eligible for regular retirement, early retirement, disability and survivor benefits 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 or she 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 or she has been a member of MPERS 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 or she has been a member of MPERS 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 percent of final salary.

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

Retirement Benefits- FRS

Members of the FRS 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 3.333 percent 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.



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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 an unreduced benefit or any of seven options at retirement.

Retirement Benefits- LASERS

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. 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. Members may also 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 percent to 3.5 percent of average compensation multiplied by the number of years of creditable service. 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 percent accrual rate, hazardous duty plan a 3.33 percent accrual rate, and judges a 3.5 percent accrual rate. Act 992 eliminated the extra 1 percent 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. 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 is ten years of service.

Deferred Retirement Options

In lieu of terminating employment and accepting a service retirement allowance, any member of MERS 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. A MERS member may participate in DROP only once. 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, are credited to the MERS member's individual DROP account. Interest is earned when the member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the member may receive a lump sum from the account or a true annuity based on the account balance. If employment is not terminated at the end of the three year DROP participation period, payments into the DROP account cease and the person resumes active contributing membership in MERS.

A member of MPERS is eligible to enter DROP when he or she is eligible for regular retirement based on the members' sub plan participation. At the entry date into DROP, employee and employer contributions cease. The amount deposited into the DROP account for MPERS members is equal to the benefit computed under the retirement plan elected by participant date of application. Interest is earned when the MPERS member has completed DROP participation. Upon termination of employment prior to or at the end of the participation period, the MPERS member may receive a lump sum from the account or a true annuity based on the account balance.

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A member of FRS may elect to participate in the deferred retirement option plan (DROP) for up to 36 months, after completing 20 years of creditable service and age 50 or 25 years at any age. Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System 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 has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are 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 the System. No payments may be made from the deferred retirement option plan account until the participant retires. 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.

A member of LASERS is eligible to enter DROP when he or she is eligible for regular retirement based on service requirements. 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. 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.

Disability Benefits

A member of MERS Plan B is eligible to retire and receive a disability benefit if he or she has at least 10 years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. The monthly maximum retirement benefit under Plan B of MERS is the lesser of an amount equal to two percent of member's final compensation multiplied by years of service (not less than 30 percent of member's final compensation) or an amount equal to what the member's normal retirement benefit would be based on final compensation at time of disability, but assuming continuous service until member's earliest normal retirement age.

A member of MPERS is eligible to retire and receive a disability benefit if he or she has been certified as disabled by the State Medical Disability Board. If the disability incurred is job-related, there is no minimum creditable service requirement. If the disability is non-job-related, a minimum of 10 years of creditable service is required if the member was employed on or after July 1, 2008. Members of MPERS employed prior to July 1, 2008 must have a minimum of 5 years of creditable service to be eligible to retire with disability benefits if the disability incurred is non-job-related. The disability

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benefit received by a MPERS member is equal to three percent of his or her final average compensation multiplied by years of creditable service (not less than 40%, nor more than 60% of final average compensation). At the time the disabled MPERS member reaches normal retirement age, he or she will have the option to continue to receive the disability retirement benefit or to receive his or her vested retirement benefit.

A member of FRS disability benefit or any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits. Any member under the age of fifty who becomes totally disabled will receive a disability benefit equal to 60 percent of final compensation for an injury received in the line of duty; or 75 percent of his accrued retirement benefit with a minimum of 25 percent of average salary for any injury received, even though not in the line of duty. Any member age fifty or older who becomes totally disabled from an injury sustained in the line of duty is entitled to a disability benefit equal to the greater of 60 percent final compensation or his accrued retirement benefit. Any member age fifty or older who becomes totally disabled as a result of any injury, even though not in the line of duty, is entitled to a disability benefit equal to his accrued retirement benefit with a minimum of 25 percent of average salary. The surviving spouse of a member who was on disability retirement at the time of death receives 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 receives 50 percent of the disability benefit being paid immediately prior to the death of the disability retiree. The retirement system may reduce benefits paid to a disability retiree who is also receiving workers compensation payments.

A member of LASERS with ten or more years of credited service who becomes 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 percent of final average compensation.

#### Survivor's Benefit

The surviving spouse (defined as someone married to the deceased member for at least 12 months immediately preceding the member's death) of a MERS Plan B member (not eligible for retirement at the time of death) will receive a survivor benefit, provided that the member had 5 or more years of creditable service. The surviving spouse will be paid either a monthly benefit equal to 30 percent of member's final compensation, payable when surviving spouse attains the age of 60 or becomes disabled, or a monthly benefit equal to actuarial equivalent of the benefit described previously (not less than 15 percent of member's final compensation), payable upon the death of the member. A MERS Plan B member who is eligible for normal retirement at the time of death will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse upon the date of death. Benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Survivor benefits for MPERS members are payable to the surviving spouse or surviving minor child/children of a deceased active contributing member or a deceased disability retiree. Survivor benefits are not payable to survivors of retirees receiving benefits under the provisions of early or normal service retirement. The maximum benefit for a surviving spouse of a MPERS member is equal to the regular retirement formula, regardless of age, but not less than 40 percent or more than 60 percent of the deceased member's final average compensation. There is no requirement for minimum years of creditable service. If the MPERS member is fatally injured in the line of duty, the surviving spouse shall receive a benefit equal to 100 percent of the deceased member's final average compensation, less any survivor benefits payable to a child or children. Each surviving minor child of the MPERS member will receive a benefit equal to 10 percent of deceased member's final average compensation or \$200 per month, whichever is greater. Benefits for a surviving child cease upon the child's attainment of age 18 or upon marriage, whichever occurs first. The benefit may continue after

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age 18 if the child meets certain educational or disability requirements. The surviving minor child may receive an increased benefit if there is no surviving spouse of the MPERS member.

Survivor benefits for FRS are payable to survivors of a deceased member who dies and is not eligible for retirement as follows. If any member is fatally injured in the line of duty and leaves a surviving eligible spouse, the spouse is entitled to an annual benefit equal to two-thirds of the deceased member's final compensation. If any member dies from a cause not in the line of duty, the surviving spouse is entitled to an annual benefit equal to 3 percent of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40 percent nor more than 60 percent of the deceased member's average final compensation. Children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10 percent of average final compensation (not to exceed 100 percent of average final compensation) until reaching the age of eighteen or until the age of twenty-two if enrolled full-time in an institution of higher learning, unless the surviving child is physically handicapped or mentally disabled in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation.

Certain eligible LASERS 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.

#### Cost of Living Increases

MERS is authorized under state law to grant an annual cost of living adjustment to members who have been retired for at least one year. The adjustment cannot exceed 2 percent of the retiree's original benefit and may only be granted if sufficient funds are available. The cost of living increase must be paid from investment income in excess of normal requirements.

MPERS is authorized to provide annual cost of living adjustments to members who have been retired for at least one full fiscal year. The adjustment cannot exceed 3 percent in any given year. MPERS members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

FRS is authorized to grant retired members and widows of members who have retired an annual cost of living increase up to 3 percent of their current benefit, and all retired members and widows who are 65 year of age and older a 2 percent increase in their annual benefits. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to finding status and interest earnings.

The present value of future LASERS retirement benefits are based on benefits currently being paid by the System and include previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic. As fully described in Title 11 of the Louisiana Revised Statutes, LASERS 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.

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**Contributions**

The MERS, MPERS, FRS, and LASERS employer contribution rates are established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the system's actuary. Each plan pays a separate actuarially-determined employer contribution rate. For the year ending September 30, 2023 the employer contribution rate for MERS Plan B was 15.50%; MPERS was 33.95%; FRS was 33.25%; and LASERS was 44.70% & 44.70% for those hired after January 1, 2011. Employer contributions to MERS, MPERS, FRS, and LASERS were \$2,851,683; \$3,059,523; \$2,911,168; and \$15,120 respectively, for the year ended September 30, 2023. Employees participating in MERS are required to contribute 5.00%; employees participating in MPERS are required to contribute 10.00%; employees participating in the FRS are required to contribute 10.00%; employees participating in LASERS are required to contribute 11.50% & 13% hired after January 1, 2011.

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. MERS receives ad valorem taxes and state revenue sharing funds. MPERS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. FRS receives insurance premium tax monies appropriated by the legislature each year based on an actuarial study. The City of Lake Charles recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended September 30, 2023, the City of Lake Charles recognized revenue as a result of support received from non-employer contributing entities of \$684,114 for its participation in MERS; \$651,542 for its participation in MPERS; \$942,897 for its participation in the FRS; and \$13,783 for its participation in LASERS.

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

At September 30, 2023, the City of Lake Charles reported a liability for MERS, MPERS, FRS, and LASERS of \$17,221,343, \$29,846,344, \$21,015,482, and \$109,640, respectively, for its proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuations as of that date. The City of Lake Charles's proportion of the net pension liability for each retirement system was based on a projection of the City of Lake Charles's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City of Lake Charles's proportion for MERS was 22.265264% and decreased by 0.788537% to 21.476727% for June 30, 2023. The City's proportion of MPERS at June 30, 2022 was 2.962017% and decreased by 0.136988% to 2.825029% at June 30, 2023. The City's proportion of FRS was 3.323322% at June 30, 2022 and decreased by 0.103450% to 3.219872% at June 30, 2023. At June 30, 2022, the City of Lake Charles's proportion for LASERS was 0.001750% and decreased by 0.000110% to 0.001640% for June 30, 2023.

For the year ended September 30, 2023, the City of Lake Charles recognized pension expense, for which there were no forfeitures, as follows:

<b>Pension Plan</b>	<b>Pension Expense</b>
MERS	\$ 2,183,998
MPERS	4,491,467
FRS	3,937,573
LASERS	16,593
<b>Total</b>	<b>\$ 10,629,631</b>

**CITY OF LAKE CHARLES, LOUISIANA**  
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At September 30, 2023, the City of Lake Charles reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>					
	<b>MERS</b>	<b>MPERS</b>	<b>FRS</b>	<b>LASERS</b>	<b>Total</b>
Differences between expected and actual experience	\$ 247,465	\$ 2,102,380	\$ 656,125	\$ 2,373	\$ 3,008,343
Changes in assumptions	0	498,044	1,271,635	-	1,769,679
Net difference between projected and actual earnings on pension plan investments	2,233,944	3,222,089	2,848,387	627	8,305,047
Changes in Proportion and differences between employer contributions and proportionate share of contributions	-	153,685	97,396	-	251,081
Employer contributions subsequent to measurement date	766,775	850,032	746,044	3,838	2,366,689
<b>Total</b>	<b>\$ 3,248,184</b>	<b>\$ 6,826,230</b>	<b>\$ 5,619,587</b>	<b>\$ 6,838</b>	<b>\$ 15,700,839</b>

<b>Deferred Inflows of Resources</b>					
	<b>MERS</b>	<b>MPERS</b>	<b>FRS</b>	<b>LASERS</b>	<b>Total</b>
Differences between expected and actual experience	\$ 6,028	\$ 12,511	\$ 720,000	\$ -	\$ 738,539
Changes in assumptions	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions	614,037	901,749	1,220,667	-	2,736,453
Employer contributions subsequent to measurement date	-	-	-	-	-
<b>Total</b>	<b>\$ 620,065</b>	<b>\$ 914,260</b>	<b>\$ 1,940,667</b>	<b>\$ -</b>	<b>\$ 3,474,992</b>

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During the year ended September 30, 2023, employer contributions totaling \$766,775; \$850,032; \$746,044; and \$3,838 were made subsequent to the measurement date for MERS, MPERS, FRS, and LASERS respectively. These contributions are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	<b>MERS</b>	<b>MPERS</b>	<b>FRS</b>	<b>LASERS</b>
2024	\$ 281,154	\$ 1,761,077	\$ 604,709	\$ 2,997
2025	214,128	526,984	115,878	(3,959)
2026	1,460,721	2,934,011	2,413,462	5,400
2027	(94,658)	(160,134)	(186,584)	(1,437)
2028			(29,549)	
2029			14,960	
<b>Total</b>	<b>\$ 1,861,345</b>	<b>\$ 5,061,938</b>	<b>\$ 2,932,876</b>	<b>\$ 3,001</b>

**Actuarial Assumptions**

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. The components of the net pension liability of MERS, MPERS, FRS, and LASERS employers as of June 30, 2023 are as follows:

	<b>MERS Plan B</b>	<b>MPERS</b>
Total pension liability	\$ 299,800,931	\$ 3,681,557,278
Plan fiduciary net position	219,614,861	2,625,060,377
<b>Total net pension liability</b>	<b>\$ 80,186,070</b>	<b>\$ 1,056,496,901</b>
	<b>FRS</b>	<b>LASERS</b>
Total pension liability	\$ 2,925,476,136	\$ 21,192,522,129
Plan fiduciary net position	2,272,795,475	14,498,993,789
<b>Total net pension liability</b>	<b>\$ 652,680,661</b>	<b>\$ 6,693,528,340</b>

The City of Lake Charles's allocation is 21.476727% of the Total Net Pension Liability for MERS; 2.825029% of the Total Net Pension Liability for MPERS; 3.219872% of the Total Net Pension Liability for the FRS, and 0.001640% of the Total Net Pension Liability for LASERS.

The total pension liabilities for MERS, MPERS, FRS, and LASERS in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

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	<b>MERS</b>	<b>MPERS</b>												
<b>Actuarial cost method</b>	Entry Age Normal Cost	Entry Age Normal Cost												
<b>Expected remaining service lives</b>	3 years	4 years												
<b>Investment rate of return</b>	6.85%, net of investment expense, including inflation	6.75%, net of investment expense												
<b>Inflation rate</b>	2.5%	2.5%												
<b>Projected salary increases</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Salary Growth Rate</u></th> </tr> </thead> <tbody> <tr> <td>1-4</td> <td>7.4% (Plan B)</td> </tr> <tr> <td>5 &amp; over</td> <td>4.9% (Plan B)</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-4	7.4% (Plan B)	5 & over	4.9% (Plan B)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Salary Growth Rate</u></th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>12.3%</td> </tr> <tr> <td>3 &amp; over</td> <td>4.7%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.3%	3 & over	4.7%
<u>Years of Service</u>	<u>Salary Growth Rate</u>													
1-4	7.4% (Plan B)													
5 & over	4.9% (Plan B)													
<u>Years of Service</u>	<u>Salary Growth Rate</u>													
1-2	12.3%													
3 & over	4.7%													
<b>Cost of living adjustments</b>	None	None												
<b>Mortality</b>	For Annuitant and beneficiary mortality tables used were: PubG-2010(B) set equal to 120%. For employees, PubG-2010(B) tables set equal to 120% were used. PubNS-2010(B) table set equal to 120% was selected for disabled annuitants. Annuitant/beneficiary, employee, and disabled were all adjusted to male and female MP2018 scales.	Mortality Rate assumptions were based off an experience study performed from July 1, 2014 - June 30, 2019. For Healthy Annuitants, Beneficiaries, & Employees mortality tables used were: Pub-2010 set equal to 115% for males & 125% for females. Pub-2010 table set equal to 105% for males & 115% for females was selected for disabled annuitants. Full generational projection used MP2019 scales.												

	<b>FRS</b>	<b>LASERS</b>																		
<b>Actuarial cost method</b>	Entry Age Normal Cost	Entry Age Normal Cost																		
<b>Expected remaining service lives</b>	7 years	2 years																		
<b>Investment rate of return</b>	6.90%, net of investment expense including inflation	7.25%, net of investment expense																		
<b>Inflation rate</b>	2.5%	2.3%																		
<b>Projected salary increases</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Salary Growth Rate</u></th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>14.1%</td> </tr> <tr> <td>3 &amp; over</td> <td>5.2%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	14.1%	3 & over	5.2%	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: left;"><u>Lower to Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>3.0% - 12.8%</td> </tr> <tr> <td>Judges</td> <td>2.6% - 5.1%</td> </tr> <tr> <td>Corrections</td> <td>3.6% - 13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td>3.6% - 13.8%</td> </tr> <tr> <td>Wildlife</td> <td>3.6% - 13.8%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower to Upper Range</u>	Regular	3.0% - 12.8%	Judges	2.6% - 5.1%	Corrections	3.6% - 13.8%	Hazardous Duty	3.6% - 13.8%	Wildlife	3.6% - 13.8%
<u>Years of Service</u>	<u>Salary Growth Rate</u>																			
1-2	14.1%																			
3 & over	5.2%																			
<u>Member Type</u>	<u>Lower to Upper Range</u>																			
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Hazardous Duty	3.6% - 13.8%																			
Wildlife	3.6% - 13.8%																			
<b>Cost of living adjustments</b>	Only those previously granted	Only those previously granted																		
<b>Mortality</b>	Mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees for active members, healthy annuitants & beneficiaries, and disabled retirees. In all cases the base table was multiplied by 105% for males and 115% for females, with full generational projection using MP-2019 scales.	For Non-Disabled Members - RP-2014 Healthy Annuitant mortality table was used with mortality improvement projected using the MP-2018 scale. For Disabled Members - RP-2000 Disabled Retiree mortality table was used with no projection for mortality improvement. Termination, disability, and retirement assumptions were projected based off a 5 year experience study for the System's members.																		



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The MERS actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The MPERS and FRS actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019.

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 expected long-term rate of return for MERS is 6.85%, MPERS is 7.90%, FRS is 7.88%, and LASERS is 8.19% for the year ended June 30, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for MERS, MPERS, FRS and LASERS as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocations				Long Term Expected Real Rate of Return			
	MERS	MPERS	FRS	LASERS	MERS	MPERS	FRS	LASERS
Equity	56%	52.0%	56%	n/a	2.44%	3.29%	3.72%	n/a
Fixed income	29%	34.0%	26%	n/a	1.26%	1.12%	0.51%	n/a
Alternatives	15%	14.0%	18%	n/a	0.65%	0.95%	1.15%	n/a
Subtotal	100%	100%	100%	n/a	4.35%	5.36%	5.38%	5.89%
Inflation adjustment					2.50%	2.54%	2.50%	2.30%
Total					6.85%	7.90%	7.88%	8.19%

**Discount Rates**

The discount rate used to measure the total pension liability for MERS was 6.85%, MPERS was 6.75%, and FRS was 6.90%. The discount rate used to measure the total pension liability for LASERS was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the actuary. Based on those assumptions, the net position of MERS, MPERS, FRS, and LASERS were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rates**

The following table presents the City of Lake Charles’s proportionate share of the net pension liability using the discount rate of 6.85% for MERS, 6.75% for MPERS, 6.90% for FRS, and 7.25% for

**CITY OF LAKE CHARLES, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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LASERS as well as what the City of Lake Charles’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85% for MERS, 5.75% for MPERS, 5.90% for FRS, and 6.25% for LASERS ) or one percentage-point higher (7.85% for MERS, 7.75% for MPERS, 7.90% for FRS, and 8.25% for LASERS) than the current rate:

<b>Pension Plan</b>	<b>1% Decrease</b>	<b>Net Pension Liability at Current Discount</b>	<b>1% Increase</b>
MERS	\$ 24,333,914	\$ 17,221,342	\$ 11,205,276
MPERS	41,996,160	29,846,344	19,696,773
FRS	32,420,579	21,015,482	11,503,119
LASERS	143,565	109,640	80,899
<b>Total</b>	<b>\$ 98,894,218</b>	<b>\$ 68,192,808</b>	<b>\$ 42,486,067</b>

**Payables to the Pension Plans**

At September 30, 2023, payables to MERS, MPERS, FRS, and LASERS were \$403,179, \$445,421, \$327,605, and \$1,651 respectively, for September 30, 2023 employee and employer legally-required contributions.

**H. Federally Assisted Grant Programs**

The City participates in a number of federally assisted grant programs, with the principal grantor agencies being the U.S. Department of Transportation, the Department of Treasury, the Department of Housing and Urban Development, U.S. Environmental Protection Agency and the U.S. Department of Military Affairs. These programs are subject to compliance audits by the grantors or their representatives, and the City's compliance with applicable grant requirements for the year ended September 30, 2023 will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Federal and state governmental units represent an important source of supplemental funding used to finance housing, construction and infrastructure programs, disaster recovery and other activities beneficial to the City. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, Capital Project and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative using standards established under the Single Audit Act of 1984 and Uniform Guidance Supplemental Reports. The compliance audit report is not included within this report but will be issued as a separate supplementary report.

**CITY OF LAKE CHARLES, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023

During fiscal year 2023, the following amounts were recorded in the accompanying financial statements under various federal and state pass-through entitlements:

Fund	Fiscal year 2023
General Fund	\$ 25,205
Community Development	5,272,358
Grant Fund	161,600
Capital Projects Fund	5,221,275
Transit Enterprise Fund	2,273,761
Recreation Fund	3,000
Disaster Recovery Fund	11,109,801
Water Fund	4,581,822

**I. Dedication of Proceeds and Flow of Funds - Two and One-Half Percent Sales and Use Tax**

One Percent Sales and Use Tax:

Proceeds of the one percent sales tax levied by the City of Lake Charles (2023 collections \$31,995,079; 2022 collections \$31,665,960; 2021 collections \$32,801,002) are collected by the General Fund and may be used for virtually any operating or capital needs of the City of Lake Charles. This tax levy was originally authorized in 1965 and was recently re-authorized for an additional 25 years from March 1, 2015.

Additional Dedicated One Percent Sales Tax:

In November 1986, a sales tax election was held, and the City of Lake Charles was authorized to collect an additional dedicated one percent sales tax levy for a period of five years commencing January 1, 1987. This tax has since been reauthorized for periods of five years extending through 1996, and then for ten years through 2006. This tax was re-authorized in 2016 for an additional 10 years through 2026. Proceeds of this additional one percent sales tax levied by the City of Lake Charles (2023 collections \$31,995,079; 2022 collections \$31,665,960; 2021 collections \$32,801,002) were deposited directly to the funds for which they are dedicated on a percentage basis as follows:

General Fund	
Public safety purposes	20%
Public works purposes	28%
Wastewater Special Revenue Fund	
Wastewater or sanitary sewerage services or facilities	16%
Recreation Special Revenue Fund	
Recreation	8%
Capital Project Fund	
Certain types of capital improvements	28%

**CITY OF LAKE CHARLES, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023

One-Quarter Percent Sales Tax – Employee salary and Benefits:

The voters approved a sales tax levy of one-quarter of one percent in January 1995 for the purpose of maintaining the salaries and benefits of City employees. This tax levy is authorized for a period of ten years from its effective date of April 1, 1995. This tax has been reauthorized for ten years, extending through 2025. Proceeds of this tax (2023 collections \$7,998,770; 2022 collections \$7,916,490; 2021 collections \$8,200,244) are recorded exclusively in the General Fund.

Additional One-Quarter Percent Sales Tax:

The voters approved a sales tax levy of one-quarter of one percent in October 2015 for the purpose of securing the bonded debt of the City, should primary sources of repayment become insufficient. Funds not used for this purpose shall be reauthorized for capital improvements. The balance of funds not otherwise needed for the bond reserve fund shall be used to pay for salaries, operational, maintenance and other capital needs. This tax levy is authorized for a period of fifteen years from its effective date of January 1, 2016. Proceeds of this tax (2023 collections \$7,851,618; 2022 collections \$7,914,892; 2021 collections \$8,198,239) were deposited into the General Fund and the Sales Tax Reserve Fund.

**J. Economic Development Districts**

State Law authorizes the City of Lake Charles to create special economic development districts and political subdivisions of the State to be designated by an ordinance that shall designate the boundaries of the district. The district may levy new sales taxes that can be used to fund a portion of the costs of an economic development project within the defined district. Two of the City's economic development districts levy a sales tax and the proceeds of these are included in the Economic Development District Special Revenue Fund.

MorganField Economic Development District:

Per City ordinance adopted June 2018, the District is empowered to levy ad valorem taxes, sales taxes or hotel occupancy taxes within the District up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of such taxes. Such levy would be above and in addition to any other ad valorem taxes, sales taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence in the economic development district.

Owners of the property within the district requested that the Board of the MorganField District authorize (a) the levy of one percent of sales and use taxes upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in the MorganField District and one percent of hotel occupancy taxes within the MorganField District commencing January 1, 2018; and (b) the pledge and the disbursement of the new tax for the benefit of the owners in completing and operating the project.. Proceeds of this tax are as follows: (2023 collections \$121,893; 2022 collections \$109,935; 2021 collections \$96,911).

Lakefront Economic Development District:

Per City ordinance adopted June 2018, the District is empowered to levy ad valorem taxes, sales taxes, or hotel occupancy taxes within the district up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of such taxes. Such levy would be above and in addition to any other ad valorem taxes, sales taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence within the district. Proceeds of this tax are as follows: (2023 collections \$31,249; 2022 collections \$34,790; 2021 collections \$26,078).

Nelson Market Economic Development District:

Per City ordinance adopted August 2019, the District is empowered to levy ad valorem taxes, sales taxes, or hotel occupancy taxes within the district up to five mills of ad valorem taxes, up to two percent of sales taxes, or up to two percent of hotel occupancy taxes, or any combination of such taxes. Such levy would be above and in

**CITY OF LAKE CHARLES, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2023

addition to any other ad valorem taxes, sales taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence within the district.

The Owners intend to develop the Property together with other property owned by Owners, as commercial project (“Project”) in multiple phases. Owners of the property within the district requested that the Board of the Nelson Market District authorize (a) the levy of one (1%) of sales and use taxes upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in the Nelson Market District and one (1%) percent of hotel occupancy taxes within the Nelson Market District commencing January 1, 2020; and (b) the pledge and the disbursement of the New Tax for the benefit of the Owners in completing and operating the project. Proceeds of this tax are as follows: (2023 collections \$174,330; 2022 collections \$192,868; 2021 collections \$45,182). Total disbursements of the New Tax to the Owners as of September 30, 2023 were \$212,241.

Enterprise Economic Development District:

Per City ordinance adopted June 2018, the District local and State sales tax increments and local hotel occupancy tax increments are expected to be determined and used to fund Enterprise Boulevard Economic Development District Trust Fund. The District, in cooperation with the executive branch of the City, shall develop and formulate economic development plans to be presented to the District for approval. Such economic development plans may include financial incentives to public or private entities for projects in the District that utilize (i) revenues of sales taxes and/ or hotel occupancy taxes levied by the District, (ii) lawfully available sales tax revenues provided by the City of Lake Charles, and (iii) any other funds, whether public or private, that may be available for such purposes. Proceeds of this tax for fiscal year 2023 were \$5,098.

**K. Schedule of Compensation Paid to Governing Board**

	Salary	Vehicle Usage	Per Diem	Total
Mayor:				
Nicholas Hunter	\$ 142,366	\$ 7,200	\$ 145	\$ 149,711
Councilmen:				
Luvertha August	18,000	-	-	18,000
Mark Eckard	18,000	-	120	18,120
Rodney Geyen	18,000	-	-	18,000
John Ieyoub	18,000	-	-	18,000
Ronnie Harvey	18,000	-	-	18,000
Craig Marks	18,000	-	-	18,000
Stuart Weatherford	17,250	-	-	17,250
Total	\$ 267,616	\$ 7,200	\$ 265	\$ 275,081

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# REQUIRED SUPPLEMENTAL INFORMATION



**CITY OF LAKE CHARLES, LOUISIANA**

**General Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 68,127,360	\$ 71,461,860	\$ 76,549,185	\$ 5,087,325
Licenses and permits	6,211,350	6,386,350	7,470,149	1,083,799
Intergovernmental	3,810,790	3,810,790	3,777,515	(33,275)
Charges for services	2,771,300	2,771,300	3,801,784	1,030,484
Fines and forfeitures	192,600	192,600	167,577	(25,023)
Miscellaneous	795,600	795,600	3,329,186	2,533,586
Total revenues	<u>81,909,000</u>	<u>85,418,500</u>	<u>95,095,396</u>	<u>9,676,896</u>
<b>Expenditures:</b>				
Current:				
General government	4,505,558	4,540,558	4,448,098	92,460
Finance	2,283,672	2,283,672	2,032,467	251,205
Human Resources	517,180	517,180	440,786	76,394
Fire	21,505,774	21,505,774	19,766,223	1,739,551
Police	23,694,096	23,694,096	22,722,709	971,387
Public works	20,657,274	20,657,274	18,461,923	2,195,351
Planning	3,283,906	3,383,906	3,287,956	95,950
General services	7,098,159	7,098,159	7,027,701	70,458
Debt Service:				
Principal	-	-	186,613	(186,613)
Interest and fees	-	-	18,190	(18,190)
Total expenditures	<u>83,545,619</u>	<u>83,680,619</u>	<u>78,392,666</u>	<u>5,287,953</u>
Excess (deficiency) of rev over exp	<u>(1,636,619)</u>	<u>1,737,881</u>	<u>16,702,730</u>	<u>14,964,849</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(9,343,023)</u>	<u>(9,343,023)</u>	<u>(9,040,391)</u>	<u>302,632</u>
Total other financing sources (uses)	<u>(9,343,023)</u>	<u>(9,343,023)</u>	<u>(9,040,391)</u>	<u>302,632</u>
Net change in fund balances	(10,979,642)	(7,605,142)	7,662,339	15,267,481
Fund balance at beginning of year	<u>47,487,565</u>	<u>47,487,565</u>	<u>47,487,565</u>	<u>-</u>
Fund balance at end of year	<u>\$ 36,507,923</u>	<u>\$ 39,882,423</u>	<u>\$ 55,149,904</u>	<u>\$ 15,267,481</u>



**CITY OF LAKE CHARLES, LOUISIANA**  
**Disaster Recovery Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<u>Budgeted Amounts</u>		<u>2023 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental				
(net of allowance for uncollectable)	\$ 11,490,759	\$ 15,990,947	\$ 16,493,574	\$ 502,627
Insurance Reimbursement	-	-	-	-
Miscellaneous	394,726	-	6,194	6,194
Total revenues	<u>11,885,485</u>	<u>15,990,947</u>	<u>16,499,768</u>	<u>508,821</u>
<b>Expenditures:</b>				
Current:				
Personal services	-	-	-	-
General operating services	8,000	8,000	6,446	1,554
Maintenance and rentals	175,012	380,000	376,992	3,008
Contractual and operational	10,346,391	7,533,003	6,884,602	648,401
Materials & supplies	-	500	432	68
Major Acquisitions & Improvements	-	5,200,000	5,101,787	98,213
Special current charges	3,182,726	4,474,162	5,015,644	(541,482)
Total expenditures	<u>13,712,129</u>	<u>17,595,665</u>	<u>17,385,903</u>	<u>209,762</u>
Excess (deficiency) of rev over exp	<u>(1,826,644)</u>	<u>(1,604,718)</u>	<u>(886,135)</u>	<u>718,583</u>
<b>Other financing sources (uses):</b>				
Transfers in	500,000	500,000	500,000	-
Transfers out	(8,000,000)	(8,000,000)	(8,029,223)	(29,223)
Total other financing sources (uses)	<u>(7,500,000)</u>	<u>(7,500,000)</u>	<u>(7,529,223)</u>	<u>(29,223)</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>(9,326,644)</u>	<u>(9,104,718)</u>	<u>(8,415,358)</u>	<u>689,360</u>
Fund balance at beginning of year	<u>35,274,065</u>	<u>35,274,065</u>	<u>35,274,065</u>	-
Fund balance at end of year	<u>\$ 25,947,421</u>	<u>\$ 26,169,347</u>	<u>\$ 26,858,707</u>	<u>\$ 689,360</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Riverboat Gaming Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 10,500,000	\$ 10,500,000	\$ 12,179,035	\$ 1,679,035
Miscellaneous	9,000	9,000	211,418	202,418
Total revenues	<u>10,509,000</u>	<u>10,509,000</u>	<u>12,390,453</u>	<u>1,881,453</u>
<b>Expenditures:</b>				
Other services and charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>10,509,000</u>	<u>10,509,000</u>	<u>12,390,453</u>	<u>1,881,453</u>
<b>Other financing sources (uses):</b>				
Transfers out	(10,902,338)	(10,902,338)	(10,789,130)	113,208
Total other financing sources (uses)	<u>(10,902,338)</u>	<u>(10,902,338)</u>	<u>(10,789,130)</u>	<u>113,208</u>
Excess (deficiency) of rev and other sources over exp and other uses	(393,338)	(393,338)	1,601,323	1,994,661
Fund balance at beginning of year	<u>1,755,986</u>	<u>1,755,986</u>	<u>1,755,986</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,362,648</u>	<u>\$ 1,362,648</u>	<u>\$ 3,357,309</u>	<u>\$ 1,994,661</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Wastewater Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Sales tax revenue	\$ 4,480,000	\$ 4,480,000	\$ 5,119,213	\$ 639,213
Charges for services	10,559,500	10,559,500	12,438,927	1,879,427
Miscellaneous	118,000	118,000	371,940	253,940
Total revenues	<u>15,157,500</u>	<u>15,157,500</u>	<u>17,930,080</u>	<u>2,772,580</u>
<b>Expenditures:</b>				
Personal services	4,805,900	4,766,240	4,295,232	471,008
Contractual and operational services	4,670,510	5,341,265	5,109,995	231,270
Materials & supplies	1,427,850	1,371,372	1,296,369	75,003
Special Current Charges	1,755,000	1,631,750	1,822,623	(190,873)
Capital outlay	1,183,000	731,633	731,544	89
Total expenditures	<u>13,842,260</u>	<u>13,842,260</u>	<u>13,255,763</u>	<u>586,497</u>
Excess (deficiency) of rev over exp	<u>1,315,240</u>	<u>1,315,240</u>	<u>4,674,317</u>	<u>3,359,077</u>
<b>Other financing sources (uses):</b>				
Transfers in	375,000	375,000	375,000	-
Transfers out	(2,325,000)	(2,325,000)	(2,325,000)	-
Total other financing sources (uses)	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>(1,950,000)</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	(634,760)	(634,760)	2,724,317	3,359,077
Fund balance at beginning of year	<u>3,353,733</u>	<u>3,353,733</u>	<u>3,353,733</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,718,973</u>	<u>\$ 2,718,973</u>	<u>\$ 6,078,050</u>	<u>\$ 3,359,077</u>

**CITY OF LAKE CHARLES, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

**For Fiscal Year Ended September 30, 2023**

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Budget to Actual schedules that are included in the RSI Section are reported on the same basis as GAAP.

**City of Lake Charles**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**For Fiscal Year Ended September 30, 2023**

<b>Financial Statement Reporting Date</b>	<b>Measurement Date</b>	<b>Service Cost</b>	<b>Interest</b>	<b>Difference between actual and expected experience</b>	<b>Changes of Assumptions</b>	<b>Benefit Payments</b>	<b>Net change in Total OPEB Liability</b>	<b>Total OPEB Liability - Beginning</b>	<b>Total OPEB Liability - Ending</b>	<b>Covered - Employee Payroll</b>	<b>Total OPEB Liability as a Percentage of Covered - Employee Payroll</b>
9/30/2023	9/30/2023	\$ 251,337	\$ 294,900	\$ 920,126	\$ (290)	\$ (635,862)	\$ 830,211	\$ 7,399,274	\$ 8,229,485	\$ 34,058,745	24.16%
9/30/2022	9/30/2022	\$ 376,761	\$ 191,115	\$ -	\$ (1,007,152)	\$ (479,538)	\$ (918,814)	\$ 8,318,088	\$ 7,399,274	\$ 33,599,489	22.02%
9/30/2021	9/30/2021	\$ 370,490	\$ 182,733	\$ 109,510	\$ (20,990)	\$ (440,861)	\$ 200,882	\$ 8,117,206	\$ 8,318,088	\$ 32,052,136	25.95%
9/30/2020	9/30/2019	\$ 391,295	\$ 214,698	\$ -	\$ 27,822	\$ (390,762)	\$ 243,053	\$ 7,874,153	\$ 8,117,206	\$ 33,948,098	23.91%
9/30/2019	9/30/2019	\$ 246,459	\$ 210,055	\$ 5,309,337	\$ 144,704	\$ (355,885)	\$ 5,554,670	\$ 2,319,483	\$ 7,874,153	\$ 33,948,098	23.19%
9/30/2018	9/30/2018	\$ 80,569	\$ 74,556	N/A	N/A	\$ (169,901)	\$ (14,776)	\$ 2,334,259	\$ 2,319,483	\$ 31,113,777	7.45%

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

There are no assets in a trust compliant with GASB Codification P22.101 or P52.101 to pay related benefits.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Schedule of Employer's Proportionate Share Of**  
**Net Pension Liability**  
**For Plan Year Ended June 30, 2023**

<b>Plan Year</b>	<b>Employer Proportionate of the Net Pension Liability (Asset)</b>	<b>Employer Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
<b>MERS:</b>					
2023	21.476727%	\$ 17,221,342	\$ 18,118,245	95.0%	73.3%
2022	22.265264%	19,548,533	17,601,281	111.1%	69.6%
2021	23.228564%	13,456,506	17,536,638	76.7%	79.1%
2020	23.992659%	21,742,776	18,238,945	119.2%	66.3%
2019	23.580123%	20,628,206	17,873,547	115.4%	66.1%
2018	23.557030%	19,925,284	17,323,152	115.0%	65.6%
2017	23.681348%	20,489,879	17,438,404	117.5%	63.5%
2016	21.782416%	18,055,628	16,114,347	112.0%	63.3%
2015	20.920534%	14,218,580	14,405,300	98.7%	68.7%
2014	20.829217%	9,779,242	14,297,054	68.4%	76.9%
<b>MPERS:</b>					
2023	2.825029%	29,846,344	9,570,148	311.9%	71.3%
2022	2.962017%	30,277,072	9,146,586	331.0%	70.8%
2021	2.979003%	15,879,715	9,055,281	175.4%	84.1%
2020	2.906732%	26,864,978	8,963,955	299.7%	70.9%
2019	2.905029%	26,382,528	9,096,534	290.0%	71.0%
2018	3.034602%	25,654,711	8,951,135	286.6%	71.9%
2017	3.038824%	26,530,219	9,036,361	293.6%	70.1%
2016	2.900519%	27,186,035	7,918,823	343.3%	66.0%
2015	2.951862%	23,124,753	7,901,901	292.6%	70.7%
2014	2.991097%	18,712,548	7,668,782	244.0%	75.1%
<b>FRS:</b>					
2023	3.219872%	21,015,482	8,653,320	242.9%	77.7%
2022	3.323322%	23,433,715	8,568,405	273.5%	74.7%
2021	3.301325%	11,699,407	8,280,667	141.3%	86.8%
2020	3.354538%	23,252,146	8,352,641	278.4%	72.6%
2019	3.508136%	21,967,632	8,478,716	259.1%	74.0%
2018	3.640922%	20,942,867	8,670,196	241.6%	74.8%
2017	3.620155%	20,750,182	8,444,443	245.7%	73.5%
2016	3.485849%	22,800,604	8,504,518	268.1%	68.2%
2015	3.543553%	19,124,954	7,530,781	254.0%	72.5%
2014	3.805176%	16,932,704	7,478,773	226.4%	76.0%
<b>LASERS:</b>					
2023	0.001640%	109,640	34,344	319.2%	68.4%
2022	0.001750%	132,295	34,344	385.2%	63.7%
2021	0.001770%	97,365	34,344	283.5%	72.8%
2020	0.001760%	145,150	34,344	422.6%	58.0%
2019	0.001790%	129,756	34,344	377.8%	62.9%
2018	0.001860%	126,510	34,344	368.4%	64.3%
2017	0.001940%	136,413	34,344	397.2%	62.5%
2016	0.001910%	149,984	34,344	436.7%	57.7%
2015	0.001880%	127,800	34,344	372.1%	62.7%
2014	0.001910%	119,368	34,344	347.6%	65.0%

**CITY OF LAKE CHARLES, LOUISIANA**

**Schedule of Employer's Pension Contributions  
For Fiscal Year Ended September 30, 2023**

<b>Fiscal Year</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractual Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions As a Percent of Covered Payroll</b>
<b>MERS:</b>					
2023	\$ 2,851,683	\$ 2,851,683	\$ -	\$ 18,397,967	15.50%
2022	2,818,968	2,818,968	-	18,186,881	15.50%
2021	2,693,440	2,693,440	-	17,377,039	15.50%
2020	2,608,848	2,608,848	-	18,180,203	14.35%
2019	2,521,041	2,521,041	-	18,007,421	14.00%
2018	2,345,618	2,345,618	-	17,466,943	13.43%
2017	1,968,428	1,968,428	-	17,072,028	11.53%
2016	1,649,933	1,649,933	-	16,491,457	10.00%
2015	1,399,446	1,399,446	-	14,730,952	9.50%
2014	1,276,122	1,276,122	-	14,268,318	8.94%
<b>MPERS:</b>					
2023	3,059,523	3,059,523	-	9,575,980	31.95%
2022	2,864,483	2,864,483	-	9,502,459	30.14%
2021	2,989,664	2,989,664	-	9,111,746	32.81%
2020	2,918,444	2,918,444	-	8,899,533	32.79%
2019	2,965,386	2,965,386	-	9,178,306	32.31%
2018	2,800,627	2,800,627	-	9,005,739	31.10%
2017	2,748,475	2,748,475	-	8,705,259	31.57%
2016	2,540,782	2,540,782	-	8,216,344	30.92%
2015	2,438,032	2,438,032	-	7,867,402	30.99%
2014	2,415,255	2,415,255	-	7,754,805	31.15%
<b>FRS:</b>					
2023	2,911,168	2,911,168	-	8,755,394	33.25%
2022	2,905,037	2,905,037	-	8,639,246	33.63%
2021	2,707,718	2,707,718	-	8,299,710	32.62%
2020	2,410,651	2,410,651	-	8,354,308	28.86%
2019	2,244,074	2,244,074	-	8,371,498	26.81%
2018	2,288,192	2,288,192	-	8,636,937	26.49%
2017	2,189,624	2,189,624	-	8,568,354	25.55%
2016	2,147,160	2,147,160	-	8,032,163	26.73%
2015	2,161,180	2,161,180	-	7,518,430	28.75%
2014	2,148,278	2,148,278	-	7,531,809	28.52%
<b>LASERS:</b>					
2023	15,120	15,120	-	34,344	44.03%
2022	14,837	14,837	-	34,344	43.20%
2021	14,763	14,763	-	34,344	42.99%
2020	14,567	14,567	-	34,344	42.41%
2019	13,831	13,831	-	34,344	40.27%
2018	13,675	13,675	-	34,344	39.82%
2017	13,065	13,065	-	34,344	38.04%
2016	13,163	13,163	-	34,344	38.33%
2015	13,162	13,162	-	34,344	38.32%
2014	12,467	12,467	-	34,344	36.30%

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# OTHER SUPPLEMENTAL INFORMATION



**CITY OF LAKE CHARLES, LOUISIANA**

**Schedule of Total Compensation for Mayor, City of Lake Charles  
For Fiscal Year ended September 30, 2023**

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**Compensation for Mayor of City of Lake Charles fiscal year 2023:**

<b>Nicholas Hunter, Mayor October 1, 2022 - September 30, 2023</b>	<b>Amount</b>
<b>Purpose:</b>	
Salary	\$142,366
Vehicle Usage	7,200
Benefits - health insurance	17,205
Benefits - FICA & Medicare	10,749
Benefits - retirement	22,067
Travel	145
<b>Total</b>	<b>\$199,732</b>

**CITY OF LAKE CHARLES, LOUISIANA**

Schedule of Justice System Funding - Receiving Entity  
For Fiscal Year Ended September 30, 2023

**Justice System Funding Schedule - Receiving Entity**

**As Required by Act 87 of the 2020 Regular Legislative Session**

Identifying Information	
Entity Name	City of Lake Charles
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2183
Date that reporting period ended (mm/dd/yyyy)	Saturday, September 30, 2023

**If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include**

	First Six Month	Second Six Month
	Period Ended	Period Ended
	03/31/23	09/30/23

**Cash Basis Presentation**

**10. Receipts From:** (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary. )

Lake Charles City Court, Criminal Fines - Other	86,473	72,258
Lake Charles City Court, Other	3,651	3,216
<b>Subtotal Receipts</b>	<b>90,124</b>	<b>75,474</b>

**11. Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)**

N/A	N/A
-----	-----

Collection Types to be used in the "Receipts From:" section above	
<b>a</b>	Civil Fees
<b>b</b>	Bond Fees
<b>c</b>	Asset Forfeiture/Sale
<b>d</b>	Pre-Trial Diversion Program Fees
<b>e</b>	Criminal Court Costs/Fees
<b>f</b>	Criminal Fines - Contempt
<b>g</b>	Criminal Fines - Other
<b>h</b>	Restitution
<b>i</b>	Probation/Parole/Supervision Fees
<b>j</b>	Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
<b>k</b>	Interest Earnings on Collected Balances
<b>l</b>	Other (do not include collections that fit into more specific categories above)

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# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Grant Fund** – Accounts for funds received and expended for various categorical grant programs, including law enforcement grants and summer food service program.

**Recreation Fund** – Accounts for the operation and maintenance of recreational programs and facilities other than the Civic Center and Golf Course, and for the receipt and subsequent expenditure of dedicated taxes, user fees and other funds received for recreational services.

**Central School Fund** – Accounts for receipt and subsequent expenditure of funds for operation, maintenance and improvements of the Central School Arts and Humanities Center.

**Special Event Fund** – Accounts for receipt and subsequent expenditure of funds for special events and exhibit costs.

**2015 One-quarter Cent Sale Tax Fund** – Accounts for the collection of no less than 25 percent of the one-quarter cent sales tax levy authorized in 2015. Funds are reserved to meet the annual bonded debt service requirements of the City, should primary sources of repayment become insufficient. Funds not used for this purpose shall be reauthorized for capital improvements in the subsequent year.

**Economic Development Districts** - Accounts for the collection of tax revenue generated from special districts which were created as authorized by Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended.

**Facility Renewal Fund** – Accounts for funds transferred from other sources to provide for long-term accumulation of funds for future maintenance and repair needs.

**Community Development** – This fund accounts for the receipt and subsequent expenditure of federal funds received from the Department of Housing and Urban Development for housing and community development purposes, including related revenues which are restricted to such purposes by grant agreements. The principal revenue source accounted for within this fund is the Community Development Block Grant Program.

**CITY OF LAKE CHARLES, LOUISIANA**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2023**

	<u>Grants</u>	<u>Recreation</u>	<u>Central School</u>	<u>Special Events</u>	<u>2015 One-Quarter Cent Sales Tax</u>	<u>Economic Dev Districts</u>	<u>Facility Renewal</u>	<u>Community Development</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>									
Cash (Note 4-A)	\$ 480,308	\$ 1,977,948	\$ -	\$ 157,691	\$ 2,244,877	\$ 649,209	\$ 1,026,812	\$ -	\$ 6,536,845
Investments (Note 4-A)	65,690	87,100	60,764	-	-	-	1,227,452	-	1,441,006
Receivable (net of allowance for uncollectable)									
Accounts (Note 4-B)	109	211,045	21,523	-	163,860	28,645	-	19,761	444,943
Accrued interest	-	-	-	-	-	-	-	-	-
Intergovernmental (Note 4-B)	18,712	2,422	-	-	-	-	-	620,327	641,461
Due from other funds (Note 4-F)	-	27	-	-	-	-	-	-	27
Prepaid items		8,680	-	-	-	-	-	-	8,680
Total assets	<u>\$ 564,819</u>	<u>\$ 2,287,222</u>	<u>\$ 82,287</u>	<u>\$ 157,691</u>	<u>\$ 2,408,737</u>	<u>\$ 677,854</u>	<u>\$ 2,254,264</u>	<u>\$ 640,088</u>	<u>\$ 9,072,962</u>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ 90,822	\$ 32,401	\$ 124	\$ -	\$ 238	\$ -	\$ 414,777	\$ 538,362
Escrow	-	6,750	1,822	50	-	-	-	12,957	21,579
Due to other funds	11,672	117,203	-	-	-	-	-	3,955	132,830
Deferred revenues	-	-	-	-	-	-	-	-	-
Total liabilities	<u>11,672</u>	<u>214,775</u>	<u>34,223</u>	<u>174</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>431,689</u>	<u>692,771</u>
<b>FUND BALANCES</b>									
Nonspendable	-	8,680	-	-	-	-	-	-	8,680
Committed	113,187	669,929	-	36,925	2,408,737	677,616	-	-	3,906,394
Assigned:									
Community Services	123,427	1,393,838	48,064	120,592	-	-	-	208,399	1,894,320
Public Safety	316,533	-	-	-	-	-	-	-	316,533
Capital Projects	-	-	-	-	-	-	2,254,264	-	2,254,264
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>553,147</u>	<u>2,072,447</u>	<u>48,064</u>	<u>157,517</u>	<u>2,408,737</u>	<u>677,616</u>	<u>2,254,264</u>	<u>208,399</u>	<u>8,380,191</u>
Total liabilities and fund balances	<u>\$ 564,819</u>	<u>\$ 2,287,222</u>	<u>\$ 82,287</u>	<u>\$ 157,691</u>	<u>\$ 2,408,737</u>	<u>\$ 677,854</u>	<u>\$ 2,254,264</u>	<u>\$ 640,088</u>	<u>\$ 9,072,962</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For Fiscal Year Ended September 30, 2023**

	<u>Grants</u>	<u>Recreation</u>	<u>Central School</u>	<u>Special Events</u>	<u>2015 One-Quarter Cent Sales Tax</u>	<u>Economic Dev Districts</u>	<u>Facility Renewal</u>	<u>Community Development</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>									
Taxes	\$ -	\$ 3,975,757	\$ -	\$ -	\$ 1,962,904	\$ 332,572	\$ -	\$ -	\$ 6,271,233
Intergovernmental	168,115	69,179	-	-	-	-	-	5,272,358	5,509,652
Charges for services	-	251,600	-	-	-	-	-	-	251,600
Miscellaneous	11,459	8,514	47,020	52,223	107,864	14,802	92,648	25,530	360,061
Total revenues	<u>179,574</u>	<u>4,305,050</u>	<u>47,020</u>	<u>52,223</u>	<u>2,070,768</u>	<u>347,374</u>	<u>92,648</u>	<u>5,297,888</u>	<u>12,392,546</u>
<b>Expenditures:</b>									
Current operating:									
Police	261,014	-	-	-	-	-	-	-	261,014
Planning and development	-	-	-	-	-	-	-	5,301,390	5,301,390
Community services	-	4,611,295	312,009	260,362	-	-	-	-	5,183,666
General services	-	-	-	-	-	231,674	-	-	231,675
Capital projects	-	-	-	-	-	-	-	-	-
Total expenditures	<u>261,014</u>	<u>4,611,295</u>	<u>312,009</u>	<u>260,362</u>	<u>-</u>	<u>231,674</u>	<u>-</u>	<u>5,301,390</u>	<u>10,977,745</u>
Excess (deficiency) of revenues over expenditures	<u>(81,440)</u>	<u>(306,245)</u>	<u>(264,989)</u>	<u>(208,139)</u>	<u>2,070,768</u>	<u>115,700</u>	<u>92,648</u>	<u>(3,502)</u>	<u>1,414,801</u>
<b>Other financing sources (uses):</b>									
Transfers in	-	618,230	225,000	225,000	-	-	-	5,197	1,073,427
Transfers out	-	(575,000)	-	-	(2,000,000)	-	-	-	(2,575,000)
Total other financing sources (uses)	<u>-</u>	<u>43,230</u>	<u>225,000</u>	<u>225,000</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>5,197</u>	<u>(1,501,573)</u>
Net change in fund balances	(81,440)	(263,015)	(39,989)	16,861	70,768	115,700	92,648	1,695	(86,772)
Fund balance at beginning of year	<u>634,587</u>	<u>2,335,462</u>	<u>88,053</u>	<u>140,656</u>	<u>2,337,969</u>	<u>561,916</u>	<u>2,161,616</u>	<u>206,704</u>	<u>8,466,963</u>
Fund balance at end of year	<u>\$ 553,147</u>	<u>\$ 2,072,447</u>	<u>\$ 48,064</u>	<u>\$ 157,517</u>	<u>\$ 2,408,737</u>	<u>\$ 677,616</u>	<u>\$ 2,254,264</u>	<u>\$ 208,399</u>	<u>\$ 8,380,191</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental:	\$ 162,976	\$ 162,018	\$ 168,115	\$ 6,097
Miscellaneous	-	-	11,459	11,459
Total revenues	<u>162,976</u>	<u>162,018</u>	<u>179,574</u>	<u>17,556</u>
<b>Expenditures:</b>				
Current:				
Public safety	324,876	323,918	261,014	62,904
Community services	-	-	-	-
Total expenditures	<u>324,876</u>	<u>323,918</u>	<u>261,014</u>	<u>62,904</u>
Excess of revenues over expenditures	<u>(161,900)</u>	<u>(161,900)</u>	<u>(81,440)</u>	<u>80,460</u>
<b>Other financing source(uses):</b>				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	(161,900)	(161,900)	(81,440)	80,460
Fund balance at beginning of year	<u>634,587</u>	<u>634,587</u>	<u>634,587</u>	<u>-</u>
Fund balance at end of year	<u>\$ 472,687</u>	<u>\$ 472,687</u>	<u>\$ 553,147</u>	<u>\$ 80,460</u>



**CITY OF LAKE CHARLES, LOUISIANA**  
**Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$3,610,670	\$ 3,722,670	\$ 3,975,757	\$ 253,087
Intergovernmental	64,000	64,000	69,179	5,179
Charges for services	63,500	63,500	251,600	188,100
Miscellaneous	1,000	1,000	8,514	7,514
Total revenues	<u>3,739,170</u>	<u>3,851,170</u>	<u>4,305,050</u>	<u>453,880</u>
<b>Expenditures:</b>				
Personal services	2,314,300	2,122,579	2,015,236	107,343
Contractual and operational	1,701,655	2,043,056	1,972,442	70,614
Materials and supplies	444,700	549,922	488,999	60,923
Special charges	10,000	21,411	16,813	4,598
Capital outlay	381,200	314,887	117,805	197,082
	<u>4,851,855</u>	<u>5,051,855</u>	<u>4,611,295</u>	<u>440,560</u>
Excess (deficiency) of rev over exp	<u>(1,112,685)</u>	<u>(1,200,685)</u>	<u>(306,245)</u>	<u>894,440</u>
<b>Other financing sources (uses):</b>				
Transfers in	731,438	731,438	618,230	(113,208)
Transfers out	<u>(575,000)</u>	<u>(575,000)</u>	<u>(575,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>156,438</u>	<u>156,438</u>	<u>43,230</u>	<u>(113,208)</u>
Excess (deficiency) of rev and other sources over exp and other uses	(956,247)	(1,044,247)	(263,015)	781,232
Fund balance at beginning of year	<u>2,335,462</u>	<u>2,335,462</u>	<u>2,335,462</u>	<u>-</u>
Fund balance at end of year	<u>\$1,379,215</u>	<u>\$ 1,291,215</u>	<u>\$ 2,072,447</u>	<u>\$ 781,232</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Central School Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Miscellaneous	\$ 8,000	\$ 40,000	\$ 47,020	\$ 7,020
Total revenues	<u>8,000</u>	<u>40,000</u>	<u>47,020</u>	<u>7,020</u>
<b>Expenditures:</b>				
Contractual and operational	184,024	289,584	275,612	13,972
Materials and supplies	26,000	18,840	18,397	443
Special charges	32,000	23,600	18,000	5,600
Total expenditures	<u>242,024</u>	<u>332,024</u>	<u>312,009</u>	<u>20,015</u>
Excess of revenue over expenditures	<u>(234,024)</u>	<u>(292,024)</u>	<u>(264,989)</u>	<u>27,035</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Total other financing sources (uses)	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	(9,024)	(67,024)	(39,989)	27,035
Fund balance at beginning of year	<u>88,053</u>	<u>88,053</u>	<u>88,053</u>	<u>-</u>
Fund balance at end of year	<u>\$ 79,029</u>	<u>\$ 21,029</u>	<u>\$ 48,064</u>	<u>\$ 27,035</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Special Event Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Miscellaneous	\$ 37,700	\$ 37,700	\$ 52,223	\$ 14,523
Total revenues	<u>37,700</u>	<u>37,700</u>	<u>52,223</u>	<u>14,523</u>
<b>Expenditures:</b>				
Contractual and operational	222,050	222,050	200,022	22,028
Materials and supplies	18,500	18,500	12,840	5,660
Other services and charges	60,500	60,500	47,500	13,000
Total expenditures	<u>301,050</u>	<u>301,050</u>	<u>260,362</u>	<u>40,688</u>
Excess of revenue over expenditures	<u>(263,350)</u>	<u>(263,350)</u>	<u>(208,139)</u>	<u>55,211</u>
<b>Other financing sources:</b>				
Transfers in	225,000	225,000	225,000	-
Total other financing sources	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditure and other uses	<u>(38,350)</u>	<u>(38,350)</u>	<u>16,861</u>	<u>55,211</u>
Fund balance at beginning of year	<u>140,656</u>	<u>140,656</u>	<u>140,656</u>	<u>-</u>
Fund balance at end of year	<u>\$ 102,306</u>	<u>\$ 102,306</u>	<u>\$ 157,517</u>	<u>\$ 55,211</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**2015 One-Quarter Cent Sales Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<u>Budgeted Amounts</u>		<u>2023 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$1,750,000	\$ 1,750,000	\$ 1,962,904	\$ 212,904
Miscellaneous	6,000	6,000	107,864	101,864
Total revenues	<u>1,756,000</u>	<u>1,756,000</u>	<u>2,070,768</u>	<u>314,768</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev over exp	<u>1,756,000</u>	<u>1,756,000</u>	<u>2,070,768</u>	<u>314,768</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Net change in fund balances	(244,000)	(244,000)	70,768	314,768
Fund balance at beginning of year	<u>2,337,969</u>	<u>2,337,969</u>	<u>2,337,969</u>	<u>-</u>
Fund balance at end of year	<u>\$2,093,969</u>	<u>\$ 2,093,969</u>	<u>\$ 2,408,737</u>	<u>\$ 314,768</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Economic Development District Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<b>Budgeted Amounts</b>		<b>2023 Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 249,000	\$ 249,000	\$ 332,572	\$ 83,572
Miscellaneous	-	-	14,802	14,802
Total revenues	<u>249,000</u>	<u>249,000</u>	<u>347,374</u>	<u>98,374</u>
<b>Expenditures:</b>				
Special charges	<u>105,100</u>	<u>240,100</u>	<u>231,674</u>	<u>8,426</u>
Excess (deficiency) of rev over exp	143,900	8,900	115,700	106,800
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>143,900</u>	<u>8,900</u>	<u>115,700</u>	<u>106,800</u>
Fund balance at beginning of year	<u>561,916</u>	<u>561,916</u>	<u>561,916</u>	<u>-</u>
Fund balance at end of year	<u>\$ 705,816</u>	<u>\$ 570,816</u>	<u>\$ 677,616</u>	<u>\$ 106,800</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Facility Renewal Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

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	<u>Budgeted Amounts</u>		<u>2023 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Interest on investments	\$ 4,000	\$ 4,000	\$ 92,648	\$ 88,648
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>92,648</u>	<u>88,648</u>
<b>Expenditures:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev over exp	4,000	4,000	92,648	88,648
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	<u>4,000</u>	<u>4,000</u>	<u>92,648</u>	<u>88,648</u>
Fund balance at beginning of year	<u>2,161,616</u>	<u>2,161,616</u>	<u>2,161,616</u>	<u>-</u>
Fund balance at end of year	<u><u>\$2,165,616</u></u>	<u><u>\$ 2,165,616</u></u>	<u><u>\$ 2,254,264</u></u>	<u><u>\$ 88,648</u></u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Community Development Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For Fiscal Year Ended September 30, 2023**

	<u>Budgeted Amounts</u>		<u>2023 Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$1,830,077	\$ 5,313,027	\$ 5,272,358	\$ (40,669)
Miscellaneous	-	1,695	25,530	23,835
Total revenues	<u>1,830,077</u>	<u>5,314,722</u>	<u>5,297,888</u>	<u>(16,834)</u>
<b>Expenditures:</b>				
Current:				
Personal services	187,380	192,249	191,240	1,009
Contract and operational	11,019	9,561	6,739	2,822
Material and supplies	4,875	2,145	2,138	7
Special current charges	1,709,579	5,114,269	5,101,273	12,996
Total expenditures	<u>1,912,853</u>	<u>5,318,224</u>	<u>5,301,390</u>	<u>16,834</u>
Excess (deficiency) of revenues over expenditures	<u>(82,776)</u>	<u>(3,502)</u>	<u>(3,502)</u>	<u>-</u>
<b>Other financing sources:</b>				
Transfers in	82,776	5,197	5,197	-
Total other financing sources	<u>82,776</u>	<u>5,197</u>	<u>5,197</u>	<u>-</u>
Excess (deficiency) of rev and other sources over exp and other uses	-	1,695	1,695	-
Fund balance at beginning of year	<u>205,134</u>	<u>206,704</u>	<u>206,704</u>	<u>-</u>
Fund balance at end of year	<u>\$ 205,134</u>	<u>\$ 208,399</u>	<u>\$ 208,399</u>	<u>\$ -</u>

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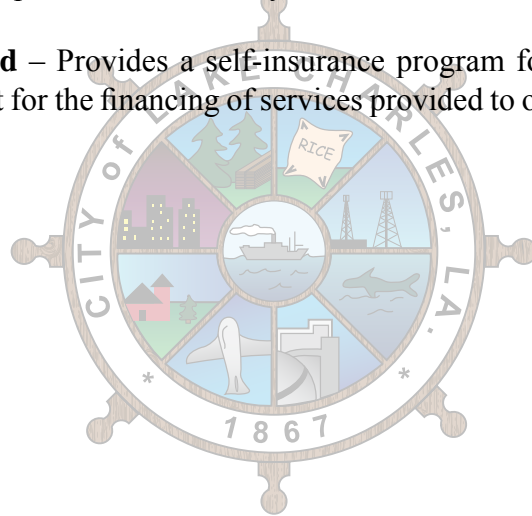




# INTERNAL SERVICE FUNDS

**Risk Management Fund** – Includes coverage for general liability, auto liability and worker’s compensation. This fund is used to account for the financing of services provided by the risk management division to other departments of the City.

**Employee Insurance Fund** – Provides a self-insurance program for employee health benefits. This fund is used to account for the financing of services provided to other departments of the City.



**CITY OF LAKE CHARLES, LOUISIANA**

**Internal Service Funds**

**Combining Statement of Net Position**

**September 30, 2023**

	<b>Risk Management</b>	<b>Employee Insurance</b>	<b>Totals 2023</b>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 40,161,377	\$ 5,978,561	\$ 46,139,938
Investments	2,338,119	2,318,347	4,656,466
Receivables:			
Accounts	249,210	1,539	250,749
Accrued interest	-	-	-
Due from other funds	-	-	-
Prepaid expenses	3,488,271	-	3,488,271
Total current assets	<u>46,236,977</u>	<u>8,298,447</u>	<u>54,535,424</u>
Noncurrent assets:			
Capital assets (at cost):			
Machinery & equipment	50,022	-	50,022
Less accumulated depreciation	(25,358)	-	(25,358)
Total capital assets (net of accum. depr.)	<u>24,664</u>	<u>-</u>	<u>24,664</u>
Total assets	<u>46,261,641</u>	<u>8,298,447</u>	<u>54,560,088</u>
Deferred Outflows of resources	<u>89,768</u>	<u>-</u>	<u>89,768</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	28,654	10,121	38,775
Due to other funds	-	-	-
Total current liabilities	<u>28,654</u>	<u>10,121</u>	<u>38,775</u>
Long-term liabilities:			
Accrued leave benefits	157,959	-	157,959
OPEB payable	62,591	-	62,591
Net pension liability	402,979	-	402,979
Accrued insurance claims	8,128,082	2,200,000	10,328,082
Incurred-not reported claims	175,000	150,000	325,000
Accrued insurance claims - noncurrent	1,612,840	-	1,612,840
Total long-term liabilities	<u>10,539,451</u>	<u>2,350,000</u>	<u>12,889,451</u>
Total liabilities	<u>10,568,105</u>	<u>2,360,121</u>	<u>12,928,226</u>
Deferred Inflows of resources	<u>20,084</u>	<u>-</u>	<u>20,084</u>
<b>NET POSITION</b>			
Net investment in capital assets	24,664	-	24,664
Unrestricted	35,738,556	5,938,326	41,676,882
Total net position	<u>\$ 35,763,220</u>	<u>\$ 5,938,326</u>	<u>\$ 41,701,546</u>

**CITY OF LAKE CHARLES, LOUISIANA**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Fiscal Year Ended September 30, 2023**

	<b>Risk Management</b>	<b>Employee Insurance</b>	<b>Totals 2023</b>
Operating revenues:			
Charges for services	\$ 8,920,000	\$ 9,599,582	\$ 18,519,582
Other revenues	16,534	950,166	966,700
Total operating revenues	<u>8,936,534</u>	<u>10,549,748</u>	<u>19,486,282</u>
Operating expenses:			
Personal services	718,589	908,739	1,627,328
Materials and supplies	3,633	21,400	25,033
General and administration	5,004,162	219	5,004,381
Depreciation	8,835	-	8,835
Claims and losses paid	2,444,019	10,045,952	12,489,971
Total operating expenses	<u>8,179,238</u>	<u>10,976,310</u>	<u>19,155,548</u>
Operating income (loss)	<u>757,296</u>	<u>(426,562)</u>	<u>330,734</u>
Nonoperating revenues:			
Interest	1,370,764	330,516	1,701,280
Litigation Settlement	20,577,403	-	20,577,403
Loss on retirement of fixed asset	-	-	-
Total nonoperating revenues	<u>21,948,167</u>	<u>330,516</u>	<u>22,278,683</u>
Income (loss) before transfers	<u>22,705,463</u>	<u>(96,046)</u>	<u>22,609,417</u>
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	22,705,463	(96,046)	22,609,417
Net position - beginning of fiscal year	13,057,757	6,034,372	19,092,129
Net position - ending of fiscal year	<u>\$ 35,763,220</u>	<u>\$ 5,938,326</u>	<u>\$ 41,701,546</u>

**CITY OF LAKE CHARLES, LOUISIANA**

**Internal Service Fund**

**Combining Statement of Cash Flows**

**For the Fiscal Year Ended September 30, 2023**

	<b>Risk Management</b>	<b>Employee Insurance</b>	<b>Totals 2023</b>
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 399,627	\$ 1,598,918	\$ 1,998,545
Receipts from interfund charges for risk management services	8,920,000	8,952,250	17,872,250
Payments to employees	(739,258)	(908,249)	(1,647,507)
Payments to suppliers and claimants	(10,748,325)	(9,970,305)	(20,718,630)
Internal activity - payments to other funds	(1)	-	(1)
Net cash provided by operating activities	<u>(2,167,957)</u>	<u>(327,386)</u>	<u>(2,495,343)</u>
<b>Cash flow from noncapital financing activities:</b>			
Operating subsidies	-	-	-
Operating payments to other funds	-	-	-
Litigation Settlement	20,577,403	-	20,577,403
Net cash provided by noncapital financing activities	<u>20,577,403</u>	<u>-</u>	<u>20,577,403</u>
<b>Cash flow from capital and related financing activities:</b>			
Purchase of capital assets	(26,995)	-	(26,995)
Net cash used for capital and related financing activities	<u>(26,995)</u>	<u>-</u>	<u>(26,995)</u>
<b>Cash flow from investing activities:</b>			
Purchase of investment securities	(105,283)	(104,393)	(209,676)
Proceeds from sale and maturities of investment securities	-	-	-
Interest on investments	1,370,764	330,516	1,701,280
Net cash provided (used for) investing activities	<u>1,265,481</u>	<u>226,123</u>	<u>1,491,604</u>
Net increase (decrease) in cash and cash equivalents	19,647,932	(101,263)	19,546,669
Cash and cash equivalents at beginning of year	20,513,445	6,079,824	26,593,269
Cash and cash equivalents at end of year	<u>\$ 40,161,377</u>	<u>\$ 5,978,561</u>	<u>\$ 46,139,938</u>
<b>Reconciliation of operating (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 757,296	\$ (426,562)	\$ 330,734
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	8,835	-	8,835
(Increase) decrease in accounts receivable	383,093	1,420	384,513
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in prepaid items	(879,537)	-	(879,537)
(Increase) decrease in deferred outflows of resources NPL	29,938	-	29,938
(Increase) decrease in deferred outflows of resources OPEB	(425)	-	(425)
Increase (Decrease) in accounts payables	(242,579)	(2,244)	(244,823)
Increase (Decrease) in accrued insurance claims	(2,173,966)	100,000	(2,073,966)
Increase (Decrease) in compensated absences payable	5,134	-	5,134
Increase (Decrease) in OPEB liability	6,886	-	6,886
Increase (Decrease) in NP liability	(54,457)	-	(54,457)
Increase (Decrease) in due to other funds	(2)	-	(2)
Increase (Decrease) in due deferred inflows of resources NPL	(7,114)	-	(7,114)
Increase (Decrease) in due deferred inflows of resources OPEB	(1,059)	-	(1,059)
Total adjustments	<u>(2,925,253)</u>	<u>99,176</u>	<u>(2,826,077)</u>
Net cash provided by operating activities	<u>\$ (2,167,957)</u>	<u>\$ (327,386)</u>	<u>\$ (2,495,343)</u>

**Noncash investing, capital and financing activities:**

There was no change in investment activities at year-end 2023 and at year-end 2022.

Assets transferred cost \$20,292 and had accumulated depreciation of \$20,292, loss of \$0.

CAPITAL ASSETS  
USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS



**CITY OF LAKE CHARLES, LOUISIANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Source**  
**September 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Governmental funds capital assets		
Land	\$ 19,072,724	\$ 16,874,409
Buildings	56,036,699	56,720,754
Improvements other than buildings	126,903,204	121,535,620
Machinery and Equipment	48,243,216	45,429,580
Infrastructure	434,639,651	421,882,033
Construction in progress	<u>55,234,100</u>	<u>40,223,973</u>
Total general capital assets	<u>\$ 740,129,594</u>	<u>\$ 702,666,369</u>
Property acquired prior to October 1, 1985, excluding infrastructure	\$ 23,312,814	\$ 23,312,814
Property acquired after September 30, 1985 from:		
Federal grants	47,822,287	45,483,810
State grants	5,428,266	4,933,963
General fund revenues	215,242,865	205,547,387
Capital projects funds	389,306,578	372,272,450
Donations	<u>59,016,784</u>	<u>51,115,945</u>
Total investments in general capital assets	<u>\$ 740,129,594</u>	<u>\$ 702,666,369</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$50,022 on 9/30/2023 and \$43,319 on 9/30/2022 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Schedule of Capital Assets - Governmental Funds**  
**By Function and Activity**  
**September 30, 2023**

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<b>GENERAL GOVERNMENT</b>							
Legislative	\$ -	\$ -	\$ -	\$ 78,061	\$ -	\$ -	\$ 78,061
Executive	-	-	-	90,346	-	-	90,346
Judicial	-	5,129,852	-	7,953	-	-	5,137,805
Total general government	<u>-</u>	<u>5,129,852</u>	<u>-</u>	<u>176,360</u>	<u>-</u>	<u>-</u>	<u>5,306,212</u>
<b>STAFF AGENCIES</b>							
Finance	-	-	-	23,496	-	-	23,496
Planning and development	-	-	-	85,961	-	-	85,961
Human Resources	-	-	-	29,261	-	-	29,261
Public works	214,700	1,132,304	275,075	1,913,767	-	44,862	3,580,708
Information Services	-	-	-	704,354	-	-	704,354
General government buildings	5,512,648	5,856,483	4,819,133	565,857	-	1,838,251	18,592,372
Total staff agencies	<u>5,727,348</u>	<u>6,988,787</u>	<u>5,094,208</u>	<u>3,322,696</u>	<u>-</u>	<u>1,883,113</u>	<u>23,016,152</u>
<b>PUBLIC SAFETY</b>							
Police	951,380	710,167	699,766	8,405,900	-	2,432,144	13,199,357
Fire	1,342,150	6,870,861	5,111,458	16,244,991	-	1,495,180	31,064,640
Permit Center	-	-	-	373,904	-	-	373,904
Total public safety	<u>2,293,530</u>	<u>7,581,028</u>	<u>5,811,224</u>	<u>25,024,795</u>	<u>-</u>	<u>3,927,324</u>	<u>44,637,901</u>
Streets	-	81,870	-	6,159,685	339,827,811	27,307,239	373,376,605
Recreation	9,515,660	5,241,418	31,395,480	2,138,596	-	3,672,843	51,963,997
Community service	5,000	2,549,579	1,123,405	2,471	-	9,372,826	13,053,281
Sanitation and waste	1,531,186	28,464,165	83,478,887	11,418,613	94,811,840	9,070,755	228,775,446
	<u>11,051,846</u>	<u>36,337,032</u>	<u>115,997,772</u>	<u>19,719,365</u>	<u>434,639,651</u>	<u>49,423,663</u>	<u>667,169,329</u>
Total capital assets allocated to functions	<u>\$ 19,072,724</u>	<u>\$ 56,036,699</u>	<u>\$ 126,903,204</u>	<u>\$ 48,243,216</u>	<u>\$ 434,639,651</u>	<u>\$ 55,234,100</u>	<u>\$ 740,129,594</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$50,022 on 9/30/2022 and \$43,319 on 9/30/2022 that are reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF LAKE CHARLES, LOUISIANA**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**For the Fiscal Year Ended September 30, 2023**

<u>Function and Activity</u>	<u>General Capital Assets 9/30/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Capital Assets 9/30/2023</u>
<b>GENERAL GOVERNMENT</b>				
Legislative	\$ 70,671	\$ 7,390	\$ -	\$ 78,061
Executive	107,341	-	(16,995)	90,346
Judicial	5,144,900	-	(7,095)	5,137,805
Total general government	<u>5,322,912</u>	<u>7,390</u>	<u>(24,090)</u>	<u>5,306,212</u>
<b>STAFF AGENCIES</b>				
Finance	23,496	-	-	23,496
Planning and Development	85,961	-	-	85,961
Human Resources	29,261	-	-	29,261
Public Works	3,415,385	333,988	(168,665)	3,580,708
Information Services	680,375	51,813	(27,834)	704,354
General Government	15,684,712	3,507,063	(599,403)	18,592,372
Total staff agencies	<u>19,919,190</u>	<u>3,892,864</u>	<u>(795,902)</u>	<u>23,016,152</u>
<b>PUBLIC SAFETY</b>				
Police	11,114,458	3,282,296	(1,197,397)	13,199,357
Fire	27,337,576	5,578,208	(1,851,144)	31,064,640
Permit Center	393,408	-	(19,504)	373,904
Total public safety	<u>38,845,442</u>	<u>8,860,504</u>	<u>(3,068,045)</u>	<u>44,637,901</u>
Streets	359,164,533	20,582,011	(6,369,939)	373,376,605
Recreation	49,493,876	3,499,887	(1,029,766)	51,963,997
Community service	9,765,048	4,882,050	(1,593,817)	13,053,281
Sanitation and waste	220,155,368	11,248,000	(2,627,922)	228,775,446
	<u>638,578,825</u>	<u>40,211,948</u>	<u>(11,621,444)</u>	<u>667,169,329</u>
Total capital assets allocated to functions	<u>\$ 702,666,369</u>	<u>\$ 52,972,706</u>	<u>\$ (15,509,481)</u>	<u>\$ 740,129,594</u>

Note: This schedule presents the capital asset balances related to governmental funds. Accordingly, the capital assets valued at \$50,022 on 9/30/2023 and \$43,319 on 9/30/2022 that are reported in the internal service funds are excluded from the above amounts. Generally, capital assets of internal service funds are included as governmental activities in the statement of net position.



# STATISTICAL SECTION

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

## **Contents**

### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess government's more significant local revenue sources.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

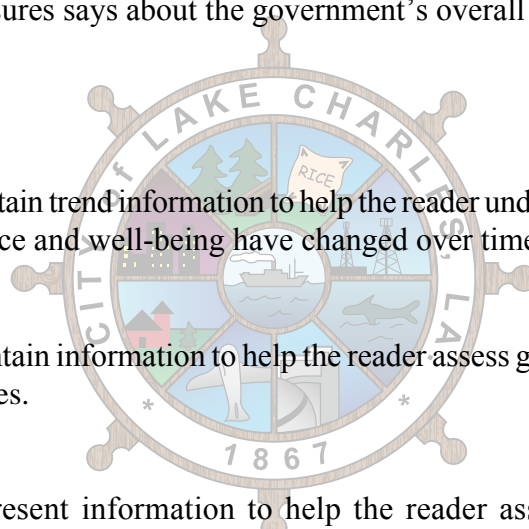
### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Except where noted, the information in these schedules is derived from the City of Lake Charles' annual comprehensive financial reports for the relative year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning that year.



**CITY OF LAKE CHARLES, LOUISIANA**  
**Net Position by Component**  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 240,382	\$ 243,940	\$ 259,977	\$ 294,028
Restricted	22,757	24,596	31,273	33,409
Unrestricted	54,000	72,792	77,180	61,863
Total governmental activities net position	<u>\$ 317,139</u>	<u>\$ 341,328</u>	<u>\$ 368,430</u>	<u>\$ 389,300</u>
<b>Business-Type activities</b>				
Net investment in capital assets	\$ 70,785	\$ 69,095	\$ 68,622	\$ 69,202
Unrestricted	17,502	22,049	24,166	25,356
Total business-type activities net position	<u>\$ 88,287</u>	<u>\$ 91,144</u>	<u>\$ 92,788</u>	<u>\$ 94,558</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 311,167	\$ 313,035	\$ 328,599	\$ 363,230
Restricted	22,757	24,596	31,273	33,409
Unrestricted	71,502	94,841	101,346	87,219
Total net position	<u>\$ 405,426</u>	<u>\$ 432,472</u>	<u>\$ 461,218</u>	<u>\$ 483,858</u>

\* GASB 68 adopted in 2015

\* GASB 87 adopted in 2022

\* GASB 96 adopted in 2023

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 307,134	\$ 313,647	\$ 325,072	\$ 342,958	\$ 350,311	\$ 376,158
32,950	34,219	34,961	30,666	41,725	42,274
68,648	78,046	76,891	134,080	153,415	175,399
<u>\$ 408,732</u>	<u>\$ 425,912</u>	<u>\$ 436,924</u>	<u>\$ 507,704</u>	<u>\$ 545,451</u>	<u>\$ 593,831</u>
\$ 73,313	\$ 73,788	\$ 76,941	\$ 79,624	\$ 97,153	\$ 114,347
23,833	25,554	24,065	21,720	31,960	27,482
<u>\$ 97,146</u>	<u>\$ 99,342</u>	<u>\$ 101,006</u>	<u>\$ 101,344</u>	<u>\$ 129,113</u>	<u>\$ 141,829</u>
\$ 380,447	\$ 387,435	\$ 402,013	\$ 422,582	\$ 447,464	\$ 490,505
32,950	34,219	34,961	30,666	41,725	42,274
92,481	103,600	100,956	155,800	185,375	202,881
<u>\$ 505,878</u>	<u>\$ 525,254</u>	<u>\$ 537,930</u>	<u>\$ 609,048</u>	<u>\$ 674,564</u>	<u>\$ 735,660</u>

**CITY OF LAKE CHARLES, LOUISIANA**

Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,778,135	\$ 5,316,267	\$ 5,612,894	\$ 5,812,852	\$ 6,062,340	\$ 6,585,196	\$ 6,834,478	\$ 6,403,592	\$ 7,190,498	\$ 7,121,487
Public safety	32,257,586	33,401,455	36,589,474	37,722,822	38,772,282	42,491,635	47,227,209	37,981,928	46,157,158	44,856,154
Public works	30,295,303	32,980,130	34,279,219	42,253,530	42,804,319	44,160,415	83,647,950	113,640,107	53,422,925	48,970,447
Planning and development	2,663,000	2,672,381	2,521,348	2,656,677	2,820,828	3,291,552	2,808,734	2,881,961	3,995,469	11,052,094
General services	5,659,656	6,021,391	5,838,645	6,507,033	6,875,525	6,558,381	8,397,663	8,467,245	9,527,617	15,193,674
Community services	6,350,062	6,668,047	7,191,241	6,158,706	7,110,893	7,519,692	13,132,656	8,005,324	11,109,236	12,827,668
Interest in long-term debt	3,203,842	3,138,628	2,703,865	3,149,772	2,054,636	1,864,766	1,591,346	1,406,245	1,284,127	1,159,064
Total governmental activities	85,207,584	90,198,299	94,736,686	104,261,392	106,500,823	112,471,637	163,640,036	178,786,402	132,687,030	141,180,588
Business-type activities:										
Civic center	3,091,611	3,365,531	3,949,094	3,788,824	3,899,346	3,913,590	3,333,299	4,061,374	3,985,423	4,682,599
Golf course	1,612,629	1,648,783	1,680,137	1,718,210	1,873,811	1,815,144	2,844,809	1,538,622	3,529,971	2,383,458
Transit	2,714,383	2,917,813	3,066,511	3,361,381	3,655,630	3,896,717	4,234,999	3,816,851	4,482,088	4,366,206
Water	9,622,826	9,890,095	10,173,955	10,845,330	11,206,906	12,074,665	12,061,138	11,262,743	14,943,823	15,998,277
Total business-type activities	17,041,449	17,822,222	18,869,697	19,713,745	20,635,693	21,700,116	22,474,245	20,679,590	26,941,305	27,430,540
Total primary government	\$ 102,249,033	\$ 108,020,521	\$ 113,606,383	\$ 123,975,137	\$ 127,136,516	\$ 134,171,753	\$ 186,114,281	\$ 199,465,992	\$ 159,628,335	\$ 168,611,128
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 5,423,120	\$ 5,730,156	\$ 5,997,403	\$ 6,195,338	\$ 6,469,760	\$ 6,490,449	\$ 6,512,956	\$ 6,849,965	\$ 6,966,608	\$ 7,546,837
Public works	12,706,586	13,459,995	13,438,315	13,486,598	14,110,034	13,476,408	12,793,705	10,604,922	10,734,411	12,650,041
Other activities	996,480	744,123	751,477	753,544	847,379	950,164	603,456	248,435	591,289	1,277,114
Operating grants and contributions	4,428,311	4,675,984	4,002,036	5,142,923	4,522,002	5,011,047	51,496,877	108,912,925	39,782,132	25,420,152
Capital grants and contributions	7,243,043	5,516,540	8,346,684	4,838,875	2,408,146	6,019,529	12,491,015	14,267,362	19,755,714	12,196,903
Total govmtl activity prgrm	30,797,540	30,126,798	32,535,915	30,417,278	28,357,321	31,947,597	83,898,009	140,883,609	77,830,154	59,091,047
Business-type activities:										
Charges for services:										
Civic center	968,322	1,000,078	1,138,735	971,360	1,033,378	1,021,589	513,434	194,362	625,188	888,060
Golf course	1,046,272	1,012,359	992,086	903,040	988,757	845,364	591,013	11,785	5,132,789	1,316,673
Transit	189,754	184,332	189,931	191,826	187,114	190,815	193,154	138,418	197,064	210,019
Water	12,066,695	12,687,985	12,300,282	13,215,887	13,802,115	13,138,924	12,790,717	11,740,967	12,553,097	14,066,333
Operating grants and contributions	1,647,581	2,303,705	2,834,655	2,751,946	3,043,540	3,103,043	4,168,748	5,138,737	4,011,641	3,996,656
Capital grants and contributions	7,795,194	801,268	266,752	261,931	982,009	179,704	1,819,470	2,680,279	11,220,260	3,672,784
Total busnss-type prgrm revens	23,713,818	17,989,727	17,722,441	18,295,990	20,036,913	18,479,439	20,076,536	19,904,548	33,740,039	24,150,525
Total primary government program	\$ 54,511,358	\$ 48,116,525	\$ 50,258,356	\$ 48,713,268	\$ 48,394,234	\$ 50,427,036	\$ 103,974,545	\$ 160,788,157	\$ 111,570,193	\$ 83,241,572

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	\$ (54,410,044)	\$ (60,071,501)	\$ (62,200,771)	\$ (73,844,114)	\$ (78,143,502)	\$ (80,524,040)	\$ (79,742,027)	\$ (37,902,793)	\$ (54,856,876)	\$ (82,089,541)
Business-type activities	6,672,369	167,505	(1,147,256)	(1,417,755)	(598,780)	(3,220,677)	(2,397,709)	(775,042)	6,798,734	(3,280,015)
Total primary government net expenses	\$ (47,737,675)	\$ (59,903,996)	\$ (63,348,027)	\$ (75,261,869)	\$ (78,742,282)	\$ (83,744,717)	\$ (82,139,736)	\$ (38,677,835)	\$ (48,058,142)	\$ (85,369,556)
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities</b>										
Taxes										
Property taxes	\$ 8,631,895	\$ 9,163,826	\$ 10,217,089	\$ 10,616,469	\$ 10,862,457	\$ 11,246,318	\$ 11,660,793	\$ 10,742,317	\$ 12,375,356	\$ 12,796,055
Sales taxes	50,519,838	54,786,123	60,570,243	64,596,373	67,840,226	67,169,609	63,188,793	82,759,394	79,929,417	80,731,571
Franchise taxes	5,952,906	5,736,856	5,472,965	5,722,675	5,878,166	5,801,232	5,350,971	5,237,424	6,694,990	6,401,494
Riverboat taxes	9,664,375	11,054,210	10,799,768	10,657,944	10,735,679	11,045,968	9,413,068	7,844,826	10,850,808	12,179,035
Grants and contributions not restricted to specific programs	185,172	180,867	194,470	227,691	230,435	238,919	219,227	206,307	160,856	131,379
Interest and investment earnings	671,283	965,038	834,331	1,162,105	2,206,510	4,569,271	2,157,325	624,185	1,054,921	9,678,990
Miscellaneous	3,024,050	4,722,125	3,730,355	4,666,850	2,425,142	2,310,815	2,468,193	2,301,588	2,251,704	23,149,586
Gain (loss) on sales of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(3,645,582)	(2,348,768)	(2,515,786)	(2,935,905)	(2,757,752)	(4,677,725)	(3,704,830)	(1,033,408)	(20,710,098)	(14,598,837)
Total governmental activities	75,003,937	84,260,277	89,303,435	94,714,202	97,420,863	97,704,407	90,753,540	108,682,633	92,607,954	130,469,273
Business-type activities:										
Grants and contributions not restricted to specific programs										
Interest and investment earnings	81,712	227,141	133,929	251,993	405,633	738,783	357,382	79,068	260,444	1,397,300
Miscellaneous	-	113,376	141,451	-	-	-	-	-	-	-
Gain (loss) on sales of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	3,645,582	2,348,768	2,515,786	2,935,905	2,757,752	4,677,725	3,704,830	1,033,408	20,710,098	14,598,837
Total business type activities	3,727,294	2,689,285	2,791,166	3,187,898	3,163,385	5,416,508	4,062,212	1,112,476	20,970,542	15,996,137
Total primary government	\$ 78,731,231	\$ 86,949,562	\$ 92,094,601	\$ 97,902,100	\$ 100,584,248	\$ 103,120,915	\$ 94,815,752	\$ 109,795,109	\$ 113,578,496	\$ 146,465,410
<b>Change in Net Assets</b>										
Governmental activities	\$ 20,593,893	\$ 24,188,776	\$ 27,102,664	\$ 20,870,088	\$ 19,277,361	\$ 17,180,367	\$ 11,011,513	\$ 70,779,840	\$ 37,751,078	\$ 48,379,732
Business-type activities	10,399,663	2,856,790	1,643,910	1,770,143	2,564,605	2,195,831	1,664,503	337,434	27,769,276	12,716,122
Total primary government	\$ 30,993,556	\$ 27,045,566	\$ 28,746,574	\$ 22,640,231	\$ 21,841,966	\$ 19,376,198	\$ 12,676,016	\$ 71,117,274	\$ 65,520,354	\$ 61,095,854

**CITY OF LAKE CHARLES, LOUISIANA**  
 Governmental Activities Tax and Other Revenues by Source  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>One Percent Sales Tax (1965)</b>	<b>* Additional One Percent Sales Tax (1987)</b>	<b>Employee's Pay Quarter cent Sales Tax (1995)</b>	<b>One-Quarter Cent Sales Tax Debt Reserve Fund (2016)</b>
2014	8,631,895	22,309,909	22,309,909	5,577,484	-
2015	9,163,826	24,233,672	24,233,672	6,058,418	-
2016	10,217,089	24,759,696	24,759,696	6,189,924	4,571,836
2017	10,616,469	25,695,368	25,695,368	6,423,849	6,372,113
2018	10,862,457	26,833,765	26,833,765	6,708,442	6,635,894
2019	11,246,319	26,711,079	26,711,079	6,677,655	6,619,849
2020	11,660,793	25,125,185	25,125,185	6,238,871	6,212,813
2021	10,742,317	32,801,002	32,801,002	8,200,244	8,198,239
2022	12,375,356	31,665,960	31,665,960	7,916,490	7,914,892
2023	12,796,055	31,995,079	31,995,079	7,998,770	7,851,618

\* Sales tax levy above dedicates 28 percent of collections to Capital Projects of which 60 percent can be used for debt service

Notes: The City, through a Cooperative Endeavor Agreement with the Calcasieu Parish Policy Jury, pool gaming revenues received on a parish-wide basis.  
 Golden Nugget Casino opened in December 2014.  
 2013 property tax revenues reflect the reassessment of property in 2012.  
 2017 property tax revenues reflect the reassessment of property in 2016.  
 2016 15 year quarter cent sales tax began January 2016

**Monthly Sales Tax Receipts 28% Dedicated to Capital Projects (included in above)**

<b>Collection Month</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
November	\$ 451,838	\$ 529,736	\$ 535,012	\$ 544,564
December	523,949	541,692	533,725	564,660
January	609,804	702,020	694,329	730,672
February	425,861	500,766	512,445	527,052
March	474,515	514,014	519,495	520,045
April	528,496	617,823	652,316	665,259
May	529,857	540,169	548,264	591,265
June	526,757	547,963	565,631	597,337
July	538,256	598,577	611,634	686,415
August	519,849	577,527	611,509	571,248
September	513,189	549,074	557,614	583,584
October	604,404	566,067	590,743	612,602
Total	<u>\$ 6,246,775</u>	<u>\$ 6,785,428</u>	<u>\$ 6,932,717</u>	<u>\$ 7,194,704</u>

<b>TIFF District One Percent Sales Tax (2018)</b>	<b>Riverboat Gaming Tax</b>	<b>Electric Utility Franchise</b>	<b>Gas Utility Franchise</b>	<b>Cable Television Franchise</b>	<b>Communication Utility Franchise</b>	<b>Charges for Services User Fees Wastewater</b>
-	9,664,375	4,442,183	474,212	1,036,511	-	12,519,677
-	11,054,210	4,339,524	420,979	976,353	-	13,323,763
-	10,799,768	4,098,903	360,464	1,013,598	-	13,281,720
-	10,657,944	4,295,722	406,840	1,020,114	-	13,221,450
1,213	10,735,679	4,378,367	483,545	1,016,254	-	13,771,766
48,461	11,045,969	4,306,206	478,226	1,016,801	-	12,667,693
70,875	9,413,068	4,092,816	423,927	834,228	-	12,554,335
168,171	7,844,826	4,243,419	418,240	575,764	-	10,547,714
337,594	10,850,808	5,524,440	546,199	624,352	-	10,478,119
332,572	12,179,035	5,259,521	557,169	536,016	48,787	12,337,939

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 595,135	\$ 597,575	\$ 528,901	\$ 668,223	\$ 715,232	\$ 749,113
560,185	478,637	663,989	801,000	721,074	692,796
763,506	895,304	761,692	946,096	935,561	865,464
550,737	526,049	533,912	663,428	673,118	646,271
563,037	559,319	515,864	630,315	654,324	624,411
690,882	665,263	550,828	856,449	839,646	1,237,708
599,185	587,399	489,569	751,264	720,486	633,556
640,612	599,129	596,499	720,668	712,807	661,264
682,222	667,495	650,386	848,946	714,332	708,720
633,452	615,983	429,259	786,718	738,723	727,841
603,781	646,318	684,585	721,577	685,318	677,390
630,722	640,632	629,567	789,596	755,846	734,089
<u>\$ 7,513,454</u>	<u>\$ 7,479,101</u>	<u>\$ 7,035,052</u>	<u>\$ 9,184,281</u>	<u>\$ 8,866,469</u>	<u>\$ 8,958,622</u>

**CITY OF LAKE CHARLES, LOUISIANA**

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	<u>2014</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>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	525,480	621,486	666,530	684,120	568,580	629,864	836,789	457,128	338,333	392,371
Committed	2,853,169	2,413,358	2,061,843	3,561,194	4,145,634	3,472,701	5,996,241	4,485,828	10,979,642	10,935,331
Unassigned	25,996,329	28,338,533	27,297,165	30,764,493	35,078,544	32,989,637	23,524,122	32,905,185	36,169,590	43,822,202
Total General Fund	<u>29,374,978</u>	<u>31,373,377</u>	<u>30,025,538</u>	<u>35,009,807</u>	<u>39,792,758</u>	<u>37,092,202</u>	<u>30,357,152</u>	<u>37,848,141</u>	<u>47,487,565</u>	<u>55,149,904</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	30,840	46,917	48,896	62,165	151,535	150,775	171,635	155,179	137,354	141,389
Restricted	22,754,774	24,595,560	31,272,991	33,409,232	32,950,498	34,219,348	34,961,022	30,665,638	41,725,259	42,273,906
Committed	57,603,158	65,108,250	72,116,986	55,063,188	56,953,479	72,725,077	78,562,670	128,925,381	141,393,669	130,868,423
Assigned	10,491,959	13,392,519	9,851,745	8,994,330	8,681,868	9,033,669	10,343,038	4,872,942	5,889,695	7,414,785
Total all other governmental funds	<u>90,880,731</u>	<u>103,143,246</u>	<u>113,290,618</u>	<u>97,528,915</u>	<u>98,737,380</u>	<u>116,128,869</u>	<u>124,038,365</u>	<u>164,619,140</u>	<u>189,145,977</u>	<u>180,698,503</u>
Total all governmental funds	<u>\$ 120,255,709</u>	<u>\$ 134,516,623</u>	<u>\$ 143,316,156</u>	<u>\$ 132,538,722</u>	<u>\$ 138,530,138</u>	<u>\$ 153,221,071</u>	<u>\$ 154,395,517</u>	<u>\$ 202,467,281</u>	<u>\$ 236,633,542</u>	<u>\$ 235,848,407</u>

\* Note GASB 54 adopted in 2011.

\* GASB 68 adopted in 2015

\* GASB 75 adopted in 2018



**CITY OF LAKE CHARLES, LOUISIANA**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Taxes	\$ 71,638,915	\$ 77,964,674	\$ 81,278,866	\$ 88,826,340	\$ 92,009,560	\$ 92,611,008	\$ 87,324,814	\$ 103,990,347	\$ 106,383,490	\$ 109,077,288
Licenses and permits	6,686,060	6,657,120	9,940,761	6,597,424	6,963,073	6,809,618	6,244,424	6,937,495	7,956,630	7,470,149
Intergovernmental	12,275,671	10,364,017	12,965,781	10,603,497	7,114,980	11,028,912	46,030,080	75,791,591	54,128,050	36,232,146
Charges for services	15,290,879	16,016,725	16,050,508	16,286,940	16,766,116	16,296,708	16,715,346	13,180,823	13,573,787	17,306,981
Fines and forfeitures	253,920	195,139	186,042	301,103	275,630	242,223	195,363	231,726	183,659	167,577
Miscellaneous	1,695,540	3,064,934	1,632,574	2,154,234	3,739,329	5,309,737	10,436,272	46,431,644	2,200,771	10,325,574
Total revenues	107,840,985	114,262,609	122,054,532	124,769,538	126,868,688	132,298,206	166,946,299	246,563,626	184,426,387	180,579,715
<b>Expenditures:</b>										
Current operating:										
General government	2,945,962	3,016,207	3,059,233	3,204,360	3,436,047	3,529,417	3,812,868	3,935,483	4,351,665	4,456,845
Finance	1,594,704	1,610,407	1,739,594	1,714,273	1,757,188	1,875,037	1,994,370	1,962,068	2,101,585	2,032,467
Human Resources	339,091	367,152	374,721	397,613	390,668	416,168	432,246	398,711	424,474	440,786
Fire	14,481,544	14,493,469	14,938,379	15,870,091	16,619,281	17,278,379	18,908,742	19,723,560	20,794,899	20,752,791
Police	17,911,230	18,096,917	18,530,921	19,770,508	20,102,125	21,014,854	23,976,208	21,839,150	23,168,248	24,185,983
Public works	22,045,127	22,093,947	23,986,800	26,421,585	25,131,848	25,497,159	66,926,406	96,722,775	35,904,334	33,233,943
Planning and development	2,535,761	2,679,361	2,521,354	2,611,276	2,741,631	3,160,533	2,703,139	2,898,670	3,987,841	11,046,832
Community services	5,343,835	5,389,074	5,509,270	5,998,397	6,019,381	5,975,181	10,855,986	13,784,514	6,933,110	10,969,560
General services	4,253,097	4,415,871	4,629,048	4,788,886	4,830,710	5,192,395	7,584,015	9,795,484	10,081,701	11,956,523
Capital projects	18,090,669	14,829,729	33,685,525	50,470,051	27,909,851	18,686,556	15,553,814	19,202,581	24,338,447	39,051,068
Debt service:										
Principal	6,790,771	5,405,386	5,722,670	6,664,637	6,833,190	8,043,321	7,332,101	7,479,854	5,909,441	7,199,613
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	3,398,436	4,591,559	2,854,289	2,719,730	2,450,417	2,260,548	1,987,128	1,715,604	1,554,283	1,439,602
Total expenditures	99,730,227	96,989,079	117,551,804	140,631,407	118,222,337	112,929,548	162,067,023	199,458,454	139,550,028	166,766,013
Excess (deficiency) of revenues over expenditures	8,110,758	17,273,530	4,502,728	(15,861,869)	8,646,351	19,368,658	4,879,276	47,105,172	44,876,359	13,813,702
<b>Other financing sources (uses):</b>										
Transfers in	21,798,979	21,876,158	41,585,711	26,615,768	29,122,749	33,981,729	36,076,763	34,391,184	32,257,250	31,334,762
Transfers out	(24,694,561)	(26,354,532)	(44,101,497)	(29,551,673)	(31,880,502)	(38,659,454)	(39,781,593)	(33,424,592)	(52,967,348)	(45,933,599)
Issuance of debt - refunding bonds	-	15,825,000	-	24,140,000	-	-	-	-	-	-
Issuance of debt	98,037	-	6,812,591	8,012,943	102,818	-	-	-	10,000,000	-
Premium on debt issuance	-	906,376	-	3,687,728	-	-	-	-	-	-
Bond refunding-cost of issuance	-	(270,617)	-	(378,726)	-	-	-	-	-	-
Pymnt refunded bond escrow-current	-	-	-	(5,920,000)	-	-	-	-	-	-
Pymnt refunded bond escrow-advance	-	(14,995,000)	-	(19,720,000)	-	-	-	-	-	-
Pymnt refunded bond escrow-interest	-	-	-	(1,801,605)	-	-	-	-	-	-
Total other financing sources(uses)	(2,797,545)	(3,012,615)	4,296,805	5,084,435	(2,654,935)	(4,677,725)	(3,704,830)	966,592	(10,710,098)	(14,598,837)
Net change in fund balances	\$ 5,313,213	\$ 14,260,915	\$ 8,799,533	\$ (10,777,434)	\$ 5,991,416	\$ 14,690,933	\$ 1,174,446	\$ 48,071,764	\$ 34,166,261	\$ (785,135)
Debt service as a percentage of noncapital expenditures	12.90%	12.29%	10.47%	10.23%	9.69%	10.75%	6.83%	5.46%	6.94%	6.84%

**Governmental Activities Tax Revenues by Source**

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	One Percent Sales Tax ('65)	Additional One Percent Sales Tax ('87)	Employee's Pay Quarter cent Sales Tax ('95)	One-Quarter Cent Sales Tax Debt Reserve Fd ('16)	TIFF District One Percent Sales Tax ('18)	Riverboat Gaming Tax	Electric Utility Franchise	Gas Utility Franchise	Cable Television Franchise	Communications Utility Franchise
2014	8,631,895	22,309,909	22,309,909	5,577,484	-	-	9,664,375	4,442,183	474,212	1,036,511	-
2015	9,163,826	24,233,672	24,233,672	6,058,418	-	-	11,054,210	4,339,524	420,979	976,353	-
2016	10,217,089	24,759,696	24,759,696	6,189,924	4,571,836	-	10,799,768	4,098,903	360,464	1,013,598	-
2017	10,616,469	25,695,368	25,695,368	6,423,849	6,372,113	-	10,657,944	4,295,722	406,840	1,020,114	-
2018	10,862,457	26,833,765	26,833,765	6,708,442	6,635,894	1,213	10,735,679	4,378,367	483,545	1,016,254	-
2019	11,246,319	26,711,079	26,711,079	6,677,655	6,619,849	48,461	11,045,969	4,306,206	478,226	1,016,801	-
2020	11,660,793	25,125,185	25,125,185	6,238,871	6,212,813	70,875	9,413,068	4,092,816	423,927	834,228	-
2021	10,742,317	32,801,002	32,801,002	8,200,244	8,198,239	168,171	7,844,826	4,243,419	418,240	575,764	-
2022	12,375,356	31,665,960	31,665,960	7,916,490	7,914,892	337,594	10,850,808	5,524,440	546,199	624,352	-
2023	12,796,055	31,995,079	31,995,079	7,998,770	7,851,618	332,572	12,179,035	5,259,521	557,169	536,016	48,787

**CITY OF LAKE CHARLES, LOUISIANA**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year Ended	Tax Year	Real Property and Mobile		Personal, Business Industry	
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2013	2012	408,917,100	4,089,171,000	106,665,010	711,100,067
2014	2013	432,041,780	4,320,417,800	148,418,710	989,458,067
2015	2014	483,192,030	4,831,920,800	168,282,760	1,121,835,067
2016	2015	516,842,790	5,168,427,900	164,358,110	1,095,720,733
2017	2016	541,069,351	5,410,693,510	159,795,020	1,065,300,133
2018	2017	580,132,590	5,801,325,900	153,211,230	1,021,408,200
2019	2018	597,738,510	5,977,385,100	160,846,330	1,072,308,866
2020	2019	544,637,920	5,446,379,200	158,937,930	1,059,586,200
2021	2020	628,889,200	6,288,892,000	165,061,750	1,100,411,667
2022	2021	653,274,080	6,532,740,800	162,214,730	1,081,431,533
2023	2022	674,377,630	6,743,776,300	202,331,070	1,348,873,800

Note:

(1) Ratios of assessed valuation to actual value are established by state law. Assessment ratios currently applicable to various classes of property are as follows:

- 10% - Land and residential improvements
- 15% - Commercial improvements
- 15% - Personal property
- 25% - Public Utilities

(2) All property assessments are made by the Calcasieu Parish Assessor or the Louisiana Tax Commission. Required reassessments of all properties were made in 2012, 2016, and 2020.

Source: Calcasieu Parish Sheriff & Tax Collector and Calcasieu Parish Tax Assessor

<b>Public Utilities</b>		<b>Total all Property</b>		<b>Total Direct Tax Rate</b>	<b>Assessed Value as a Percentage of Actual Value</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
17,706,110	70,824,440	533,288,220	4,871,095,507	15.35	10.95%
18,114,470	72,457,880	598,574,960	5,382,333,747	15.35	11.12%
17,272,840	71,272,840	669,293,050	6,025,078,707	15.35	11.11%
19,543,930	78,175,720	700,744,830	6,342,324,353	15.23	11.05%
19,986,390	79,945,560	720,850,761	6,555,939,203	15.23	11.00%
17,285,450	69,141,800	750,629,270	6,891,875,900	15.23	10.90%
18,754,200	75,016,800	777,339,040	7,124,710,766	15.23	10.90%
22,068,590	88,274,360	725,644,440	6,594,239,760	15.05	11.00%
25,817,780	103,271,120	819,768,730	7,492,574,787	15.12	10.90%
24,959,810	99,839,240	840,448,620	7,714,011,573	15.12	10.90%
24,606,410	98,425,640	901,315,110	8,191,075,740	15.12	11.00%

**CITY OF LAKE CHARLES, LOUISIANA**

Property Tax Millage Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles		Calcasieu Parish School Board			Calcasieu Parish							
		General and Special Revenue Funds	Total	General Fund	Debt Service Funds	Total	Parish Police Jury	Road Districts	Gravity Drainage	Recreation and Com Centers	Fire Protection	Airport Harbor & Terminal	Parish Water & Sewer	Parish Total
2011	2012	15.35	15.35	18.72	24.00	42.04	33.82	3.53	5.57	5.77	10.85	8.14	15.37	83.05
2012	2013	15.35	15.35	18.04	22.60	40.64	34.01	3.53	5.57	5.77	10.85	8.14	15.37	83.24
2013	2014	15.35	15.35	18.04	22.20	40.24	34.78	4.06	5.57	5.32	10.85	8.14	15.37	84.09
2014	2015	15.35	15.35	18.04	22.20	40.24	35.46	4.06	5.57	7.40	10.85	8.19	15.37	86.90
2015	2016	15.23	15.23	17.23	21.00	38.23	32.86	3.88	5.79	7.93	11.54	8.58	12.51	83.09
2016	2017	15.23	15.23	17.23	21.00	38.23	34.29	3.88	5.79	7.59	11.54	8.58	12.43	84.10
2017	2018	15.23	15.23	17.23	29.85	47.08	34.29	3.88	5.79	7.95	11.54	8.58	14.24	86.27
2018	2019	15.23	15.23	17.23	42.10	59.33	34.09	3.88	5.79	7.60	11.54	8.58	14.24	85.72
2019	2020	15.05	15.05	17.00	37.00	54.00	34.51	3.83	5.71	7.82	11.38	8.45	14.33	86.03
2020	2021	15.12	15.12	17.00	31.50	48.50	36.51	3.83	5.71	7.42	11.38	8.45	14.33	87.63
2021	2022	15.12	15.12	17.00	21.30	38.30	36.41	3.83	5.71	7.21	11.38	8.45	14.33	87.32
2022	2023	15.12	15.12	17.00	20.65	37.65	37.36	3.83	5.71	7.42	11.38	8.45	14.33	88.48

Source: Information obtained from Calcasieu Parish Tax Assessor

Note: Overlapping rates are those of local governmental entities that apply to property owners within the City of Lake Charles. Not all overlapping rates apply to all property owners.

Please note Gravity Drainage District #4 Ward 3L (35) has been consolidated into Consolidated Gravity Drainage #2 East

**CITY OF LAKE CHARLES, LOUISIANA**

Principal Property Taxpayers

Tax Year December 31, 2023 and December 31, 2014

for Fiscal Year Ended September 30, 2023 and September 30, 2014

Taxpayer	Type of Business	2023			2014		
		Assessed Valuation 2022	Rank	Percentage of Total Valuation	Assessed Valuation 2013	Rank	Percentage of Total Valuation
GOLDEN NUGGET LAKE CHARLES LLC	Hotel/Casino	\$ 62,443,210	1	6.93 %			
PNK (LAKE CHARLES) LLC	Hotel/Casino	41,205,090	2	4.57 %	32,465,750	1	5.42 %
ARAMCO ASSOCIATED COMPANY	Oil/Energy	17,070,270	3	1.89 %			
ENTERGY GULF STATES LOUISIANA LLC	Electric Utility	9,449,670	4	1.05 %	8,987,420	2	1.50 %
FIRST HORIZON BANK * IBERIA BANK IN 2020	Bank	7,792,110	5	0.86 %			
HANCOCK WHITNEY	Bank	6,065,260	6	0.67 %			
CARBOLINE CO	Petrochemical Manufacturing	5,363,050	7	0.60 %	3,546,310	6	0.59 %
JP MORGAN CHASE BANK NA	Bank	5,340,770	8	0.59 %	4,043,690	5	0.68 %
WAL-MART REAL ESTATE BUSINESS TRUST	Retail	4,771,350	9	0.53 %	4,466,310	3	0.75 %
CAPITAL ONE NA * HIBERNIA IN 2002	Bank	4,337,070	10	0.48 %	3,153,840	8	0.53 %
BELL SOUTH TELECOMMUNICATIONS	Telephone				4,441,920	4	0.74 %
WOMEN'S & CHILDREN'S HOSPITAL	Hospital				3,265,370	7	0.55 %
SIMON DEBARTOLO GROUP	Retail				2,143,950	9	0.36 %
IBERIA BANK	Bank				1,830,480	10	0.31 %
		<u>\$163,837,850</u>		<u>18.17%</u>	<u>\$ 68,345,040</u>		<u>11.43%</u>

2023 Total city valuation: \$ 901,315,110

2014 Total city valuation: \$ 598,574,960

Source: Calcasieu Parish Tax Collector

# CITY OF LAKE CHARLES, LOUISIANA

## Property Tax Levies and Collections

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Total Tax Levy</b>	<b>Less: Cancellations and Reductions</b>	<b>Net Tax Levy</b>
2014	2013	8,613,145	47,999	8,565,146
2015	2014	9,142,203	58,897	9,083,306
2016	2015	10,283,298	57,120	10,226,178
2017	2016	10,684,965	62,362	10,622,603
2018	2017	10,991,532	144,645	10,846,887
2019	2018	11,445,052	79,203	11,365,849
2020	2019	11,852,788	34,779	11,818,009
2021	2020	10,935,455	138,164	10,797,291
2022	2021	12,409,304	100,033	12,309,271
2023	2022	12,742,324	67,265	12,675,059

Source: Calcasieu Parish Sheriff & Tax Collector

<b>Less: Outstanding Delinquent Taxes</b>	<b>Net Total Taxes Collected</b>	<b>Percent of Net Taxes Collected</b>	<b>Percent of Delinquent Taxes to Net Levy</b>
24,951	8,540,195	99.71	0.29
20,265	9,063,041	99.78	0.22
34,563	10,191,615	99.66	0.34
34,374	10,588,229	99.68	0.32
66,975	10,779,912	99.38	0.62
49,484	11,316,365	99.60	0.44
88,015	11,729,994	99.30	0.75
58,754	10,738,537	98.20	0.55
26,892	12,282,379	98.98	0.22
24,698	12,650,361	99.28	0.20

**CITY OF LAKE CHARLES, LOUISIANA**

Sales Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City of Lake Charles							Calcasieu Parish			State of Louisiana		
		General Fund	Dedicated 1%		Waste Water	Recreation	Capital Project	Employee's Pay	School Board		Law Enforcement	General	Tourism Promotion	Total
			Public Safety	Public Works					General	Salaries				
2014	2015	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	0.50%	0.75%	3.97%	0.03%	9.00%
2015	2016	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.25%	1.50%	*1.00%	0.75%	3.97%	0.03%	9.50%
2016	2017	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	+0.50%	1.50%	1.00%	0.75%	**4.97%	0.03%	10.75%
2017	2018	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	++4.42%	0.03%	10.20%
2018	2019	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%
2019	2020	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%
2020	2021	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%
2021	2022	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%
2022	2023	1.00%	0.20%	0.28%	0.16%	0.08%	0.28%	0.50%	1.50%	1.00%	0.75%	4.42%	0.03%	10.20%

\*Rate increased from 0.50% to 1.00% July 1, 2015

+Rate increased from 0.25% to 0.50% January 1, 2016

\*\*Rate increased from 3.97% to 4.97% April 1, 2016

++Rate decreased from 4.97% to 4.42% July 1, 2018

Morganfield Economic Development District (MEDD) 1% additional rate established January 1, 2018 (total sales tax inside district 11.2%)

Lakefront Economic Development District (LEDD) 1% additional rate established June 1, 2021 (total sales tax inside district 11.2%)

Nelson Economic Development District (LEDD) 1% additional rate established October 1, 2018 (total sales tax inside district 11.2%)

Source: Information obtained from Calcasieu Parish Sales and Use Tax office.



**CITY OF LAKE CHARLES, LOUISIANA**

Principal Sales Taxpayers

Tax Year June 30, 2022 and June 30, 2014

for Fiscal Year Ended September 30, 2023 and September 30, 2014

<u>Type of Business</u>	<u>2023</u>			<u>2014</u>		
	<u>Tax Paid</u>	<u>Rank</u>	<u>Percentage of Total Valuation</u>	<u>Tax Paid</u>	<u>Rank</u>	<u>Percentage of Total Valuation</u>
Retail	\$ 8,056,011	1	9.94%	\$ 5,860,191	1	13.30%
Health Care	4,897,468	2	6.04%	533,530	10	1.21%
Government	4,305,559	3	5.31%	2,720,258	2	6.17%
Hotel and Casino	2,335,098	4	2.88%			
Building Supply	1,665,376	5	2.05%	779,158	4	1.77%
Grocery	1,500,675	6	1.85%	770,872	5	1.75%
Hotel and Casino	1,291,287	7	1.59%	1,388,833	3	3.15%
Health Care	1,104,514	8	1.36%			
Retail	1,030,595	9	1.27%	674,029	7	1.53%
Building Supply	1,023,017	10	1.26%			
Health Care				762,638	6	1.73%
Grocery				663,244	8	1.51%
Grocery				569,262	9	1.29%
	<u>\$ 27,209,599</u>		<u>33.57%</u>	<u>\$ 14,722,015</u>		<u>33.41%</u>

2023 Total sales tax: \$ 81,062,880

2014 Total sales tax: \$ 44,068,157

**CITY OF LAKE CHARLES, LOUISIANA**

Ratios of Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	Bonded Debt									
	LCDA Sewer Refunding Bonds	Deferred Amount LCDA Sewer Refunding Bonds	2007 LCDA Public Improvement Bonds	Deferred Amount LCDA Public Improvement 2007 Bonds	2010 LCDA Public Improvement Bonds	Deferred Amount LCDA Public Improvement 2010 Bonds	2014 LCDA Public Improvement Refinancing Bonds	Deferred Amount LCDA Public Improvement 2014 Bonds	2017 LCDA Public Improvement Refinancing Bonds	
	2014	10,930,000	313,625	25,565,000	753,436	32,315,000	1,370,241	-	-	-
	2015	9,535,000	235,219	9,080,000	256,639	30,410,000	1,169,717	15,775,000	854,085	-
2016	8,100,000	196,016	7,530,000	224,560	28,445,000	1,069,455	15,605,000	784,364	-	
2017	6,600,000	156,813	-	-	6,685,000	259,273	15,430,000	714,643	24,140,000	
2018	5,045,000	117,610	-	-	4,550,000	172,849	13,710,000	644,922	24,140,000	
2019	3,430,000	78,407	-	-	2,315,000	86,425	11,925,000	575,201	24,140,000	
2020	1,750,000	39,204	-	-	-	-	11,760,000	505,480	22,425,000	
2021	-	-	-	-	-	-	11,590,000	435,759	18,200,000	
2022	-	-	-	-	-	-	9,555,000	366,036	15,825,000	
2023	-	-	-	-	-	-	9,380,000	296,315	11,240,000	

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

None of this debt is General Obligation Debt.

See the Schedule of Demographics and Economic Statistics for personal income and population data.

Deferred Amount	Loans						Other Debt	Total of All Debt	Percentage of Personal Income	Per Capita
	2021 LCDA Public Improvement 2017 Bonds	2021 LCDA Public Improvement Bonds	Total Bonded Debt	DHH Loan Direct Placement	DEQ Loan Direct Placement	LC City Court Direct Placement	Total Direct Placement			
-	-	71,247,302	-	4,146,649	2,700,000	6,846,649	-	78,093,951	2.93%	1,063
-	-	67,315,660	-	3,934,648	2,590,000	6,524,648	-	73,840,308	2.75%	986
-	-	61,954,395	-	10,509,239	2,475,000	12,984,239	-	74,938,634	2.68%	985
3,687,728	-	57,673,457	-	17,558,182	2,360,000	19,918,182	-	77,591,639	2.69%	1,010
3,318,955	-	51,699,336	-	16,656,001	2,235,000	18,891,001	-	70,590,337	2.24%	915
2,950,182	-	45,500,215	-	15,642,000	1,105,000	16,747,000	-	62,247,215	1.92%	798
2,581,409	-	39,061,093	-	14,618,000	965,000	15,583,000	-	54,644,093	1.62%	697
2,212,636	-	32,438,395	-	13,462,000	825,000	14,287,000	-	46,725,395	1.45%	551
1,843,864	10,000,000	37,589,900	-	12,295,000	675,000	12,970,000	499,373	50,559,900	1.97%	623
1,475,091	9,080,000	31,471,406	2,317,438	11,117,000	520,000	13,954,438	1,090,917	46,516,761	1.71%	588

**CITY OF LAKE CHARLES, LOUISIANA**

Direct and Overlapping Governmental Activities Debt

As of September 30, 2023

<u>Jurisdiction</u>	<u>Direct Debt</u>	<u>Percentage Applicable to City of Lake Charles</u>	<u>Amount Applicable to Lake Charles</u>
Direct:			
City of Lake Charles	\$ 46,516,761	100%	\$ 46,516,761
Total direct debt	<u>46,516,761</u>		<u>46,516,761</u>
Overlapping:			
Calcasieu Parish School Board	143,761,000	16%	23,099,406
Calcasieu Parish Police Jury	<u>7,873,692</u>	73%	<u>5,746,506</u>
Total overlapping debt	<u>151,634,692</u>		<u>28,845,912</u>
 Total Direct and Overlapping Debt	 <u>\$ 198,151,453</u>		 <u>\$ 75,362,673</u>

Sources: Assessed value data used to estimate applicable percentages provided by Calcasieu Parish Tax Collector.

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 Lake Charles. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden is 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.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the parish's taxable assessed value that is within the government's boundaries and dividing it by the parish's total taxable assessed value.

**CITY OF LAKE CHARLES, LOUISIANA**

Computation of Legal Debt Margin  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	<u>2014</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>
Debt limit	\$ 60,093	\$ 67,169	\$ 70,314	\$ 75,308	\$ 75,325	\$ 78,017	\$ 73,658	\$ 83,219	\$ 85,319	\$ 91,498
Total net debt applicable to limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin	<u>\$ 60,093</u>	<u>\$ 67,169</u>	<u>\$ 70,314</u>	<u>\$ 75,308</u>	<u>\$ 75,325</u>	<u>\$ 78,017</u>	<u>\$ 73,658</u>	<u>\$ 83,219</u>	<u>\$ 85,319</u>	<u>\$ 91,498</u>
applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**Legal Debt Margin Calculation for Fiscal Year 2021**

(amounts expressed in thousands)

Assessed value	\$ 901,315
Add back: exempt real property	<u>13,665</u>
Total assessed value	<u>\$ 914,980</u>
Debt limit (10% of total assessed value)	\$ 91,498
Total outstanding General Obligation Bonds of City of Lake Charles	<u>-</u>
Legal capacity of City of Lake Charles for General Obligation Bonds	<u>\$ 91,498</u>

Note:

Under state finance law, the City of Lake Charles' 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. The City of Lake Charles had \$37,589,900 outstanding bonded debt at September 30, 2022. None of this debt is General Obligation Debt secured by ad valorem taxes, and the amount applicable to the legal debt limitation is therefore zero.

All City of Lake Charles general obligation debt was paid in fiscal year 1997.

## CITY OF LAKE CHARLES, LOUISIANA

Demographic and Economic Statistics

Last Ten Calendar Years

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (amts in thousands)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age</b>	<b>Public City School Enrollment (K-12 Grades)</b>	<b>Private City School Enrollment (K-12 Grades)</b>	<b>Total City School Enrollment (K-12 Grades)</b>	<b>Unemployment Percentage Rate</b>
2013	74,024	2,663,458	35,981	35.0	13,539	3,974	17,513	5.6 %
2014	74,889	2,683,273	35,830	34.1	13,333	4,435	17,768	5.8 %
2015	76,070	2,795,649	36,751	31.8	13,357	4,430	17,787	4.2 %
2016	76,848	2,879,110	37,465	34.1	13,451	3,998	17,449	4.2 %
2017	77,117	3,154,856	40,910	35.0	12,756	4,366	17,122	3.2 %
2018	78,001	3,240,006	41,538	35.2	12,678	4,354	17,032	3.8 %
2019	78,396	3,366,481	42,942	36.2	13,457	3,591	17,048	9.4 %
2020	84,872	3,216,140	37,894	37.6	12,471	3,029	15,500	12.6 %
2021	81,097	2,561,854	31,590	37.6	10,513	2,970	13,483	4.6 %
2022	79,113	2,716,820	34,341	37.7	11,238	2,866	14,104	3.5 %

Notes:

- (1) Estimates for population, income, age and unemployment provided by the Bureau of Labor Statistics and the US Census Bureau
- (2) School enrollment includes public and state approved private schools only as provided by the Calcasieu Parish School Board and the Louisiana Department of Education

**CITY OF LAKE CHARLES, LOUISIANA**

Principal Employers in the MSA

Calendar Year 2023 and 2014

<u>Employer</u>	<u>Type of Business</u>	<u>2023</u>		<u>2014</u>	
		<u>Number of Employees*</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Rank</u>
Calcasieu Parish School System	Education	4,900+	1	4,840	1
Lake Charles Memorial Health System	Health Care	2,600+	2	1,194	4
Turner Industries Group	Contractor	2,100+	3	1,650	2
Westlake Chemical Corporation	Chemicals	2,000+	4		
Golden Nugget	Casino/Hotel/Entertainment	1,700+	5		
L'Auberge Du Lac	Casino/Hotel/Entertainment	1,600+	6	1,308	3
Christus St. Patrick Hospital	Health Care	1,000+	7	939	9
Citgo Petroleum	Oil Products	1,000+	8	1,200	6
Calcasieu Parish Sheriff's Office	Government	930+	9	864	10
City of Lake Charles	Government	850+	10	1,093	8
Axiall Corporation (formerly PPG)	Basic Chemical			1,190	5
Isle of Capri Casino	Gaming			1,155	7
		<u>18,680+</u>		<u>15,433</u>	

Source: SWLA Economic Development Alliance and Imperial Calcasieu Regional Planning and Development (Major Employers in Southwest Louisiana with 100+ full-time, non-contract employees)

MSA: Metropolitan Statistical Area includes all of Calcasieu and Cameron Parish. All top ten employers are in Calcasieu Parish

\*Specific employment numbers were not available from the SWLA Economic Development Alliance for 2022.

## CITY OF LAKE CHARLES, LOUISIANA

### Full-time Equivalent City Employees by Function Last Ten Fiscal Years

<u>Functions/Programs</u>	<u>2014</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>
General government	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5
Finance (includes Water business office)	30	30	30	30	30	30	30	30	30	30
Human Resources	4	4	4	4	4	4.5	4.5	4.5	4.5	4.5
Public safety										
Fire	182	182	182	182	182	182	182	182	182	182
Police	189	189	196	196	196	195	195	195	195	190
Public works	157	157	165.5	165.5	165.5	165.5	165.5	165.5	164.5	166.5
Wastewater	65	65	65.5	65.5	65.5	69.5	69.5	69.5	69.5	69.5
Transit	19	19	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Water utility	56	56	58.5	58.5	58.5	60.5	60.5	60.5	59.5	59.5
Planning and development	24	24	25	25	25	26	26	27.5	31.5	31.5
General services	27.5	27.5	29	30	30	30	30.5	30.5	29.5	30.5
Community Services	71	71	86.5	87	87.5	86.5	81	80	79	66.5
<b>Total</b>	<u>871</u>	<u>871</u>	<u>908</u>	<u>909.5</u>	<u>910</u>	<u>915.5</u>	<u>910.5</u>	<u>911</u>	<u>911</u>	<u>896.5</u>

Source: City budget reports

Note: Personnel count includes full time and regular part-time positions. Temporary and seasonal employees are not included.



**CITY OF LAKE CHARLES, LOUISIANA**

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Legal: Requests for Legal Action	102	103	87	75	69	82	106	41	103	101
Printing/Communication:										
Number of mail pieces metered	121,273	85,851	79,967	61,347	60,135	63,037	58,242	52,116	53,107	53,824
Risk Management:										
Accident reports/investigations	457	503	553	558	558	425	397	349	244	505
Claims	226	249	273	322	322	207	222	191	126	219
Finance/includes Water Business:										
Checks issued	12,025	11,652	13,520	11,412	11,408	11,616	10,066	9,729	10,667	10,509
Occupational licenses processed	5,134	5,193	5,206	5,230	5,263	5,273	4,327	4,230	4,326	5,116
Purchase Orders processed	2,653	2,694	2,938	2,840	2,606	2,820	2,447	2,744	2,658	2,723
Water: Number of customers	30,042	29,980	30,226	30,862	30,993	32,104	30,051	31,288	30,753	31,286
Water: Average daily consumption (millions of gallons per day)	8.42	8.75	8.68	10.73	9.65	9.26	8.52	9.72	7.87	8.17
Human Resources:										
Applications received	1,100	971	1,011	956	825	1,016	500	532	585	610
New hires	325	416	412	417	438	385	80	122	132	227
Employee Health Fair participants	450	530	450	405	289	265	N/A	125	105	150
Public Safety:										
Fire: Calls for service	2,996	3,299	3,619	3,979	4,543	4,327	5,533	4,754	3,979	4,108
Fire: Code inspections	2,929	2,929	2,929	2,929	2,929	3,613	1,086	2,722	1,992	2,351
Police: Calls for service	121,384	106,110	130,060	128,351	132,455	136,471	84,227	81,833	65,972	86,528
Public Works:										
Solid Waste:										
Tons garbage collected	25,563	25,855	26,782	27,048	27,283	26,613	29,002	32,266	33,204	22,861
Tons incinerated	8,343	4,920	4,761	4,351	4,787	4,160	3,729	355	2,334	1,744
Tons trash collected	7,053	7,032	7,295	7,557	7,214	8,184	7,752	10,328	10,318	7,393
Streets: Work Orders	1,734	1,556	2,054	2,054	2,054	1,822	1,550	678	801	997
Transit: Bus riders	267,126	265,459	258,442	262,603	261,964	289,645	95,627	77,763	147,044	181,289
Vehicle Maintenance: Work Orders	5,498	6,078	6,598	6,444	5,660	5,386	4,367	4,871	5,038	4,815
Wastewater: Work Orders	11,898	11,787	13,823	11,195	20,199	24,567	28,325	37,522	32,663	29,912
Planning and Development:										
Building permits issued	4,122	4,603	4,840	4,331	3,983	4,981	5,973	4,415	3,099	4,427
Community Development:										
Down Payment Assistance	14	17	11	3	4	3	0	1	1	1
Rehab/Reconstruction	8	5	3	6	5	9	1	5	5	84
Street Projects	1	0	0	2	2	3	2	1	1	0
Community Services:										
Recreation and Parks										
Athletic teams	913 <sup>+</sup>	823	808	751	654	751	N/A	N/A	N/A	N/A
Summer camp attendance	430	355	355	261	788	780	N/A	N/A	N/A	N/A
Civic Center: Events	340	356	344	332	347	329	148	83	177	216
Golf Course: Rounds of golf	36,641	33,000	32,780	30,439	33,070	27,508	20,407	N/A	N/A	N/A
Art Center/Museum										
Art exhibits	15	16	15	16	16	15	5	12	15	22
Concerts/events	19	28	26	16	15	16	2	13	16	47

Source: Various city departments

+ Includes tournament teams

# CITY OF LAKE CHARLES, LOUISIANA

## Capital Assets Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
	<u>2014</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>
Fire Stations in City limits	8	8	8	8	8	8	8	8	8	8
Fire Stations outside City limits	2	2	2	2	2	2	2	2	2	2
Police:										
Stations	4	3	4	7	7	7	7	2	1	1
Patrol units	111	87	114	154	179	158	158	161	148	118
Solid Waste/Recycling:										
Collection trucks	33	33	33	33	32	29	29	31	34	34
Streets:										
Streets (miles)	534	535	549	553	562	562	562	562	550	550
Streetlights	10,000	11,000	11,000	11,000	11,000	11,000	9,318	9,318	10,000	10,000
Traffic signals	62	64	66	64	66	63	62	60	66	66
Transit:										
Public buses	4	4	5	5	5	6	8	9	9	9
Para-transit buses	2	2	2	2	2	4	4	4	4	4
Trolley	1	1	1	1	1	1	1	1	1	1
Wastewater:										
Sanitary sewers (miles)	600	600	600	600	600	600	600	600	600	600
Storm sewers (miles)	425	425	425	425	425	425	425	425	425	425
Maximum daily treatment capacity (millions of gallons per day)	18	18	18	18	20	20	20	20	19.65	19.65
Water Utility:										
Water mains (miles)	470	473	480	480	490	495	495	525	550	550
Fire hydrants	3,000	3,050	3,100	3,150	3,300	3,350	3,350	3,350	4,000	4,000
Maximum daily capacity (millions of gallons per day)	22	22	22	22	22	22	22	22	22	22
Recreation and Parks:										
Park acreage	502	502	502	502	502	502	502	502	502	502
Parks	33	33	33	33	33	33	33	33	33	33
Swimming pools	2	2	2	2	2	2	2	2	2	2
Spray parks	2	2	2	2	2	2	2	2	2	2
Tennis courts	11	11	11	11	11	11	11	11	11	11
Community Centers	13	13	13	13	13	13	13	13	13	13
Civic Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Art Center/Museum	2	2	2	2	2	2	2	2	2	2

**CITY OF LAKE CHARLES, LOUISIANA**

**UNIFORM GUIDANCE  
SUPPLEMENTARY REPORTS**

**YEAR ENDED SEPTEMBER 30, 2023**

CITY OF LAKE CHARLES  
LAKE CHARLES, LOUISIANA

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

Honorable Mayor Nicholas Hunter  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Audit 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 Lake Charles, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Lake Charles, Louisiana's basic financial statements, and have issued our report thereon dated March 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lake Charles, Louisiana'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 of Lake Charles, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lake Charles, Louisiana'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 may exist that have not been identified.

#### Report on Compliance and Other Matters

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

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*McElroy Quil & Burch*

Lake Charles, Louisiana  
March 27, 2024

05005.000 Audit 9/30/2023 1100.005 Single Audit Report 2023

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

Honorable Mayor Nicholas Hunter  
and City Council  
City of Lake Charles  
Lake Charles, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lake Charles, Louisiana's 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 of Lake Charles, Louisiana's major federal programs for the year ended September 30, 2023. The City of Lake Charles, Louisiana'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 Lake Charles, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2

U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lake Charles, Louisiana and to meet our 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 of Lake Charles, Louisiana'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 of Lake Charles, Louisiana's federal programs.

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

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

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

- Exercise professional judgement 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 of Lake Charles, Louisiana'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 of Lake Charles, Louisiana'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 of Lake Charles, Louisiana'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 have 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.

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 Lake Charles, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Lake Charles, Louisiana's basic financial statements. We issued our report thereon dated March 27, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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.

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.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*M. Elroy Quil + Beach*

Lake Charles, Louisiana  
March 27, 2024

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Type</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>
<b>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>		
Direct Program:		
CDBG Entitlement Grants-Cluster		
Community Development Block Grant	14.218	B-16-MC-22-0004
Community Development Block Grant	14.218	B-18-MC-22-0004
Community Development Block Grant	14.218	B-19-MC-22-0004
Community Development Block Grant	14.218	B-20-MC-22-0004
Community Development Block Grant	14.218	B-21-MC-22-0004
Community Development Block Grant (Covid-19)	14.218	B-20-MW-22-0004
Community Development Block Grant	14.218	B-21-MF-22-0002
Community Development Block Grant	14.218	B-17-MC-22-0004
Community Development Block Grant	14.218	B-19-MC-22-0004
Total CDBG Entitlement Grants-Cluster		
Passed Through Louisiana Department of Administration:		
HUD/HOME Grant Program	14.239	B-15-MC-22-0208
HUD/HOME Grant Program	14.239	B-19-MC-22-0208
HUD/HOME Grant Program	14.239	B-20-MC-22-0208
HUD/HOME Grant Program	14.239	B-21-MC-22-0208
HUD/HOME Grant Program	14.239	B-22-MC-22-0208
Total Passed Through Louisiana Department of Administration		
<b>Total U.S. Department of Housing &amp; Urban Development</b>		

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Period</u>	<u>Grant Receipts</u>	<u>Current Expenditures</u>	<u>Subrecipient Payments</u>
10/1/22-9/30/23	\$ 15,826	\$ 15,826	\$ 10,826
10/1/22-9/30/23	9,816	9,816	9,816
10/1/22-9/30/23	8,000	8,000	-
10/1/22-9/30/23	99,670	99,670	317
10/1/22-9/30/23	4,955,472	4,955,472	19,843
10/1/22-9/30/23	5,000	5,000	-
10/1/22-9/30/23	-	76,237	-
10/1/22-9/30/23	32,529	32,529	-
10/1/22-9/30/23	358,082	358,082	-
	<u>5,484,395</u>	<u>5,560,632</u>	<u>40,802</u>
10/1/22-9/30/23	34,395	34,395	-
10/1/22-9/30/23	1,984	1,984	-
10/1/22-9/30/23	4,103	4,103	-
10/1/22-9/30/23	39,112	39,112	-
10/1/22-9/30/23	22,743	22,743	-
	<u>102,337</u>	<u>102,337</u>	<u>-</u>
	<u>5,586,732</u>	<u>5,662,969</u>	<u>40,802</u>

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Type</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>		
Passed through Louisiana Department of Health:		
Beach Monitoring and Notification Program	66.472	I-10 Beach
Clean Water State Revolving Fund-Cluster	66.458	1019029-01
Drinking Water State Revolving Fund-Cluster	66.468	1019029-02
<b>Total U.S. Environmental Protection Agency</b>		
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed Through Louisiana Department of Military Affairs:		
Immigration and Customs Enforcement	97.067	2023 ICE-HIS
Public Assistance Grant	97.036	FEMA 1607-DR-LA
Public Assistance Grant	97.036	FEMA 4484-DR-LA
Public Assistance Grant	97.036	FEMA 4559-DR-LA
Public Assistance Grant	97.036	FEMA 4570-DR-LA
Public Assistance Grant	97.036	FEMA 4606-DR-LA
Total Assistance Listing Number 97.036		
<b>Total U.S. Department of Homeland Security</b>		
<b>U.S. DEPARTMENT OF TREASURY</b>		
Direct Program:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	American Rescue Plan Act

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Period</u>	<u>Grant Receipts</u>	<u>Current Expenditures</u>	<u>Subrecipient Payments</u>
10/1/22-9/30/23	3,000	3,000	-
10/1/22-9/30/23	4,543,997	4,543,997	-
10/1/22-9/30/23	37,825	37,825	-
	<u>4,584,822</u>	<u>4,584,822</u>	<u>-</u>
10/1/22-9/30/23	5,461	5,461	-
10/1/22-9/30/23	2,586	-	-
10/1/22-9/30/23	133,900	133,900	-
10/1/22-9/30/23	8,955,663	8,955,663	-
10/1/22-9/30/23	1,330,838	1,330,838	-
10/1/22-9/30/23	689,400	689,400	-
	<u>11,112,387</u>	<u>11,109,801</u>	<u>-</u>
	<u>11,117,848</u>	<u>11,115,262</u>	<u>-</u>
10/1/22-9/30/23	-	4,650,744	-

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Type</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Direct Program:		
Federal Highway Planning and Construction-Cluster	20.205	FAP No. STP-1004(541)
Recreational Trails Program	20.219	H.010868
Federal Transit Cluster:		
Federal Transit Formula Grants	20.507	LA-2017-023
Federal Transit Formula Grants	20.507	LA-2020-017
Federal Transit Formula Grants	20.507	LA-2023-003
Federal Transit Formula Grants	20.507	LA-2016-014
Federal Transit Formula Grants	20.507	LA-2017-023
Federal Transit Formula Grants	20.507	LA-2019-001
Federal Transit Formula Grants	20.507	LA-2020-017
Total Federal Transit Cluster		
Total Direct Programs		
Passed Through Louisiana Highway Safety Commission:		
Highway Safety Cluster	20.600	2023-30-35
<b>Total U.S. Department of Transportation</b>		
 <b>U.S. DEPARTMENT OF INTERIOR</b>		
Direct Program:		
Historic Preservation Fund Grants-In-Aid	15.904	P21AF11021
Emergency Supplemental Historic Preservation Fund Grant	15.957	P19AP00011
<b>Total U.S. Department of Interior</b>		

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Period</u>	<u>Grant Receipts</u>	<u>Current Expenditures</u>	<u>Subrecipient Payments</u>
10/1/22-9/30/23	2,680	2,680	-
10/1/22-9/30/23	177,240	177,240	-
10/1/22-9/30/23	26,214	26,214	-
10/1/22-9/30/23	1,182,273	1,182,273	-
10/1/22-9/30/23	990,909	990,909	-
10/1/22-9/30/23	4,352	4,352	-
10/1/22-9/30/23	45,307	45,307	-
10/1/22-9/30/23	19,444	19,444	-
10/1/22-9/30/23	5,262	5,262	-
	<u>2,273,761</u>	<u>2,273,761</u>	<u>-</u>
	<u>2,453,681</u>	<u>2,453,681</u>	<u>-</u>
10/1/22-9/30/23	<u>13,847</u>	<u>13,847</u>	<u>-</u>
	<u>2,467,528</u>	<u>2,467,528</u>	<u>-</u>
10/1/22-9/30/23	21,838	21,838	-
10/1/22-9/30/23	3,367	3,367	-
	<u>25,205</u>	<u>25,205</u>	<u>-</u>



CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Type</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Direct Program:		
Justice Assistance Grant	16.738	15PBJA-22-GG-02562-JAGX
Justice Assistance Grant	16.738	23-NOR-220-AFF
Total Assistance Listing Number 16.738		
Justice Assistance Grant	16.607	2023 BPV
US Marshal Service	16.922	JLEOTFS4 25205
Total U.S. Department of Justice		
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>		
HIDTA Program	95.001	G23GC0001A
<b>TOTAL FEDERAL AWARDS</b>		

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AMOUNTS  
For Period Ending September 30, 2023

<u>Grant Period</u>	<u>Grant Receipts</u>	<u>Current Expenditures</u>	<u>Subrecipient Payments</u>
10/1/22-9/30/23	36,676	36,676	-
10/1/22-9/30/23	11,044	11,044	-
	<u>47,720</u>	<u>47,720</u>	<u>-</u>
10/1/22-9/30/23	8,813	8,813	-
10/1/22-9/30/23	12,059	12,059	-
	<u>68,592</u>	<u>68,592</u>	<u>-</u>
10/1/22-9/30/23	<u>73,700</u>	<u>73,700</u>	<u>-</u>
	<u>\$ 23,924,427</u>	<u>\$ 28,648,822</u>	<u>\$ 40,802</u>

CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended September 30, 2023

Note A. Scope of Audit

The audit was performed pursuant to the *Single Audit Act of 1996* and the *Uniform Guidance*.

Summary of significant accounting policies:

The Schedule of Expenditures of Federal Awards has been prepared on the full accrual basis of accounting used by the City in preparation of the government wide financial statements that report these awards.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note B. Disbursements

Disbursements reported in the Schedule of Expenditures of Federal Awards cannot be traced, in every case, directly to the disbursements reported in the City's Comprehensive Annual Financial Report. However, the detailed information regarding the disbursements reflected in both issued reports can be traced to the City's detailed general ledger with adjustments for any year-end financial statement accruals and reversals.

Note C. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City that were received directly from federal agencies or passed through other entities and governmental agencies.

The City has prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of the Uniform Guidance. The Uniform Guidance stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures of each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and for other federal financial awards that have not been assigned a catalog number.

Note D. Major Federal Awards Program

The City's major federal awards programs for the year ended September 30, 2023 were determined based on program activity. The City's major programs for the year ended September 30, 2023 consisted of 3 federally assisted high risk "Type A" programs, and 0 federally assisted high risk "Type B" programs.

Note E. Department of Environmental Quality Loan

The Department of Environmental Quality (DEQ) Loan is a loan program through which the State of Louisiana receives federal money to then loan to municipalities to improve water treatment. The U.S. Environmental Protection Agency (USEPA) is the federal agency administering the grant. The Louisiana Department of Environmental Quality (LDEQ) is the pass-through agency. The City of Lake Charles received money from the State under the loan program. The City of Lake Charles entered into the loan agreement on June 23, 2011 for an amount not to exceed \$21,000,000. The DEQ loan disburses funds to the City of Lake Charles after the expenditure is made. Interest of .45% per annum on the outstanding balance is paid semi-annually. At September 30, 2023, the principal balance is \$11,117,000.

Note H. Clean Water State Revolving Funds Loan

The Clean Water State Revolving Funds (CWSRFs) Loan is a loan program through which the City of Lake Charles received federal money to repair and construct wastewater treatment facilities to meet the requirements of the Clean Water Act. The U.S. Environmental Protection Agency (USEPA) is the federal agency administering the grant. The City of Lake Charles received money from the State under the loan program. The City of Lake Charles entered into the loan agreement on May 17, 2023 for an amount not to exceed \$20,000,000. Under the agreement, 49% of expenditures are forgiven up to \$3,000,000. Interest of 1.95% per annum on the outstanding balance is paid quarterly. At September 30, 2023, the principal balance is \$2,317,438.

Note G. Subrecipient Payments

Assistance Listing		Grant Number	Subrecipient	Amount
Grant	Number			
CDBG	14.218	B-16-MC-22-0004	Robotics Education	10,826
CDBG	14.218	B-18-MC-22-0004	Robotics Education	9,816
Total Robotics Education				20,642
CDBG	14.218	B-20-MC-22-0004	SWLA Center for Health Services	317
CDBG	14.218	B-21-MC-22-0004	SWLA Center for Health Services	19,843
Total SWLA Health Services				20,160
Total Subrecipient Payments				40,802

Note H. Indirect Cost Rate

The City did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified  
Internal control over financial reporting:  
Material weakness identified?  Yes  No  
Significant deficiency identified not  
Considered to be material weakness?  Yes  None reported  
Noncompliance material to financial statements  
noted  Yes  No

Federal Awards

Internal control over major programs:  
Material weakness identified?  Yes  No  
Significant deficiency identified not  
Considered to be material weakness?  Yes  None reported

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

Any audit findings disclosed that are required  
to be reported in accordance with the Uniform  
Guidance?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
14.218	CDBG Entitlement Grants-Cluster
66.458	Clean Water State Revolving Fund-Cluster

Dollar threshold used to distinguish  
between Type A and Type B programs: \$ 859,465

Auditee qualified as low-risk auditee?  Yes  No

(continued on next page)

CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended September 30, 2023  
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings to report.

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No findings to report.

CITY OF LAKE CHARLES, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended September 30, 2023

**SECTION IV - PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

2022-001 Deposits in Excess of Federally Insured Amounts

Condition: Deposits in excess of federally insured amounts were not fully collateralized at year end.

Recommendation: Management should ensure that all deposits in excess of federally insured amounts are collateralized.

Current Status: This condition has been resolved.

**SECTION V - PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

No Prior Year Findings



INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the City council of the City of Lake Charles  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas of the City of Lake Charles identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. Management of the City of Lake Charles is responsible for those C/C areas identified in the SAUPs.

The City of Lake Charles 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 October 1, 2022 through September 30, 2023. 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***

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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, and (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).

*No exceptions noted.*

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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.

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

## 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**

---

- 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 selected each 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 or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

*No exceptions noted.*

- iii. Management has documentation reflecting that 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

---

- 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

*No exceptions noted.*

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

*No exceptions noted.*

- iii. Each employee responsible for collecting cash is not 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.

*No exceptions noted.*

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is (are) not 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). 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 that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions noted.*

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

*No exceptions noted.*

**5) Non-Payroll Disbursements (excluding credit 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, then 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 procedure #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 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 procedure #5B above, as applicable.

*No exceptions noted.*

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

*No exceptions noted.*

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

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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.

*No exceptions noted.*

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

*No exceptions noted.*

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



compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions noted.*

## **7) Travel and Expense Reimbursement**

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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:

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established 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 that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No exceptions noted.*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii).

*No exceptions noted.*

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions noted.*

## **8) Contracts**

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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. 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:

- 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 that the original contract terms provided for such an amendment: and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).

*No exceptions noted.*

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

*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 five 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 that 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee/officials' 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, and 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 five 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*N/A – No bonds or debt instruments issued during the fiscal period.*

- 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.

*No misappropriations of assets during the fiscal period.*

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

*No exceptions noted.*

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

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A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

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

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

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

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

### **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 that the report 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.

*No exceptions noted.*

- ii. Number of sexual harassment complaints received by the agency.

*No exceptions noted.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred.

*No exceptions noted.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

*No exceptions noted.*

- v. Amount of time it took to resolve each complaint.

*No exceptions noted.*

We were engaged by the City of Lake Charles 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 of Lake Charles and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*M. Gray David + David*

Lake Charles, Louisiana  
March 27, 2024