

City of Denham Springs, State of Louisiana



***ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT***

For The Year Ended June 30, 2022

**Annual Comprehensive
Financial Report
of the**

CITY OF DENHAM SPRINGS

Denham Springs, Louisiana

**For the Fiscal Year Ended
June 30, 2022**

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



INTRODUCTION

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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DENHAM SPRINGS, LOUISIANA**

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Denham Springs

MAYOR
GERARD LANDRY

CITY CLERK
JOAN LEBLANC

CITY TREASURER
MICHELLE W. HOOD

December 30, 2022

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Denham Springs (City) for the fiscal year ended June 30, 2022.

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

Hannis T. Bourgeois, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Denham Springs for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected were based on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The independent auditor's opinion on the primary government was unmodified in that the financial statements of the primary government of the City of Denham Springs present fairly, in all material respects, the respective financial position included in each of the components of the financial statements. During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Questioned Cost, and the Auditor's Report on Compliance and on Internal Control over Financial Reporting is included in a separately issued report and is available upon request.

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

Profile of the Government

The City of Denham Springs, incorporated in 1903, is located on the western side of Livingston Parish and is adjacent to East Baton Rouge Parish, which contains the state's capital city of Baton Rouge and is a major industrial area. The City currently occupies a land area of 7 square miles and serves a population of 10,102. The City of Denham Springs is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

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

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

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

The financial statements included in this ACFR are as follows:

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

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

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

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

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

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

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

Factors Affecting Financial Condition

Economic Condition and Outlook

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

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

Located within the City of Denham Springs are several financial institutions, pharmacies, varied retail outlets, retail discount stores, and restaurants and fast-food chains. There is still vacant land available for growth within the Bass Pro Development area.

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

The region (which includes the City of Denham Springs and the surrounding unincorporated area within Livingston Parish) has an employed labor force of approximately 68,024. This is according to the Louisiana Department of Labor June 2022 employment numbers. The City's central business district continues to maintain its current 97-100 percent occupancy rate with a variety of stores, specialty shops, and commercial businesses.

Major Initiatives in 2022

Long-term financial planning.

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

Highway Infrastructure Improvements

- **Road Transfer Credits.** The City entered into a Cooperative Endeavor Agreement with the State of Louisiana in November 2016 that transferred ownership of state route LA 1030, known as Cockerham Road, from North Range Avenue east to the end of the corporate limits and state route LA 3282, known as Centerville Street, from North Range Avenue to Hatchell Lane. In consideration for acquiring these roadways, the State issued \$856,318 in road transfer credits for the City to use on current and future road projects undertaken with the State. These road transfer credits can be used to fund the City's cost share of the road projects. As of June 30, 2022, the City has utilized \$357,493 of the road transfer credits.

- Benton Lane overlay. This overlay project was completed this fiscal year at a final cost of \$923,079. The construction costs of this project were funded at 80% by the state with a 20% City share. The City paid 100% of engineering costs for this project.
- Centerville Street sidewalk project. The City has been awarded funding for the construction of sidewalks on the north side of Centerville Street from Summers Street to Denham Springs Junior High through the Transportations Alternatives Project program. The City will have a cost share for construction costs of 20% and will also be responsible for costs related to design and construction administration. As of June 30, 2022, the City has not incurred any expenses related to this project.
- Yellow Jacket Boulevard overlay. This project is to overlay the roadway and shoulders to restore and rehabilitate the deteriorating asphalt. The City will be responsible for the engineering cost for this project, along with 20% of the construction costs. As of June 30, 2022, the City has incurred \$101,025 in design and engineering costs. Construction began during the summer of 2022.
- East Railroad Avenue. This project will include the removal of existing pavement, new Portland cement concrete pavement, removing and replacing subsurface drainage pipes and structures, and re-sealing concrete pavement joints and pavement striping. The City will be responsible for the engineering cost for this project. The City is also responsible for 20% of the construction costs. The City has incurred \$60,400 in design costs as of June 30, 2022. Construction is anticipated to begin late spring/summer 2023.
- Cook Road Extension. This 4-lane curb and gutter roadway with a grass median is a State and Parish Project and will provide access between Pete’s Highway and Juban Road (LA 1026) that is expected to be an economic catalyst in the immediately surrounding area. This is a project expected to require a minimum of five years to complete between utility relocations and upgrades and the construction work. Utility relocations began in the spring of 2022 and will be followed by drainage/roadway construction.

Acknowledgements

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

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

Respectfully submitted,

City of Denham Springs



Michelle Hood
City Treasurer

CITY OF DENHAM SPRINGS
PRINCIPAL ELECTED OFFICIALS

JUNE 30, 2022

Mayor:

H. Gerard Landry

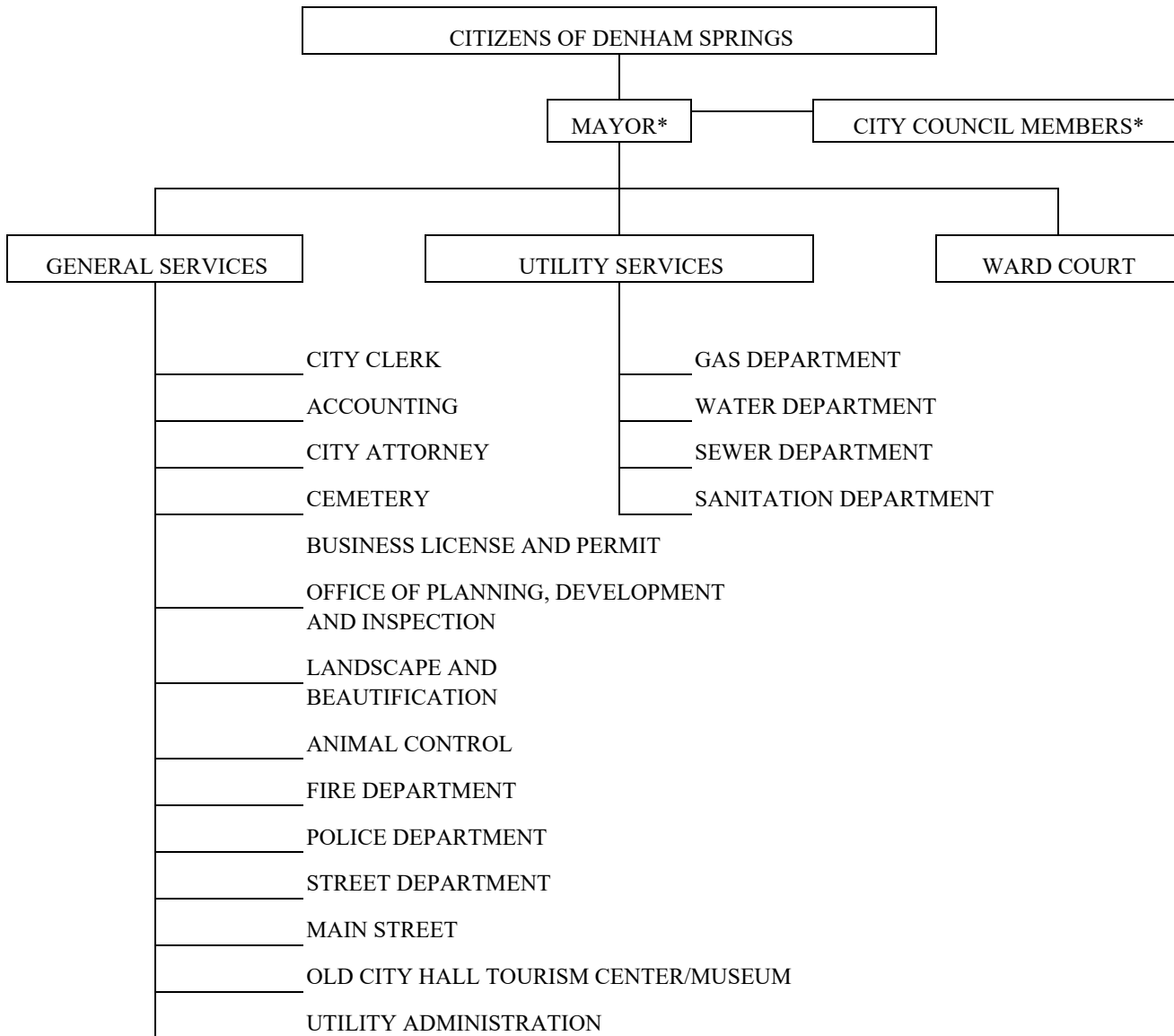
City Council Members:
Current Terms Expire December 31, 2022:

Lori Lamm-Williams
Jeffrey Wesley
Robert Poole
Laura Schmitt Smith
Amber Dugas

CITY OF DENHAM SPRINGS

ORGANIZATIONAL CHART

JUNE 30, 2022



* ELECTED OFFICIALS



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Denham Springs
Louisiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable H. Gerard Landry, Mayor
and Members of the City Council
Denham Springs, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Denham Springs, Louisiana as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We also have audited the financial statements of the City's nonmajor internal service fund and each of the governmental funds presented in the accompanying combining financial statements as of and for the year ended June 30, 2022, as listed in the table of contents as exhibits D-1 through D-4.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Denham Springs, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the general fund for the year ended in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the non-major internal service fund and each non-major governmental fund of the City of Denham Springs, Louisiana, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof and the budgetary comparison schedule of the Capital Projects Fund and the Special Revenue Fund (exhibits D-3 and D-4) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Denham Springs' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities of the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. We did not audit the financial statements of the Marshal of City Court of Denham Springs – Ward Two and the City Court of Denham Springs – Ward II, which represent 2.01 percent, .89 percent, and 90.21 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by another auditor whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Marshal of City Court of Denham Springs – Ward Two and the City Court of Denham Springs – Ward II, are based solely on the reports of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of proportionate share of the net pension liability by plan, and the schedule of contributions by plan on pages 6 through 19 and 112 through 118 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Denham Springs, Louisiana’s basic financial statements. The introductory section, the capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), the schedule of justice system funding – receiving entity (Schedule 4), and the statistical section (Schedules 5 through 24) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital assets schedules (Exhibits E-1 through E-3), the supplementary schedule of insurance coverage in force (Schedule 3), and the schedule of justice system funding – receiving entity (Schedule 4), are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages iv through xi and the statistical section (Schedules 5 through 24) but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the City of Denham Springs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Denham Springs' internal control over financial reporting and compliance.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 30, 2022

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

As management of the City of Denham Springs, Louisiana, we offer readers of the City of Denham Springs, Louisiana's financial statements this narrative overview and analysis of the financial activities of the City of Denham Springs, Louisiana, for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv-viii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City's primary government exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39,522,395 (*net position*).
- The primary government's total net position compared to prior year of \$29,938,188 increased by \$9,584,207.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,698,079, an increase of \$5,201,819 in comparison with the prior year combined ending fund balances of \$7,496,260. Approximately eighty-eight percent of this total amount, \$11,175,219, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,175,219 or 88 percent of total general fund expenditures.
- The City's total liabilities decreased by \$5,260,528 during the current fiscal year. Governmental Activities liabilities decreased \$2,678,400 while liabilities for Business-Type activities decreased \$2,582,128. Significant to these changes were decreases in net pension liability of \$4,355,392 and an increase in current liabilities of \$1,724,279 for Governmental Activities and decreases in liabilities due in more than one year of \$1,984,224 and net pension liability of \$804,172 for Business-Type Activities.
- The City's total deferred outflows of resources decreased by \$1,374,833 during the current fiscal year. Governmental Activities saw a decrease in Deferred Outflows-Related to Pensions of \$946,632. Business-Type Activities also saw a decrease in Deferred Outflows-Related to Pensions of \$248,442. Additionally, Business-Type Activities saw a decrease in Deferred Amount on refunding of \$179,759.
- The City's total deferred inflows of resources related to pensions increased by \$2,674,302 during the current fiscal year. Governmental Activities increased by \$2,284,209 while Business-Type activities increased by \$390,093.

Overview of the Financial Statements

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

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

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

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

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Denham Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Denham Springs can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

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

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

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

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

Cash management policies and practices of the City of Denham Springs conservatively invest idle funds in public funds interest bearing checking accounts through Capital One, N.A. All cash and investments are collateralized with securities pledged by the financial institution and held in our name by an approved third-party custodial bank. Procedures followed and securities pledged are in accordance with the Statutes of the State of Louisiana. The average yield on the public funds interest bearing checking account was 0.15% for the fiscal year ended June 30, 2022.

During the fiscal year ended June 30, 2022, management believes the City is fully insured for all major risks, such as General Liability, Worker's Compensation, Employee and Public Official Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program at June 30, 2022.

Additional information on the City of Denham Springs cash management policies and practices and risk management can be found in the notes to the financial statements on pages 42-110 of this report.

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

Government-wide Financial Analysis

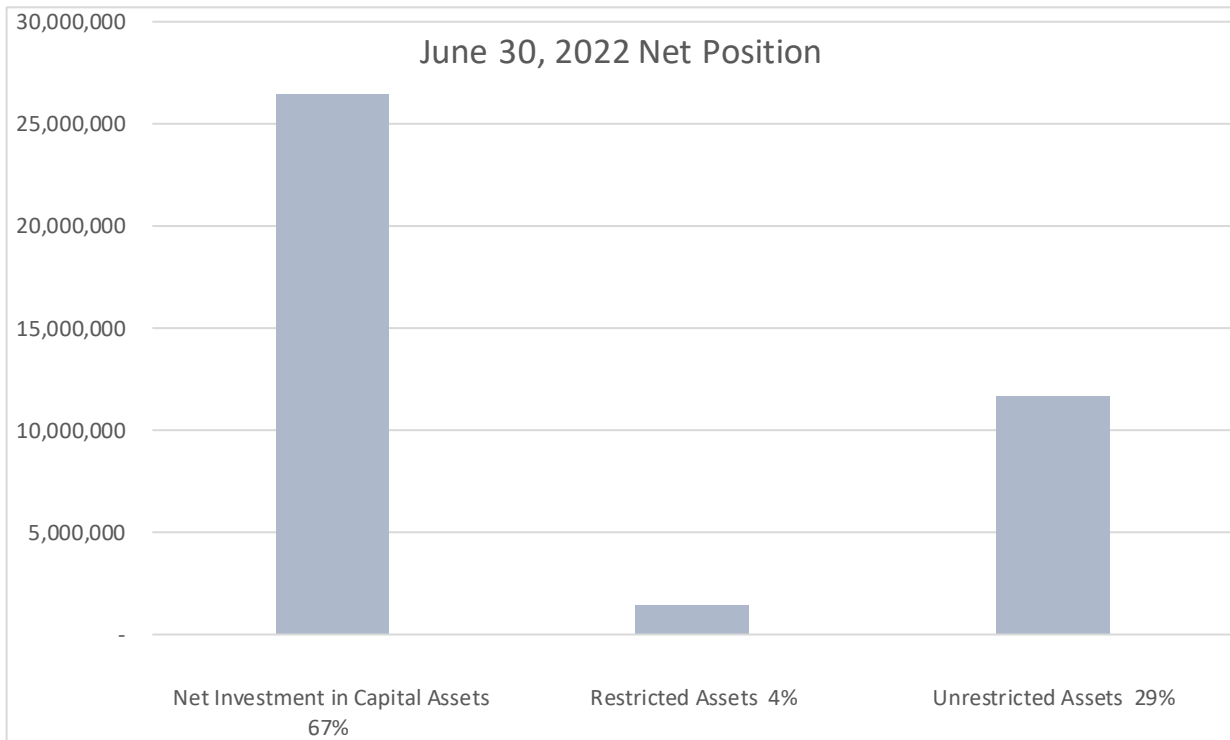
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Denham Springs, assets exceeded liabilities by \$39,522,395 at the close of the most recent fiscal year.

The following table reflects the Condensed Statement of Net Position for June 30, 2022 with comparative figures from 2021.

City of Denham Springs
Condensed Statement of Net Position
June 30, 2022 and 2021

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets: | | | | | | |
| Current and Other Assets | \$ 15,999,399 | \$ 9,037,489 | \$ 8,578,591 | \$ 8,136,414 | \$ 24,577,990 | \$ 17,173,903 |
| Restricted Assets | - | - | 4,099,569 | 4,012,937 | 4,099,569 | 4,012,937 |
| Capital Assets | 13,229,604 | 13,338,114 | 55,912,527 | 54,921,922 | 69,142,131 | 68,260,036 |
| Total Assets | 29,229,003 | 22,375,603 | 68,590,687 | 67,071,273 | 97,819,690 | 89,446,876 |
| Deferred Outflows of Resources: | | | | | | |
| Deferred Amount on Refunding | - | - | 4,780,161 | 4,959,920 | 4,780,161 | 4,959,920 |
| Deferred Outflows - Related to Pensions | 1,997,936 | 2,944,568 | 313,051 | 561,493 | 2,310,987 | 3,506,061 |
| Total Deferred Outflows of Resources | 1,997,936 | 2,944,568 | 5,093,212 | 5,521,413 | 7,091,148 | 8,465,981 |
| Liabilities: | | | | | | |
| Current Liabilities | 3,455,896 | 1,731,617 | 4,626,074 | 4,419,806 | 8,081,970 | 6,151,423 |
| Long-Term Liabilities | 6,524,981 | 10,927,660 | 46,842,510 | 49,630,906 | 53,367,491 | 60,558,566 |
| Total Liabilities | 9,980,877 | 12,659,277 | 51,468,584 | 54,050,712 | 61,449,461 | 66,709,989 |
| Deferred Inflows of Resources: | | | | | | |
| Deferred Inflows - Related to Pensions | 3,490,905 | 1,206,696 | 448,077 | 57,984 | 3,938,982 | 1,264,680 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 13,229,604 | 13,338,114 | 13,173,742 | 12,487,605 | 26,403,346 | 25,825,719 |
| Restricted | 1,466,494 | 1,346,577 | - | - | 1,466,494 | 1,346,577 |
| Unrestricted (Deficit) | 3,059,059 | (3,230,493) | 8,593,496 | 5,996,385 | 11,652,555 | 2,765,892 |
| Total Net Position | \$ 17,755,157 | \$ 11,454,198 | \$ 21,767,238 | \$ 18,483,990 | \$ 39,522,395 | \$ 29,938,188 |

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



By far the largest portion of the City of Denham Springs’s net position, \$26,403,346, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). The City of Denham Springs uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Denham Springs’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City of Denham Springs’ net position, 4 percent or \$1,466,494, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$11,652,555 represents unrestricted net position.

The City’s net position increased by \$9,584,207 during the current fiscal year as compared to 2021’s increase of \$5,742,240. Attributable to this increase is an increase in net investment in capital assets of \$577,627, an increase in restricted net position of \$119,917, and an increase in unrestricted net position of \$8,886,663.

The condensed statement below provides a summary of the changes in net position for the year ended June 30, 2022, with comparative figures from 2021.

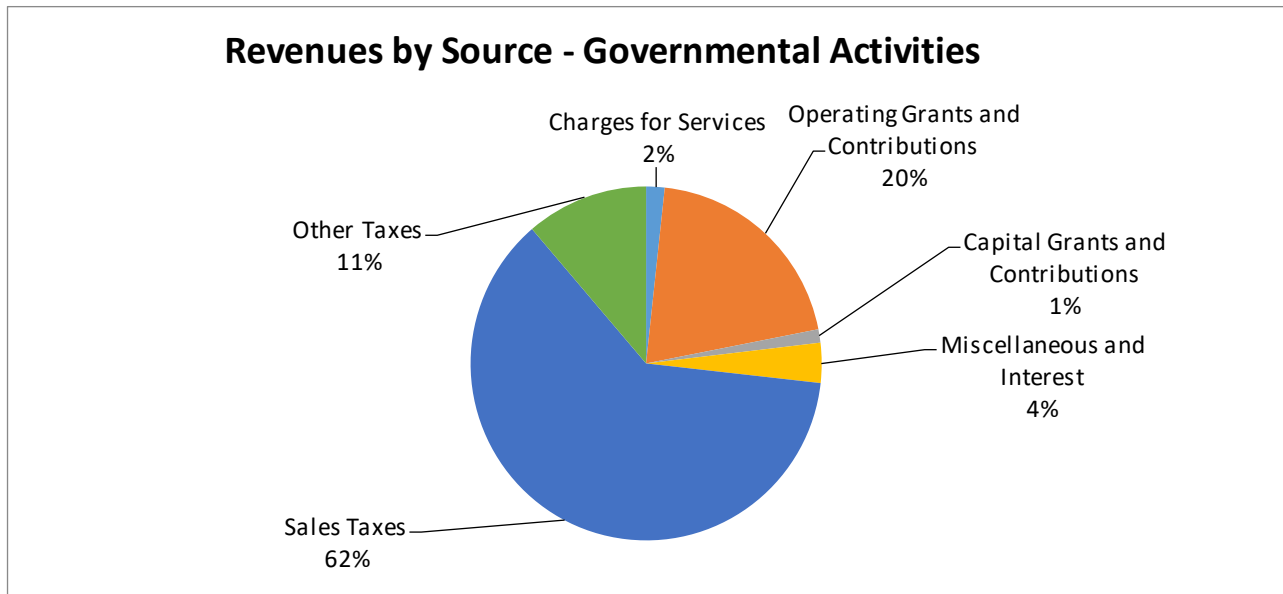
| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 351,806 | \$ 403,848 | \$ 14,422,462 | \$ 13,113,367 | \$ 14,774,268 | \$ 13,517,215 |
| Operating Grants and Contributions | 2,376,218 | 1,555,812 | 648,917 | 140,282 | 3,025,135 | 1,696,094 |
| Capital Grants and Contributions | 252,452 | 1,700,139 | 417,360 | 1,157,738 | 669,812 | 2,857,877 |
| General Revenues: | | | | | | |
| Sales Taxes | 12,828,637 | 9,039,502 | - | - | 12,828,637 | 9,039,502 |
| Other Taxes | 2,332,913 | 2,210,518 | - | - | 2,332,913 | 2,210,518 |
| Insurance Proceeds | 72,140 | - | - | - | 72,140 | - |
| Net Gain (Loss) on Disposition of Capital Assets | - | - | 22,005 | - | 22,005 | - |
| Miscellaneous | 667,235 | 531,881 | 20,495 | 44,298 | 687,730 | 576,179 |
| Other | 16,474 | 39,176 | 58,949 | 69,975 | 75,423 | 109,151 |
| Total Revenues | 18,897,875 | 15,480,876 | 15,590,188 | 14,525,660 | 34,488,063 | 30,006,536 |
| Expenses: | | | | | | |
| General Government | 2,620,747 | 3,016,726 | - | - | 2,620,747 | 3,016,726 |
| Public Safety | 6,683,595 | 7,458,341 | - | - | 6,683,595 | 7,458,341 |
| Highways and Streets | 3,044,298 | 1,656,236 | - | - | 3,044,298 | 1,656,236 |
| Health | 50,175 | 44,183 | - | - | 50,175 | 44,183 |
| Culture and Recreation | 198,101 | 170,057 | - | - | 198,101 | 170,057 |
| Gas | - | - | 3,465,088 | 2,984,418 | 3,465,088 | 2,984,418 |
| Water | - | - | 2,160,155 | 2,205,944 | 2,160,155 | 2,205,944 |
| Sewer | - | - | 5,726,433 | 5,884,985 | 5,726,433 | 5,884,985 |
| Sanitation | - | - | 955,264 | 843,406 | 955,264 | 843,406 |
| Total Expenses | 12,596,916 | 12,345,543 | 12,306,940 | 11,918,753 | 24,903,856 | 24,264,296 |
| Increase (Decrease) in Net Position | 6,300,959 | 3,135,333 | 3,283,248 | 2,606,907 | 9,584,207 | 5,742,240 |
| Net Position - Beginning of Year | 11,454,198 | 8,318,865 | 18,483,990 | 15,877,083 | 29,938,188 | 24,195,948 |
| Net Position - End of Year | <u>\$17,755,157</u> | <u>\$11,454,198</u> | <u>\$ 21,767,238</u> | <u>\$ 18,483,990</u> | <u>\$ 39,522,395</u> | <u>\$ 29,938,188</u> |

Governmental activities. Governmental activities increased the City of Denham Springs's net position by \$6,300,959. Key elements of this net increase are documented below.

Total revenues from Governmental activities increased by \$3,416,999 over the prior year caused mainly by the following:

- Sales taxes increased by 41.9% or \$3,789,135 during the fiscal year.
- Charges for services decreased \$52,042 during the fiscal year.
- Operating grants and contributions increased \$820,406 during the fiscal year. This net increase is mainly attributable to an increase in FEMA funding related to Hurricane Ida preparation and recovery work received from FEMA and the Louisiana Office of Community Development, Disaster Recovery Unit in the current year as compared to the prior year.

- Capital Grants and Contributions decreased by \$1,447,687. This is mainly attributable to a decrease in reimbursement from FEMA and OCD-DRU for the purchase and remodel of the new City Hall building in the prior year

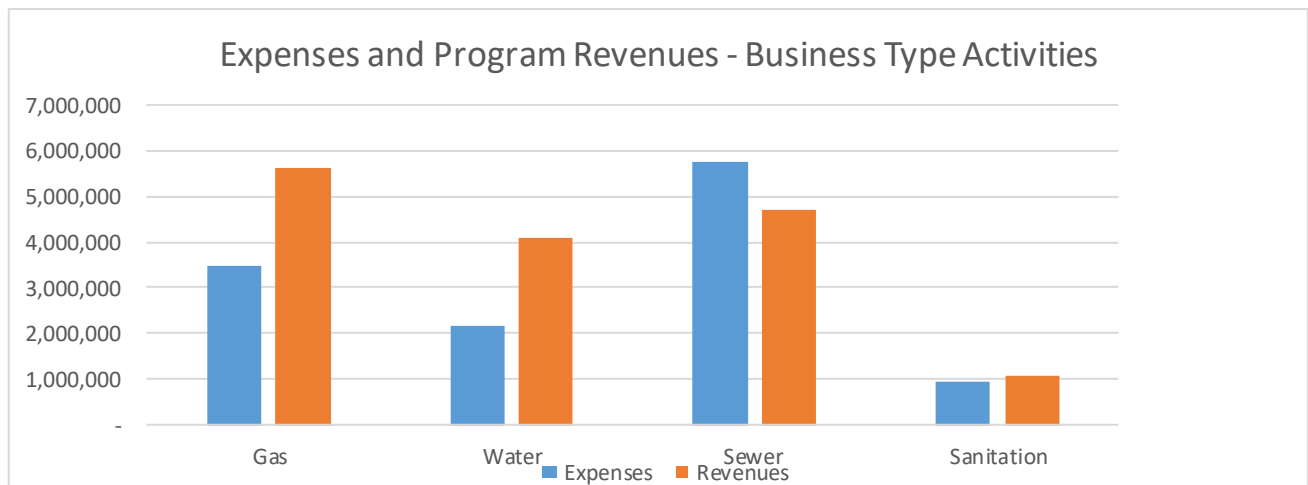


Total expenses from Governmental Activities increased by \$251,373, or 2%, primarily due to the following reasons:

- Total salaries charged to governmental activities increased from \$5,081,630 to \$5,164,612, for a net increase of \$89,982 or 1.6%.
- Related payroll taxes and employee benefits charged to governmental activities decreased from \$2,635,053 to \$1,564,822 for a net decrease of \$1,070,231. The majority of the decrease is due to a decrease in the current net pension liability expense adjustment.
- General Government, other than salaries and benefits, decreased a net of approximately \$395,979. There was a decrease in professional fees of \$484,740, primarily related to FEMA grant work in the prior year to elevate homes. These decreases were slightly offset by increases in repairs and maintenance of \$47,703 and miscellaneous expenses of \$48,270.
- Public Safety activities other than salaries and benefits increased approximately \$56,000. Making up this increase were increases in equipment expense of \$102,504 and a decrease in animal care expenses of \$29,616.
- Highways and Streets activities not related to payroll and benefits increased approximately \$1,229,141. The increase in comprised of increases in contract services of \$1,167,775 related to Hurricane Ida debris removal and drainage maintenance of \$159,723 related to a project at the intersection of Jean and Elmer streets.
- Culture and Recreation activities not related to payroll and benefits decreased approximately \$2,070.
- Depreciation expense for Governmental Activities increased by approximately \$154,202.

Business-type activities. Business-type activities increased the City of Denham Springs’s net position by \$3,283,248. Key elements to this net increase are documented below.

- Overall charges for services for business-type activities increased \$1,077,352 compared to the prior fiscal year. Gas charges for services increased \$733,070, water charges for services increased \$195,088, sewer charges for services increased \$205,149 and sanitation charges for services increased by \$111,858. Gas charges for services increase is attributable to a 14% increased cost of natural gas. Additionally, all lines of service experienced customer growth resulting in increased revenues. This growth is the result of a new subdivision development just outside of the city limits but within our service areas.
- Business-type activities expenses increased \$388,187.
 - Gas Department expenses increased \$480,670 compared to the prior fiscal year. This increase was primarily attributable to increases of \$542,207 in the amount of natural gas purchased and direct labor of \$55,759. This was partially offset by a decrease in infrastructure maintenance and repairs of \$159,121
 - Water Department expenses decreased by \$45,789 compared to the prior fiscal year.
 - Sewer Department expenses decreased by \$158,552 compared to the prior fiscal year. This decrease is mostly related to decreases of approximately \$63,020 in direct labor and related benefits, flood expenses of \$38,931, and miscellaneous expenses of \$39,787
 - Sanitation Department expenses increased \$111,818 compared to the prior fiscal year. This was related to an increase in amounts charged by Republic for solid waste pickup of city residences.



Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the City of Denham Springs's governmental funds reported combined ending fund balances of \$12,698,079, an increase of \$5,201,819 in comparison with the prior fiscal year. In accordance with GASB #54, the governmental fund reporting includes classifications for Nonspendable, Restricted For, Committed To, Assigned To, and Unassigned. Approximately 88% of this total amount, \$11,175,219, constitutes unassigned fund balance, which is available for spending at the government's discretion. Nonspendable fund balance is \$1,314,733 or 10%. Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The City Nonspendable classification meet both (a) and (b). Prepaid Insurance meets Nonspendable (a) and Permanent Fund Principal meets Nonspendable (b). Permanent Fund Principal is established to generate income to pay for the perpetual care of the municipal cemetery. Restricted fund balances are restricted to specific purposes (witness fees and Lakeland Acres Subdivision 1994 paving certificates debt service). Restricted fund balances are \$172,136 or 1%. Assigned fund balance is constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed, except for stabilization arrangements. Assigned to Capital Projects ended the fiscal year with a fund balance of \$35,991 or less than 1%. The City does not have any Governmental Fund "Committed To" fund balances for this fiscal year ended. Committed To amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Committed to amounts are established by authorization specifying the purposes of which the amount can be used (for example legislation, resolution, ordinance). The authorization specifying the purposes for which amounts can be used should have the consent of both the City Council and Mayor.

The general fund is the chief operating fund of the City of Denham Springs. At the end of the current fiscal year total general fund balance is \$11,195,594. General fund balance has two classifications in accordance with GASB #54. Nonspendable - prepaid insurance fund balance of \$20,375 or less than 1%, and Unassigned fund balance of \$11,175,219 or 99%. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 85 percent of total general fund expenditures. Total fund balance represents 85 percent of total general fund expenditures.

During the current fiscal year, the fund balance of the City of Denham Springs' general fund increased by \$5,055,021, as compared to the prior fiscal year net increase in fund balance of \$839,802. Key factors in this increase are as follows:

- General fund revenue resulted in a net increase of \$3,787,469 compared to the prior fiscal year. Key factors to this net decrease are:
 - Increase in net tax revenues of \$3,907,642. This increase is mostly attributable to increases in sales taxes of \$3,789,135 and electrical franchise taxes of \$101,852.
 - Increase in licenses and permits of \$15,067.
 - Increase in interest income of \$4,599.
 - Decrease in intergovernmental revenue of \$28,098.
 - Decrease in miscellaneous revenue of \$53,345
- Key to future revenue growth will be economic stability of Livingston Parish and the southeastern portion of the State of Louisiana.
- General fund expenditures resulted in a net increase of \$193,846 compared to the prior fiscal year. Key factors in this net increase are:
 - General government expenditures decreased by \$1,357,757 or 35%. This decrease was comprised of a reduction in building costs of \$845,150 related to the remodel of a new city hall in the prior year and a decrease in professional fees of \$484,740, mostly related to work performed in the prior year under FMA grants to raise flood prone homes.

- Public Safety expenditures increased \$84,457 or 1%.
- Highways and Street expenditures increased \$1,365,818 or 96%. The increase is related to increases in contract services of \$1,167,775, related to Hurricane Ida debris removal, and drainage maintenance costs of \$159,723 for drainage projects throughout the city.
- Culture and Recreation activities decreased \$233,904 from the prior year. The decrease is primarily related to the construction of a pavilion at the site of the former city hall in the prior year.
- Other Financing Uses increased \$233,904 related to operating transfers out to the Capital Projects fund and the Motor Pool fund.
- Pension and other postemployment benefits – Substantially all employees of the City of Denham Springs are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Municipal Police Employees Retirement System of Louisiana (MPERS), or Firefighters Retirement System of Louisiana. These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate State appointed board of trustees.
- Additional information on the City of Denham Springs’ pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the notes to the financial statements.
- Of concern is the related retirement benefit enjoyed by City employees. The City continues to monitor the State administered retirement system employer rates. For this fiscal period the rate for all plans the City participates in are as follows:

| | <u>Prior Employer Rate</u> | <u>Current Employer Rate</u> | <u>Rate Increase</u> |
|--|------------------------------------|--------------------------------------|--------------------------|
| Municipal Employees’ Retirement System of Louisiana | 15.50% | 15.50% | 0.0% |
| Municipal Police Employees’ Retirement System of Louisiana | 33.75% | 29.75% | (4.0%) |
| Firefighters’ Retirement System of Louisiana | 32.25% | 33.75% | 1.5% |

Overall retirement contributions decreased \$15,764 for the fiscal year ended June 30, 2022. The net decreases break down as follows:

| | <u>FY 20-21</u> | <u>FY 21-22</u> | <u>Increase (Decrease)</u> |
|---|---------------------|---------------------|--------------------------------|
| Municipal Employees’ Retirement System of Louisiana | \$ 489,098 | \$ 494,074 | \$ 4,976 |
| Municipal Police Employees’ Retirement System | 538,261 | 485,376 | (52,885) |
| Firefighters’ Retirement System of Louisiana | <u>397,095</u> | <u>429,240</u> | <u>32,145</u> |
| Total | <u>\$1,424,454</u> | <u>\$1,408,690</u> | <u>\$ (15,764)</u> |

Permanent Fund has a total nonspendable – permanent fund principal fund balance of \$1,294,358, compared to the prior year nonspendable – permanent fund principal balance of \$1,177,368. This is the Cemetery Care Permanent Fund used to account for principal trust amounts received and related interest income. The interest income portion of the trust can be used to maintain the City’s cemetery.

Special revenue fund – witness fee fund has a restricted fund balance of \$168,867, compared to a prior year restricted fund balance of \$165,940. This fund is used to account for the cost of court appearances by police officers at the City Court of Denham Springs – Ward II to provide testimony.

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

In the Utility Enterprise fund, charges for services increased \$1,222,142. Attributable to this net increase are increases in charges for gas services of \$733,070, charges for water services of \$195,088, charges for sewer services of \$118,196, and charges for sanitation services of \$175,788.

Operating expenses increased \$480,689. This increase is primarily attributable to increases in natural gas purchased of \$542,207, contract services of \$113,739, utilities of \$44,883, and depreciation of \$94,653. The increases are offset by decreases in personnel and benefits costs of \$124,394 and repairs and maintenance of \$187,164.

Unrestricted Net Position of the Utility Enterprise Fund at the end of the year amounted to \$17,989,341. The factors concerning the enterprise fund have already been addressed in the discussion of the City of Denham Springs’ business-type activities.

The Denham Springs Sewerage District No. 1 (DSSD #1) unrestricted net position - (deficit) at the end of the year amounted to (\$9,395,845), compared to unrestricted net position - (deficit) for the prior fiscal year of (\$8,679,099). Net investment in capital assets is \$3,241,641. Sewer operations generated a decrease in net position of \$284,971. As of June 30, 2022 the DSSD #1 was billing 2,679 customers and the average bill was \$39.40 per month per customer. The Denham Springs Sewerage District No.1 owed \$10,136,086 to the City of Denham Springs Utility Fund as of June 30, 2022. This amount represents cash transfers in support of DSSD #1 debt sinking payments and operational costs. Recommended is the Denham Springs Sewer District No. 1 rate structure be increased to meet debt service and operational cost.

General Fund Budgetary Highlights

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

Revenues:

Total final budgeted revenues increased by \$5,741,476 over the original budget. Key to this increase is:

- An increase in FEMA Disaster Grants of \$1,068,259 in response to recovery from Hurricane Ida.
- An increase in Other Federal Grant revenue related to the 2018 and 2019 FMA grants of \$1,450,000.
- Sales tax revenue increased by \$2,800,000, primarily due to the increased receipts from Bass Pro district that resulted from the payoff of the bonds.
- Decreases in police fines by \$128,250.
- An increase in occupational licenses of \$125,000.
- An increase in electrical franchise tax of \$100,000.
- An increase in other grants of \$400,000.

Expenditures:

Total budgeted appropriations were increased by \$653,109. The largest increases were Hurricane Ida recovery related in the Street Department for the pickup of debris.

Other Financing (Uses):

The budget was decreased for operating transfers out to Capital Projects Fund of \$230,071 for general fund infrastructure improvements and increased for operating transfers to Motor Pool Fund.

Capital Asset and Debt Administration

Capital assets. The City of Denham Springs’ investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$69,142,131 (net of accumulated depreciation). This investment in capital assets includes land, servitudes acquisition cost, buildings and systems, improvements, machinery and equipment, roads, highways, and drainage.

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

- Construction of a new animal shelter building and a pavilion at the former city hall site were completed. Additionally, police purchased 2 pursuit vehicles and 19 computers, street department purchased a backhoe and 2 trucks, and the fire department made a partial payment on a new pumper that is being built.
- Construction of the Benton Lane overlay project was completed and engineering work was done on Yellow Jacket Boulevard and East Railroad Avenue overlay projects.

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

- The City had Gas system expansion costs of \$81,897 placed in service during the year, along with \$363,350 in costs for a gas line expansion in the Hillon Hood road area, south of the city limits. Additionally, the City has incurred \$930,695 for water expansion and repair projects and \$1,596,039 for sewer projects that are in progress. These are upgrade and repairs from damage incurred during the August 2016 flood.

City of Denham Springs
Capital Assets
(Net of Accumulated Depreciation)
June 30, 2022 and 2021

| | Governmental | | Business-Type | | Total | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Activities | | Activities | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land and Right-of-Ways | \$ 1,800,321 | \$ 1,800,321 | \$ 4,285,343 | \$ 4,285,343 | \$ 6,085,664 | \$ 6,085,664 |
| Buildings and Improvements | 4,775,762 | 3,759,183 | 327,425 | 289,556 | 5,103,187 | 4,048,739 |
| Gas System | - | - | 1,514,027 | 1,549,784 | 1,514,027 | 1,549,784 |
| Water System | - | - | 7,565,922 | 7,926,376 | 7,565,922 | 7,926,376 |
| Sewer System | - | - | 38,055,392 | 37,493,553 | 38,055,392 | 37,493,553 |
| Machinery and Equipment | 2,924,925 | 3,202,227 | 1,085,294 | 884,378 | 4,010,219 | 4,086,605 |
| Infrastructure | 3,191,473 | 2,594,884 | - | - | 3,191,473 | 2,594,884 |
| Construction in Progress | 537,123 | 1,981,499 | 3,079,124 | 2,492,932 | 3,616,247 | 4,474,431 |
| Total | \$ 13,229,604 | \$ 13,338,114 | \$ 55,912,527 | \$ 54,921,922 | \$ 69,142,131 | \$ 68,260,036 |

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

Long-term debt. At the end of the current fiscal year, the City of Denham Springs had total debt outstanding of \$47,518,949. This debt is secured by utility service charges and lawfully available funds. There are no general obligation bonds outstanding by the City of Denham Springs at June 30, 2022.

City of Denham Springs
General Obligation and Revenue Bonds
June 30, 2022 and 2021

| | Governmental | | Business-Type | | Total | |
|---------------|--------------|------|---------------|------------|------------|------------|
| | Activities | | Activities | | | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue Bonds | - | - | 47,518,949 | 49,436,012 | 47,518,949 | 49,436,012 |

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

Economic Factors and Next Year’s Budgets and Rates

- The revised June 2022 unemployment rate for the City of Denham Springs was 3.2 percent, which is lower than the revised rate of 4.2 percent a year ago. This compares favorably to both the state’s revised average unemployment rate of 3.8 percent and the revised national average rate of 3.6 percent.
- The occupancy rate of the City’s central business district has remained from 97-100 percent for the past several years.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Denham Springs’ budget for the 2023 fiscal year. Current fiscal year end June 30, 2022 unassigned fund balance in the general fund is \$11,175,219. The City adopted a 2023 fiscal year general fund budget setting anticipated revenue of \$18,736,227 and anticipated appropriation expenditures of \$14,810,349 thereby anticipating a net surplus of \$3,925,878.

Budgeted general fund revenues anticipate a net decrease of \$543,324 compared to the FYE 2022 amended adopted budget. The variances in the budgeted revenues are due to FEMA grants related to Hurricane Ida.

Budgeted general fund expenditures anticipate a net increase of \$1,023,574 compared to the FYE 2022 amended adopted budget. The variance in the expenditures are related to road and drainage projects.

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



BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

CITY OF DENHAM SPRINGS
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2022

| | Primary Government | | | Component Units | | |
|--|----------------------------|-----------------------------|----------------------|---|---|--|
| | Governmental Activities | Business-Type Activities | Total | City Court of Denham Springs - Ward II | Marshal of City Court of Denham Springs - Ward II | Denham Springs Economic Development District |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 12,391,789 | \$ 6,619,988 | \$ 19,011,777 | \$ 215,401 | \$ 116,305 | \$ 2,549 |
| Receivables, Net | 496,004 | 1,309,338 | 1,805,342 | 1,395 | 9,838 | 12,106 |
| Due from Other Governments | 3,092,540 | 75,858 | 3,168,398 | - | - | - |
| Due from Component Unit | 20,535 | - | 20,535 | - | - | - |
| Internal Balances | (41,252) | 41,252 | - | - | - | - |
| Inventories | 19,408 | 455,097 | 474,505 | - | - | - |
| Prepaid Items | 20,375 | 77,058 | 97,433 | - | - | - |
| Restricted Assets: | | | | | | |
| Cash | - | 4,099,569 | 4,099,569 | - | - | 3,699,246 |
| Receivable | - | - | - | - | - | 611 |
| Capital Assets: | | | | | | |
| Land and Construction in Progress | 2,337,444 | 7,364,467 | 9,701,911 | - | - | 7,303,750 |
| Other Capital Assets, Net of Depreciation | 10,892,160 | 48,548,060 | 59,440,220 | 72,772 | 30,207 | 19,328,792 |
| Net Pension Asset | - | - | - | 83,329 | 94,432 | - |
| Total Assets | <u>29,229,003</u> | <u>68,590,687</u> | <u>97,819,690</u> | <u>372,897</u> | <u>250,782</u> | <u>30,347,054</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred Amount on Refunding | - | 4,780,161 | 4,780,161 | - | - | - |
| Deferred Outflows - Related to Pensions | 1,997,936 | 313,051 | 2,310,987 | 76,041 | 12,916 | - |
| Total Deferred Outflows of Resources | <u>1,997,936</u> | <u>5,093,212</u> | <u>7,091,148</u> | <u>76,041</u> | <u>12,916</u> | <u>-</u> |
| LIABILITIES | | | | | | |
| Accounts Payable, Accrued Expenses, and Unearned Revenue | 3,234,742 | 2,577,895 | 5,812,637 | 27,680 | 12,916 | 3,685,329 |
| Due to Primary Government | - | - | - | - | 20,535 | - |
| Non-Current Liabilities: | | | | | | |
| Due Within One Year | 221,154 | 2,048,179 | 2,269,333 | 331 | - | - |
| Due in More Than One Year: | | | | | | |
| Other Amounts Due in More Than One Year | 663,463 | 45,726,672 | 46,390,135 | - | - | - |
| Net Pension Liability | 5,861,518 | 1,115,838 | 6,977,356 | 223,241 | - | - |
| Total Liabilities | <u>9,980,877</u> | <u>51,468,584</u> | <u>61,449,461</u> | <u>251,252</u> | <u>33,451</u> | <u>3,685,329</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred Inflows - Related to Pensions | 3,490,905 | 448,077 | 3,938,982 | 115,755 | 73,831 | - |
| NET POSITION (DEFICIT) | | | | | | |
| Net Investment in Capital Assets | 13,229,604 | 13,173,742 | 26,403,346 | 72,772 | 30,207 | 26,632,542 |
| Restricted for: | | | | | | |
| Cemetery Care: | | | | | | |
| Nonexpendable | 1,294,358 | - | 1,294,358 | - | - | - |
| Civil Fees | - | - | - | 93,271 | - | - |
| Witness Fees | 168,867 | - | 168,867 | - | - | - |
| Other | 3,269 | - | 3,269 | - | - | - |
| Unrestricted (Deficit) | 3,059,059 | 8,593,496 | 11,652,555 | (84,112) | 126,209 | 29,183 |
| Total Net Position (Deficit) | <u>\$ 17,755,157</u> | <u>\$ 21,767,238</u> | <u>\$ 39,522,395</u> | <u>\$ 81,931</u> | <u>\$ 156,416</u> | <u>\$ 26,661,725</u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2022

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | | | | | |
|--|--|-------------------------|--|--|----------------------------|-----------------------------|----------------------|---|---|--|
| | Program Revenues | | | | Primary Government | | | Component Units | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | City Court of Denham Springs - Ward II | Marshal of City Court of Denham Springs - Ward II | Denham Springs Economic Development District |
| Primary Government: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 2,620,747 | \$ - | \$ 388,589 | \$ 2,130 | \$ (2,230,028) | \$ - | \$ (2,230,028) | \$ - | \$ - | \$ - |
| Public Safety | 6,683,595 | 340,986 | 773,059 | 127,107 | (5,442,443) | - | (5,442,443) | - | - | - |
| Highways and Streets | 3,044,298 | 10,820 | 1,199,545 | 123,215 | (1,710,718) | - | (1,710,718) | - | - | - |
| Health | 50,175 | - | - | - | (50,175) | - | (50,175) | - | - | - |
| Culture and Recreation | 198,101 | - | 15,025 | - | (183,076) | - | (183,076) | - | - | - |
| Total Governmental Activities | <u>12,596,916</u> | <u>351,806</u> | <u>2,376,218</u> | <u>252,452</u> | <u>(9,616,440)</u> | <u>-</u> | <u>(9,616,440)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Business-Type Activities: | | | | | | | | | | |
| Gas | 3,465,088 | 5,548,140 | 76,233 | - | - | 2,159,285 | 2,159,285 | - | - | - |
| Water | 2,160,155 | 3,870,379 | 236,929 | - | - | 1,947,153 | 1,947,153 | - | - | - |
| Sewer | 5,726,433 | 3,945,857 | 335,755 | 417,360 | - | (1,027,461) | (1,027,461) | - | - | - |
| Sanitation | 955,264 | 1,058,086 | - | - | - | 102,822 | 102,822 | - | - | - |
| Total Business-Type Activities | <u>12,306,940</u> | <u>14,422,462</u> | <u>648,917</u> | <u>417,360</u> | <u>-</u> | <u>3,181,799</u> | <u>3,181,799</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 24,903,856</u> | <u>\$ 14,774,268</u> | <u>\$ 3,025,135</u> | <u>\$ 669,812</u> | <u>(9,616,440)</u> | <u>3,181,799</u> | <u>(6,434,641)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Component Units: | | | | | | | | | | |
| City Court of Denham Springs - Ward II | \$ 639,579 | \$ 535,942 | \$ 14,744 | \$ 211 | - | - | - | (88,682) | - | - |
| Marshal of City Court of Denham Springs - Ward II | 521,069 | 198,038 | 121,117 | - | - | - | - | - | (201,914) | - |
| Denham Springs Economic Development District | 1,349,483 | 56,784 | - | - | - | - | - | - | - | (1,292,699) |
| Total Component Units | <u>\$ 2,510,131</u> | <u>\$ 790,764</u> | <u>\$ 135,861</u> | <u>\$ 211</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(88,682)</u> | <u>(201,914)</u> | <u>(1,292,699)</u> |
| General Revenues: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | | | | | 360,576 | - | 360,576 | - | - | - |
| Sales | | | | | 12,828,637 | - | 12,828,637 | - | - | 64,514 |
| Occupational and Permits | | | | | 1,154,801 | - | 1,154,801 | - | - | - |
| Franchise | | | | | 817,536 | - | 817,536 | - | - | - |
| Miscellaneous | | | | | 667,235 | 20,495 | 687,730 | 5,472 | 7,157 | - |
| Interest Income | | | | | 16,474 | 58,949 | 75,423 | 1,924 | 57 | 1,395 |
| Insurance Proceeds | | | | | 72,140 | - | 72,140 | - | - | - |
| Net Gain (Loss) on Disposition of Capital Assets | | | | | - | 22,005 | 22,005 | - | - | - |
| Payments from the City of Denham Springs | | | | | - | - | - | 46,860 | 198,524 | - |
| Total General Revenues | | | | | <u>15,917,399</u> | <u>101,449</u> | <u>16,018,848</u> | <u>54,256</u> | <u>205,738</u> | <u>65,909</u> |
| Change in Net Position | | | | | 6,300,959 | 3,283,248 | 9,584,207 | (34,426) | 3,824 | (1,226,790) |
| Net Position (Deficit) - Beginning of Year | | | | | 11,454,198 | 18,483,990 | 29,938,188 | 116,357 | 152,592 | 27,888,515 |
| Net Position (Deficit) - End of Year | | | | | <u>\$ 17,755,157</u> | <u>\$ 21,767,238</u> | <u>\$ 39,522,395</u> | <u>\$ 81,931</u> | <u>\$ 156,416</u> | <u>\$ 26,661,725</u> |

The accompanying notes are an integral part of this statement

CITY OF DENHAM SPRINGS

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2022

| | General | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 10,831,996 | \$ 1,501,392 | \$ 12,333,388 |
| Receivables: | | | |
| Ad Valorem Taxes, Net | 16,136 | - | 16,136 |
| Other | 479,818 | 50 | 479,868 |
| Due from Other Funds | - | - | - |
| Due from Other Governments | 3,089,767 | 2,773 | 3,092,540 |
| Due from Component Units | 20,535 | - | 20,535 |
| Prepaid Insurance | 20,375 | - | 20,375 |
| Total Assets | <u>\$ 14,458,627</u> | <u>\$ 1,504,215</u> | <u>\$ 15,962,842</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 323,964 | \$ 1,730 | \$ 325,694 |
| Payroll Taxes Payable | 9,528 | - | 9,528 |
| Retirement and Group Insurance Payable | 138,119 | - | 138,119 |
| Accrued Salaries and Wages | 151,851 | - | 151,851 |
| Due to Other Funds | 41,252 | - | 41,252 |
| Unearned Revenue - ARPA | 1,806,523 | - | 1,806,523 |
| Other Liabilities | 791,796 | - | 791,796 |
| Total Liabilities | <u>3,263,033</u> | <u>1,730</u> | <u>3,264,763</u> |
| FUND BALANCES | | | |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Prepaid Insurance | 20,375 | - | 20,375 |
| Permanent Fund Principal | - | 1,294,358 | 1,294,358 |
| Restricted For: | | | |
| Witness Fees | - | 168,867 | 168,867 |
| Other Purposes | - | 3,269 | 3,269 |
| Assigned To: | | | |
| Capital Projects | - | 35,991 | 35,991 |
| Unassigned | 11,175,219 | - | 11,175,219 |
| Total Fund Balances | <u>11,195,594</u> | <u>1,502,485</u> | <u>12,698,079</u> |
| Total Liabilities and Fund Balances | <u>\$ 14,458,627</u> | <u>\$ 1,504,215</u> | <u>\$ 15,962,842</u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS

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

JUNE 30, 2022

| | | |
|---|---------------------|-----------------------------|
| Fund Balances-Total Governmental Funds | | \$ 12,698,079 |
| <p>Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:</p> | | |
| <p>Capital Assets Used in Governmental Activities are not Financial Resources and are not Reported in the Governmental Funds</p> | | |
| Governmental Capital Assets | 26,086,491 | |
| Less Accumulated Depreciation | <u>(12,905,812)</u> | 13,180,679 |
| <p>Long-Term Liabilities are not Due and Payable in the Current Period and Therefore are not Reported in the Governmental Funds:</p> | | |
| Compensated Absences Payable | | (858,711) |
| Net Pension Liability | | (5,816,362) |
| Deferred Outflows of Resources Related to Pensions are not Reported in Governmental Funds | | 1,980,626 |
| Deferred Inflows of Resources Related to Pensions are not Reported in Governmental Funds | | (3,472,684) |
| <p>The Motor Pool Internal Service Fund is Used by Management to Charge the Cost of Vehicle Repairs to Individual Funds. The Assets and Liabilities of the Internal Service Fund are Included in Governmental Activities in the Statement of Net Position - Motor Pool Internal Service Fund Net Position</p> | | |
| | | <u>43,530</u> |
| Net Position of Governmental Activities | | <u><u>\$ 17,755,157</u></u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

| | General | Other Governmental Funds | Total Governmental Funds |
|--|---------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Taxes | \$ 14,243,923 | \$ - | \$ 14,243,923 |
| Licenses and Permits | 1,154,801 | - | 1,154,801 |
| Fines and Forfeits | 307,675 | - | 307,675 |
| Interest | 15,221 | 1,253 | 16,474 |
| Fees | 19,122 | 6,780 | 25,902 |
| Intergovernmental | 2,371,662 | 37,001 | 2,408,663 |
| Miscellaneous | 248,225 | 122,490 | 370,715 |
| Total Revenues | 18,360,629 | 167,524 | 18,528,153 |
| Expenditures: | | | |
| Current: | | | |
| General Government | 2,552,306 | 10,606 | 2,562,912 |
| Public Safety | 7,629,478 | - | 7,629,478 |
| Highways and Streets | 2,792,637 | - | 2,792,637 |
| Health | 50,175 | - | 50,175 |
| Culture and Recreation | 148,690 | - | 148,690 |
| Capital Outlay: | | | |
| Highways and Streets | - | 134,582 | 134,582 |
| Total Expenditures | 13,173,286 | 145,188 | 13,318,474 |
| Excess (Deficiency) of Revenues over Expenditures | 5,187,343 | 22,336 | 5,209,679 |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 124,462 | 124,462 |
| Transfers Out | (204,462) | - | (204,462) |
| Insurance Proceeds | 72,140 | - | 72,140 |
| Total Other Financing Sources (Uses) | (132,322) | 124,462 | (7,860) |
| Net Change in Fund Balances | 5,055,021 | 146,798 | 5,201,819 |
| Fund Balances at Beginning of Year | 6,140,573 | 1,355,687 | 7,496,260 |
| Fund Balances at End of Year | \$ 11,195,594 | \$ 1,502,485 | \$ 12,698,079 |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS

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

FOR THE YEAR ENDED JUNE 30, 2022

| | | |
|---|--------------------|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ 5,201,819 |
| Amounts Reported for Governmental Activities in the Statement of Activities are Different Because: | | |
| <p>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.</p> | | |
| Capital Outlay | 1,024,970 | |
| Depreciation Expense | <u>(1,124,296)</u> | (99,326) |
| <p>In the Statement of Activities, Only the Gain on the Sale of Capital Assets is reported. However, in the Governmental Funds, the Proceeds from the Sale Increase Financial Resources. Thus, the Change in Net Position Differs from the Change in the Fund Balance by the Cost of the Capital Assets Sold.</p> | | |
| Add Accumulated Depreciation on Capital Assets Retired | | 24,580 |
| Less Cost Basis of Capital Assets Retired During the Year | | (24,580) |
| <p>Some Expenses Reported in the Statement of Activities do not Require the use of Current Financial Resources and are not Reported as Expenditures in Governmental Funds.</p> | | |
| (Increase) Decrease in Compensated Absences Payable | | 64,245 |
| (Increase) Decrease in Pension Expense | | 814,696 |
| <p>Proportionate Share of Non-employer Contributions to the Pension Plans do not Provide Current Financial Resources and, Therefore, are not reported as Revenues in the Governmental Funds.</p> | | |
| | | 297,582 |
| <p>Internal Service Funds are Used by Management to Charge the Costs of Certain Activities to Individual Funds. The Net Revenue (Expense) of the Internal Service Fund is Reported with Governmental Activities.</p> | | |
| | | <u>21,943</u> |
| Change in Net Position of Governmental Activities | | <u>\$ 6,300,959</u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|------------------------------|------------------|------------|------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes: | | | | |
| Ad Valorem Taxes | \$ 365,277 | \$ 365,277 | \$ 360,576 | \$ (4,701) |
| Alcoholic Beverage Tax | 60,000 | 60,000 | 62,311 | 2,311 |
| Cable TV Franchise Tax | 125,000 | 120,000 | 119,784 | (216) |
| Chain Store Tax | 28,000 | 25,000 | 25,120 | 120 |
| Charitable Gaming Tax | 125,000 | 130,000 | 149,743 | 19,743 |
| Electrical Franchise Taxes | 575,000 | 675,000 | 696,559 | 21,559 |
| Sales Taxes | 8,700,000 | 11,500,000 | 12,828,637 | 1,328,637 |
| Wrecker Franchise Tax | 1,650 | 1,400 | 1,193 | (207) |
| | 9,979,927 | 12,876,677 | 14,243,923 | 1,367,246 |
| Licenses and Permits: | | | | |
| Occupational Licenses | 900,000 | 1,025,000 | 1,025,383 | 383 |
| Other Permits and Licenses | 119,125 | 121,025 | 129,418 | 8,393 |
| | 1,019,125 | 1,146,025 | 1,154,801 | 8,776 |
| Fines and Forfeits: | | | | |
| Ward II Court | 429,500 | 301,250 | 307,675 | 6,425 |
| Forfeiture Funds | - | - | - | - |
| | 429,500 | 301,250 | 307,675 | 6,425 |
| Interest Income | 10,000 | 13,000 | 15,221 | 2,221 |
| Fees: | | | | |
| Animal Adoption Fees | 10,000 | 10,000 | 8,302 | (1,698) |
| Road Maintenance Fees | 10,820 | 10,820 | 10,820 | - |
| | 20,820 | 20,820 | 19,122 | (1,698) |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---------------------------------|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Intergovernmental: | | | | |
| Federal Government: | | | | |
| Office of Community | | | | |
| Development DRU Grant | 150,000 | 42,170 | - | (42,170) |
| FEMA Disaster Grants | 463,651 | 1,531,910 | 1,392,025 | (139,885) |
| Other Grant Revenue | 750,000 | 2,200,000 | 361,781 | (1,838,219) |
| State Government: | | | | |
| Fire Insurance Commissions | 50,000 | 50,000 | 98,079 | 48,079 |
| Fire Department Grants | - | - | - | - |
| Law Enforcement Grants | 10,000 | 5,000 | 5,556 | 556 |
| On Behalf Payments for Salaries | 350,000 | 336,000 | 331,785 | (4,215) |
| Other Grant Revenue | - | 400,000 | 80,269 | (319,731) |
| Livingston Parish School Board | | | | |
| School Resource Officer | 81,732 | 81,732 | 102,167 | 20,435 |
| | <u>1,855,383</u> | <u>4,646,812</u> | <u>2,371,662</u> | <u>(2,275,150)</u> |
| Miscellaneous: | | | | |
| Insurance Premium Rebate | 125,000 | 174,494 | 174,494 | - |
| Royalties | - | 52 | 52 | - |
| Wreck Reports | 10,000 | 15,000 | 18,229 | 3,229 |
| Rent Income | 750 | - | - | - |
| Miscellaneous | 60,000 | 57,851 | 55,450 | (2,401) |
| | <u>195,750</u> | <u>247,397</u> | <u>248,225</u> | <u>828</u> |
| Total Revenues | <u>13,510,505</u> | <u>19,251,981</u> | <u>18,360,629</u> | <u>(891,352)</u> |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Expenditures | | | | |
| General Government: | | | | |
| General Provisions: | | | | |
| Salaries | 511,985 | 488,047 | 485,735 | 2,312 |
| Council Per Diems | 60,000 | 60,000 | 60,000 | - |
| Payroll Taxes, Retirement, and Group Insurance | 205,649 | 192,017 | 190,698 | 1,319 |
| Buildings | 21,000 | - | - | - |
| Equipment Purchased | 15,000 | 41,421 | 24,558 | 16,863 |
| Flood Expenses | 15,000 | 15,000 | 17,554 | (2,554) |
| Insurance | 30,363 | 48,484 | 49,875 | (1,391) |
| Land Purchase | - | - | - | - |
| Legal and Professional | 793,375 | 430,294 | 213,064 | 217,230 |
| Membership Fees and Educational Training | 30,000 | 25,000 | 27,407 | (2,407) |
| Miscellaneous | 79,808 | 111,150 | 109,123 | 2,027 |
| Printing, Postage and Office Supplies | 72,000 | 60,000 | 62,266 | (2,266) |
| Rental Building | - | - | - | - |
| Rental Equipment | 15,000 | 14,000 | 12,262 | 1,738 |
| Repairs and Maintenance | 87,000 | 136,220 | 129,419 | 6,801 |
| Small Tools and Supplies | 1,500 | 700 | 1,750 | (1,050) |
| Telephone | 60,300 | 50,300 | 46,552 | 3,748 |
| Travel | 8,000 | 6,700 | 4,420 | 2,280 |
| Utilities | 59,000 | 75,800 | 71,283 | 4,517 |
| Total General Provisions | <u>2,064,980</u> | <u>1,755,133</u> | <u>1,505,966</u> | <u>249,167</u> |
| Cemetery: | | | | |
| Contracted Services | 52,800 | 51,300 | 51,300 | - |
| Insurance | 450 | 550 | 736 | (186) |
| Legal | - | - | - | - |
| Miscellaneous | 450 | 450 | 364 | 86 |
| Repairs and Maintenance | 500 | 2,500 | 4,834 | (2,334) |
| Small Tools and Supplies | 200 | 1,000 | 909 | 91 |
| Total Cemetery | <u>54,400</u> | <u>55,800</u> | <u>58,143</u> | <u>(2,343)</u> |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|---|------------------|---------|---------|-------------------------------|
| | Original | Final | | |
| General Government (Continued): | | | | |
| Tax: | | | | |
| Salaries | 78,859 | 66,400 | 43,697 | 22,703 |
| Payroll Taxes, Retirement, and Group Insurance | 22,750 | 22,196 | 21,435 | 761 |
| Collection Fees | 143,900 | 192,000 | 195,971 | (3,971) |
| Equipment Purchased | - | 2,290 | 2,290 | - |
| Equipment Expense | - | 35 | 2,226 | (2,191) |
| Insurance | 960 | 2,050 | 3,062 | (1,012) |
| Legal and Professional | 500 | 500 | 285 | 215 |
| Miscellaneous | 800 | 450 | 365 | 85 |
| Printing, Postage and Office Supplies | 2,700 | 3,900 | 2,626 | 1,274 |
| Small Tools and Supplies | 500 | 1,300 | 1,387 | (87) |
| Tax Roll | 5,000 | 5,029 | 5,029 | - |
| Total Tax | 255,969 | 296,150 | 278,373 | 17,777 |
| Ward Court: | | | | |
| Salaries | 51,550 | 45,673 | 45,673 | - |
| Payroll Taxes, Retirement, and Group Insurance | 13,800 | 10,995 | 11,197 | (202) |
| Additional Court Costs | 18,000 | 11,000 | 10,949 | 51 |
| Building Maintenance | - | - | 570 | (570) |
| Insurance | 1,625 | 8,447 | 9,021 | (574) |
| Payments to Component Units | 233,071 | 233,071 | 233,070 | 1 |
| Utilities | - | - | - | - |
| Total Ward Court | 318,046 | 309,186 | 310,480 | (1,294) |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|--------------|---------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| General Government (Continued): | | | | |
| Planning and Zoning: | | | | |
| Salaries | 203,676 | 202,500 | 202,938 | (438) |
| Payroll Taxes, Retirement, and Group Insurance | 83,939 | 84,300 | 81,554 | 2,746 |
| Demolition Expense | 30,000 | 18,500 | 8,700 | 9,800 |
| Equipment Purchased | 4,000 | - | - | - |
| Insurance | 6,625 | 9,050 | 10,689 | (1,639) |
| Legal and Professional | 26,000 | 8,500 | 11,121 | (2,621) |
| Membership Fees and Educational Training | 15,000 | 11,000 | 11,047 | (47) |
| Miscellaneous | 10,200 | 6,300 | 11,803 | (5,503) |
| Printing, Postage and Office Supplies | 7,500 | 4,000 | 2,820 | 1,180 |
| Repairs and Maintenance | - | - | - | - |
| Small Tools and Supplies | 4,000 | 1,900 | 1,730 | 170 |
| Vehicle Expense | 6,000 | 7,700 | 7,038 | 662 |
| | <hr/> | | | |
| Total Planning and Zoning | 396,940 | 353,750 | 349,440 | 4,310 |
| <hr/> | | | | |
| Landscaping: | | | | |
| Contracted Services | 50,676 | 49,200 | 49,200 | - |
| Insurance | 2,295 | 2,360 | 704 | 1,656 |
| | <hr/> | | | |
| Total Landscaping | 52,971 | 51,560 | 49,904 | 1,656 |
| | <hr/> | | | |
| Total General Government | 3,143,306 | 2,821,579 | 2,552,306 | 269,273 |
| | <hr/> | | | |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|---|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Public Safety: | | | | |
| Animal Control: | | | | |
| Salaries | 230,648 | 227,500 | 232,971 | (5,471) |
| Payroll Taxes, Retirement, and Group Insurance | 51,693 | 52,475 | 52,585 | (110) |
| Animal Care Expense | 47,000 | 56,500 | 55,052 | 1,448 |
| Buildings | - | 175,000 | 160,756 | 14,244 |
| Equipment Purchased | 6,800 | - | - | - |
| Equipment Expense | 3,500 | 5,676 | 4,903 | 773 |
| Insurance | 12,835 | 15,330 | 14,474 | 856 |
| Miscellaneous | 21,395 | 33,195 | 41,941 | (8,746) |
| Small Tools and Supplies | 3,100 | 2,500 | 1,732 | 768 |
| Telephone | 10,000 | 10,000 | 13,813 | (3,813) |
| Utilities | 10,360 | 14,360 | 16,831 | (2,471) |
| Total Animal Control | <u>397,331</u> | <u>592,536</u> | <u>595,058</u> | <u>(2,522)</u> |
| Fire: | | | | |
| Salaries | 1,585,995 | 1,565,100 | 1,564,880 | 220 |
| Payroll Taxes, Retirement, and Group Insurance | 818,326 | 829,765 | 825,820 | 3,945 |
| Legal and Professional | 6,500 | 3,000 | 4,285 | (1,285) |
| Equipment Purchased | 650,196 | 399,986 | 390,941 | 9,045 |
| Equipment Expense | 74,000 | 93,000 | 92,926 | 74 |
| Flood Expenses | - | - | 7,824 | (7,824) |
| Insurance | 155,671 | 166,500 | 174,823 | (8,323) |
| Membership Fees and Educational Training | 39,500 | 22,500 | 18,047 | 4,453 |
| Miscellaneous | 15,570 | 6,750 | 5,725 | 1,025 |
| Printing, Postage and Office Supplies | 6,700 | 6,600 | 7,125 | (525) |
| Repairs and Maintenance | 43,000 | 15,500 | 24,726 | (9,226) |
| Small Tools and Supplies | 29,900 | 39,100 | 34,099 | 5,001 |
| Telephone | 24,000 | 23,000 | 25,696 | (2,696) |
| Uniforms | 22,000 | 17,000 | 16,236 | 764 |
| Utilities | 23,700 | 23,700 | 27,173 | (3,473) |
| Total Fire | <u>3,495,058</u> | <u>3,211,501</u> | <u>3,220,326</u> | <u>(8,825)</u> |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Public Safety (Continued): | | | | |
| Police: | | | | |
| Salaries | 2,055,103 | 2,113,100 | 2,070,784 | 42,316 |
| Payroll Taxes, Retirement, and Group Insurance | 977,907 | 967,700 | 953,340 | 14,360 |
| Equipment Purchased | 210,700 | 126,624 | 135,739 | (9,115) |
| Equipment Expense | 161,600 | 210,200 | 199,300 | 10,900 |
| Equipment Rental | 25,800 | 13,000 | 12,257 | 743 |
| Insurance | 164,866 | 197,706 | 222,935 | (25,229) |
| Membership Fees and Educational Training | 41,000 | 35,000 | 31,452 | 3,548 |
| Miscellaneous | 24,500 | 16,900 | 14,967 | 1,933 |
| Printing, Postage and Office Supplies | 12,700 | 12,300 | 6,438 | 5,862 |
| Professional Fees | 10,000 | 8,500 | 6,975 | 1,525 |
| Repairs and Maintenance | 37,725 | 46,732 | 47,386 | (654) |
| Small Tools and Supplies | 8,500 | 7,000 | 6,099 | 901 |
| Telephone | 60,000 | 55,000 | 49,409 | 5,591 |
| Uniforms | 41,000 | 20,000 | 18,260 | 1,740 |
| Utilities | 33,000 | 34,000 | 38,753 | (4,753) |
| Total Police | <u>3,864,401</u> | <u>3,863,762</u> | <u>3,814,094</u> | <u>49,668</u> |
| Total Public Safety | <u>7,756,790</u> | <u>7,667,799</u> | <u>7,629,478</u> | <u>38,321</u> |
| Highway and Streets: | | | | |
| Streets: | | | | |
| Salaries | 601,802 | 540,000 | 553,374 | (13,374) |
| Payroll Taxes, Retirement, and Group Insurance | 278,393 | 240,410 | 240,596 | (186) |
| Contract Services | 45,000 | 1,240,419 | 1,239,083 | 1,336 |
| Equipment Purchased | 212,000 | 149,465 | 159,093 | (9,628) |
| Equipment Expense | 90,500 | 115,500 | 114,100 | 1,400 |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Highway and Streets (Continued): | | | | |
| Streets: | | | | |
| Equipment Rental | 3,000 | 1,000 | 364 | 636 |
| Flood Expenses | - | - | 1,299 | (1,299) |
| Insurance | 79,570 | 80,830 | 91,065 | (10,235) |
| Uniforms | 15,000 | 12,000 | 10,102 | 1,898 |
| Legal and Professional | 1,000 | - | - | - |
| Streets Maintenance and Materials | 329,820 | 319,000 | 180,529 | 138,471 |
| Membership Fees and Educational Training | 400 | 400 | 68 | 332 |
| Miscellaneous | 31,550 | 29,695 | 26,695 | 3,000 |
| Small Tools and Supplies | 7,500 | 7,500 | 7,958 | (458) |
| Telephone | 13,000 | 10,500 | 10,481 | 19 |
| Utilities | 6,800 | 8,000 | 9,359 | (1,359) |
| Total Streets | 1,715,335 | 2,754,719 | 2,644,166 | 110,553 |
| Lighting: | | | | |
| Utilities | 122,000 | 140,000 | 148,471 | (8,471) |
| Total Lighting | 122,000 | 140,000 | 148,471 | (8,471) |
| Total Highways and Streets | 1,837,335 | 2,894,719 | 2,792,637 | 102,082 |
| Health: | | | | |
| Council on Aging | 39,518 | 44,451 | 37,330 | 7,121 |
| Pest Control | 7,000 | 13,000 | 12,845 | 155 |
| Total Health | 46,518 | 57,451 | 50,175 | 7,276 |

(CONTINUED)

CITY OF DENHAM SPRINGS
GENERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|---|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Culture and Recreation: | | | | |
| Culture: | | | | |
| Salaries | 32,403 | 32,653 | 28,805 | 3,848 |
| Payroll Taxes, Retirement, and Group Insurance | 2,860 | 2,700 | 2,293 | 407 |
| Committee Expenses | - | - | 218 | (218) |
| Equipment Rental | 1,000 | - | - | - |
| Equipment Purchased | - | - | 400 | (400) |
| Insurance | 4,953 | 7,368 | 8,580 | (1,212) |
| Legal and Professional | - | - | 95 | (95) |
| Membership Fees and Educational Training | 1,200 | 400 | 375 | 25 |
| Repairs and Maintenance | 40,288 | 39,316 | 41,593 | (2,277) |
| Printing, Postage and Office Supplies | 5,500 | 1,870 | 734 | 1,136 |
| Telephone | 3,000 | 2,700 | 3,349 | (649) |
| Travel | 800 | - | 258 | (258) |
| Utilities | 6,893 | 6,935 | 7,397 | (462) |
| Total Culture | <u>98,897</u> | <u>93,942</u> | <u>94,097</u> | <u>(155)</u> |
| Parks: | | | | |
| Buildings/Structures | 13,000 | 16,000 | 16,611 | (611) |
| Insurance | 385 | 2,600 | 712 | 1,888 |
| Land Improvements | 500 | - | - | - |
| Maintenance | 38,350 | 34,100 | 37,270 | (3,170) |
| Total Parks | <u>52,235</u> | <u>52,700</u> | <u>54,593</u> | <u>(1,893)</u> |
| Total Culture and Recreation | <u>151,132</u> | <u>146,642</u> | <u>148,690</u> | <u>(2,048)</u> |
| Total Expenditures | <u>12,935,081</u> | <u>13,588,190</u> | <u>13,173,286</u> | <u>414,904</u> |

(CONTINUED)

**CITY OF DENHAM SPRINGS
GENERAL FUND**

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|-------------------------|----------------------|----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Excess (Deficiency) of Revenues Over Expenditures | 575,424 | 5,663,791 | 5,187,343 | (476,448) |
| Other Financing Sources (Uses): | | | | |
| Operating Transfers Out | (406,963) | (204,462) | (204,462) | - |
| Insurance Proceeds | - | 21,570 | 72,140 | 50,570 |
| Proceeds from Disposition of Assets | - | 6,000 | - | (6,000) |
| Total Other Financing Sources (Uses) | <u>(406,963)</u> | <u>(176,892)</u> | <u>(132,322)</u> | <u>44,570</u> |
| Net Change in Fund Balance | 168,461 | 5,486,899 | 5,055,021 | (431,878) |
| Fund Balance at Beginning of Year | <u>6,140,573</u> | <u>6,140,573</u> | <u>6,140,573</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 6,309,034</u> | <u>\$ 11,627,472</u> | <u>\$ 11,195,594</u> | <u>\$ (431,878)</u> |

The accompanying notes are an integral part of this statement.

**CITY OF DENHAM SPRINGS
PROPRIETARY FUNDS**

STATEMENT OF NET POSITION

JUNE 30, 2022

| | Business-Type Activities - | | | Governmental Activities - Motor Pool Internal Service Fund |
|---|-------------------------------|--|--------------------------------------|--|
| | Utility Enterprise Fund | Denham Springs Sewer District Number 1 | Total Business-Type Activities | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 6,481,512 | \$ 138,476 | \$ 6,619,988 | \$ 58,401 |
| Restricted Assets: | | | | |
| Cash for Customer Deposits | 1,342,942 | - | 1,342,942 | - |
| Revenue Bond Covenant Accounts | 2,212,149 | 544,478 | 2,756,627 | - |
| | 3,555,091 | 544,478 | 4,099,569 | - |
| Receivables: | | | | |
| Accounts (Net of Allowance for Uncollectible Accounts of \$93,000) | 726,983 | - | 726,983 | - |
| Due from Other Governments | 63,219 | 12,639 | 75,858 | - |
| Unbilled Utility Sales | 582,355 | - | 582,355 | - |
| | 1,372,557 | 12,639 | 1,385,196 | - |
| Inventory, at Cost | 455,097 | - | 455,097 | 19,408 |
| Due from Other Funds | 10,227,288 | 168,363 | 10,395,651 | - |
| Prepaid Expenses | 3,554 | - | 3,554 | - |
| Total Current Assets | 22,095,099 | 863,956 | 22,959,055 | 77,809 |
| Noncurrent Assets: | | | | |
| Prepaid Items | 73,504 | - | 73,504 | - |
| Capital Assets: | | | | |
| Land and Construction in Progress | 3,316,751 | 4,047,716 | 7,364,467 | - |
| Other Capital Assets, at Cost (Net of Accumulated Depreciation) | 30,827,954 | 17,720,106 | 48,548,060 | 48,925 |
| Total Noncurrent Assets | 34,218,209 | 21,767,822 | 55,986,031 | 48,925 |
| Total Assets | 56,313,308 | 22,631,778 | 78,945,086 | 126,734 |
| Deferred Outflows of Resources: | | | | |
| Deferred Amount on Refunding of Debt | 1,979,739 | 2,800,422 | 4,780,161 | - |
| Deferred Outflows - Related to Pensions | 313,051 | - | 313,051 | 17,310 |
| Total Deferred Outflows of Resources | 2,292,790 | 2,800,422 | 5,093,212 | 17,310 |
| Total Assets and Deferred Outflows of Resources | \$ 58,606,098 | \$ 25,432,200 | \$ 84,038,298 | \$ 144,044 |

(CONTINUED)

**CITY OF DENHAM SPRINGS
PROPRIETARY FUNDS**

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

| | <u>Business-Type Activities -</u> | | | Governmental |
|---|--|---|---|--|
| | <u>Utility Enterprise Fund</u> | <u>Denham Springs Sewer District Number 1</u> | <u>Total Business-Type Activities</u> | <u>Activities - Motor Pool Internal Service Fund</u> |
| Current Liabilities | | | | |
| (Payable from Current Assets): | | | | |
| Accounts Payable | \$ 895,629 | \$ 13,519 | \$ 909,148 | \$ 6,874 |
| Accrued Salaries and Wages | 79,074 | - | 79,074 | - |
| Accumulated Unpaid Vacation | 63,976 | - | 63,976 | 6,476 |
| Customers' Deposits | 1,302,962 | - | 1,302,962 | - |
| Current Portion of Debt | 1,280,401 | 703,802 | 1,984,203 | - |
| Other Current Liabilities | 154,683 | - | 154,683 | 4,357 |
| Due To Other Funds | 168,363 | 10,186,036 | 10,354,399 | - |
| Accrued Bond Interest | 71,782 | 60,246 | 132,028 | - |
| Total Current Liabilities | 4,016,870 | 10,963,603 | 14,980,473 | 17,707 |
| Noncurrent Liabilities: | | | | |
| Accumulated Unpaid Vacation | 191,929 | - | 191,929 | 19,430 |
| Debt Payable after One Year (Net of Unamortized Bond Premium or Discount) | 24,911,942 | 20,622,801 | 45,534,743 | - |
| Net Pension Liability | 1,115,838 | - | 1,115,838 | 45,156 |
| Total Noncurrent Liabilities | 26,219,709 | 20,622,801 | 46,842,510 | 64,586 |
| Total Liabilities | 30,236,579 | 31,586,404 | 61,822,983 | 82,293 |
| Deferred Inflows of Resources: | | | | |
| Deferred Inflows - Related to Pensions | 448,077 | - | 448,077 | 18,221 |
| Net Position: | | | | |
| Net Investment in Capital Assets | 9,932,101 | 3,241,641 | 13,173,742 | 48,925 |
| Unrestricted (Deficit) | 17,989,341 | (9,395,845) | 8,593,496 | (5,395) |
| Total Net Position (Deficit) | 27,921,442 | (6,154,204) | 21,767,238 | 43,530 |
| Total Liabilities, Deferred Inflow of Resources, and Net Position | \$ 58,606,098 | \$ 25,432,200 | \$ 84,038,298 | \$ 144,044 |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

| | Business-Type Activities - | | | Governmental |
|--|-------------------------------|--|--------------------------------------|--|
| | Utility Enterprise Fund | Denham Springs Sewer District Number 1 | Total Business-Type Activities | Activities - Motor Pool Internal Service Fund |
| Operating Revenues: | | | | |
| Charges for Services | \$ 13,046,412 | \$ 1,376,050 | \$ 14,422,462 | \$ 463,616 |
| Total Operating Revenues | 13,046,412 | 1,376,050 | 14,422,462 | 463,616 |
| Operating Expenses: | | | | |
| Personal Services and Benefits | 2,716,124 | 55,562 | 2,771,686 | 149,346 |
| Contractual Services | 1,290,889 | 37,192 | 1,328,081 | - |
| Cost of Materials | 1,493,944 | - | 1,493,944 | 340,949 |
| Utilities | 526,646 | 153,260 | 679,906 | 3,518 |
| Repairs and Maintenance | 1,180,043 | 191,016 | 1,371,059 | 7,524 |
| Supplies | 351,637 | 44,880 | 396,517 | 5,959 |
| Insurance | 223,247 | 9,632 | 232,879 | 9,980 |
| Depreciation | 1,783,712 | 454,827 | 2,238,539 | 9,184 |
| Overhead Allocation | (236,010) | 236,045 | 35 | - |
| Total Operating Expenses | 9,330,232 | 1,182,414 | 10,512,646 | 526,460 |
| Operating Income (Loss) | 3,716,180 | 193,636 | 3,909,816 | (62,844) |
| Nonoperating Revenues: | | | | |
| Intergovernmental | 648,917 | - | 648,917 | 2,532 |
| Interest | 1,372 | 265 | 1,637 | - |
| Amortization of Bond Premium | 57,312 | - | 57,312 | - |
| Gain on Disposition of Assets | 22,005 | - | 22,005 | - |
| Miscellaneous | 20,495 | - | 20,495 | 2,255 |
| Total Nonoperating Revenues | 750,101 | 265 | 750,366 | 4,787 |
| Nonoperating Expenses: | | | | |
| Interest | 971,646 | 818,927 | 1,790,573 | - |
| Amortization of Bond Costs | 3,472 | - | 3,472 | - |
| Amortization of Bond Discount | 249 | - | 249 | - |
| Total Nonoperating Expenses | 975,367 | 818,927 | 1,794,294 | - |
| Income (Loss) Before Contributions and Transfers | 3,490,914 | (625,026) | 2,865,888 | (58,057) |
| Capital Contributions | 77,305 | 340,055 | 417,360 | - |
| Transfers In From Other Funds | - | - | - | 80,000 |
| Change in Net Position | 3,568,219 | (284,971) | 3,283,248 | 21,943 |
| Total Net Position (Deficit) at Beginning of Year | 24,353,223 | (5,869,233) | 18,483,990 | 21,587 |
| Total Net Position (Deficit) at End of Year | \$ 27,921,442 | \$ (6,154,204) | \$ 21,767,238 | \$ 43,530 |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

| | Business-Type Activities - | | | Governmental Activities - Motor Pool Internal Service Fund |
|--|-------------------------------|--|--------------------------------------|--|
| | Utility Enterprise Fund | Denham Springs Sewer District Number 1 | Total Business-Type Activities | |
| Cash Flows From Operating Activities: | | | | |
| Cash Received from Customers | \$ 12,734,995 | \$ 1,391,540 | \$ 14,126,535 | \$ 463,616 |
| Cash Payments to Suppliers for Goods and Services | (4,797,859) | (668,718) | (5,466,577) | (375,576) |
| Cash Payments to Employees for Services and Benefits | (2,808,167) | (55,562) | (2,863,729) | (157,222) |
| Other Receipts (Payments) | (153,279) | 721,952 | 568,673 | 2,255 |
| Net Cash Provided by (Used in) Operating Activities | 4,975,690 | 1,389,212 | 6,364,902 | (66,927) |
| Cash Flows From Noncapital and Related Financing Activities: | | | | |
| Transfer From General Fund | - | - | - | 80,000 |
| Net Cash Provided by Noncapital and Related Financing Activities | - | - | - | 80,000 |
| Cash Flows From Capital and Related Financing Activities: | | | | |
| Acquisition and Construction of Capital Assets | (2,937,513) | (291,631) | (3,229,144) | - |
| Proceeds from Disposition of Assets | 22,005 | - | 22,005 | - |
| Interest Expense Paid on Long Term Debt | (881,001) | (730,926) | (1,611,927) | - |
| Principal Paid on Long Term Debt | (1,175,093) | (684,907) | (1,860,000) | - |
| Capital Contributions | 77,305 | 340,055 | 417,360 | - |
| Net Cash Used in Capital and Related Financing Activities | (4,894,297) | (1,367,409) | (6,261,706) | - |
| Cash Flows From Investing Activities: | | | | |
| Interest Income Received | 1,372 | 265 | 1,637 | - |
| Net Cash Provided by Investing Activities | 1,372 | 265 | 1,637 | - |
| Net Increase in Cash and Cash Equivalents | 82,765 | 22,068 | 104,833 | 13,073 |
| Cash and Cash Equivalents - Beginning of Year | 9,953,838 | 660,886 | 10,614,724 | 45,328 |
| Cash and Cash Equivalents - End of Year | \$ 10,036,603 | \$ 682,954 | \$ 10,719,557 | \$ 58,401 |
| Schedule of Noncash Investing, Capital and Financing Activities: | | | | |
| Amortization of Deferred Bond Expense | \$ 3,472 | \$ - | \$ 3,472 | \$ - |
| Amortization of Bond Premium and Discount (Net) | \$ (57,063) | \$ - | \$ (57,063) | \$ - |
| (Gain) Loss on Disposal of Capital Assets | \$ (22,005) | \$ - | \$ (22,005) | \$ - |
| Non-employer Contributions to the Pension Plans | \$ 59,487 | \$ - | \$ 59,487 | \$ 2,532 |
| Reconciliation of Cash and Cash Equivalents to the Balance Sheet: | | | | |
| Cash and Cash Equivalents | \$ 6,481,512 | \$ 138,476 | \$ 6,619,988 | \$ 58,401 |
| Cash for Customer Deposits | 1,342,942 | - | 1,342,942 | - |
| Revenue Bond Covenant Accounts | 2,212,149 | 544,478 | 2,756,627 | - |
| Total Cash and Cash Equivalent | \$ 10,036,603 | \$ 682,954 | \$ 10,719,557 | \$ 58,401 |

(CONTINUED)

**CITY OF DENHAM SPRINGS
PROPRIETARY FUNDS**

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

| | Business-Type Activities - | | | Governmental Activities - Motor Pool Internal Service Fund |
|--|-------------------------------|--|--------------------------------------|--|
| | Utility Enterprise Fund | Denham Springs Sewer District Number 1 | Total Business-Type Activities | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Operating Income (Loss) | \$ 3,716,180 | \$ 193,636 | \$ 3,909,816 | \$ (62,844) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation | 1,783,712 | 454,827 | 2,238,539 | 9,184 |
| Intergovernmental Revenues | 589,430 | - | 589,430 | - |
| Miscellaneous Revenues | 20,495 | - | 20,495 | 2,255 |
| Pension Expense Adjustment | (106,150) | - | (106,150) | (9,742) |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (265,960) | - | (265,960) | - |
| (Increase) Decrease in Other Receivables | 30,684 | 15,490 | 46,174 | - |
| (Increase) Decrease in Unbilled Utility Sales | (113,980) | - | (113,980) | - |
| (Increase) Decrease in Due from Other Funds | (761,695) | 1,509 | (760,186) | - |
| (Increase) Decrease in Inventory | (53,097) | - | (53,097) | 1,867 |
| (Increase) Decrease in Prepaid Expenses | 668 | - | 668 | - |
| Increase (Decrease) in Accounts Payable - Trade | 83,998 | 3,307 | 87,305 | (9,513) |
| Increase (Decrease) in Accrued Salaries and Wages | 14,812 | - | 14,812 | - |
| Increase (Decrease) in Other Current Liabilities | 968 | - | 968 | 669 |
| Increase (Decrease) in Due To Other Funds | (1,509) | 720,443 | 718,934 | - |
| Increase (Decrease) in Customers' Deposits | 37,839 | - | 37,839 | - |
| Increase (Decrease) in Accumulated Unpaid Vacation | (705) | - | (705) | 1,197 |
| Net Cash Provided by (Used in) Operating Activities | \$ 4,975,690 | \$ 1,389,212 | \$ 6,364,902 | \$ (66,927) |

The accompanying notes are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

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

A. Financial Reporting Entity

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Denham Springs, Louisiana, and its component units, entities for which the City of Denham Springs is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Each discretely presented component unit has a June 30, 2022 year end.

The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and the City Council), (2) organizations for which the primary government is financially accountable and a financial benefit/burden relationship exists, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

3. Financial benefits/burden relationship between the City and the potential component unit, and misleading to exclude which covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

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

BLENDDED COMPONENT UNIT

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

City Court of Denham Springs - Ward II - The Judge of the Court is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the City Court in that the City is required to provide the City Court office facilities and the City pays a portion of the Judge's compensation, and reimburses the Court for certain other salaries and benefits. The City Court has jurisdiction over all violations of City Ordinances and State misdemeanor cases. The jurisdiction includes the incorporated area of the City of Denham Springs and Ward Two of Livingston Parish. The City has the ability to modify or approve their budget which comes from the General Fund. There are certain funds collected by the City Court, pursuant to state statute, which are under the control of the courts. The City's government-wide financial statements discretely presents the City Court of Denham Springs - Ward II's financial statements for the year ended June 30, 2022.

Marshal of City Court of Denham Springs - Ward II - The Marshal is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the Marshal in that the City is required to provide the Marshal's office facilities, and reimburses the Marshal's office for certain other salaries and benefits. The Marshal of the City Court of Denham Springs has the power of a sheriff in the execution of the Court's orders and mandates in making requests and preserving the peace. The City has the ability to modify or approve the budget which comes from the General Fund. The Marshal serves the citizenry of the City of Denham Springs and Ward Two of Livingston Parish. The City's government-wide financial statements discretely presents the Marshal's financial statements for the year ended June 30, 2022.

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The purpose of the District is to secure Sales Tax Increment Revenue bonds issued to provide funds for the construction of infrastructure improvements and acquiring, constructing and equipping the Bass Pro retail outlet and restaurant and ancillary items within the District. The District issued Sales Tax Increment Revenue Bonds Series 2007 A, B, and C dated March 1, 2007 in the total amount of \$41,540,000 and issued Sales Tax Increment Revenue Bonds Series 2008 dated May 27, 2008 in the amount of \$8,460,000. The proceeds were used for the purchase of 24 acres within the 75 acre District and for the construction of the “Bass Pro Shops” project and infrastructure. The bonds will be repaid from sales tax revenues generated by developments within the District. Collateral for the bonds is limited to the prospective developments and the City of Denham Springs has no liability for these bonds or for the debt service of these bonds.

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

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

the District created the Denham Springs Economic Development Corporation on February 14, 2004. The Corporation’s Board is composed of five members recommended by the City of Denham Springs, two members recommended by the Livingston Parish School Board, one member recommended by the Livingston Parish Council, and one member recommended by the Livingston Parish Sheriff for a total of nine members. The corporation is a private nonprofit corporation created pursuant to the Louisiana Nonprofit Corporation Law (Chapter 2 of Title 12 of the Louisiana Revised Statutes) and has been assigned the responsibilities to oversee, supervise and approve the construction of infrastructure improvements and acquiring, constructing, and equipping the Bass Pro retail outlet and restaurant and ancillary items. Ownership of the 24 acres, facilities and infrastructure remains with the District. There was no financial activity within this corporation prior to March of 2007.

The Denham Springs Economic Development Corporation has been included in the financial statements of the Denham Springs Economic Development District as a blended component unit, and the Denham Springs Economic Development District has been included in the City’s government-wide financial statements as a discretely presented component unit for the year ended June 30, 2022.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

The purpose of the Springs is to secure Sales Tax Increment Revenue bonds to finance drainage and drainage related activities, parking and lighting improvements for the Springs and provide for the construction and development of other public infrastructure in connection with the Springs. The bonds would be repaid from sales tax revenues generated by developments within the District. Collateral for the bonds would be limited to the prospective developments and the City of Denham Springs would have no liability for these bonds or for the debt service of these bonds. As of June 30, 2022, no bonds had been issued.

RELATED ORGANIZATIONS

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

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

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

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

Denham Springs/Livingston Housing and Mortgage Finance Authority

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

The utility enterprise fund accounts for the provision of gas, water, sewer and sanitation services to the residents of the City of Denham Springs and some residents of the parishes of Livingston and East Baton Rouge. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections.

The Denham Springs Sewer District Number 1 fund (a blended component unit) accounts for the provision of sewer services to customers outside the limits of the City of Denham Springs but within a certain geographical area of Livingston Parish. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collections.

Additionally, the City reports the following fund types:

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund excludes those type of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

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

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

The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB). Both the government-wide financial statements and the proprietary fund financial statements follow guidance included in GASB Statement No. 62 - Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's utility fund and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

1. Deposits and Investments -

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

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

Investments (certificates of deposit with original maturities greater than 90 days) are reflected at fair value.

Deposit and Investment policies of the component units are similar to those of the primary government except that the restricted cash and investments of the Denham Springs Economic Development District have been placed in trust and are to be invested in accordance with the bond indenture to which these funds were derived.

2. Receivables and Payables -

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance classification in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. At June 30, 2022, there were no advances between funds.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable based on agings and estimated charge-off percentages comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to three percent of the current year property tax levy plus one hundred percent of any unpaid prior year tax at June 30, 2022.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

3. Inventories and Prepaid Items -

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

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

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

4. Restricted Assets -

Primary Government -

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

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

Component Unit -

Certain proceeds of the Denham Springs Economic Development District revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts within a trust and their use is limited by applicable bond covenants. The "revenue bond construction" accounts are used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond debt service" accounts are used to segregate resources accumulated for debt service payments over the next twelve months.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

5. Capital Assets -

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

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

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

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

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

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

6. Deferred Outflows and Inflows of Resources -

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

7. Compensated Absences -

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

8. Pensions -

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

9. Long-Term Obligations -

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

10. Net Position -

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

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

The *unrestricted* component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

11. Fund Equity -

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

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

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

Unassigned - All amounts not included in other spendable classifications; positive amounts are only in the general fund. The City has not adopted a policy to maintain the general fund's unassigned fund balance above a certain minimum level.

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

12. Post-Employment Health Care Benefits -

Retiree Benefits -

In addition to the pension benefits described in Note 11, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the City and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only eight (8) participants in the program as of June 30, 2022. Since the retiree healthcare benefit program is reimbursed to the City by the participants and the number of retirees opting to use this benefit has been historically low, the City determined any postemployment benefit accrual would be immaterial to the financial statements as the only potential accrual would be the implicit benefit of the retirees of paying the insurance group rate.

COBRA Benefits -

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

associated cost to the City under this program, and at June 30, 2022, there are no participants in the program.

13. Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the COVID-19 control responses, and such differences may be material.

14. COVID-19 Pandemic -

The COVID-19 outbreak in the United States and globally has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. Therefore, uncertainty remains regarding the ongoing impact of the COVID-19 outbreak upon the City's financial condition and future results of operations, as well as upon the significant estimates and assumptions that may be utilized in reporting certain assets and liabilities.

15. Current Year Adoption of New Accounting Standards -

The following statements of the Governmental Accounting Standards Board (GASB) are effective for the City's 2022 fiscal year. The City has adopted and implemented these statements in the preparation of the financial statements for the year ended June 30, 2022.

During the year, the City adopted GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The term *annual comprehensive financial report* and its acronym *ACFR* replaced instances of *comprehensive annual financial report* and its acronym throughout this report. There was no other effect on the City's financial statements.

During the year, the City adopted GASB Statement No. 87, *Leases*. This new accounting standard no material effect on the City's financial statements.

During the year the City also adopted GASB Statement No 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement had no material effect on the City's financial statements

The City also adopted GASB Statements No. 92 *Omnibus 2020*, No. 93 *Replacement of Interbank Offered Rates*, and No. 97 *Certain Component Unit Criteria* during the current year, which had no effect on the financial statements.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

16. Current Accounting Pronouncements -

The following statements of the Governmental Accounting Standards Board will be effective for years subsequent to the City's fiscal year 2022.

1. Statement No. 91 - *Conduit Debt Obligations (2023)*
2. Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (2023)*
3. Statement No. 96 - *Subscription-Based Information Technology Arrangements (2023)*

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

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

A. Budgetary Information

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

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

1. The City Treasurer prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 2022, the City Council approved the increase in the original expenditures and transfers out of the General Fund from \$13,341,044 to \$13,792,623.

The total General Fund increase amounted to \$451,579. The General Fund budget as amended was increased \$157,000 for police and fire station retrofit projects and construction of a new animal control building, decreased approximately \$379,000 in equipment purchased, increased approximately \$95,000 for equipment expenses, decreased approximately \$71,000 for salaries, collection fees increased approximately \$48,000, payroll taxes, retirement, and group insurance decreased approximately \$53,000, decreased approximately \$387,000 in legal and professional expenses, decreased approximately \$203,000 in operating transfers out, increased approximately \$21,000 in miscellaneous expenses, increased approximately \$1,195,000 in contract services, and repairs and maintenance expense increased approximately \$32,000. These areas were the major budget increases and decreases.

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

(3) Deposits and Investments -

The City has established a consolidated bank account with a local bank into which monies are deposited and from which all disbursements are now being made. The purpose of the consolidation account is to reduce administrative charges and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings of the consolidated account according to its average cash balance. Cash is transferred from those funds with available cash resources to cover any negative cash balances, if any, in other funds at year-end.

The City also invests excess funds in interest bearing demand deposit accounts. At June 30, 2022, the City had no certificates of deposit investments.

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

A. Primary Government

As reflected in Exhibit A-1, the City of Denham Springs, Louisiana has cash totaling \$23,111,346. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held by and are in the name of the fiscal agent bank but pledged to the City. The following is a summary of cash and investments at June 30, 2022.

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|--------------|
| Deposits in Bank Accounts per Balance Sheet: | | | |
| Cash and Cash Equivalents | \$12,391,789 | \$10,719,557 | \$23,111,346 |
| | | | |

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the City regardless of its designation by the financial institution in which it is deposited. As of June 30, 2022, none of the City's bank balance of \$24,011,159 was exposed to custodial credit risk. Neither the City of Denham Springs nor its discretely presented component units has a policy for custodial credit risk.

B. Deposits - Discretely Presented Component Units

The discretely presented component units are required to invest funds within the same state statutes as the primary government. Component unit deposits (including demand deposit accounts and all certificates of deposits) at June 30, 2022, are summarized below.

| | City Court of Denham Springs- Ward II | Marshall of City Court of Denham Springs- Ward II | Denham Springs Economic Development District |
|--|---|--|---|
| Deposits in Bank Accounts Per Balance Sheet: | | | |
| Cash and Cash Equivalents | \$ 215,401 | \$ 116,305 | \$ 3,699,246 |
| Fiduciary Amounts - Not Included in Statement of Net Position | 462,828 | - | - |
| | \$ 678,229 | \$ 116,305 | \$ 3,699,246 |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the component units' deposits may not be returned to them. To mitigate this risk, state law requires for these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the component unit regardless of its designation by the financial institution in which it is deposited. As of June 30, 2022, none of the component unit's bank balance of \$4,563,924 was exposed to custodial credit risk.

(4) Ad Valorem Taxes -

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

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

For the year ended June 30, 2022, taxes of 3.583 mills were levied on property with assessed valuations totaling \$101,487,560 and were dedicated to general purposes.

Total taxes levied were \$363,630. Taxes receivable at June 30, 2022, consisted of the following:

| | |
|-----------------------------------|------------------|
| Taxes Receivable - Current Roll | \$ 19,190 |
| Taxes Receivable - Prior Years | <u>44,627</u> |
| | 63,817 |
| Allowance for Uncollectible Taxes | <u>(47,681)</u> |
| | <u>\$ 16,136</u> |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

(5) Receivables -

Receivables as of June 30, 2022, including the applicable allowances for uncollectible accounts, are as follows:

| | <u>Interest</u> | <u>Ad Valorem Taxes</u> | <u>Franchise Taxes</u> | <u>Accounts</u> | <u>Unbilled Sales</u> | <u>Less: Allowance for Uncollectibles</u> | <u>Total - Net Receivable</u> |
|--|-----------------|-----------------------------|----------------------------|---------------------|---------------------------|---|---------------------------------------|
| <u>Governmental Activities:</u> | | | | | | | |
| General Fund | \$ - | \$ 63,817 | \$ 173,213 | \$ 306,605 | \$ - | \$ (47,681) | \$ 495,954 |
| Nonmajor Governmental Funds | - | - | - | 50 | - | - | 50 |
| Total Governmental Activities | - | 63,817 | 173,213 | 306,655 | - | (47,681) | 496,004 |
| <u>Business Type-Activities:</u> | | | | | | | |
| Utility Fund | - | - | - | 819,983 | 582,355 | (93,000) | 1,309,338 |
| <u>Component Units:</u> | | | | | | | |
| City Court of Denham Springs - Ward II | - | - | - | 1,395 | - | - | 1,395 |
| Marshal of City Court of Denham Springs - Ward II | - | - | - | 9,838 | - | - | 9,838 |
| Denham Springs Economic Development District | <u>611</u> | <u>-</u> | <u>-</u> | <u>12,106</u> | <u>-</u> | <u>-</u> | <u>12,717</u> |
| Total Component Units | 611 | - | - | 23,339 | - | - | 23,950 |
| | <u>\$ 611</u> | <u>\$ 63,817</u> | <u>\$ 173,213</u> | <u>\$ 1,149,977</u> | <u>\$ 582,355</u> | <u>\$ (140,681)</u> | <u>\$ 1,829,292</u> |

(6) Due From Other Governments -

Due from Other Governments as of June 30, 2022, consists of the following:

| | <u>Livingston Parish School Board</u> | <u>State of Louisiana</u> | <u>Livingston Parish</u> | <u>FEMA</u> | <u>Other</u> | <u>Total</u> |
|----------------------------------|---|-------------------------------|------------------------------|---------------------|------------------|---------------------|
| <u>Governmental Activities:</u> | | | | | | |
| General Fund | \$ 2,020,797 | \$ 16,563 | \$ 98,079 | \$ 954,328 | \$ - | \$ 3,089,767 |
| Capital Projects Fund | <u>-</u> | <u>2,773</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,773</u> |
| Total Governmental Activities | 2,020,797 | 19,336 | 98,079 | 954,328 | - | 3,092,540 |
| <u>Business-Type Activities:</u> | | | | | | |
| Utility Fund | - | - | - | 51,950 | 11,269 | 63,219 |
| Sewer District #1 Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,839</u> | <u>5,800</u> | <u>12,639</u> |
| Total Business-Type Activities | - | - | - | 58,789 | 17,069 | 75,858 |
| | <u>\$ 2,020,797</u> | <u>\$ 19,336</u> | <u>\$ 98,079</u> | <u>\$ 1,013,117</u> | <u>\$ 17,069</u> | <u>\$ 3,168,398</u> |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Due To</u> | <u>Due From</u> |
|---------------------------|-------------------------|----------------------|----------------------|
| Business Type-Activities: | | | |
| Denham Springs Sewer | | | |
| District Number 1 | Utility Fund | \$ 10,186,036 | \$ - |
| | Utility Fund | - | 168,363 |
| Utility Fund | General Fund | - | 41,252 |
| | Sewer District Number 1 | - | 10,186,036 |
| | Sewer District Number 1 | <u>168,363</u> | <u>-</u> |
| | | 10,354,399 | 10,395,651 |
| Governmental Activities: | | | |
| General Fund | Utility Fund | <u>41,252</u> | <u>-</u> |
| | | <u>\$ 10,395,651</u> | <u>\$ 10,395,651</u> |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Denham Springs Sewer District Number 1 owes the Utility Fund \$10,186,036 in accumulated project costs in connection with the construction of the District’s infrastructure and for cost for services provided by the Utility Fund. The Utility Fund handles the billing and collection of amounts due from customers of Denham Springs Sewer District Number 1. The Utility Fund and the District share some common customers because the Utility fund provides those customers water services. The Utility Fund owes Denham Springs Sewer District Number 1 \$168,363 for impact fees collected and billed and unbilled sales for the month of June 2022. These balances due to and from funds are expected to be repaid in the subsequent year.

| | <u>Transfer In</u> | <u>Transfers Out</u> |
|----------------------------------|--------------------|----------------------|
| Governmental Activities: | | |
| General Fund: | | |
| Capital Project Fund | \$ - | \$ 124,462 |
| Motor Pool Internal Service Fund | - | 80,000 |
| Total General Fund | <u>-</u> | <u>204,462</u> |
| Capital Project Fund | 124,462 | - |
| Motor Pool Internal Service Fund | 80,000 | - |
| Total | <u>\$ 204,462</u> | <u>\$ 204,462</u> |

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

| | <u>Due (To)/From Primary Government</u> | <u>Due (To)/From Component Units</u> |
|---|---|--|
| <u>Primary Government:</u> | | |
| General Fund | \$ - | \$ 20,535 |
| <u>Component Units:</u> | | |
| Marshall of City Court of Denham Springs - Ward II | <u>(20,535)</u> | <u>-</u> |
| Total | <u>\$ (20,535)</u> | <u>\$ 20,535</u> |

(8) Changes in Capital Assets -

Primary government capital asset activity for the year ended June 30, 2022 was as follows:

| | <u>Balance June 30, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> |
|--|----------------------------------|---------------------|-----------------------|----------------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets not being Depreciated: | | | | |
| Land and Right-of-Ways | \$ 1,800,321 | \$ - | \$ - | \$ 1,800,321 |
| Construction in Progress | <u>1,981,499</u> | <u>671,499</u> | <u>(2,115,875)</u> | <u>537,123</u> |
| Total Capital Assets not being Depreciated | 3,781,820 | 671,499 | (2,115,875) | 2,337,444 |
| Capital Assets being Depreciated: | | | | |
| Buildings and Improvements | 6,659,690 | 1,192,796 | - | 7,852,486 |
| Infrastructure | 7,259,713 | 923,079 | - | 8,182,792 |
| Equipment | <u>7,630,797</u> | <u>353,472</u> | <u>(24,580)</u> | <u>7,959,689</u> |
| Total Capital Assets being Depreciated | 21,550,200 | 2,469,347 | (24,580) | 23,994,967 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 2,900,507 | 176,217 | - | 3,076,724 |
| Infrastructure | 4,664,830 | 326,489 | - | 4,991,319 |
| Equipment | <u>4,428,570</u> | <u>630,774</u> | <u>(24,580)</u> | <u>5,034,764</u> |
| Total Accumulated Depreciation | <u>11,993,907</u> | <u>1,133,480</u> | <u>(24,580)</u> | <u>13,102,807</u> |
| Total Capital Assets being Depreciated, Net | <u>9,556,293</u> | <u>1,335,867</u> | <u>-</u> | <u>10,892,160</u> |
| Total Governmental Activities Capital Assets, Net | <u>\$ 13,338,113</u> | <u>\$ 2,007,366</u> | <u>\$ (2,115,875)</u> | <u>\$ 13,229,604</u> |

(CONTINUED)

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

| | <u>June 30, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2022</u> |
|--|----------------------|---------------------|-----------------------|----------------------|
| <u>Business-Type Activities:</u> | | | | |
| Capital Assets not being Depreciated: | | | | |
| Land and Right-of-Ways | \$ 4,285,343 | \$ - | \$ - | \$ 4,285,343 |
| Construction in Progress | 2,492,932 | 2,836,201 | (2,250,009) | 3,079,124 |
| Total Capital Assets not being Depreciated | 6,778,275 | 2,836,201 | (2,250,009) | 7,364,467 |
| Capital Assets being Depreciated: | | | | |
| Buildings and Improvements | 635,242 | 52,645 | - | 687,887 |
| Gas System | 5,672,518 | 81,897 | - | 5,754,415 |
| Water System | 18,165,087 | 50,755 | - | 18,215,842 |
| Sewer System | 57,249,582 | 2,078,110 | - | 59,327,692 |
| Equipment | 3,163,025 | 379,545 | (114,130) | 3,428,440 |
| Total Capital Assets being Depreciated | 84,885,454 | 2,642,952 | (114,130) | 87,414,276 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 345,686 | 14,776 | - | 360,462 |
| Gas System | 4,122,734 | 117,654 | - | 4,240,388 |
| Water System | 10,238,711 | 411,209 | - | 10,649,920 |
| Sewer System | 19,756,029 | 1,516,271 | - | 21,272,300 |
| Equipment | 2,278,647 | 178,629 | (114,130) | 2,343,146 |
| Total Accumulated Depreciation | 36,741,807 | 2,238,539 | (114,130) | 38,866,216 |
| Total Capital Assets being Depreciated, Net | 48,143,647 | 404,413 | - | 48,548,060 |
| Total Business-Type Activities Capital Assets, Net | <u>\$ 54,921,922</u> | <u>\$ 3,240,614</u> | <u>\$ (2,250,009)</u> | <u>\$ 55,912,527</u> |

(CONTINUED)

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

| <u>Governmental Activities:</u> | | <u>Business-Type Activities:</u> | |
|----------------------------------|---------------------|----------------------------------|---------------------|
| General Government | \$ 141,012 | Water | \$ 485,397 |
| Public Safety | 491,869 | Gas | 170,663 |
| Highways and Streets | 423,861 | Sewer | 1,580,403 |
| Parks and Recreation | 67,554 | Sanitation | 2,076 |
| | <u>1,124,296</u> | Total Depreciation Expense - | |
| Capital Assets Held by Internal | | Business-Type Activities | <u>\$ 2,238,539</u> |
| Service Funds are Charged to the | | | |
| Various Functions Based on their | | | |
| Usage of the Assets | 9,184 | | |
| Total Depreciation Expense - | | | |
| Governmental Activities | <u>\$ 1,133,480</u> | | |

Commitments

Governmental Activities:

The City has ten active construction projects as of June 30, 2022 in the governmental activities. The projects include the Rosenbauer Pumper Unit Project, Fire Station 1 Retrofit Project, Fire Station 2 Retrofit Project, Fire Station 3 Retrofit Project, Police Station Retrofit Project, the Caselle Upgrade Project, East Railroad Ave. Improvements Project, The Yellow Jacket Blvd Improvements Project, J Turn Project, and the Hatchell Lane Sidewalks Project. The Rosenbauer Pumper Unit Project, Fire Station 1 Retrofit Project, Fire Station 2 Retrofit Project, Fire Station 3 Retrofit Project, Police Station Retrofit Project, East Railroad Ave Improvements Project, The Yellow Jacket Blvd Improvements Project, and the Caselle Upgrade Project are all city owned projects. The other two projects are owned by the State of Louisiana.

The following schedule represents commitments in the governmental funds at June 30, 2022:

| <u>Project</u> | <u>Spent-to-Date</u> | <u>Remaining Commitment</u> |
|--|----------------------|---------------------------------|
| Rosenbauer Pumper Unit Project | \$ 290,381 | \$ 291,774 |
| Fire Station 1 Retrofit Project | 7,737 | 1,673 |
| Fire Station 2 Retrofit Project | 9,121 | 1,049 |
| Fire Station 3 Retrofit Project | 8,954 | 1,937 |
| Police Station Retrofit Project | 43,355 | 10,655 |
| Caselle Upgrade Project | 16,150 | - |
| Yellow Jacket Blvd. Improvements Project | 101,025 | 525,281 |
| East Railroad Ave Improvements Project | <u>60,400</u> | <u>27,810</u> |
| | <u>\$ 537,123</u> | <u>\$ 860,179</u> |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Business-Type Activities:

The City has four active construction projects as of June 30, 2022 in the business-type activities. The projects include the Lift Station Flood Repairs Project, Water Wells Flood Repair Project, the Sewer Expansion Project for Hillon Hood Road, and the Gas Department Building Repair Project. These four projects are owned by the City.

The following schedule represents commitments in the proprietary funds at June 30, 2022:

| <u>Project</u> | <u>Spent-to-Date</u> | <u>Remaining Commitment</u> |
|--|----------------------|---------------------------------|
| Lift Station Flood Repairs Project | \$1,413,602 | \$ 374,598 |
| Water Wells Flood Repairs Project | 1,293,884 | 429,809 |
| Sewer Expansion Project Hillon Hood Rd | 363,650 | 608,220 |
| Gas Department Building Repair Project | <u>7,988</u> | <u>13,312</u> |
| | <u>\$3,079,124</u> | <u>\$1,425,939</u> |

Component Units

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

City Court of Denham Springs - Ward II:

| | <u>Balance June 30, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> |
|----------------------------------|----------------------------------|--------------------|------------------|----------------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets Being Depreciated | | | | |
| Furniture and Fixtures | \$ 14,916 | \$ - | \$ - | \$ 14,916 |
| Software | 120,145 | - | - | 120,145 |
| Vehicles | - | 9,500 | - | 9,500 |
| Computer Equipment | <u>63,756</u> | <u>1,452</u> | <u>-</u> | <u>65,208</u> |
| Total | 198,817 | 10,952 | - | 209,769 |
| Less: Accumulated | | | | |
| Depreciation | <u>105,782</u> | <u>31,215</u> | <u>-</u> | <u>136,997</u> |
| Capital Assets, Net | <u>\$ 93,035</u> | <u>\$ (20,263)</u> | <u>\$ -</u> | <u>\$ 72,772</u> |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Marshal of City Court of Denham Springs - Ward II:

| | Balance June 30, 2021 | Additions | Deletions | Balance June 30, 2022 |
|----------------------------------|--------------------------|-------------|-----------|--------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets Being Depreciated | | | | |
| Office Equipment | \$ 9,673 | \$ - | \$ - | \$ 9,673 |
| Machinery and Equipment | 23,654 | - | - | 23,654 |
| Vehicles | 213,426 | - | - | 213,426 |
| Total | 246,753 | - | - | 246,753 |
| Less: Accumulated | | | | |
| Depreciation | 200,022 | 16,524 | - | 216,546 |
| Capital Assets, Net | \$ 46,731 | \$ (16,524) | \$ - | \$ 30,207 |

Denham Springs Economic Development District:

| | Balance June 30, 2021 | Additions | Deletions | Balance June 30, 2022 |
|--|--------------------------|----------------|-----------|--------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital Assets not being Depreciated: | | | | |
| Land | \$ 7,303,750 | \$ - | \$ - | \$ 7,303,750 |
| Total Capital Assets not being Depreciated | 7,303,750 | - | - | 7,303,750 |
| Capital Assets being Depreciated: | | | | |
| Buildings and Improvements | 26,205,237 | - | - | 26,205,237 |
| Roads | 6,566,631 | - | - | 6,566,631 |
| Utilities | 2,063,484 | - | - | 2,063,484 |
| Total Capital Assets being Depreciated | 34,835,352 | - | - | 34,835,352 |
| Less: Accumulated Depreciation for: | | | | |
| Buildings and Improvements | 8,762,375 | 655,130 | - | 9,417,505 |
| Roads | 4,277,597 | 328,332 | - | 4,605,929 |
| Utilities | 1,379,952 | 103,174 | - | 1,483,126 |
| Total Accumulated Depreciation | 14,419,924 | 1,086,636 | - | 15,506,560 |
| Total Capital Assets being Depreciated, Net | 20,415,428 | (1,086,636) | - | 19,328,792 |
| Total Governmental Activities Capital Assets, Net | \$ 27,719,178 | \$ (1,086,636) | \$ - | \$ 26,632,542 |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

Governmental Activities:

| | |
|--|--------------------|
| City Court of Denham Springs – Ward II | \$ 31,215 |
| Marshal of City Court of Denham Springs - Ward II | 16,524 |
| Denham Springs Economic Development District | <u>1,086,636</u> |
| | <u>\$1,134,375</u> |

(9) Long-Term Liabilities -

Primary Government -

Revenue Bonds

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

Prior Years Advance Refundings

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

On May 6, 2015, the City issued \$9,440,000 Series 2015 Revenue Refunding Bonds for the purpose of refunding \$9,145,000 of the outstanding balance of the Series 2006 Utility Revenue Bonds and interest and redemption premium associated with the Series 2006 Bonds. The net proceeds of \$9,715,796 (after payment of \$268,019 in cost of issuance) plus an additional \$167,146 of the sinking fund monies were used to purchase U.S. government securities. Those securities

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 Series bonds. This advance refunding was undertaken to decrease total debt service payments over the next 22 years by \$720,778 and resulted in an economic gain of \$542,161.

The advance refunding of the Series 2006 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,322,115, \$710,452 on the Series 2014 bonds and \$611,663 on the Series 2015 bonds, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2022, the unamortized balance is \$1,132,424.

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

The advance refunding of the Series 2008 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$940,387, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2022, the unamortized balance is \$816,353. As a result of the issuance of the Revenue Refunding Bonds Series 2016, \$7,155,000 of the 2008 Series Bonds were considered in-substance defeased and the liability for those bonds was removed from the City's books. The 2008 Series Bonds were paid off during fiscal year 2019.

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The advance refunding of the Series 2006 and 2009 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,252,171, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2022, the unamortized balance is \$2,831,384. As a result of the issuance of the Sewer Revenue Refunding Bonds Series 2016, \$1,255,000 of the 2006 Series Bonds and \$21,425,000 of the 2009 Series Bonds were considered in-substance defeased and the liability for those bonds was removed from the City’s books. The 2009 Series bonds were paid off during fiscal year 2020. The 2006 Series Bonds were paid off during fiscal year 2017.

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

The revenue bonds outstanding at June 30, 2022, are as follows:

| <u>Description/Purpose</u> | <u>Original Issue Amount</u> | <u>Interest Rate</u> | <u>Final Maturity</u> | <u>Balance June 30, 2022</u> |
|--------------------------------------|----------------------------------|--------------------------|---------------------------|----------------------------------|
| Business-Type Activities: | | | | |
| Utility Enterprise Fund: | | | | |
| 2014 Utility Revenue Refunding Bonds | \$ 9,145,000 | 1.00 to 4.88% | 12-01-2031 | \$ 8,705,000 |
| 2015 Utility Revenue Refunding Bonds | \$ 9,440,000 | 2.00 to 4.00% | 12-01-2036 | 7,040,000 |
| 2016 Utility Revenue Refunding Bonds | \$ 7,885,000 | 1.20 to 4.00% | 12-01-2038 | 6,845,000 |
| 2016 Sewer Revenue Refunding Bonds | \$ 1,433,929 | 3.39% | 12-01-2039 | 1,248,397 |
| 2021 Combined Utility Revenue Bonds | \$ 1,610,000 | 1.15% to 2.50% | 12-01-2050 | 1,585,000 |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Denham Springs Sewer
District Number 1:

| | | | | |
|---------------------------------------|--------------|-------|------------|------------|
| 2016 Sewer Revenue Refunding Bonds | \$24,496,071 | 3.39% | 12-01-2039 | 21,326,603 |
|---------------------------------------|--------------|-------|------------|------------|

| | |
|---------------------|---------------------|
| Total Revenue Bonds | <u>\$46,750,000</u> |
|---------------------|---------------------|

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2023 | \$ 1,925,000 | \$ 1,558,502 | \$ 3,483,502 |
| 2024 | 1,970,000 | 1,502,010 | 3,472,010 |
| 2025 | 2,040,000 | 1,439,649 | 3,479,649 |
| 2026 | 2,100,001 | 1,375,281 | 3,475,282 |
| 2027 | 2,170,001 | 1,307,154 | 3,477,155 |
| 2028-2032 | 11,934,999 | 5,393,449 | 17,328,448 |
| 2033-2037 | 14,100,000 | 3,081,157 | 17,181,157 |
| 2038-2042 | 9,909,999 | 591,950 | 10,501,949 |
| 2043-2047 | 315,000 | 55,688 | 370,688 |
| 2048-2052 | 285,000 | 14,438 | 299,438 |
| Total Revenue Bonds | <u>\$ 46,750,000</u> | <u>\$ 16,319,278</u> | <u>\$ 63,069,278</u> |

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

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

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2022, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$63,835.

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2022, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$469,335.

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

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

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2022, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$198,908.

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

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

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2022, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$491,146.

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

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

The City is required to pay monthly one-sixth (1/6) of the interest due on the next interest payment date due on the bonds into an interest account of the Debt Service Fund. In addition, the City is required to pay monthly one-twelfth (1/12) of the principal due on the next principal payment date due on the bonds into a principal account of the Debt Service Fund. At June 30, 2022, the Debt Service Fund requirements for the interest and principal accounts were fully funded with an actual balance of \$26,151.

For fiscal year end 2022, the City met the bond covenant that requires the Utility Enterprise Fund net revenues combined with the Denham Springs Sewer District Number 1 net revenues in each fiscal year equal to a least one hundred twenty-five percent of the required deposits to the debt service funds.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Loan Commitment

On June 13, 2017, a Community Disaster Loan (CDL) application was approved for the City. The City was approved for a loan amount up to \$4,913,474 with an interest rate of 1.75%. The loan matured in the current fiscal year on June 12, 2022. The intent of the loan was to replace lost operating revenues due to the significant natural disaster. The August 2016 flooding event and subsequent damages to the surround areas enabled the City to qualify for the loan and management initially applied for the loan because of the uncertainty of the effects of the flooding event on its revenue sources. On February 1, 2022, the City closed this loan since they did not ever draw on it.

Changes in Long-Term Liabilities. Long-term liability activity for the year ended June 30, 2022 is as follows:

| | Balance June 30, 2021 | Additions | Reductions | Balance June 30, 2022 | Due Within One Year |
|---|--------------------------|---------------------|---------------------|--------------------------|------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 947,665 | \$ 638,431 | \$ 701,479 | \$ 884,617 | \$ 221,154 |
| Net Pension Liability | 10,216,911 | 1,266,192 | 5,621,585 | 5,861,518 | - |
| Governmental Activities Long-Term Liabilities | <u>\$ 11,164,576</u> | <u>\$ 1,904,623</u> | <u>\$ 6,323,064</u> | <u>\$ 6,746,135</u> | <u>\$ 221,154</u> |
| Business-Type Activities: | | | | | |
| Revenue Bonds: | | | | | |
| 2014 Utility Revenue Refunding Bond | \$ 8,770,000 | \$ - | \$ 65,000 | \$ 8,705,000 | \$ 70,000 |
| 2015 Utility Revenue Refunding Bond | 7,790,000 | - | 750,000 | 7,040,000 | 765,000 |
| 2016 Utility Revenue Refunding Bond | 7,140,000 | - | 295,000 | 6,845,000 | 305,000 |
| 2016 Sewer Revenue Refunding Bond | 23,300,000 | - | 725,000 | 22,575,000 | 745,801 |
| 2021 Combined Utility Revenue Bonds | 1,610,000 | - | 25,000 | 1,585,000 | 40,000 |
| Adjust for Deferred Amount: | | | | | |
| For Issuance Premiums | 841,819 | - | 57,314 | 784,505 | 58,805 |
| For Issuance Discounts | (15,807) | - | (249) | (15,558) | (402) |
| Total Bond Payable | 49,436,012 | - | 1,917,065 | 47,518,947 | 1,984,204 |
| Compensated Absences | 256,610 | 212,310 | 213,016 | 255,904 | 63,975 |
| Net Pension Liability | 1,920,010 | 241,041 | 1,045,213 | 1,115,838 | - |
| Business-Type Activities Long-Term Liabilities | <u>\$ 51,612,632</u> | <u>\$ 453,351</u> | <u>\$ 3,175,294</u> | <u>\$ 48,890,689</u> | <u>\$ 2,048,179</u> |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The internal service fund serves predominantly the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$25,906 of compensated absences for the internal service fund is included in the above amounts. Also, compensated absences and net pension liability attributable to governmental activities have been generally liquidated by the General Fund and the Motor Pool Internal Service Fund in prior years.

See Note 11 for details on the Net Pension Liability.

Component Units -

Denham Springs Economic Development District:

The following is a summary of the changes in general long-term debt of the Denham Springs Economic Development District for the year ended June 30, 2022:

| | <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>June 30, 2022</u> | <u>Due</u> <u>Within</u> <u>One Year</u> |
|--------------------------|----------------------|------------------|-------------------|----------------------|--|
| | <u>June 30, 2021</u> | | | | |
| Governmental Activities: | | | | | |
| 2011A Series | \$ 5,130,000 | \$ - | \$ 5,130,000 | \$ - | \$ - |
| Long-Term Liabilities | \$ 5,130,000 | \$ - | \$ 5,130,000 | \$ - | \$ - |

The District issued 2007A, 2007B and the 2007C Series bonds on March 1, 2007 with a maturity date of January 1, 2037. 2008 Series bond were issued on May 27, 2008 with a maturity date of January 1, 2037.

These bonds were issued for the purchase of 24 acres within the 75 acre District and for the construction of the “Bass Pro Shops” project and infrastructure. The bonds will be paid from the dedicated portion of the sale tax revenues generated from the District. Additional collateral for these bonds is limited to the “Bass Pro Shop” development and the City of Denham Springs has no liability for these bonds.

On July 16, 2009, the 2007 Series B Bonds and the 2008 Series Bonds were converted from taxable variable rate sales tax increment revenue bonds to non-taxable variable rate sales tax increment revenue bonds. In addition, the 2007 Series C Bonds were converted from taxable fixed rate subordinate sales tax increment bonds to non-taxable fixed rate subordinate sales tax increment bonds. The conversion was done in an effort to reduce future interest payments.

On December 22, 2011, the District issued \$30,000,000 Series 2011A and issued \$16,200,000 Series 2011B Sales Tax Increment Refunding Bonds for the purpose of advance refunding the outstanding balance of the Series 2007 and 2008 bonds and to amend and restate the trust indenture including changes to the interest rate, letter of credit, and remarketing requirements. The 2011 Series bonds are scheduled to mature on January 1, 2037. This advance refunding was undertaken to decrease total debt service

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

payments over the next 25 years by \$6,346,526 and resulted in an economic gain of \$6,560,010. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$896,168, which was deferred and is being amortized over the life of the new bonds. The difference is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations as a component of interest expense. At June 30, 2022, the unamortized balance is \$-0-.

In accordance with the initial Trust Indenture on the Series 2011A and Series 2011B Bonds, the District entered into the First Supplemental Trust Indenture dated November 1, 2016 for the purpose of extending the Initial Bank Rate on the outstanding bonds. The interest bank rate with respect to the Series 2011A Bonds was defined as 3.09% through December 31, 2016, and 2.88% effective January 1, 2017 through the Initial Bank Rate Period which is the period from November 30, 2016 until the earliest to occur of the conversion of the Series 2011A Bonds to a fixed rate or a weekly rate, or January 1, 2023. Also in accordance with the First Supplemental Trust Indenture after December 31, 2017, the District shall be required to redeem the Series 2011A bonds from excess revenues in the excess revenue account at least twice each calendar year. The interest bank rate with respect to the Series 2011B Bonds was not changed as a result of the First Supplemental Trust Indenture. The Series 2011B Bonds were redeemed in full as of April 30, 2017.

Using excess sales tax collections, the District made extra principal payments of \$3,510,000 on July 1, 2021 and \$1,620,000 on October 1, 2021 to pay off the remaining debt outstanding.

Bond Reserve Fund covenant requires the maintenance of a separately identifiable account designated as the “Debt Service Reserve Fund” in which \$2,000,000 is to be maintained. At June 30, 2022, the District maintained a balance of \$2,083,702 which was \$83,702 more than the bond deposit requirements at year end. Bond covenants require that the monies in the Debt Service Reserve Fund be retained solely for the purpose of paying the principal of and interest on the Bonds payable as to which there would otherwise be default.

Marshal of City Court of Denham Springs - Ward II:

The following is a summary of the changes in general long-term debt of the Marshal of City Court of Denham Springs - Ward II for the year ended June 30, 2022:

| | <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>June 30, 2022</u> | <u>Due Within</u> |
|--------------------------|----------------------|-------------------|-------------------|----------------------|-------------------|
| Governmental Activities: | <u>June 30, 2021</u> | | | | <u>One Year</u> |
| Capital Leases | \$ 1,062 | \$ - | \$ 1,062 | \$ - | \$ - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Capital Lease Payable

The Marshal entered into another capital lease agreement on January 31, 2017 for financing the purchase of a copier. The lease requires monthly payments of principal and interest of \$120 for sixty months with a final payment due March 1, 2022. At June 30, 2022, the book value (net of depreciation) of the copier was \$-0-.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The capital leases payable at June 30, 2022, are as follows:

| <u>Description/Purpose</u> | <u>Original Lease Amount</u> | <u>Interest Rate</u> | <u>Final Maturity</u> | <u>Balance June 30, 2022</u> |
|--|--------------------------------------|--------------------------|---------------------------|----------------------------------|
| Capital lease to finance the purchase of a copier | \$ 6,666 | 2.90% | 03/01/22 | \$ - |

(10) Customers' Deposits -

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

The City has a demand deposit account which is designated specifically for Customers' Deposits. At June 30, 2022, customers' deposits amounted to \$1,302,962 and the balance of the demand deposit account for Customers' Deposits amounted to \$1,342,942 and are included as Restricted Assets on the Statement of Net Position.

(11) Pension Plans -

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

General Information about the Pension Plans

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Municipal Police Employees' Retirement System

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

Firefighters' Retirement System

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

Louisiana State Employees' Retirement System

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

Benefits Provided:

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

Municipal Employees' Retirement System of Louisiana

1. Retirement

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

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

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

2. Survivor Benefits

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

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

3. DROP Benefits

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

4. Disability Benefits

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

5. Cost of Living Increases

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

6. Deferred Benefits

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

Municipal Police Employees' Retirement System

1. Retirement, Survivor Benefits, and Disability Benefits

Membership Prior to January 1, 2013

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

Membership Commencing January 1, 2013

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

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

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

2. Cost of Living Adjustments

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

3. DROP Benefits

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

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

4. Initial Benefit Option Plan

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Firefighters' Retirement System

1. Retirement

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

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. The options are as follows:

1. At death, their beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, their beneficiary will receive a life annuity equal to the employee's reduced retirement allowance.
3. At death, their beneficiary will receive a life annuity equal to 1/2 of the employee's reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to the employee's retirement allowance limited to a spouse and/or minor children.
5. The member can select a reduced option 2 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children or handicapped children.
6. The member can select a reduced option 3 benefit. However, if the beneficiary predeceases the retiree, the benefit will convert to the maximum. This option is limited to a spouse and/or minor children.
7. The member can select to receive a guaranteed 2 1/2% COLA every year beginning when the member reaches age 55. In exchange for this COLA, the member takes an actuarially reduced benefit upon retirement.

2. Death Benefits

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

2. Children of deceased employees will receive the greater of \$200 or 10.0% of the member's final average compensation per month until reaching the age of 18 or until the age of 22, if enrolled full time in an institution of higher education. The surviving totally physically handicapped or mentally retarded child of a deceased employee, regardless of age, shall receive the benefits as long as they are dependent on the surviving spouse.
3. If an employee, who is eligible to retire, dies before retiring, the designated beneficiary shall be paid under option 2, survivor benefit equal to member's benefit.

3. Disability Benefits

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

1. Any member totally disabled from injury received in the line of duty, shall be paid, on a monthly basis, an annual pension of 60.0% of the average final compensation being received at the time of the disability.
2. Any member of FRS who has become disabled or incapacitated because of continued illness or as a result of any injury received, even though not in the line of duty, and who has 5 years of creditable service, but is not eligible for retirement under the provisions of R. S. 11:2256 may apply for retirement under the provisions of R.S. 11:2258 and shall be retired on 75.0% of the retirement salary to which he would be entitled under R. S. 11:2256 if he were otherwise eligible there under or 25.0% of the member's average salary, whichever is greater.
3. Any retired member or DROP plan participant who becomes disabled for any reason provided for by law shall be permitted to apply for conversion of a service retirement to a service connected disability retirement under R.S. 11:2258(B)(1)(e).
4. Should a member who is on disability retirement die and leave a surviving spouse, the surviving spouse shall receive a benefit of \$200 per month. When the member takes disability retirement, he may, in addition, take an actuarially reduced benefit in which case the member's surviving spouse shall receive 50% of the disability benefit being paid immediately prior to the death of the disabled retiree. If the surviving spouse remarries prior to age 55, such benefits shall cease; however, the benefits shall resume upon subsequent divorce or death of the new spouse, and the approval of the board of trustees.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

4. DROP Benefits

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

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

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

5. Initial Benefit Option

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

Louisiana State Employees' Retirement System

1. Retirement

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

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

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

2. Deferred Retirement Benefits

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

3. Disability Benefits

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

4. Survivor's Benefits

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

5. Permanent Benefit Increases/Cost of Living Adjustments

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

Contributions:

Municipal Employees' Retirement System of Louisiana

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the employer contribution rate was 15.5% and the employee rate was 5% for Plan B. Contributions to MERS from the City were \$494,074 for the year ended June 30, 2022.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$102,528 for the year ended June 30, 2022.

Municipal Police Employees' Retirement System

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the employer contribution rate was 29.75% and the employee rate was 10% for hazardous duty members. The employer contribution rate was 29.75% and the employee rate was 8% for non-hazardous duty members. Contributions to MPERS from the City were \$485,376 for the year ended June 30, 2022.

MPERS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$116,835 for the year ended June 30, 2022.

Firefighters' Retirement System

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2022, the employer contribution rate was 33.75% and the employee rate was 10%. Contributions to FRS from the City were \$429,240 for the year ended June 30, 2022.

FRS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$140,238 for the year ended June 30, 2022.

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2022 for the plan were 11.5% for the employee and 43.7% for the employer.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

The City’s contractually required composite contribution rate for the year ended June 30, 2022 was 43.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were \$8,707 for the year ended June 30, 2022.

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

At June 30, 2022, the City reported a liability of \$6,977,356 for its proportionate share of the net pension liability of MERS, MPERS, FRS, and LASERS combined. For all plans, the net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportion at June 30, 2021 and change in proportion measured as of June 30, 2020 is as follows:

| Plan | Proportion at June 30, 2021 | Change in Proportion |
|--------|--------------------------------|-------------------------|
| MERS | 4.10229% | (0.04770%) |
| MPERS | 0.52282% | -(0.00564%) |
| FRS | 0.49089% | -0.01237% |
| LASERS | 0.00406% | -(0.00276%) |

For the year ended June 30, 2022, the City recognized pension expense as follows:

| Plan | Pension Expense |
|--------|-----------------|
| MERS | \$ 308,324 |
| MPERS | 144,491 |
| FRS | 30,027 |
| LASERS | 3,967 |
| | \$ 486,809 |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>MERS</u> | <u>MPERS</u> | <u>FRS</u> | <u>LASERS</u> | <u>Total</u> |
|---|-------------------|---------------------|---------------------|------------------|---------------------|
| Deferred Outflows of Resources: | | | | | |
| Differences between expected and actual Experience | \$ - | \$ - | \$ 24,826 | \$ 73 | \$ 24,899 |
| Changes in Assumptions | 96,175 | 308,634 | 376,970 | 1,820 | 783,599 |
| Net difference between projected and actual earnings on pension plan investments | - | - | - | - | - |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 20 | 35,961 | 49,111 | - | 85,092 |
| Employer contributions subsequent to the measurement date | 494,074 | 485,376 | 429,240 | 8,707 | 1,417,397 |
| Total Deferred Outflows of Resources | \$ 590,269 | \$ 829,971 | \$ 880,147 | \$ 10,600 | \$ 2,310,987 |
| Deferred Inflows of Resources: | | | | | |
| Differences between expected and actual Experience | \$ 98,071 | \$ 85,828 | \$ 156,226 | \$ - | \$ 340,125 |
| Changes in Assumptions | - | 79,498 | - | - | 79,498 |
| Net difference between projected and actual earnings on pension plan investments | 642,224 | 1,301,260 | 1,056,626 | 17,322 | 3,017,432 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 41,130 | 117,698 | 343,093 | 6 | 501,927 |
| Total Deferred Inflows of Resources | \$ 781,425 | \$ 1,584,284 | \$ 1,555,945 | \$ 17,328 | \$ 3,938,982 |

\$1,417,397 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | <u>MERS</u> | <u>MPERS</u> | <u>FRS</u> | <u>LASERS</u> | <u>Total</u> |
|----------------------------|---------------------|-----------------------|-----------------------|--------------------|-----------------------|
| 2022 | \$ (140,673) | \$ (279,485) | \$ (275,634) | \$ (1,120) | \$ (696,912) |
| 2023 | (152,305) | (275,479) | (238,962) | (2,670) | (669,416) |
| 2024 | (166,569) | (236,410) | (276,201) | (3,937) | (683,117) |
| 2025 | (225,683) | (448,315) | (325,011) | (7,708) | (1,006,717) |
| 2026 | - | - | (2,573) | - | (2,573) |
| Thereafter | - | - | 13,343 | - | 13,343 |
| | \$ (685,230) | \$ (1,239,689) | \$ (1,105,038) | \$ (15,435) | \$ (3,045,392) |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 for all plans are as follows:

| | MERS | MPERS | FRS | LASERS |
|---------------------------|---|--|--|--------------|
| Inflation | 2.50% | 2.50% | 2.50% | 2.30% |
| Investment rate of return | 6.85% | 6.750% | 6.90% | 7.40% |
| Salary increases | Vary from 7.4% in first 4 years of service to 4.9% after 4 years | Vary from 12.3% in first 2 years of service to 4.7% after 2 years | Vary from 14.10% in first 2 years of service to 5.2% with 3 or more years of service | 2.6% to 5.1% |

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

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

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

For MERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the MERS's target asset allocation as of June 30, 2021 are summarized in the following table:

| Asset Class | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|--------------------------------|---|
| Public Equity | 53% | 2.31% |
| Public Fixed Income | 38% | 1.65% |
| Alternative | 9% | 0.39% |
| Total | 100% | 4.35% |
| Inflation | | 2.60% |
| Expected Arithmetic Nominal Return | | 6.95% |

For MPERS, the forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rates of return is 7.29% for the year ended June 30, 2021. Best estimates of arithmetic real rates of return for each major asset class included in the MPERS's target asset allocation as of June 30, 2021 are summarized in the following table:

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|------------------------------------|--------------------------------|---|
| Equity | 55.50% | 3.47% |
| Fixed Income | 30.50% | 0.59% |
| Alternative | 14% | 1.01% |
| Total | <u>100%</u> | 5.07% |
| Inflation | | 2.22% |
| Expected Arithmetic Nominal Return | | <u>7.29%</u> |

For FRS, the forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rates of return is 6.90% for the year ended June 30, 2021. Best estimates of arithmetic real rates of return for each major asset class included in the FRS's target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Expected Portfolio Real Rate of Return</u> |
|----------------------------------|--------------------------------|---|
| Fixed Income | 26% | 1.25% |
| Equity: | | |
| U.S. Equity | 27.50% | 5.86% |
| Non-U.S. Equity | 18.50% | 7.27% |
| Global Equity | 10% | 6.40% |
| Alternative: | | |
| Real Estate | 6% | 5.31% |
| Private Equity | 9% | 9.53% |
| Real Assets | 3% | N/A |
| Multi-Asset Strategies: | | |
| Global Tactical Asset Allocation | 0% | 4.17% |
| Risk Parity | 0% | 4.17% |
| Total | <u>100%</u> | |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

For LASERS the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

| Asset Class | Target Asset Allocation | Expected Portfolio Real Rate of Return |
|----------------------------|--------------------------------|---|
| Cash | 1% | -0.29% |
| Domestic Equity | 31% | 4.09% |
| International Equity | 23% | 5.12% |
| Domestic Fixed Income | 3% | 0.49% |
| International Fixed Income | 18% | 3.94% |
| Alternative Investments | 24% | 6.93% |
| Total | 100% | 5.81% |

Discount Rate

For MERS, the discount rate used to measure the total pension liability was 6.85% which was a decrease of .10% from the prior measurement date of June 30, 2020. For MPERS, the discount rate used to measure the total pension liability was 6.75% which was a decrease of .20% from the prior measurement date of June 30, 2020. For FRS, the discount rate used to measure the total pension liability was 6.90% which was a decrease of .10% from the prior measurement date of June 30, 2020. The discount rate used to measure the total pension liability was 7.40% for LASERS which was a decrease of .15% from the prior measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

The following presents the City’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate as of June 30, 2021 for MERS, MPERS, FRS, and LASERS:

| MERS: | Changes in Discount Rate | | |
|-------------------------------|--------------------------|---------------|--------------|
| | Plan B: | | |
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 5.850% | 6.850% | 7.850% |
| Net pension liability (asset) | \$ 3,646,033 | \$ 2,376,501 | \$ 1,302,699 |

| MPERS: | Changes in Discount Rate | | |
|-------------------------------|--------------------------|---------------|--------------|
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 5.750% | 6.750% | 7.750% |
| Net pension liability (asset) | \$ 4,857,118 | \$ 2,786,895 | \$ 1,058,958 |

| FRS: | Changes in Discount Rate | | |
|-------------------------------|--------------------------|---------------|-------------|
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 5.90% | 6.90% | 7.90% |
| Net pension liability (asset) | \$ 3,337,401 | \$ 1,739,656 | \$ 407,153 |

| LASERS: | Changes in Discount Rate | | |
|-------------------------------|--------------------------|---------------|-------------|
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 6.40% | 7.40% | 8.40% |
| Net pension liability (asset) | \$ 100,676 | \$ 74,304 | \$ 51,864 |

Pension Plans Fiduciary Net Position

MERS issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to the audit report can be found on the System’s website: www.mersla.com or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

MEPRS issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

FRS issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to the audit report can be found on the System's website: www.lafirefightersret.com or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Payables to the Pension Plans

At June 30, 2022 included in liabilities are payables to the pension plans as follows: MERS \$49,674, MPERS \$46,308, FRS \$42,137, and LASERS \$-0-. These payables are normal legally required contributions to the pension plans.

Component Units

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

General Information about the Pension Plans

Plan Descriptions:

Parochial Employees Retirement System of Louisiana

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

Louisiana State Employees' Retirement System

The judge of the City Court of Denham Springs – Ward Two is a member of the Louisiana State Employees' Retirement System (LASERS). See pages 84 to 86 for plan description and benefits provided by LASERS.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

Benefits Provided:

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

Parochial Employees Retirement System of Louisiana

1. Retirement

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

2. Survivor Benefits

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

3. Deferred Retirement Option Plan

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

4. Disability Benefits

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

5. Cost of Living Increases

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Contributions:

Parochial Employees Retirement System of Louisiana

According to state statute, contributions for all employers are actuarially determined each year. The required contribution rate for the period July 1, 2021 to June 31, 2022 was 7.5% and was 7.5% for the period January 1, 2020 to June 30, 2020. Employees were required to contribute 3% of their annual salary for both periods. Contributions to PERS from the Court were \$20,256 for the year ended June 30, 2022.

According to state statute, PERS also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. For the Court, the amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$2,811 for the year ended June 30, 2022. For the Marshal, the amount of non-employer contributions recognized in the government-wide governmental activities statement of activities was \$2,480 for the year ended June 30, 2022.

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The City Court's contractually required composite contribution rate for the year ended June 30, 2022 was 8.39% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from the Court were \$28,816 for the year ended June 30, 2022.

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

At June 30, 2022, the Court reported a net pension asset of \$83,329 for its proportionate share of PERS and a net pension liability of \$223,241 for its proportionate share of LASERS. At June 30, 2022, the Marshal reported a net pension asset of \$94,432 for its proportionate share of the net pension asset of PERS. For PERS, the net pension asset/liability was measured as of

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

December 31, 2021 and the total pension asset/liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For LASERS, the net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court and the Marshal's proportion of the net pension asset/liability was based on a projection of the Court and the Marshal's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021, the Court's proportion was .149118% for PERS which was a decrease of .036321% from its proportion measured as of December 31, 2020. At June 30, 2021, the Court's proportion was .00406% for LASERS which was an increase of .00053% from its proportion measured as of June 30, 2020. At December 31, 2021, the Marshal's proportion was .168987% for PERS which was an increase of .022897% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Court recognized pension benefit of \$9,587 for PERS and pension expense of \$15,651 for LASERS. For the year ended June 30, 2022, the Marshal recognized pension benefit of \$11,542 for PERS.

At June 30, 2022, the Court and the Marshal reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | City Court of Denham Springs - Ward Two | | | Marshal City Court of Denham Springs - Ward Two |
|---|---|------------------|------------------|---|
| | PERS | LASERS | Total | PERS |
| Deferred Outflows of Resources: | | | | |
| Differences between expected and actual Experience | \$ 1,583 | \$ 220 | \$ 1,803 | \$ 1,794 |
| Changes in Assumptions | 3,347 | 5,468 | 8,815 | - |
| Net difference between projected and actual earnings on pension plan investments | - | - | - | 3,165 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 329 | 28,745 | 29,074 | - |
| Employer contributions subsequent to the measurement date | 7,533 | 28,816 | 36,349 | 7,957 |
| Total Deferred Outflows of Resources | \$ 12,792 | \$ 63,249 | \$ 76,041 | \$ 12,916 |

(CONTINUED)

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

| | City Court of Denham Springs - Ward Two | | | Marshal City Court of Denham Springs - Ward Two |
|---|---|------------------|-------------------|---|
| | PERS | LASERS | Total | PERS |
| Deferred Inflows of Resources: | | | | |
| Differences between expected and actual Experience | \$ 8,856 | \$ - | \$ 8,856 | \$ 10,036 |
| Net difference between projected and actual earnings on pension plan investments | 54,286 | 52,061 | 106,347 | 61,519 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 552 | - | 552 | 2,276 |
| Total Deferred Inflows of Resources | \$ 63,694 | \$ 52,061 | \$ 115,755 | \$ 73,831 |

\$36,349 and \$7,957 reported as deferred outflows of resources related to pensions resulting from the Court and the Marshal's, respectively, contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | City Court of Denham Springs - Ward Two | | | Marshal City Court of Denham Springs - Ward Two |
|----------------------------|---|--------------------|--------------------|---|
| | PERS | LASERS | Total | PERS |
| 2023 | \$ (24,362) | \$ 20,723 | \$ (3,639) | \$ (14,911) |
| 2024 | (16,226) | (11,828) | (28,054) | (28,247) |
| 2025 | (17,847) | (26,523) | (44,370) | (18,488) |
| 2026 | - | - | - | (7,226) |
| | \$ (58,435) | \$ (17,628) | \$ (76,063) | \$ (68,872) |

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2021 for PERS and as of June 30, 2021 for LASERS are as follows:

| | PERS | LASERS |
|---------------------------|--------------------------------------|-----------------------------------|
| Inflation | 2.30% | 2.30% |
| Investment rate of return | 6.40% (net of investment expense) | 7.40% (net of investment expense) |
| Salary increases | 4.25% (2.30% Inflation, 1.95% Merit) | 2.6% to 5.1% |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

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

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

For PERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2021 are summarized in the following table:

| Asset Class | Target Asset Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|--------------------------------|---|
| Fixed Income | 33% | 0.85% |
| Equity | 51% | 3.23% |
| Alternative | 14% | 0.71% |
| Real Assets | 2% | 0.11% |
| Total | 100% | 4.90% |
| Inflation | | 2.10% |
| Expected Arithmetic Nominal Return | | 7.00% |

For LASERS the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------------|--------------------------|---|
| Cash | 1% | -0.29% |
| Domestic Equity | 31% | 4.09% |
| International Equity | 23% | 5.12% |
| Domestic Fixed Income | 3% | 0.49% |
| International Fixed Income | 18% | 3.94% |
| Alternative Investments | 24% | 6.63% |
| Total | 100% | 5.81% |

Discount Rate

For PERS, the discount rate used to measure the total pension liability was 6.40% which was same as the prior measurement date of December 31, 2020. For LASERS, the discount rate used to measure the total pension liability was 7.40% which was a decrease of .15% from the prior measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Court and the Marshal's proportionate share of the net pension liability calculated using the current discount rate, as well as what the Court and Marshal's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate as of December 31, 2021 for PERS and as of June 30, 2021 for LASERS:

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

City Court of Denham Springs - Ward Two

| | | | |
|-------------------------------|--------------------------|---------------|--------------|
| PERS: | Changes in Discount Rate | | |
| | Plan B: | | |
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | <u>5.40%</u> | <u>6.40%</u> | <u>7.40%</u> |
| Net pension liability (asset) | \$ (7,196) | \$ (83,329) | \$ (146,996) |

| | | | |
|-------------------------------|--------------------------|---------------|--------------|
| LASERS: | Changes in Discount Rate | | |
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | <u>6.40%</u> | <u>7.40%</u> | <u>8.40%</u> |
| Net pension liability (asset) | \$ 302,475 | \$ 223,241 | \$ 155,823 |

Marshal of City Court of Denham Springs - Ward Two

| | | | |
|-------------------------------|--------------------------|---------------|--------------|
| PERS: | Changes in Discount Rate | | |
| | Plan B: | | |
| | Current | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | <u>5.40%</u> | <u>6.40%</u> | <u>7.40%</u> |
| Net pension liability (asset) | \$ (8,155) | \$ (94,432) | \$ (166,852) |

Pension Plans Fiduciary Net Position

PERS issued a stand-alone audit report on its financial statements for the year ended December 31, 2021. Access to the audit report can be found on the System’s website: www.persla.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Detailed information about LASERS’ pension plan’s fiduciary net position is available in the separately issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor’s official website: www.lla.state.la.us.

Payables to the Pension Plans

For the City Court of Denham Springs - Ward Two, included in liabilities at June 30, 2022 is a payable in the amount of \$5,535 to PERS and \$3,045 to LASERS. These payables are normal legally required contributions to the pension plan .

For the Marshal of City Court for Denham Springs – Ward Two, there is no payable to PERS at June 30, 2022.

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

(12) Deferred Compensation Plan -

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

At June 30, 2022, assets totaling \$1,227,984 are held by Great West Life & Annuity Insurance Company, a deferred compensation center.

Compensation deferred under this plan for the fiscal year ended June 30, 2022, amounted to \$216,639.

(13) Litigation -

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

(14) Intergovernmental Revenue -

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

Supplementary salary payments are made by the State of Louisiana directly to certain groups of the City's employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended June 30, 2022, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$331,785.

(15) Risk Management -

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

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

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

(16) Mayor and Council Members' Compensation -

The following list includes the compensation paid to the Mayor and Council Members for the year ended June 30, 2022. The current terms of the Mayor and Council Members expire on December 31, 2022.

| | |
|---|-----------|
| H. Gerard Landry, Mayor 516 Cedar Street Denham Springs, Louisiana 70726 Telephone: 665-8121 - Term Began: January 1, 2019 | \$ 86,091 |
| Lori Lamm-Williams, Council Member 1565 River Run Drive Denham Springs, Louisiana 70726 Telephone: 445-0273 - Term Began: January 1, 2019 | \$ 12,000 |
| Jeffery Wesley, Council Member 340 Pine Street Denham Springs, Louisiana 70726 Telephone: 921-4306 - Term Began: January 1, 2019 | \$ 12,000 |
| Robert Poole, Council Member 1403 Weeping Willow Drive Denham Springs, Louisiana 70726 Telephone: 939-3526 - Term Began: January 1, 2019 | \$ 12,000 |
| Laura Schmitt Smith, Council Member 448 Centerville Street, NE Hatchell Lane Denham Springs, Louisiana 70726 Telephone: 445-1469 – Term Began: January 1, 2019 | \$ 12,000 |
| Amber Dugas, Council Member 210 Carroll Street Denham Springs, Louisiana 70726 Telephone: 933-5762 – Term Began: January 1, 2019 | \$ 12,000 |

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

In accordance with Louisiana Revised Statute 24:513A, the following is a Schedule of Compensation and Benefits received by H. Gerard Landry, Mayor, the acting agency head for the year ended June 30, 2022:

| Purpose | H. Gerard Landry |
|--------------------------------|------------------|
| Salary | \$ 86,091 |
| Benefits-insurance | 235 |
| Benefits-retirement | 13,344 |
| Vehicle provided by government | 750 |
| Registration fees | 135 |
| | \$ 100,555 |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

(18) Schedule of Business-Type Activities Net Income (Loss) from Operations by Department for the Fiscal Year Ended June 30, 2022 -

| | Gas Department | Water Department | Sewer Department | Sanitation Department | Total Utility Enterprise Fund | Denham Springs Sewer District Number 1 |
|--------------------------------|--------------------|---------------------|---------------------|--------------------------|-------------------------------------|---|
| Operating Revenues: | | | | | | |
| Charges for Services | \$5,473,658 | \$ 3,746,356 | \$2,535,225 | \$1,043,882 | \$ 12,799,121 | \$ 1,376,050 |
| Delinquent Charges | 74,482 | 50,977 | 34,497 | 14,204 | 174,160 | - |
| Miscellaneous | - | 73,046 | 85 | - | 73,131 | - |
| Total Operating Revenues | <u>5,548,140</u> | <u>3,870,379</u> | <u>2,569,807</u> | <u>1,058,086</u> | <u>13,046,412</u> | <u>1,376,050</u> |
| Operating Expenses: | | | | | | |
| Direct | 2,852,040 | 1,404,031 | 2,398,386 | 860,426 | 7,514,883 | 1,049,459 |
| General and Administrative | 571,453 | 518,100 | 630,958 | 94,838 | 1,815,349 | 132,955 |
| Total Operating Expenses | <u>3,423,493</u> | <u>1,922,131</u> | <u>3,029,344</u> | <u>955,264</u> | <u>9,330,232</u> | <u>1,182,414</u> |
| Operating Income (Loss) by | | | | | | |
| Department | 2,124,647 | 1,948,248 | (459,537) | 102,822 | 3,716,180 | 193,636 |
| Nonoperating Revenues | 89,914 | 270,032 | 390,155 | - | 750,101 | 265 |
| Nonoperating Expenses | (41,595) | (238,024) | (695,748) | - | (975,367) | (818,927) |
| Capital Contributions | - | - | 77,305 | - | 77,305 | 340,055 |
| Change in Net Position | | | | | <u>3,568,219</u> | <u>(284,971)</u> |
| Business-Type Activities | | | | | | |
| Departmental Net Income (Loss) | <u>\$2,172,966</u> | <u>\$ 1,980,256</u> | <u>\$ (687,825)</u> | <u>\$ 102,822</u> | | |
| Change in Net Position | | | | | | |
| Business-Type Activities | | | | | <u>\$ 3,568,219</u> | <u>\$ (284,971)</u> |

CITY OF DENHAM SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

**(19) Schedule of Business-Type Activities Operating Expenses by Department
for the Fiscal Year Ended June 30, 2022 -**

| | Gas Department | Water Department | Sewer Department | Sanitation Department | Total Utility Enterprise Fund | Denham Springs Sewer District Number 1 |
|--|---------------------|---------------------|---------------------|--------------------------|--|---|
| Direct Expenses: | | | | | | |
| Natural Gas Purchases | \$ 1,493,944 | \$ - | \$ - | \$ - | \$ 1,493,944 | \$ - |
| Direct Labor | 659,238 | 407,789 | 585,471 | - | 1,652,498 | - |
| Chlorinator Expense | - | 51,774 | - | - | 51,774 | - |
| Depreciation | 170,577 | 485,276 | 1,125,471 | 2,388 | 1,783,712 | 454,827 |
| Utilities | 7,600 | 138,491 | 300,232 | - | 446,323 | 152,714 |
| Equipment Expenses | 65,511 | 41,222 | 90,327 | - | 197,060 | - |
| Equipment Rental | 2,155 | 19,471 | 15,731 | - | 37,357 | 61 |
| Lab Fees | - | - | 38,287 | - | 38,287 | 14,796 |
| Maintenance | 321,856 | 115,930 | 465,773 | - | 903,559 | 191,016 |
| Meter Reading | 108,758 | 134,259 | - | - | 243,017 | - |
| Meter Repairs | 985 | - | - | - | 985 | - |
| Overhead Allocation | - | - | (236,010) | - | (236,010) | 236,045 |
| Small Tools and Supplies | 21,416 | 9,819 | 13,104 | - | 44,339 | - |
| Subcontract Disposal Service | - | - | - | 858,038 | 858,038 | - |
| | <u>2,852,040</u> | <u>1,404,031</u> | <u>2,398,386</u> | <u>860,426</u> | <u>7,514,883</u> | <u>1,049,459</u> |
| General and Administrative Expenses: | | | | | | |
| Office Salaries | 103,025 | 144,188 | 83,564 | 55,007 | 385,784 | 41,081 |
| Payroll Taxes, Retirement and Group Insurance | 244,601 | 190,270 | 223,581 | 19,390 | 677,842 | 14,481 |
| Utilities | 11,210 | 289 | - | - | 11,499 | - |
| Flood Expenses | - | 27,224 | 46,411 | - | 73,635 | - |
| Maintenance and Repairs | 4,804 | - | - | - | 4,804 | - |
| Insurance | 61,886 | 59,851 | 93,340 | 8,170 | 223,247 | 9,632 |
| Miscellaneous | 77,920 | 23,909 | 124,570 | 4,807 | 231,206 | 42,977 |
| Office Expense | 27,005 | 24,559 | 23,666 | 862 | 76,092 | 1,903 |
| Professional Fees | 15,654 | 29,902 | 10,989 | 5,871 | 62,416 | 22,335 |
| Telephone | 25,348 | 17,908 | 24,837 | 731 | 68,824 | 546 |
| | <u>571,453</u> | <u>518,100</u> | <u>630,958</u> | <u>94,838</u> | <u>1,815,349</u> | <u>132,955</u> |
| Total Operating Expenses | <u>\$ 3,423,493</u> | <u>\$ 1,922,131</u> | <u>\$ 3,029,344</u> | <u>\$ 955,264</u> | <u>\$ 9,330,232</u> | <u>\$ 1,182,414</u> |

CITY OF DENHAM SPRINGS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

**(20) Schedule of Business-Type Activities Operating Expenses by
Function for the Fiscal Year Ended June 30, 2022 -**

| | Total Utility Enterprise Fund | Denham Springs Sewer District Number 1 |
|---|--|---|
| Personal Services and Benefits: | | |
| Direct Labor | \$ 1,652,498 | \$ - |
| Office Salaries | 385,784 | 41,081 |
| Payroll Taxes, Retirement and Group Insurance | 677,842 | 14,481 |
| | <hr/> 2,716,124 | <hr/> 55,562 |
| Contractual Services: | | |
| Chlorinator Expense | 51,774 | - |
| Equipment Rental | 37,357 | 61 |
| Lab Fees | 38,287 | 14,796 |
| Meter Reading | 243,017 | - |
| Subcontract Disposal Service | 858,038 | - |
| Professional Fees | 62,416 | 22,335 |
| | <hr/> 1,290,889 | <hr/> 37,192 |
| Cost of Materials: | | |
| Natural Gas Purchases | 1,493,944 | - |
| Utilities: | | |
| Utilities (Direct) | 446,323 | 152,714 |
| Utilities (General) | 11,499 | - |
| Telephone | 68,824 | 546 |
| | <hr/> 526,646 | <hr/> 153,260 |
| Repair and Maintenance: | | |
| Equipment Expenses | 197,060 | - |
| Flood Expenses | 73,635 | - |
| Maintenance | 903,559 | 191,016 |
| Meter Repairs | 985 | - |
| Maintenance and Repairs | 4,804 | - |
| | <hr/> 1,180,043 | <hr/> 191,016 |
| Supplies: | | |
| Small Tools and Supplies | 44,339 | - |
| Office Expense | 76,092 | 1,903 |
| Miscellaneous | 231,206 | 42,977 |
| | <hr/> 351,637 | <hr/> 44,880 |
| Insurance | 223,247 | 9,632 |
| Depreciation | 1,783,712 | 454,827 |
| Overhead Allocation | (236,010) | 236,045 |
| Total Operating Expenses | <hr/> <hr/> \$ 9,330,232 | <hr/> <hr/> \$ 1,182,414 |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

21) Cooperative Endeavor Agreement -

Under the provisions of LA. R.S. 33:9038 Sales Tax Increment Financing, a cooperative endeavor agreement dated December 15, 2006 was made by and among Denham Springs Economic Development District (the “District”), Denham Springs Economic Development Corporation (the “Corporation”), City of Denham Springs, State of Louisiana (the “City”), Law Enforcement District of the Parish of Livingston, State of Louisiana (the “Law Enforcement District”), Livingston Parish School Board, both in its capacity as a Participating Tax Recipient Entity (the “School Board”) and its capacity as the Tax Collector for Sales and Use Taxes in the District (the “Tax Collector”), Parish of Livingston, State of Louisiana (the “Parish”), Special Sales Tax District No. 1 of the Parish of Livingston, State of Louisiana (the “School District”), Gravity Drainage District No. 1 of the Parish of Livingston, State of Louisiana (the “Gravity Drainage District”) and The State of Louisiana (the “State”), acting by and through the Louisiana Department of Revenue (the “Department”).

Pursuant to this Cooperative Endeavor Agreement, the Participating Tax Recipient Entities and the State have pledged and dedicated and will irrevocably pledge and dedicate an amount of Annual Pledged Local Increment and Annual Pledged State Increment to pay the annual principal of, premium, if any, and interest on the Bonds. The District used a portion of the proceeds of the Bonds to purchase the Bass Pro Site, which then has been leased by the District to the Corporation. The District shall deposit a portion of the proceeds of the Bonds to the Project Fund held by the Paying Agent/Trustee to pay Project Costs. The Corporation will contract for and monitor construction of the Project and sublease the Bass Pro Site and Facilities to Bass Pro Denham Springs Development Company, LLC. The Corporation will mortgage its leasehold interest in the Bass Pro Site and Facilities in favor of the Paying Agent/Trustee for the benefit of bondholders.

In consideration of the mutual covenants contained, the parties covenant and agree to pledge and dedicate pursuant to the agreement their agreed upon percentages of the sales tax collected within the District as follows:

| <u>Entity</u> | <u>Sales and Use Tax Percent</u> | <u>Percent of Sales Tax Pledged to District</u> |
|--|--------------------------------------|---|
| City of Denham Springs | 1.50% | 71.42857% |
| Livingston Parish | | |
| Law Enforcement District | .50% | 71.42857% |
| Livingston Parish | | |
| School Board - General Fund | 1.00% | 100.00000% |
| Livingston Parish | | |
| School Board - 2 nd Sales Tax | 1.00% | 0.00000% |
| Livingston Parish School Board - | | |
| District #1 | .50% | 100.00000% |
| Livingston Parish Council | 1.00% | 71.42857% |
| Livingston Parish Gravity | | |
| Drainage District #1 | .50% | 71.42857% |
| State of Louisiana | <u>4.00%</u> | 50.00000% |
| | <u>10.00%</u> | |

CITY OF DENHAM SPRINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

In addition, while each of the local entities pledge their sales tax revenues until the bonds are paid in full, the State of Louisiana pledged their participation for not more than 20 years from date of closing on the bonds and not to exceed \$1,500,000 per year. The bonds issued March 20, 2007 and May 27, 2008, each have a maturity schedule of 30 years or fiscal year ending June 30, 2037. The 2007 and 2008 bonds were refunded with the 2011 refunding bonds issued on December 22, 2011 which have the same maturity date as the refunded bonds or fiscal year ending June 30, 2037. No participating local tax recipient entity shall be required to pledge or pay more than the annual pledged local increment attributable to it during any year of the term of the agreement. The term of this agreement shall be effective upon execution by all parties hereto and shall terminate upon the earlier of (i) payment in full by the District of all principal, interest, premium, if any, and other requirements of the bonds or (ii) the final maturity date of the Bonds, which date shall not be extended beyond that final maturity date initially set forth in the Indenture without the prior written consent of all Participating Tax Recipient Entities.

For the year ended June 30, 2022, the City abated sales taxes totaling \$242,844 under this cooperative endeavor agreement.

(22) Subsequent Events -

On July 6, 2022, Bass Pro exercised its option to purchase the facilities of the Denham Springs Economic Development District. The purchase price was \$15,651,000 and \$17,295,613 of Economic Benefits Credits earned by Bass Pro were applied to the purchase price.

City management has evaluated subsequent events through December 30, 2022, the date which the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DENHAM SPRINGS

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN

FOR THE YEAR ENDED JUNE 30, 2022*

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

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

(CONTINUED)

CITY OF DENHAM SPRINGS

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY BY PLAN

FOR THE YEAR ENDED JUNE 30, 2022*

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

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

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

See independent auditor's report.

CITY OF DENHAM SPRINGS
SCHEDULE OF CONTRIBUTIONS BY PLAN
FOR THE YEAR ENDED JUNE 30, 2021

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

(CONTINUED)

CITY OF DENHAM SPRINGS
SCHEDULE OF CONTRIBUTIONS BY PLAN
FOR THE YEAR ENDED JUNE 30, 2022

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

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

CITY OF DENHAM SPRINGS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

Primary Government

Municipal Employees' Retirement System of Louisiana:

Changes in Actuarial Assumptions

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

Other changes are as follows:

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

Municipal Police Employees' Retirement System:

Changes in Actuarial Assumptions

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

Other changes are as follows:

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

See auditor's report.

CITY OF DENHAM SPRINGS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

Firefighters' Retirement System:

Changes in Actuarial Assumptions

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

Other changes are as follows:

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

Louisiana State Employees' Retirement System:

Changes of Benefit Terms include:

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

Changes in Actuarial Assumptions

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

See auditor's report .

CITY OF DENHAM SPRINGS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

Component Units

Parochial Employees' Retirement System of Louisiana:

Changes in Actuarial Assumptions

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

Other changes are as follows:

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

See auditor's report.



NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund excludes those type of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

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

DEBT SERVICE FUND

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

1994 Paving Certificates Debt Service Fund - This fund was used to account for the collection of a special assessment on the property owners of the Lakeland Acres Subdivision. The proceeds of such collections to be used to make annual payments on the 1994 Paving Certificates of Indebtedness incurred for the benefit of the property owners of the Lakeland Acres Subdivision. The special assessment debt has been paid and at June 30, 2022, only the balance of excess cash remains in the fund.

PERMANENT FUND

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

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

SPECIAL REVENUE FUND

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

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

CITY OF DENHAM SPRINGS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

| | Capital Projects Fund | 1994 Paving Certificates Debt Service Fund | Cemetery Care Permanent Fund | Witness Fee - Special Revenue Fund | Total Nonmajor Governmental Funds |
|---|-----------------------------|--|---------------------------------------|---|--|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 34,698 | \$ 3,269 | \$ 1,294,608 | \$ 168,817 | \$ 1,501,392 |
| Receivables (Net of Allowance for Uncollectibles): | | | | | |
| Other | - | - | - | 50 | 50 |
| Due from Other Funds | - | - | - | - | - |
| Due from Other Governments | 2,773 | - | - | - | 2,773 |
| Total Assets | <u>\$ 37,471</u> | <u>\$ 3,269</u> | <u>\$ 1,294,608</u> | <u>\$ 168,867</u> | <u>\$ 1,504,215</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Accounts Payable | \$ 1,480 | \$ - | \$ 250 | \$ - | \$ 1,730 |
| Total Liabilities | 1,480 | - | 250 | - | 1,730 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Permanent Fund Principal | - | - | 1,294,358 | - | 1,294,358 |
| Restricted For: | | | | | |
| Witness Fees | - | - | - | 168,867 | 168,867 |
| Other Purposes | - | 3,269 | - | - | 3,269 |
| Assigned To: | | | | | |
| Capital Projects | 35,991 | - | - | - | 35,991 |
| Total Fund Balances | <u>35,991</u> | <u>3,269</u> | <u>1,294,358</u> | <u>168,867</u> | <u>1,502,485</u> |
| Total Liabilities and Fund Balances | <u>\$ 37,471</u> | <u>\$ 3,269</u> | <u>\$ 1,294,608</u> | <u>\$ 168,867</u> | <u>\$ 1,504,215</u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS

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

FOR THE YEAR ENDED JUNE 30, 2022

| | Capital Projects Fund | 1994 Paving Certificates Debt Service Fund | Cemetery Care Permanent Fund | Witness Fee - Special Revenue Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|--|---------------------------------------|---|--|
| Revenues: | | | | | |
| Intergovernmental: | | | | | |
| Federal Grants | \$ 37,001 | \$ - | \$ - | \$ - | \$ 37,001 |
| Fees | - | - | - | 6,780 | 6,780 |
| Interest | - | - | 1,127 | 126 | 1,253 |
| Miscellaneous | - | - | 122,490 | - | 122,490 |
| Total Revenues | 37,001 | - | 123,617 | 6,906 | 167,524 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government | - | - | 6,627 | 3,979 | 10,606 |
| Capital Outlay: | | | | | |
| Highways and Streets | 134,582 | - | - | - | 134,582 |
| Total Expenditures | 134,582 | - | 6,627 | 3,979 | 145,188 |
| Excess (Deficiency) of Revenues over (under) Expenditures | (97,581) | - | 116,990 | 2,927 | 22,336 |
| Other Financing Sources: | | | | | |
| Transfers In | 124,462 | - | - | - | 124,462 |
| Total Other Financing Sources | 124,462 | - | - | - | 124,462 |
| Net Change in Fund Balances | 26,881 | - | 116,990 | 2,927 | 146,798 |
| Fund Balances at Beginning of Year | 9,110 | 3,269 | 1,177,368 | 165,940 | 1,355,687 |
| Fund Balances at End of Year | <u>\$ 35,991</u> | <u>\$ 3,269</u> | <u>\$ 1,294,358</u> | <u>\$ 168,867</u> | <u>\$ 1,502,485</u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|-------------------------|------------------|------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Federal Grants | \$ 731,655 | \$ 66,929 | \$ 37,001 | \$ (29,928) |
| Total Revenues | 731,655 | 66,929 | 37,001 | (29,928) |
| Expenditures: | | | | |
| Construction Costs and Related Expenditures | 973,618 | 169,591 | 134,582 | 35,009 |
| Total Expenditures | 973,618 | 169,591 | 134,582 | 35,009 |
| Excess (Deficiency) of Revenues Over Expenditures | (241,963) | (102,662) | (97,581) | 5,081 |
| Other Financing Sources: | | | | |
| Transfers In | 281,963 | 124,462 | 124,462 | - |
| Total Other Financing Sources | 281,963 | 124,462 | 124,462 | - |
| Net Change in Fund Balance | 40,000 | 21,800 | 26,881 | 5,081 |
| Fund Balance at Beginning of Year | 9,110 | 9,110 | 9,110 | - |
| Fund Balance at End of Year | <u>\$ 49,110</u> | <u>\$ 30,910</u> | <u>\$ 35,991</u> | <u>\$ 5,081</u> |

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS
WITNESS FEE FUND -
SPECIAL REVENUE FUND

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

FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With Final Budget</u> |
|--|-------------------------|-------------------|-------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Fees | \$ 6,000 | \$ 5,500 | \$ 6,780 | \$ 1,280 |
| Interest | 100 | 115 | 126 | 11 |
| | <u>6,100</u> | <u>5,615</u> | <u>6,906</u> | <u>1,291</u> |
| Total Revenues | 6,100 | 5,615 | 6,906 | 1,291 |
| Expenditures: | | | | |
| General Government | <u>3,432</u> | <u>3,640</u> | <u>3,979</u> | <u>(339)</u> |
| | <u>3,432</u> | <u>3,640</u> | <u>3,979</u> | <u>(339)</u> |
| Total Expenditures | 3,432 | 3,640 | 3,979 | (339) |
| Net Change in Fund Balance | 2,668 | 1,975 | 2,927 | 952 |
| Fund Balance at Beginning of Year | <u>165,940</u> | <u>165,940</u> | <u>165,940</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 168,608</u> | <u>\$ 167,915</u> | <u>\$ 168,867</u> | <u>\$ 952</u> |

The accompanying notes are an integral part of this statement.



CAPITAL ASSETS

SUPPLEMENTARY EXHIBITS

CITY OF DENHAM SPRINGS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS¹
SCHEDULE BY SOURCE

JUNE 30, 2022

Governmental Funds Capital Assets:

| | |
|--------------------------|----------------------|
| Land and Right-of-Ways | \$ 1,800,321 |
| Land Improvements | 77,711 |
| Buildings | 7,654,245 |
| Equipment | 7,834,299 |
| Infrastructure | 8,182,792 |
| Construction in Progress | 537,123 |
| Total Capital Assets | <u>\$ 26,086,491</u> |

Investments in Governmental Funds Capital Assets by Source:

| | |
|-------------------------------------|----------------------|
| General Fund Revenues | \$ 5,147,105 |
| Federal Revenues and Federal Grants | 5,995,364 |
| Donated Infrastructure | 649,138 |
| Capital Improvement Funds: | |
| City's Share of Cost: | |
| General Fund | 9,209,150 |
| Federal Revenue Sharing | 201,482 |
| Federal Grants | 2,569,076 |
| State Grants | 2,315,176 |
| Total Investment in Capital Assets | <u>\$ 26,086,491</u> |

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

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹

JUNE 30, 2022

| Function and Activity: | Land and Right- of-Ways | Improvements Other Than Buildings | Buildings | Machinery and Equipment | Infrastructure | Total |
|---|-------------------------------|---|---------------------|-------------------------------|---------------------|----------------------|
| General Government: | | | | | | |
| General Government Buildings | \$ 901,300 | \$ 13,950 | \$ 2,759,256 | \$ - | \$ - | \$ 3,674,506 |
| Administration | 593,355 | - | - | 577,260 | - | 1,170,615 |
| Cemetery | 2,000 | 11,002 | 10,313 | - | - | 23,315 |
| Tax | - | - | - | 18,163 | - | 18,163 |
| Planning and Development | - | - | - | 70,582 | - | 70,582 |
| Public Service Workers | - | - | 10,647 | - | - | 10,647 |
| Total General Government | 1,496,655 | 24,952 | 2,780,216 | 666,005 | - | 4,967,828 |
| Public Safety: | | | | | | |
| Animal Control | 1,500 | 34,031 | 976,132 | 110,997 | - | 1,122,660 |
| Fire | 8,250 | - | 610,542 | 2,661,467 | - | 3,280,259 |
| Police | 201,482 | 8,953 | 1,475,445 | 2,214,743 | - | 3,900,623 |
| Total Public Safety | 211,232 | 42,984 | 3,062,119 | 4,987,207 | - | 8,303,542 |
| Highways and Streets: | | | | | | |
| Streets | 2,748 | - | 122,027 | 2,176,449 | 7,638,456 | 9,939,680 |
| Health: | | | | | | |
| Council on Aging | - | - | 370,890 | - | - | 370,890 |
| Culture and Recreation: | | | | | | |
| Tourism | - | - | 950,091 | 1,084 | 168,253 | 1,119,428 |
| Parks | 89,686 | 9,775 | 368,902 | 3,554 | 376,083 | 848,000 |
| Total Culture and Recreation | 89,686 | 9,775 | 1,318,993 | 4,638 | 544,336 | 1,967,428 |
| Total Governmental Funds Capital Assets Allocated to Functions | \$ 1,800,321 | \$ 77,711 | \$ 7,654,245 | \$ 7,834,299 | \$ 8,182,792 | 25,549,368 |
| | | | | Construction in Progress | | 537,123 |
| | | | | | | \$ 26,086,491 |

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

The accompanying notes are an integral part of this statement.

CITY OF DENHAM SPRINGS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹

FOR THE YEAR ENDED JUNE 30, 2022

| Function and Activity: | Governmental | Transfers | Additions | Deductions | Governmental |
|--|------------------------------------|-----------|--------------|--------------|------------------------------------|
| | Funds Capital Assets 6/30/21 | | | | Funds Capital Assets 6/30/22 |
| General Government: | | | | | |
| General Government Buildings | \$ 3,674,506 | \$ - | \$ - | \$ - | \$ 3,674,506 |
| Administration | 1,146,057 | - | 24,558 | - | 1,170,615 |
| Cemetery | 23,315 | - | - | - | 23,315 |
| Tax | 15,873 | - | 2,290 | - | 18,163 |
| Planning and Development | 70,582 | - | - | - | 70,582 |
| Public Service Workers | 10,647 | - | - | - | 10,647 |
| Total General Government | 4,940,980 | - | 26,848 | - | 4,967,828 |
| Public Safety: | | | | | |
| Animal Control | 298,765 | - | 823,895 | - | 1,122,660 |
| Fire | 3,205,514 | - | 74,745 | - | 3,280,259 |
| Police | 3,808,239 | - | 92,384 | - | 3,900,623 |
| Total Public Safety | 7,312,518 | - | 991,024 | - | 8,303,542 |
| Highways and Streets: | | | | | |
| Streets | 8,857,509 | - | 1,082,171 | - | 9,939,680 |
| Health: | | | | | |
| Council on Aging | 370,890 | - | - | - | 370,890 |
| Culture and Recreation: | | | | | |
| Tourism | 1,119,028 | - | 400 | - | 1,119,428 |
| Parks | 479,098 | - | 368,902 | - | 848,000 |
| Total Culture and Recreation | 1,598,126 | - | 369,302 | - | 1,967,428 |
| Construction in Progress | 1,981,499 | - | 671,499 | 2,115,875 | 537,123 |
| Total Governmental Funds Capital Assets | \$ 25,061,522 | \$ - | \$ 3,140,844 | \$ 2,115,875 | \$ 26,086,491 |

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

The accompanying notes are an integral part of this statement.



SUPPLEMENTARY SCHEDULES

SUPPLEMENTARY SCHEDULES

CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE

JUNE 30, 2022

| <u>Insurance</u> | <u>Coverage</u> | <u>Amount</u> | <u>Expiration Date</u> |
|----------------------------------|----------------------------------|---------------|------------------------|
| CNA Surety | Public Official Bonds | | |
| | Mayor; Gerard Landry | \$ 50,000 | 1/01/23 |
| | Council Members: | | |
| | Amber Dugas | \$ 10,000 | 1/01/23 |
| | Laura Schmitt-Smith | \$ 10,000 | 1/01/23 |
| | Jeffrey Wesley | \$ 10,000 | 1/01/23 |
| | Robert Poole | \$ 10,000 | 1/01/23 |
| | Lori Lamm-Williams | \$ 10,000 | 1/01/23 |
| | Public Employees Blanket Bond: | | |
| | City Treasurer: | | |
| | Michelle Hood | \$ 50,000 | 12/11/2022 |
| City Clerk: | | | |
| Joan LeBlanc | \$ 50,000 | 2/06/23 | |
| Public Employees Bond | \$ 25,000 | 2/18/23 | |
| Hanover Insurance Company | Property and Casualty Coverage - | | |
| | 90% Co-Insurance: | | |
| | Blanket Building | \$ 11,556,799 | 7/01/22 |
| | Blanket Contents | \$ 674,525 | 7/01/22 |
| | Steel Water Tank and Tower | \$ 353,091 | 7/01/22 |
| | <u>110 Brignac Street</u> | | |
| | Council on Aging Buildings | \$ 1,142,754 | 7/01/22 |
| | <u>949 Government Street</u> | | |
| | Police Station and Jail Facility | \$ 1,943,368 | |
| | Contents | \$ 194,442 | 7/01/22 |
| <u>447 Lamm Street</u> | | | |
| Sewer Building | \$ 100,808 | | |
| Contents | \$ 18,818 | 7/01/22 | |
| <u>9300 Forest Delatte Road</u> | | | |
| Sewer Lab Building | \$ 11,249 | | |
| Storage Building (for equipment) | \$ 22,497 | 7/01/22 | |
| <u>9300 Forest Delatte Road</u> | | | |

(CONTINUED)

CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2022

| <u>Insurance</u> | <u>Coverage</u> | <u>Amount</u> | <u>Expiration Date</u> |
|--------------------------------------|---|--|------------------------|
| Hanover Insurance Company Company | Animal Control Building Contents <u>600-C Bowman St.</u> | \$ 80,746 \$ 2,509 | 7/01/22 |
| | SADD Office Building <u>115 Hummell St.</u> | \$ 97,746 | 7/01/22 |
| | Bronze Statue Contents <u>140 Centerville St.</u> | \$ 16,000 | 7/01/22 |
| | Street Department Contents <u>940 Government Street</u> | \$ 381,620 \$ 25,000 | 7/01/22 |
| | Utility Warehouse Building Contents <u>112 Brignac Street</u> | \$ 127,278 \$ 38,890 | 7/01/22 |
| | Motor Pool and Warehouse Building Contents <u>401 N. Railroad Ave.</u> | \$ 362,672 \$ 96,595 | 7/01/22 |
| | Arts Council/Red Cross Building <u>133 Hummel St.</u> | \$ 218,971 | 7/01/22 |
| | City Hall Building Contents LED Signage <u>116 N Range Ave</u> | \$2,600,000 \$ 273,182 \$ 85,000 | 7/01/22 7/01/22 |
| | Old City Hall Building Contents <u>115 Mattie St.</u> | \$ 930,035 \$ 25,089 | 7/01/22 |
| | Steel Water Tank and Tower <u>23322 Springhill Drive</u> | \$2,713,462 | 7/01/22 |

(CONTINUED)

CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2022

| <u>Insurance</u> | <u>Coverage</u> | <u>Amount</u> | <u>Expiration Date</u> |
|---|---|-------------------|------------------------|
| Liberty Mutual | Sewer Treatment Plant | | |
| | Scheduled Equipment | \$4,274,386 | 7/01/22 |
| | Contractor Equipment <u>9300 Forest Delatte Road</u> | Actual Cash Value | 7/01/22 |
| Louisiana Workers' Compensation Corporation | Workmen's Compensation Statutory | \$ 500,000 | 7/01/22 |
| BCS Ins. Co | Cyber Policy | \$1,000,000 | 7/01/22 |
| | Crime Policy | \$ 250,000 | 6/03/24 |
| AmGuard | General Liability | \$1,000,000 | 7/01/22 |
| | Law Enforcement | | |
| | Professional Liability | \$1,000,000 | 7/01/22 |
| | Public Officials and Employees Liability | | |
| | Errors and Omissions | \$1,000,000 | 7/01/22 |
| | Business Auto Liability | \$ 500,000 | 7/01/22 |
| | Vehicle Physical | | |
| | Damage - Except Fire | \$3,058,103 | 7/01/22 |
| VFIS, Inc. | Property and Casualty Coverage - | | |
| | Fire Station Building | \$ 403,084 | 7/01/22 |
| | Contents | \$ 149,742 | 7/01/22 |
| | <u>1100 Hatchell Lane</u> | | |
| | Fire Station/ Water Department Office | | |
| | Building | \$ 997,189 | 7/01/22 |
| | Contents | \$ 155,591 | 7/01/22 |
| | <u>27135 LA Hwy 16</u> | | |
| Fire Station Building | \$ 531,728 | 7/01/22 | |
| Contents | \$ 152,081 | 7/01/22 | |
| | Vehicle Liability & Physical Damage – Fire | \$1,000,000 | 7/01/22 |
| | <u>930 Government Street</u> | | |

(CONTINUED)

CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2022

| <u>Insurance</u> | <u>Coverage</u> | <u>Amount</u> | <u>Expiration Date</u> |
|------------------|----------------------------------|---------------|------------------------|
| Hartford Ins. | Flood Insurance: | | |
| | Street Dept | \$ 120,000 | |
| | Contents | \$ 50,000 | 7/01/22 |
| | <u>940 Government Street</u> | | |
| | Council on Aging Building 1 | \$ 500,000 | |
| | Council on Aging Building 2 | \$ 225,000 | |
| | Contents | \$ -0- | 7/01/22 |
| | <u>949 Government Street</u> | | |
| | Police Station and | | |
| | Jail Facility | \$ 500,000 | |
| | Contents | \$ 300,000 | 7/01/22 |
| | <u>447 Lamm Street</u> | | |
| | Animal Control Center | | |
| | Building | \$ 500,000 | 7/01/22 |
| | Contents | \$ 1,000 | 7/01/22 |
| | <u>600-C Bowman Street</u> | | |
| | Gas Department Building | \$ 500,000 | |
| | Contents | \$ 100,000 | 7/01/22 |
| | <u>401 E. Railroad Avenue</u> | | |
| | Old City Hall Building | \$ 500,000 | |
| | Contents | \$ 100,000 | 7/01/22 |
| | <u>115 Mattie Street</u> | | |
| | Sewer Lab Building | \$ 50,000 | |
| | Sewer Office Building | \$ 50,000 | |
| | Contents | \$ 25,000 | 7/01/22 |
| | <u>9300 Forrest Delatte Road</u> | | |
| | Arts Council Building | \$ 100,000 | |
| | Contents | \$ 50,000 | 7/01/22 |
| | <u>133 Hummel Street</u> | | |

(CONTINUED)

CITY OF DENHAM SPRINGS

SCHEDULE OF INSURANCE COVERAGE IN FORCE (CONTINUED)

JUNE 30, 2022

| <u>Insurance</u> | <u>Coverage</u> | <u>Amount</u> | <u>Expiration Date</u> |
|---------------------------|------------------------------|---------------|----------------------------|
| Hartford Ins. | Flood Insurance (continued): | | |
| | City Hall Building | \$ 500,000 | |
| | Contents | \$ 500,000 | 7/01/22 |
| | <u>116 N. Range Ave.</u> | | |
| Excess Flood Coverage-Aon | City Hall (Building Only) | \$1,500,000 | 7/01/22 |
| | <u>116 N. Range Ave.</u> | | |

See auditor's report.

CITY OF DENHAM SPRINGS

SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING ENTITY

FOR THE YEAR ENDED JUNE 30, 2022

| Cash Basis Presentation | First Six Month Period Ended 12/31/21 | Second Six Month Period Ended 6/30/22 |
|--|--|--|
| Receipts From: | | |
| Ward II Court - Criminal Fines - Other | \$ 102,205 | \$ 106,527 |
| Ward II Court - Pre-Trial Diversion Program Fees | 45,685 | 52,289 |
| Ward II Court - Supervision Fees - Public Service Fees | 50 | - |
| Ward II Court - Other - Witness Fees | 3,160 | 3,020 |
| Ward II Court - Other - DWI Analysis fees | 500 | 369 |
| 21st JDC - Other - DWI Analysis fees | - | 50 |
| Total Receipts | \$ 151,600 | \$ 162,255 |

See independent auditor's report.



STATISTICAL SECTION

STATISTICAL SECTION

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

| Contents | Page |
|--|------|
| Financial Trends | 136 |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| Revenue Capacity | 141 |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax. | |
| Debt Capacity | 147 |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| Demographic and Economic Information | 152 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| Operating Information | 154 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |

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

CITY OF DENHAM SPRINGS

NET POSITION BY COMPONENTS

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

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 8,151,415 | \$ 7,959,533 | \$ 7,833,690 | \$ 7,578,587 | \$ 7,894,411 | \$ 8,852,195 | \$ 9,414,293 | \$ 11,073,059 | \$ 13,338,114 | \$ 13,229,604 |
| Restricted | 921,576 | 974,571 | 1,039,675 | 1,076,407 | 1,110,623 | 1,161,182 | 1,226,795 | 1,303,809 | 1,346,577 | 1,466,494 |
| Unrestricted (Deficit) | 1,907,078 | 2,002,874 | (6,861,769) | (6,361,194) | (4,551,104) | (4,360,533) | (5,203,819) | (4,058,003) | (3,230,493) | 3,059,059 |
| Total Governmental Activities - | | | | | | | | | | |
| Net Position | <u>\$ 10,980,069</u> | <u>\$ 10,936,978</u> | <u>\$ 2,011,596</u> | <u>\$ 2,293,800</u> | <u>\$ 4,453,930</u> | <u>\$ 5,652,844</u> | <u>\$ 5,437,269</u> | <u>\$ 8,318,865</u> | <u>\$ 11,454,198</u> | <u>\$ 17,755,157</u> |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 16,210,790 | \$ 13,425,685 | \$ 11,743,652 | \$ 11,092,592 | \$ 10,709,842 | \$ 10,489,376 | \$ 10,804,788 | \$ 12,520,637 | \$ 13,948,155 | \$ 13,173,742 |
| Restricted | 25 | 51 | - | - | - | - | - | - | - | - |
| Unrestricted (Deficit) | (403,066) | 1,130,865 | 1,710,830 | 2,865,893 | 2,571,962 | 2,767,491 | 3,202,427 | 3,356,446 | 4,535,835 | 8,593,496 |
| Total Business-Type Activities - | | | | | | | | | | |
| Net Position | <u>\$ 15,807,749</u> | <u>\$ 14,556,601</u> | <u>\$ 13,454,482</u> | <u>\$ 13,958,485</u> | <u>\$ 13,281,804</u> | <u>\$ 13,256,867</u> | <u>\$ 14,007,215</u> | <u>\$ 15,877,083</u> | <u>\$ 18,483,990</u> | <u>\$ 21,767,238</u> |
| Primary Government: | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 24,362,205 | \$ 21,385,218 | \$ 19,577,342 | \$ 18,671,179 | \$ 18,604,253 | \$ 19,341,571 | \$ 20,219,081 | \$ 23,593,696 | \$ 27,286,269 | \$ 26,403,346 |
| Restricted | 921,601 | 974,622 | 1,039,675 | 1,076,407 | 1,110,623 | 1,161,182 | 1,226,795 | 1,303,809 | 1,346,577 | 1,466,494 |
| Unrestricted (Deficit) | 1,504,012 | 3,133,739 | (5,150,939) | (3,495,301) | (1,979,142) | (1,593,042) | (2,001,392) | (701,557) | 1,305,342 | 11,652,555 |
| Total Primary Government - | | | | | | | | | | |
| Net Position | <u>\$ 26,787,818</u> | <u>\$ 25,493,579</u> | <u>\$ 15,466,078</u> | <u>\$ 16,252,285</u> | <u>\$ 17,735,734</u> | <u>\$ 18,909,711</u> | <u>\$ 19,444,484</u> | <u>\$ 24,195,948</u> | <u>\$ 29,938,188</u> | <u>\$ 39,522,395</u> |

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

CITY OF DENHAM SPRINGS

CHANGE IN NET POSITION

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

| | Fiscal Year | | | | | Fiscal Year | | | | |
|---|-----------------|-----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 2,095,813 | \$ 2,023,504 | \$ 2,145,397 | \$ 2,152,354 | \$ 2,639,792 | \$ 2,437,965 | \$ 2,412,412 | \$ 2,639,104 | \$ 3,016,726 | \$ 2,620,747 |
| Public Safety | 6,947,554 | 7,030,418 | 6,878,353 | 6,805,088 | 7,144,277 | 6,846,372 | 7,390,688 | 7,292,904 | 7,458,341 | 6,683,595 |
| Highways and Streets | 1,995,902 | 1,927,344 | 2,453,904 | 1,971,847 | 8,776,069 | 2,875,109 | 13,338,114 | 1,961,810 | 1,656,236 | 3,044,298 |
| Health | 44,438 | 39,680 | 74,835 | 51,650 | 30,273 | 29,310 | 1,346,577 | 35,587 | 44,183 | 50,175 |
| Culture and Recreation | 147,513 | 143,393 | 183,990 | 161,147 | 133,933 | 171,936 | (3,279,086) | 178,390 | 170,057 | 198,101 |
| Interest on Long-Term Indebtedness | 9,489 | 1,202 | 156 | - | - | - | - | - | - | - |
| Total Governmental Activities Expenses | 11,240,709 | 11,165,541 | 11,736,635 | 11,142,086 | 18,724,344 | 12,360,692 | 21,208,705 | 12,107,795 | 12,345,543 | 12,596,916 |
| Business-Type Activities: | | | | | | | | | | |
| Gas | 2,754,965 | 3,415,081 | 3,101,268 | 2,282,747 | 2,304,551 | 2,774,190 | 13,948,155 | 2,724,211 | 2,984,418 | 3,465,088 |
| Water | 2,446,504 | 2,594,965 | 2,554,246 | 2,394,908 | 2,406,037 | 2,362,879 | 2,358,904 | 2,230,902 | 2,205,944 | 2,160,155 |
| Sewer | 5,843,113 | 6,035,356 | 6,158,037 | 5,879,536 | 6,192,531 | 5,594,398 | 4,535,835 | 5,507,610 | 5,884,985 | 5,726,433 |
| Sanitation | 890,073 | 830,080 | 904,727 | 896,356 | 913,077 | 838,303 | 826,622 | 840,490 | 843,406 | 955,264 |
| Total Business-Type Activities | 11,934,655 | 12,875,482 | 12,718,278 | 11,453,547 | 11,816,196 | 11,569,770 | 21,669,516 | 11,303,213 | 11,918,753 | 12,306,940 |
| Total Primary Government Expenses | \$ 23,175,364 | \$ 24,041,023 | \$ 24,454,913 | \$ 22,595,633 | \$ 30,540,540 | \$ 23,930,462 | \$ 42,878,221 | \$ 23,411,008 | \$ 24,264,296 | \$ 24,903,856 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Public Safety | \$ 764,673 | \$ 615,208 | \$ 666,342 | \$ 543,245 | \$ 355,745 | \$ 465,411 | \$ 496,175 | \$ 394,851 | \$ 393,028 | \$ 340,986 |
| Highways and Streets | 12,850 | 12,850 | 12,850 | 12,850 | 12,850 | 11,835 | 11,835 | 10,820 | 10,820 | 10,820 |
| Operating Grants and Contributions | 765,552 | 458,459 | 711,480 | 763,052 | 7,288,463 | 1,570,173 | 1,050,857 | 1,741,444 | 1,555,812 | 2,376,218 |
| Capital Grants and Contributions | 29,762 | - | 337,369 | - | 691,742 | 1,157,290 | 344,415 | 2,287,877 | 1,700,139 | 252,452 |
| Total Governmental Activities Program Revenues | 1,572,837 | 1,086,517 | 1,728,041 | 1,319,147 | 8,348,800 | 3,204,709 | 1,903,282 | 4,434,992 | 3,659,799 | 2,980,476 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Natural Gas | 4,072,157 | 5,349,179 | 4,758,675 | 3,655,028 | 2,948,060 | 4,027,218 | 4,148,175 | 3,672,678 | 4,815,070 | 5,548,140 |
| Water | 2,943,436 | 3,354,399 | 3,387,207 | 3,446,017 | 3,015,738 | 3,187,169 | 3,291,115 | 3,427,674 | 3,675,291 | 3,870,379 |
| Sewer | 3,221,524 | 3,594,076 | 3,370,735 | 3,458,451 | 3,033,149 | 3,194,199 | 3,319,161 | 3,495,222 | 3,740,708 | 3,945,857 |
| Sanitation | 779,458 | 794,722 | 816,824 | 802,098 | 722,786 | 722,807 | 760,465 | 767,718 | 882,298 | 1,058,086 |
| Operating Grants and Contributions | 75,253 | 91,146 | 60,940 | 170,101 | 528,014 | 64,036 | 169,950 | 240,603 | 140,282 | 648,917 |
| Capital Grants and Contributions | 147,779 | 71,938 | 532,141 | 385,893 | 466,531 | 320,451 | 715,543 | 1,369,021 | 1,157,738 | 417,360 |
| Total Business-Type Activities Program Revenues | 11,239,607 | 13,255,460 | 12,926,522 | 11,917,588 | 10,714,278 | 11,515,880 | 12,404,409 | 12,972,916 | 14,411,387 | 15,488,739 |
| Total Primary Government Programs Revenues | \$ 12,812,444 | \$ 14,341,977 | \$ 14,654,563 | \$ 13,236,735 | \$ 19,063,078 | \$ 14,720,589 | \$ 14,307,691 | \$ 17,407,908 | \$ 18,071,186 | \$ 18,469,215 |
| Net Expense/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (9,667,872) | \$ (10,079,024) | \$ (10,008,594) | \$ (9,822,939) | \$ (10,375,544) | \$ (9,155,983) | \$ (19,305,423) | \$ (7,672,803) | \$ (8,685,744) | \$ (9,616,440) |
| Business-Type Activities | (695,048) | 379,978 | 208,244 | 464,041 | (1,101,918) | (53,890) | (9,265,107) | 1,669,703 | 2,492,634 | 3,181,799 |
| Total Primary Government Net Expense | \$ (10,362,920) | \$ (9,699,046) | \$ (9,800,350) | \$ (9,358,898) | \$ (11,477,462) | \$ (9,209,873) | \$ (28,570,530) | \$ (6,003,100) | \$ (6,193,110) | \$ (6,434,641) |

(CONTINUED)

CITY OF DENHAM SPRINGS

CHANGE IN NET POSITION

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

| | Fiscal Year | | | | | Fiscal Year | | | | |
|---|--------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | \$ 218,788 | \$ 293,173 | \$ 320,432 | \$ 319,365 | \$ 275,364 | \$ 289,607 | \$ 291,577 | \$ 326,552 | \$ 340,831 | \$ 360,576 |
| Sales | 6,904,506 | 7,249,345 | 7,347,545 | 7,281,993 | 8,389,648 | 7,823,526 | 7,399,855 | 7,687,752 | 9,039,502 | 12,828,637 |
| Occupational and permits | 1,021,659 | 1,020,538 | 1,029,019 | 1,070,043 | 1,041,368 | 1,055,098 | 1,044,131 | 1,043,182 | 1,139,734 | 1,154,801 |
| Franchise | 709,917 | 842,446 | 832,404 | 786,427 | 648,653 | 679,479 | 691,187 | 680,415 | 729,953 | 817,536 |
| Miscellaneous | 584,829 | 622,875 | 584,526 | 636,518 | 1,179,183 | 486,758 | 453,842 | 771,851 | 531,881 | 667,235 |
| Interest Income | 3,705 | 7,556 | 8,256 | 10,797 | 12,542 | 20,429 | 58,048 | 44,647 | 11,231 | 16,474 |
| Insurance Proceeds | - | - | - | - | 988,916 | - | - | - | - | 72,140 |
| Gain on Sale of Asset | - | - | - | - | - | - | - | - | 27,945 | - |
| Total Governmental Activities | 9,443,404 | 10,035,933 | 10,122,182 | 10,105,143 | 12,535,674 | 10,354,897 | 9,938,640 | 10,554,399 | 11,821,077 | 15,917,399 |
| Business-Type Activities: | | | | | | | | | | |
| Miscellaneous | 25,549 | 17,262 | 40,877 | 30,134 | 128,700 | 14,300 | 23,965 | 22,095 | 44,298 | 20,495 |
| Interest Income | 9,011 | 9,386 | 9,754 | 9,828 | 17,328 | 14,653 | 21,296 | 65,328 | 57,318 | 58,949 |
| Insurance Proceeds | - | - | - | - | 279,209 | - | - | 79,987 | - | - |
| Gain on Sale of Assets | - | - | - | - | - | - | - | 32,755 | 12,657 | 22,005 |
| Special Item | - | - | - | - | - | - | - | - | - | - |
| Total Business-Type Activities | 34,560 | 26,648 | 50,631 | 39,962 | 425,237 | 28,953 | 45,261 | 200,165 | 114,273 | 101,449 |
| Total Primary Government | \$ 9,477,964 | \$ 10,062,581 | \$ 10,172,813 | \$ 10,145,105 | \$ 12,960,911 | \$ 10,383,850 | \$ 9,983,901 | \$ 10,754,564 | \$ 11,935,350 | \$ 16,018,848 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ (224,468) | \$ (43,091) | \$ 113,588 | \$ 282,204 | \$ 2,160,130 | \$ 1,198,914 | \$ (9,366,783) | \$ 2,881,596 | \$ 3,135,333 | \$ 6,300,959 |
| Business-Type Activities | (660,488) | 406,626 | 258,875 | 504,003 | (676,681) | (24,937) | (9,219,846) | 1,869,868 | 2,606,907 | 3,283,248 |
| Total Primary Government | \$ (884,956) | \$ 363,535 | \$ 372,463 | \$ 786,207 | \$ 1,483,449 | \$ 1,173,977 | \$ (18,586,629) | \$ 4,751,464 | \$ 5,742,240 | \$ 9,584,207 |

CITY OF DENHAM SPRINGS

FUND BALANCES OF GOVERNMENTAL FUNDS

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

| | Fiscal Year | | | | Fiscal Year | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Prepaid Insurance | \$ 112,097 | \$ 208,467 | \$ 105,702 | \$ 88,670 | \$ 50,376 | \$ 200,313 | \$ 65,222 | \$ 189,032 | \$ 192,886 | \$ 20,375 |
| Unassigned | 2,178,728 | 2,283,061 | 2,015,310 | 2,355,986 | 4,422,595 | 4,341,799 | 3,771,290 | 5,111,739 | 5,947,687 | 11,175,219 |
| Total General Fund | <u>\$ 2,290,825</u> | <u>\$ 2,491,528</u> | <u>\$ 2,121,012</u> | <u>\$ 2,444,656</u> | <u>\$ 4,472,971</u> | <u>\$ 4,542,112</u> | <u>\$ 3,836,512</u> | <u>\$ 5,300,771</u> | <u>\$ 6,140,573</u> | <u>\$ 11,195,594</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Permanent Fund Principal | \$ 808,328 | \$ 853,534 | \$ 890,819 | \$ 923,037 | \$ 948,401 | \$ 995,098 | \$ 1,059,668 | \$ 1,137,248 | \$ 1,177,368 | \$ 1,294,358 |
| Restricted For: | | | | | | | | | | |
| Witness Fees | 109,979 | 117,768 | 145,587 | 150,101 | 158,953 | 162,815 | 163,858 | 163,292 | 165,940 | 168,867 |
| Other Purposes | 3,269 | 3,269 | 3,269 | 3,269 | 3,269 | 3,269 | 3,269 | 3,269 | 3,269 | 3,269 |
| Assigned To: | | | | | | | | | | |
| Capital Projects | 226,634 | 162,034 | 92,983 | 167,583 | 161,357 | 161,147 | 152,412 | 72,993 | 9,110 | 35,991 |
| Total All Other Governmental Funds | <u>\$ 1,148,210</u> | <u>\$ 1,136,605</u> | <u>\$ 1,132,658</u> | <u>\$ 1,243,990</u> | <u>\$ 1,271,980</u> | <u>\$ 1,322,329</u> | <u>\$ 1,379,207</u> | <u>\$ 1,376,802</u> | <u>\$ 1,355,687</u> | <u>\$ 1,502,485</u> |

The City of Denham Springs adopted the provisions of GASB 54 beginning July 1, 2010, and applied those provisions retrospectively to each fiscal year that is presented.

CITY OF DENHAM SPRINGS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

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

| | Fiscal Year | | | | | Fiscal Year | | | | |
|--|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Revenues: | | | | | | | | | | |
| Taxes | \$ 8,128,576 | \$ 8,657,791 | \$ 8,738,638 | \$ 8,625,408 | \$ 9,478,989 | \$ 8,958,286 | \$ 8,567,949 | \$ 8,857,987 | \$ 10,336,281 | \$ 14,243,923 |
| Licenses and Permits | 1,021,659 | 1,020,538 | 1,029,019 | 1,070,043 | 1,041,368 | 1,055,098 | 1,044,131 | 1,043,182 | 1,139,734 | 1,154,801 |
| Fines and Forfeits | 707,249 | 566,769 | 596,819 | 493,339 | 325,256 | 422,245 | 457,777 | 360,880 | 363,630 | 307,675 |
| Interest | 3,613 | 7,556 | 8,256 | 10,797 | 11,634 | 20,429 | 58,048 | 44,647 | 11,231 | 16,474 |
| Fees | 52,909 | 43,094 | 64,116 | 45,480 | 32,756 | 40,846 | 35,498 | 27,895 | 28,557 | 25,902 |
| Intergovernmental | 821,121 | 473,457 | 725,678 | 477,845 | 7,284,326 | 2,465,064 | 1,099,675 | 3,753,843 | 2,923,986 | 2,408,663 |
| Miscellaneous | 306,231 | 362,995 | 399,068 | 389,994 | 717,434 | 310,228 | 286,774 | 598,234 | 345,245 | 370,715 |
| Total Revenues | 11,041,358 | 11,132,200 | 11,561,594 | 11,112,906 | 18,891,763 | 13,272,196 | 11,549,852 | 14,686,668 | 15,148,664 | 18,528,153 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 2,034,979 | 1,970,382 | 2,142,114 | 2,087,443 | 2,569,637 | 2,324,424 | 2,572,660 | 4,141,389 | 3,918,573 | 2,562,912 |
| Public Safety | 6,618,034 | 6,828,017 | 7,039,551 | 6,480,187 | 7,249,558 | 7,090,880 | 7,632,306 | 6,692,899 | 7,545,021 | 7,629,478 |
| Highways and Streets | 1,624,567 | 1,595,646 | 1,661,674 | 1,708,065 | 8,360,867 | 2,155,051 | 1,641,684 | 2,181,365 | 1,426,819 | 2,792,637 |
| Health | 44,438 | 39,680 | 74,835 | 51,650 | 30,273 | 29,310 | 34,409 | 35,587 | 44,183 | 50,175 |
| Culture and Recreation | 141,423 | 124,809 | 156,141 | 108,028 | 76,281 | 113,224 | 82,924 | 119,023 | 441,046 | 148,690 |
| Capital Outlay: | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | - | - |
| Highways and Streets | 181,980 | 349,330 | 844,123 | 242,557 | 620,286 | 1,456,010 | 234,591 | 79,651 | 806,436 | 134,582 |
| Culture and Recreation | 3,828 | - | - | - | - | - | - | - | - | - |
| Debt Service: | | | | | | | | | | |
| Principal Retirement | 247,028 | 33,744 | 17,314 | - | - | - | - | - | - | - |
| Interest | 12,375 | 1,494 | 305 | - | - | - | - | - | - | - |
| Total Expenditures | 10,908,652 | 10,943,102 | 11,936,057 | 10,677,930 | 18,906,902 | 13,168,899 | 12,198,574 | 13,249,914 | 14,182,078 | 13,318,474 |
| Excess of Revenues Over (Under) | | | | | | | | | | |
| Expenditures | 132,706 | 189,098 | (374,463) | 434,976 | (15,139) | 103,297 | (648,722) | 1,436,754 | 966,586 | 5,209,679 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Capital Leases | - | - | - | - | - | - | - | - | - | - |
| Insurance Proceeds | - | - | - | - | 988,916 | - | - | - | - | 72,140 |
| Proceeds from Disposition of Assets | - | - | - | - | 1,082,528 | 16,193 | - | 25,100 | 37,101 | - |
| Transfers In | 260,682 | 284,730 | 496,259 | 316,680 | - | 131,930 | 80,000 | - | 218,327 | 124,462 |
| Transfers Out | (260,682) | (284,730) | (496,259) | (316,680) | - | (131,930) | (80,000) | - | (403,327) | (204,462) |
| Total Other Financing Sources (Uses) | - | - | - | - | 2,071,444 | 16,193 | - | 25,100 | (147,899) | (7,860) |
| Net Change in Fund Balances | \$ 132,706 | \$ 189,098 | \$ (374,463) | \$ 434,976 | \$ 2,056,305 | \$ 119,490 | \$ (648,722) | \$ 1,461,854 | \$ 818,687 | \$ 5,201,819 |
| Debt Service as a Percentage of Noncapital Expenditures | 2.59% | 0.33% | 0.15% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

CITY OF DENHAM SPRINGS

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

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

| Fiscal Year | Property Tax | Sales Tax | Franchise Tax | Occupational Licenses and Permits | Charitable Gaming Tax | Total |
|----------------|-----------------|--------------|------------------|---|-----------------------------|------------|
| 2013 | 218,788 | 6,904,506 | 709,917 | 1,021,659 | 240,546 | 9,095,416 |
| 2014 | 293,173 | 7,249,345 | 842,446 | 1,020,538 | 216,595 | 9,622,097 |
| 2015 | 320,432 | 7,347,545 | 832,404 | 1,029,019 | 179,736 | 9,709,136 |
| 2016 | 319,365 | 7,281,993 | 786,427 | 1,070,043 | 181,399 | 9,639,227 |
| 2017 | 275,364 | 8,389,648 | 648,653 | 1,041,368 | 111,326 | 10,466,359 |
| 2018 | 289,607 | 7,823,526 | 679,479 | 1,055,098 | 101,497 | 9,949,207 |
| 2019 | 291,577 | 7,399,855 | 691,187 | 1,044,131 | 112,000 | 9,538,750 |
| 2020 | 326,552 | 7,687,752 | 680,415 | 1,043,182 | 84,643 | 9,822,544 |
| 2021 | 340,831 | 9,039,502 | 729,953 | 1,139,734 | 144,536 | 11,394,556 |
| 2022 | 360,576 | 12,828,637 | 817,536 | 1,154,801 | 149,743 | 15,311,293 |

CITY OF DENHAM SPRINGS

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Last Ten Years
(Unaudited)

| Year | Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Ratio of Total Assessed Value to Total Estimated Actual Value* |
|------|-------------------|--------------------------------|---------------------------|---|
| 2013 | \$ 79,817,110 | 2.75 | \$ 725,610,091 | 11% |
| 2014 | 82,401,100 | 3.60 | 749,100,909 | 11 |
| 2015 | 85,650,350 | 3.73 | 778,639,545 | 11 |
| 2016 | 85,660,850 | 3.73 | 778,735,000 | 11 |
| 2017 | 81,148,660 | 3.48 | 737,715,091 | 11 |
| 2018 | 84,082,230 | 3.48 | 764,383,909 | 11 |
| 2019 | 85,189,780 | 3.48 | 774,452,545 | 11 |
| 2020 | 88,109,420 | 3.72 | 800,994,727 | 11 |
| 2021 | 97,234,290 | 3.58 | 883,948,091 | 11 |
| 2022 | 101,487,560 | 3.58 | 922,614,182 | 11 |

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

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

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

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

CITY OF DENHAM SPRINGS

PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years
(Unaudited)

| Fiscal Year | City of Denham Springs | | | Parish Special Districts | | | | Total Parish Millage | Livingston Parish School Board | | | | | Total School Millages | Total Direct and Overlapping Rates |
|-------------|------------------------|--------------------|-------------------------|--------------------------|------------------------|--------------------------|---------------------------|----------------------|--------------------------------|----------------------------|---------------------|----------------------|----------------------|-----------------------|------------------------------------|
| | Operating Millage | Total City Millage | Parishwide ¹ | Drainage District #1 | Recreation District #3 | Law Enforcement District | Juvenile Detention Center | | Operational Millage | Additional Support Millage | Maintenance Millage | Construction Millage | Debt Service Millage | | |
| 2013 | 2.75 | 2.75 | 44.66 | 4.85 | 16.00 | 10.55 | 2.75 | 78.81 | 3.29 | 7.18 | 7.00 | 4.73 | 12.03 | 34.23 | 115.79 |
| 2014 | 3.60 | 3.60 | 45.56 | 4.85 | 16.00 | 10.55 | 2.75 | 79.71 | 3.29 | 7.18 | 7.00 | 5.00 | 11.47 | 33.94 | 117.25 |
| 2015 | 3.73 | 3.73 | 45.67 | 4.85 | 16.00 | 10.55 | 2.75 | 79.82 | 3.29 | 7.18 | 7.00 | 5.00 | 11.22 | 33.69 | 117.24 |
| 2016 | 3.73 | 3.73 | 43.61 | 5.00 | 15.35 | 10.55 | 2.75 | 77.26 | 3.29 | 7.18 | 7.00 | 5.00 | 10.97 | 33.44 | 114.43 |
| 2017 | 3.48 | 3.48 | 43.11 | 4.43 | 15.35 | 10.55 | 2.75 | 76.19 | 3.29 | 7.18 | 7.00 | 5.00 | 9.64 | 32.11 | 111.78 |
| 2018 | 3.48 | 3.48 | 41.29 | 4.43 | 15.10 | 10.55 | 2.75 | 74.12 | 3.29 | 7.18 | 7.00 | 5.00 | 11.64 | 34.11 | 111.71 |
| 2019 | 3.48 | 3.48 | 41.29 | 4.43 | 15.10 | 10.55 | 2.75 | 74.12 | 3.29 | 7.18 | 7.00 | 5.00 | 11.64 | 34.11 | 111.71 |
| 2020 | 3.72 | 3.72 | 41.79 | 4.43 | 15.00 | 10.55 | 2.75 | 74.52 | 3.29 | 7.18 | 7.00 | 5.00 | 10.14 | 32.61 | 110.85 |
| 2021 | 3.58 | 3.58 | 40.90 | 4.17 | 14.13 | 10.55 | 2.75 | 72.50 | 3.29 | 7.18 | 7.00 | 5.00 | 8.64 | 31.11 | 107.19 |
| 2022 | 3.58 | 3.58 | 41.46 | 5.00 | 14.13 | 10.55 | 2.75 | 73.89 | 3.29 | 7.18 | 7.00 | 5.00 | 8.64 | 31.11 | 108.58 |

¹Parishwide - includes all or some of the following:
Parish/Local, Dixon Sinking, Courthouse Sinking, Road Equipment/Maintenance, Drainage Tax, Council on Aging, Courthouse Maintenance, Health Unit, Library, and Assessor.

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

CITY OF DENHAM SPRINGS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago
(Unaudited)

| Name of Taxpayer | Type of Business | 2022 | | | 2013 | | |
|---|--------------------|----------------------|------|--|----------------------|------|--|
| | | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| All Star Dealership Properties | Auto Dealership | \$ 5,132,740 | 1 | 5.06% | \$ 2,706,940 | 2 | 3.39% |
| Walmart Louisiana, LLC | Retail | 2,947,530 | 2 | 2.90 | 2,832,650 | 1 | 3.55 |
| Sam's East, Inc./Real Estate Business Trust | Retail | 2,438,050 | 3 | 2.40 | 2,175,880 | 3 | 2.73 |
| Home Depot #0375 | Retail | 1,968,520 | 4 | 1.94 | 1,600,740 | 5 | 2.01 |
| Entergy Gulf States, LLC | Public Utility | 1,672,110 | 5 | 1.65 | 872,550 | 10 | 1.09 |
| First Guaranty Bank | Bank | 1,633,300 | 6 | 1.61 | | | |
| LA16 Range Ave Property Co d.b.a Harvest Manor | Nursing Home | 1,534,270 | 7 | 1.51 | | | |
| Bass Pro Outdoor World | Retail | 1,269,080 | 8 | 1.25 | 1,705,750 | 4 | 2.14 |
| Brookwood-Rushing, LLC d.b.a Life Storage | Storage Facility | 1,134,040 | 9 | 1.12 | - | - | - |
| Cox Communications Inc. | Telecommunications | 1,035,150 | 10 | 1.02 | 1,279,050 | 6 | 1.60 |
| Bellsouth/AT&T | Public Utility | - | - | - | 884,060 | 9 | 1.11 |
| Spring Park Property Owner, LLC | Public Utility | - | - | - | 897,350 | 8 | 1.12 |
| Capital One Bank | Bank | - | - | - | 1,111,280 | 7 | 1.39 |
| | | <u>\$ 20,764,790</u> | | <u>20.46%</u> | <u>\$ 16,066,250</u> | | <u>20.13%</u> |

Source: Livingston Parish Assessor's Office.

CITY OF DENHAM SPRINGS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year Ended June 30 | Total Tax Levy For Fiscal Year | Collected Within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
|------------------------------|--------------------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2013 | \$ 219,339 | \$ 213,381 | 97.28 % | \$ 2,792 | \$ 216,173 | 98.56 % |
| 2014 | 296,969 | 289,873 | 97.61 | 4,750 | 294,623 | 99.21 |
| 2015 | 319,044 | 313,950 | 98.40 | 3,173 | 317,123 | 99.40 |
| 2016 | 319,087 | 315,134 | 98.76 | 2,750 | 317,884 | 99.62 |
| 2017 | 282,235 | 272,614 | 96.59 | 3,794 | 276,408 | 97.94 |
| 2018 | 292,438 | 286,190 | 97.86 | 2,859 | 289,049 | 98.84 |
| 2019 | 296,290 | 288,765 | 97.46 | 3,549 | 292,314 | 98.66 |
| 2020 | 328,120 | 316,248 | 96.38 | 7,150 | 323,398 | 98.56 |
| 2021 | 348,391 | 337,417 | 96.85 | 8,363 | 345,780 | 99.25 |
| 2022 | 363,631 | 345,198 | 94.93 | - | 345,198 | 94.93 |

CITY OF DENHAM SPRINGS

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

LAST TEN FISCAL YEARS
(Unaudited)

| <u>Standard Industrial Classification Code</u> | <u>2013</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> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Agriculture, Forestry, and Fishing | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mining | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Construction | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Manufacturing | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Transportation and Public Utilities | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Wholesale Trade | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Other Retail Trade | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Vehicle | 23,540 | 21,423 | 21,431 | 22,165 | 53,211 | 19,640 | 17,655 | 21,875 | 27,856 | 24,819 |
| Food Stores | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Finance, Insurance, and Real Estate | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Services | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Public Administration | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

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

CITY OF DENHAM SPRINGS

RATIOS OF OUTSTANDING DEBT BY TYPELast Ten Fiscal Years

(Unaudited)

| Fiscal Year Ended June 30 | Governmental Activities | | | Business - Type Activities | | Total Primary Government | Percentage of Personal Income | Population ¹ | Per Capita |
|---------------------------------|--------------------------------|---------------------------------|------------------|----------------------------|------------------|--------------------------------|-------------------------------------|-------------------------|---------------|
| | General Obligation Bonds | Certificates of Indebtedness | Capital Lease | Revenue Bonds | Capital Lease | | | | |
| 2013 | \$ - | \$ - | \$ 72,275 | \$ 53,028,341 | \$ 229,167 | \$ 53,329,783 | N/A | 10,129 | \$ 5,265.06 |
| 2014 | - | - | 34,023 | 52,315,485 | 180,475 | 52,529,983 | N/A | 10,215 | 5,142.44 |
| 2015 | - | - | 12,085 | 53,241,999 | 130,533 | 53,384,617 | N/A | 10,251 | 5,207.75 |
| 2016 | - | - | 7,343 | 53,001,589 | 79,309 | 53,088,241 | N/A | 10,215 | 5,197.09 |
| 2017 | - | - | 1,552 | 54,782,954 | 16,754 | 54,801,260 | N/A | 10,314 | 5,313.29 |
| 2018 | - | - | - | 53,169,292 | - | 53,169,292 | N/A | 10,332 | 5,146.08 |
| 2019 | - | - | - | 51,477,555 | - | 51,477,555 | N/A | 10,327 | 4,984.75 |
| 2020 | - | - | - | 49,682,805 | - | 49,682,805 | N/A | 10,295 | 4,825.92 |
| 2021 | - | - | - | 49,436,012 | - | 49,436,012 | N/A | 10,343 | 4,779.66 |
| 2022 | - | - | - | 47,518,949 | - | 47,518,949 | N/A | 9,410 | 5,049.84 |

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

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

CITY OF DENHAM SPRINGS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Less: Amounts Available in Debt Service Fund</u> | <u>Total</u> | <u>Percentage of Estimated Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|---|--------------|---|-------------------|
| 2013 | - | - | - | N/A | N/A |
| 2014 | - | - | - | N/A | N/A |
| 2015 | - | - | - | N/A | N/A |
| 2016 | - | - | - | N/A | N/A |
| 2017 | - | - | - | N/A | N/A |
| 2018 | - | - | - | N/A | N/A |
| 2019 | - | - | - | N/A | N/A |
| 2020 | - | - | - | N/A | N/A |
| 2021 | - | - | - | N/A | N/A |
| 2022 | - | - | - | N/A | N/A |

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

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

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

CITY OF DENHAM SPRINGS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2022
(Unaudited)

| | Gross Debt Outstanding | Amounts In Debt Service Fund For Principal | Net Debt Outstanding | City of Denham Springs | |
|---|---------------------------|---|-------------------------|--|----------------------|
| | | | | Estimated Percentage Applicable ¹ | Share of Debt |
| <u>GOVERNMENTAL UNIT - Direct Debt</u> | | | | | |
| City of Denham Springs | \$ - | \$ - | \$ - | 100% | \$ - |
| <u>OTHER GOVERNMENTAL AGENCIES - Overlapping Debt</u> | | | | | |
| School District #1 | 46,690,000 | 792,957 | 45,897,043 | 30% | 13,769,113 |
| Library Bonds | 2,010,000 | 1,357,815 | 652,185 | 11% | 71,740 |
| Livingston Parish - | | | | | |
| Recreation District No. 3 | 7,890,000 | 778,767 | 7,111,233 | 38% | 2,702,269 |
| Recreation District No. 3 | 50,000 | 69,349 | (19,349) | 38% | (7,353) |
| Total Other Governmental Agencies | <u>56,640,000</u> | <u>2,998,888</u> | <u>53,641,112</u> | | <u>16,535,769</u> |
| Total Direct and Overlapping Debt | <u>\$ 56,640,000</u> | <u>\$ 2,998,888</u> | <u>\$ 53,641,112</u> | | <u>\$ 16,535,769</u> |
| 2022 Population | | | | | <u>9,410</u> |
| Per Capita | | | | | <u>\$ 1,757</u> |

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

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

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

CITY OF DENHAM SPRINGS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years
(Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Debt Limit | \$ 7,981,711 | \$ 8,240,110 | \$ 8,565,035 | \$ 8,566,085 | \$ 8,114,856 | \$ 8,408,223 | \$ 8,518,978 | \$ 8,810,942 | \$ 9,723,429 | \$ 10,148,756 |
| Total Net Debt Applicable to Limit | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | <u>\$ 7,981,711</u> | <u>\$ 8,240,110</u> | <u>\$ 8,565,035</u> | <u>\$ 8,566,085</u> | <u>\$ 8,114,856</u> | <u>\$ 8,408,223</u> | <u>\$ 8,518,978</u> | <u>\$ 8,810,942</u> | <u>\$ 9,723,429</u> | <u>\$ 10,148,756</u> |
| Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |

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

Legal Debt Margin Calculation for Fiscal Year 2022

| | |
|---|-----------------------|
| Total Assessed Value | <u>\$ 101,487,560</u> |
| Debt Limit (10% of Total Assessed Value) | \$ 10,148,756 |
| Less: Debt Applicable to Limit: General Obligation Bonds | <u>-</u> |
| Legal Debt Margin | <u>\$ 10,148,756</u> |

CITY OF DENHAM SPRINGS

PLEGGED REVENUE COVERAGELast Ten Years
(Unaudited)

| Year | Utility Revenue Bonds | | | | | | | | Special Assessment Certificates | | | |
|------|----------------------------|--------------------------------------|-----------------------|----------------------------|--------------|---------------------------|--------------|----------|---------------------------------|--------------|----------|----------|
| | Gross Revenue ¹ | Other Financial Sources ³ | Expenses ² | Available for Debt Service | Debt Service | | Total | Coverage | Special Assessment Collections | Debt Service | | Coverage |
| | | | | | Principal | Interest | | | | Principal | Interest | |
| 2013 | \$ 11,126,388 | \$ - | \$ 7,262,961 | \$ 3,863,427 | \$ 708,888 | \$ 2,425,081 ⁴ | \$ 3,133,969 | 1.23 | \$ - | \$ - | \$ - | N/A |
| 2014 | 13,210,170 | - | 8,251,027 | 4,959,143 | 758,692 | 2,400,873 | 3,159,565 | 1.57 | - | - | - | N/A |
| 2015 | 12,445,012 | - | 8,204,298 | 4,240,714 | 779,692 | 2,283,432 | 3,063,124 | 1.38 | - | - | - | N/A |
| 2016 | 11,571,657 | - | 7,107,991 | 4,463,666 | 1,331,224 | 2,104,449 | 3,435,673 | 1.30 | - | - | - | N/A |
| 2017 | 10,672,984 | - | 7,909,948 | 2,763,036 | 1,662,555 | 1,682,839 | 3,345,394 | 0.83 | - | - | - | N/A |
| 2018 | 11,224,382 | - | 7,487,609 | 3,736,773 | 1,615,000 | 1,875,240 | 3,490,240 | 1.07 | - | - | - | N/A |
| 2019 | 11,868,000 | - | 7,712,714 | 4,155,286 | 1,690,000 | 1,820,436 | 3,510,436 | 1.18 | - | - | - | N/A |
| 2020 | 11,804,060 | - | 7,418,124 | 4,385,936 | 1,740,000 | 1,756,919 | 3,496,919 | 1.25 | - | - | - | N/A |
| 2021 | 13,367,922 | - | 7,980,271 | 5,387,651 | 1,785,000 | 1,790,773 | 3,575,773 | 1.51 | - | - | - | N/A |
| 2022 | 15,172,828 | - | 8,274,356 | 6,898,472 | 1,860,000 | 1,790,573 | 3,650,573 | 1.89 | - | - | - | N/A |

¹Total Operating Revenues plus Non-Operating Revenues plus Capitalized Interest Income²Total Operating Expenses plus Non-Operating Expenses less Depreciation and Debt Service Interest on Revenue Bonds not capitalized³Transfers In⁴Interest capitalized during construction plus Debt Service Interest on Revenue Bonds not capitalized

CITY OF DENHAM SPRINGS

DEMOGRAPHIC AND ECONOMIC STATISTICSLast Ten Years
(Unaudited)

| <u>Year</u> | <u>Population¹</u> | <u>Personal Income (amounts expressed in thousands)</u> | <u>Per Capita Income²</u> | <u>Median Age⁵</u> | <u>Public School Enrollment⁴</u> | <u>Unemployment Livingston Parish³</u> | <u>Unemployment Labor Market Area³</u> |
|-------------|-------------------------------|---|--|-----------------------------------|---|---|---|
| 2013 | 10,148 | \$ 346,634 | \$ 34,158 | N/A | 25,830 | 6.9 | 7.8 |
| 2014 | 10,215 | 370,089 | 36,230 | N/A | 25,603 | 4.9 | 6.3 |
| 2015 | 10,251 | 344,885 | 33,644 | N/A | 25,845 | 5.6 | 6.5 |
| 2016 | 10,215 | 345,798 | 33,852 | N/A | 25,714 | 5.6 | 6.0 |
| 2017 | 10,314 | 282,965 | 27,435 | N/A | 25,295 | 4.9 | 5.2 |
| 2018 | 10,332 | 285,917 | 27,673 | N/A | 25,460 | 5.0 | 5.4 |
| 2019 | 10,327 | 292,853 | 28,358 | N/A | 25,712 | 4.6 | 5.0 |
| 2020 | 10,295 | 276,163 | 26,825 | 36.3 | 26,111 | 7.8 | 9.4 |
| 2021 | 10,343 | 302,160 | 29,214 | N/A | 25,900 | 4.2 | 6.0 |
| 2022 | 9,410 | 282,658 | 30,038 | N/A | 26,433 | 3.2 | 4.3 |

¹Per State Treasurer's office²Parishwide Per Capita Income Per Louisiana Department of Labor.³Per Louisiana Department of Labor.⁴Louisiana Department of Education.⁵United States Census Bureau.

N/A - Not readily available at this time.

CITY OF DENHAM SPRINGS

Principal EmployersCurrent Year and Nine Years Ago
(Unaudited)

| Employer | 2022 | | | 2013 | | |
|---------------------------------|--------------|------|---|--------------|------|---|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Livingston Parish School Board | 549 | 1 | 5.53% | 530 | 1 | 7.99% |
| Walmart | 296 | 2 | 2.98% | 316 | 3 | 4.77% |
| Keller Williams | 230 | 3 | 2.31% | | | |
| Home Depot | 170 | 4 | 1.71% | 135 | 7 | 2.04% |
| Harvest Manor | 166 | 5 | 1.67% | | | |
| City of Denham Springs | 156 | 6 | 1.57% | 181 | 5 | 2.73% |
| Sam's Club | 150 | 7 | 1.51% | 200 | 4 | 3.02% |
| Bass Pro Shops | 139 | 8 | 1.40% | 347 | 2 | 5.23% |
| All Star Automotive Dealerships | 136 | 9 | 1.37% | | | |
| B&C Sheet Metal | 99 | 10 | 1.00% | 94 | 9 | 1.42% |
| Hancock Whitney | | | | 121 | 8 | 1.82% |
| Golden Age Nursing Home | | | | 136 | 6 | 2.05% |
| Capital One Bank | | | | 75 | 10 | 1.13% |
| | <u>2,091</u> | | <u>21.05%</u> | <u>2,135</u> | | <u>32.20%</u> |

Source: Livingston Economic Development Council

CITY OF DENHAM SPRINGS

FULL-TIME EQUIVALENT CITY OF DENHAM SPRINGS EMPLOYEES BY FUNCTIONLast Ten Fiscal Years
(Unaudited)

Full-time Equivalent Employees as of June 30

| Function | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Government: | | | | | | | | | | |
| General Provisions | 14 | 14 | 12 | 10 | 15 | 16 | 16 | 16 | 16 | 11 |
| Cemetery | - | - | - | - | - | - | - | - | - | - |
| Business License and Permit | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ward II Court | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Planning and Zoning | 3 | 2 | 4 | 4 | 5 | 4 | 4 | 4 | 4 | 4 |
| Landscaping | - | - | - | - | - | - | - | - | - | - |
| Public Safety: | | | | | | | | | | |
| Animal Control | 13 | 11 | 13 | 8 | 7 | 8 | 10 | 12 | 9 | 9 |
| Firemen | 29 | 26 | 27 | 26 | 27 | 27 | 27 | 27 | 27 | 27 |
| Firemen Administrative Staff | - | 3 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Policemen | 33 | 31 | 33 | 26 | 26 | 31 | 27 | 22 | 29 | 27 |
| Police Evidence Officer | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Communications | 2 | 3 | 4 | 4 | 5 | 5 | 5 | 4 | 4 | 4 |
| Police Administrative Staff | 5 | 5 | 5 | 4 | 6 | 5 | 5 | 5 | 5 | 5 |
| Police Crossing Guards | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Litter Control | - | - | - | - | - | - | - | - | - | - |
| Public Works: | | | | | | | | | | |
| Street | 20 | 23 | 20 | 18 | 20 | 16 | 15 | 14 | 13 | 16 |
| Culture and Recreation: | | | | | | | | | | |
| Main Street Director | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Old City Hall Secretary | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Utilities: | | | | | | | | | | |
| Natural Gas, Water and Sewer | 42 | 41 | 44 | 42 | 33 | 33 | 33 | 34 | 34 | 37 |
| Motor Pool: | | | | | | | | | | |
| Mechanics | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total Full-time Equivalent | <u>170</u> | <u>168</u> | <u>173</u> | <u>154</u> | <u>157</u> | <u>157</u> | <u>154</u> | <u>151</u> | <u>154</u> | <u>153</u> |
| Total Full-time and Part-time Employees | <u>181</u> | <u>175</u> | <u>183</u> | <u>174</u> | <u>162</u> | <u>163</u> | <u>164</u> | <u>154</u> | <u>166</u> | <u>169</u> |

Note: Information provided by the City of Denham Springs.
The Mayor is an elected full-time position. This position is not included in the above schedule.

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

| | Last Ten Fiscal Years (Unaudited) | | | | | | | | | |
|---|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Government | | | | | | | | | | |
| Election Data | | | | | | | | | | |
| Registered Voters | 6,514 | 6,394 | 6,388 | 5,877 | 6,445 | 5,883 | 5,805 | 5,720 | 5,895 | 5,692 |
| Voters at polls | 2,123 | 640 | 2,407 | 1,668 | 2,933 | 1,075 | 1,977 | 2,686 | 1,602 | 454 |
| Absentee ballots | N/A | 80 | 346 | 297 | 1,137 | 212 | 388 | 1,190 | 851 | 205 |
| Percent Voting | 32.59% | 11.26% | 43.10% | 33.43% | 63.15% | 21.86% | 40.73% | 67.77% | 41.61% | 11.58% |
| Ward II Court | | | | | | | | | | |
| Court Cases | | | | | | | | | | |
| Civil | 1,746 | 1,815 | 2,478 | 1,953 | 1,207 | 1,641 | 1,880 | 1,782 | 1,876 | 1,711 |
| Criminal | 1,718 | 1,764 | 1,755 | N/A | 415 | 473 | 1,470 | 1,561 | 1,370 | 1,236 |
| Landlord and tenant (Included in Civil) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Small Claims | - | - | - | 1,103 | N/A | N/A | N/A | N/A | N/A | N/A |
| Traffic | 15,683 | 12,641 | 15,440 | 10,975 | 3,577 | 6,357 | 5,629 | 4,872 | 5,701 | 6,236 |
| Public Safety | | | | | | | | | | |
| Police Protection | | | | | | | | | | |
| Adult arrests | 853 | 880 | 936 | 885 | 683 | 1,049 | 866 | 577 | 416 | 738 |
| Civil infractions | N/A | N/A | N/A | N/A | 719 | N/A | N/A | N/A | N/A | N/A |
| Group A Offenses | 1,311 | 999 | 984 | 826 | 711 | 970 | 813 | 920 | 961 | 1,005 |
| Group B Offenses | 1,199 | 842 | 1,564 | 898 | 742 | 996 | 908 | 986 | 1,086 | 2,001 |
| Accidents w/injury | 136 | 243 | 169 | 119 | 111 | 125 | 261 | 198 | 250 | 175 |
| Juvenile arrest | 66 | 59 | 58 | 42 | 35 | 53 | 86 | 35 | 26 | 32 |
| DWI | 102 | 75 | 69 | 70 | 76 | 81 | 97 | 48 | 44 | 30 |
| Parking violations | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Criminal damage to property | 119 | 138 | 142 | 120 | 101 | 106 | 102 | 92 | 104 | 112 |
| Private property damage | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total traffic violations | 9,604 | 6,005 | 12,125 | 9,147 | 8,025 | 9,967 | 6,352 | 4,736 | 6,116 | 6,362 |
| Fire Protection | | | | | | | | | | |
| Fire | 62 | 74 | 54 | 56 | 53 | 56 | 45 | 56 | 64 | 56 |
| Estimated Loss Due to Fire Incidents Reported | \$ 491,800 | \$ 809,350 | \$ 908,700 | \$ 167,800 | \$ 665,800 | \$ 455,900 | \$ 520,550 | \$ 102,300 | \$ 196,000 | \$ 333,915 |
| Overpressure rupture, explosion, overheat (no fire) | 1 | 4 | 8 | 4 | 2 | - | 3 | 6 | 5 | 3 |
| Rescue & Emergency Medical Service Incident | 1,074 | 1,282 | 1,223 | 1,045 | 908 | 1,074 | 1,046 | 992 | 1,285 | 1,570 |
| Hazardous Condition (No Fire) | 23 | 32 | 41 | 39 | 38 | 23 | 29 | 19 | 43 | 24 |
| Service Call | 134 | 116 | 116 | 163 | 131 | 180 | 136 | 120 | 167 | 272 |
| Good Intent Call | 135 | 209 | 287 | 219 | 213 | 232 | 216 | 205 | 311 | 292 |
| False Alarm & False Call | 127 | 120 | 141 | 107 | 150 | 128 | 111 | 95 | 151 | 175 |
| Severe Weather & Natural Disaster | - | 1 | 5 | 2 | 2 | 1 | 1 | 2 | 2 | 0 |
| Special Incident Type | 2 | 3 | 6 | 1 | - | 2 | 1 | 4 | 1 | 0 |

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

| | Last Ten Fiscal Years (Unaudited) | | | | | | | | | |
|--|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Natural Gas Services | | | | | | | | | | |
| Customers | 6,274 | 6,325 | 6,362 | 6,410 | 5,816 | 5,991 | 6,140 | 6,252 | 6,369 | 6,509 |
| Inside - Residential | 2,179 | 2,168 | 2,132 | 2,144 | 1,762 | 1,800 | 1,856 | 1,886 | 1,885 | 1,901 |
| Inside - Commercial/Industrial | 255 | 254 | 262 | 259 | 228 | 233 | 227 | 233 | 233 | 240 |
| Outside - Residential | 3,765 | 3,824 | 3,887 | 3,923 | 3,745 | 3,878 | 3,979 | 4,053 | 4,166 | 4,269 |
| Outside - Commercial/Industrial | 75 | 79 | 81 | 84 | 81 | 80 | 78 | 80 | 85 | 99 |
| Natural Gas (in million cubic feet (MCF)) | | | | | | | | | | |
| Purchased from LA Municipal Gas Authority (LMGA) | 278,445 | 321,867 | 302,169 | 242,638 | 183,224 | 258,735 | 252,373 | 229,570 | 265,268 | 258,408 |
| Sold to customers | 266,238 | 342,111 | 287,104 | 266,666 | 182,691 | 257,962 | 270,904 | 231,953 | 270,463 | 288,388 |
| Rates | | | | | | | | | | |
| All customers inside and outside the city | | | | | | | | | | |
| Minimum monthly charge | \$ 8.25 | \$ 8.32 | \$ 8.48 | \$ 8.41 | \$ 8.48 | \$ 8.66 | \$ 8.86 | \$ 9.05 | - | - |
| Monthly gas rate - cost of gas plus .99 cents per CCF (hundred cubic feet) | eff. 3-1-13 | eff. 7-1-13 | eff. 7-1-14 | eff. 7-1-15 | eff. 7-1-16 | eff. 7-1-17 | eff. 7-1-18 | eff. 7-1-19 | - | - |
| New Rate Structure (effective 1-1-21) | | | | | | | | | | |
| Residential inside city limits | | | | | | | | | | |
| Minimum monthly charge | - | - | - | - | - | - | - | - | \$ 10.50 | \$ 10.99 |
| Amount above cost of gas (per CCF) | - | - | - | - | - | - | - | - | \$ 0.99 | \$ 1.04 |
| Residential outside city limits | | | | | | | | | | |
| Minimum monthly charge | - | - | - | - | - | - | - | - | \$ 11.50 | \$ 12.04 |
| Amount above cost of gas (per CCF) | - | - | - | - | - | - | - | - | \$ 1.09 | \$ 1.14 |
| Commercial inside city limits | | | | | | | | | | |
| Minimum monthly charge | - | - | - | - | - | - | - | - | \$ 15.00 | \$ 15.70 |
| Amount above cost of gas (per CCF) | - | - | - | - | - | - | - | - | \$ 0.89 | \$ 0.93 |
| Commercial outside city limits | | | | | | | | | | |
| Minimum monthly charge | - | - | - | - | - | - | - | - | \$ 16.00 | \$ 16.75 |
| Amount above cost of gas (per CCF) | - | - | - | - | - | - | - | - | \$ 0.99 | \$ 1.04 |
| Hotels | | | | | | | | | | |
| Minimum monthly charge | - | - | - | - | - | - | - | - | \$ 25.00 | \$ 26.17 |
| Amount above cost of gas (per CCF) | - | - | - | - | - | - | - | - | \$ 0.88 | \$ 0.92 |
| Water Services | | | | | | | | | | |
| Customers | 8,370 | 8,470 | 8,606 | 8,645 | 8,095 | 8,305 | 8,556 | 8,754 | 8,961 | 9,174 |
| Inside - Residential | 3,950 | 3,943 | 3,927 | 3,914 | 3,535 | 3,605 | 3,668 | 3,731 | 3,766 | 3,777 |
| Inside - Commercial/Industrial | 268 | 275 | 286 | 290 | 285 | 291 | 296 | 300 | 301 | 312 |
| Outside - Residential | 3,941 | 4,029 | 4,153 | 4,184 | 4,004 | 4,121 | 4,303 | 4,426 | 4,584 | 4,765 |
| Outside - Commercial/Industrial | 211 | 223 | 240 | 257 | 271 | 288 | 289 | 297 | 310 | 320 |
| Contracted Service - Shadow Springs Utility System, Inc. | - | - | - | - | - | - | - | - | - | - |

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

| | Last Ten Fiscal Years (Unaudited) | | | | | | | | | |
|---|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Water (per hundred gallons) | | | | | | | | | | |
| Sold to customers | 8,156,525 | 7,892,791 | 7,576,086 | 7,693,095 | 8,750,638 | 7,070,081 | 6,871,623 | 7,139,045 | 7,336,816 | 7,471,142 |
| Rates (amount billed customers) | | | | | | | | | | |
| Inside the corporate limits | | | | | | | | | | |
| For the first 2,500 gallons monthly minimum charge based on meter size - Refer to meter chart (A) | | | | | | | | | | |
| For every 1,000 gallons or part thereof next 5,500 gallons | \$ 2.25 | \$ 2.27 | \$ 2.31 | \$ 2.29 | \$ 2.31 | \$ 2.36 | \$ 2.41 | \$ 2.46 | \$ 2.46 | \$ 2.58 |
| For every 1,000 gallons or part thereof next 17,000 gallons | \$ 2.10 | \$ 2.12 | \$ 2.16 | \$ 2.14 | \$ 2.16 | \$ 2.21 | \$ 2.26 | \$ 2.31 | \$ 2.31 | \$ 2.42 |
| For every 1,000 gallons or part thereof all over 25,000 gallons | \$ 1.95 | \$ 1.97 | \$ 2.01 | \$ 1.99 | \$ 2.01 | \$ 2.05 | \$ 2.10 | \$ 2.15 | \$ 2.15 | \$ 2.25 |
| Flat fee for filling of swimming pool or tank truck from fire hydrant by authorized personnel | \$ 75.00 | \$ 75.64 | \$ 77.12 | \$ 76.48 | \$ 77.11 | \$ 78.76 | \$ 80.61 | \$ 82.37 | \$ 82.43 | \$ 86.30 |
| Chart (A) - Monthly minimum charge | | | | | | | | | | |
| 5/8 inch | \$ 11.75 | \$ 11.85 | \$ 12.08 | \$ 11.98 | \$ 12.08 | \$ 12.34 | \$ 12.63 | \$ 12.91 | \$ 12.92 | \$ 13.53 |
| 3/4 inch | \$ 14.10 | \$ 14.22 | \$ 14.50 | \$ 14.38 | \$ 14.50 | \$ 14.81 | \$ 15.16 | \$ 15.49 | \$ 15.50 | \$ 16.23 |
| 1 inch | \$ 20.15 | \$ 20.32 | \$ 20.72 | \$ 20.55 | \$ 20.72 | \$ 21.16 | \$ 21.66 | \$ 22.13 | \$ 22.15 | \$ 23.19 |
| 1 1/2 inch | \$ 35.15 | \$ 35.45 | \$ 36.15 | \$ 35.85 | \$ 36.15 | \$ 36.92 | \$ 37.79 | \$ 38.61 | \$ 38.64 | \$ 40.46 |
| 2 inch | \$ 53.30 | \$ 53.75 | \$ 54.81 | \$ 54.36 | \$ 54.81 | \$ 55.98 | \$ 57.29 | \$ 58.54 | \$ 58.58 | \$ 61.33 |
| 3 inch | \$ 96.25 | \$ 97.07 | \$ 98.98 | \$ 98.16 | \$ 98.97 | \$ 101.09 | \$ 103.46 | \$ 105.71 | \$ 105.79 | \$ 110.76 |
| 4 inch | \$ 157.20 | \$ 158.54 | \$ 161.65 | \$ 160.32 | \$ 161.65 | \$ 165.11 | \$ 168.97 | \$ 172.65 | \$ 172.78 | \$ 180.90 |
| 6 inch | \$ 308.80 | \$ 311.43 | \$ 317.55 | \$ 314.93 | \$ 317.54 | \$ 324.33 | \$ 331.93 | \$ 339.16 | \$ 339.41 | \$ 355.36 |
| 8 inch | \$ 612.25 | \$ 617.47 | \$ 629.59 | \$ 624.40 | \$ 629.57 | \$ 643.04 | \$ 658.10 | \$ 672.43 | \$ 672.92 | \$ 704.53 |
| Outside the corporate limits | | | | | | | | | | |
| For the first 2,500 gallons monthly minimum charge based on meter size - Refer to meter chart (B) | | | | | | | | | | |
| For every 1,000 gallons or part thereof next 5,500 gallons | \$ 2.25 | \$ 2.27 | \$ 2.31 | \$ 2.29 | \$ 2.31 | \$ 2.36 | \$ 2.41 | \$ 2.46 | \$ 2.46 | \$ 2.58 |
| For every 1,000 gallons or part thereof next 17,000 gallons | \$ 2.10 | \$ 2.12 | \$ 2.16 | \$ 2.14 | \$ 2.16 | \$ 2.21 | \$ 2.26 | \$ 2.31 | \$ 2.31 | \$ 2.42 |
| For every 1,000 gallons or part thereof all over 25,000 gallons | \$ 1.95 | \$ 1.97 | \$ 2.01 | \$ 1.99 | \$ 2.01 | \$ 2.05 | \$ 2.10 | \$ 2.15 | \$ 2.15 | \$ 2.25 |
| Flat fee for filling of swimming pool or tank truck from fire hydrant by authorized personnel | \$ 75.00 | \$ 75.64 | \$ 77.12 | \$ 76.48 | \$ 77.11 | \$ 78.76 | \$ 80.61 | \$ 82.37 | \$ 82.43 | \$ 86.30 |

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

| | Last Ten Fiscal Years (Unaudited) | | | | | | | | | |
|--|--------------------------------------|------------------|---------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Chart (B) - Monthly minimum charge | | | | | | | | | | |
| 5/8 inch | \$ 12.25 | \$ 12.35 | \$ 12.60 | \$ 12.50 | \$ 12.60 | \$ 12.87 | \$ 13.17 | \$ 13.46 | \$ 13.47 | \$ 14.10 |
| 3/4 inch | \$ 15.90 | \$ 16.04 | \$ 16.35 | \$ 16.22 | \$ 16.35 | \$ 16.70 | \$ 17.10 | \$ 17.47 | \$ 17.48 | \$ 18.30 |
| 1 inch | \$ 23.15 | \$ 23.35 | \$ 23.81 | \$ 23.61 | \$ 23.81 | \$ 24.32 | \$ 24.89 | \$ 25.43 | \$ 25.45 | \$ 26.65 |
| 1 1/2 inch | \$ 41.20 | \$ 41.55 | \$ 42.37 | \$ 42.02 | \$ 42.37 | \$ 43.28 | \$ 44.29 | \$ 45.25 | \$ 45.28 | \$ 47.41 |
| 2 inch | \$ 62.95 | \$ 63.49 | \$ 64.73 | \$ 64.20 | \$ 64.73 | \$ 66.11 | \$ 67.66 | \$ 69.13 | \$ 69.18 | \$ 72.43 |
| 3 inch | \$ 114.50 | \$ 115.48 | \$ 117.74 | \$ 116.77 | \$ 117.74 | \$ 120.26 | \$ 123.07 | \$ 125.75 | \$ 125.84 | \$ 131.75 |
| 4 inch | \$ 187.60 | \$ 189.20 | \$ 192.91 | \$ 191.32 | \$ 192.90 | \$ 197.03 | \$ 201.65 | \$ 206.04 | \$ 206.19 | \$ 215.88 |
| 6 inch | \$ 369.55 | \$ 372.65 | \$ 379.97 | \$ 376.84 | \$ 379.96 | \$ 388.09 | \$ 397.18 | \$ 405.83 | \$ 406.13 | \$ 425.21 |
| 8 inch | \$ 733.70 | \$ 739.96 | \$ 754.48 | \$ 748.26 | \$ 754.46 | \$ 770.60 | \$ 788.65 | \$ 805.83 | \$ 806.42 | \$ 844.30 |
| Sewer Services | | | | | | | | | | |
| Customers | 5,719 | 5,262 | 5,256 | 5,258 | 4,832 | 4,947 | 5,025 | 5,085 | 5,127 | 5,172 |
| Inside - Residential | 3,278 | 3,264 | 3,257 | 3,252 | 2,951 | 3,014 | 3,069 | 3,121 | 3,141 | 3,159 |
| Inside - Commercial/Industrial | 653 | 654 | 654 | 657 | 614 | 629 | 628 | 632 | 634 | 648 |
| Outside - Residential | 1,301 | 1,322 | 1,324 | 1,325 | 1,245 | 1,280 | 1,305 | 1,309 | 1,329 | 1,342 |
| Outside - Commercial/Industrial | 22 | 22 | 21 | 24 | 22 | 24 | 23 | 23 | 23 | 23 |
| Contracted Services-LP Sewer District #1 and #2 | 465 | 471 | 474 | 470 | 456 | 463 | 507 | 563 | 600 | 663 |
| Denham Springs Sewerage District #1 | 2,089 | 2,147 | 2,237 | 2,332 | 2,234 | 2,307 | 2,411 | 2,472 | 2,593 | 2,679 |
| Rates (amount billed customers) | | | | | | | | | | |
| (The City of Denham Springs and Denham Springs Sewerage District #1 use the same rate tables) | | | | | | | | | | |
| Residential customers inside the city | | | | | | | | | | |
| Monthly flat fee and | \$ 10.00 | \$ 10.09 | \$ 10.28 | \$ 10.20 | \$ 10.28 | \$ 10.50 | \$ 10.75 | \$ 10.98 | \$ 10.99 | \$ 11.51 |
| % of water consumption per 100 gallons | 25% | 25.21% | 25.71% | 26% | 26% | 26% | 27% | 27% | 27% | 29% |
| Residential customers outside the city | | | | | | | | | | |
| Monthly flat fee and | \$ 12.00 | \$ 12.10 | \$ 12.37 | \$ 12.24 | \$ 12.37 | \$ 12.60 | \$ 12.90 | \$ 13.18 | \$ 13.19 | \$ 13.81 |
| % of water consumption per 100 gallons | 25% | 25.21% | 25.71% | 26% | 26% | 26% | 27% | 27% | 27% | 29% |
| Commercial customers inside the city | | | | | | | | | | |
| Hotels/Motels | | | | | | | | | | |
| Monthly flat fee of \$10.99 based on number of rooms and % of water consumption per 100 gal. | 444 Rooms 25% | 444 Rooms 25% | 513 Rooms 25.21% | 513 Rooms 25.71% | 513 Rooms 26% | 517 Rooms 26% | 517 Rooms 26% | 517 Rooms 27% | 517 Rooms 27% | 517 Rooms 29% |

(CONTINUED)

CITY OF DENHAM SPRINGS

OPERATING INDICATORS BY FUNCTION

| | Last Ten Fiscal Years (Unaudited) | | | | | | | | | |
|--|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| All other commercial customers inside the city | | | | | | | | | | |
| Monthly flat fee based on commercial business zone and | | | | | | | | | | |
| Zone C-1 \$21.50 | 28 | 28 | 26 | 28 | 25 | 25 | 25 | 24 | 24 | 23 |
| Zone C-2 \$26.88 | 35 | 36 | 37 | 37 | 34 | 37 | 36 | 36 | 36 | 36 |
| Zone C-3 \$32.25 | 401 | 402 | 403 | 404 | 378 | 387 | 395 | 396 | 397 | 406 |
| Zone C-4 \$37.62 | 43 | 42 | 43 | 40 | 37 | 41 | 37 | 37 | 36 | 39 |
| Zone I-1 and I-2 \$42.99 | 33 | 33 | 32 | 35 | 35 | 32 | 32 | 32 | 32 | 34 |
| 27% of water consumption | | | | | | | | | | |
| per 100 gallons (Month Avg. 33,007) | 25% | 25.21% | 25.71% | 26% | 26% | 26% | 27% | 27% | 27% | 29% |
| RIRZ | 25 | 26 | 25 | 24 | 21 | 21 | 22 | 24 | 24 | 25 |
| Commercial customers outside the city | | | | | | | | | | |
| Hotels/Motels | | | | | | | | | | |
| Monthly flat fee of \$13.18 based on number of | None | None | None | None | None | None | None | None | None | None |
| rooms and % of water consumption per 100 gal. | 25% | 25.21% | 25.71% | 26% | 26% | 26% | 27% | 27% | 27% | 29% |
| All other commercial customers outside the city | | | | | | | | | | |
| Monthly flat fee and | Included w/ | Included w/ | Included w/ | Included w/ | Included w/ | Included w/ | Included w/ | Included w/ | \$ 32.97 | \$ 34.52 |
| % of water consumption per 100 gallons | inside City | inside City | inside City | inside City | inside City | inside City | inside City | inside City | 27% | 29% |
| Sanitation Services | | | | | | | | | | |
| Customers | 3,574 | 3,579 | 3,565 | 3,573 | 3,180 | 3,238 | 3,306 | 3,361 | 3,384 | 3,402 |
| Inside - Residential | 3,414 | 3,422 | 3,405 | 3,413 | 3,032 | 3,087 | 3,154 | 3,210 | 3,232 | 3,235 |
| Inside - Commercial/Industrial | 160 | 157 | 160 | 160 | 148 | 151 | 152 | 151 | 152 | 167 |
| Sanitation Service Contracted Rates - | | | | | | | | | | |
| Monthly per Customer | | | | | | | | | | |
| Twice Weekly Pickup and Weekly | | | | | | | | | | |
| Pickup of Recycling | \$ 18.00 | \$ 18.00 | \$ 18.34 | \$ 18.20 | \$ 18.20 | \$ 18.20 | \$ 19.12 | \$ 19.30 | \$ 22.20 | \$ 25.82 |
| Rates (amount billed customers) | | | | | | | | | | |
| Inside - Residential | \$ 18.00 | \$ 18.00 | \$ 18.34 | \$ 18.20 | \$ 18.20 | \$ 18.20 | \$ 19.12 | \$ 19.30 | \$ 22.20 | \$ 25.82 |
| Inside - Commercial/Industrial | \$ 18.00 | \$ 18.00 | \$ 18.34 | \$ 18.20 | \$ 18.20 | \$ 18.20 | \$ 19.12 | \$ 19.30 | \$ 22.20 | \$ 25.82 |
| Inside - Senior Citizens | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 |

Sources:

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

CITY OF DENHAM SPRINGS

CAPITAL ASSET STATISTICS BY FUNCTION

(Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Government | | | | | | | | | | |
| Buildings | | | | | | | | | | |
| Municipal (City Hall, Ward II Court and Ward II Marshall) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Safety | | | | | | | | | | |
| Police Protection | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles - Marked | 31 | 32 | 32 | 30 | 32 | 37 | 35 | 34 | 32 | 32 |
| Vehicles - Unmarked | 10 | 10 | 10 | 7 | 6 | 8 | 10 | 10 | 12 | 10 |
| Motorcycles - Marked | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Fire Protection | | | | | | | | | | |
| Administrative Office | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Vehicles - Extinguishment | 6 | 6 | 6 | 6 | 5 | 7 | 6 | 5 | 5 | 5 |
| Vehicles - Emergency Medical | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - |
| Public Works | | | | | | | | | | |
| Streets and Sidewalks | | | | | | | | | | |
| Miles of City: | | | | | | | | | | |
| Primary streets (State and Federal) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Secondary streets (City) | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 | 45.3 |
| Sidewalks | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Bridges | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Buildings | 2 | 2 | 2 | 2 | 2 | 3 | 1 | 1 | 1 | 1 |
| Street Lights: | | | | | | | | | | |
| Residential | 652 | 652 | 652 | 613 | 613 | 613 | 613 | 613 | 613 | 613 |
| Street and Highway | 284 | 284 | 284 | 343 | 343 | 343 | 343 | 343 | 343 | 343 |
| Security Light | 2 | 2 | 2 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Vehicles | 17 | 19 | 19 | 19 | 20 | 21 | 21 | 22 | 23 | 23 |
| Natural Gas, Water and Sewer Services | | | | | | | | | | |
| Fire Hydrants | 1,408 | 1,410 | 1,415 | 1,415 | 1,418 | 1,420 | 1,434 | 1,432 | 1,432 | 1,434 |
| Miles of natural gas mains | 180 | 180 | 189 | 189 | 191 | 191 | 191 | 193 | 193 | 195 |
| Miles of water mains | 148 | 148 | 150 | 150 | 150 | 150 | 153 | 153 | 153 | 156 |
| Miles of sanitary sewer: | | | | | | | | | | |
| City of Denham Springs | 68 | 68 | 68 | 68 | 69 | 69 | 69 | 69 | 69 | 69 |
| Denham Springs Sewerage District #1 | 38 | 38 | 38 | 38 | 39 | 40 | 43 | 43 | 43 | 44 |
| Number of sewer pumping stations: | | | | | | | | | | |
| City of Denham Springs | 39 | 39 | 39 | 39 | 36 | 36 | 36 | 36 | 37 | 37 |
| Denham Springs Sewerage District #1 | 43 | 43 | 44 | 44 | 48 | 49 | 52 | 52 | 52 | 52 |
| Type of sewer treatment system | Mechanical System | Mechanical System | Mechanical System | Mechanical System | Mechanical System | Mechanical System | Mechanical System | Mechanical System | Mechanical System | Mechanical System |
| Recreation and Culture | | | | | | | | | | |
| Parks and Recreation | | | | | | | | | | |
| Acres | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Developed Parks (Spring, Train Station, Willow & Old City Hall) | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 |
| Buildings (Spring, Train Station, and Old City Hall) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |

Sources:

Number of Street Lights - Entergy

Fire Hydrants and Miles of Water Mains - City of Denham Springs Water Department

Sewer Lines, Pumping Stations, and Type of Sewer Treatment System - City of Denham Springs Sewer Department

Miles of Gas Mains - City of Denham Springs Gas Department

All Other Information - City of Denham Springs Accounting and Administrative Departments

CITY OF DENHAM SPRINGS, LOUISIANA

REPORTS AND SCHEDULES

JUNE 30, 2022

CITY OF DENHAM SPRINGS, LOUISIANA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Denham Springs, Louisiana's basic financial statements and have issued our report thereon dated December 30, 2022. We also have audited the financial statements of the City's nonmajor internal service fund and each of the governmental funds presented in the combining financial statements as of and for the year ended June 30, 2022. Our report includes a reference to another auditor who audited the financial statements of certain discretely presented component units, as described in our report on the City of Denham Springs, Louisiana's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 30, 2022

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

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Denham Springs’s (“the City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2022 . The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Denham Springs complied, in all material respects, with the 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 June 30, 2022

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We also have audited the financial statements of the City's nonmajor internal service fund and each of the governmental funds presented in the combining financial statements as of and for the year ended June 30, 2022. Our report also includes a reference to another auditor who audited the financial statements of certain discretely presented component units, as described in our report on the City's financial statements. We issued our report thereon dated December 30, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose; however, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 30, 2022

CITY OF DENHAM SPRINGS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

| <u>Federal Grantor/ Pass - Through Grantor/ Program Name</u> | <u>Assistance Listing Number</u> | <u>Agency or Pass-Through Number</u> | <u>Federal Expenditures</u> |
|--|--|--|---------------------------------|
| <u>Federal Grants</u> | | | |
| <u>United States Department of Housing and Urban Development</u> | | | |
| Passed Through Louisiana Office of Community Development: | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | N/A | \$ <u>18,133</u> |
| Total United States Department of Housing and Urban Development | | | 18,133 |
| <u>United States Department of Transportation</u> | | | |
| Passed Through Louisiana Department of Transportation and Development: | | | |
| Highway Planning and Construction [1] | 20.205 | N/A | 37,001 |
| Passed Through Louisiana Highway Safety Commission: | | | |
| National Priority Safety Programs [2] | 20.616 | N/A | <u>5,556</u> |
| Total United States Department of Transportation | | | 42,557 |

(CONTINUED)

| <u>Federal Grantor/ Pass - Through Grantor/ Program Name</u> | <u>Assistance Living Number</u> | <u>Agency or Pass-Through Number</u> | <u>Federal Expenditures</u> |
|--|---|--|---------------------------------|
| <u>United States Department of Homeland Security</u> | | | |
| Passed Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness: | | | |
| Disaster Grant - Public Assistance – Debris Removal | 97.036 | N/A | 1,177,366 |
| Disaster Grant - Public Assistance – Public Buildings and Contents | 97.036 | N/A | 159,927 |
| Disaster Grant - Public Assistance – Permanent Water Control Facilities | 97.036 | N/A | 5,260 |
| Disaster Grant - Public Assistance – Permanent Utility Repair Projects | 97.036 | N/A | 486,656 |
| Disaster Grant - Public Assistance – Emergency Protective Measures | 97.036 | N/A | 39,436 |
| Disaster Grant – Public Assistance – Management Costs | 97.036 | N/A | 1,547 |
| Hazard Mitigation Grant | 97.039 | N/A | <u>413,658</u> |
| Total United States Department of Homeland Security | | | <u>2,283,850</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,344,540</u> |

[1] Highway Planning and Construction Cluster – Total \$37,001

[2] Highway Safety Cluster - Total \$5,556

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

CITY OF DENHAM SPRINGS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

Note A - Significant Accounting Policies -

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

Note B - Indirect Cost Rate Election -

The City did not elect to use the 10% de minimis indirect cost rate during the year ended June 30, 2022.

Note C - Sub-Receipts -

The City did not pass thru any federal awards to any sub-recipients during the year ended June 30, 2022.

CITY OF DENHAM SPRINGS

SCHEDULE OF FINDINGS AND QUESTIONED COST

FOR THE YEAR ENDED JUNE 30, 2022

A. Summary of Auditor’s Results

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

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

| | | |
|---|-----------------------|----------------------------|
| • Material weaknesses identified? | <u> </u> Yes | <u> x </u> No |
| • Significant deficiencies identified? | <u> </u> Yes | <u> x </u> None Reported |
| Noncompliance material to financial statements noted? | <u> </u> Yes | <u> x </u> No |

Federal Awards

Internal control over major programs:

| | | |
|--|-----------------------|----------------------------|
| • Material weaknesses identified? | <u> </u> Yes | <u> x </u> No |
| • Significant deficiencies identified? | <u> </u> Yes | <u> x </u> 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 2 CFR 200.516(a)? | <u> </u> Yes | <u> x </u> No |
|--|-----------------------|-----------------|

The following program was tested as a major program:

| | |
|--|--|
| <u>Federal Grantor/ Pass - Through Grantor/ Program Name</u> | <u>Assistance Listing Number</u> |
|--|--|

United States Department of Homeland Security

Passed Through Louisiana Governor’s Office of
Homeland Security and Preparedness:
Disaster Grant – Public Assistance

97.036

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

CITY OF DENHAM SPRINGS

SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2022

B. Findings – Financial Reporting-

1. Internal Control Over Financial Reporting

None.

2. Compliance and Other Matters

None

C. Findings - Federal Awards Programs

1. Internal Control Over Compliance of Federal Awards

None.

2. Compliance

None

CITY OF DENHAM SPRINGS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2022

A. Findings - Internal Control Over Financial Reporting

None.

B. Findings - Compliance and Other Matters

None.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

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

Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by City of Denham Springs (the City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2022. The City's management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. 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 exceptions are as follows:

Written Policies and Procedures

1. 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget. – **No Exceptions.**
 - b) ***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.

Exception- The City does have written policies and procedures for purchasing but it does not specifically address how vendors are added to the vendor list.

- c) **Disbursements**, including processing, reviewing, and approving. – **No exceptions.**
- d) **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.**
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules. – **No exceptions.**
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Exception – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Exception – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address credit cards. Although the written procedures do not specifically address credit cards, purchases are required to go through approval processes for disbursements and checks require two signatures.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. – **No exceptions.**
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity’s ethics policy.

Exception – The City does have written policies and procedures but the written policies do not address item (4).

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

Exception – The City does have written policies and procedures for purchasing and disbursements but policies do not specifically address debt service.

- k) **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. –

Exception – The City does not have written policies and procedures that specifically items (1) through (6). Although the City does not have formal written policies and procedures on the above items, they do have informal procedures in place.

- 1) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting. –

Exception – The city does have written policies and procedures on sexual harassment, but the policies do not specifically address (2) annual employee training and (3) annual reporting.

Board or Finance Committee

2. 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:
 - a) 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.**
 - b) 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.**
 - c) 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.**

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) 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.**
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and – **No exceptions.**
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable. – **No exceptions.**

Collections (excluding electronic funds transfers)

4. 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.**
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers. – **No exceptions.**
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit. – **No exceptions.**
 - c) 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.**
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation. – **No exceptions.**
6. 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 enforced during the fiscal period. – **No exceptions.**
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered. – **No exceptions.**
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip. – **No exceptions.**
 - c) Trace the deposit slip total to the actual deposit per the bank statement. – **No exceptions.**
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer). – **No exceptions.**
 - e) Trace the actual deposit per the bank statement to the general ledger. – **No exceptions.**

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. 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.**
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. – **No exceptions.**
 - b) At least two employees are involved in processing and approving payments to vendors. – **No exceptions.**
 - c) 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.**

- d) 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.**
10. For each location selected under #8 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: – **No exceptions.**
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity. – **No exceptions.**
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable. – **No exceptions.**

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.**
12. 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:
- a) 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.**
- b) Observe that finance charges and late fees were not assessed on the selected statements. – **No exceptions.**
13. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny. – **No exceptions.**

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. 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, 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:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov). – **No exceptions.**
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased. – **No exceptions.**
- c) Observe 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 policy (procedure #1h). – **No exceptions.**
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement. – **No exceptions.**

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) 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.**
 - b) 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.**
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented). – **No exceptions.**
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract. – **No exceptions.**

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files. – **No exceptions.**
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.) – **No exceptions.**
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials. – **No exceptions.**

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records. – **No exceptions.**
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file. – **No exceptions.**
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy. – **No exceptions.**
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines. – **No exceptions.**

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. – **No exceptions.**
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable. – **No exceptions.**

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued. – **No exceptions.**
22. 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.**

Fraud Notice

23. 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. – **Note:** There were no misappropriations of public funds nor of assets noted during the fiscal period.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. – **No exceptions.**

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported. – **We performed the procedure and discussed the results with management.**
 - b) 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.**
 - c) 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.**

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, 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. – **No exceptions.**
27. 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.**
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344: – **No exceptions.**
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

No exceptions.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Respectfully submitted,

Hannis T. Bourgeois, LLP

Denham Springs, Louisiana
December 30, 2022

MAYOR
GERARD LANDRY

MAYOR PRO-TEMPORE
LORI LAMM-WILLIAMS

CITY CLERK
JOAN LEBLANC



City of Denham Springs

CITY COUNCIL
AMBER DUGAS
LORI LAMM-WILLIAMS
ROBERT POOLE
LAURA SCHMITT SMITH
JEFF WESLEY

December 28, 2022

Hannis T. Bourgeios, LLP
178 Del Orleans
Suite C
Denham Springs, LA 70726

Agreed-Upon Procedures Exceptions
Management Response:

Written Policies and Procedures

1.b(2) Purchasing – How vendors are added to the vendor list.

Exception – The City does have written policies and procedures for purchasing but it does not specifically address how vendors are added to the vendor list.

Response – The City will update the purchasing policies to include procedures for adding new vendors.

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

Exception - The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address contracting.

Response – The City will consider adopting a written policy for contracts.

1.g. Credit Cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.

Exception – The City does have written policies and procedures for purchasing and disbursements but the policies do not specifically address credit cards. Although the written procedures do not specifically address credit cards, purchases are required to go through approval processes for disbursements and checks require two signatures.

Response – The City will update the policies to address credit card usage.

1.i(4) Ethics – a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Exception – The City does have written policies and procedures but the written policies do not address item (4).

Response – The City will update it's written policies to include how employees are notified of any changes to the entity's ethics policy.

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

Exception – The City does have written policies and procedures for purchasing and disbursements but policies do not specifically address debt service.

Response – The City will review policies and consider policy updates to address debt service.

1.k. 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.

Exception – The City does not have written policies and procedures that specifically address Disaster Recovery/Business Continuity.

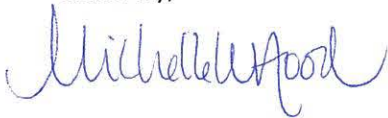
Response – The City will draft a disaster recovery policy.

1.l. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception – The City does have written policies and procedures on sexual harassment, but the policies do not specifically address (2) annual employee training and (3) annual reporting.

Response – The City will update it's written policies to include training and reporting requirements.

Sincerely,



Michelle W. Hood
City Treasurer